DAYTON-MONTGOMERY COUNTY PORT AUTHORITY
MONTGOMERY COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021

Charles E. Harris
& Associates, Inc.
CPAs and Government Consultants

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

Board of Directors
Dayton-Montgomery County Port Authority
8 North Main Street
Dayton, Ohio 45402

We have reviewed the *Independent Auditor's Report* of the Dayton-Montgomery County Port Authority, Montgomery County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Dayton-Montgomery County Port Authority is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

August 05, 2022

DAYTON-MONTGOMERY COUNTY PORT AUTHORITY
MONTGOMERY COUNTY

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INDEPENDENT AUDITOR'S REPORT

Dayton-Montgomery County Port Authority
Montgomery County
8 North Main Street
Dayton, Ohio 45402

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Dayton-Montgomery County Port Authority, Montgomery County, Ohio (the Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Dayton-Montgomery County Port Authority, Montgomery County, Ohio. as of December 31, 2021, and the changes in financial position and its cash flows thereof for the year then ended in accordance with the 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 (GAAS) 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 Authority, 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.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Authority. We did not modify our opinions regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Authority'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 GAAS 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 GAAS 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 Authority'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 Authority'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 net pension and other post-employment benefit assets/liabilities and pension and other post-employment benefit contributions 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022, on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

Charles E Harris Associates

Charles E. Harris & Associates, Inc.
June 28, 2022

Our discussion and analysis of the Dayton-Montgomery County Port Authority's (the "Port Authority") financial performance provides an overview of the Port Authority's financial activities for the fiscal year ended December 31, 2021. Please review it in conjunction with the basic financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- Total assets and deferred outflows of resources were less than liabilities and deferred inflows of resources as of December 31, 2021 with the net position of the Port Authority being $2,273,222. This represents an increase of $2,523,112 from the previous year. A good portion the increase is the result of the Port Authority collecting over $2.1 million in administrative fees and other operating fees compared to $1.1 million in 2021.

- The Port Authority maintains restricted cash and investment balances in the custodial fund which, at December 31, 2021 totaled $38,092,191. Of that amount, $17,600,040 is maintained in the Southwest Regional Bond Fund trust accounts and project accounts related specifically to Port Authority projects and another $10,410,391 in Southwest Regional Bond Fund for Cincinnati Port Authority projects.

- The Port Authority reflects debt balances of $60,440,000 in the custodial fund for projects the Port Authority was involved in that are supported with a financing lease receivable or intergovernmental receivable. Although the Port Authority reports these debt balances, the Port Authority has no financial responsibility for payment on these debts except for receiving the respective lease payments through the respective bank trustee.

- The Port Authority had operating revenues of $3,392,901 and operating expenses of $1,520,146 resulting in an operating income of $1,872,755 for 2021. This was an increase of $923,758 from 2020.

- For 2021, the Southwest Ohio Bond Fund (the "Fund") saw eight new bond issues bringing the total active projects to thirty-four active projects in the Fund. The Fund also received a $10,000,000 reserve pledge from JOBSOhio.

- The Southwest Ohio Regional Bond Fund was recently rated A- by S&P Global.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Port Authority's basic financial statements. The following is a list of the basic financial statements included in this report:

Management's Discussion and Analysis
Basic Financial Statements
Statement of Net Position
Statement of Revenues, Expenses and Changes in Net Position
Statement of Cash Flows
Statement of Fiduciary Net Position
Statement of Changes in Fiduciary Net Position
Notes to the Basic Financial Statements
Required Supplementary Information – Pension/OPEB Tables

The Port Authority is a single enterprise fund using proprietary fund accounting, which means these statements (non-fiduciary) are presented in a manner similar to private-sector business. The statements are presented using economic resource management focus and the accrual basis of accounting. The statements are designed to provide readers with a broad overview of the Port Authority's finances.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position

Our analysis of the Port Authority as a whole begins here. One of the most important questions asked about the Port Authority's finances is "Is the Port Authority as a whole better off or worse off as a result of the year's activities?" The net position increased by $2.5 million so the answer is clearly yes. In addition, the Port Authority has almost $5.5 million in operating (non-restricted) cash reserves which is an increase of $1.5 million from 2020. As stated above, the increase in net position was caused by administrative project fees exceeding operating expenses.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the Port Authority as a whole, other than activity reported on the fiduciary (custodial fund) statements, and about its activities in a way that helps answer the question above. These statements include all the assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting.

These two statements report the Port Authority's *net position* and changes in net position. One can think of the Port Authority's net position, the difference between assets and deferred outflows of resources (what the Port Authority owns) and liabilities and deferred inflows of resources (what the Port Authority owes), as one way to measure the Port Authority financial health, or *financial position*. Over time, *increases or decreases* in the Port Authority's net position are one indicator of whether its *financial health* is improving or deteriorating. One will need to consider other nonfinancial factors, however, such as changes in the Port Authority's jurisdiction and the availability of capital projects to assess the overall health of the Port Authority.

Statement of Cash Flows

The Statement of Cash Flows provides information about the Port Authority's cash receipts and cash payments during the year. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, capital and related financing activities, non-capital activities and investing activities.

These financial statements report on all the functions of the Port Authority that are principally supported by fees.

Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position

The Statement of Fiduciary Net Positions reports the restricted cash held in the regional bond fund and the amount of pledged lease payments due from companies with debt issued through the regional bond fund. The statement of change in fiduciary net position reports the additions and deletions during the year for the activity that is not removed as the assets and liabilities are adjusted on the statement of net position.

These financial statements can be found on pages 12 through 16 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 17-69 of this report.

Required Supplementary Information

The required supplementary information provides additional information about the pension system liabilities and the Port Authority's required contributions. The required supplementary information can be found on pages 70-73 of this report.

FINANCIAL ANALYSIS OF THE PORT AUTHORITY

As stated previously, the Statement of Net Position looks at the Port Authority as a whole without regard to the custodial fund. The following table provides a summary of the Port Authority's net position for 2021 compared to 2020.

Net Position (in thousands)

	2021	2020	Change
Current Assets	$12,064	$12,240	(176)
Restricted Assets	36	137	(101)
Noncurrent Asset	16	0	16
Capital Assets	22,170	22,800	(630)
Total Assets	34,286	35,177	(891)
Deferred Outflows of Resources	91	52	39
Current Liabilities	1,660	1,502	158
Long Term and Other Liabilities	24,039	26,335	(2,296)
Total Liabilities	25,699	27,837	(2,138)
Deferred Inflows of Resources	6,405	7,910	(1,505)
Net position:			
Net Investment in Capital Assets	2,342	2,052	290
Unrestricted (Deficit)	(69)	(2,570)	2,501
Total Net Position	$2,273	($518)	$2,791

In prior years, the Port Authority adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. The Port Authority also adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension," which significantly revises accounting for other postemployment benefit (OPEB) costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Port Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and net OPEB asset 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. When accounting for pension/OPEB costs, GASB 27 and GASB 45 focused on a funding approach. This approach limited pension/OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension/net OPEB asset/liability*. GASB 68 and GASB 75 take an earnings approach to pension/OPEB accounting; however, the nature of Ohio's statewide pension/OPEB systems 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 net OPEB asset to equal the Port Authority's proportionate share of each plan's collective:

1. Present value of estimated future pension 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. GASB noted that the unfunded portion of this pension/OPEB 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 Port Authority is not responsible for certain key factors affecting the balance of this asset/liability. 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 benefits recipients. The retirement systems may allocate a portion of the employer contributions to provide 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 pension 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 plan.

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/OPEB liability. As explained above, changes in pension/OPEB benefits, contribution rates, and return on investments affect the balance of the net pension/OPEB liability 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 pension/OPEB payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension/OPEB asset/liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

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

Unrestricted net position, which is the portion of net position that can be used to finance the day-to-day operations without constraints established by debt covenants or other legal requirements, increased by $2.5 million in 2021. The majority of the increase is from additional project fee revenues being available for unrestricted cash.

The current liabilities increased by $0.1 million as the Port Authority reported unearned revenue for project fees that were paid before the project was completed. The amount due in one year on the outstanding bonds was also slightly higher. The long-term liabilities decreased by $2.3 million with the current year payments on the three outstanding debts.

Capital assets decreased by $0.6 million with no new construction during 2021 and depreciation expense reduced the carrying value of the assets.

The following tables look at the change in the Port Authority's revenues and expenses from 2021 to 2020.

Changes in Net Position (in thousands)

	2021	2020	Change
Fee revenue	$3,221	$2,470	$751
Other revenue	172	225	(53)
Total operating revenue	3,393	2,695	698
Salaries and benefits	151	220	(69)
Operating expenses	734	893	(159)
Payments in lieu of real estate taxes	5	5	0
Depreciation	630	628	2
Total Operating expense	1,520	1,746	(224)
Operating Income	1,873	949	924
Contributions to/from Pace Financing Venture	0	255	(255)
Capital Grants from/to TID	1,472	1,472	0
Capital Grants from Friends of Levitt	140	55	85
Interest income	2	15	(13)
Interest expenses	(964)	(963)	(1)
Total nonoperating revenues and expenses	650	834	(184)
Change in Net Position	2,523	1,783	$740
Beginning Net Position	(518)	(2,301)	
Restatement (See Note 15)	268	0	
Ending Net Position	$2,273	($518)	

The Port Authority operating revenue increased about $699,000 from 2020 given more project activity and closed transactions. In fiscal year 2021, the Port Authority collected over $840,000 in project administrative fees. Operating expenses were 13% lower than the prior year as the Port Authority saw salaries and benefits come down the project manager position hours decreasing. The projected related expenses dropped about $220,000 between the years and the Port Authority did not have as much maintenance on the Main Street Garage.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Port Authority reports as capital assets in the enterprise fund the Main Street parking garage where the Port Authority holds title and ownership, with an operating agreement in place. The Port Authority also reports a capital asset for the Levitt Pavilion. See note 3 for additional information on the Port Authority's capital assets.

Debt reported in the enterprise fund

The Port Authority has a long-term liability due to the City of Dayton for the debt outstanding on the Main Street Garage. In 2021, the Port Authority paid $1,008,517 of net garage revenue to the City for this debt, $513,263 of which was paid on the principal owed. The Port Authority's liability for this debt is limited to the net revenues generated from the Main Street Garage. The Port Authority's SIB loan for Walnut Project's obligations, which are guaranteed and paid by Montgomery County and City of Union, had a balance of $5,350,414 at December 31, 2021. The Port Authority repaid the loan payable for the City of Dayton's contribution to the Levitt Pavilion project due and payable based on what the Friends of Levitt pay during the year. See Notes 4 and 10 for additional information on the Port Authority's debt related to the enterprise fund.

Debt reported in the custodial fund

As discussed in the highlights, the Port Authority's long term debt issuances maintained in the custodial fund are $60.4 million in non-recourse revenue bonds. The Port Authority only issues non-recourse obligations for which the company maintains the liability for repayment. For more information on the Port Authority's custodial fund debt balances see notes 4 and 9 of the financial statements.

