

COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF MONTGOMERY, OHIO
FOR THE YEAR ENDED
DECEMBER 31, 2009



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Montgomery, Hamilton County, prepared by Bastin & Company, LLC, for the audit period January 1, 2009 through December 31, 2009. 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 City of Montgomery is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 8, 2010



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2009

Issued by:
Department of Finance
James Hanson
Director



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INTRODUCTORY SECTION



May 17, 2010

To the Citizens of the City of Montgomery, Ohio:

We are pleased to present the Comprehensive Annual Financial Report for the City of Montgomery for the fiscal year ended December 31, 2009. The report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

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

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

The Reporting Entity

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

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

CITY OF MONTGOMERY, OHIO

Letter of Transmittal For the Year Ended December 31, 2009

The City of Montgomery

The City of Montgomery is a vibrant Ohio community located 12 miles north of Cincinnati. Its 5.3 square mile area serves an estimated residential population of 10,000. Montgomery was incorporated as a village in 1910 and became a city in 1971. It is a home rule city with a Council-Manager form of government. The City's responsibilities and structure are outlined in the City Charter, which was adopted by its citizens in 1981 and was last amended in 2002.

City Council

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

The City Council has established various boards and commissions to help in its many efforts - from arts to a sister city - to enhance the City. All of these boards and commissions are staffed by volunteers who live in Montgomery. The following is a brief description of their purposes and goals:

Arts Commission

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

Beautification and Tree Commission

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

Board of Tax Review

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

CITY OF MONTGOMERY, OHIO

Letter of Transmittal For the Year Ended December 31, 2009

Board of Zoning Appeals

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

Civil Service Commission

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

Environmental Advisory Commission

This Commission developed a new mission statement that focuses upon making Montgomery an environmentally-conscious community. To that end, the Commission sponsored two pilot recycling programs: one for plastic bags and one for plastic flower pots. To engage young people, the Commission sponsored a recycling sculpture contest.

Landmarks Commission

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

Parks and Recreation Commission

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

Planning Commission

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

***Letter of Transmittal
For the Year Ended December 31, 2009***

Sister Cities Commission

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

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

ECONOMIC CONDITIONS AND OUTLOOK

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

The City's economy is diverse with an ideal mix of residential, office and retail uses. Primary employers include Bethesda North Hospital, the Sycamore Community School District, the world-famous Montgomery Inn, the Ohio National Life Financial Services, and Trihealth, Inc. In addition to the economic contributions of those major employers, the City has experienced an expanding medical services sector with a variety of general and specialty medical practitioners and clinics.

In spite of very difficult national and regional economic conditions, 2009 proved to be another successful year for the City of Montgomery. Thanks to concerted efforts in financial planning, including multi-year budgeting, capital improvement planning, and the use of targeted fund balances, the City remained financially healthy through 2009 and was able to enter 2010 with continued goals of delivering high quality products and services to our citizens, businesses and community visitors and to engage all of these customers in the work of our organization.

MAJOR INITIATIVES

2009 was a banner year for Montgomery in terms of awards, special events and positive changes in our communication efforts and customer service delivery.

Citizen engagement and outreach was a primary activity in 2009. The second Montgomery Citizens' Leadership Academy was conducted and was a huge success with 25 individuals comprising the class. This program, which is designed to transform residents into active and engaged citizens, also features partnerships with local businesses and organizations, such as Bethesda North Hospital, Ohio National Financial Services, the Hamilton County Emergency Operations Center and the Sycamore School District.

Letter of Transmittal

For the Year Ended December 31, 2009

During 2009, the City of Montgomery was recognized for achievements in a wide variety of areas and by a diverse group of organizations which included:

