



Annual Comprehensive Financial Report

City of Montgomery,
Ohio

For the year ended December 31, 2021



CITY OF

MONTGOMERY

A CHARMING PAST. A GLOWING FUTURE.

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2021

Issued by:
Department of Finance
Katie Smiddy
Director



CITY OF

MONTGOMERY

A CHARMING PAST. A GLOWING FUTURE.

TABLE OF CONTENTS

HAMILTON COUNTY, OHIO

I **INTRODUCTORY SECTION**

A Letter of Transmittalv
B List of Principal Officialsxv
C City Organizational Chartxvi
D Certificate of Achievement for Excellence in Financial Reportingxvii

II **FINANCIAL SECTION**

A Independent Auditor’s Report..... 1
B Management’s Discussion and Analysis.....5
C Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Position 16
 Statement of Activities 18
 Fund Financial Statements:
 Governmental Funds:
 Balance Sheet20
 Reconciliation of Total Governmental Fund Balances to Net Position of
 Governmental Activities.....22
 Statement of Revenues, Expenditures and Changes in Fund Balances24
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities.....26
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual (Non-GAAP Budgetary Basis):
 General Fund28
 Fire Protection / EMS Fund.....29
 Fiduciary Funds:
 Statement of Net Position30
 Statement of Changes in Net Position.....31
 Notes to the Basic Financial Statements.....32

D Required Supplementary Information:

Schedule of City’s Proportionate Share of the Net Pension Liability.....	82
Schedule of City Pension Contributions.....	84
Schedule of City’s Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability	86
Schedule of City’s Other Postemployment Benefit (OPEB) Contributions	88
Notes to the Required Supplementary Information	90

E Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Financial Statements:

Combining Balance Sheet.....	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	101
Combining Balance Sheet – Nonmajor Special Revenue Funds	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	106
Combining Balance Sheet – Nonmajor Debt Service Funds	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	111
Combining Balance Sheet – Nonmajor Capital Projects Funds	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	114

Individual Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):

Major Governmental Funds:

<i>General Fund</i>	116
<i>Special Revenue Fund:</i>	
Fire Protection / EMS Fund.....	120
<i>Debt Service Fund:</i>	
General Obligation Bond Retirement Fund.....	121
Vintage Club Tax Increment Fund	122
<i>Capital Projects Fund:</i>	
Montgomery Quarter Construction Fund	123

Nonmajor Governmental Funds:

Special Revenue Funds:

Compensated Absences Fund.....	124
Memorial Fund.....	125
Parks and Recreation Fundraising Fund.....	126
Law Enforcement Fund.....	127
Drug Law Enforcement Fund.....	128
DUI Enforcement and Education Fund.....	129
Mayor’s Court Technology Fund.....	130
Community Oriented Policing Services (COPS) Grant Fund.....	131
Law Enforcement Assistance Fund.....	132
Environmental Impact Tax Fund.....	133
Street Construction, Maintenance and Repair Fund.....	134
State Highway Fund.....	135
Permissive Motor Vehicle License Fund.....	136
Municipal Pool Fund.....	137
Cemetery Fund.....	138
Contractor Deposits Fund.....	139
American Rescue Plan Act (ARPA) Fund.....	140
Unclaimed Monies Fund.....	141
Federal Emergency Management Agency (FEMA) Fund.....	142

Debt Service Funds:

Special Assessment Bond Retirement Fund.....	143
Vintage Club North Tax Increment Fund.....	144
Reserve of Montgomery Bond Retirement Fund.....	145
Montgomery Quarter Tax Increment Fund.....	146

Capital Projects Funds:

Capital Improvement Fund.....	147
Downtown Improvement Fund.....	148
Triangle Tax Increment Fund.....	149
Montgomery Quarter Roundabout Fund.....	150
Heritage District Fund.....	151
Vintage Club Capital Improvement Fund.....	152

Permanent Fund:

Arts and Amenities Fund.....	153
------------------------------	-----

Fiduciary Funds – Custodial Funds:

Combining Statement of Net Position.....	156
Combining Statement of Changes in Net Position.....	157

III

STATISTICAL SECTION

Net Position by Component - Last Ten Years S 2

Changes in Net Position - Last Ten Years..... S 4

Fund Balances, Governmental Funds - Last Ten Years S 8

Changes in Fund Balances, Governmental Funds - Last Ten Years S 10

Income Tax Revenues by Source, Governmental Funds - Last Ten Years S 14

Income Tax Statistics - Current Year and Nine Years Ago S 17

Ratios of Outstanding Debt By Type - Last Ten Years..... S 18

Ratios of General Bonded Debt Outstanding - Last Ten Years S 20

Computation of Direct and Overlapping Debt Attributable to
Governmental Activities - Current Year S 23

Debt Limitations - Last Ten Years S 24

Pledged Revenue Coverage – Last Ten Years..... S 26

Demographic and Economic Statistics - Last Ten Years S 28

Principal Employers - Current Year and Nine Years Ago S 31

Full Time Equivalent Employees by Function - Last Ten Years S 32

Operating Indicators by Function - Last Ten Years S 34

Capital Asset Statistics by Function - Last Ten Years S 36

INTRODUCTORY SECTION



CITY OF

MONTGOMERY

A CHARMING PAST. A GLOWING FUTURE.



July 20, 2022

To the Citizens of the City of Montgomery, Ohio:

We are pleased to present the Annual Comprehensive Financial Report for the City of Montgomery for the fiscal year ended December 31, 2021. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

This report represents a commitment by the City of Montgomery to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

This letter should be read in conjunction with the Management's Discussion and Analysis (MD&A) that can be found immediately following the Independent Auditors' Report.

The Reporting Entity

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "the Financial Reporting Entity," in that the financial statements include all the organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

The City provides the following services to its residents and businesses: police and fire protection, emergency medical response, parks and recreational activities, planning, zoning, street maintenance, solid waste collection, income tax collection and other governmental services. The City also has one blended component unit (Montgomery Community Improvement Corporation), which was established under Ohio law to provide a means of attracting businesses to Montgomery to enhance the community. This entity's board of directors consists entirely of Montgomery's council members.

CITY OF MONTGOMERY, OHIO

Letter of Transmittal For the Year Ended December 31, 2021

The City of Montgomery

The City of Montgomery is a vibrant Ohio community located 12 miles north of Cincinnati. Its 5.3 square mile area serves an estimated residential population of 10,805. Montgomery was incorporated as a village in 1910 and became a city in 1971. It is a home-rule city with a Council-Manager form of government. The City's responsibilities and structure are outlined in the City Charter, which was adopted by its citizens in 1981 and was last amended in 2002.

City Council

The legislative body of Montgomery consists of a seven-member Council. Each council member is elected by the City at large for overlapping four-year terms, which are staggered to expire on a four-seat cycle, followed by the expiration of three seats, every two years. The term of a council member begins on the last Sunday of November of the year the member is elected to office. The Council elects a Mayor and Vice Mayor from within its ranks. These officers each serve a two-year term. The Mayor's primary duties include presiding over City Council meetings and performing ceremonial civic duties. The Vice Mayor assumes the duties of the Mayor in his or her absence. In 1996, the City obtained the services of a magistrate to oversee the proceedings of Montgomery's Mayor's Court.

The City Council has established various boards and commissions to help in its many efforts - from arts to a sister city - to enhance the City. The following is a brief description of their purposes and goals:

Arts Commission

This Commission was established to foster the visual and performing arts within the City. It was established when a Montgomery resident bequeathed his estate, including artwork, to the City with the request that the City promote artistic endeavors. The Commission advises Council on the prudent and productive use of its financial resources, including the assets held in trust. It sponsors activities throughout the year, such as a photography contest and concerts, which are open to the general public.

Beautification and Tree Commission

This Commission develops a yearly plan for the care of trees, shrubs, and flowers in public areas. It also proposes programs and makes recommendations for the use of allocated funds. Throughout the year, the Commission sponsors events, including the Arbor Day celebration and a Beautification Week, when flowers are planted by volunteers in beds throughout the City. The Commission also gives out the Beautification Awards to homes and businesses with outstanding landscaping. Through the Commission's efforts, the City has received the designation of Tree City USA from the National Arbor Day Foundation for twenty-five consecutive years.

Board of Tax Review

This Board is defined by ordinance to hear appeals from persons dissatisfied with rulings or decisions made by the Tax Commissioner or other City officials regarding taxes and penalties imposed. The Board has the authority to affirm, reverse or modify such rulings or decisions. Hearings requested by a taxpayer before the Board are not meetings of a public body subject to Sections 121.22 of the Ohio Revised Code.

CITY OF MONTGOMERY, OHIO

Letter of Transmittal For the Year Ended December 31, 2021

Board of Zoning Appeals

This Board was established to interpret the provisions of the zoning code in order to carry out the intent of the code. Public hearings and meetings are held to review various requests and any other appeals related to the provisions and administration of the City's zoning code.

Civil Service Commission

Defined by the City Charter, the Civil Service Commission ensures that all appropriate civil service examinations and procedures are applied when appointments and promotions are made in the City's classified services. This Commission makes recommendations to City Council concerning the determination of merit and fitness as the basis for promotions, demotions, suspensions and removals of employees in classified positions. It is charged with recommending standards to ensure that open classified positions are filled based on competitive examinations and merit, efficiency, character, conduct and seniority. Full-time police and firefighters, excluding the Chief of Police, Police Lieutenant, Fire Chief and the Assistant Fire Chief, are the only classified positions in the City of Montgomery.

Environmental Advisory Commission

This Commission has a mission statement that focuses upon making Montgomery an environmentally-conscious community. Members provide education and information to the public and are a resource for the City on yard waste, recycling, storm water management, water resources management, air pollution control, noise pollution control and soil and landscape protection and protection of flora and fauna. Commission members assist with Adopt-a-Spot, Cardboard Recycling, City-wide garage sale, One-Stop-Drop, and educational programs.

Landmarks Commission

The Landmarks Commission provides for the preservation of Montgomery's historical, architectural and archeological heritage. It provides research into the historical aspects of various Montgomery properties, and works to designate and protect those areas, places, buildings or objects that possess significance in terms of the City's cultural, social, economic, political or architectural heritage. Its members work to educate the City's residents and businesses concerning the City's historical heritage, work with other preservation organizations and the Ohio Preservation Office. It also makes recommendations to the Planning Commission and City Council on matters of legislation and development that may affect the City's landmarks or heritage.

Parks and Recreation Commission

The City has worked to acquire and develop desirable areas for its park system that supports all the Montgomery neighborhoods, including the Montgomery Community Pool. The Commission's goal is to improve the quality of life for Montgomery residents through the development and maintenance of an integrated park system and by offering a well-rounded recreation program. Its activities include long-term planning for repair and replacement of park equipment.

Planning Commission

This Commission is defined by the City Charter to hold public hearings and make recommendations to City Council concerning the City's subdivision, platting and zoning ordinances and regulations. It works in cooperation with other governmental or private planning agencies to secure the maximum benefits for Montgomery. It regularly conducts studies and surveys, as well as plans for the growth, development, redevelopment, rehabilitation, and renewal of the City.

***Letter of Transmittal
For the Year Ended December 31, 2021***

Sister Cities Commission

The Sister Cities Commission, like the Arts Commission, is another cultural endeavor designed to enhance City life and to provide education and understanding concerning other cultures. It participates in an active exchange program with our Sister City in France, Neuilly-Plaisance. Activities sponsored during the year include an annual Bastille Day Celebration, professional and student exchanges, and an International Reception.

We are pleased and honored to have many volunteers who dedicate hundreds of hours to each of these endeavors. Without them, many projects and activities, which enhance the quality of life in Montgomery, would not be possible.

ECONOMIC CONDITIONS AND OUTLOOK

Montgomery is a premier community in which to live, work and play. Its prime location, along Interstates 71 and 275 in northeastern Hamilton County, alluring properties, and easy access to the greater Cincinnati region has created consistently high values for both residential and commercial properties. Montgomery is located in the Sycamore Community Schools district, a district that is nationally recognized for its academic excellence.

The City's economy is diverse with an ideal mix of residential, office and retail use. Primary employers include Bethesda North Hospital, the Sycamore Community School district, the world-famous Montgomery Inn, the Ohio National Financial Services, and TriHealth, Inc. In addition to the economic contributions of those major employers, the City has experienced an expanding medical services sector with a variety of general and specialty medical practitioners and clinics, including completion of the Thomas Comprehensive Care Center, a 135,000-square foot medical office building located on the Bethesda North Hospital campus.

Bethesda North will be adding an additional floor to the existing patient bedtower in 2023 as part of their overall masterplan. The plan also calls for reworking the main entry, adding additional way-finding and a new entry to the emergency room.

The COVID-19 pandemic greatly impacted the economy in 2020 and had minor residual impacts throughout 2021. The City partnered with Management Partners to utilize their Fiscal Diagnostic Tool to better understand current revenues and develop sophisticated forecasts to ensure budget sustainability through the economic downturn. The Fiscal Diagnostic Tool along with making smart decisions about budget reductions, enabled the City to remain fiscally sound in 2021. Concerted efforts in financial planning, including multi-year budgeting, capital improvement planning, and the use of targeted fund balances, enabled the City to continue delivering high quality products and services to our citizens, businesses, and community visitors throughout 2021.

MAJOR INITIATIVES

On the southern end of the City, construction continues on the Montgomery Quarter development. This \$150 million mixed-use project will feature a unique urban-suburban lifestyle blend and will include professional office, boutique hotel, luxury apartments, condominiums, and a restaurant row built around a new community green.

CITY OF MONTGOMERY, OHIO

Letter of Transmittal For the Year Ended December 31, 2021

The development team of Brandicorp, Neyer Properties, and Jeffery R. Anderson Real Estate, Inc. has secured The Tapestry by Hilton brand for the boutique hotel planned for Montgomery Quarter. The boutique hotel will feature multiple event spaces, a uniquely designed lobby bar, and 118 luxury guest rooms. In coordination with Hilton, the development team will design and curate the guest experience to highlight the uniqueness and energy of the Montgomery area. With a construction start date in late 2022 and an opening planned for May 2024, The Tapestry by Hilton hotel will set the standard for approachable luxury in the eastern suburbs of Cincinnati.

The Montgomery Quarter is a premier mixed-use development that, in addition to the boutique hotel, will feature about 38,000 square feet of retail and restaurant space, 260,000 square feet of office space, 128 luxury apartments, and 48 condominiums. The new mixed-use neighborhood will complement the Heritage District, provide vitality to the area, and serve as a spectacular gateway into the City that will enhance the entire community for current and future residents, businesses, and visitors.

Construction of the two parking garages in Phase 1 of the project is nearing completion. Construction of the first office building is well underway and is scheduled to be completed by the spring of 2022. Fifth Third Private Bank, a division of downtown Cincinnati-based Fifth Third Bank has signed a lease for 15,000 square feet, covering the entire top floor of the first office building to be built in Montgomery Quarter. Two restaurant tenants, BruBurger and Livery, have been announced with anticipated opening dates in the summer of 2023. One of the retail buildings along Roosa Street is almost complete and the first tenant, Blaine's Fine Men's Apparel has announced that they will be moving into the building later this year.

The luxury apartments include two 'flats' buildings and two townhome-style buildings that are being constructed by Casto. The construction of the apartments has begun with an estimated completion of the first quarter of 2023.

On the northern end of the City, the first two condominium buildings, known as The Wicks at the Vintage Club were also substantially completed with a model opening in February of 2020. An additional condominium building is under construction. Building A was completed in 2020 and is the home of Orange Theory Fitness. Building B was also completed and is now the home of GE Credit Union. Unfortunately, the COVID-19 pandemic delayed the construction of Building C; however, a building permit has been secured for this building and construction is scheduled to start in early spring of 2022. The final product will be an attractive mixed-use development with retail, office, restaurants, and condominiums that will complement the existing homes and The Christ Hospital Health Network medical office building.

Twin Lakes received approval for 30 multi-family units in three 'flats' style buildings with a community room and amenity space at the corner of Montgomery Road and Schoolhouse Lane. The buildings will be of a high-quality design and provide residents with another independent living option within the community's continuum of care. The design also includes a welcoming gateway feature at the prominent Montgomery Road and Schoolhouse Lane intersection.

Sycamore Community Schools is completing a district-wide facilities masterplan that includes significant investment to the buildings within the city. Construction of a large addition to E.H. Green Intermediate School is nearing completion and should be ready to welcome students at the start of the 2022-2023 school year. A new Junior High is currently under construction on Cooper Road. The new school will be

***Letter of Transmittal
For the Year Ended December 31, 2021***

built behind the existing junior high, which will allow students to continue to attend the junior high during construction. At the High School on Cornell Road, the existing building is being updated to meet the need of the students in the future. A new entry to the school is being added and the internal circulation on the property is also being improved. A new football stadium is also being constructed on the High School campus. The new stadium is designed for approximately 3,000 spectators with construction anticipated to begin in the spring. The completion of the facilities master plan for Sycamore Community Schools will allow the District to provide first-class facilities for the student athletes and meet the needs of their students today and for years to come.

Finally, Columbia Chevrolet and The Audi Connection have expanded operations in the city. The Audi Connection has expanded parking and inventory space and completed the project in the summer of 2021. Columbia Chevrolet will also be expanding parking and inventory space while also adding a new pre-owned vehicle sales building. Construction of this project is anticipated to start in the Spring of 2022

During 2021 the City of Montgomery was recognized for achievements in a wide variety of areas and by a diverse group of organizations which included:

- The Certificate of Achievement for Excellence in Financial Reporting for our 2020 Annual Comprehensive Financial Report. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by our entire City. This is the twenty fifth consecutive year the City has received this award.
- The Tree City USA and Growth Award for 2021. This represents the twenty sixth year in a row that the City has received the Tree City USA Award and twenty second year that it has received the Growth Award.
- Montgomery was awarded the designation of a Top Workplace by the Cincinnati Enquirer for three consecutive years. Out of the many recipients of this award for the Cincinnati area, the City of Montgomery was the only municipality selected.
- Montgomery was awarded the 2021 Healthy Worksite Platinum Award which is the highest honor granted by the Healthy Business Council of Ohio. The Healthy Worksite Award recognizes Ohio employers that demonstrate a commitment to employee wellness through comprehensive worksite health promotion and wellness programs. Applicants are scored on the extent to which their wellness programs facilitate and encourage employee health, enhance productivity, and ensure a healthy work environment.
- Montgomery was honored with the Local Government Innovation Award during the 2021 Alliance for Innovation Transforming Local Government Conference. The City's Diversity and Inclusion Committee was recognized for its efforts to bring awareness of diversity and inclusion to the Montgomery community. A case study was presented by City staff and residents.

***Letter of Transmittal
For the Year Ended December 31, 2021***

- In June, was presented by Keith Faber, Auditor of the State of Ohio, the “Auditor of State Award with Distinction” award for the fiscal year 2020 financial audit. Fewer than five percent of all Ohio government agencies are eligible for this award.
- Continued positive feedback from its insurance and risk management pool, the Miami Valley Risk Management Association (MVRMA), as the City received a 100% rating on its Safety Performance Evaluation Checklist (SPEC) review in 2021. This is twelve years in a row that the City has received this rating.

In 2021, the City continued its work on updates to its park system. The work involved delivered upgrades to the City’s various parks and recreation facilities through infrastructure and facility upgrades. All improvements are necessary to sustain the quality experience enjoyed by users of the parks, to ensure the safety of the facilities and equipment, and to maintain the operational and financial schedules and plans for the upkeep of the parks.

In 2021, the following park improvements were completed:

- Fountain replacement/refurbishment in various parks.
- New irrigation installations at Swaim Park, Hopewell Greenspace, and Triangle Point Plaza
- Pioneer Park garage roof replacement
- Montgomery Park basketball court resurfacing
- Weller Park basketball court resurfacing (and added pickle ball courts)
- Swaim Park and Dulle Park tennis court resurfacing (and added pickleball courts)
- Pioneer Park and Weller Park asphalt path improvements.
- Repair and restripe parking lots at various parks.

In 2021, the following capital improvements were completed:

Major infrastructure repairs and rehabilitation of approximately 1.83 centerline miles of roadway resurfacing for all or portions of nine streets including: Adventure and Thumbelina Lane, Shadowhill Way, Hollowood and Branblewood Circle, Shadowcrest and Creeknoll Court.

In 2021, 24 of the 704 fire hydrants were replaced within the City. This work was done in conjunction with the street resurfacing program and was the seventh year of a multi-year comprehensive plan to address the aging fire hydrants in the community.

Public works staff completed the annual Street Crack Seal program. Crack seal is the best performing, yet least expensive, maintenance activity for extending the life of asphalt pavement. Approximately 5.4 centerline miles of roadway were treated in 2021, including all or portions of 14 streets.

The Safety Center, Public Works, and Swimming Pool parking lots were repaired and received a new asphalt resurfacing.

The consolidated driveway access for 9305-9321 Montgomery Road was constructed. This project converted two curb cuts serving the commercial properties to only one, which created an opportunity for

CITY OF MONTGOMERY, OHIO

Letter of Transmittal For the Year Ended December 31, 2021

the new consolidated driveway to function as the “west leg” of a new traffic signal installed as part of the Montgomery Road at Cross County Highway roundabout project.

The City contracted with John R. Jurgensen in 2019 to construct the multi-lane roundabout at the Montgomery Road at Cross County Highway intersection. This large, multi-year project was substantially complete in 2021 at a cost of \$7.5 million, of which \$6.6 million was approved for a grant received from the Ohio-Kentucky-Indiana Regional Council of Governments (OKI). The grant represented an 70% share of the construction costs.

FINANCIAL HIGHLIGHTS

Accounting Controls

The City's budgetary accounting system was designed to provide reasonable assurance that:

1. The City's assets are protected against loss and unauthorized use or disposition; and
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated using the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and members of the finance department.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Control

Budgetary control is maintained within the personal services and non-personnel categories within each department through the encumbering of estimated purchase amounts prior to the release of formal purchase orders to vendors. Purchase orders which result in an overrun above appropriated balances are not released until additional appropriations are made available via amendments to the annual appropriations ordinance.

***Letter of Transmittal
For the Year Ended December 31, 2021***

FINANCIAL PLANNING AND POLICIES

It is the mission of the City to develop, maintain and implement financial accounting policies and procedures and protect and optimize the financial resources of the City. The City provides a sound accounting system for safeguarding the City's assets through the recording and reporting of financial transactions according to mandated laws and guidelines of the federal law, Ohio Revised Code, generally accepted accounting principles (GAAP), and the City of Montgomery's codified ordinances. The departmental goals are to develop sound fiscal policies, provide solid financial management for the City, maintain reserves and fiscal integrity, and protect the assets of the citizens of Montgomery.

The City has established a five-year capital improvement program which drives the City's annual operating budget; a fiscal policy on cash reserves for the General Fund, the Capital Improvement Fund, the General Obligation Bond Retirement Fund, the Arts and Amenities Fund and the Fire/EMS Fund; and a conservative investment policy for the safe-guarding of investment income.

OTHER INFORMATION

Independent Audit

Included in this report is the unmodified audit opinion rendered on the City's financial statements for the year ended December 31, 2021, by Plattenburg and Associates Inc. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Annual Comprehensive Financial Report. This annual independent audit serves to maintain and strengthen the City's accounting and budgetary controls.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Montgomery for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Montgomery has received a Certificate of Achievement for the last twenty-five consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting this report to the GFOA.