ECONOMIC FACTORS

After several years of slowing economics for the community, Montgomery County saw increased development activity in 2021 in the northern and southern portions of the county. The southern portion of the County is benefiting from the Austin Interchange increasing taxable valuation by $280 million because of developments including Austin Landing, Motoman Enterprises, Miamisburg Industrial Park, and Springboro's Tech Park. The Port Authority's involvement in Project Walnut (Proctor and Gamble) has also brought significant valuation increase to the northern portion of the County in the City of Union. There is continued interest in development around the City of Dayton Airport properties with NorthPoint developers now have ten buildings financed or planned to be financed in some way through the Port Authority. The downtown Dayton area continues to develop with significant re-development projects including Fireblocks, Dayton Arcade, Oregon East, Water District to name a few.

The Port Authority is heavily involved with the Property Assessed Clean Energy (PACE) bond issues through a partnership with the City of Dayton's created Energy Special Improvement District (ESID). Through 2021, the ESID has issued over $22 million through eleven bond funds deals and more to come in fiscal year 2022. The Port Authority has successfully assisted with other financings outside of Montgomery County over the last several years and continues as viable financing option for those communities for the future.

As of December 2018, the unemployment rate was 4.7 percent and dropped another full point in fiscal year 2019 to finish at 3.7 percent as of December 2019. Although the pandemic hit Montgomery County hard with the unemployment rate increasing to 16.8 percent in April 2020, the employment figures rebounded nicely to finish December 2020 at just 5.2 percent and December 2021 is down to 3.6 percent.

<u>Request for Information</u>

The financial report is designed to provide a general overview of the Port Authority's finances for all those with an interest in the Port Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Dayton-Montgomery County Port Authority, 8 North Main Street, Dayton, Ohio 45402-2400.

DAYTON-MONTGOMERY COUNTY PORT AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2021

ASSETS:		
CURRENT ASSETS:		
Cash and cash equivalents	$	5,490,984
Intergovernmental receivable		6,293,131
Accounts receivable		29,481
Loan Receivable		250,000
Total current assets		12,063,596
RESTRICTED ASSETS:		
Restricted cash and cash equivalents		36,071
NONCURRENT ASSETS		
Net OPEB Asset		16,123
CAPITAL ASSETS:		
Land and land improvements		4,218,337
Buildngs		25,090,908
Total		29,309,245
Less: Accumulated depreciation		(7,139,320)
Total capital assets, net		22,169,925
TOTAL ASSETS		34,285,715
DEFERRED OUTFLOWS OF RESOURCES:		
Pensions		62,765
OPEB		28,727
TOTAL DEFERRED OUTFLOWS OF RESOURCES		91,492
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable		189,174
Accrued interest on SIB loan		32,500
Unearned revenue		156,040
Current portion of long term debt:		
SIB loan payable - Project Walnut		1,282,796
Total current liabilities		1,660,510
LONG TERM AND OTHER LIABILITIES		
Revenue bonds, notes and loans:		
Main Street Garage		19,827,363
SIB Loan Payable - Project Walnut		4,067,618
Net pension liabilities		143,932
Total long term and other liabilities		24,038,913
TOTAL LIABILITIES		25,699,423
DEFERRED INFLOWS OF RESOURCES:		
Intergovernmental grant		6,293,131
Pension		62,122
OPEB		49,309
TOTAL DEFERRED INFLOWS OF RESOURCES		6,404,562
NET POSITION:		
Net investment in capital assets		2,342,562
Unrestricted (Deficit)		(69,340)
TOTAL NET POSITION	$	2,273,222

See accompanying notes to the financial statements

DAYTON-MONTGOMERY COUNTY PORT AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

OPERATING REVENUES:		
Port fees	$	2,004,343
Parking garage fees		1,216,928
Other revenues		171,630
Total Operating Revenues		3,392,901
OPERATING EXPENSES:		
Salaries and benefits		150,896
Operating expenses		319,728
Project related expenses		11,691
Professional services		402,663
Payments in lieu of real estate taxes		4,632
Depreciation		630,536
Total Operating Expenses		1,520,146
OPERATING INCOME		1,872,755
NONOPERATING REVENUES (EXPENSES):		
Capital grants from TID		1,471,786
Capital grants from Friends of Levitt		139,939
Interest income		2,166
Interest and fiscal charges		(963,534)
Total Nonoperating Revenues (Expenses)		650,357
CHANGE IN NET POSITION		2,523,112
Net Position Beginning of Year		(249,890)
Net Position End of Year	$	2,273,222

See accompanying notes to the financial statements

DAYTON-MONTGOMERY COUNTY PORT AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

Cash flows from operating activities:		
Cash received from customers	$	3,367,502
Cash payments to employees for services		(253,840)
Cash payments to supplier for goods and services		(775,961)
Cash received from other sources		259,352
Net cash provided by operating activities		2,597,053
Cash flows from capital and related financing activities:		
Retirement of debt		(1,758,424)
Interest paid		(939,635)
Capital Grants for debt payment		1,471,786
Capital distributions on City of Dayton loan		139,939
Capital contributions on City of Dayton loan		(139,939)
Net cash used for capital and related financing activities		(1,226,273)
Cash flows from investing activities:		
Interest received		2,166
Net increase in cash and cash equivalents		1,372,946
Cash and cash equivalents at beginning of year		4,154,109
Cash and cash equivalents at end of year		5,527,055
Reconciliation of operating income to net cash provided by operating activities		
Operating Income		1,872,755
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		630,536
Changes in assets and liabilities:		
Decrease in accounts receivable		77,913
Decrease in accounts payable		(59,130)
Increase in unearned revenue		156,040
Change in net pension/OPEB asset/liability and related deferred inflows/outflows		(81,061)
Net cash provided by operating activities	$	2,597,053

See accompanying notes to the financial statements

DAYTON-MONTGOMERY COUNTY PORT AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
DECEMBER 31, 2021

Assets:		
Cash, Cash Equivalents and Investments		
in Restricted Accounts	$	38,092,191
Intergovernmental Receivable		21,717,350
Financing Leases Receivable		22,283,819
Total Assets		82,093,360
Liabilities :		
Liabilities:		
ODOD Loan Payable		1,500,000
Accounts reserves held for Cincinnati Port Authority		10,156,393
Funds on Deposits for Conduit project		3,050,661
Interest and Fees Payable		21,575,346
Revenue Bonds Payable		60,440,000
Total Liabilities		96,722,400
Net Position		
Unrestricted	$	(14,629,040)

See accompanying notes to the basic financial statements

DAYTON-MONTGOMERY COUNTY PORT AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

		Southwest Ohio Regional Bond Fund
Additions:		
Lease Payments	$	2,268,753
JOBS Ohio Reserve Contribution		2,000,000
Interest Earnings		29,014
Total Additions		4,297,767
Deductions:		
Project distributions		18,520,371
Interest and fiscal charges		935,511
Bond issuance costs		913,173
Total Deductions		20,369,055
Net Decrease in Fiduciary Net Position		(16,071,288)
Beginning Net Position		1,442,248
Ending Net Position	$	(14,629,040)

See accompanying notes to the basic financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Dayton-Montgomery County Port Authority, Montgomery County, Ohio (the "Port Authority") is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Port Authority was established in January 2000 pursuant to section 4582.22 of the Ohio Revised Code by resolution of Montgomery County and by ordinance of the City of Dayton. A nine-member Board of Directors directs the Port Authority. Five of the Directors are appointed by the Montgomery County Commissioners and four are appointed by the Mayor of the City of Dayton, with the advice and consent of the Dayton City Commission.

The Port Authority provides services that are enumerated in Sections 4582.31 of the Ohio Revised Code. The services include but are not limited to the power to finance, purchase, construct, reconstruct, enlarge, improve, equip, develop, sell, exchange, lease, convey other interest in, and operate Port Authority facilities.

The accompanying basic financial statements comply with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units,* and No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34,* in that the financial statements include all divisions and operations for which the Port Authority is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization's governing board and is able to impose its will on the organization. Financial accountability may also be deemed to exist if there is a potential for the organization to provide financial benefits to, or to impose specific financial burdens on, the primary government/component unit. On this basis, no governmental organization other than the Port Authority itself is included in the financial reporting entity.

The purpose of the Port Authority is to facilitate economic and community development in the Dayton Region. The operating policy and practice of the Port Authority has been to be financially self-sustaining. To that end, the Port Authority's policy and practice is, and has been from its inception, to limit its financial exposure to individual projects by utilizing one or more of the following approaches: full financial, operating and legal indemnification by project beneficiary; bond issuances supported by financing leases and/or credit enhancement, wherein the beneficiary/tenant is responsible for all debt service and operating expenses; strict limitation of financial liability to individual project revenues; and guaranty of debt service by another unit of government, with all operating expenses the responsibility of the tenant/beneficiary. In conclusion, the Port Authority never takes credit risk on behalf of a conduit borrower and has no credit risk to Bond Fund borrowers, beyond resources previously pledged in 2004 to the Bond Fund reserves.

Basis of Accounting

The Port Authority's activities, other than activity related to bond financings either through the bond fund issues or other trust activity that are fiduciary in nature and reported in a custodial fund, are financed and operated as a single enterprise fund such that the costs and expenses, of providing the services are recovered primarily through administrative fees. The enterprise fund measurement focus is on the determination of revenues, expenses, financial position, and cash flows as the identification of these items is necessary for appropriate capital maintenance, public policy, management control, and accountability. The Port Authority's financial transactions are recorded on the accrual basis of accounting where revenues are recognized when earned and expenses are recognized when incurred.

As defined by GAAP, the fiduciary fund category is split into four classifications: private purpose trust funds, pension trust funds, investment trust funds and custodial funds. The Port Authority maintains a fiduciary custodial fund for its projects that are issued through the Southwest Ohio Regional Bond Fund, and other stand alone issuances where the Port Authority has a financing lease receivable. Examples of such projects are STEM School, White Castle, Fieldstone, Hematite, Economy Linen or Quarry Trails.

Investments

The Port Authority's investments (including cash equivalents) are recorded at fair value. Money market funds are recorded at share values reported by the money market fund.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Port Authority considers all highly liquid investments with maturities of less than three months (including restricted assets) to be cash equivalents.

Capital Assets

The Port Authority defines capital assets as follows:

- Land assets will always be capitalized without regard to costs and not depreciated.
- Infrastructure assets will be capitalized if it has a life expectancy of five (5) years or greater and a designated value exceeding $300,000
- Assets other than land or infrastructure will be capitalized if the asset has a useful life of two (2) years or more and a designated value exceeding $5,000.

Capital assets are stated at historical cost. Donated capital assets are recorded as acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed and updated for the cost of additions and retirement during the year. Interest incurred during construction is capitalized until substantial completion of the project.

All capital assets are depreciated, excluding land. Depreciation has been provided using the straight-line method over the following estimated useful lives:

- Buildings and Improvements – 40 years
- Infrastructure – 40 years
- Office Equipment – 3 years

Restricted Assets and Related Liabilities

Bond indentures and other agreements require portions of debt proceeds as well as other resources of the Port Authority to be set aside for various purposes. These amounts are reported as restricted assets on the Statement of Net Position and Statement of Fiduciary Net Position. The liabilities that relate to the restricted assets are included in other liabilities in the same statement. The Port Authority also reports restricted cash for the balance maintained in the Main Street Garage account of $29,481. The City of Dayton is provided a monthly review of the Port Authority's expenses in that account.