- The City received the Certificate of Achievement for Excellence in Financial Reporting for our 2008 Comprehensive Annual Financial Report (CAFR). The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by our entire City. This is the fourteenth consecutive year the City has received this award.
- The City received its first award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for our 2008 Annual Report.
- Cheryl Hilvert, the City's Manager, was named the 2009 Public Administrator of the Year in the Career Achievement category. The award was presented by the local chapter of the American Society for Public Administration.
- The City also received a Tree City USA and Growth Award for 2009. This represents the fourteenth year in a row that the City has received the Tree City USA Award and ten years that it has received the Growth Award.
- The City's Public Works Department was recognized as a Standard of Excellence award winner by the Miami Valley Risk Management Association (MVRMA) Awards Committee. The Public Works Department have had no loss experience for eight consecutive years which represents a true commitment to safety from these employees.
- In September, Mary Taylor, Auditor of the State of Ohio, presented the City of Montgomery with the "Making Your Tax Dollars Count" award for the fiscal year 2008 audit. Fewer than five percent of all Ohio government agencies are eligible for this award.
- In 2009, the City committed itself to be one of the first cities in the world to provide an online forum where residents can contribute to public policy. "Open City Hall" is an online forum used to broaden civic engagement and build public trust in government.

The City continued its work on a comprehensive review of the City's park system in an effort to identify new park trends and identify possible future park enhancements. The City worked with Leisure Management Services to develop a comprehensive study from which the Parks and Recreation Commission and City Council can develop goals for the parks over the next several years. The development of this plan involved several public forums at which public comments on the plan were received and considered before Council accepted the recommendations for the park improvements.

In 2009, the following park improvements were completed:

- **Weller Park:** Three baseball fields were refurbished, which consisted of enlarging the east field, adding dirt for a new diamond and replacing backstops.
- **Dulle Park:** The tennis courts were resurfaced and painted with new nets installed.
- **Montgomery Park:** The basketball court was resurfaced with new lines painted for full court and half court options.

***Letter of Transmittal
For the Year Ended December 31, 2009***

In 2009, the City started the refurbishment of Neuilly-Plaisance Plaza, one of the City's major gathering points. The \$545,000 project, funded through tax increment financing revenues, consisted of relocating a traffic signal, the installation of new sidewalk and masonry work along the plaza and fountain. In addition, the City completed a streetscape project along both sides Montgomery Road through the City's "Heritage District". The project consisted of renovating the paver walkways and replacing all the street trees in the area.

The City remained actively involved in the economic development of the community by working cooperatively via public/private partnerships with developers and business owners on projects to benefit the City. This included continued work on the existing tax increment financing district on the Vintage Club. Economic conditions at year end have resulted in these projects being slowed and our work being postponed on the tax increment financing district.

The City also completed negotiations to acquire the Business Club and, in the right of first refusal, to purchase the Masonic Lodge property that was incorporated as a term of a new parking lease agreement for the Heritage District. Additionally, the City worked cooperatively with Twin Lakes and property owners along the Montgomery Road corridor to facilitate and plan for a combined access point to service approximately nine acres of undeveloped property.

FINANCIAL HIGHLIGHTS

Accounting Controls

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

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

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

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

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

Budgetary Control

Budgetary control is maintained within the personal services, operating expenditures, contractual services, and capital outlay categories within each department through the encumbering of estimated purchase amounts prior to the release of formal purchase orders to vendors. Purchase orders which result in an overrun above appropriated balances are not released until additional appropriations are made available via amendments to the annual appropriations ordinance. Open encumbrances as of December 31, 2009 are reported as reservations of fund balances within this report.

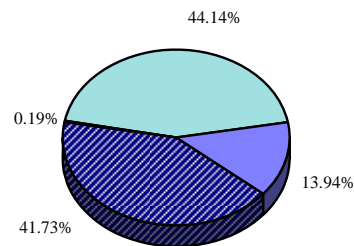
CITY OF MONTGOMERY, OHIO

Letter of Transmittal For the Year Ended December 31, 2009

Cash Management

Cash that was temporarily idle during the year was invested in interest-bearing demand deposit accounts or in the State Treasurer's investment pool, STAR Ohio. Funds of \$10,934,185, which were determined to be available for longer term investment, were invested in U.S. Government Securities. In addition, the City invests in certain special assessment bonds issued by the City of Montgomery. The City's investment policy is to minimize credit and market risks, while obtaining the highest yield possible on its investments. Accordingly, all funds are either insured by federal depository insurance, held in the City's name or are collateralized. All investments meet the State of Ohio's requirements on allowable investments and the City's official investment policy.