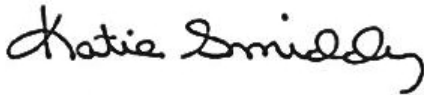
***Letter of Transmittal
For the Year Ended December 31, 2021***

Acknowledgments

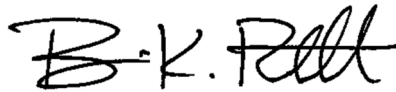
We want to extend sincere appreciation to the many individuals who have contributed their time and effort in gathering data for this report, particularly the various City departmental staff.

Also, it is important to recognize the continued dedication and support of the Montgomery City Council and its Financial Planning Committee. Their commitment to sound financial practices and reporting is the reason this report is possible.

Respectfully submitted,



Katie Smiddy
Finance Director



Brian Riblet
City Manager

CITY OF MONTGOMERY, OHIO

***List of Principal Officials
For the Year Ended December 31, 2021***

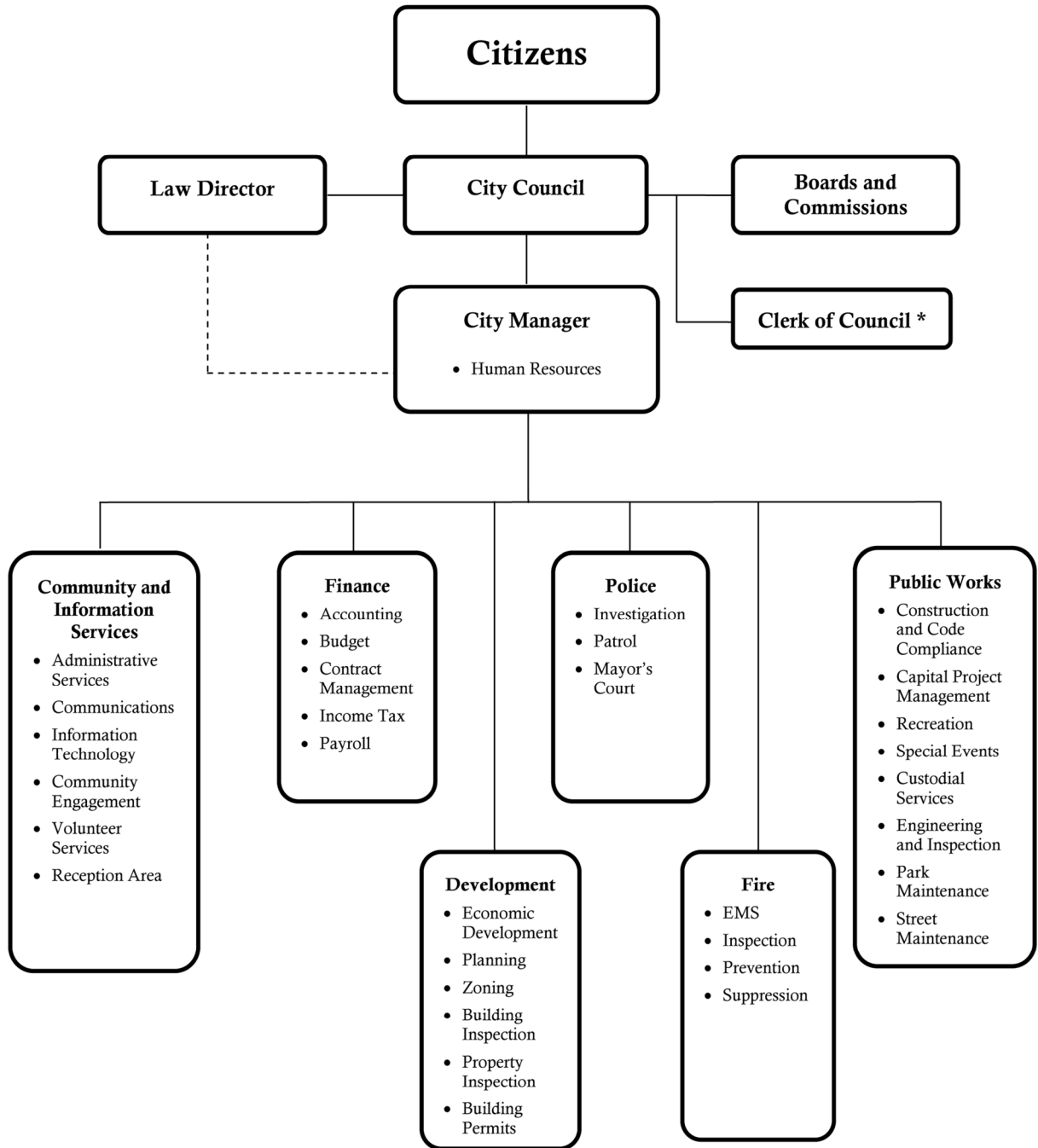
Elected Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Craig Margolis	Mayor	December 2023
Lee Ann Bissmeyer	Vice Mayor	December 2025
Mike Cappel	Council	December 2023
Chris Dobrozsi	Council	December 2025
Ron Messer	Council	December 2025
Sasha Naiman	Council	December 2025
Ken Suer	Council	December 2023

Appointed Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Terry Donnellon	Director of Law	Indefinite
Connie Gaylor	Clerk of Council	Indefinite
Brian Riblet	City Manager	Indefinite

**City Organizational Chart
For the Year Ended December 31, 2021**



* Clerk of Council functions are provided through the Administrative Coordinator position in the Community and Information Services Department with the City Council confirming the appointment as Clerk of Council

***Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting***



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Montgomery
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION



CITY OF

MONTGOMERY

A CHARMING PAST. A GLOWING FUTURE.

INDEPENDENT AUDITOR'S REPORT

City Council
City of Montgomery
Hamilton County
10101 Montgomery Road
Montgomery, Ohio 45242

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Montgomery, Ohio (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparisons for the General and Fire Protection/EMS Funds thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of pension information and other postemployment information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2022, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.
Cincinnati, Ohio
July 20, 2022



The discussion and analysis of the City of Montgomery's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2021. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2021 are as follows:

- ❑ Net position of governmental activities increased \$9,307,022, which represents a 12% increase from 2020.
- ❑ General revenues accounted for \$22,894,780 in revenue or 81% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5,425,976 or 19% of total revenues of \$28,320,756.
- ❑ The City had \$19,013,734 in expenses related to governmental activities; only \$5,425,976 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$22,894,780 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$13,355,320 in revenues and other financing sources and \$11,526,453 in expenditures and other financing uses. The general fund's fund balance increased \$1,828,867 to \$19,340,352.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplemental information*, and an optional section that presents *combining and individual statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, liabilities, and deferred outflows/inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position is one way to measure the City's financial health.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the City's overall health, the reader needs to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

The government-wide financial statements of the City are comprised of:

- *Governmental Activities* – Most of the City's programs and services are reported here including public safety, parks and recreation, community economic development, public works and general government.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of the City's net position at December 31, 2021 and 2020:

	Governmental Activities	
	2021	2020
Current and Other Assets	\$72,048,409	\$87,149,674
Net OPEB Asset	330,858	0
Capital Assets, Net	92,269,704	68,838,997
Total Assets	164,648,971	155,988,671
Deferred Outflows of Resources	4,995,172	5,043,386
Net Pension Liability	13,118,813	13,312,399
Net OPEB Liability	1,593,492	3,859,799
Other Long-Term Liabilities	48,204,949	48,660,757
Other Liabilities	2,324,666	1,467,273
Total Liabilities	65,241,920	67,300,228
Deferred Inflows of Resources	14,336,232	12,972,860
Net Position		
Net Investment in Capital Assets	47,685,485	46,521,915
Restricted	29,579,661	23,932,760
Unrestricted (Deficit)	12,800,845	10,304,294
Total Net Position	\$90,065,991	\$80,758,969

A 34% increase in capital assets can be attributed to the Montgomery Quarter Gateway and Roundabout projects. This resulted in a corresponding decrease in current assets (cash), and an overall increase in assets of 6%. A 3% decrease in liabilities can mostly be attributed to a decrease in the Net OPEB liability.

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net OPEB liability (NOL) is reported by the City pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*.

GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

CITY OF MONTGOMERY, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2021

Unaudited

Changes in Net Position – The following table shows the changes in net position for 2021 and 2020:

	Governmental Activities	
	2021	2020
Revenues		
Program Revenues:		
Charges for Services and Sales	\$2,009,259	\$1,142,275
Operating Grants and Contributions	793,281	1,495,785
Capital Grants and Contributions	2,623,436	2,860,933
Total Program Revenues	5,425,976	5,498,993
General Revenues:		
Property Taxes	10,505,623	10,373,129
Income Taxes	11,040,471	10,350,161
Other Local Taxes	88,171	49,658
Intergovernmental, Unrestricted	1,013,769	923,971
Investment Earnings	(203,456)	279,680
Miscellaneous	450,202	920,038
Total General Revenues	22,894,780	22,896,637
Total Revenues	28,320,756	28,395,630
Program Expenses		
Public Safety	8,854,988	8,547,724
Parks and Recreation	1,211,323	1,445,179
Community Economic Development	1,112,448	4,339,017
Public Works	2,555,868	3,482,365
General Government	4,000,324	5,979,642
Interest and Fiscal Charges	1,278,783	1,114,097
Total Expenses	19,013,734	24,908,024
Total Change in Net Position	9,307,022	3,487,606
Beginning Net Position	80,758,969	77,271,363
Ending Net Position	\$90,065,991	\$80,758,969

Governmental Activities

Governmental activities net position increased \$9,307,022, or 12%. An increase in charges for services and sales can be attributed to the issuance of building permits for the Montgomery Quarter construction project as well as various local school construction projects. A decrease in operating grants can be attributed to Coronavirus Relief Funding received in the prior year. Improving economic conditions contributed to an increase in income taxes. A decrease in investment earnings was the result of a decrease in interest rates. Refunds received in the prior year from the Ohio Bureau of Workers' Compensation resulted in a subsequent decrease in miscellaneous revenue in 2021.

A substantial decrease in expenses was the direct result of changes in the net pension and net OPEB liabilities. Also contributing to the decrease in community economic development was the reporting of a significant loss on disposal of land in the prior fiscal year.

CITY OF MONTGOMERY, OHIO

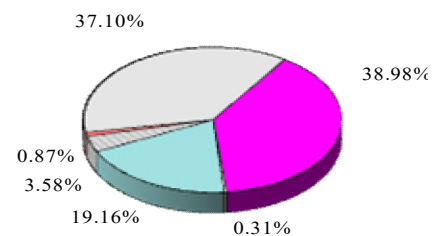
Management's Discussion and Analysis For the Year Ended December 31, 2021

Unaudited

The City has a 1% earnings tax for residents levied on all earned income, which includes, but is not limited to, qualified wages, the net profit of any business income, rental income and gambling winnings. Credit is given to residents employed in another city; the credit is limited to 1%. A 1% earnings tax is levied on all entities doing business within Montgomery, and employers within the City are required to withhold a 1% earning tax on all compensation paid to their employees.

Property taxes and income taxes made up 37% and 39%, respectively, of revenues for governmental activities in fiscal year 2021. The City's reliance upon tax revenues is demonstrated by the following graph indicating 76% of total revenues from general tax revenues:

Revenue Sources	2021	Percent of Total
Property Taxes	\$10,505,623	37.10%
Income Taxes	11,040,471	38.98%
Other Local Taxes	88,171	0.31%
Program Revenues	5,425,976	19.16%
Intergovernmental, Unrestricted	1,013,769	3.58%
General Other	246,746	0.87%
Total Revenue	\$28,320,756	100.00%



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$56,360,432, which is a decrease from last year's balance of \$72,426,172. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2021 and 2020:

	Fund Balance December 31, 2021	Fund Balance December 31, 2020	Increase (Decrease)
General	\$19,340,352	\$17,511,485	\$1,828,867
Fire Protection / EMS	11,907,455	9,922,567	1,984,888
General Obligation			
Bond Retirement	720,831	768,288	(47,457)
Vintage Club Tax Increment	2,720,363	2,826,428	(106,065)
Montgomery Quarter Construction	1,502,973	19,839,851	(18,336,878)
Other Governmental	20,168,458	21,557,553	(1,389,095)
Total	\$56,360,432	\$72,426,172	(\$16,065,740)

General Fund – The City's General Fund balance change is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

CITY OF MONTGOMERY, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2021

Unaudited

	2021	2020	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Taxes	\$11,442,338	\$10,577,896	\$864,442
Intergovernmental Revenues	675,245	506,060	169,185
Charges for Services	100,422	60,845	39,577
Rental Revenue	70,175	41,425	28,750
Licenses, Permits and Fees	973,738	463,851	509,887
Investment Earnings	(286,052)	163,407	(449,459)
Fines and Forfeitures	85,045	82,750	2,295
All Other Revenue	<u>113,332</u>	<u>574,079</u>	<u>(460,747)</u>
Total	<u>\$13,174,243</u>	<u>\$12,470,313</u>	<u>\$703,930</u>

General Fund revenues increased 6% when compared to revenues in the prior year. An increase in taxes can be attributed to an increase in income taxes, which was the result of improving economic conditions. Refunds received from the Ohio Bureau of Workers' Compensation in the prior year resulted in a subsequent decrease in all other revenue in 2021. An increase in licenses, permits and fees can be attributed to the issuance of building permits for the Montgomery Quarter construction project as well as various local school construction projects. A decrease in investment earnings was the result of a decrease in interest rates.

	2021	2020	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Public Safety	\$3,872,938	\$3,446,469	\$426,469
Parks and Recreation	1,188,845	1,052,513	136,332
Community Economic Development	1,106,770	613,839	492,931
Public Works	729,248	668,073	61,175
General Government	<u>3,626,752</u>	<u>3,875,370</u>	<u>(248,618)</u>
Total	<u>\$10,524,553</u>	<u>\$9,656,264</u>	<u>\$868,289</u>

General Fund expenditures increased \$868,289 from the prior year. In 2020 a portion of public safety costs were shifted to the Coronavirus and CARES Act Payroll Relief Funds, resulting in a subsequent increase in public safety in the current year. A decrease in parks and recreation expenditures in the prior year due to decreased recreation activities caused by the pandemic resulted in a subsequent increase in 2021. An increase in community economic development can be attributed to costs associated with building project inspections. Changes in staffing as well as the cancellation of community events contributed to a decrease in general government.

Fire Protection/EMS Fund - The fund balance of the Fire Protection/EMS Fund, a major governmental fund, increased \$1,984,888. Revenues were consistent with the prior year. An increase in expenditures can be attributed to increases in salaries and benefits as well as capital equipment purchases.

General Obligation Bond Retirement Fund - The fund balance of the General Obligation Bond Retirement Fund, a major governmental fund, decreased 6% during 2021. This fund reported the roll over of a \$7,500,000 long-term note for infrastructure improvements as part of the Montgomery Quarter construction project.

CITY OF MONTGOMERY, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2021

Unaudited

Vintage Club Tax Increment Fund – The fund balance of the Vintage Club Tax Increment Fund, a major governmental fund, decreased 4% during 2021. Revenues and expenditures were consistent with the prior year.

Montgomery Quarter Construction Fund – The Montgomery Quarter Construction Fund, a major governmental fund, reported \$18.6 million of outlays for development and construction costs of the Montgomery Quarter, which is a mixed-use development at the southern gateway of downtown.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. For the General Fund, original and final revenue estimates were not significantly different. Actual budget basis revenues were 18% higher than final estimates due to increases in income tax receipts. Final budgeted expenditures were not significantly different from original estimates. Controlled costs across all General Fund departments resulted in actual expenditures that were 11% less than final budget amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021 the City had \$92,269,704 net of accumulated depreciation invested in land, buildings, improvements, infrastructure, equipment and vehicles. The following table shows 2021 and 2020 balances:

	Governmental Activities		Increase (Decrease)
	2021	2020	
Land	\$18,000,193	\$17,985,739	\$14,454
Construction In Progress	36,346,238	13,682,623	22,663,615
Buildings	17,050,402	16,749,859	300,543
Improvements Other than Buildings	6,405,215	6,188,715	216,500
Infrastructure	34,838,675	33,703,784	1,134,891
Machinery and Equipment	4,183,676	3,511,465	672,211
Less: Accumulated Depreciation	(24,554,695)	(22,983,188)	(1,571,507)
Totals	\$92,269,704	\$68,838,997	\$23,430,707

Construction in progress included roundabout installation, and infrastructure improvements at the Vintage Club housing development and Montgomery Quarter development. Infrastructure additions included sidewalk improvements as well as routine street resurfacing improvements. Machinery and equipment additions included equipment purchases in the police, fire, administration, parks, and street departments.

Additional information on the City's capital assets can be found in Note 8.

**Management's Discussion and Analysis
For the Year Ended December 31, 2021****Unaudited**

Debt and Other Long-Term Obligations

The following table summarizes the City's debt and other long-term obligations outstanding as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Governmental Activities:		
Special Obligation TIF Bonds	\$39,381,218	\$39,973,794
Long-term Notes	7,590,450	7,536,172
Special Assessment Bonds	0	45,000
Compensated Absences	1,233,281	1,105,791
Total Governmental Activities	<u>\$48,204,949</u>	<u>\$48,660,757</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. At December 31, 2021, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 11.

ECONOMIC FACTORS

In 2021:

- The City was awarded \$569,427 in American Rescue Plan Act (ARPA) funding which was used for costs associated with installation of broadband within public areas of our city to offer free Wi-Fi to our community and visitors. The remaining funds will be programmed for stormwater infrastructure upgrades to address problem flooding spanning over two sub-divisions as well as additional broadband infrastructure.
- The Hamilton County Transportation Improvement District awarded the City with a \$250,000 grant for continued work on the Montgomery Road/Ronald Reagan Interchange Improvement Project. The funding will be used to construct improvements to the public roadways and offset a portion of the total costs defined with the scope of the project.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If the reader has questions about this report or needs additional financial information, please contact Katie Smiddy, Finance Director of the City of Montgomery.



CITY OF MONTGOMERY, OHIO

Statement of Net Position December 31, 2021

	Governmental Activities
Assets:	
Cash and Cash Equivalents	\$ 29,603,136
Investments	23,709,879
Receivables:	
Taxes	13,409,207
Accounts	201,685
Intergovernmental	861,329
Interest	32,718
Special Assessments	747,251
Prepaid Items	132,446
Restricted Assets:	
Investments	3,350,758
Net OPEB Asset	330,858
Non-Depreciable Capital Assets	54,346,431
Depreciable Capital Assets, Net	37,923,273
Total Assets	164,648,971
Deferred Outflows of Resources:	
Deferred Charge on Debt Refunding	412,912
Pension	3,252,135
OPEB	1,330,125
Total Deferred Outflows of Resources	4,995,172
Liabilities:	
Accounts Payable	1,251,376
Accrued Wages and Benefits	260,803
Intergovernmental Payable	111,047
Unearned Revenue	548,192
Accrued Interest Payable	153,248
Noncurrent Liabilities:	
Due Within One Year	1,154,709
Due in More Than One Year:	
Net Pension Liability	13,118,813
Net OPEB Liability	1,593,492
Other Liabilities Due in More Than One Year	47,050,240
Total Liabilities	65,241,920
Deferred Inflows of Resources:	
Property Tax Levy for Next Fiscal Year	10,598,980
Pension	2,149,619
OPEB	1,587,633
Total Deferred Inflows of Resources	14,336,232

CITY OF MONTGOMERY, OHIO

	Governmental Activities
Net Position:	
Net Investment in Capital Assets	47,685,485
Restricted For:	
Capital Projects	5,210,148
Debt Service	7,491,948
Public Works	3,138,473
Public Safety	12,265,851
Arts and Amenities:	
Expendable	268,760
Nonexpendable	379,579
Other Purposes	824,902
Unrestricted	12,800,845
Total Net Position	\$ 90,065,991

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Activities
For the Year Ended December 31, 2021**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Public Safety	\$ 8,854,988	\$ 503,857	\$ 87,520	\$ 0
Parks and Recreation	1,211,323	396,213	0	0
Community Economic Development	1,112,448	835,401	0	0
Public Works	2,555,868	83,096	650,904	2,623,436
General Government	4,000,324	190,692	54,857	0
Interest and Fiscal Charges	1,278,783	0	0	0
Total Governmental Activities	\$ 19,013,734	\$ 2,009,259	\$ 793,281	\$ 2,623,436

General Revenues

Property Taxes
Income Taxes
Other Local Taxes
Intergovernmental, Unrestricted
Investment Earnings
Miscellaneous
Total General Revenues

Change in Net Position

Net Position Beginning of Year
Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

Net (Expense) Revenue and Changes in Net Position

Governmental Activities

\$	(8,263,611)
	(815,110)
	(277,047)
	801,568
	(3,754,775)
	(1,278,783)
\$	<u>(13,587,758)</u>

10,505,623

11,040,471

88,171

1,013,769

(203,456)

450,202

22,894,780

9,307,022

80,758,969

\$ 90,065,991

CITY OF MONTGOMERY, OHIO

**Balance Sheet
Governmental Funds
December 31, 2021**

	General	Fire Protection / EMS	General Obligation Bond Retirement	Vintage Club Tax Increment
Assets:				
Cash and Cash Equivalents	\$ 8,718,904	\$ 5,587,842	\$ 720,831	\$ 2,303,530
Investments	9,888,154	6,403,477	0	0
Receivables:				
Taxes	4,426,727	5,369,328	0	2,916,616
Accounts	56,622	0	0	0
Intergovernmental	281,384	118,742	0	96,059
Interest	15,725	10,241	0	0
Special Assessments	0	0	0	0
Interfund Loans Receivable	0	0	0	0
Prepaid Items	99,709	24,165	0	0
Restricted Assets:				
Investments	0	0	0	417,214
Total Assets	\$ 23,487,225	\$ 17,513,795	\$ 720,831	\$ 5,733,419
Liabilities:				
Accounts Payable	\$ 282,723	\$ 21,464	\$ 0	\$ 0
Accrued Wages and Benefits Payable	151,324	91,865	0	0
Intergovernmental Payable	95,541	316	0	381
Unearned Revenue	0	0	0	0
Interfund Loans Payable	0	0	0	0
Total Liabilities	529,588	113,645	0	381
Deferred Inflows of Resources:				
Unavailable Amounts	1,304,401	228,307	0	145,967
Property Tax Levy for Next Fiscal Year	2,312,884	5,264,388	0	2,866,708
Total Deferred Inflows of Resources	3,617,285	5,492,695	0	3,012,675
Fund Balances:				
Nonspendable	102,816	24,165	0	0
Restricted	0	11,883,290	720,831	2,720,363
Committed	433,445	0	0	0
Assigned	5,573,104	0	0	0
Unassigned	13,230,987	0	0	0
Total Fund Balances	19,340,352	11,907,455	720,831	2,720,363
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 23,487,225	\$ 17,513,795	\$ 720,831	\$ 5,733,419

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

Montgomery Quarter Construction	Other Governmental Funds	Total Governmental Funds
\$ 17,197	\$ 12,254,832	\$ 29,603,136
1,840,052	5,578,196	23,709,879
0	696,536	13,409,207
0	145,063	201,685
0	365,144	861,329
0	6,752	32,718
0	747,251	747,251
0	312,840	312,840
0	8,572	132,446
0	2,933,544	3,350,758
<u>\$ 1,857,249</u>	<u>\$ 23,048,730</u>	<u>\$ 72,361,249</u>
\$ 354,276	\$ 592,913	\$ 1,251,376
0	17,614	260,803
0	14,809	111,047
0	548,192	548,192
0	312,840	312,840
<u>354,276</u>	<u>1,486,368</u>	<u>2,484,258</u>
0	1,238,904	2,917,579
0	155,000	10,598,980
<u>0</u>	<u>1,393,904</u>	<u>13,516,559</u>
0	387,305	514,286
1,502,973	16,054,964	32,882,421
0	0	433,445
0	3,963,026	9,536,130
0	(236,837)	12,994,150
<u>1,502,973</u>	<u>20,168,458</u>	<u>56,360,432</u>
<u>\$ 1,857,249</u>	<u>\$ 23,048,730</u>	<u>\$ 72,361,249</u>