Budgetary Accounting and Control

The Port Authority's annual budget, as provided by law, is prepared on the cash basis of accounting. The budget includes amounts for current year revenues and expenses.

The Port Authority maintains budgetary control by not permitting total capital expenditures and accounts charges to individual expense categories to exceed their respective appropriations without an amendment of appropriations by the Board of Directors.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from charges for services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Port Authority. Revenues and expenses that do not meet these criteria are considered non-operating and reported as such.

Deferred Outflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an expense until then. The Port Authority reports deferred outflows of resources on the statement of net position for pension/OPEB. The deferred outflows of resources related to pension/OPEB are explained in Notes 5 and 6.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as revenue until that time.

Deferred inflows of resources related to pension/OPEB and revenues received from the City of Union for debt service payment associated with the SIB loan are reported on the statement of net position The deferred inflows of resources related to pension/OPEB are explained in Notes 5 and 6.

Pensions/Other Postemployment Benefits (OPEB)

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

Unearned Revenue

The Port Authority reports unearned revenue on the statement of net position for project fees received but the terms of the financing were not completed. The Port Authority had two projects during the fiscal year deposit the full project fee when the term sheet was signed. Typically only the nonrefundable deposit is due when the term sheet is signed with the full fee due at closing of the project.

Net Position

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

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

Conduit Debt

The Port Authority issues conduit debt on behalf of other entities, whether public entities or private companies, whether taxable or tax exempt. The Port Authority is contractually protected from liability related to these issues. For the purposes of the financial statements, the various conduit debts of the Port Authority are classified in one of two manners, depending on applicable accounting rules. First, a completely "off book" issuance where the Port Authority has issued the debt in name only on behalf of a private company, or organization. These are disclosed in Note 8. Second, bond issuances that involve a lease receivable where the company or organization is responsible for making payments to a trustee for payment of principal, interest and related fees on debt issued in the Port Authority's name. These are disclosed in Notes 9 and 11 and reported within the Custodial Fund statements.

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.

2. DEPOSITS AND INVESTMENTS

Monies held by the Port Authority are classified by State statute into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the Port Authority treasury. Such monies must be maintained either as cash in the Port Authority treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Directors have identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than five years from the date of deposit or by savings accounts, including passbook accounts.

Interim monies held by the Port Authority can be deposited or invested 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 and 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; and

- Bond and other obligations of the State of Ohio;

- Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

- No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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 Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Port Authority and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk is the risk that in the event of a bank failure the Port Authority's deposits may not be returned. Protection of the Port Authority's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC) as well as qualified securities pledged by the institutions holding the assets. Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the Port Authority places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by FDIC. The securities pledged as collateral are pledged to a pool for each individual financial institution in amount equal to at least 105 percent of the carrying value of all public deposits held by each institution that are not covered by FDIC. Obligations that may be pledged as collateral are limited to obligation of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Custodial credit risk for deposits is the risk that in the event of bank failure, the Port Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of December 31, 2021, the Port Authority's $2,626,165 of the Port Authority's bank balance of $2,876,165 was not exposed to custodial credit risk since it was collateralized with securities held in the Ohio Pooled Collateral System.

The Port Authority has no deposit policy for custodial risk beyond the requirements of the State statute.

Investments

During fiscal year 2021, the Port Authority invested in State Treasury Asset Reserve of Ohio (STAROhio). Investments are reported at net asset value (NAV) which is based on the fund's quoted market prices.

The Port Authority'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 Port Authority. The Port Authority 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.

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 to all deposits and withdrawals of $100 million or more. STAR Ohio reserves the right to limit the transaction to $250 million per day, required any 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.

The Port Authority also had the following cash equivalents and investments as of December 31, 2021 reported in the enterprise fund as follows:

	NAV Value	NAV Value Measuring Unit	Credit Rating	Maturity
STAR Ohio	$2,650,894	Level 1	AAAm	<60 days

The Port Authority also has cash equivalents and investments as of December 31, 2021 reported in the Custodial fund were as follows:

	Fair Value	Fair Value Measuring Unit	Credit Rating	Maturity
U.S Government MM Funds	$27,846,050	Level 1	AA+	<60 days
U.S Treasury Notes	8,302,360	Level 2	N/A	1 year
Federal Home Loan Bank Notes	1,943,781	Level 2	N/A	1 year
Total	$38,092,191			

Fair Value Measurement
Fair value as defined by GASB Statement No. 72 requires the Port Authority to apply valuation techniques that best represent fair value in the circumstances-market approach, cost approach and income approach. The following are the levels for which inputs can be measured. Level 1 – quoted prices (unadjusted) in active markets for identical assets/liabilities (most reliable); Level 2 – quoted prices for similar assets/liabilities, quoted price for identical assets/liabilities or similar assets/liabilities in markets that are not active, or other quoted prices that are observable; and Level 3 – unobservable inputs (least reliable).

Interest Rate Risk – State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Port Authority, and that an investment must be purchased with the expectation that it will be held to maturity. The Guaranteed Investment Contracts are matched to obligations within the Bond Fund Program.

Concentration of Credit Risk – The Port Authority places no limit on the amount the Port Authority may invest in 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 Port Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Port Authority has no investment policy dealing with the investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investment to the Port Authority or qualified trustee.

3. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2021, was as follows:

	Balance 12/31/2020	Increases	Decreases	Balance 12/31/2021
Cost				
Land and Improvements	$4,218,337	$0	$0	$4,218,337
Levitt Pavilion	4,413,510	0	0	4,413,510
Parking Garages	20,677,398	0	0	20,677,398
Total Cost	29,309,245	0	0	29,309,245
Accumulated Depreciation				
Levitt Pavilion	(220,676)	(110,338)	0	(331,014)
Parking Garages	(6,288,108)	(520,198)	0	(6,808,306)
Total Accumulated Depreciation	(6,508,784)	(630,536)	0	(7,139,320)
Net Capital Assets	$22,800,461	($630,536)	$0	$22,169,925

The Port Authority reports a significant amount of capital assets within the enterprise fund. The Main Street parking garage in the name of the Port Authority will remain with the Port Authority after final payment on the respective debt obligation. In prior years, the Port Authority constructed the Levitt Pavilion. The project was financed in part of a loan payable from the City of Dayton and pass through contributions from the Friends of Levitt Pavilion. The loan was paid off during 2021.

4. PROJECTS

Main Street Parking Garage (Enterprise Fund reported)

In conjunction with the CareSource Management Group project, during 2007 the Port Authority constructed a seven story parking garage in downtown Dayton which is owned and operated by the Port Authority. CareSource Management Group agreed to rent 900 spaces for 20 years with an option to re-negotiate rental rates after 10 years. The number of spaces leased to CareSource has since increased to 1,050.

As of December 31, 2021, $24,895,735 of cost has been capitalized, including $4,218,337 of land and $20,677,398 of construction costs. Funding of $20,010,000 under the financing arrangement has been provided by the City of Dayton as of December 31, 2020. The amount funded is reflected on the statement of net position as a payable to the City of Dayton less the amount repaid against the obligation plus accrued interest added to the principal. Construction of the garage was completed in December 2008.

During January 2008, the City of Dayton issued economic development revenue bonds and entered into a loan agreement with the Port Authority for the permanent funding of the project. The City of Dayton and Port Authority agreed to repay the loan from garage net revenues. For 2021, the Port Authority paid $1,008,517to the City of Dayton in net revenues. $513,263 of this amount was applied towards principal payments.

The Port Authority is not paying the full principal payments to the City of Dayton in connection with the Main Street Garage Project. Per the loan agreement between the City of Dayton and Port Authority, dated January 10, 2008, the City of Dayton could declare all loan payments due in the event of default. During 2018, the City of Dayton has waived this covenant. If the City of Dayton rescinds the waiver of this covenant violation, then the full balance of the loan may be due at that time. The amount outstanding at December 31, 2021 is $19,827,363.

The Port Authority's obligation for this payable is limited to its revenues from the garage, net of operating and additional construction or capital expenses.

White Castle (Partially conduit not reported on the financial statements, Partially Custodial Fund reported)

On October 31, 2012, the Port Authority borrowed on behalf of White Castle Distributing LLC $9,850,000 in State Economic Development Revenue Bonds at a variable interest rate ranging from 1.125 – 4.0% with a final maturity of December 1, 2027. The Port Authority received a $2,000,000 State of Ohio 166 loan at a 3% interest rate with a final maturity of November 15, 2027. The loan is conduit in nature with White Castle making payments directly to the State. The proceeds from the bonds and loan are being used to finance a portion of the costs of acquisition and constructing an approximately 74,000 square foot frozen food manufacturing facility located in Vandalia, Ohio just north of the City of Dayton. White Castle entered into a financing lease with the Port Authority to service the respective debt obligations on this project. The initial principal payments on the bonds started in June 2014 and terminate in December 2027. On May 19, 2022, the Port Authority issued a Southwest Ohio Regional Bond Fund bond for $5,000,000 to assist White Castle in the expansion of the Vandalia Facility. As part of the issuance, the Port Authority received an additional $3,050,661 in the trust account for the conduit project expenses. This is reported on the custodial statements as "Funds on Deposit for Conduit Project." The initial principal payments start in November 2023 and terminate in November 2029 with a 2.75% interest rate.

Annual debt service requirements to maturity for both bonds are as follows:

	Annual Payments (2012)		Annual Payments (2021)	
Year	Principal	Interest	Principal	Interest
2022	$730,000	$148,975	$0	$137,500
2023	755,000	121,313	350,000	137,500
2024	780,000	98,475	715,000	122,993
2025	805,000	74,384	735,000	103,194
2026	830,000	48,018	760,000	82,444
2027-2029	855,000	20,881	2,440,000	119,075
Total	$4,755,000	$512,047	$5,000,000	$703,106

The future lease payments to be received (less cash on hand) and the Port Authority's net investment in the lease are as follows:

Year	2012 Issue	2021 Issues
2022	$889,191	$165,500
2023	884,880	165,500
2024	885,342	148,038
2025	884,496	124,208
2026	884,496	99,314
2027-2029	826,583	225,894
Total	$5,254,988	$928,454

Sherman Dixie (Conduit not reported on financial statements)

In 2005, the Port Authority issued $3,500,000 Facilities Revenue Bonds and loaned the proceeds to Sherman-Dixie, a concrete products manufacturer who purchased a plant in Dayton and proposed to use the fund to renovate and update the facility. The bonds have a twenty year term and payable as a bullet payment with the final payment in December 2025.

STEM School (Custodial Fund reported)

The Port Authority issued $5,000,000 in qualified school construction bonds designated as Taxable Development Revenue Bonds (Dayton Regional Bond Fund) Series 2011A (Dayton Regional STEM School) (the “Dayton Bonds”). The proceeds of the Bonds were used for the acquisition, construction, equipping, improvement, and installation of “port authority facilities” as defined in Sections 4582.01 and 4582.22, Ohio Revised Code, and consistent with the intended purposes pursuant to Section 54F of the Internal Revenue Code. Specifically, the facilities consist of a school facility owned by the Port Authority, leased to the Dayton Regional STEM Schools, Inc., and located in Stratacache, Ohio.