<u>Cash Resources</u>	<u>2009</u>	<u>%</u>
Cash	\$3,654,005	13.94
U S Government Securities	10,934,185	41.73
Investments (City's Debt)	48,814	0.19
STAR Ohio	11,567,765	44.14
Total Resources	<u>\$26,204,769</u>	<u>100.00</u>



Risk Management

The City tries to minimize its exposure to risk through employee training and insurance protection plans. Montgomery participates in an insurance pool operated by Miami Valley Risk Management Association, Inc. (MVRMA) for the purpose of obtaining lower insurance rates. MVRMA is a joint insurance pool for municipalities which has been in operations since December 1, 1988 and was formed according to Section 2744 of the Ohio Revised Code. This pool covers all property, crime, liability, machinery and public official liability and bonding for the City.

Workers' Compensation insurance is provided by the State of Ohio, but rates are pooled with other members of the Ohio Municipal League pool to obtain a lower rate than the City would obtain on its own. Additional information regarding the City's risk management can be found in Note 13, "Risk Management" in the financial section of this report.

FINANCIAL PLANNING AND POLICIES

It is the mission of the City to develop, maintain and implement financial accounting policies and procedures and protect and optimize the financial resources of the City. The City provides a sound accounting system for safeguarding the City's assets through the recording and reporting of financial transactions according to mandated laws and guidelines of the Federal law, Ohio Revised Codes, Generally Accepted Accounting Principles (GAAP), and the City of Montgomery's Codified Ordinances. The departmental goals are to develop sound fiscal policies, provide solid financial management for the City, maintain reserves and fiscal integrity, and protect the assets of the citizens of Montgomery.

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

***Letter of Transmittal
For the Year Ended December 31, 2009***

OTHER INFORMATION

Independent Audit

The basic financial statements of the City of Montgomery were audited by Bastin & Company, LLC. The independent auditors' unqualified opinion has been included in this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Montgomery for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Montgomery has received a Certificate of Achievement for the last fourteen consecutive years (fiscal years ended December 31, 1995-2008). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Acknowledgments

We want to extend sincere appreciation to the many individuals who have contributed their time and effort in gathering data for this report, particularly the various City departmental staff and members of the Hamilton County Auditor's Office.