CITY OF MONTGOMERY, OHIO

Reconciliation Of Total Governmental Fund Balances To Net Position Of Governmental Activities December 31, 2021

Total Governmental Fund Balances \$ 56,360,432

***Amounts reported for governmental activities in the
statement of net position are different because***

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. 92,269,704

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 2,917,579

The net pension/OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	3,252,135	
Deferred Inflows - Pension	(2,149,619)	
Net Pension Liability	(13,118,813)	
Deferred Outflows - OPEB	1,330,125	
Deferred Inflows - OPEB	(1,587,633)	
Net OPEB Asset	330,858	
Net OPEB Liability	<u>(1,593,492)</u>	(13,536,439)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Special Obligation Bonds Payable	(39,020,000)	
Bond Premium/Discount	(361,218)	
Long-term Note Payable	(7,500,000)	
Long-term Note Premium	(90,450)	
Compensated Absences Payable	(1,233,281)	
Deferred Loss on Debt Refunding	412,912	
Accrued Interest Payable	<u>(153,248)</u>	(47,945,285)

Net Position of Governmental Activities \$ 90,065,991

See accompanying notes to the basic financial statements



CITY OF MONTGOMERY, OHIO

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2021

	General	Fire Protection / EMS	General Obligation Bond Retirement	Vintage Club Tax Increment
Revenues:				
Taxes	\$ 11,442,338	\$ 5,428,903	\$ 0	\$ 2,330,389
Intergovernmental Revenues	675,245	239,324	0	192,118
Charges for Services	100,422	242,084	0	0
Rental Revenue	70,175	0	0	0
Licenses, Permits and Fees	973,738	0	0	0
Investment Earnings	(286,052)	40,093	2,729	26
Special Assessments	0	0	0	0
Fines and Forfeitures	85,045	0	0	0
All Other Revenue	113,332	45,422	0	0
Total Revenues	13,174,243	5,995,826	2,729	2,522,533
Expenditures:				
Current:				
Public Safety	3,872,938	4,017,090	0	0
Parks and Recreation	1,188,845	0	0	0
Community Economic Development	1,106,770	0	0	0
Public Works	729,248	0	0	0
General Government	3,626,752	0	28,448	1,291,481
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	7,500,000	530,000
Interest and Fiscal Charges	0	0	112,188	307,117
Total Expenditures	10,524,553	4,017,090	7,640,636	2,128,598
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,649,690	1,978,736	(7,637,907)	393,935
Other Financing Sources (Uses):				
Sale of Capital Assets	1,549	6,152	0	0
Premium on Debt Issuance	0	0	90,450	0
Long Term Note Issuance	0	0	7,500,000	0
Transfers In	179,528	0	0	0
Transfers Out	(1,001,900)	0	0	(500,000)
Total Other Financing Sources (Uses)	(820,823)	6,152	7,590,450	(500,000)
Net Change in Fund Balances	1,828,867	1,984,888	(47,457)	(106,065)
Fund Balances at Beginning of Year	17,511,485	9,922,567	768,288	2,826,428
Fund Balances End of Year	\$ 19,340,352	\$ 11,907,455	\$ 720,831	\$ 2,720,363

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

Montgomery Quarter Construction	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 2,468,166	\$ 21,669,796
250,000	3,037,436	4,394,123
0	466,879	809,385
0	0	70,175
0	19,500	993,238
631	39,621	(202,952)
0	184,239	184,239
0	48,909	133,954
0	291,448	450,202
<u>250,631</u>	<u>6,556,198</u>	<u>28,502,160</u>
0	291,559	8,181,587
0	223,893	1,412,738
0	79,701	1,186,471
0	1,147,297	1,876,545
0	194,709	5,141,390
18,587,509	6,393,930	24,981,439
0	85,000	8,115,000
0	862,533	1,281,838
<u>18,587,509</u>	<u>9,278,622</u>	<u>52,177,008</u>
(18,336,878)	(2,722,424)	(23,674,848)
0	10,957	18,658
0	0	90,450
0	0	7,500,000
0	2,301,900	2,481,428
0	(979,528)	(2,481,428)
<u>0</u>	<u>1,333,329</u>	<u>7,609,108</u>
(18,336,878)	(1,389,095)	(16,065,740)
19,839,851	21,557,553	72,426,172
<u>\$ 1,502,973</u>	<u>\$ 20,168,458</u>	<u>\$ 56,360,432</u>

CITY OF MONTGOMERY, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended December 31, 2021***

Net Change in Fund Balances - Total Governmental Funds \$ (16,065,740)

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	25,269,005	
Depreciation Expense	(1,782,451)	23,486,554

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets. (55,847)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:

Pension	1,271,704	
OPEB	20,859	1,292,563

Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension/OPEB expense in the statement of activities:

Pension	(1,306,750)	
OPEB	1,737,531	430,781

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (181,404)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position.

Long-term Note Issuance	(7,500,000)	
Premium on Debt Issuance	(90,450)	(7,590,450)

(Continued)

CITY OF MONTGOMERY, OHIO

Repayment of bond and loan principal is an expenditure in the governmental but the repayment reduces long-term liabilities in the statement of net position.

Special Obligation Bond Principal Payment	570,000	
Special Assessment Bond Principal Payment	45,000	
Long-term Note Principal Payment	7,500,000	
Amortize Deferred Loss on Bond Refunding	(25,807)	
Bond Premium/Discount Amortization	58,748	8,147,941

In the statement of activities, interest is accrued on outstanding bonds, whereas governmental funds, an interest expenditure is reported when due. (29,886)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences		<u>(127,490)</u>
----------------------	--	------------------

Change in Net Position of Governmental Activities \$ 9,307,022

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 9,686,984	\$ 9,686,984	\$ 11,276,957	\$ 1,589,973
Intergovernmental Revenue	438,585	438,585	668,433	229,848
Charges for Services	78,650	78,650	97,153	18,503
Rental Revenue	59,000	59,000	68,800	9,800
Licenses, Permits and Fees	372,075	690,400	967,325	276,925
Investment Earnings	210,000	210,000	77,271	(132,729)
Fines and Forfeitures	78,450	78,450	85,023	6,573
All Other Revenues	34,190	34,190	114,732	80,542
Total Revenues	10,957,934	11,276,259	13,355,694	2,079,435
Expenditures:				
Current:				
Public Safety	4,069,105	4,069,937	3,854,203	215,734
Parks and Recreation	1,285,509	1,308,009	1,200,817	107,192
Community Economic Development	928,126	1,375,533	1,079,289	296,244
Public Works	761,697	761,697	728,851	32,846
General Government	4,399,121	4,423,121	3,724,237	698,884
Total Expenditures	11,443,558	11,938,297	10,587,397	1,350,900
Excess (Deficiency) of Revenues Over (Under) Expenditures	(485,624)	(662,038)	2,768,297	3,430,335
Other Financing Sources (Uses):				
Sale of Capital Assets	5,100	5,100	1,549	(3,551)
Transfers In	35,113	35,113	214,641	179,528
Transfers Out	(1,001,900)	(1,001,900)	(1,001,900)	0
Total Other Financing Sources (Uses):	(961,687)	(961,687)	(785,710)	175,977
Net Change in Fund Balance	(1,447,311)	(1,623,725)	1,982,587	3,606,312
Fund Balance at Beginning of Year	16,242,584	16,242,584	16,242,584	0
Prior Year Encumbrances	61,798	61,798	61,798	0
Fund Balance at End of Year	\$ 14,857,071	\$ 14,680,657	\$ 18,286,969	\$ 3,606,312

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Fire Protection / EMS Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,264,388	\$ 5,435,265	\$ 5,428,903	\$ (6,362)
Intergovernmental Revenue	233,000	233,000	239,324	6,324
Charges for Services	176,200	176,200	242,084	65,884
Investment Earnings	24,500	24,500	39,103	14,603
Donations	200	200	0	(200)
All Other Revenues	18,297	18,297	47,949	29,652
Total Revenues	<u>5,716,585</u>	<u>5,887,462</u>	<u>5,997,363</u>	<u>109,901</u>
Expenditures:				
Current:				
Public Safety	5,452,459	5,452,459	4,431,237	1,021,222
Total Expenditures	<u>5,452,459</u>	<u>5,452,459</u>	<u>4,431,237</u>	<u>1,021,222</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	264,126	435,003	1,566,126	1,131,123
Other Financing Sources (Uses):				
Sale of Capital Assets	2,500	2,500	6,152	3,652
Total Other Financing Sources (Uses):	<u>2,500</u>	<u>2,500</u>	<u>6,152</u>	<u>3,652</u>
Net Change in Fund Balance	266,626	437,503	1,572,278	1,134,775
Fund Balance at Beginning of Year	9,732,288	9,732,288	9,732,288	0
Prior Year Encumbrances	223,147	223,147	223,147	0
Fund Balance at End of Year	<u>\$ 10,222,061</u>	<u>\$ 10,392,938</u>	<u>\$ 11,527,713</u>	<u>\$ 1,134,775</u>

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

Statement of Net Position
Fiduciary Funds
December 31, 2021

	<u>Custodial</u>
Assets:	
Restricted Assets:	
Cash and Cash Equivalents with Fiscal Agent	\$ 6,631
Total Assets	<u>6,631</u>
Liabilities:	
Intergovernmental Payable	3,511
Due to Others	3,120
Total Liabilities	<u>6,631</u>
Net Position:	
Unrestricted	0
Total Net Position	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2021**

	Private Purpose Trust	Custodial
Additions:		
Fines and Forfeiture Collections for other Governments	\$ 0	\$ 40,135
Fee Collections for other Governments	0	19,959
Total Additions	0	60,094
Deductions:		
Distribution of Fines and Forfeitures to other Governments	0	40,135
Distribution of Fees to other Governments	0	19,959
Administrative Expenses	34,613	0
Total Deductions	34,613	60,094
Change in Net Position	(34,613)	0
Net Position at Beginning of Year	34,613	0
Net Position End of Year	\$ 0	\$ 0

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Montgomery, Ohio (the City) is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter provides for a Council/Manager form of government. The community was established in 1902.

The financial statements are presented as of December 31, 2021 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, *"The Financial Reporting Entity,"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity includes all component units, funds, agencies, boards and commissions that are part of the primary government, which include the following services: police and fire protection, emergency medical services, parks and recreation, planning, zoning, street maintenance, refuse collection and other governmental services.

Blended Component Unit - The Community Improvement Corporation of the City of Montgomery (the "CIC") was created in accordance with Chapter 1702 of the Ohio Revised Code. As a legally separate not-for-profit corporation, the CIC's purpose is to provide economic development loans. The balances and transactions of the CIC have been reported as a special revenue fund of the primary government because the governing board of the corporation is composed of those persons who are serving as members of the City Council of the City of Montgomery, the City has a history of providing financial support to the CIC, and any long term debt of the CIC would be paid by the City. Separately issued financial statements for the CIC can be obtained by contacting the City of Montgomery Finance Department, 10101 Montgomery Rd, Montgomery, Ohio 45242, or at the City's website at <http://montgomeryohio.org>.

B. Basis of Presentation - Fund Accounting

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types:

Governmental Funds - Those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio, and the limitations of the City Charter.

Fire Protection/EMS Fund – This fund is used to account for property taxes and charges for emergency medical services provided which are used to fund Fire Department operations.

General Obligation Bond Retirement Fund – This fund is used to account for payments of principal and interest on the City's general obligation bonds.

Vintage Club Tax Increment Fund – To account for service payments (in lieu of taxes) as a result of the Vintage Club tax increment financing agreement. These monies will pay the debt service on money borrowed to complete improvements around the project site.

Montgomery Quarter Construction Fund - To account for debt proceeds and other sources to be used for development and construction costs of the Montgomery Quarter, which is a mixed-use development at the southern gateway of downtown.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's only trust fund is a private purpose trust to account for monies used for the upkeep of historical sites that are not owned by the City. The City's custodial funds account for funds flowing through the Mayor's Court, and building permit surcharges.

C. Basis of Presentation - Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

Interfund receivables and payables between governmental activities have been eliminated in the government-wide Statement of Net Position. These eliminations minimize the duplicating effect on assets and liabilities within the governmental activities. Interfund services provided and used are not eliminated through the process of consolidation.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities, deferred outflows/inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is considered to be 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Revenue considered susceptible to accrual at year end includes income taxes, interest on investments, and state levied locally shared taxes (including motor vehicle license fees, gasoline tax, and local government assistance). Other revenue, including licenses, permits, certain charges for services, and miscellaneous revenue, is recorded as revenue when received in cash because it is generally not measurable until actually received.

Special assessment installments, including related accrued interest, which are measurable but not available at December 31, are recorded as deferred inflows of resources. Property taxes measurable as of December 31, 2021, but which are not intended to finance 2021 operations, and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 4.

The accrual basis of accounting is utilized for reporting purposes by the government wide statements and fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

E. Budgetary Process

The annual budgetary process is prescribed by Charter and by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds, other than custodial funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The Montgomery Community Improvement Corporation Fund (special revenue fund) was not budgeted and only exists on a GAAP basis. The legal level of budgetary control is established at the personnel or non-personnel cost level within each department or fund. Budgetary control is maintained by not permitting expenditures to exceed appropriations at those levels without the approval of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets.

1. Tax Budget

By July 15, the City Manager submits an annual tax budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1st of each year. As part of the certification process, the City receives an official certificate of estimated resources, which states that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed or fall short of current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2021.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1st of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1st of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the object level, and may only be modified during the year by ordinance of the City Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the legal level of control. During the year, several supplemental appropriations were necessary to budget contingency funds and intergovernmental grants. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Non-GAAP Budgetary Basis)" for the General Fund and Major Special Revenue Funds are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

4. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. In addition, under the budgetary basis, encumbrances are recognized as expenditures and note proceeds are recognized as an other financing source. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" for the General Fund and Major Special Revenue Fund:

	Net Change in Fund Balance	
	General Fund	Fire Protection / EMS Fund
GAAP Basis (as reported)	\$1,828,867	\$1,984,888
Increase (Decrease):		
Accrued Revenues at December 31, 2021 received during 2022	(922,287)	(5,616)
Accrued Revenues at December 31, 2020 received during 2021	1,103,738	7,153
Accrued Expenditures at December 31, 2021 paid during 2022	529,588	113,645
Accrued Expenditures at December 31, 2020 paid during 2021	(461,258)	(70,365)
2020 Prepays for 2021	127,571	30,344
2021 Prepays for 2022	(99,709)	(24,165)
Outstanding Encumbrances	(124,423)	(463,606)
Perspective Difference:		
Activity of Funds Reclassified for GAAP Reporting Purposes	500	0
Budget Basis	<u>\$1,982,587</u>	<u>\$1,572,278</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During fiscal year 2021, cash and cash equivalents included amounts in demand deposits, certificates of deposit with original maturity dates of three months or less, and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the basic financial statements.

The City pools its cash for investment and resource management purposes. Each fund's equity in cash and cash equivalents represents the balance on hand as if each had maintained its own cash and cash investment account. See Note 3, "Cash and Cash Equivalents."

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application," the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 3, "Cash and Cash Equivalents."

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$3,000 and an estimated useful life threshold of three or more years.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those that generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at acquisition value at the date received. Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined at December 31, 1985 by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation on newly acquired/constructed streets begins in the year following acquisition. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in years)</u>
Buildings and Improvements	10 - 40
Machinery, Equipment, Furniture and Fixtures	5 - 15
Infrastructure	5 - 100

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
Special Assessment Bonds	Reserve of Montgomery Bond Retirement Fund
Special Obligation Bonds	Vintage Club Tax Increment Fund, Vintage Club North Tax Increment Fund
Long-Term Notes	General Obligation Bond Retirement Fund
Compensated Absences/Net	General Fund
Pension Liability/Net OPEB Liability	Special Revenue Funds (Fire Protection/EMS Fund, COPS Grant Fund, Street Construction, Maintenance and Repair Fund)

K. Compensated Absences

All full-time City employees earn vacation at varying rates based upon length of service. An employee's vacation must be used during the period in which it is earned unless the City Manager allows the balance to be carried over to the following year. Upon separation from the City, the employee (or his estate) is paid for his accumulated unused vacation leave balance. All full-time City employees earn sick leave at the rate of 12 days per year of active service. Upon retirement from the City, an employee with 10-19 years of service to the City shall receive one day of monetary compensation for every three days of unused sick leave. An employee who retires with twenty or more years of service to the City shall receive one day of monetary compensation for every two days of unused sick leave. The monetary compensation shall be at the hourly rate of compensation of the employee at the time of retirement.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered, to rights that vest or accumulate, and where payment of the obligation is probable and can be reasonably determined. For governmental funds, that portion of unpaid compensated absences for payments that come due each period upon the occurrence of the relevant event is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net position, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Net Position

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

M. Pension/OPEB

For purposes of measuring the net pension and OPEB liability/asset, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

N. Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

The City generally eliminates the effect of interfund activity in the government-wide financial statements to remove indirect expenses, except where the elimination would distort the costs and program revenues reported for the various functions. Interfund services provided and used are not eliminated through the process of consolidation.

O. Intergovernmental Revenues

In governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, and shared revenues are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are made.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Interfund Assets/Liabilities

Short-term interfund loans are classified as "Interfund Receivables/Payables," while long-term interfund loans are classified as "Interfund Loans Receivable/Payable."

Q. Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City has no formal policy authorizing a body or official to assign amounts for specific purposes.

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted (committed, assigned and unassigned) resources as they are needed.

Targeted/Minimum Fund Balance – The City has established a targeted fund balance policy of six to twelve months of operating expenditures and transfers for the General Fund, which is reported in unassigned fund balance.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

S. Restricted Assets

A bond reserve account and principal and interest debt service account are classified as restricted assets because these funds are being held for specified purposes.

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows for the deferred charge on debt refunding and for deferred pension/OPEB amounts. The deferred charge on debt refunding is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources are reported for pension/OPEB amounts on the government-wide statement of net position. See Notes 9 and 10.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide statement of net position. See Notes 9 and 10.

CITY OF MONTGOMERY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 2 – FUND BALANCE CLASSIFICATION

Fund balance is classified as nonspendable, restricted, committed, assigned, and unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	Fire Protection/		General	Vintage Club	Montgomery	Other	Total
	General	EMS	Obligation Bond Retirement	Tax Increment	Quarter Construction	Governmental Funds	Governmental Funds
Nonspendable:							
Prepaid Items	\$99,709	\$24,165	\$0	\$0	\$0	\$8,572	\$132,446
Permanent Fund Corpus	0	0	0	0	0	378,733	378,733
Unclaimed Funds	3,107	0	0	0	0	0	3,107
Total Nonspendable	102,816	24,165	0	0	0	387,305	514,286
Restricted:							
Fire Protection/EMS	0	11,883,290	0	0	0	0	11,883,290
Parks and Recreation	0	0	0	0	0	70,201	70,201
Law Enforcement and Education	0	0	0	0	0	311,322	311,322
Court Computerization	0	0	0	0	0	63,425	63,425
Environmental Impact Mitigation	0	0	0	0	0	303,571	303,571
Street Improvements	0	0	0	0	0	2,475,711	2,475,711
Municipal Pool Operations	0	0	0	0	0	296,800	296,800
Cemetery Maintenance	0	0	0	0	0	466,124	466,124
Economic Development	0	0	0	0	0	2,053,479	2,053,479
Contractor Deposits	0	0	0	0	0	154,330	154,330
Debt Service Payments	0	0	720,831	2,720,363	0	3,310,784	6,751,978
Capital Improvements	0	0	0	0	1,502,973	6,280,457	7,783,430
Arts and Amenities	0	0	0	0	0	268,760	268,760
Total Restricted	0	11,883,290	720,831	2,720,363	1,502,973	16,054,964	32,882,421
Committed:							
Compensated Absences	433,445	0	0	0	0	0	433,445
Total Committed	433,445	0	0	0	0	0	433,445
Assigned:							
Supplies and Services	113,425	0	0	0	0	0	113,425
Budget Resource	5,459,679	0	0	0	0	0	5,459,679
Capital Improvements	0	0	0	0	0	3,963,026	3,963,026
Total Assigned	5,573,104	0	0	0	0	3,963,026	9,536,130
Unassigned (Deficits):	13,230,987	0	0	0	0	(236,837)	12,994,150
Total Fund Balances	\$19,340,352	\$11,907,455	\$720,831	\$2,720,363	\$1,502,973	\$20,168,458	\$56,360,432

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds. The City has adopted an Investment Policy that follows Ohio Revised Code Chapter 135 and applies the prudent person standard. The prudent person standard requires the Finance Director to exercise the care, skill and experience that a prudent person would use to manage his/her personal financial affairs and to seek investments that will preserve principal while maximizing income.

Statutes require the classification of funds held by the City into three categories.

Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;

CITY OF MONTGOMERY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At year end the carrying amount of the City's deposits was \$26,384,428 and the bank balance was \$26,838,544. Federal depository insurance covered \$1,770,061 of the bank balance and \$25,068,483 was collateralized with both pooled and pledged securities.

B. Investments

The City's investments at December 31, 2021 were as follows:

	Fair Value	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
STAR Ohio ⁴	\$4,245,400	AAAm ¹	NA	14.02%	\$4,245,400	\$0	\$0
Marketable CD's	3,491,211	AAA ³	Level 2	11.53%	1,986,886	1,256,282	248,043
US Money Market ⁴	6,850,868	AA+ ¹ /Aaa ²	NA	22.62%	6,850,868	0	0
FHLB	6,882,457	AA+ ¹ /Aaa ²	Level 2	22.73%	0	247,475	6,634,982
FHLMC	2,935,720	AA+ ¹ /Aaa ²	Level 2	9.69%	0	0	2,935,720
FFCB	2,945,200	AA+ ¹ /Aaa ²	Level 2	9.72%	0	1,968,820	976,380
FNMA	2,935,120	AAA ¹ /Aaa ²	Level 2	9.69%	0	0	2,935,120
Total Investments	<u>\$30,285,976</u>			<u>100.00%</u>	<u>\$13,083,154</u>	<u>\$3,472,577</u>	<u>\$13,730,245</u>

¹ Standard & Poor's

² Moody's Investor Service

³ All are fully FDIC insured and therefore have an implied AAA credit rating

⁴ Reported at amortized cost

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

B. Investments (Continued)

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 2 inputs are significant other observable inputs. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date, the City has no investment policy beyond Ohio Revised Code relating to interest rate risk.

Investment Credit Risk – The City has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

Concentration of Credit Risk – The City places no limit on the amount it may invest in any one issuer.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$29,609,767	\$27,060,637
Certificates of Deposit (with maturities of more than 3 months)	1,020,061	(1,020,061)
STAR Ohio	<u>(4,245,400)</u>	<u>4,245,400</u>
Per GASB Statement No. 3	<u>\$26,384,428</u>	<u>\$30,285,976</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 4 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2021 were levied after October 1, 2020 on assessed values as of January 1, 2020, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2017. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Montgomery. The County Auditor remits in February and August of each year the City's portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2021 was \$16.05 per \$1,000 of assessed value. The assessed value upon which the 2021 tax collections were based was \$667,403,120. This amount constitutes \$656,359,410 in real property assessed value and \$11,043,710 in public utility assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is 1.605% (16.05 mills) of assessed value.