The Port Authority is to make monthly principal payments on the Bonds, Series 2011A, in varying monthly amounts ranging from $145,000 beginning on May 15, 2021 to $1,425,000 on November 15, 2025. The bonds bear an interest rate of 5.5 percent and are secured by the property and rental payments to be received under the lease with the Dayton Regional STEM Schools through November 15, 2025. The Port Authority is receiving an interest subsidy of 5.41 percent from the U.S Treasury.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$295,000	$131,863
2023	295,000	115,638
2024	300,000	99,275
2025	1,580,000	82,638
Total	$2,470,000	$429,414

The future lease payments to be received (less cash on hand) and the Port Authority's net investment in the lease are as follows:

Year	Total
2022	$438,718
2023	422,394
2024	409,467
2025	1,014,545
Total	$2,285,124

Clopay (Custodial Fund reported)

On October 25, 2006 the Port Authority issued a $1,500,000 Taxable Development Revenue Bond at 6.25% interest rate from the Regional Bond fund for the acquisition/rehabilitation of the former Panasonic facility for expansion and consolidation of Clopay manufacturing capacity. The final maturity on the bond was November 15, 2021. The Port Authority also received an Ohio Enterprise Bond Fund loan of $7,790,000 at approximately 5.89% interest rate with a final maturity of December 1, 2021 and a State of Ohio 166 loan of $5,000,000 at a 1-3% variable interest rate with a final maturity of October 15, 2021 for the project.

Materion Brush (Custodial Fund reported)

On April 9, 2011, the Port Authority issued a $2,000,000 Taxable Development Revenue Bond, at an interest rate of 4.9%, with a 10 year maturity. At the same time, the Toledo Lucas County Port Authority (TLCPA) issued an $8,000,000 bond of the same type, on the same terms. $2,000,000 of the TLCPA issuance was then used to purchase (Dayton) Port Authority's issuance. The remaining proceeds of the TLCPA issuance, and the proceeds of the Port Authority issuance, $8,000,000 in total, were then lent on identical terms, parri passu, to Materion Brush for an expansion and upgrade of its operating capacity. The Port Authority made the final payment of $310,000 on May 15, 2021.

Malt Products (Conduit not reported on financial statements)

During 2013, the Port Authority entered into agreement with Malt Products to assist with the construction of a 30,000 square foot facility on 42 acres within Montgomery County through a conduit capital lease structure. The Port Authority agreed to issue up to $11 million in conduit bonds for the project that will be purchased by a subsidiary of Malt Products. Malt Products had deposited and withdrawn the amount necessary for construction fees by the end of 2014 with the trustee. Malt Products or its subsidiaries will deposit the necessary funds required to reimburse construction expenses as needed. As of December 31, 2021, $58,000 was the outstanding balance.

Fieldstone (Custodial Fund reported)

On December 20, 2013, the Port Authority issued Development Revenue Bonds from the Regional Bond Fund for acquisition and construction of an extend care facility in Tipp City using tax incremental financing (TIF) revenues from Tipp City with a secondary pledge from the Granger company being the guarantor of minimum service payments on the TIF bond through a letter of credit with PNC. The bonds were issued at a 4.25% interest rate with a final maturity on November 15, 2042.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$30,000	$51,744
2023	40,000	50,362
2024	40,000	48,663
2025	40,000	46,962
2026	40,000	45,263
2027-2031	240,000	197,838
2032-2036	310,000	140,888
2037-2041	395,000	67,256
2042	90,000	2,869
Total	$1,225,000	$651,844

The future lease payments to be received (less cash on hand) and the Port Authority's net investment in the lease are as follows:

Year	Total
2022	$90,875
2023	99,250
2024	97,250
2025	95,250
2026	95,250
2027-2031	474,375
2032-2036	470,500
2037-2041	473,125
2042	25,534
Total	$1,918,534

Project Walnut (Enterprise fund reported)

The Port Authority and Montgomery County Transportation Improvement District (the "TID") worked together with the City of Union and Montgomery County on the logistic park (referred to now as Airpark Boulevard) to provide infrastructure needs to support larger manufacturing facilities. The Port Authority received a State Infrastructure Bank (the "SIB") loan finance the project back by local funding for the Project. The TID was the construction agent handling the infrastructure improvements and submitting the project invoices to the Port Authority for approval and submission to the SIB. The loan is guaranteed through an intergovernmental agreement with the City of Union providing tax increment financing revenues to cover the debt service payments. As of December 31, 2021, $13,251,888 of the authorized $14,500,000 loan was drawn down.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$1,282,796	$188,990
2023	1,321,569	150,217
2024	1,361,513	110,273
2025	1,384,536	69,122
Total	$5,350,414	$518,602

Project Walnut (Custodial fund reported)

As part of the Project Walnut project, Montgomery County initially provided funding to write down the land cost for the developer. During fiscal year 2015, the City of Union borrowed $790,000 through the Bond Fund to repay Montgomery County for the funds. The bond is guaranteed through an intergovernmental agreement with the City of Union to provide tax increment financing revenues to cover the debt service payments at the same time of the State Infrastructure Bank Loan.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$85,000	$16,387
2023	90,000	12,231
2024	90,000	7,956
2025	100,000	3,563
Total	$365,000	$40,137

Property Assessed Clean Energy Program (PACE) Stratacache Tower formerly known as the Kettering Tower (Custodial fund reported)

The Port Authority was authorized by the State of Ohio as an authorized participant in the State of Ohio Property Assessed Clean Energy Program (PACE). As part of this program, the Port Authority received $125,000 from the State of Ohio as additional bond fund reserves to help secure these projects. During 2016, the State of Ohio deposited another $1,000,000 in bond fund reserves for the energy projects. The first PACE project for the Port Authority is related to the improvements to the Stratacache Tower. The Port Authority and Toledo Port Authority issued PACE bonds through their respective bond funds to allow the owner to make energy improvements. The City of Dayton created a Dayton Regional Energy Special Improvement District on June 24, 2015 when the Stratacache Tower petitioned the City to participate in this program. The owner will be assessed through the real estate taxation process to repay the Port Authority bonds. The Port Authority has reported an intergovernmental receivable for the principal and interest less the project cash reserve held at the Port Authority.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$20,000	$5,438
2023	25,000	4,567
2024	30,000	3,371
2025	55,000	2,066
Total	$130,000	$15,442

PACE – Top of the Market / 32 Webster Street (Custodial fund reported)

On August 14, 2015, 32 Webster Street petition the City of Dayton to be added to the PACE program. The Port Authority and Toledo Port Authority issued PACE bonds through their respective bond funds to allow the owner to make energy improvements. The owner will be assessed through the real estate taxation process to repay the Port Authority bonds. The Port Authority has reported an intergovernmental receivable for the principal and interest less the project cash reserve held at the Port Authority.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$10,000	$8,157
2023	15,000	7,721
2024	20,000	6,960
2025	20,000	6,090
2026-2030	125,000	17,400
Total	$190,000	$46,328

PACE – Delco Rehabilitation Project (Custodial fund reported)

On July 26, 2016, Delco petition the City of Dayton to be added to the PACE program. The Port Authority issued PACE bonds through the bond fund to allow the owner to make energy improvements. The owner will be assessed through the real estate taxation process to repay the Port Authority bonds. The Port Authority has reported an intergovernmental receivable for the principal and interest less the project cash reserve held at the Port Authority.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$215,000	$120,791
2023	225,000	111,982
2024	240,000	102,667
2025	250,000	92,846
2026	265,000	82,620
2027-2031	1,495,000	242,190
2032	345,000	10,530
Total	$3,035,000	$763,626

PACE – Social Row Transitional Care Project (Custodial fund reported)

On March 20, 2017, Washington Township petitioned the City of Dayton to be added to the PACE program. The Port Authority issued PACE bonds through the bond fund to allow the owner to make energy improvements. The owner will be assessed through the real estate taxation process to repay the Port Authority bonds. The Port Authority has reported an intergovernmental receivable for the principal and interest less the project cash reserve held at the Port Authority.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$170,000	$122,875
2023	180,000	114,250
2024	190,000	105,125
2025	200,000	95,500
2026	215,000	85,375
2027-2031	1,250,000	252,875
2032	295,000	11,125
Total	$2,500,000	$787,125

PACE – Front Street Project (Custodial fund reported)

During 2019, the Front Street project owners petitioned the City of Dayton to be added to the PACE program. The Port Authority issued PACE bonds through the bond fund to allow the owner to make energy improvements. The owner will be assessed through the real estate taxation process to repay the Port Authority bonds. The Port Authority has reported an intergovernmental receivable for the principal and interest less the project cash reserve held at the Port Authority.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$30,000	$20,130
2023	30,000	18,810
2024	30,000	17,490
2025	30,000	16,170
2026	40,000	14,740
2027-2031	165,000	34,320
2032	100,000	3,850
Total	$465,000	$138,490

PACE – Roseville Holdings Project (Custodial fund reported)

On February 20, 2020, Roseville Holdings and the City of Riverside petitioned the City of Dayton to be added to the PACE program. The Port Authority issued PACE bonds through the bond fund to allow the owner to make energy improvements. The owner will be assessed through the real estate taxation process to repay the Port Authority bonds. The Port Authority has reported an intergovernmental receivable for the principal and interest less the project cash reserve held at the Port Authority.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$30,000	$37,290
2023	30,000	35,970
2024	30,000	34,650
2025	30,000	33,330
2026	30,000	32,010
2027-2031	160,000	105,600
2032-2036	240,000	89,320
2037-2039	270,000	25,740
Total	$855,000	$424,600

PACE – Tomco Project (Custodial fund reported)

On February 20, 2020, Tomco and the City of Springboro petitioned the City of Dayton to be added to the PACE program. The Port Authority issued PACE bonds through the bond fund to allow the owner to make energy improvements. The owner will be assessed through the real estate taxation process to repay the Port Authority bonds. The Port Authority has reported an intergovernmental receivable for the principal and interest less the project cash reserve held at the Port Authority.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$30,000	$41,250
2023	30,000	39,930
2024	30,000	38,610
2025	40,000	37,290
2026	40,000	35,640
2027-2031	175,000	117,590
2032-2036	270,000	98,890
2037-2039	290,000	28,380
Total	$945,000	$471,460

PACE – Beth Abraham Synagogue Project (Custodial fund reported)

On March 2, 2020, the Beth Abraham Synagogue and the City of Oakwood petitioned the City of Dayton to be added to the PACE program. The Port Authority issued PACE bonds through the bond fund to allow the owner to make energy improvements. The owner will be assessed through the real estate taxation process to repay the Port Authority bonds. The Port Authority has reported an intergovernmental receivable for the principal and interest less the project cash reserve held at the Port Authority.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$40,000	$56,980
2023	40,000	55,220
2024	50,000	53,350
2025	50,000	51,150
2026	50,000	48,950
2027-2031	240,000	162,690
2032-2036	375,000	136,950
2037-2039	410,000	39,270
Total	$1,305,000	$651,310

PACE – 130 West Second Street (Custodial fund reported)