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

Respectfully submitted,



James A. Hanson
Director of Finance



Cheryl A. Hilvert
City Manager

CITY OF MONTGOMERY, OHIO

***List of Principal Officials
For the Year Ended December 31, 2009***

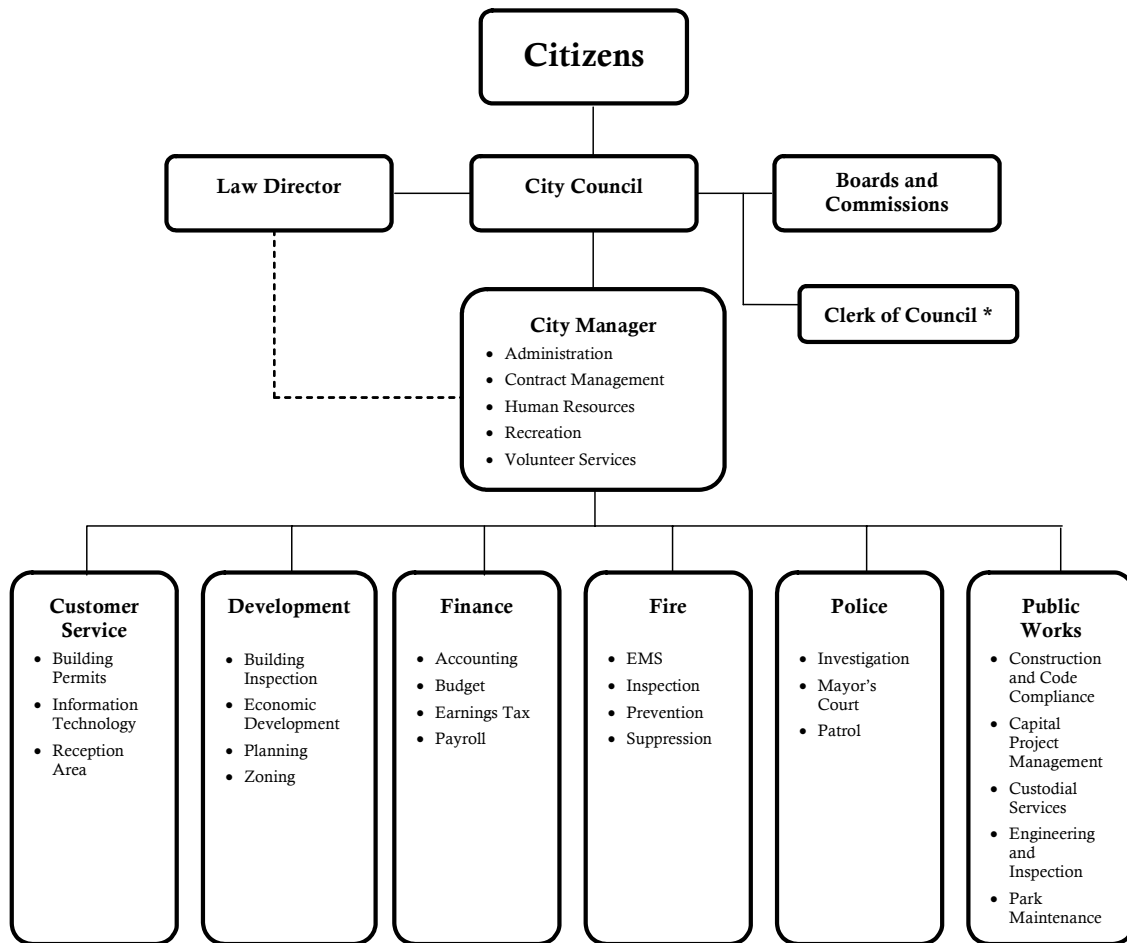
Elected Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Gerri Harbison	Mayor	December 2011
Ken Suer	Vice Mayor	December 2013
Vicki Hirsch	Council	December 2011
Todd Steinbrink	Council	December 2011
Mark Combs	Council	December 2013
Barry Joffe	Council	December 2013
Lynda Roesch	Council	December 2013

Appointed Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Terry Donnellon	Director of Law	Indefinite
Susan Hamm	Clerk of Council	Indefinite
Cheryl Hilvert	City Manager	Indefinite

**City Organizational Chart
For the Year Ended December 31, 2009**



* Clerk of Council functions are provided through the Administrative Coordinator position in the City Manager's Office with City Council confirming the appointment as Clerk of Council

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Montgomery
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director





FINANCIAL
SECTION



Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Honorable Members of City Council
City of Montgomery, Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Montgomery, Ohio as of and for the year ended December 31, 2009, which collectively comprise the City of Montgomery, Ohio's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Montgomery, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Montgomery, Ohio, as of December 31, 2009, and the respective changes in financial position, thereof and the respective budgetary comparisons for the General Fund and the Fire Protection/EMS Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2010, on our consideration of the City of Montgomery, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 11 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Montgomery, Ohio's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Bastin & Company, L L C". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio
May 17, 2010

The discussion and analysis of the City of Montgomery's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2009 are as follows:

- ❑ Net assets of governmental activities increased \$1,545,569, which represents a 2.4% increase from 2008.
- ❑ General revenues accounted for \$14,903,371 in revenue or 90.4% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$1,581,392 or 9.6% of all revenues.
- ❑ The City had \$14,939,194 in expenses related to governmental activities; only \$1,581,392 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$14,903,371 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$10,084,190 in revenues and \$7,673,199 in expenditures. The general fund's fund balance increased \$919,644 to \$14,175,062.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are:

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

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

Government-wide Statements

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

The two government-wide statements report the City's net assets and how they have changed. Net assets (the difference between the City's assets and liabilities) are one way to measure the City's financial health or position.

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

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

- *Governmental Activities* – Most of the City's programs and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.