This space intentionally left blank.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 4 – TAXES (Continued)

B. Income Tax

The City levies a tax of 1% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employees' compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds are received by the General Fund and Capital Improvement Fund.

NOTE 5 - RECEIVABLES

Receivables at December 31, 2021 consisted of taxes, accounts receivable, special assessments, interfund receivables, interest receivables, and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full. Those receivables that relate to amounts not intended to finance the current fiscal year are offset by deferred inflows of resources.

This space intentionally left blank.

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 6 - INTERFUND BALANCES

Individual interfund balances at December 31, 2021 are as follows:

Fund	Interfund Loan Receivable	Interfund Loan Payable
Other Governmental Funds	\$312,840	\$312,840
Totals	<u>\$312,840</u>	<u>\$312,840</u>

The interfund loans receivable/payable on the Governmental Balance Sheet include loans to the Triangle Tax Increment Fund to assist with cash flow issues.

NOTE 7 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2021:

Fund	Transfer In	Transfer Out
General Fund	\$179,528	\$1,001,900
Vintage Club Tax Increment Fund	0	500,000
Other Governmental Funds	2,301,900	979,528
Totals	<u>\$2,481,428</u>	<u>\$2,481,428</u>

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; to return money to the fund from which it was originally provided once a project is completed; and to transfer capital assets.

This space intentionally left blank.

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 8 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at December 31, 2021:

Historical Cost:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Capital assets not being depreciated:				
Land	\$17,985,739	\$14,454	\$0	\$18,000,193
Construction in Progress	13,682,623	22,663,615	0	36,346,238
Subtotal	31,668,362	22,678,069	0	54,346,431
Capital assets being depreciated:				
Buildings	16,749,859	317,813	(17,270)	17,050,402
Improvements Other than Buildings	6,188,715	216,500	0	6,405,215
Infrastructure	33,703,784	1,384,412	(249,521)	34,838,675
Machinery and Equipment	3,511,465	672,211	0	4,183,676
Subtotal	60,153,823	2,590,936	(266,791)	62,477,968
Total Cost	\$91,822,185	\$25,269,005	(\$266,791)	\$116,824,399

Accumulated Depreciation:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Buildings	(\$3,800,547)	(\$425,065)	\$432	(\$4,225,180)
Improvements Other than Buildings	(4,347,213)	(113,440)	0	(4,460,653)
Infrastructure	(12,979,453)	(855,330)	210,512	(13,624,271)
Machinery and Equipment	(1,855,975)	(388,616)	0	(2,244,591)
Total Depreciation	(\$22,983,188)	(\$1,782,451) *	\$210,944	(\$24,554,695)
Net Value:	\$68,838,997			\$92,269,704

* Depreciation was charged to governmental functions as follows:

Public Safety	\$296,600
Parks and Recreation	82,545
Community Economic Development	13,018
Public Works	1,356,154
General Government	34,134
Total Depreciation Expense	\$1,782,451

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member’s FAS for the first 30 years of service.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS’s Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. For additional information, see the Plan Statement in the OPERS Annual Comprehensive Financial Report.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$392,431 for 2021. Of this amount, \$32,360 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$879,273 for 2021. Of this amount, \$79,610 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$2,866,054	\$10,252,759	\$13,118,813
Proportion of the Net Pension Liability-2021	0.019355%	0.150398%	
Proportion of the Net Pension Liability-2020	0.018291%	0.143947%	
Percentage Change	<u>0.001064%</u>	<u>0.006451%</u>	
Pension Expense	\$135,655	\$1,171,095	\$1,306,750

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$0	\$171,942	\$171,942
Differences between expected and actual experience	0	428,594	428,594
Change in proportionate share	159,588	1,220,307	1,379,895
City contributions subsequent to the measurement date	<u>392,431</u>	<u>879,273</u>	<u>1,271,704</u>
Total Deferred Outflows of Resources	<u>\$552,019</u>	<u>\$2,700,116</u>	<u>\$3,252,135</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$1,117,104	\$497,329	\$1,614,433
Differences between expected and actual experience	119,889	399,417	519,306
Change in proportionate share	<u>0</u>	<u>15,880</u>	<u>15,880</u>
Total Deferred Inflows of Resources	<u>\$1,236,993</u>	<u>\$912,626</u>	<u>\$2,149,619</u>

\$1,271,704 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2022	(\$361,320)	\$327,982	(\$33,338)
2023	(108,360)	541,657	433,297
2024	(455,370)	(138,595)	(593,965)
2025	(152,355)	116,678	(35,677)
2026	0	60,495	60,495
Total	<u>(\$1,077,405)</u>	<u>\$908,217</u>	<u>(\$169,188)</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2020 and December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2020
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	0.5 percent simple through 2021. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2019
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	1.4 percent simple through 2020. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$5,467,013	\$2,866,054	\$703,361

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2020, compared with January 1, 2019, are presented below.

	January 1, 2020	January 1, 2019
Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For the January 1, 2020 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

For the January 1, 2020 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

CITY OF MONTGOMERY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2020 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	125.00 %	

* levered 2x

Note: Assumptions are geometric

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2020, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2019 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$14,273,155	\$10,252,759	\$6,888,095

This Space Intentionally Left Blank

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

The net OPEB liability (asset) reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability (asset) represents the City’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which OPEB are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/asset. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

This Space Intentionally Left Blank

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2021.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$20,859 for 2021. Of this amount, \$1,864 is reported as an intergovernmental payable.

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset)	(\$330,858)	\$1,593,492	\$1,262,634
Proportion of the Net OPEB Liability (Asset) -2021	0.018571%	0.150398%	
Proportion of the Net OPEB Liability-2020	<u>0.017650%</u>	<u>0.143947%</u>	
Percentage Change	<u>0.000921%</u>	<u>0.006451%</u>	
OPEB Expense	(\$1,973,018)	\$235,487	(\$1,737,531)

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$162,653	\$880,318	\$1,042,971
Change in proportionate share	84,303	181,992	266,295
City contributions subsequent to the measurement date	0	20,859	20,859
Total Deferred Outflows of Resources	<u>\$246,956</u>	<u>\$1,083,169</u>	<u>\$1,330,125</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$176,220	\$59,218	\$235,438
Changes in assumptions	536,088	254,033	790,121
Differences between expected and actual experience	298,596	262,838	561,434
Change in proportionate share	640	0	640
Total Deferred Inflows of Resources	<u>\$1,011,544</u>	<u>\$576,089</u>	<u>\$1,587,633</u>

\$20,859 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/addition to the net OPEB asset in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2022	(\$389,359)	\$101,344	(\$288,015)
2023	(277,889)	115,364	(162,525)
2024	(76,576)	93,255	16,679
2025	(20,764)	100,207	79,443
2026	0	42,633	42,633
2027	0	27,696	27,696
2028	0	5,722	5,722
Total	<u>(\$764,588)</u>	<u>\$486,221</u>	<u>(\$278,367)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent initial, 3.5 percent ultimate in 2035
Prior Measurement date	10.5 percent initial, 3.5 percent ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB liability (asset)	(\$82,270)	(\$330,858)	(\$535,216)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates and the expected net OPEB liability (asset) if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	(\$338,921)	(\$330,858)	(\$321,835)

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	2.96 percent	3.56 percent
Cost of Living Adjustments	2.2 percent simple	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

CITY OF MONTGOMERY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

* levered 2x

Note: Assumptions are geometric

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 10 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$1,986,991	\$1,593,492	\$1,268,898

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

This Space Intentionally Left Blank

CITY OF MONTGOMERY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 11 - DEBT AND OTHER LONG-TERM OBLIGATIONS

Detail of the changes in the debt and other long-term obligations of the City for the year ended December 31, 2021 is as follows:

			Balance December 31, 2020	Issued	(Retired)	Balance December 31, 2021	Amount Due Within One Year
Governmental Activities Debt:							
Special Obligation TIF Bonds:							
1.97-3.25%	Vintage Club Improvements Refunding	2019	\$11,020,000	\$0	(\$530,000)	\$10,490,000	\$540,000
3.38-5.00%	Vintage Club Improvements Phase II	2018	5,665,000	0	(40,000)	5,625,000	40,000
0.84-3.56%	Montgomery Quarter Phase I	2020	22,905,000	0	0	22,905,000	0
			39,590,000	0	(570,000)	39,020,000	580,000
	Premium (Discount)		383,794	0	(22,576)	361,218	0
	Total Special Obligation TIF Bonds		39,973,794	0	(592,576)	39,381,218	580,000
Long-term Notes:							
1.50%	Montgomery Quarter Infrastructure	2020	7,500,000	0	(7,500,000)	0	0
1.38%	Montgomery Quarter Infrastructure	2021	0	7,500,000	0	7,500,000	0
	Premium (Discount)		36,172	90,450	(36,172)	90,450	0
	Total Long-term Notes		7,536,172	7,590,450	(7,536,172)	7,590,450	0
Special Assessment Bonds							
With Governmental Commitment:							
2.00-3.80%	Public Improvement Refunding	2003	45,000	0	(45,000)	0	0
Governmental Activities Other Long-Term Obligations:							
	Compensated Absences		1,105,791	654,466	(526,976)	1,233,281	574,709
	Total Governmental Activities		\$48,660,757	\$8,244,916	(\$8,700,724)	\$48,204,949	\$1,154,709

In 2018 the City issued \$5,695,000 of special obligation bonds for infrastructure improvements at the Vintage Club housing development. The bonds carry an interest rate of 3.38% to 5.00% and mature in 2037.

In 2020 the City issued \$22,905,000 of special obligation bonds to fund development and construction costs at the Montgomery Quarter, which is a mixed-use development at the southern gateway of downtown. The bonds carry an interest rate of 0.84% to 3.56% and mature in 2050.

In December 2019 the City defeased \$11,755,000 of Vintage Club Improvement Bonds through the issuance of \$11,550,000 Vintage Club Improvement Refunding Bonds, as well as additional cash on hand. The proceeds of the refunding bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$10,810,000 at December 31, 2021 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 11 - DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Principal and Interest Requirements

Principal and interest requirements to retire long-term debt outstanding at December 31, 2021 are as follows:

Years	Special Obligation Bonds	
	Principal	Interest
2022	\$580,000	\$1,198,310
2023	650,000	1,185,612
2024	1,050,000	1,169,638
2025	1,385,000	1,146,780
2026	1,470,000	1,114,769
2027-2031	8,115,000	4,945,922
2032-2036	9,575,000	3,673,026
2037-2041	5,700,000	2,293,114
2042-2046	5,340,000	1,481,953
2047-2050	5,155,000	468,409
Totals	<u>\$39,020,000</u>	<u>\$18,677,533</u>

NOTE 12 – COMPENSATED ABSENCES

The costs of vacation time, compensatory time in lieu of overtime, and sick leave benefits are recorded as they are earned. Employees earn sick leave up to a maximum of 960 hours and vacation leave at varying rates based upon length of service, with a maximum accumulation of the amount earned over a two-year period. Upon retirement and, in certain instances, termination, an individual will be compensated for his/her accumulated sick leave at a maximum rate of 50%. If a full-time employee has accumulated 864 hours or more of unused sick leave, the employee may redeem sick leave hours at the employee's current rate of pay at the rate of one hour of compensation for each three hours of sick leave redeemed.

As of December 31, 2021, the liability for unpaid compensated absences was \$1,233,281 for all funds of the City, a net increase of \$127,490 from the amount at December 31, 2020 of \$1,105,791.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 13 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1992 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with other local cities. As of December 31, 2021, the pool has twenty two members. The pool has been operational since December of 1988 and was formed in accordance with Section 2744 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, surety, general liability, boiler and machinery, employment practices liability, police professional and public official liability coverage up to the limits stated below. Membership in MVRMA is intended to provide broad based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA is a non-profit corporation governed by a twenty two member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote.

Management is provided by an Executive Director, who is assisted by a Claims Manager, a full-time Loss Control Manager and office staff. The board is responsible for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA is subject to the approval of the board, and the organization is covered by policies, procedures, and formally adopted bylaws.

The individual MVRMA, Inc. members are not considered "participants having equity interest" as defined by GASB Statement No. 14 since members have no rights to any assets of MVRMA, Inc. other than possible residual claims upon dissolution. The risk of loss is transferred from the City to the pool. Therefore, MVRMA, Inc. is a multi-jurisdictional arrangement that has the characteristics of a joint venture but has additional features that distinguish it, for financial reporting purposes, from the traditional joint venture defined in GASB Statement No. 14.

The following is a summary of insurance coverages at year end:

Pollution Liability	\$2,000,000	per occurrence
Public Officials/Personal Injury	12,000,000	per occurrence
Property	1,000,000,000	per occurrence
Boiler and Machinery	100,000,000	per occurrence
Flood	25,000,000	per occurrence and aggregate
Cyber Liability	2,000,000	per occurrence and aggregate
Earthquake (Property)	25,000,000	per occurrence and aggregate

The member deductible per occurrence for all types of claims is \$2,500.

MVRMA issues a stand-alone financial report that includes financial statements and required supplementary information for MVRMA, Inc. Interested parties may obtain a copy by making a written request to 3085 Woodman Drive, Suite 200 Kettering, Ohio 45420.

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 13 – RISK MANAGEMENT (Continued)

Workers' Compensation claims are covered under the State of Ohio Bureau of Workers' Compensation. The City participates in the Ohio Municipal League's Workers' Compensation Retrospective Rating Program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on the group's accident history and administrative costs. The City also pays unemployment claims to the State of Ohio as incurred.

Settled claims have not exceeded coverage in any of the past three years. There have been no significant reductions in insurance from the prior year.

NOTE 14 – ACCOUNTABILITY

The fund deficit at December 31, 2021 of \$236,837 in the Triangle Tax Increment Fund was the result of recognizing interfund loans payable on the modified accrual basis, which result in expenditures greater than those on the cash basis. A deficit does not exist on a cash basis. The General Fund provides transfers, upon City Council's approval, when cash is required, not when accruals occur.

NOTE 15 – CONTINGENCIES

The City is a party to various legal proceedings, which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect on the financial condition of the City.

NOTE 16 – SIGNIFICANT COMMITMENTS

At December 31, 2021 the City had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	\$124,423
Fire Protection/EMS Fund	463,606
Other Governmental Funds	2,223,614
Total Governmental Funds	<u>\$2,811,643</u>

CITY OF MONTGOMERY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 16 – SIGNIFICANT COMMITMENTS (Continued)

The City had the following contractual commitments at December 31, 2021:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
Building repair/Maintenance	\$26,223	2022
GRA Roundabout Design	751,474	2022
Miscellaneous maintenance and repair	245,386	2022
Montgomery Quarter Construction	62,043	2022
Paving	74,236	2022
Pfeiffer Rd Roundabout	150,257	2022
Sidewalk replacement	5,047	2022
Software	19,010	2022
Supplies	39,025	2022
Vehicle	504,531	2022
Vintage Club Construction	787,446	2022
Pool Equipment/Maintenance	42,192	2022
PD Radio	9,105	2022
Law Enforcement Equipment	26,283	2022
Fire Hydrant Replacement	12,886	2022
Computers	3,254	2022
Training	16,177	2022
Park Equipment/Maintenance	20,636	2022
Uniforms	8,419	2022
Cemetery Documents	4,000	2022
	<u>\$2,807,630</u>	

NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLE

For 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period.”

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. The implementation of this statement had no effect on beginning of year net position/fund balance.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MONTGOMERY, OHIO

**Schedule of City's Proportionate Share of the Net Pension Liability
Last Eight Years**

Ohio Public Employees Retirement System

Fiscal Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.019235%	0.019235%	0.018781%
City's proportionate share of the net pension liability (asset)	\$2,267,556	\$2,319,956	\$3,253,093
City's covered payroll	\$2,484,715	\$2,378,800	\$2,409,608
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	91.26%	97.53%	135.01%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Fiscal Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.120189%	0.120189%	0.121738%
City's proportionate share of the net pension liability (asset)	\$5,853,615	\$6,226,327	\$7,831,504
City's covered payroll	\$2,416,973	\$2,468,266	\$2,599,662
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	242.19%	252.26%	301.25%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2014 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

See accompanying notes to the required supplementary information

CITY OF MONTGOMERY, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.019403%	0.018644%	0.018013%	0.018291%	0.019355%
\$4,406,031	\$2,924,875	\$4,933,395	\$3,615,340	\$2,866,054
\$2,508,225	\$2,463,823	\$2,432,964	\$2,594,079	\$2,705,436
175.66%	118.71%	202.77%	139.37%	105.94%
77.25%	84.66%	74.70%	82.17%	86.88%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.122559%	0.123872%	0.126080%	0.143947%	0.150398%
\$7,762,786	\$7,602,584	\$10,291,459	\$9,697,059	\$10,252,759
\$2,644,822	\$2,796,625	\$2,946,123	\$3,509,128	\$3,711,738
293.51%	271.85%	349.32%	276.34%	276.23%
68.36%	70.91%	63.07%	69.89%	70.65%

CITY OF MONTGOMERY, OHIO

**Schedule of City Pension Contributions
Last Nine Years**

Ohio Public Employees Retirement System

Fiscal Year	2013	2014	2015
Contractually required contribution	\$323,013	\$285,456	\$289,153
Contributions in relation to the contractually required contribution	323,013	285,456	289,153
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$2,484,715	\$2,378,800	\$2,409,608
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Fiscal Year	2013	2014	2015
Contractually required contribution	\$412,819	\$502,539	\$522,272
Contributions in relation to the contractually required contribution	412,819	502,539	522,272
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$2,416,973	\$2,468,266	\$2,599,662
Contributions as a percentage of covered payroll	17.08%	20.36%	20.09%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

See accompanying notes to the required supplementary information

CITY OF MONTGOMERY, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$300,987	\$320,297	\$340,615	\$363,171	\$378,761	\$392,431
<u>300,987</u>	<u>320,297</u>	<u>340,615</u>	<u>363,171</u>	<u>378,761</u>	<u>392,431</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,508,225	\$2,463,823	\$2,432,964	\$2,594,079	\$2,705,436	\$2,803,079
12.00%	13.00%	14.00%	14.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$541,043	\$572,262	\$602,975	\$729,074	\$773,118	\$879,273
<u>541,043</u>	<u>572,262</u>	<u>602,975</u>	<u>729,074</u>	<u>773,118</u>	<u>879,273</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,644,822	\$2,796,625	\$2,946,123	\$3,509,128	\$3,711,738	\$4,171,794
20.46%	20.46%	20.47%	20.78%	20.83%	21.08%

CITY OF MONTGOMERY, OHIO

**Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability
Last Five Years**

Ohio Public Employees Retirement System

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.018793%	0.018021%	0.017435%
City's proportionate share of the net OPEB liability (asset)	\$1,898,168	\$1,956,925	\$2,273,113
City's covered payroll	\$2,508,225	\$2,463,823	\$2,432,964
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	75.68%	79.43%	93.43%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.122559%	0.123872%	0.126080%
City's proportionate share of the net OPEB liability (asset)	\$5,817,617	\$7,018,415	\$1,148,153
City's covered payroll	\$2,644,822	\$2,796,625	\$2,946,123
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	219.96%	250.96%	38.97%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2016 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability, which is the prior year end.

See accompanying notes to the required supplementary information

CITY OF MONTGOMERY, OHIO

<u>2020</u>	<u>2021</u>
0.017650%	0.018571%
\$2,437,925	(\$330,858)
\$2,594,079	\$2,705,436
93.98%	(12.23%)
47.80%	115.57%

<u>2020</u>	<u>2021</u>
0.143947%	0.150398%
\$1,421,874	\$1,593,492
\$3,509,128	\$3,711,738
40.52%	42.93%
47.08%	45.42%

CITY OF MONTGOMERY, OHIO

**Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Nine Years**

Ohio Public Employees Retirement System

Year	2013	2014	2015
Contractually required contribution	\$24,847	\$47,576	\$48,192
Contributions in relation to the contractually required contribution	24,847	47,576	48,192
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$2,484,715	\$2,378,800	\$2,409,608
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2013	2014	2015
Contractually required contribution	\$86,355	\$12,341	\$12,998
Contributions in relation to the contractually required contribution	86,355	12,341	12,998
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$2,416,973	\$2,468,266	\$2,599,662
Contributions as a percentage of covered payroll	3.57%	0.50%	0.50%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

See accompanying notes to the required supplementary information

CITY OF MONTGOMERY, OHIO

2016	2017	2018	2019	2020	2021
\$50,165	\$24,638	\$0	\$0	\$0	\$0
50,165	24,638	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0
\$2,508,225	\$2,463,823	\$2,432,964	\$2,594,079	\$2,705,436	\$2,803,079
2.00%	1.00%	0.00%	0.00%	0.00%	0.00%

2016	2017	2018	2019	2020	2021
\$13,224	\$13,983	\$14,731	\$17,546	\$18,559	\$20,859
13,224	13,983	14,731	17,546	18,559	20,859
\$0	\$0	\$0	\$0	\$0	\$0
\$2,644,822	\$2,796,625	\$2,946,123	\$3,509,128	\$3,711,738	\$4,171,794
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2021.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality Table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

2021: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 1.4% to 0.5% for post 1/7/13 retirees.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2021.

Changes in assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

This Space Intentionally Left Blank

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

2020 - 2021: There were no changes in benefit terms.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.66% to 3.56%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.56% to 2.96%.

This Space Intentionally Left Blank



*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS AND FIDUCIARY
FUNDS.*

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

Compensated Absences Fund

To account for transfers in to be used for payout of accumulated sick and vacation time upon resignation or retirement. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

Memorial Fund

To account for revenue that is donated for special purchases, most notably trees and benches.

Parks and Recreation Fundraising Fund

To account for monies received from gifts and donations given to the City to support projects that will enhance the city's parks and gateways.

Law Enforcement Fund

To account for revenues received by the Police Department for contraband per state statute.

Drug Law Enforcement Fund

To account for revenues received from mandatory fines for drug offenses.

DUI Enforcement and Education Fund

To account for resources used to educate the public regarding laws governing the operation of motor vehicles while under the influence of alcohol.

Mayor's Court Technology Fund

To account for the assessment fee charged to each issued citation to be used only for the purchase and maintenance of computerizing the Mayor's Court operations.

Community Oriented Policing Services (COPS) Grant Fund

To account for federal grant monies designated for the cost of additional police officers.

Law Enforcement Assistance Fund

To account for reimbursements received from the State of Ohio for continuing professional training programs for police officers.

Environmental Impact Tax Fund

To account for revenue that is generated from fees attached to the new development in the City which is matched with City funds.

(Continued)

Special Revenue Funds (Continued)

Street Construction, Maintenance and Repair Fund

To account for revenues distributed by the State from the motor vehicle registration and gasoline tax. Expenditures may only be used for City street construction, maintenance and repair.

State Highway Fund

To account for the portion of the state gasoline tax designated for construction, maintenance and repair of State highways located within the City.

Permissive Motor Vehicle License Fund

To account for the permissive auto license taxes levied for street construction, maintenance and repairs.

Municipal Pool Fund

To account for the operations of the municipal pool run by the City.

Cemetery Fund

To account for revenues generated from operating the City owned Hopewell Cemetery. The revenues are used to maintain the property.

Montgomery Community Improvement Corporation (CIC) Fund

To account for the activities of the Montgomery Community Improvement Corporation (CIC). The CIC was created to provide economic development loans. (This fund is not part of the City's appropriated budget, therefore no budgetary schedule is presented.)