On August 25, 2021 the Port Authority issued PACE bonds through the bond fund to allow the owner to make energy improvements. The owner will be assessed through the real estate taxation process to repay the Port Authority bonds. The Port Authority has reported an intergovernmental receivable for the principal and interest less the project cash reserve held at the Port Authority.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$40,000	$63,000
2023	80,000	61,200
2024	80,000	58,800
2025	90,000	56,325
2026	90,000	53,625
2027-2031	405,000	175,050
2032-2036	590,000	145,425
2037-2041	635,000	48,825
Total	$2,100,000	$713,175

PACE – Dayton Phoenix Group (Custodial fund reported)

On October 20, 2021 the Port Authority issued PACE bonds through the bond fund to allow the owner to make energy improvements. The owner will be assessed through the real estate taxation process to repay the Port Authority bonds. The Port Authority has reported an intergovernmental receivable for the principal and interest less the project cash reserve held at the Port Authority.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$0	$195,625
2023	170,000	195,625
2024	355,000	187,578
2025	365,000	176,406
2026	380,000	164,843
2027-2031	1,735,000	482,031
2032-2036	2,575,000	272,265
2037	285,000	4,453
Total	$6,260,000	$1,831,717

Yankee Trace (Custodial fund reported)

During 2017, the Port Authority partnered with the Development Finance Authority of Summit County and the Toledo-Lucas County Port Authority to provide $14,500,000 in public financing for the Yankee Trace Public Improvement Project. The Port Authority issued $5,500,000 of Southwest Ohio Regional Bond Fund bonds at a fixed interest rate of 3.80 percent with a maturity date of November 15, 2034. On August 20, 2020, the 2017 bond were refunded with a $14,795,000 combined issuance that matures on November 15, 2040. The Port Authority issued $6,145,000 of Southwest Ohio Regional Bond Fund bonds at a fixed interest rate of 2.75-3.00 percent with a maturity date of November 15, 2040.

Principal payments range from $120,000 starting on May 15, 2022 to $755,000 on November 15, 2040. All of the bond payments are secured through new community authority charges for the development on a monthly basis starting at $51,580 in January 2019 to $1,554,137 in November 2034. The Port Authority has the rights to portion of the charges to service the respective debt service.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$240,000	$172,650
2023	250,000	165,775
2024	260,000	158,600
2025	265,000	151,219
2026	275,000	143,638
2027-2031	1,240,000	458,675
2032-2036	1,665,000	361,307
2037-2040	1,665,000	138,131
Total	$6,145,000	$2,060,098

Hematite (Custodial fund reported)

During 2017, the Port Authority partnered with JOBS Ohio to provide $7,875,000 in public financing for the Hematite manufacturing facility construction project. The Port Authority issued $4,375,000 of Southwest Ohio Regional Bond Fund bonds at a fixed interest rate of 3.92 percent with a maturity date of May 15, 2032. JOBS Ohio provided an additional $3,500,000 loan that is secured by Hematite RE through a mortgage on the property. Principal payments on the Port Authority bonds range from $115,000 starting on May 15, 2021 to $625,000 on May 15, 2032. The bond payments are secured through lease payments on a monthly basis starting at $33,547 in January 2020 to $33,656 in May 2032.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$245,000	$139,356
2023	255,000	129,654
2024	265,000	119,560
2025	275,000	109,074
2026	290,000	98,098
2027-2031	1,660,000	307,523
2032	625,000	12,250
Total	$3,615,000	$915,515

The future lease payments to be received (less cash on hand) and the Port Authority's net investment in the lease are as follows:

Year	Total
2022	$404,297
2023	403,176
2024	401,608
2025	400,424
2026	400,424
2027-2031	1,531,801
Total	$3,541,730

YMCA of Greater Dayton (Conduit not reported on financial statements)

During 2014, the Port Authority entered into agreement with the YMCA of Greater Dayton to refinance four existing borrowings through refunding bonds. The Port Authority agreed to issue up to $9 million in economic development revenue refunding bonds for the project that were purchased by PNC Bank. The issuance was down through two series. Series A was issued for $2,596,250 ranging in payments of $36,922 on January 2, 2021 to a final maturity of $37,872 on June 2, 2021. Series B was issued for $6,110,500 ranging in payments of $19,399 on January 2, 2021 to a final maturity of $43,942 on June 2, 2034. Series B has a variable interest rate based the LIBOR multiplied by an interest factor plus 108 basis points.

Storypoint of Troy (Conduit not reported on financial statements)

During 2015, the Port Authority entered into agreement with the Storypoint of Troy to finance the acquisition, construction, improvement, installation and equipping of a facility constituting a residential supportive senior living facility. The Port Authority agreed to issue up to $32.26 million in project revenue bonds Series 2015-1 and $1.47 million in project revenue bonds taxable Series 2015-2. Series 2015-1 was issued as three separate term bonds: $1.23 million due January 15, 2025 at 6.125%; $11.79 million due January 15, 2040 at 7%; and $19.24 million due January 15, 2050 at 7.125%. Series 2015-2 was issued as a term bond due on January 15, 2027 at 8%. During February 2021, Storypoint refinanced the bonds through another conduit issuance by the Port Authority. $33,270,000 outstanding at December 31, 2021.

Chaminade Julienne Catholic High School (Conduit not reported on financial statements)

In 2015, the Port Authority issued $6,000,000 Facilities Revenue Bonds and loaned the proceeds to Chaminade Julienne Catholic High School, a school who proposed to use the fund to renovate and update the facility. The bonds, refunded and reissued in 2018, have a ten year term and payable as a bullet payment with the final payment in December 2028.

St. Vincent De Paul (Conduit not reported on financial statements)

In 2015, the Port Authority issued $11,000,000 refinance existing borrowings through refunding bonds. The Port Authority agreed to issue up to $11 million in economic development revenue refunding bonds for the project that were purchased by PNC Bank. The bonds have a twenty year term and payable as a bullet payment with the final payment in December 2035.

Goodwill Easter Seals (Conduit not reported on financial statements)

In 2015, the Port Authority issued $10,200,000 refinance existing borrowings through refunding bonds. The Port Authority agreed to issue up to $10.2 million in economic development revenue refunding bonds for the project that were purchased by PNC Bank. The bonds have a twenty-year term and payable as a bullet payment with the final payment in December 2035.

NorthPoint Development (Conduit not reported on financial statements)

In 2016, the Port Authority issued $17,400,000 in lease revenue bonds for the construction of a manufacturing facility around the Dayton International Airport. The bonds were purchased by Associated Bank. The bond has a twenty-five year term payable as a bullet with the final payment in February 2038.

In 2018, the Port Authority issued $14,400,000 in lease revenue bonds for the construction of a manufacturing facility around the Dayton International Airport and $16,177,830 in lease revenue bonds for the construction of a manufacturing facility around the Dayton International Airport. The bonds were purchased by Security Bank of Kansas City. The bonds have a twenty-five year term payable as a bullet with the final payment in February 2039.

In 2019, the Port Authority issued $21,610,000 in lease revenue bonds for the construction of a manufacturing facility around the Dayton International Airport and $29,163,545 in lease revenue bonds for the construction of a manufacturing facility around the Dayton International Airport. The bonds were purchased by Security Bank of Kansas City. The bonds have a twenty-five year term payable as a bullet with the final payment in February 2040.

On January 14, 2021, the Port Authority issued $27,572,611 in lease revenue bonds for the construction of a manufacturing facility around the Dayton International Airport. On July 9, 2021, the Port Authority issued $16,157,864 in lease revenue bonds for the construction of a manufacturing facility around the Dayton International Airport. On July 22, 2021, the Port Authority issued $32,753,494 in lease revenue bonds for the construction of a manufacturing facility around the Dayton International Airport. The bonds were purchased by Security Bank of Kansas City. The bonds have a twenty-five year term payable as a bullet with the final payment in February 2040.

Emerson Climate Technology (Conduit not reported on financial statements)

In 2017, the Port Authority issued $100,000,000 in lease revenue bonds for a new approximately 20,000 square foot office addition, new employee entrance, new west side guardhouse, add approximately 97,000 square feet of new engineering labs and a new east-wide corridor as part of phase 1. Phase 2 would include a new north-south corridor, remodel/construct 172,000 square feet of existing first floor space, remodel the cafeteria, new east side guardhouse and parking lot improvements. The bonds were purchased by Emerson. The bonds have a five year term payable as a bullet with the final payment in May 2022. $77,112,357 were outstanding as of December 31, 2021.

Gateway Lofts (Conduit not reported on financial statements)

In 2018, the Port Authority issued $27,214,600 in lease revenue bonds for 14 new 3-story approximately 350,000 square foot buildings located on 20 acres at Chardonnay Drive in Centerville. The buildings will consist of 360 residential units, made up 256 one-bedroom units and 104 two-bedroom units. The developer will also construct various amenities for residents and 4 parking garages and parking spaces. The project will create 10 full time jobs. The developer also is providing $7,800,000 in equity to the project. The bonds have a five year term payable as a bullet with the final payment in February 2023.

Midmark Corporation (Conduit not reported on financial statements)

In 2018, the Port Authority issued $20,249,000 in lease revenue bonds for a new approximately 107,000 square foot technical design center containing a leading research and development facility. The project is expected to create 97 new full-time jobs. The bonds were purchased by commercial lender arranged by the lessee. The bonds have a five-year term payable as a bullet with the final payment in September 2023.

Village of Versailles - North West Street Extension (Custodial fund reported)

During 2018, the Port Authority partnered with the Village of Versailles, Midmark Corporation and the Ohio Department of Transportation to provide $2,727,370 in public financing for the North West Street Extension Project. The Port Authority issued $1,855,000 of Southwest Ohio Regional Bond Fund bonds at a fixed interest rate of 4.215 percent with a maturity date of May 15, 2033. Principal payments range from $40,000 starting on May 15, 2021 to $65,000 on May 15, 2033. All the bond payments are secured through .5% income tax revenue specifically levied and used for street construction, if not .5% is not renewed the remaining 1% of general income tax will be used. The Port Authority has the rights to portion of the income tax the respective debt service.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$80,000	$53,657
2023	90,000	52,381
2024	90,000	51,106
2025	95,000	49,512
2026	100,000	47,812
2027-2031	560,000	212,500
2032-2033	195,000	53,869
Total	$1,210,000	$520,838

Biltmore Towers Project (Conduit not reported on financial statements)

In 2020, the Port Authority issued $16,375,000 in multifamily housing green tax-exempt mortgage-back bonds and $3,625,000 in multifamily housing revenue bonds. The bonds will be using to finance the acquisition, construction, rehabilitation, furnishing and equipment of a low and moderate income multifamily rental housing facility located on approximately 0.85 acre parcel in the City of Dayton, Ohio. The project contains 230 revenue-generating apartment units located in one high-rise building and also contain community spaces and commercial suite. The project is marketed to low-income elderly (ages 55+) and disabled households. The bonds have an eighteen-year term payable as a bullet with the final payment in September 2038.