Fund Financial Statements

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

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of the City's net assets at December 31, 2009 and 2008:

	Governmental Activities	
	2009	2008
Current and other assets	\$35,712,886	\$35,671,487
Capital assets, Net	38,569,128	37,679,277
Total assets	<u>74,282,014</u>	<u>73,350,764</u>
Long-term debt outstanding	5,225,204	5,783,463
Other liabilities	4,243,476	4,299,536
Total liabilities	<u>9,468,680</u>	<u>10,082,999</u>
Net assets		
Invested in capital assets, net of related debt	34,123,582	32,640,506
Restricted	15,106,012	17,492,324
Unrestricted	15,583,740	13,134,935
Total net assets	<u>\$64,813,334</u>	<u>\$63,267,765</u>

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CITY OF MONTGOMERY, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for fiscal years 2009 and 2008:

	Governmental Activities	
	2009	2008
Revenues		
Program Revenues:		
Charges for Services and Sales	\$973,252	\$1,035,107
Operating Grants and Contributions	525,090	1,152,496
Capital Grants and Contributions	83,050	141,356
General Revenues:		
Property Taxes	4,822,909	4,744,451
Income Taxes	6,732,726	7,248,439
Other Local Taxes	2,208,468	703,870
General Shared Revenues	667,723	809,573
Investment Earnings	197,009	848,844
Miscellaneous	274,536	333,492
Total Revenues	<u>16,484,763</u>	<u>17,017,628</u>
Program Expenses		
Public Safety	5,875,326	5,080,065
Parks and Recreation	1,399,365	1,267,205
Community Economic Development	453,272	533,346
Public Works	2,883,791	2,594,464
General Government	4,123,097	3,503,099
Interest and Fiscal Charges	204,343	273,054
Total Expenses	<u>14,939,194</u>	<u>13,251,233</u>
Total Change in Net Assets	1,545,569	3,766,395
Beginning Net Assets	<u>63,267,765</u>	<u>59,501,370</u>
Ending Net Assets	<u>\$64,813,334</u>	<u>\$63,267,765</u>

Governmental Activities

Net assets of the City's governmental activities increased by \$1,545,569. A substantial increase in inheritance tax collections was able to help offset decreased revenues from other sources and increased expenses.

CITY OF MONTGOMERY, OHIO

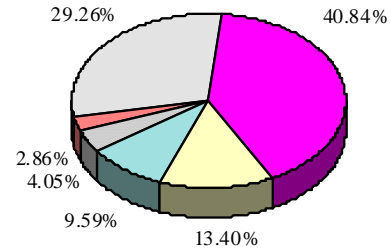
**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

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

Property taxes and income taxes made up 29.26% and 40.84% respectively of revenues for governmental activities for the City in fiscal year 2009. The City's reliance upon tax revenues is demonstrated by the following graph indicating 83.5% of total revenues from general tax revenues:

Revenue Sources	2009	Percent of Total
Property Taxes	\$4,822,909	29.26%
Income Taxes	6,732,726	40.84%
Other Local Taxes	2,208,468	13.40%
Program Revenues	1,581,392	9.59%
Intergovernmental Unrestricted	667,723	4.05%
General Other	471,545	2.86%
Total Revenue	\$16,484,763	100.00%



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$26,686,997, which is an increase from last year's balance of \$26,657,174. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2009 and 2008:

	Fund Balance December 31, 2009	Fund Balance December 31, 2008	Increase (Decrease)
General	\$14,175,062	\$13,255,418	\$919,644
Fire Protection / EMS	3,752,000	4,019,374	(267,374)
Reserve of Montgomery			
Bond Retirement	77,315	75,835	1,480
Capital Improvement	3,673,110	5,052,150	(1,379,040)
Triangle Tax Increment	(1,221,953)	(1,182,556)	(39,397)
Other Governmental	6,231,463	5,436,953	794,510
Total	\$26,686,997	\$26,657,174	\$29,823

CITY OF MONTGOMERY, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

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

	2009 Revenues	2008 Revenues	Increase (Decrease)
Taxes	\$8,896,706	\$7,598,030	\$1,298,676
Intergovernmental Revenues	339,275	612,508	(273,233)
Charges for Services	190,262	223,291	(33,029)
Licenses, Permits, and Fees	255,443	283,777	(28,334)
Investment Earnings	134,048	592,236	(458,188)
Fines and Forfeitures	154,790	157,938	(3,148)
All Other Revenue	113,666	163,400	(49,734)
Total	\$10,084,190	\$9,631,180	\$453,010

General Fund revenues in 2009 increased 4.7% compared to revenues in fiscal year 2008. The relative increase in revenues was due to an increase in estate tax collections being able to offset lower revenues in all other categories due to the current economy.