Contractor Deposits Fund

To account for bond payments made by contractors working within the City to ensure their project is completed within City requirements.

American Rescue Plan Relief (ARPA) Fund

This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act. The funds are to be used to support the response and recovery from the COVID-19 public health emergency.

Unclaimed Monies Fund

To account for funds which rightfully belong to the payor and are refunded when the payor provides proof of claim for the funds within the period specified by law. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

Federal Emergency Management Agency (FEMA) Fund

To account for Federal Emergency Management Agency funds received for emergency relief. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances is not reported because there are no assets, liabilities, revenues, or expenditures to report.)

Nonmajor Governmental Funds

Debt Service Funds

The debt service funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for the payment.

Special Assessment Bond Retirement Fund

To account for the accumulation of special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of principal and interest on the City's special assessment bonds. (The Balance Sheet is not presented because there are no assets or liabilities at year end).

Vintage Club North Tax Increment Fund

To account for service payments (in lieu of taxes) as a result of the Vintage Club tax increment financing agreement. These monies will pay the debt service on money borrowed to complete improvements around the project site.

Reserve of Montgomery Bond Retirement Fund

This fund is used to account for accumulation of resources set up to fund the community improvement district that is part of the Great Traditions project and will be paid back as part of a thirty year special assessment.

Montgomery Quarter Tax Increment Fund

To account for service payments (in lieu of taxes) as a result of the Montgomery Quarter tax increment financing agreement. These monies will pay the debt service on money borrowed to complete improvements around the project site.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Capital Improvement Fund

To account for monies set aside for improvements in the City.

Downtown Improvement Fund

To account for monies set aside for improvements in the downtown/heritage district of the City.

Triangle Tax Increment Fund

To account for revenues and expenditures as part of the Tax Increment Financing for redevelopment of the Property at 9356 Montgomery Road also known as the Triangle.

(Continued)

Capital Projects Funds (Continued)

Montgomery Quarter Roundabout Fund

To account for debt proceeds and other sources to be used for traffic pattern roundabout improvements in the Montgomery Quarter.

Heritage District Fund

To account for the lease payments received from the Village Corner and Montgomery Commons projects in the downtown area.

Vintage Club Capital Improvement Fund

To account for infrastructure improvements at the Vintage Club housing development to be financed by tax increment financing bonds.

Permanent Fund

The Permanent Fund is used to account for the financial resources that are legally restricted in that only the earnings, not the principal, may be used to support the City's programs.

Arts and Amenities Fund

To account for donations and other income to be used for the Arts Commission and the Sister Cities Commission.

CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 6,658,062	\$ 237,237	\$ 4,712,040	\$ 647,493	\$ 12,254,832
Investments	0	0	5,578,196	0	5,578,196
Receivables:					
Taxes	26,590	0	669,946	0	696,536
Accounts	5,060	140,003	0	0	145,063
Intergovernmental	365,144	0	0	0	365,144
Interest	0	0	6,752	0	6,752
Special Assessments	0	747,251	0	0	747,251
Interfund Loans Receivable	0	0	312,840	0	312,840
Prepaid Items	7,726	0	0	846	8,572
Restricted Assets:					
Investments	0	2,933,544	0	0	2,933,544
Total Assets	\$ 7,062,582	\$ 4,058,035	\$ 11,279,774	\$ 648,339	\$ 23,048,730
Liabilities:					
Accounts Payable	\$ 55,110	\$ 0	\$ 537,803	\$ 0	\$ 592,913
Accrued Wages and Benefits Payable	17,614	0	0	0	17,614
Intergovernmental Payable	1,922	0	12,887	0	14,809
Unearned Revenue	548,192	0	0	0	548,192
Interfund Loans Payable	0	0	312,840	0	312,840
Total Liabilities	622,838	0	863,530	0	1,486,368
Deferred Inflows of Resources:					
Unavailable Amounts	237,055	747,251	254,598	0	1,238,904
Property Tax Levy for Next Fiscal Year	0	0	155,000	0	155,000
Total Deferred Inflows of Resources	237,055	747,251	409,598	0	1,393,904
Fund Balances:					
Nonspendable	7,726	0	0	379,579	387,305
Restricted	6,194,963	3,310,784	6,280,457	268,760	16,054,964
Assigned	0	0	3,963,026	0	3,963,026
Unassigned	0	0	(236,837)	0	(236,837)
Total Fund Balances	6,202,689	3,310,784	10,006,646	648,339	20,168,458
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,062,582	\$ 4,058,035	\$ 11,279,774	\$ 648,339	\$ 23,048,730

CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	\$ 87,277	\$ 0	\$ 2,380,889	\$ 0	\$ 2,468,166
Intergovernmental Revenues	664,000	0	2,373,436	0	3,037,436
Charges for Services	441,428	0	0	25,451	466,879
Licenses, Permits and Fees	19,500	0	0	0	19,500
Investment Earnings	9,183	198	27,897	2,343	39,621
Special Assessments	1,725	182,514	0	0	184,239
Fines and Forfeitures	48,909	0	0	0	48,909
All Other Revenue	121,150	170,003	295	0	291,448
Total Revenues	1,393,172	352,715	4,782,517	27,794	6,556,198
Expenditures:					
Current:					
Public Safety	291,559	0	0	0	291,559
Parks and Recreation	204,657	0	0	19,236	223,893
Community Economic Development	79,701	0	0	0	79,701
Public Works	1,147,297	0	0	0	1,147,297
General Government	92,396	7,065	95,248	0	194,709
Capital Outlay	0	0	6,393,930	0	6,393,930
Debt Service:					
Principal Retirement	0	85,000	0	0	85,000
Interest and Fiscal Charges	0	862,533	0	0	862,533
Total Expenditures	1,815,610	954,598	6,489,178	19,236	9,278,622
Excess (Deficiency) of Revenues Over (Under) Expenditures	(422,438)	(601,883)	(1,706,661)	8,558	(2,722,424)
Other Financing Sources (Uses):					
Sale of Capital Assets	3,429	0	7,528	0	10,957
Transfers In	1,001,900	300,000	1,000,000	0	2,301,900
Transfers Out	0	(179,528)	(800,000)	0	(979,528)
Total Other Financing Sources (Uses)	1,005,329	120,472	207,528	0	1,333,329
Net Change in Fund Balances	582,891	(481,411)	(1,499,133)	8,558	(1,389,095)
Fund Balances at Beginning of Year	5,619,798	3,792,195	11,505,779	639,781	21,557,553
Fund Balances End of Year	\$ 6,202,689	\$ 3,310,784	\$ 10,006,646	\$ 648,339	\$ 20,168,458

CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021**

	Memorial	Parks and Recreation Fundraising	Law Enforcement	Drug Law Enforcement
Assets:				
Cash and Cash Equivalents	\$ 60,226	\$ 10,335	\$ 153,494	\$ 5,634
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 60,226	\$ 10,335	\$ 153,494	\$ 5,634
Liabilities:				
Accounts Payable	\$ 360	\$ 0	\$ 2,239	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	360	0	2,239	0
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	59,866	10,335	151,255	5,634
Total Fund Balances	59,866	10,335	151,255	5,634
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 60,226	\$ 10,335	\$ 153,494	\$ 5,634

CITY OF MONTGOMERY, OHIO

DUI Enforcement and Education	Mayor's Court Technology	COPS Grant	Law Enforcement Assistance	Environmental Impact Tax	Street Construction Maintenance and Repair
\$ 15,064	\$ 63,450	\$ 91,075	\$ 15,520	\$ 303,571	\$ 2,042,389
0	0	0	0	0	0
60	0	0	0	0	0
0	0	36,031	0	0	291,768
0	160	1,381	0	0	6,185
<u>\$ 15,124</u>	<u>\$ 63,610</u>	<u>\$ 128,487</u>	<u>\$ 15,520</u>	<u>\$ 303,571</u>	<u>\$ 2,340,342</u>
\$ 0	\$ 25	\$ 34	\$ 0	\$ 0	\$ 33,967
0	0	3,283	0	0	14,331
0	0	0	0	0	676
0	0	0	0	0	0
<u>0</u>	<u>25</u>	<u>3,317</u>	<u>0</u>	<u>0</u>	<u>48,974</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>194,431</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>194,431</u>
0	160	1,381	0	0	6,185
<u>15,124</u>	<u>63,425</u>	<u>123,789</u>	<u>15,520</u>	<u>303,571</u>	<u>2,090,752</u>
<u>15,124</u>	<u>63,585</u>	<u>125,170</u>	<u>15,520</u>	<u>303,571</u>	<u>2,096,937</u>
<u>\$ 15,124</u>	<u>\$ 63,610</u>	<u>\$ 128,487</u>	<u>\$ 15,520</u>	<u>\$ 303,571</u>	<u>\$ 2,340,342</u>

(Continued)

CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021**

	State Highway	Permissive Motor Vehicle License	Municipal Pool	Cemetery
Assets:				
Cash and Cash Equivalents	\$ 112,456	\$ 251,981	\$ 298,698	\$ 470,668
Receivables:				
Taxes	0	26,590	0	0
Accounts	0	0	0	0
Intergovernmental	23,647	13,698	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 136,103	\$ 292,269	\$ 298,698	\$ 470,668
Liabilities:				
Accounts Payable	\$ 0	\$ 789	\$ 660	\$ 4,536
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	1,238	8
Unearned Revenue	0	0	0	0
Total Liabilities	0	789	1,898	4,544
Deferred Inflows of Resources:				
Unavailable Amounts	15,765	26,859	0	0
Total Deferred Inflows of Resources	15,765	26,859	0	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	120,338	264,621	296,800	466,124
Total Fund Balances	120,338	264,621	296,800	466,124
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 136,103	\$ 292,269	\$ 298,698	\$ 470,668

CITY OF MONTGOMERY, OHIO

Montgomery CIC	Contractor Deposits	ARPA	Total Nonmajor Special Revenue Funds
\$ 2,056,479	\$ 158,830	\$ 548,192	\$ 6,658,062
0	0	0	26,590
0	5,000	0	5,060
0	0	0	365,144
0	0	0	7,726
<u>\$ 2,056,479</u>	<u>\$ 163,830</u>	<u>\$ 548,192</u>	<u>\$ 7,062,582</u>
\$ 3,000	\$ 9,500	\$ 0	\$ 55,110
0	0	0	17,614
0	0	0	1,922
0	0	548,192	548,192
<u>3,000</u>	<u>9,500</u>	<u>548,192</u>	<u>622,838</u>
0	0	0	237,055
0	0	0	237,055
0	0	0	7,726
<u>2,053,479</u>	<u>154,330</u>	<u>0</u>	<u>6,194,963</u>
<u>2,053,479</u>	<u>154,330</u>	<u>0</u>	<u>6,202,689</u>
<u>\$ 2,056,479</u>	<u>\$ 163,830</u>	<u>\$ 548,192</u>	<u>\$ 7,062,582</u>

CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

	Memorial	Parks and Recreation Fundraising	Law Enforcement	Drug Law Enforcement
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	38,727	0
All Other Revenue	26,575	0	0	0
Total Revenues	26,575	0	38,727	0
Expenditures:				
Current:				
Public Safety	0	0	94,929	0
Parks and Recreation	5,350	0	0	0
Community Economic Development	0	0	0	0
Public Works	0	0	0	0
General Government	0	0	0	0
Total Expenditures	5,350	0	94,929	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,225	0	(56,202)	0
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	21,225	0	(56,202)	0
Fund Balances at Beginning of Year	38,641	10,335	207,457	5,634
Fund Balances End of Year	\$ 59,866	\$ 10,335	\$ 151,255	\$ 5,634

CITY OF MONTGOMERY, OHIO

DUI Enforcement and Education	Mayor's Court Technology	COPS Grant	Law Enforcement Assistance	Environmental Impact Tax	Street Construction Maintenance and Repair
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	1,454	0	0	551,624
0	0	120,047	0	0	0
0	0	0	0	19,500	0
0	0	0	0	0	6,559
0	0	0	0	1,725	0
390	9,792	0	0	0	0
0	0	0	0	0	8,652
<u>390</u>	<u>9,792</u>	<u>121,501</u>	<u>0</u>	<u>21,225</u>	<u>566,835</u>
262	3,145	171,988	0	0	0
0	0	0	0	0	0
0	0	0	0	1,994	0
0	0	0	0	0	1,014,021
0	0	0	0	0	0
<u>262</u>	<u>3,145</u>	<u>171,988</u>	<u>0</u>	<u>1,994</u>	<u>1,014,021</u>
128	6,647	(50,487)	0	19,231	(447,186)
0	0	0	0	0	3,429
0	0	64,400	0	22,500	900,000
<u>0</u>	<u>0</u>	<u>64,400</u>	<u>0</u>	<u>22,500</u>	<u>903,429</u>
128	6,647	13,913	0	41,731	456,243
14,996	56,938	111,257	15,520	261,840	1,640,694
<u>\$ 15,124</u>	<u>\$ 63,585</u>	<u>\$ 125,170</u>	<u>\$ 15,520</u>	<u>\$ 303,571</u>	<u>\$ 2,096,937</u>

(Continued)

CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

	State Highway	Permissive Motor Vehicle License	Municipal Pool	Cemetery
Revenues:				
Taxes	\$ 0	\$ 87,277	\$ 0	\$ 0
Intergovernmental Revenues	44,726	44,961	0	0
Charges for Services	0	0	238,285	83,096
Licenses, Permits and Fees	0	0	0	0
Investment Earnings	351	710	0	1,563
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	0	0
Total Revenues	45,077	132,948	238,285	84,659
Expenditures:				
Current:				
Public Safety	0	0	0	0
Parks and Recreation	0	0	199,307	0
Community Economic Development	0	0	0	0
Public Works	27,699	50,903	0	54,674
General Government	0	0	0	0
Total Expenditures	27,699	50,903	199,307	54,674
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,378	82,045	38,978	29,985
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	15,000	0
Total Other Financing Sources (Uses)	0	0	15,000	0
Net Change in Fund Balances	17,378	82,045	53,978	29,985
Fund Balances at Beginning of Year	102,960	182,576	242,822	436,139
Fund Balances End of Year	\$ 120,338	\$ 264,621	\$ 296,800	\$ 466,124

CITY OF MONTGOMERY, OHIO

Montgomery CIC	Contractor Deposits	ARPA	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 87,277
0	0	21,235	664,000
0	0	0	441,428
0	0	0	19,500
0	0	0	9,183
0	0	0	1,725
0	0	0	48,909
0	85,923	0	121,150
<u>0</u>	<u>85,923</u>	<u>21,235</u>	<u>1,393,172</u>
0	0	21,235	291,559
0	0	0	204,657
77,707	0	0	79,701
0	0	0	1,147,297
0	92,396	0	92,396
<u>77,707</u>	<u>92,396</u>	<u>21,235</u>	<u>1,815,610</u>
(77,707)	(6,473)	0	(422,438)
0	0	0	3,429
0	0	0	1,001,900
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,005,329</u>
(77,707)	(6,473)	0	582,891
2,131,186	160,803	0	5,619,798
<u>\$ 2,053,479</u>	<u>\$ 154,330</u>	<u>\$ 0</u>	<u>\$ 6,202,689</u>

CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2021**

	Vintage Club North Tax Increment	Reserve of Montgomery Bond Retirement	Montgomery Quarter Tax Increment	Total Nonmajor Debt Service Funds
Assets:				
Cash and Cash Equivalents	\$ 25,509	\$ 211,728	\$ 0	\$ 237,237
Receivables:				
Accounts	140,003	0	0	140,003
Special Assessments	0	747,251	0	747,251
Restricted Assets:				
Investments	140,005	0	2,793,539	2,933,544
Total Assets	<u>\$ 305,517</u>	<u>\$ 958,979</u>	<u>\$ 2,793,539</u>	<u>\$ 4,058,035</u>
Liabilities:				
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	747,251	0	747,251
Total Deferred Inflows of Resources	<u>0</u>	<u>747,251</u>	<u>0</u>	<u>747,251</u>
Fund Balances:				
Restricted	305,517	211,728	2,793,539	3,310,784
Total Fund Balances	<u>305,517</u>	<u>211,728</u>	<u>2,793,539</u>	<u>3,310,784</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 305,517</u>	<u>\$ 958,979</u>	<u>\$ 2,793,539</u>	<u>\$ 4,058,035</u>

CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2021**

	Special Assessment Bond Retirement	Vintage Club North Tax Increment	Reserve of Montgomery Bond Retirement	Montgomery Quarter Tax Increment	Total Nonmajor Debt Service Funds
Revenues:					
Investment Earnings	\$ 0	\$ 12	\$ 0	\$ 186	\$ 198
Special Assessments	0	0	182,514	0	182,514
All Other Revenue	0	170,003	0	0	170,003
Total Revenues	<u>0</u>	<u>170,015</u>	<u>182,514</u>	<u>186</u>	<u>352,715</u>
Expenditures:					
Current:					
General Government	0	1,200	5,865	0	7,065
Debt Service:					
Principal Retirement	0	40,000	45,000	0	85,000
Interest and Fiscal Charges	0	241,606	1,710	619,217	862,533
Total Expenditures	<u>0</u>	<u>282,806</u>	<u>52,575</u>	<u>619,217</u>	<u>954,598</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(112,791)	129,939	(619,031)	(601,883)
Other Financing Sources (Uses):					
Transfers In	0	300,000	0	0	300,000
Transfers Out	(179,528)	0	0	0	(179,528)
Total Other Financing Sources (Uses)	<u>(179,528)</u>	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>120,472</u>
Net Change in Fund Balances	(179,528)	187,209	129,939	(619,031)	(481,411)
Fund Balances at Beginning of Year	<u>179,528</u>	<u>118,308</u>	<u>81,789</u>	<u>3,412,570</u>	<u>3,792,195</u>
Fund Balances End of Year	<u>\$ 0</u>	<u>\$ 305,517</u>	<u>\$ 211,728</u>	<u>\$ 2,793,539</u>	<u>\$ 3,310,784</u>

CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021**

	Capital Improvement	Downtown Improvement	Triangle Tax Increment	Montgomery Quarter Roundabout
Assets:				
Cash and Cash Equivalents	\$ 1,975,794	\$ 1,708,372	\$ 76,003	\$ 751,400
Investments	2,264,190	1,957,736	0	0
Receivables:				
Taxes	514,946	0	155,000	0
Interest	3,621	3,131	0	0
Interfund Loans Receivable	312,840	0	0	0
Total Assets	\$ 5,071,391	\$ 3,669,239	\$ 231,003	\$ 751,400
Liabilities:				
Accounts Payable	\$ 50,383	\$ 62,500	\$ 0	\$ 393,557
Intergovernmental Payable	12,887	0	0	0
Interfund Loans Payable	0	0	312,840	0
Total Liabilities	63,270	62,500	312,840	393,557
Deferred Inflows of Resources:				
Unavailable Amounts	253,042	1,556	0	0
Property Tax Levy for Next Fiscal Year	0	0	155,000	0
Total Deferred Inflows of Resources	253,042	1,556	155,000	0
Fund Balances:				
Restricted	4,755,079	0	0	0
Assigned	0	3,605,183	0	357,843
Unassigned	0	0	(236,837)	0
Total Fund Balances	4,755,079	3,605,183	(236,837)	357,843
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,071,391	\$ 3,669,239	\$ 231,003	\$ 751,400

CITY OF MONTGOMERY, OHIO

Heritage District	Vintage Club Capital Improvement	Total Nonmajor Capital Projects Funds
\$ 200,471	\$ 0	\$ 4,712,040
0	1,356,270	5,578,196
0	0	669,946
0	0	6,752
0	0	312,840
<u>\$ 200,471</u>	<u>\$ 1,356,270</u>	<u>\$ 11,279,774</u>
\$ 0	\$ 31,363	\$ 537,803
0	0	12,887
0	0	312,840
<u>0</u>	<u>31,363</u>	<u>863,530</u>
0	0	254,598
0	0	155,000
<u>0</u>	<u>0</u>	<u>409,598</u>
200,471	1,324,907	6,280,457
0	0	3,963,026
0	0	(236,837)
<u>200,471</u>	<u>1,324,907</u>	<u>10,006,646</u>
<u>\$ 200,471</u>	<u>\$ 1,356,270</u>	<u>\$ 11,279,774</u>

CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021**

	Capital Improvement	Downtown Improvement	Triangle Tax Increment	Montgomery Quarter Roundabout
Revenues:				
Taxes	\$ 2,208,447	\$ 0	\$ 172,442	\$ 0
Intergovernmental Revenues	336,098	0	0	2,037,338
Investment Earnings	14,052	12,954	0	0
All Other Revenue	295	0	0	0
Total Revenues	2,558,892	12,954	172,442	2,037,338
Expenditures:				
Current:				
General Government	0	0	87,140	0
Capital Outlay	2,359,650	618,566	0	3,359,627
Total Expenditures	2,359,650	618,566	87,140	3,359,627
Excess (Deficiency) of Revenues Over (Under) Expenditures	199,242	(605,612)	85,302	(1,322,289)
Other Financing Sources (Uses):				
Sale of Capital Assets	7,528	0	0	0
Transfers In	0	500,000	0	500,000
Transfers Out	0	(500,000)	0	0
Total Other Financing Sources (Uses)	7,528	0	0	500,000
Net Change in Fund Balances	206,770	(605,612)	85,302	(822,289)
Fund Balances at Beginning of Year	4,548,309	4,210,795	(322,139)	1,180,132
Fund Balances End of Year	\$ 4,755,079	\$ 3,605,183	\$ (236,837)	\$ 357,843

CITY OF MONTGOMERY, OHIO

Heritage District	Vintage Club Capital Improvement	Total Nonmajor Capital Projects Funds
\$ 0	\$ 0	\$ 2,380,889
0	0	2,373,436
785	106	27,897
0	0	295
<u>785</u>	<u>106</u>	<u>4,782,517</u>
8,108	0	95,248
<u>22,135</u>	<u>33,952</u>	<u>6,393,930</u>
<u>30,243</u>	<u>33,952</u>	<u>6,489,178</u>
(29,458)	(33,846)	(1,706,661)
0	0	7,528
0	0	1,000,000
<u>0</u>	<u>(300,000)</u>	<u>(800,000)</u>
<u>0</u>	<u>(300,000)</u>	<u>207,528</u>
(29,458)	(333,846)	(1,499,133)
<u>229,929</u>	<u>1,658,753</u>	<u>11,505,779</u>
<u>\$ 200,471</u>	<u>\$ 1,324,907</u>	<u>\$ 10,006,646</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 9,686,984	\$ 9,686,984	\$ 11,276,957	\$ 1,589,973
Intergovernmental Revenues	438,585	438,585	668,433	229,848
Charges for Services	78,650	78,650	97,153	18,503
Rental Revenue	59,000	59,000	68,800	9,800
Licenses, Permits and Fees	372,075	690,400	967,325	276,925
Investment Earnings	210,000	210,000	77,271	(132,729)
Fines and Forfeitures	78,450	78,450	85,023	6,573
All Other Revenues	34,190	34,190	114,732	80,542
Total Revenues	10,957,934	11,276,259	13,355,694	2,079,435
Expenditures:				
Public Safety:				
Police:				
Personal Services	3,510,651	3,510,651	3,399,650	111,001
Nonpersonnel	486,254	486,254	391,819	94,435
Total Police	3,996,905	3,996,905	3,791,469	205,436
Disaster Service:				
Nonpersonnel	9,300	9,300	5,000	4,300
Total Disaster Service	9,300	9,300	5,000	4,300
Public Health and Welfare:				
Personal Services	58,250	59,082	57,152	1,930
Total Public Health and Welfare	58,250	59,082	57,152	1,930
Civil Service:				
Nonpersonnel	4,650	4,650	582	4,068
Total Civil Service	4,650	4,650	582	4,068
Total Public Safety	4,069,105	4,069,937	3,854,203	215,734
Parks and Recreation:				
Recreation:				
Personal Services	258,539	258,539	235,587	22,952
Nonpersonnel	103,346	103,346	91,039	12,307
Total Recreation	361,885	361,885	326,626	35,259