Poet Island (Longfellow) Project (Enterprise fund reported)

On April 30, 2020, the Port Authority entered into a promissory note with Poet Island, LLC for $250,000 to assist with the remediation and redevelopment of the former Longfellow school building and property. Poet Island agreed to pay 3% interest only on a quarterly basis with the first payment due on July 17, 2020. The loan was extended in October 2021 under the same terms with a final payment date of October 18, 2022 includes the original loan amount. The Port Authority reports a loan receivable for the $250,000 on the statement of net position.

C.J. McLin Project (Conduit not reported on financial statements)

In 2016, the Port Authority issued $3,710,000 multifamily housing revenue bonds to assist AHA – McLin Housing LLC to finance the cost of the acquisition, construction and equipping of the 46-unit multifamily rental housing project located in Dayton, Ohio known as C.J. McLin Apartments. The bonds have a thirty-five year term payable as four bullet payments with the final payment in March 2051. During the year, McLin Housing LLC allegedly defaulted on its bond covenants and the Wilmington Trust Trustee has petitioned for, among other items, a state court appointed receiver. The status of the bonds is unknown. The Port Authority has no legal or financial obligation for payment on the outstanding bonds or other matters related to C.J. McLin, Trustee or to its bondholders.

Cargill Project (Conduit not reported on financial statements)

In 2020, the Port Authority issued $126,000,000 taxable development lease revenue bonds to assist Cargill Incorporated to facilitate the acquisition, construction and expansion of building consisting of approximately 19,200 square feet of preparation area, 11,300 square feet of extraction area and 9,975 square feet of loading area and related site improvements and facilities located on the project site and for Cargill to increase capacity at the soybean crush area of its plant. The bonds have a five year term payable as a bullet with the final payment in September 2025.

Dayton North Arcade Project (Custodial fund reported)

On January 29, 2020, Cross Street Partners and other investors petitioned the City of Dayton to establish a New Community Authority (“NCA”) to serve as the repayment source and security mechanism for Port Authority issued bonds. Proceeds of the bonds were used to finance a portion of the redevelopment of the land and improvements at the North Arcade parcel. The owner will be assessed through the real estate taxation process to repay the Port Authority bonds. The Port Authority has reported an intergovernmental receivable for the principal and interest less the project cash reserve held at the Port Authority. The Port Authority’s issuance was a small portion of the overall financing.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$0	$107,163
2023	70,000	106,501
2024	75,000	103,856
2025	80,000	100,926
2026	80,000	97,902
2027-2031	375,000	345,587
2032-2036	575,000	344,356
2037-2041	710,000	224,720
2042-2044	785,000	65,773
Total	$2,835,000	$1,591,662

Quarry Trails (Custodial fund reported)

On February 15, 2021, the Port Authority partnered with Central Ohio Regional Bond Fund and Northwest Ohio Bond Fund to issue $16,875,000 in port authority bonds to finance the project that includes apartments, office space, single-family homes and townhomes and flats. The Port Authority issued $5,000,000 of Southwest Ohio Regional Bond Fund bonds at a fixed interest rate of 3.125 percent with a maturity date of May 15, 2051. Principal payments range from $5,000 starting on November 15, 2022 to $615,000 on May 15, 2051. All the bond payments are secured through minimum service payments from the development along with personal and corporate guarantees.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$5,000	$157,500
2023	55,000	157,185
2024	110,000	154,744
2025	105,000	151,358
2026	130,000	147,892
2027-2031	870,000	666,461
2032-2036	940,000	523,767
2037-2041	585,000	393,830
2042-2046	790,000	294,210
2047-2051	795,000	136,554
Total	$5,000,000	$2,793,187

Economy Linen (Custodial fund reported)

On April 21, 2021, the Port Authority issued $10,035,000 of Southwest Ohio Regional Bond Fund bonds at a fixed interest rate of 3.55 percent with a maturity date of November 1, 2040. The Port Authority bonds will be used for the acquisition and construction of new laundry cleaning facility located in the City of Dayton. Principal payments range from $30,833 starting on June 1, 2022 to $63,333 on November 1, 2040. All the bond payments are secured by a mortgage and assignment of lease revenues generated from the project. The Port Authority also holds a third security interest in the equipment installed in the facility and has personal guarantees from the principals for the company.

Annual debt service requirements to maturity for bonds are as follows:

	Annual Payments	
Year	Principal	Interest
2022	$216,667	$355,695
2023	380,833	345,178
2024	396,667	331,555
2025	415,833	317,296
2026	426,667	302,445
2027-2031	2,433,333	1,268,164
2032-2036	2,975,000	794,771
2037-2040	2,790,000	224,109
Total	$10,035,000	$3,939,213

Homestead Village (Conduit not reported on financial statements)

On August 4, 2021, the Port Authority issued $13,000,000 in port authority lease revenue bonds to assist HSL Marketplace LLC in the acquisition, construction and expansion of building consisting of a 131-unit, 88,792 square foot active senior living community including 123 parking spaces and a 6,700 square foot amenity village for senior focused programs and activities. The bonds have a thirty year term with the last scheduled maturity date of June 15, 2056.

Klepinger Schools (Conduit not reported on financial statements)

On March 1, 2021, the Port Authority issued $11,975,000 in port authority lease revenue bonds and issued $240,000 in port authority taxable lease revenue bonds to assist Klepinger School Properties LLC in the acquisition, renovation and construction of certain land and educational facilities including the acquisition and construction of a gymnasium with restrooms and storage as well as six additional classrooms. The bonds have a six-year term payable as a bullet with the final payment in August 2027.

Sutton (Conduit not reported on financial statements)

On August 12, 2021, the Port Authority issued $7,800,000 in port authority lease revenue bonds to assist Sutton Development LLC in the acquisition, construction and expansion of building consisting of a 71-unit multi-family apartment building located on East First and North Patterson Boulevard in Dayton, Ohio. The bonds have a five-year term payable as a bullet with the final payment in August 2026.

Connor Group (Conduit not reported on financial statements)

On September 13, 2021, the Port Authority received a total project fee of $113,360 on pending capital lease revenue bond to assist the Connor Group with a 23,800 square foot expansion of the existing corporate headquarters. On October 8, 2021, the Port Authority received a total project fee of $42,680 on pending capital lease revenue bond to assist the Connor Group with the construction of a 17,230 square foot airplane hangar located next to the corporate headquarters. Neither capital lease bond closed during fiscal year 2021. The deposits are reported as unearned revenue on the statement of net position for $156,040 until the projects close in fiscal year 2022.

CH Realty IX – JV Dayton Logistics (Conduit not reported on financial statements)

On October 1, 2021, the Port Authority issued $18,799,868 in port authority lease revenue bonds to assist CH Realty IX – JV Dayton Logistics LP in the acquisition, construction and expansion of building consisting of a 524,160 square foot cross-dock building including 461 employee parking spaces and 140 trailer parking spaces. The bonds have a five-year term payable as a bullet with the final payment in October 2026.

The 503 Apartment (Conduit not reported on financial statements)

On November 10, 2021, the Port Authority issued $19,000,000 in port authority lease revenue bonds to assist the 503 QOAB LLC in the acquisition and construction of a 127,200 square foot four story apartment building including a lower-level garage of 82 parking space and 33 surface parking spaces located at 503 East Fourth Street, Dayton, Ohio. The bonds have a six-year term payable as a bullet with the final payment in November 2027.

Signet Dayton Airport Hangar (Conduit not reported on financial statements)

On December 30, 2021, the Port Authority issued $32,753,494 in port authority lease revenue bonds to assist the SD Hangar Development LLC group with the construction of approximately 96,000 square foot airplane hangar that includes approximately 6,000 square foot of office space at the Dayton International Airport. The bonds have a five-year term payable as a bullet with the final payment in December 2026.

5. DEFINED BENEFIT PENSION PLAN

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 Port Authority's proportionate share of the pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of the 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.

The Ohio Revised Code limits Port Authority's obligation for this liability to annually required payments. The Port Authority cannot control benefit terms or the manner in which pensions are financed; however, Port Authority 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 the 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 *accounts payable* on the accrual basis of accounting.

Plan Description – The Port Authority employees 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 (Port Authority 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.

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 ACFR referenced above for additional information):

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. 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 percent 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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:

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

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Port Authority's contractually required contribution was $25,480 for the year ending December 31, 2021. Of this amount, $980 is reported as a liability on the statement of net position.

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

The net pension liability 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. The Port Authority's proportion of the net pension liability was based on Port Authority'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:

	OPERS
Proportion of the Net Pension Liability - prior measurement date	0.000725%
Proportion of the Net Pension Liability - current measurement date	0.000972%
Change in proportionate share	0.000247%
Proportionate Share of the Net Pension Liability	$143,932
Net Pension Expense	38,429

At December 31, 2021 the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following source:

	OPERS
Deferred Outflows of Resources	
Changes in proportionate share	$ 37,285
District contributions subsequent to the measurement date	25,480
Total Deferred Outflows of Resources	$62,765
Deferred Inflows of Resources	
Differences between expected and actual experience	$6,021
Net difference between projected and actual earnings on pension plan investments	56,101
Total Deferred Inflows of Resources	$62,122

$25,480 reported as deferred outflows of resources related to pension resulting from the Port Authority 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:

	OPERS
Fiscal Year Ending June 30:	
2022	$2,152
2023	3,533
2024	(22,869)
2025	(7,653)
Total	($24,837)

Actuarial Methods and Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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 (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 was determined by an actuarial valuation as of December 31, 2020 using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020 are presented as follows:

Wage Inflation	3.25 percent
Projected Salary Increases	3.25 percent to 10.75 percent (Includes wage inflation 3.25%)
COLA or Ad Hoc COLA	Pre 1/7/2013 Retirees: 3 percent Simple
	Post 1/7/13 Retirees: .5% simple through 2021, then 2.15% simple
Investment Rate of Return	7.20 percent
Actuarial Cost Method	Individual Entry Age

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.

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.

During 2020, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, the 115 Health Care Trust Portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investment expenses for the Defined Benefit portfolio was 11.7% for 2020.

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	
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	%

The long-term expected 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.

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 Port Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Port Authority'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 Port Authority'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%)
Port Authority's proportionate share of the net pension liability	$274,551	$143,932	$35,322

Changes between Measurement Date and Report Date During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

6. OTHER POSTEMPLOYMENT BENEFITS

Net OPEB Asset

The net OPEB 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 Asset represents the Port Authority’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 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.

The Ohio Revised Code limits the Port Authority’s obligation for this liability to annually required payments. The Port Authority cannot control benefit terms or the manner in which OPEB are financed; however, the Port Authority 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 Asset. Resulting adjustments to the net OPEB Asset 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.

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 (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The heath care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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.

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. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. 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 Port Authority's contractually required contribution was $0 for 2021.