	2009 Expenditures	2008 Expenditures	Increase (Decrease)
Public Safety	\$2,778,071	\$2,818,564	(\$40,493)
Parks and Recreation	914,744	780,713	134,031
Community Economic Development	341,707	427,323	(85,616)
Public Works	459,838	434,539	25,299
General Government	3,175,686	3,044,252	131,434
Capital Outlay	3,153	2,564	589
Total	\$7,673,199	\$7,507,955	\$165,244

General Fund expenditures increased by \$165,244 over the prior year due to increased personal services costs as well as increases in contracted services.

Fire Protection EMS Fund - The fund balance of the Fire Protection EMS Fund, a major governmental fund, decreased by \$267,374. Decreased investment earnings and property tax collections combined with a large outlay for new capital equipment for the fire department caused the decreased fund balance.

Reserve of Montgomery Bond Retirement Fund - The fund balance of the Reserve of Montgomery Bond Retirement Fund, a major governmental fund, increased by \$1,480 during 2009. Despite a slight decrease in special assessment collections, and increased expenditures over the prior year, collections still were able to exceed expenditures.

Capital Improvement Fund - The fund balance of the Capital Improvement Fund, a major governmental fund, decreased by \$1,379,040 during 2009 mainly due to decreased income tax collections and transfers from the general fund in addition to increased expenditures for street maintenance.

Triangle Tax Increment Fund - The fund balance of the Triangle Tax Increment Fund, a major governmental fund, decreased by \$39,397 during 2009. Increased costs associated with the redevelopment of the Triangle were mostly offset by a transfer from the Capital Improvement Fund.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

For the General Fund, final budget basis revenue of \$9.2 million did not change over the original budget estimates of \$9.2 million. Actual revenues exceeded final budgeted revenues in the General Fund. Revenues exceeded budgeted amounts due to inheritance tax collections. The City slightly increased final appropriations to account for anticipated increases in personnel costs. The City was able to stay below final appropriations mainly by controlling expenditures for materials and supplies. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2009 the City had \$38,569,128 net of accumulated depreciation invested in land, buildings, infrastructure, equipment and vehicles. The following table shows fiscal year 2009 and 2008 balances:

	Governmental Activities		Increase (Decrease)
	2009	2008	
Land	\$15,285,724	\$15,181,361	\$104,363
Buildings	4,148,580	4,140,437	8,143
Improvements Other than Buildings	6,364,465	5,870,668	493,797
Infrastructure	24,283,264	24,075,882	207,382
Machinery and Equipment	5,806,831	4,905,065	901,766
Less: Accumulated Depreciation	(17,319,736)	(16,494,136)	(825,600)
Totals	<u>\$38,569,128</u>	<u>\$37,679,277</u>	<u>\$889,851</u>

CITY OF MONTGOMERY, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2009

Unaudited

The primary increases occurred in machinery and equipment. The City added several new police cars, a new fire engine and ambulance to its fleet in 2009.

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

Debt

At December 31, 2009, the City had \$4,319,732 in general obligation bonds outstanding, \$600,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Governmental Activities:		
General Obligation Bonds	\$4,319,732	\$4,899,074
Special Assessment Bonds	125,814	139,697
Compensated Absences	779,658	744,692
Total Governmental Activities	<u>\$5,225,204</u>	<u>\$5,783,463</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. At December 31, 2009, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 11.