(Continued)

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
City Parks:				
Personal Services	357,908	357,908	326,690	31,218
Nonpersonnel	254,297	267,297	256,079	11,218
Total City Parks	612,205	625,205	582,769	42,436
Lodges:				
Nonpersonnel	43,443	52,943	50,517	2,426
Total Lodges	43,443	52,943	50,517	2,426
City Beautiful:				
Nonpersonnel	151,399	151,399	145,035	6,364
Total City Beautiful	151,399	151,399	145,035	6,364
Special Events:				
Nonpersonnel	116,577	116,577	95,870	20,707
Total Special Events	116,577	116,577	95,870	20,707
Total Parks and Recreation	1,285,509	1,308,009	1,200,817	107,192
Community Economic Development:				
Landmarks Commission:				
Nonpersonnel	15,250	15,250	8,390	6,860
Total Landmarks Commission	15,250	15,250	8,390	6,860
Historical Building Operations:				
Nonpersonnel	77,663	77,663	36,049	41,614
Total Historical Building Operations	77,663	77,663	36,049	41,614
Development:				
Personal Services	407,513	407,513	242,564	164,949
Nonpersonnel	418,800	862,820	783,437	79,383
Total Development	826,313	1,270,333	1,026,001	244,332
Planning Commission:				
Nonpersonnel	8,900	12,287	8,849	3,438
Total Planning Commission	8,900	12,287	8,849	3,438
Total Community Economic Development	928,126	1,375,533	1,079,289	296,244
Public Works:				
Personal Services	578,089	578,089	569,212	8,877
Nonpersonnel	183,608	183,608	159,639	23,969
Total Public Works	761,697	761,697	728,851	32,846

(Continued)

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2021***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General Government:				
Administration:				
Personal Services	526,010	526,010	526,860	(850)
Nonpersonnel	29,000	29,000	25,127	3,873
Total Administration	<u>555,010</u>	<u>555,010</u>	<u>551,987</u>	<u>3,023</u>
Finance Administration:				
Personal Services	658,844	658,844	595,225	63,619
Nonpersonnel	83,725	107,725	94,598	13,127
Total Finance Administration	<u>742,569</u>	<u>766,569</u>	<u>689,823</u>	<u>76,746</u>
Legal Administration:				
Nonpersonnel	248,500	248,500	136,475	112,025
Total Legal Administration	<u>248,500</u>	<u>248,500</u>	<u>136,475</u>	<u>112,025</u>
Council:				
Personal Services	18,423	18,423	14,925	3,498
Nonpersonnel	4,400	4,400	3,501	899
Total Council	<u>22,823</u>	<u>22,823</u>	<u>18,426</u>	<u>4,397</u>
Mayor's Court:				
Personal Services	31,996	31,996	31,394	602
Nonpersonnel	76,908	76,908	76,696	212
Total Mayor's Court	<u>108,904</u>	<u>108,904</u>	<u>108,090</u>	<u>814</u>
Citizen Engagement and Outreach:				
Personal Services	550,108	550,108	429,232	120,876
Nonpersonnel	149,107	149,107	91,672	57,435
Total Citizen Engagement and Outreach	<u>699,215</u>	<u>699,215</u>	<u>520,904</u>	<u>178,311</u>
General Administration:				
Personal Services	15,000	15,000	6,966	8,034
Nonpersonnel	2,007,100	2,007,100	1,691,566	315,534
Total General Administration	<u>2,022,100</u>	<u>2,022,100</u>	<u>1,698,532</u>	<u>323,568</u>
Total General Government	<u>4,399,121</u>	<u>4,423,121</u>	<u>3,724,237</u>	<u>698,884</u>
Total Expenditures	<u>11,443,558</u>	<u>11,938,297</u>	<u>10,587,397</u>	<u>1,350,900</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(485,624)	(662,038)	2,768,297	3,430,335

(Continued)

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2021***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Sale of Capital Assets	5,100	5,100	1,549	(3,551)
Transfers In	35,113	35,113	214,641	179,528
Transfers Out	(1,001,900)	(1,001,900)	(1,001,900)	0
Total Other Financing Sources (Uses)	<u>(961,687)</u>	<u>(961,687)</u>	<u>(785,710)</u>	<u>175,977</u>
Net Change in Fund Balance	(1,447,311)	(1,623,725)	1,982,587	3,606,312
Fund Balance at Beginning of Year	16,242,584	16,242,584	16,242,584	0
Prior Year Encumbrances	61,798	61,798	61,798	0
Fund Balance at End of Year	<u>\$ 14,857,071</u>	<u>\$ 14,680,657</u>	<u>\$ 18,286,969</u>	<u>\$ 3,606,312</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Fire Protection / EMS Fund
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,264,388	\$ 5,435,265	\$ 5,428,903	\$ (6,362)
Intergovernmental Revenues	233,000	233,000	239,324	6,324
Charges for Services	176,200	176,200	242,084	65,884
Investment Earnings	24,500	24,500	39,103	14,603
Donations	200	200	0	(200)
All Other Revenues	18,297	18,297	47,949	29,652
Total Revenues	<u>5,716,585</u>	<u>5,887,462</u>	<u>5,997,363</u>	<u>109,901</u>
Expenditures:				
Public Safety:				
Personal Services	3,746,948	3,746,948	2,900,008	846,940
Nonpersonnel	1,705,511	1,705,511	1,531,229	174,282
Total Expenditures	<u>5,452,459</u>	<u>5,452,459</u>	<u>4,431,237</u>	<u>1,021,222</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	264,126	435,003	1,566,126	1,131,123
Other Financing Sources (Uses):				
Sale of Capital Assets	2,500	2,500	6,152	3,652
Total Other Financing Sources (Uses)	<u>2,500</u>	<u>2,500</u>	<u>6,152</u>	<u>3,652</u>
Net Change in Fund Balance	266,626	437,503	1,572,278	1,134,775
Fund Balance at Beginning of Year	9,732,288	9,732,288	9,732,288	0
Prior Year Encumbrances	223,147	223,147	223,147	0
Fund Balance at End of Year	<u>\$ 10,222,061</u>	<u>\$ 10,392,938</u>	<u>\$ 11,527,713</u>	<u>\$ 1,134,775</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund – General Obligation Bond Retirement Fund
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 5,000	\$ 5,000	\$ 2,729	\$ (2,271)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>2,729</u>	<u>(2,271)</u>
Expenditures:				
General Government:				
Nonpersonnel	0	28,448	28,448	0
Debt Service:				
Interest and Fiscal Charges	<u>112,500</u>	<u>112,500</u>	<u>112,188</u>	<u>312</u>
Total Expenditures	<u>112,500</u>	<u>140,948</u>	<u>140,636</u>	<u>312</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(107,500)	(135,948)	(137,907)	(1,959)
Other Financing Sources (Uses):				
Premium on Debt Issuance	<u>0</u>	<u>0</u>	<u>90,450</u>	<u>90,450</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>90,450</u>	<u>90,450</u>
Net Change in Fund Balance	(107,500)	(135,948)	(47,457)	88,491
Fund Balance at Beginning of Year	<u>768,288</u>	<u>768,288</u>	<u>768,288</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 660,788</u>	<u>\$ 632,340</u>	<u>\$ 720,831</u>	<u>\$ 88,491</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund – Vintage Club Tax Increment Fund
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,352,273	\$ 2,352,273	\$ 2,330,389	\$ (21,884)
Intergovernmental Revenues	183,093	183,093	192,118	9,025
Investment Earnings	4,750	4,750	26	(4,724)
Total Revenues	2,540,116	2,540,116	2,522,533	(17,583)
Expenditures:				
General Government:				
Nonpersonnel	1,548,550	1,548,550	1,293,186	255,364
Total General Government	1,548,550	1,548,550	1,293,186	255,364
Debt Service:				
Principal Retirement	530,000	530,000	530,000	0
Interest and Fiscal Charges	307,117	307,117	307,117	0
Total Expenditures	2,385,667	2,385,667	2,130,303	255,364
Excess (Deficiency) of Revenues Over (Under) Expenditures	154,449	154,449	392,230	237,781
Other Financing Sources (Uses):				
Transfers Out	0	(500,000)	(500,000)	0
Total Other Financing Sources (Uses)	0	(500,000)	(500,000)	0
Net Change in Fund Balance	154,449	(345,551)	(107,770)	237,781
Fund Balance at Beginning of Year	2,828,514	2,828,514	2,828,514	0
Fund Balance at End of Year	\$ 2,982,963	\$ 2,482,963	\$ 2,720,744	\$ 237,781

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund – Montgomery Quarter Construction Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 250,000	\$ 250,000	\$ 250,000	\$ 0
Investment Earnings	3,000	3,000	652	(2,348)
Total Revenues	253,000	253,000	250,652	(2,348)
Expenditures:				
Capital Outlay:				
Nonpersonnel	17,000,000	19,446,000	18,836,410	609,590
Total Expenditures	17,000,000	19,446,000	18,836,410	609,590
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,747,000)	(19,193,000)	(18,585,758)	607,242
Other Financing Sources (Uses):				
Bond Issuance	18,000,000	19,193,000	18,000,000	(1,193,000)
Total Other Financing Sources (Uses)	18,000,000	19,193,000	18,000,000	(1,193,000)
Net Change in Fund Balance	1,253,000	0	(585,758)	(585,758)
Fund Balance at Beginning of Year	2,443,007	2,443,007	2,443,007	0
Fund Balance at End of Year	\$ 3,696,007	\$ 2,443,007	\$ 1,857,249	\$ (585,758)

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	COMPENSATED ABSENCES FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
General Government:				
Personal Services	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Net Change in Fund Balance	(50,000)	(50,000)	0	50,000
Fund Balance at Beginning of Year	<u>433,445</u>	<u>433,445</u>	<u>433,445</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 383,445</u>	<u>\$ 383,445</u>	<u>\$ 433,445</u>	<u>\$ 50,000</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

	MEMORIAL FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 3,000	\$ 3,000	\$ 26,575	\$ 23,575
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>26,575</u>	<u>23,575</u>
Expenditures:				
Parks and Recreation:				
Nonpersonnel	4,000	5,735	5,230	505
Total Expenditures	<u>4,000</u>	<u>5,735</u>	<u>5,230</u>	<u>505</u>
Net Change in Fund Balance	(1,000)	(2,735)	21,345	24,080
Fund Balance at Beginning of Year	<u>38,881</u>	<u>38,881</u>	<u>38,881</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 37,881</u>	<u>\$ 36,146</u>	<u>\$ 60,226</u>	<u>\$ 24,080</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

PARKS AND RECREATION FUNDRAISING FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 500	\$ 500	\$ 0	\$ (500)
Total Revenues	<u>500</u>	<u>500</u>	<u>0</u>	<u>(500)</u>
Expenditures:				
Parks and Recreation:				
Nonpersonnel	500	500	0	500
Total Expenditures	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>10,335</u>	<u>10,335</u>	<u>10,335</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,335</u>	<u>\$ 10,335</u>	<u>\$ 10,335</u>	<u>\$ 0</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	LAW ENFORCEMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 800	\$ 100,800	\$ 38,727	\$ (62,073)
Donations	900	900	0	(900)
Total Revenues	<u>1,700</u>	<u>101,700</u>	<u>38,727</u>	<u>(62,973)</u>
Expenditures:				
Public Safety:				
Nonpersonnel	<u>98,535</u>	<u>98,535</u>	<u>97,943</u>	<u>592</u>
Total Expenditures	<u>98,535</u>	<u>98,535</u>	<u>97,943</u>	<u>592</u>
Net Change in Fund Balance	(96,835)	3,165	(59,216)	(62,381)
Fund Balance at Beginning of Year	177,980	177,980	177,980	0
Prior Year Encumbrances	<u>29,535</u>	<u>29,535</u>	<u>29,535</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 110,680</u>	<u>\$ 210,680</u>	<u>\$ 148,299</u>	<u>\$ (62,381)</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 0</u>	<u>\$ (1,000)</u>
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>(1,000)</u>
Expenditures:				
Public Safety:				
Nonpersonnel	<u>400</u>	<u>400</u>	<u>0</u>	<u>400</u>
Total Expenditures	<u>400</u>	<u>400</u>	<u>0</u>	<u>400</u>
Net Change in Fund Balance	600	600	0	(600)
Fund Balance at Beginning of Year	<u>5,634</u>	<u>5,634</u>	<u>5,634</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,234</u>	<u>\$ 6,234</u>	<u>\$ 5,634</u>	<u>\$ (600)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

DUI ENFORCEMENT AND EDUCATION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 330	\$ (670)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>330</u>	<u>(670)</u>
Expenditures:				
Public Safety:				
Nonpersonnel	10,500	10,500	262	10,238
Total Expenditures	<u>10,500</u>	<u>10,500</u>	<u>262</u>	<u>10,238</u>
Net Change in Fund Balance	(9,500)	(9,500)	68	9,568
Fund Balance at Beginning of Year	14,996	14,996	14,996	0
Fund Balance at End of Year	<u>\$ 5,496</u>	<u>\$ 5,496</u>	<u>\$ 15,064</u>	<u>\$ 9,568</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 15,138	\$ 15,138	\$ 9,862	\$ (5,276)
All Other Revenues	0	50	0	(50)
Total Revenues	<u>15,138</u>	<u>15,188</u>	<u>9,862</u>	<u>(5,326)</u>
Expenditures:				
Public Safety:				
Nonpersonnel	<u>13,707</u>	<u>13,707</u>	<u>3,145</u>	<u>10,562</u>
Total Expenditures	<u>13,707</u>	<u>13,707</u>	<u>3,145</u>	<u>10,562</u>
Net Change in Fund Balance	1,431	1,481	6,717	5,236
Fund Balance at Beginning of Year	56,013	56,013	56,013	0
Fund Balance at End of Year	<u>\$ 57,444</u>	<u>\$ 57,494</u>	<u>\$ 62,730</u>	<u>\$ 5,236</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

	COPS GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 128,625	\$ 136,400	\$ 130,902	\$ (5,498)
All Other Revenues	83	83	0	(83)
Total Revenues	<u>128,708</u>	<u>136,483</u>	<u>130,902</u>	<u>(5,581)</u>
Expenditures:				
Public Safety:				
Personal Services	188,984	188,984	167,467	21,517
Nonpersonnel	3,600	3,600	3,749	(149)
Total Expenditures	<u>192,584</u>	<u>192,584</u>	<u>171,216</u>	<u>21,368</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(63,876)	(56,101)	(40,314)	15,787
Other Financing Sources (Uses):				
Transfers In	64,400	64,400	64,400	0
Total Other Financing Sources (Uses)	<u>64,400</u>	<u>64,400</u>	<u>64,400</u>	<u>0</u>
Net Change in Fund Balance	524	8,299	24,086	15,787
Fund Balance at Beginning of Year	66,989	66,989	66,989	0
Fund Balance at End of Year	<u>\$ 67,513</u>	<u>\$ 75,288</u>	<u>\$ 91,075</u>	<u>\$ 15,787</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

LAW ENFORCEMENT ASSISTANCE FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 1,000	\$ 1,000	\$ 0	\$ (1,000)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>(1,000)</u>
Expenditures:				
Public Safety:				
Personal Services	1,000	1,000	0	1,000
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	15,520	15,520	15,520	0
Fund Balance at End of Year	<u>\$ 15,520</u>	<u>\$ 15,520</u>	<u>\$ 15,520</u>	<u>\$ 0</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

ENVIRONMENTAL IMPACT TAX FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, Permits and Fees	\$ 19,500	\$ 22,500	\$ 19,500	\$ (3,000)
Special Assessments	6,000	3,192	1,725	(1,467)
Total Revenues	<u>25,500</u>	<u>25,692</u>	<u>21,225</u>	<u>(4,467)</u>
Expenditures:				
Community Economic Development:				
Nonpersonnel	43,150	43,150	1,994	41,156
Total Expenditures	<u>43,150</u>	<u>43,150</u>	<u>1,994</u>	<u>41,156</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,650)	(17,458)	19,231	36,689
Other Financing Sources (Uses):				
Transfers In	22,500	22,500	22,500	0
Total Other Financing Sources (Uses)	<u>22,500</u>	<u>22,500</u>	<u>22,500</u>	<u>0</u>
Net Change in Fund Balance	4,850	5,042	41,731	36,689
Fund Balance at Beginning of Year	261,840	261,840	261,840	0
Fund Balance at End of Year	<u>\$ 266,690</u>	<u>\$ 266,882</u>	<u>\$ 303,571</u>	<u>\$ 36,689</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND				
Revenues:				
Intergovernmental Revenues	\$ 638,957	\$ 478,000	\$ 547,401	\$ 69,401
Investment Earnings	5,500	5,500	6,559	1,059
All Other Revenues	10,327	10,327	8,530	(1,797)
Total Revenues	<u>654,784</u>	<u>493,827</u>	<u>562,490</u>	<u>68,663</u>
Expenditures:				
Public Works:				
Personal Services	713,679	713,679	688,695	24,984
Nonpersonnel	329,495	373,495	341,880	31,615
Total Expenditures	<u>1,043,174</u>	<u>1,087,174</u>	<u>1,030,575</u>	<u>56,599</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(388,390)	(593,347)	(468,085)	125,262
Other Financing Sources (Uses):				
Sale of Capital Assets	1,000	1,000	3,429	2,429
Transfers In	900,000	900,000	900,000	0
Total Other Financing Sources (Uses)	<u>901,000</u>	<u>901,000</u>	<u>903,429</u>	<u>2,429</u>
Net Change in Fund Balance	512,610	307,653	435,344	127,691
Fund Balance at Beginning of Year	1,561,092	1,561,092	1,561,092	0
Prior Year Encumbrances	13,170	13,170	13,170	0
Fund Balance at End of Year	<u>\$ 2,086,872</u>	<u>\$ 1,881,915</u>	<u>\$ 2,009,606</u>	<u>\$ 127,691</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	STATE HIGHWAY FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 64,199	\$ 38,500	\$ 44,384	\$ 5,884
Investment Earnings	650	650	351	(299)
Total Revenues	<u>64,849</u>	<u>39,150</u>	<u>44,735</u>	<u>5,585</u>
Expenditures:				
Public Works:				
Nonpersonnel	24,000	31,000	27,756	3,244
Total Expenditures	<u>24,000</u>	<u>31,000</u>	<u>27,756</u>	<u>3,244</u>
Net Change in Fund Balance	40,849	8,150	16,979	8,829
Fund Balance at Beginning of Year	95,477	95,477	95,477	0
Fund Balance at End of Year	<u>\$ 136,326</u>	<u>\$ 103,627</u>	<u>\$ 112,456</u>	<u>\$ 8,829</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

	PERMISSIVE MOTOR VEHICLE LICENSE FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 56,748	\$ 45,000	\$ 86,830	\$ 41,830
Intergovernmental Revenues	24,000	24,000	44,731	20,731
Investment Earnings	1,500	1,500	710	(790)
Total Revenues	<u>82,248</u>	<u>70,500</u>	<u>132,271</u>	<u>61,771</u>
Expenditures:				
Public Works:				
Nonpersonnel	67,351	67,351	66,323	1,028
Total Expenditures	<u>67,351</u>	<u>67,351</u>	<u>66,323</u>	<u>1,028</u>
Net Change in Fund Balance	14,897	3,149	65,948	62,799
Fund Balance at Beginning of Year	164,471	164,471	164,471	0
Prior Year Encumbrances	6,351	6,351	6,351	0
Fund Balance at End of Year	<u>\$ 185,719</u>	<u>\$ 173,971</u>	<u>\$ 236,770</u>	<u>\$ 62,799</u>

CITY OF MONTGOMERY, OHIO**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

	MUNICIPAL POOL FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 224,611	\$ 112,050	\$ 238,285	\$ 126,235
All Other Revenues	350	350	0	(350)
Total Revenues	<u>224,961</u>	<u>112,400</u>	<u>238,285</u>	<u>125,885</u>
Expenditures:				
Parks and Recreation:				
Nonpersonnel	259,870	259,870	201,566	58,304
Total Expenditures	<u>259,870</u>	<u>259,870</u>	<u>201,566</u>	<u>58,304</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,909)	(147,470)	36,719	184,189
Other Financing Sources (Uses):				
Transfers In	15,000	15,000	15,000	0
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Net Change in Fund Balance	(19,909)	(132,470)	51,719	184,189
Fund Balance at Beginning of Year	243,779	243,779	243,779	0
Fund Balance at End of Year	<u>\$ 223,870</u>	<u>\$ 111,309</u>	<u>\$ 295,498</u>	<u>\$ 184,189</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	CEMETERY FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 40,000	\$ 40,000	\$ 83,896	\$ 43,896
Investment Earnings	2,500	2,500	1,563	(937)
Total Revenues	<u>42,500</u>	<u>42,500</u>	<u>85,459</u>	<u>42,959</u>
Expenditures:				
Public Works:				
Nonpersonnel	<u>71,828</u>	<u>71,828</u>	<u>66,660</u>	<u>5,168</u>
Total Expenditures	<u>71,828</u>	<u>71,828</u>	<u>66,660</u>	<u>5,168</u>
Net Change in Fund Balance	(29,328)	(29,328)	18,799	48,127
Fund Balance at Beginning of Year	429,013	429,013	429,013	0
Prior Year Encumbrances	<u>10,178</u>	<u>10,178</u>	<u>10,178</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 409,863</u>	<u>\$ 409,863</u>	<u>\$ 457,990</u>	<u>\$ 48,127</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 100,000	\$ 100,000	\$ 80,923	\$ (19,077)
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>80,923</u>	<u>(19,077)</u>
Expenditures:				
General Government:				
Nonpersonnel	100,000	100,000	82,896	17,104
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>82,896</u>	<u>17,104</u>
Net Change in Fund Balance	0	0	(1,973)	(1,973)
Fund Balance at Beginning of Year	<u>160,803</u>	<u>160,803</u>	<u>160,803</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 160,803</u>	<u>\$ 160,803</u>	<u>\$ 158,830</u>	<u>\$ (1,973)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
AMERICAN RESCUE PLAN ACT (ARPA) FUND				
Revenues:				
Intergovernmental Revenues	\$ 820,357	\$ 570,000	\$ 569,427	\$ (573)
Total Revenues	820,357	570,000	569,427	(573)
Expenditures:				
General Government:				
Nonpersonnel	0	22,000	21,235	765
Total Expenditures	0	22,000	21,235	765
Net Change in Fund Balance	820,357	548,000	548,192	192
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 820,357	\$ 548,000	\$ 548,192	\$ 192