Net OPEB Asset

The net OPEB Asset and total OPEB Asset 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. The Port Authority's proportion of the net OPEB Asset was based on the Port Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.000675%
Prior Measurement Date	0.000905%
Change in Proportionate Share	-0.0002300%
Proportionate Share of the Net OPEB Asset	$16,123
OPEB Income	(83,455)

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

	OPERS
Deferred Outflows of Resources	
Changes of assumptions	$ 7,923
Changes in proportionate Share	20,804
Total Deferred Outflows of Resources	$28,727
Deferred Inflows of Resources	
Differences between expected and actual experience	$14,552
Changes of assumptions	26,125
Net difference between projected and actual earnings on OPEB plan investments	8,632
Total Deferred Inflows of Resources	$49,309

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Fiscal Year Ending June 30:	
2022	($8,358)
2023	(7,480)
2024	(3,734)
2025	(1,010)
Total	($20,582)

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 Asset 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 at 3.25%
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate	8.5 percent, initial 3.50 percent, ultimate in 2035
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 allocation of investment assets within 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 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. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

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 %

Discounts Rate

A single discount rate of 6.0 percent was used to measure the OPEB asset 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 (Fidelity Index's "20-Year Municipal GO AA Index"). 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 actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the Port Authority's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the Port Authority's proportionate share of the net OPEB asset calculated using the single discount rate of 6 percent, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5 percent) or one-percentage-point higher (7 percent) than the current rate:

	1% Decrease (5%)	Current Discount Rate (6%)	1% Increase (7%)
Port Authority's proportionate share of the net OPEB asset	($4,009)	($16,123)	($26,082)

Sensitivity of the Port Authority's Proportionate Share of the Net OPEB 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 Asset. The following table presents the net OPEB Asset calculated using the assumed trend rates, and the expected net OPEB 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 8.5 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	Cost Trend Rate Assumption	1% Increase
Port Authority's proportionate share of the net OPEB asset	($16,516)	($16,123)	($15,684)

Changes between Measurement Date and Reporting Date

During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

7. RISK MANAGEMENT

The Port Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries, and natural disasters. The Port Authority has obtained commercial insurance for comprehensive property and general liability, employee bonding, auto insurance and specific property insurance for the Main Street Parking Garage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the last three years. There has not been a significant reduction in coverage from the prior year.

8. CONDUIT DEBT (NOT INCLUDED IN FINANCIAL STATEMENTS)

The following table provides the latest available information for the Port Authority's conduit (non-recourse full indemnification) debt outstanding:

Issue Name	Issue Amount	Issue Date	Maturity Date	12/31/2021 Balance
Sherman Dixie**	$3,500,000	10/31/2005	12/01/2025	$3,500,000
White Castle 166 loan	2,000,000	10/31/2012	11/15/2027	952,470
Malt Products	58,000	08/01/2013	8/01/2023	58,000
YMCA Refinancing Project	8,706,750	07/01/2014	06/02/2034	5,659,728
Storypoint of Troy	33,730,000	01/15/2021	01/15/2050	33,270,000
Chaminade Julienne Catholic HS**	6,000,000	09/01/2015	12/01/2035	6,000,000
St. Vincent De Paul**	11,000,000	11/01/2015	12/01/2035	11,000,000
Goodwill Easter Seal**	10,200,000	12/01/2015	12/01/2035	10,200,000
CJ McLin Apartments	3,710,000	03/01/2016	03/01/2051	3,500,000
Emerson Climate Technology	100,000,000	07/22/2017	07/22/2022	77,112,357
NorthPoint – Concorde	14,400,000	02/09/2018	02/09/2023	14,400,000
Gateway Lofts**	27,214,600	02/12/2018	02/12/2023	27,214,600
NorthPoint – Airpark	16,177,830	08/09/2018	08/09/2023	15,932,697
Midmark Corporation**	20,249,000	09/13/2018	09/13/2023	20,249,000
NorthPoint – Chewy	21,610,000	02/13/2019	02/13/2024	21,610,000
NorthPoint – Building V	18,170,000	11/01/2019	11/01/2024	15,568,039
Biltmore Towers	20,000,000	08/01/2020	09/01/2038	20,000,000
Cargill Inc.	126,000,000	09/11/2020	09/01/2025	94,500,000
Klepinger Schools	12,215,000	03/01/2021	06/15/2056	12,215,000
NorthPoint – Building 6	27,572,611	01/142021	06/24/2026	23,000,000
NorthPoint – Building 8	16,157,846	07/09/2021	07/09/2026	11,947,255
Elm Tree Affiliate	32,753,494	07/22/2021	07/22/2027	5,055,853
Homestead Village (HSL)**	13,000,000	08/04/2021	08/04/2027	13,000,000
Sutton (Crawford Hoying)**	7,800,000	08/12/2021	08/12/2026	7,800,000
CH Realty IX **	18,799,868	10/01/2021	08/01/2026	18,799,868
503 Apartments (Weyland)**	19,000,000	11/10/2021	11/10/2027	19,000,000
Signet Development**	32,753,494	12/30/2021	12/30/2026	0

** Most recent information available for balance presented

9. CUSTODIAL FUND

Financing Leases Receivable

The Port Authority enters into various financing arrangements for the purpose of funding the construction of facilities that are leased to private and public companies. Financing lease agreements with the companies provide for leasing payments sufficient to fund the related debt issued by the Port Authority and other costs and expenses related to the project. The leases are non-cancelable until the underlying debt and any related charges are paid in full. Lease payments cover a minimum of the principal and interest payments on the debt as they become due. Lease arrangements allow the lessee an option to purchase the leased facility at the termination of the lease. All expenses related to the debt and operation and maintenance of the leased facilities are the responsibility of the lessee. The Port Authority has no responsibility for the repayment of any of the debt issued for the construction of the leased facilities if the resources provided by the underlying lease are insufficient to pay the obligation. All lease payments and debt retirement payments are administered and flow through accounts of the Port Authority and are recognized in the accompanying statements.

Southwest Ohio Regional Bond Fund

The Port Authority established the Southwest Ohio Regional Bond Fund Program, formerly the Dayton Regional Bond Fund, to provide long-term, fixed interest rate financing for qualified industrial, commercial and public projects. The primary objective of the Bond Fund program is to further economic development efforts in the Dayton region. The Bond Fund Program is designed to provide a secondary source of repayment and credit enhancement for debt issued through the Bond Fund but does not represent a liability to the Port Authority and is reported as a custodial fund on the Port Authority’s financial statements.

The State of Ohio Department of Development (ODOD) awarded the Port Authority a grant of $4,000,000 during 2000 to establish the Bond Fund Program. Amounts held in the Port Authority's Bond Fund Program Reserve are included in restricted assets and as a liability on the accompanying statement of fiduciary assets and liabilities, due to the nature of the grant that restricts the use of the funds solely to the Bond Fund Program activities. Under the Program, debt service requirements on each bond issue are to be secured by a pledge of amounts to be received under lease or loan agreements with borrowers who utilize the financed facilities, as well a lien on related assets. In addition, all borrowers are required to provide a letter of credit or cash as additional security for the related bonds

During 2003, the Port Authority obtained an additional $2,000,000 grant/loan from ODOD to further increase the funds of the Bond Fund Program. The terms of the grant/loan allow the Port Authority to use the funds for the Bond Fund Program and for any purpose approved by the Board for economic development purposes.

The conditional grant/loan was initially for a 20-year term, with 25 percent of the interest earned on the fund remitted back to ODOD through December 2017 and then, beginning 2018 and continuing through December 2022, 100 percent of the interest earned was required to be remitted back to ODOD. In addition to the interest repayment requirements, the Port Authority was to make a $1,000,000 repayment of principal on December 31, 2022. During May 2004 the terms were renegotiated whereby the Port Authority is to make annual interest payments of $25,000 over 20 years on the loan portion and a final repayment in 2024 totaling $1,500,000, representing the original $1,000,000 of loan principal and $500,000 in accumulated interest if the funds are not in reserves. As of December 31, 2021 the Port Authority has accrued interest payments owed to ODOD totaling $25,000.

In addition, the Port Authority has obtained a $10,000,000 letter of credit with a commercial bank for additional reserves. As of December 31, 2021, no amounts of this line of credit have been utilized. The letter of credit is to be accessed only in the event the other reserves of the Regional Bond Fund have been exhausted. In 2021 the letter of credit was increased to $15,000,000. During 2021, JOBS Ohio provided the Port Authority with an additional $8,000,000 reserve to increase the new of bond financings that could be completed.

On March 16, 2015, the Port Authority approved the creation of the Southwest Ohio Regional Bond Fund (the "SWORBF"). The SWORBF is the combination of the Dayton Montgomery County Port Authority and Cincinnati Port Authority for the purpose of an expanded scope and reserves of the Dayton Regional Bond Fund. Each port authority continues to operate as separate port authorities for every other purpose. The Cincinnati Port Authority added $3,500,000 in bond fund reserves that are reported within the Custodial Fund as restricted cash and also as proceeds held for the Cincinnati Port Authority. During 2021, the Cincinnati Port Authority, in connection with the Dayton Port, authorized bond fund deals for projects for Cornerstone TIF and Linden Pointe TIF although the cash balance held on behalf of the Cincinnati Port decreased by $2,031,685 at December 31, 2021 for a total of $10,410,391.

During 2021, JobsOhio executed an agreement with the various Ohio Port Authorities and their related Bond Fund Programs to make a JobsOhio Additional Reserve Deposit of $50 million. Further, JobsOhio allowed the various Ohio Port Authorities to pledge the JobsOhio Additional Reserve Deposit to the Trustees under the respective Bond Fund Indentures to secure the repayment of the Bond Fund Bonds when due, all in accordance with and subject to the terms and conditions set forth in an inter-governmental Cooperative Agreement. As a subset of the JobsOhio reserve deposit the SWORBF received $10 million of available funds to pledge to its Trustee.

For Custodial fund Dayton only projects, the table below reflects bond principal balance, as well as the gross lease receivable (which includes interest expenses and other fees reported on the Statement of Fiduciary Net Position of $21,575,346.)

	Bond Balance At 12/31/2021	Lease Receivable at 12/31/2021
Bond Fund Projects		
STEM	$2,470,000	$2,285,124
Fieldstone	1,225,000	1,918,534
Project Walnut - Union	365,000	0
Yankee Trace	6,145,000	0
Hematite	3,615,000	3,541,730
Versailles	1,210,000	0
Arcade North	2,835,000	0
White Castle (2021)	5,000,000	928,454
Economy Linen	10,035,000	4,830,152
Quarry Trails	5,000,000	3,524,837
PACE – Stratacache	130,000	0
PACE – Top of the Market	190,000	0
PACE – Delco	3,035,000	0
PACE – Social Row	2,500,000	0
PACE – Front Street	465,000	0
PACE – RE Holdings	855,000	0
PACE – Tomco	945,000	0
PACE – Beth Abraham	1,305,000	0
PACE – 130 West Second St	2,100,000	0
PACT – Phoenix Group	6,260,000	0
Subtotal Bond Fund Projects	55,685,000	17,028,831
Other Custodial Projects		
White Castle	4,755,000	5,254,988
Total	$60,440,000	$22,283,819

The Port Authority has $38,092,191 in restricted cash, cash equivalents and investments maintained in the regional bond fund. Of that amount, $17,600,400 is related to the projects listed above which is used to reduce the lease receivable due from the companies.