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

UNCLAIMED MONIES FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 1,000	\$ 1,000	\$ 0	\$ (1,000)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>(1,000)</u>
Expenditures:				
General Government:				
Nonpersonnel	500	500	0	500
Total Expenditures	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	500	500	0	(500)
Other Financing Sources (Uses):				
Transfers Out	(500)	(500)	(500)	0
Total Other Financing Sources (Uses)	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>0</u>
Net Change in Fund Balance	0	0	(500)	(500)
Fund Balance at Beginning of Year	3,607	3,607	3,607	0
Fund Balance at End of Year	<u>\$ 3,607</u>	<u>\$ 3,607</u>	<u>\$ 3,107</u>	<u>\$ (500)</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 0</u>	<u>\$ (5,000)</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
Expenditures:				
Public Safety:				
Nonpersonnel	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Other Financing Sources (Uses):				
Transfers Out	<u>0</u>	<u>(179,528)</u>	<u>(179,528)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(179,528)</u>	<u>(179,528)</u>	<u>0</u>
Net Change in Fund Balance	0	(179,528)	(179,528)	0
Fund Balance at Beginning of Year	<u>179,528</u>	<u>179,528</u>	<u>179,528</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 179,528</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2021**

VINTAGE CLUB NORTH TAX INCREMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 250,000	\$ 250,000	\$ 0	\$ (250,000)
Intergovernmental Revenues	16,000	16,000	0	(16,000)
Investment Earnings	5,400	5,400	12	(5,388)
All Other Revenues	0	0	30,000	30,000
Total Revenues	<u>271,400</u>	<u>271,400</u>	<u>30,012</u>	<u>(241,388)</u>
Expenditures:				
General Government:				
Nonpersonnel	97,447	5,700	1,200	4,500
Debt Service:				
Principal Retirement	40,000	40,000	40,000	0
Interest and Fiscal Charges	241,607	241,607	241,606	1
Total Expenditures	<u>379,054</u>	<u>287,307</u>	<u>282,806</u>	<u>4,501</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(107,654)	(15,907)	(252,794)	(236,887)
Other Financing Sources (Uses):				
Transfers In	300,000	300,000	300,000	0
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Net Change in Fund Balance	192,346	284,093	47,206	(236,887)
Fund Balance at Beginning of Year	118,308	118,308	118,308	0
Fund Balance at End of Year	<u>\$ 310,654</u>	<u>\$ 402,401</u>	<u>\$ 165,514</u>	<u>\$ (236,887)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2021**

RESERVE OF MONTGOMERY BOND RETIREMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 174,960	\$ 174,960	\$ 182,514	\$ 7,554
Total Revenues	<u>174,960</u>	<u>174,960</u>	<u>182,514</u>	<u>7,554</u>
Expenditures:				
General Government:				
Nonpersonnel	6,700	6,700	5,865	835
Debt Service:				
Principal Retirement	45,000	45,000	45,000	0
Interest and Fiscal Charges	1,710	1,710	1,710	0
Total Expenditures	<u>53,410</u>	<u>53,410</u>	<u>52,575</u>	<u>835</u>
Net Change in Fund Balance	121,550	121,550	129,939	8,389
Fund Balance at Beginning of Year	<u>81,789</u>	<u>81,789</u>	<u>81,789</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 203,339</u>	<u>\$ 203,339</u>	<u>\$ 211,728</u>	<u>\$ 8,389</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2021***

MONTGOMERY QUARTER TAX INCREMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Investment Earnings	\$ 0	\$ 0	\$ 190	\$ 190
Total Revenues	0	0	190	190
Expenditures:				
Debt Service:				
Interest and Fiscal Charges	0	1,117,602	1,117,600	2
Total Expenditures	0	1,117,602	1,117,600	2
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(1,117,602)	(1,117,410)	192
Other Financing Sources (Uses):				
Bond Issuance	0	3,912,000	3,910,949	(1,051)
Total Other Financing Sources (Uses)	0	3,912,000	3,910,949	(1,051)
Net Change in Fund Balance	0	2,794,398	2,793,539	(859)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 2,794,398	\$ 2,793,539	\$ (859)

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021**

	CAPITAL IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 1,900,000	\$ 1,900,000	\$ 2,167,101	\$ 267,101
Intergovernmental Revenues	386,680	386,680	292,310	(94,370)
Investment Earnings	30,000	30,000	13,884	(16,116)
All Other Revenues	200	200	295	95
Total Revenues	<u>2,316,880</u>	<u>2,316,880</u>	<u>2,473,590</u>	<u>156,710</u>
Expenditures:				
Capital Outlay:				
Nonpersonnel	3,032,259	3,090,217	2,797,218	292,999
Total Expenditures	<u>3,032,259</u>	<u>3,090,217</u>	<u>2,797,218</u>	<u>292,999</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(715,379)	(773,337)	(323,628)	449,709
Other Financing Sources (Uses):				
Sale of Capital Assets	1,000	1,000	7,528	6,528
Advances In	80,000	80,000	80,000	0
Total Other Financing Sources (Uses)	<u>81,000</u>	<u>81,000</u>	<u>87,528</u>	<u>6,528</u>
Net Change in Fund Balance	(634,379)	(692,337)	(236,100)	456,237
Fund Balance at Beginning of Year	3,721,298	3,721,298	3,721,298	0
Prior Year Encumbrances	232,983	232,983	232,983	0
Fund Balance at End of Year	<u>\$ 3,319,902</u>	<u>\$ 3,261,944</u>	<u>\$ 3,718,181</u>	<u>\$ 456,237</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021**

DOWNTOWN IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Investment Earnings	\$ 46,000	\$ 46,000	\$ 13,197	\$ (32,803)
Total Revenues	<u>46,000</u>	<u>46,000</u>	<u>13,197</u>	<u>(32,803)</u>
Expenditures:				
Capital Outlay:				
Nonpersonnel	137,921	1,917,978	1,794,175	123,803
Total Expenditures	<u>137,921</u>	<u>1,917,978</u>	<u>1,794,175</u>	<u>123,803</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(91,921)	(1,871,978)	(1,780,978)	91,000
Other Financing Sources (Uses):				
Bond Issuance	0	1,000,000	1,000,000	0
Transfers In	0	0	500,000	500,000
Transfers Out	(500,000)	(500,000)	(500,000)	0
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>500,000</u>	<u>1,000,000</u>	<u>500,000</u>
Net Change in Fund Balance	(591,921)	(1,371,978)	(780,978)	591,000
Fund Balance at Beginning of Year	4,229,531	4,229,531	4,229,531	0
Prior Year Encumbrances	117,371	117,371	117,371	0
Fund Balance at End of Year	<u>\$ 3,754,981</u>	<u>\$ 2,974,924</u>	<u>\$ 3,565,924</u>	<u>\$ 591,000</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021**

TRIANGLE TAX INCREMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 143,870	\$ 143,870	\$ 172,442	\$ 28,572
Total Revenues	<u>143,870</u>	<u>143,870</u>	<u>172,442</u>	<u>28,572</u>
Expenditures:				
General Government:				
Nonpersonnel	90,200	90,200	87,140	3,060
Total Expenditures	<u>90,200</u>	<u>90,200</u>	<u>87,140</u>	<u>3,060</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	53,670	53,670	85,302	31,632
Other Financing Sources (Uses):				
Advances Out	(80,000)	(80,000)	(80,000)	0
Total Other Financing Sources (Uses)	<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>0</u>
Net Change in Fund Balance	(26,330)	(26,330)	5,302	31,632
Fund Balance at Beginning of Year	70,701	70,701	70,701	0
Fund Balance at End of Year	<u>\$ 44,371</u>	<u>\$ 44,371</u>	<u>\$ 76,003</u>	<u>\$ 31,632</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021**

MONTGOMERY QUARTER ROUNDABOUT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 600,000	\$ 600,000	\$ 0	\$ (600,000)
Investment Earnings	1,000	1,000	0	(1,000)
All Other Revenues	91,215	0	0	0
Total Revenues	<u>692,215</u>	<u>601,000</u>	<u>0</u>	<u>(601,000)</u>
Expenditures:				
Capital Outlay:				
Nonpersonnel	2,372,346	2,172,346	1,672,346	500,000
Total Expenditures	<u>2,372,346</u>	<u>2,172,346</u>	<u>1,672,346</u>	<u>500,000</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,680,131)	(1,571,346)	(1,672,346)	(101,000)
Other Financing Sources (Uses):				
Transfers In	500,000	500,000	500,000	0
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>
Net Change in Fund Balance	(1,180,131)	(1,071,346)	(1,172,346)	(101,000)
Fund Balance at Beginning of Year	(492,214)	(492,214)	(492,214)	0
Prior Year Encumbrances	1,672,346	1,672,346	1,672,346	0
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 108,786</u>	<u>\$ 7,786</u>	<u>\$ (101,000)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021**

HERITAGE DISTRICT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Investment Earnings	\$ 7,300	\$ 7,300	\$ 785	\$ (6,515)
All Other Revenues	4,400	4,400	0	(4,400)
Total Revenues	<u>11,700</u>	<u>11,700</u>	<u>785</u>	<u>(10,915)</u>
Expenditures:				
General Government:				
Nonpersonnel	11,150	11,150	8,978	2,172
Capital Outlay:				
Nonpersonnel	<u>22,445</u>	<u>22,445</u>	<u>22,135</u>	<u>310</u>
Total Expenditures	<u>33,595</u>	<u>33,595</u>	<u>31,113</u>	<u>2,482</u>
Net Change in Fund Balance	(21,895)	(21,895)	(30,328)	(8,433)
Fund Balance at Beginning of Year	227,854	227,854	227,854	0
Prior Year Encumbrances	1,445	1,445	1,445	0
Fund Balance at End of Year	<u>\$ 207,404</u>	<u>\$ 207,404</u>	<u>\$ 198,971</u>	<u>\$ (8,433)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021**

VINTAGE CLUB CAPITAL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Investment Earnings	\$ 15,000	\$ 15,000	\$ 106	\$ (14,894)
All Other Revenues	218,285	0	0	0
Total Revenues	<u>233,285</u>	<u>15,000</u>	<u>106</u>	<u>(14,894)</u>
Expenditures:				
Capital Outlay:				
Nonpersonnel	1,590,036	1,370,036	790,036	580,000
Total Capital Outlay	<u>1,590,036</u>	<u>1,370,036</u>	<u>790,036</u>	<u>580,000</u>
Debt Service:				
Interest and Fiscal Charges	2,000	2,000	0	2,000
Total Expenditures	<u>1,592,036</u>	<u>1,372,036</u>	<u>790,036</u>	<u>582,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,358,751)	(1,357,036)	(789,930)	567,106
Other Financing Sources (Uses):				
Transfers Out	(300,000)	(300,000)	(300,000)	0
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>0</u>
Net Change in Fund Balance	(1,658,751)	(1,657,036)	(1,089,930)	567,106
Fund Balance at Beginning of Year	868,717	868,717	868,717	0
Prior Year Encumbrances	790,036	790,036	790,036	0
Fund Balance at End of Year	<u>\$ 2</u>	<u>\$ 1,717</u>	<u>\$ 568,823</u>	<u>\$ 567,106</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Year Ended December 31, 2021**

	ARTS AND AMENITIES FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 25,400	\$ 25,450	\$ 25,451	\$ 1
Investment Earnings	5,000	5,000	2,343	(2,657)
Total Revenues	<u>30,400</u>	<u>30,450</u>	<u>27,794</u>	<u>(2,656)</u>
Expenditures:				
Parks and Recreation:				
Nonpersonnel	84,300	84,300	19,287	65,013
Total Expenditures	<u>84,300</u>	<u>84,300</u>	<u>19,287</u>	<u>65,013</u>
Net Change in Fund Balance	(53,900)	(53,850)	8,507	62,357
Fund Balance at Beginning of Year	638,986	638,986	638,986	0
Fund Balance at End of Year	<u>\$ 585,086</u>	<u>\$ 585,136</u>	<u>\$ 647,493</u>	<u>\$ 62,357</u>



Fiduciary Funds

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Custodial Funds

Mayor's Court Fund

To account for funds that flow through the Mayor's Court.

Ohio Board of Building Standards (OBBS) Fund

To account for the three percent surcharge levied on building permits issued in the City of Montgomery by the State of Ohio and the one percent surcharge levied on residential permits. These funds are distributed to the State of Ohio on a monthly basis.

CITY OF MONTGOMERY, OHIO

**Combining Statement of Net Position
Fiduciary Funds
December 31, 2021**

	<u>Mayor's Court</u>	<u>OBBS</u>	<u>Total Custodial Funds</u>
Assets:			
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	\$ 3,120	\$ 3,511	\$ 6,631
Total Assets	<u>3,120</u>	<u>3,511</u>	<u>6,631</u>
Liabilities:			
Intergovernmental Payable	0	3,511	3,511
Due to Others	3,120	0	3,120
Total Liabilities	<u>3,120</u>	<u>3,511</u>	<u>6,631</u>
Net Position:			
Unrestricted	0	0	0
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF MONTGOMERY, OHIO

**Combining Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2021**

	Mayor's Court	OBBS	Total Custodial Funds
Additions:			
Fines and Forfeiture Collections for other Governments	\$ 40,135	\$ 0	\$ 40,135
Fee Collections for other Governments	0	19,959	19,959
Total Additions	40,135	19,959	60,094
Deductions:			
Distribution of Fines and Forfeitures to other Governments	40,135	0	40,135
Distribution of Fees to other Governments	0	19,959	19,959
Total Deductions	40,135	19,959	60,094
Change in Net Position	0	0	0
Net Position at Beginning of Year	0	0	0
Net Position End of Year	\$ 0	\$ 0	\$ 0



STATISTICAL SECTION



CITY OF

MONTGOMERY

A CHARMING PAST. A GLOWING FUTURE.

STATISTICAL TABLES

This part of the City’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue source, the income tax.	
Debt Capacity	S 18 – S 27
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Economic and Demographic Information	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 32 – S 37
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.	

City of Montgomery

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	2012	2013	2014	2015
Governmental Activities:			*	
Net Investment in Capital Assets	\$36,128,095	\$35,944,567	\$39,698,707	\$43,262,398
Restricted	19,652,718	22,057,822	19,982,948	17,288,242
Unrestricted	14,772,666	14,786,678	9,586,759	10,103,260
Total Primary Government Net Position	<u>\$70,553,479</u>	<u>\$72,789,067</u>	<u>\$69,268,414</u>	<u>\$70,653,900</u>

Source: City Finance Director's Office

* As Restated

City of Montgomery

2016	*	*	2019	2020	2021
\$42,821,778	\$46,591,291	\$47,555,921	\$49,348,148	\$46,521,915	\$47,685,485
18,106,169	18,195,161	21,696,557	22,918,214	23,932,760	29,579,661
10,781,407	1,715,781	(1,153,649)	5,005,001	10,304,294	12,800,845
<u>\$71,709,354</u>	<u>\$66,502,233</u>	<u>\$68,098,829</u>	<u>\$77,271,363</u>	<u>\$80,758,969</u>	<u>\$90,065,991</u>

City of Montgomery

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2012	2013	2014
Expenses			
Governmental Activities:			
Public Safety	\$5,938,453	\$5,526,566	\$5,525,153
Parks and Recreation	1,350,375	1,323,018	1,207,002
Community Economic Development	515,765	660,502	683,325
Public Works	2,368,658	2,457,093	2,528,383
General Government	4,435,686	4,797,717	4,535,252
Interest and Fiscal Charges	148,817	421,583	646,377
<i>Total Primary Government Expenses</i>	<u>\$14,757,754</u>	<u>\$15,186,479</u>	<u>\$15,125,492</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Public Safety	\$389,783	\$379,782	\$330,344
Parks and Recreation	262,896	279,176	316,669
Community Economic Development	389,531	357,126	338,339
Public Works	50,612	44,463	44,718
General Government	239,153	276,725	879,472
Operating Grants and Contributions	503,370	594,658	602,689
Capital Grants and Contributions	0	0	361,417
<i>Total Primary Government Program Revenues</i>	<u>1,835,345</u>	<u>1,931,930</u>	<u>2,873,648</u>

City of Montgomery

2015	2016	2017	2018	2019	2020	2021
\$5,686,783	\$6,155,810	\$6,770,913	\$7,001,538	\$2,149,098	\$8,547,724	\$8,854,988
1,321,303	1,423,495	1,443,647	1,451,641	1,571,912	1,445,179	1,211,323
681,284	833,598	896,973	981,654	750,246	4,339,017	1,112,448
2,494,890	3,037,588	2,895,186	2,958,271	3,739,794	3,482,365	2,555,868
4,953,073	4,318,323	5,047,160	5,085,300	6,533,156	5,979,642	4,000,324
602,800	582,929	575,223	805,080	956,673	1,114,097	1,278,783
<u>\$15,740,133</u>	<u>\$16,351,743</u>	<u>\$17,629,102</u>	<u>\$18,283,484</u>	<u>\$15,700,879</u>	<u>\$24,908,024</u>	<u>\$19,013,734</u>
\$346,258	\$334,220	\$451,533	\$460,488	\$473,373	\$402,773	\$503,857
303,576	329,497	396,922	399,223	426,279	130,826	396,213
310,367	383,667	295,350	460,387	330,105	323,653	835,401
42,864	67,878	59,085	70,870	36,860	84,942	83,096
275,305	267,180	207,852	213,003	214,912	200,081	190,692
710,112	657,398	567,203	459,038	942,813	1,495,785	793,281
488,849	106,742	1,453,524	394,361	417,273	2,860,933	2,623,436
<u>2,477,331</u>	<u>2,146,582</u>	<u>3,431,469</u>	<u>2,457,370</u>	<u>2,841,615</u>	<u>5,498,993</u>	<u>5,425,976</u>

(continued)

City of Montgomery

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2012	2013	2014
Net (Expense)/Revenue			
Governmental Activities	(12,922,409)	(13,254,549)	(12,251,844)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(12,922,409)</u>	<u>(13,254,549)</u>	<u>(12,251,844)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$4,831,239	\$5,108,938	\$5,032,078
Income Taxes	7,163,487	7,564,240	8,438,680
Other Local Taxes	1,686,255	1,651,364	8,205
Intergovernmental Revenue, Unrestricted	672,620	690,532	768,788
Investment Earnings	203,020	66,401	353,613
Miscellaneous	329,452	408,662	224,708
<i>Total Primary Government</i>	<u>\$14,886,073</u>	<u>\$15,490,137</u>	<u>\$14,826,072</u>
Change in Net Position			
Governmental Activities	\$1,963,664	\$2,235,588	\$2,574,228
<i>Total Primary Government Change in Net Position</i>	<u>\$1,963,664</u>	<u>\$2,235,588</u>	<u>\$2,574,228</u>

Source: City Finance Director's Office

City of Montgomery

2015	2016	2017	2018	2019	2020	2021
(13,262,802)	(14,205,161)	(14,197,633)	(15,826,114)	(12,859,264)	(19,409,031)	(13,587,758)
<u>(\$13,262,802)</u>	<u>(\$14,205,161)</u>	<u>(\$14,197,633)</u>	<u>(\$15,826,114)</u>	<u>(\$12,859,264)</u>	<u>(\$19,409,031)</u>	<u>(\$13,587,758)</u>
\$5,284,135	\$5,637,621	\$6,126,596	\$6,232,147	\$10,104,586	\$10,373,129	\$10,505,623
8,368,822	8,627,561	9,209,832	9,528,350	9,899,146	10,350,161	11,040,471
5,516	8	42,400	50,803	57,591	49,658	88,171
795,633	804,732	804,443	823,338	914,767	923,971	1,013,769
20,625	125,332	243,469	369,190	824,461	279,680	(203,456)
173,557	65,361	240,936	273,844	231,247	920,038	450,202
<u>\$14,648,288</u>	<u>\$15,260,615</u>	<u>\$16,667,676</u>	<u>\$17,277,672</u>	<u>\$22,031,798</u>	<u>\$22,896,637</u>	<u>\$22,894,780</u>
\$1,385,486	\$1,055,454	\$2,470,043	\$1,451,558	\$9,172,534	\$3,487,606	\$9,307,022
<u>\$1,385,486</u>	<u>\$1,055,454</u>	<u>\$2,470,043</u>	<u>\$1,451,558</u>	<u>\$9,172,534</u>	<u>\$3,487,606</u>	<u>\$9,307,022</u>

City of Montgomery

Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2012	2013	2014	2015
General Fund				
Nonspendable	\$31,759	\$38,762	\$48,297	\$57,050
Restricted	0	0	0	0
Committed	213,241	241,177	241,965	0
Assigned	0	14,255	480,495	632,729
Unassigned	14,739,811	14,854,921	14,081,793	13,058,828
<i>Total General Fund</i>	<u>14,984,811</u>	<u>15,149,115</u>	<u>14,852,550</u>	<u>13,748,607</u>
All Other Governmental Funds				
Nonspendable	386,807	381,214	386,850	385,504
Restricted	14,848,236	21,633,254	19,040,157	15,420,289
Committed	0	0	0	0
Assigned	2,762,750	4,938,215	0	3,997,738
Unassigned	(1,002,569)	(935,888)	(1,607,986)	(777,518)
<i>Total All Other Governmental Funds</i>	<u>16,995,224</u>	<u>26,016,795</u>	<u>17,819,021</u>	<u>19,026,013</u>
<i>Total Governmental Funds</i>	<u>\$31,980,035</u>	<u>\$41,165,910</u>	<u>\$32,671,571</u>	<u>\$32,774,620</u>

Source: City Finance Director's Office

* As Restated

City of Montgomery

*					
2016	2017	2018	2019	2020	2021
\$153,093	\$149,637	\$152,313	\$117,529	\$131,178	\$102,816
0	0	4,000	111,918	113,118	0
0	275,766	380,872	460,052	433,445	433,445
1,231,318	1,337,872	106,421	330,468	1,445,980	5,573,104
13,692,699	13,403,870	13,347,382	14,785,825	15,387,764	13,230,987
<u>15,077,110</u>	<u>15,167,145</u>	<u>13,990,988</u>	<u>15,805,792</u>	<u>17,511,485</u>	<u>19,340,352</u>
430,879	430,112	428,223	425,881	420,028	411,470
15,651,642	15,170,294	19,631,383	20,747,499	49,425,871	32,882,421
0	0	0	0	0	0
4,017,131	3,372,027	5,740,457	5,291,815	5,390,927	3,963,026
(696,585)	(578,147)	(489,939)	(403,274)	(322,139)	(236,837)
<u>19,403,067</u>	<u>18,394,286</u>	<u>25,310,124</u>	<u>26,061,921</u>	<u>54,914,687</u>	<u>37,020,080</u>
<u>\$34,480,177</u>	<u>\$33,561,431</u>	<u>\$39,301,112</u>	<u>\$41,867,713</u>	<u>\$72,426,172</u>	<u>\$56,360,432</u>

City of Montgomery

Changes in Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2012	2013	2014	2015
Revenues:				
Taxes	\$13,772,405	\$14,323,258	\$13,493,807	\$13,723,722
Intergovernmental Revenues	1,910,352	1,356,908	1,729,466	1,996,610
Charges for Services	570,815	590,048	604,663	551,286
Rental Revenue	74,334	82,171	691,149	75,689
Licenses, Permits and Fees	288,456	463,084	455,962	460,180
Investment Earnings	207,977	68,543	349,700	24,012
Special Assessments	247,118	239,150	210,214	200,708
Fines and Forfeitures	208,992	197,398	161,109	190,354
Donations	0	0	0	0
All Other Revenue	330,070	408,662	225,331	173,557
Total Revenue	17,610,519	17,729,222	17,921,401	17,396,118
Expenditures:				
Current:				
Public Safety	5,257,367	5,195,970	5,211,409	5,401,500
Parks and Recreation	1,173,520	1,140,568	1,048,008	1,146,011
Community Economic Development	423,326	558,761	619,162	577,778
Public Works	1,393,153	1,551,869	1,574,078	1,671,168
General Government	3,680,703	4,454,948	3,809,334	4,135,877
Capital Outlay	2,140,335	8,132,369	12,264,416	3,535,968
Debt Service:				
Principal Retirement	615,883	486,883	1,282,883	258,883
Interest and Fiscal Charges	124,949	374,970	624,701	577,715
Total Expenditures	14,809,236	21,896,338	26,433,991	17,304,900
Excess (Deficiency) of Revenues Over Expenditures	2,801,283	(4,167,116)	(8,512,590)	91,218

City of Montgomery

2016	2017	2018	2019	2020	2021
\$14,398,872	\$15,259,447	\$15,750,906	\$20,025,676	\$20,643,147	\$21,669,796
1,561,357	1,982,883	2,237,462	1,908,885	5,271,189	4,394,123
623,876	749,257	782,209	788,935	520,567	809,385
72,428	60,890	58,310	73,916	41,425	70,175
540,237	451,332	626,918	494,451	484,851	993,238
124,366	234,005	359,569	824,095	297,224	(202,952)
198,496	198,624	190,584	191,640	182,999	184,239
146,426	147,642	127,022	115,548	92,154	133,954
0	0	184,603	267,031	675	0
65,361	249,936	273,844	231,247	920,038	450,202
<u>17,731,419</u>	<u>19,334,016</u>	<u>20,591,427</u>	<u>24,921,424</u>	<u>28,454,269</u>	<u>28,502,160</u>
5,402,597	6,078,022	6,138,584	6,738,519	7,250,887	8,181,587
1,230,746	1,221,808	1,295,336	1,346,741	1,281,415	1,412,738
727,466	771,107	925,533	674,556	662,342	1,186,471
1,640,058	1,712,620	1,598,007	1,770,392	1,787,601	1,876,545
3,835,298	5,569,589	4,454,768	5,440,130	5,433,186	5,141,390
2,305,739	3,916,443	5,405,224	4,053,883	12,257,549	24,981,439
355,883	465,883	614,883	1,603,815	730,000	8,115,000
557,895	550,405	785,983	1,001,150	1,079,128	1,281,838
<u>16,055,682</u>	<u>20,285,877</u>	<u>21,218,318</u>	<u>22,629,186</u>	<u>30,482,108</u>	<u>52,177,008</u>
1,675,737	(951,861)	(626,891)	2,292,238	(2,027,839)	(23,674,848)

(continued)

City of Montgomery

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2012	2013	2014	2015
Other Financing Sources (Uses):				
Sale of Capital Assets	103,529	66,903	18,251	11,831
Refunding Bonds Issued	0	0	0	0
Discount on Debt Issuance	0	0	0	0
Premium on Debt Issuance	0	21,088	0	0
Special Obligation Bonds Issued	0	13,265,000	0	0
Long Term Note Issuance	0	0	0	0
Payment to Refunding Bond Escrow Agent	0	0	0	0
Transfers In	2,482,510	2,647,980	2,928,911	5,321,922
Transfers Out	(2,482,510)	(2,647,980)	(2,928,911)	(5,321,922)
Total Other Financing Sources (Uses)	<u>103,529</u>	<u>13,352,991</u>	<u>18,251</u>	<u>11,831</u>
Net Change in Fund Balance	<u>\$2,904,812</u>	<u>\$9,185,875</u>	<u>(\$8,494,339)</u>	<u>\$103,049</u>
Debt Service as a Percentage of Noncapital Expenditures	5.31%	6.13%	12.84%	5.84%

Source: City Finance Director's Office

City of Montgomery

2016	2017	2018	2019	2020	2021
29,820	33,115	19,389	44,024	2,099,398	18,658
0	0	0	11,550,000	0	0
0	0	0	(74,083)	0	0
0	0	507,145	0	81,900	90,450
0	0	5,695,000	0	22,905,000	0
0	0	0	0	7,500,000	7,500,000
0	0	0	(11,245,578)	0	0
1,369,222	721,887	4,527,655	1,740,896	1,829,000	2,481,428
(1,369,222)	(721,887)	(4,527,655)	(1,740,896)	(1,829,000)	(2,481,428)
<u>29,820</u>	<u>33,115</u>	<u>6,221,534</u>	<u>274,363</u>	<u>32,586,298</u>	<u>7,609,108</u>
<u>\$1,705,557</u>	<u>(\$918,746)</u>	<u>\$5,594,643</u>	<u>\$2,566,601</u>	<u>\$30,558,459</u>	<u>(\$16,065,740)</u>
6.33%	6.55%	8.87%	13.27%	9.63%	34.92%

City of Montgomery

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2012	2013	2014	2015
Income Tax Rate	1.00%	1.00%	1.00%	1.00%
Estimated Personal Income	\$506,533	\$506,533	\$514,959	\$525,148
Total Tax Collected	\$7,266,418	\$7,791,153	\$8,108,709	\$8,453,212
Income Tax Receipts				
Withholding	5,132,899	5,492,994	5,682,726	6,095,746
Percentage	70.7%	70.5%	70.1%	72.1%
Corporate	519,450	531,787	558,753	592,503
Percentage	7.1%	6.8%	6.9%	7.0%
Individuals	1,614,069	1,766,372	1,867,230	1,764,963
Percentage	22.2%	22.7%	23.0%	20.9%

Source: City Finance Department

City of Montgomery

2016	2017	2018	2019	2020	2021
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
\$552,416	\$565,671	\$608,643	\$643,557	\$658,085	\$710,963
\$8,840,826	\$9,172,224	\$9,333,556	\$9,911,567	\$10,145,884	\$10,834,714
6,411,256	6,580,924	6,740,749	7,236,622	7,437,027	7,805,374
72.5%	71.7%	72.2%	73.0%	73.3%	72.0%
571,288	586,815	637,066	651,801	686,257	650,551
6.5%	6.4%	6.8%	6.6%	6.8%	6.0%
1,858,282	2,004,485	1,955,741	2,023,144	2,022,600	2,378,789
21.0%	21.9%	21.0%	20.4%	19.9%	22.0%



City of Montgomery

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2021				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,304	31.54%	\$58,440	0.75%
20,000 - 49,999	410	9.92%	142,900	1.83%
50,000 - 74,999	274	6.63%	172,381	2.20%
75,000 - 99,999	231	5.59%	209,039	2.67%
Over 100,000	1,916	46.32%	7,242,724	92.55%
Total	4,135	100.00%	\$7,825,484	100.00%
Local Taxes Paid by Residents			Tax Dollars	
Taxes Credited to Other Municipalities			\$4,465,369	
			\$4,465,369	

Calendar Year 2012				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,481	34.22%	\$64,053	1.28%
20,000 - 49,999	501	11.58%	168,767	3.37%
50,000 - 74,999	376	8.69%	236,230	4.72%
75,000 - 99,999	333	7.69%	291,441	5.82%
Over 100,000	1,637	37.82%	4,246,640	84.81%
Total	4,328	100.00%	\$5,007,131	100.00%
Local Taxes Paid by Residents			Tax Dollars	
Taxes Credited to Other Municipalities			\$3,575,085	
			\$3,575,085	

Source: City Finance Director's Office

City of Montgomery

Ratios of Outstanding Debt By Type Last Ten Years

	2012	2013	2014	2015
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$1,450,000	\$1,130,000	\$0	\$0
Special Assessment Bonds	1,350,165	1,183,282	1,030,399	871,516
Special Obligation TIF Bonds	0	13,265,000	13,265,000	13,165,000
Long-Term Note Payable	0	0	0	0
Total Primary Government	<u>\$2,800,165</u>	<u>\$15,578,282</u>	<u>\$14,295,399</u>	<u>\$14,036,516</u>
Population ⁽²⁾				
City of Montgomery	10,251	10,251	10,251	10,251
Outstanding Debt Per Capita	\$273	\$1,520	\$1,395	\$1,369
Income ⁽³⁾				
Personal (in thousands)	506,533	506,533	514,959	525,148
Percentage of Personal Income	0.55%	3.08%	2.78%	2.67%

Sources:

- (1) City Finance Director's Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Montgomery

2016	2017	2018	2019	2020	2021
\$0	\$0	\$0	\$0	\$0	\$0
715,633	549,750	384,867	215,000	45,000	0
12,965,000	12,665,000	18,417,145	17,651,370	39,973,794	39,381,218
0	0	0	0	7,536,172	7,590,450
<u>\$13,680,633</u>	<u>\$13,214,750</u>	<u>\$18,802,012</u>	<u>\$17,866,370</u>	<u>\$47,554,966</u>	<u>\$46,971,668</u>
10,251	10,582	10,746	10,805	10,932	10,932
\$1,335	\$1,249	\$1,750	\$1,654	\$4,350	\$4,297
552,416	565,671	608,643	643,557	658,085	710,963
2.48%	2.34%	3.09%	2.78%	7.23%	6.61%

City of Montgomery

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2012	2013	2014	2015
Population ⁽¹⁾	10,251	10,251	10,251	10,251
Personal Income ⁽²⁾	\$506,532,663	\$506,532,663	\$514,958,985	\$525,148,479
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$1,450,000	\$1,130,000	\$0	\$0
Resources Available to Pay Principal	\$1,289,798	\$1,215,803	\$2,845,453	\$347,977
Net General Bonded Debt	\$160,202	(\$85,803)	NA	NA
Ratio of Net Bonded Debt to Personal Income	0.03%	-0.02%	NA	NA
Net Bonded Debt per Capita	\$15.63	(\$8.37)	NA	NA

Source:

(1) U.S. Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) Includes all general obligation bonded debt supported by property taxes.

City of Montgomery

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
10,251	10,582	10,746	10,805	10,932	10,932
\$552,416,139	\$565,671,392	\$608,642,694	\$643,556,605	\$658,084,536	\$710,962,620
\$0	\$0	\$0	\$0	\$0	\$0
\$657,016	\$695,342	\$701,397	\$709,690	\$768,288	\$720,831
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA



City of Montgomery

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2021*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Montgomery</u>	<u>Amount Applicable to the City of Montgomery</u>
Direct:			
City of Montgomery	\$46,971,668	100.00%	\$46,971,668
Overlapping:			
Sycamore Community School District	137,035,598	31.47%	43,125,103
Hamilton County	140,675,000	2.94%	4,135,845
		Subtotal	<u>47,260,948</u>
		Total	<u><u>\$94,232,616</u></u>

Source: Ohio Municipal Advisory Council

Note: Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

City of Montgomery

Debt Limitations Last Ten Years

	2012	2013	2014	2015
<u>Total Debt</u>				
Net Assessed Valuation	\$481,049,290	\$484,129,440	\$516,228,830	\$521,032,070
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	50,510,175	50,833,591	54,204,027	54,708,367
City Debt Outstanding (2)	1,450,000	1,130,000	2,800,000	0
Less: Applicable Debt Service Fund Amounts	(1,289,798)	(1,215,803)	(2,845,453)	(347,977)
Net Indebtedness Subject to Limitation	160,202	(85,803)	(45,453)	(347,977)
Overall Legal Debt Margin	<u>\$50,349,973</u>	<u>\$50,919,394</u>	<u>\$54,249,480</u>	<u>\$55,056,344</u>
Debt Margin as a Percentage of Debt Limit	99.68%	100.17%	100.08%	100.64%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$481,049,290	\$484,129,440	\$516,228,830	\$521,032,070
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	26,457,711	26,627,119	28,392,586	28,656,764
City Debt Outstanding (2)	1,450,000	1,130,000	2,800,000	0
Less: Applicable Debt Service Fund Amounts	(1,289,798)	(1,215,803)	(2,845,453)	(347,977)
Net Indebtedness Subject to Limitation	160,202	(85,803)	(45,453)	(347,977)
Overall Legal Debt Margin	<u>\$26,297,509</u>	<u>\$26,712,922</u>	<u>\$28,438,039</u>	<u>\$29,004,741</u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.

Source: City Finance Director's Office

City of Montgomery

2016	2017	2018	2019	2020	2021
\$525,380,800	\$576,634,020	\$585,606,670	\$596,678,640	\$667,403,120	\$660,579,400
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
55,164,984	60,546,572	61,488,700	62,651,257	70,077,328	69,360,837
0	0	0	0	7,536,172	7,590,450
(657,016)	(695,342)	(701,397)	(709,690)	(768,288)	(720,831)
(657,016)	(695,342)	(701,397)	(709,690)	6,767,884	6,869,619
<u>\$55,822,000</u>	<u>\$61,241,914</u>	<u>\$62,190,097</u>	<u>\$63,360,947</u>	<u>\$63,309,444</u>	<u>\$62,491,218</u>
101.19%	101.15%	101.14%	101.13%	90.34%	90.10%
\$525,380,800	\$576,634,020	\$585,606,670	\$596,678,640	\$667,403,120	\$660,579,400
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
28,895,944	31,714,871	32,208,367	32,817,325	36,707,172	36,331,867
0	0	0	0	7,536,172	7,590,450
(657,016)	(695,342)	(701,397)	(709,690)	(768,288)	(720,831)
(657,016)	(695,342)	(701,397)	(709,690)	6,767,884	6,869,619
<u>\$29,552,960</u>	<u>\$32,410,213</u>	<u>\$32,909,764</u>	<u>\$33,527,015</u>	<u>\$29,939,288</u>	<u>\$29,462,248</u>

City of Montgomery

Pledged Revenue Coverage Last Ten Years

	2012	2013	2014	2015	2016
Special Assessment Bonds					
Special Assessment Collections	\$247,118	\$239,150	\$210,214	\$200,708	\$198,496
Debt Service					
Principal	175,883	166,883	152,883	158,883	155,883
Interest	56,710	50,840	45,230	40,182	34,842
Coverage	1.06	1.10	1.06	1.01	1.04
Tax Increment Financing (1)					
Payment in Lieu of Taxes	\$0	\$1,250,087	\$1,152,795	\$1,260,263	\$1,593,666
Debt Service					
Principal	0	0	0	\$100,000	\$200,000
Interest	0	262,502	522,102	522,102	521,352
Coverage	0.00	4.76	2.21	2.03	2.21
Tax Increment Financing (2)					
Payment in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0
Debt Service					
Principal	0	0	0	\$0	\$0
Interest	0	0	0	0	0
Coverage	0.00	0.00	0.00	0.00	0.00

(1) Vintage Club Improvements

(2) Vintage Club Phase II Improvements

Source: City Finance Director's Office

City of Montgomery

2017	2018	2019	2020	2021
\$198,624	\$190,584	\$191,640	\$182,999	\$182,514
165,883	164,883	165,000	170,000	45,000
29,552	23,767	14,440	8,170	1,710
1.02	1.01	1.07	1.03	3.91
\$2,005,478	\$1,881,600	\$2,176,554	\$2,354,732	\$2,330,389
\$300,000	\$450,000	\$460,000	\$530,000	\$530,000
519,152	514,802	506,928	307,669	305,117
2.45	1.95	2.25	2.81	2.79
\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$30,000	\$40,000
0	103,193	242,806	242,806	241,606
0.00	0.00	0.00	0.00	0.00

City of Montgomery

Demographic and Economic Statistics Last Ten Years

Calendar Year	2012	2013	2014	2015
Population (1)				
City of Montgomery	10,251	10,251	10,251	10,251
Hamilton County	802,374	802,374	802,374	802,374
Income (2) (a)				
Total Personal (in thousands)	506,533	506,533	514,959	525,148
Hamilton County Per Capita	49,413	49,413	50,235	51,229
Unemployment Rate (3)				
Federal	8.1%	7.4%	5.4%	5.3%
State	7.2%	7.4%	4.7%	4.9%
Hamilton County	7.0%	7.1%	4.3%	4.4%
Civilian Work Force Estimates (3)				
State	5,748,000	5,704,000	5,704,300	5,719,500
Hamilton County	400,000	399,800	400,500	404,100

Sources:

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation
- (3) Ohio Department of Job and Family Services Ohio Labor Market Information

City of Montgomery

2016	2017	2018	2019	2020	2021
10,251	10,582	10,746	10,805	10,932	10,932
807,598	809,099	813,822	817,473	819,501	817,985
552,416	565,671	608,643	643,557	658,085	710,963
53,889	53,456	56,639	59,561	60,198	65,035
4.9%	3.9%	3.9%	3.5%	6.7%	5.3%
4.9%	4.5%	4.6%	4.1%	5.5%	5.1%
4.4%	4.0%	4.4%	4.5%	5.0%	4.9%
5,663,000	5,724,000	5,724,000	5,736,300	5,706,400	5,736,900
403,900	410,000	413,100	410,900	412,300	415,200



City of Montgomery

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2021		
		Number of Employees	Rank	Percentage of Total Employment
Bethesda Hospital	Medical	3,627	1	23%
Sycamore School District	Educational	1,235	2	8%
Ohio National Financial Services	Financial	916	3	6%
TriHealth G LLC.	Medical	604	4	4%
Good Samaritan Hospital	Medical	334	5	2%
Life Enriching Communities	Senior Living	325	6	2%
Christ Hospital Physicians LLC	Medical	317	7	2%
Kroger	Retail	263	8	2%
Meadowbrook Care Center	Medical	243	9	2%
CRG Holdings LLC	Medical	152	10	1%
Total		8,016		
Total Employment within the City		15,529		

Employer	Nature of Business	2012		
		Number of Employees	Rank	Percentage of Total Employment
Bethesda Hospital	Medical	3,015	1	21%
Sycamore Community School District	Educational	1,411	2	10%
Ohio National Financial Institution	Financial	900	3	6%
Montgomery Inn, Inc.	Restaurant	304	4	2%
Tri-Health, Inc.	Medical	282	5	2%
Twin Lakes	Senior Community	263	6	2%
Meadowbrook Care Center	Medical	234	7	2%
Kroger	Retail	194	8	1%
Montgomery Care Center	Medical	187	9	1%
Columbia Oldsmobile Inc.	Automobile Retail	130	10	1%
Total		6,920		
Total Employment within the City		14,603		

Source: City Finance Director's Office

City of Montgomery

Full Time Equivalent Employees by Function Last Ten Years

	2012	2013	2014	2015	2016
Governmental Activities					
General Government					
Finance	5.50	5.50	5.50	5.50	5.50
Legal/Court	1.50	1.50	1.00	1.00	1.00
Administration	6.50	6.50	6.50	6.50	6.50
Public Safety					
Police	24.00	24.00	24.00	24.00	24.00
Fire	25.00	25.00	25.00	25.00	25.00
Public Works					
Street	11.50	11.50	11.50	11.50	11.50
Parks and Recreation					
Parks and Recreation	7.00	7.00	7.00	7.00	7.25
Community Environment					
Service	2.00	2.00	2.00	2.00	2.50
Total Employees	<u>83.00</u>	<u>83.00</u>	<u>82.50</u>	<u>82.50</u>	<u>83.25</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: City Finance Director's Office

City of Montgomery

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
5.50	5.50	5.50	6.00	6.00
1.00	1.00	1.00	1.00	1.00
6.50	6.50	7.50	7.50	7.00
24.00	24.00	24.00	24.00	24.00
25.00	25.00	22.00	21.00	21.00
11.50	11.50	11.50	10.25	11.5
7.25	7.25	7.25	6.50	7.25
<u>2.50</u>	<u>2.50</u>	<u>1.00</u>	<u>2.00</u>	<u>2.00</u>
<u>83.25</u>	<u>83.25</u>	<u>79.75</u>	<u>78.25</u>	<u>79.75</u>

City of Montgomery

Operating Indicators by Function Last Ten Years

	2012	2013	2014	2015
Governmental Activities				
General Government				
Court				
Number of Traffic Cases	1,742	2,066	1,829	1,496
Licenses and Permits				
Number of Building Permits	250	337	423	384
Number of Building Inspections	1,195	1,186	1,603	1,711
Information Technology				
Number of Website Visitors	269,439	292,845	309,065	334,014
Number of Online Transactions	2,914	2,883	2,024	2,796
Average Cost per Online Transactions*	\$0.99	\$1.08	\$1.54	\$1.12
Public Safety				
Police				
Number of Moving Citations Issued	1,929	1,765	1,549	1,589
Number of Non-moving Citations Issued	261	301	280	148
Number of Felony Arrests	59	39	42	32
Number of Misdemeanor Arrests	326	541	371	384
Number of Juvenile Arrests	105	97	104	49
Number of DUI/OVI Arrests	88	91	49	80
Number of Auto Accident Reports	609	727	516	546
Fire				
Number of Fire Calls	467	490	577	471
Number of EMS Runs	998	972	949	1,125
Number of Car Seat Inspections	151	191	214	217
Number of Inspections	1,008	613	906	894
Public Works				
Street				
Centerline Miles of Streets Resurfaced	2.43	2.27	2.34	2.05
Number of Public Trees Trimmed	65	154	48	33
Number of Households Receiving Curbside Brush Chipping	803	669	785	796
Number of Sidewalk Locations Required	71	82	77	127
Parks and Recreation				
Parks and Recreation**				
Number of Classes / Events	60	61	73	73
Number of Pool Passes Sold	546	587	666	652
Number of Pool Daily Patrons	9,873	10,382	19,763	20,573

*Beginning in 2017, these figures include credit card fees.

**2020 Parks and Recreation activity was significantly impacted by the Covid-19 pandemic.

Source: City Finance Director's Office

City of Montgomery

2016	2017	2018	2019	2020	2021
1,219	1,368	1,099	1,106	927	1,004
427	393	484	437	502	635
1,583	1,486	1,819	1,664	1,553	1,630
308,981	331,109	338,846	340,179	288,340	158,003
3,152	2,458	2,712	2,851	6,958	2,957
\$0.99	\$5.44	\$5.28	\$5.27	\$2.52	\$5.68
1,353	1,809	1,217	1,448	1,184	1,158
66	103	18	243	123	119
49	57	N/A	38	14	26
334	346	174	166	78	142
62	47	N/A	66	34	50
76	48	41	30	29	37
567	497	726	517	316	420
437	443	623	593	519	581
1,091	1,099	1,135	1,182	1,072	1,270
157	143	141	147	15	38
590	976	925	982	877	961
2.17	2.48	2.37	2.38	2.19	2.05
61	88	55	61	53	59
722	548	1,933	1,099	1,151	810
78	86	26	27	9	14
94	96	92	107	83	123
684	736	726	719	0	667
23,070	27,424	28,659	27,278	10,109	24,811

City of Montgomery

Capital Asset Statistics by Function Last Ten Years

	2012	2013	2014	2015	2016
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	23	23	32	32	32
Buildings	8	8	8	8	8
Public Safety					
Police					
Stations	1	1	1	1	1
Vehicles	13	14	14	18	15
Fire					
Stations	1	1	1	1	1
Vehicles	11	10	10	10	12
Public Works					
Street					
Streets (lane miles)	46	46	46	46	46
Street Lights	246	246	246	246	246
Vehicles	16	16	16	21	20
Parks and Recreation					
Parks and Recreation					
Land (acres)	81	81	81	81	81
Buildings	3	3	3	3	3
Parks	7	7	7	7	7
Playgrounds	6	6	6	6	6
Tennis Courts	10	10	10	10	10
Baseball/Softball Diamonds	9	9	9	9	9
Municipal Pool Land (acres)	2	2	2	2	2
Municipal Pool Buildings	2	2	2	2	2

Source: City Finance Director's Office

City of Montgomery

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
43	45	45	45	45
8	9	9	9	9
1	1	1	1	1
17	15	16	17	17
1	1	1	1	1
11	12	12	13	13
46	46	46	46	46
246	246	246	246	246
19	20	20	20	20
81	81	81	81	81
3	3	3	3	3
7	7	7	7	7
6	6	6	6	6
10	10	10	10	10
9	9	9	9	9
2	2	2	2	2
2	2	2	2	2