10. PROJECT RELATED DEBT OBLIGATIONS

For the year ended December 31, 2021, changes in Port Authority's project related debt were as follows:

	Restated Balance at January 1, 2021	Additions	Payments/ Deletions	Balance at December 31, 2021	Due Within One Year
Main Street Parking Garage					
City of Dayton	$20,340,626	$0	($513,263)	$19,827,363	$0
Project Walnut					
SIB Loan	6,595,575	0	(1,245,161)	5,350,414	1,282,796
Levitt Pavilion					
City of Dayton	139,939	0	(139,939)	0	0
Net Pension Liability	143,301	631	0	143,932	0
Net OPEB Liability	93,235	0	(93,235)	0	0
Total Debt Obligations	$27,312,676	$631	($1,991,598)	$25,321,709	$1,282,796

11. FINANCING LEASES

For the year ended December 31, 2021, changes in Port Authority's financing leases were as follows:

	Balance at January 1, 2021	Additions	Payments/ Deletions	Balance at December 31, 2021
STEM	$2,722,937	$0	$437,813	$2,285,124
Clopay Revenue Bonds	208,015	0	208,015	0
Fieldstone Revenue Bonds	2,001,553	0	83,019	1,918,534
Clopay Taxable Bonds	756,691	0	756,691	0
Clopay 166 State Loan	358,635	0	358,635	0
White Castle	6,141,466	0	886,478	5,254,988
Hematite	3,925,396	0	383,666	3,541,730
White Castle (2021)	0	4,830,152	0	4,830,152
Economy Linen	0	928,454	0	928,454
Quarry Trails	0	3,524,837	0	3,524,837
	$16,114,693	$9,283,443	$3,114,317	$22,283,819

12. RELATED PARTY DISCLOSURE

City of Dayton

The Port Authority has board members selected by the City of Dayton who have authority to authorize various bond issuances of the Port Authority. In prior years, the Port Authority has approved bond issuance in relation to the City of Dayton Main Street parking garages. The City of Dayton has issued bond debt through their investment portfolio and required payment from the Port Authority. The Port Authority makes monthly payments to the City of Dayton of the net revenues for the Main Street garage. During the current year, the City of Dayton had an outstanding loan with the Port Authority as part of the Levitt Pavilion financing structure. The loan was paid off during the fiscal year.

Montgomery County

The Port Authority has board members selected by Montgomery County who have authority to authorize various financial transaction involving Montgomery County and the Port Authority. In prior years, the Port Authority issued bonds in relation to Project Walnut and Montgomery County has guaranteed the debt payments by providing an intergovernmental receivable to the Port Authority that is still outstanding at December 31, 2021.

13. NON-COMPLIANCE

The Port Authority did not certify expenditures in accordance with requirements of Ohio Revised Code Section 5704.41(D).

14. COVID 19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. During 2021, the Port Authority did not receive COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Port Authority. The impact on the Port Authority's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Port Authority's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

15. RESTATEMENT OF NET POSITION

During fiscal year 2021, the Port Authority restated the beginning net position for a loan payment that was made on the Levitt Pavilion Loan at the end of 2020 but not properly accounted for against the liability. The restatement has the following effect on net position as reported December 31, 2021:

	Enterprise Fund
Net Position at December 31, 2021	($517,724)
Adjustments:	
Loan Payable Correction	267,834
Restated Net Position at December 31, 2021	($249,890)

DAYTON MONTGOMERY COUNTY PORT AUTHORITY

SCHEDULE OF THE PORT AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS (1) (2)

	2021	2020	2019	2018	2017	2016	2015	2014
The Port Authority's Proportion of the Net Pension Liability	0.000972%	0.000725%	0.000676%	0.000689%	0.000689%	0.000689%	0.000646%	0.000646%
The Port Authority's Proportion Share of the Net Pension Liability	$ 143,932	$ 143,301	$ 185,142	$ 108,091	$ 156,460	$ 119,343	$ 77,915	$ 76,155
The Port Authority's Covered Payroll	$ 136,907	$ 101,993	$ 95,000	$ 91,000	$ 85,808	$ 85,783	$ 101,233	$ 86,154
The Port Authority's Proportion Share of the Net Pension Liability as a Percentage of its Covered Payroll	105.13%	140.50%	194.89%	118.78%	182.34%	139.12%	76.97%	88.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.60%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available
(2) Amounts presented for each year were determined as of the Port Authority's measurement date, which is the prior year end.

Notes to the Schedule:
For fiscal year 2019, the discount rate was reduced from 7.5% to 7.2%. This impacted the projected inflows and outflows from investment earnings.

Changes in assumptions: In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, 3.75% to a reduction in the wage inflation rate from 3.25%, and transitions from the RP-Zero mortality tables to the RP-2014 mortality tables. For 2020, cost of living adjustments for Post 1/7/2013 retirees changed from 1.40% simpled through 2020 then 2.15% simple to 0.50% through 2021 then 2.15% simple.

DAYTON MONTGOMERY COUNTY PORT AUTHORITY
SCHEDULE OF PORT AUTHORITY'S PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contributions	$ 25,480	$ 19,167	$ 14,279	$ 13,300	$ 11,830	$ 10,297	$ 10,294	$ 12,148	$ 11,200	$ 5,808
Contributions in Relation to the Contractually Required Contribution	(25,480)	(19,167)	(14,279)	(13,300)	(11,830)	(10,297)	(10,294)	(12,148)	(11,200)	(5,808)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The Port Authority Employee Payroll	$ 182,000	$ 136,907	$ 101,993	$ 95,000	$ 91,000	$ 85,808	$ 85,783	$ 101,233	$ 86,154	$ 58,080
Contributions as a Percentage of Employee Payroll	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%	10.00%

DAYTON MONTGOMERY COUNTY PORT AUTHORITY

SCHEDULE OF THE PORT AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB (ASSET)/LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS (1) (2)

	2021	2020	2019	2018	2017
The Port Authority's Proportion of the Net OPEB (Asset)/Liability	0.000905%	0.000675%	0.000630%	0.000625%	0.000640%
The Port Authority's Proportion Share of the Net OPEB (Asset)/Liability	$ (16,123)	$ 93,235	$ 82,137	$ 69,499	$ 63,127
The Port Authority's Covered Payroll	$ 136,907	$ 101,993	$ 95,000	$ 91,000	$ 85,808
The Port Authority's Proportion Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	-11.78%	91.41%	86.46%	76.37%	73.57%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%	54.14%	NA

(1) Information prior to 2017 is not available
(2) Amounts presented for each year were determined as of the Port Authority's measurement date, which is the prior year end.

Notes to the Schedule:
For fiscal year 2019, the discount rate was increased from 3.85% to 3.96%. This impacted the projected inflows and outflows from investment earnings. The initial health care cost trend rate initial rate also changed from 7.50% to 10.0%.

For fiscal year 2020, the discount rate was increased from 3.96% to 3.16%. This impacted the projected inflows and outflows from investment earnings. The initial health care cost trend rate initial rate also changed from 10% to 10.5%.

For fiscal year 2021, the discount rate was increased from 3.16% to 6%. This impacted the projected inflows and outflows from investment earnings. The initial health care cost trend rate initial rate also changed from 10.5% to 8.5%.

DAYTON MONTGOMERY COUNTY PORT AUTHORITY
SCHEDULE OF PORT AUTHORITY'S OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contributions	$ -	$ -	$ -	$ -	$ 910	$ 1,716	$ 1,716	$ 2,025	$ 862	$ 2,323
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	(910)	(1,716)	(1,716)	(2,025)	(862)	(2,323)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The Port Authority Employee Payroll	$ 182,000	$ 136,907	$ 101,993	$ 95,000	$ 91,000	$ 85,808	$ 85,783	$ 101,233	$ 86,154	$ 58,080
Contributions as a Percentage of Employee Payroll	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%	2.00%	1.00%	4.00%

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Dayton-Montgomery County Port Authority
Montgomery County
8 North Main Street
Dayton, Ohio 45402

To the Board of Directors:

We have audited, 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, the financial statements of the business-type activities and the aggregate remaining fund information of the Dayton-Montgomery County Port Authority, Montgomery County, Ohio (the Authority) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 28, 2022. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Authority.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards,* which is described in the accompanying Schedule of Findings as item 2021-001.

We also noted a certain other matter not requiring inclusion in this report that we reported to the Authority's management in a separate letter dated June 28, 2022.

Port Authority's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying corrective action plan. The Authority's response were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
June 28, 2022

SCHEDULE OF FINDINGS
DECEMBER 31, 2021

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2021-001 - NONCOMPLIANCE

Ohio Rev. Code § 5705.41(D)(1) states that except as otherwise provided in division (D)(2) of this section and section 5705.44 of the Revised Code, no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation or, in the case of a continuing contract to be performed in whole or in part in an ensuing fiscal year, the amount required to meet the obligation in the fiscal year in which the contract is made, has been lawfully appropriated for such purpose and is in the treasury or in process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every such contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon. If no certificate is furnished as required, upon receipt by the taxing authority of the subdivision or taxing unit of a certificate of the fiscal officer stating that there was at the time of the making of such contract or order and at the time of the execution of such certificate a sufficient sum appropriated for the purpose of such contract and in the treasury or in process of collection to the credit of an appropriate fund free from any previous encumbrances, such taxing authority may authorize the drawing of a warrant in payment of amounts due upon such contract, but such resolution shall be passed within thirty days after the taxing authority receives such certificate; provided that, if the amount involved is less than three thousand dollars, the fiscal officer may authorize it to be paid without such affirmation of the taxing authority of the subdivision or taxing unit, if such expenditure is otherwise valid.

The Port Authority did not certify expenditures pursuant to this section. Failure to properly certify the availability of funds could result in misappropriation of monies and negative cash fund balances. Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

The Port Authority should establish and implement policies and procedures to verify that fiscal officer certificates are utilized properly for all purchases and that operating budgets are approved in a timely manner to verify that the Port Authority has appropriate time to adapt to any anticipated changes in the ensuing fiscal year.

The Treasurer should certify that the funds are or will be available prior to the obligation by the Port Authority to improve controls over disbursements and to help reduce the possibility that purchases would exceed budgetary spending limitations. When prior certification is not possible, “then and now” certification should be used. The Port Authority should certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Treasurer should sign the certification prior to the Port Authority incurring a commitment, and only when the requirements of 5705.41(D) are satisfied. The Treasurer should also post approved purchase commitments to the proper appropriation code to reduce the available appropriation.

<u>Management Response:</u>

See Corrective Action Plan.

DAYTON-MONTGOMERY COUNTY PORT AUTHORITY
MONTGOMERY COUNTY
December 31, 2021

SCHEDULE OF PRIOR AUDIT FINDINGS – PREPARED BY MANAGEMENT

FINDING NUMBER	FUNDING SUMMARY	STATUS	ADDITIONAL INFORMATION
2020-001	Ohio Rev. Code § 5705.41(D)(1) – approving budget and utilizing fiscal officer certificate for encumbering expenditures	Finding not corrected	

DAYTON-MONTGOMERY COUNTY PORT AUTHORITY
MONTGOMERY COUNY

CORRECTIVE ACTION PLAN – PREPARED BY MANAGEMENT
December 31, 2021

FINDING NUMBER	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
2021-001	Due to the limited nature of staff, PO process is not time efficient.	N/A	Sean Fraunfelter, Contract Accountant

OHIO AUDITOR OF STATE
KEITH FABER

DAYTON-MONTGOMERY COUNTY PORT AUTHORITY

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 8/18/2022

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