ECONOMIC FACTORS

In 2009:

- The economic troubles of the country contributed to a significant drop in the level of building and development activity in the City during the past year. All of the major property development initiatives were stalled due to lack of financing and lack of demand. These included the redevelopment of the two car dealerships on Montgomery Road at Cross County Highway, the redevelopment of the Perkins Restaurant site, and creation of the 'urban village' in the front of the Vintage Club Development.
- From a residential standpoint, Twin Lakes, a retirement community development, continued to delay the start of their garden homes project that the City approved in 2008 due to economic conditions in the Greater Cincinnati area.
- While the economy forced the closure or relocation of several Montgomery businesses, a surprising number of new businesses also opened their doors in 2009. In the historic district, four new businesses opened. Outside of the Historic District along the commercial corridor, 2009 saw the coming and going of several businesses. Sacksteder's Interiors moved out of their building, which was sold to Goodwill Industries. Closson's closed their Montgomery store and recently put that property on the market. Honda announced it would be closing their car dealership operations and relocating north by the end of the year.

- One of the highlights of the year from a development standpoint was the opening of the Mary Jo Cropper Family Center for Breast Care at Bethesda North Hospital. The 42,000 sq. ft building fronting Montgomery Road at the main entrance used to be the home of Cincinnati Eye Institute. The renovation of this facility for hospital use was a significant investment by Tri-Health and will be an important service for the community for years to come.
- For financial institutions there was a flurry of activity, Key Bank completed the construction of a \$1.5 million new branch bank at the corner of Montgomery Road and Mitchell Farm Lane. There was also the successful transfer of operations from Peoples Community Bank to First Financial, avoiding a vacant space at the gateway to the Heritage District and PNC Bank purchased National City Bank consolidating operations to their Montgomery Square branch.

REQUESTS FOR INFORMATION

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

CITY OF MONTGOMERY, OHIO

Statement of Net Assets December 31, 2009

	<u>Governmental Activities</u>
Assets:	
Cash and Cash Equivalents	\$ 14,993,015
Investments	10,982,999
Receivables:	
Taxes	5,102,309
Accounts	117,611
Intergovernmental	1,403,330
Interest	37,354
Special Assessments	3,055,790
Prepaid Items	20,478
Capital Assets not Being Depreciated	15,285,724
Capital Assets Being Depreciated, net	<u>23,283,404</u>
Total Assets	<u>74,282,014</u>
Liabilities:	
Accounts Payable	213,013
Accrued Wages and Benefits	318,491
Intergovernmental Payable	9,313
Unearned Revenue	3,694,509
Accrued Interest Payable	8,150
Noncurrent liabilities:	
Due within one year	952,408
Due in more than one year	<u>4,272,796</u>
Total Liabilities	<u>9,468,680</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	34,123,582
Restricted For:	
Capital Projects	2,789,439
Debt Service	5,861,788
Public Works	3,087,170
Public Safety	2,660,789
Other Purposes	706,826
Unrestricted	<u>15,583,740</u>
Total Net Assets	<u>\$ 64,813,334</u>

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Activities
For the Year Ended December 31, 2009**

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental Activities:					
Public Safety	\$ 5,875,326	\$ 303,233	\$ 3,500	\$ 0	\$ (5,568,593)
Parks and Recreation	1,399,365	231,247	0	0	(1,168,118)
Community Economic Development	453,272	202,502	0	3,050	(247,720)
Public Works	2,883,791	17,595	521,590	80,000	(2,264,606)
General Government	4,123,097	218,675	0	0	(3,904,422)
Interest and Fiscal Charges	204,343	0	0	0	(204,343)
Total Governmental Activities	<u>14,939,194</u>	<u>973,252</u>	<u>525,090</u>	<u>83,050</u>	<u>(13,357,802)</u>
Totals	<u>\$ 14,939,194</u>	<u>\$ 973,252</u>	<u>\$ 525,090</u>	<u>\$ 83,050</u>	<u>(13,357,802)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes					
					4,822,909
Income Tax					
					6,732,726
Other Local Taxes					
					2,208,468
Shared Revenues					
					667,723
Investment Earnings					
					197,009
Miscellaneous					
					274,536
Total General Revenues					
					<u>14,903,371</u>
Change in Net Assets					
					1,545,569
Net Assets Beginning of Year					
					<u>63,267,765</u>
Net Assets End of Year					
					<u>\$ 64,813,334</u>

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Balance Sheet
Governmental Funds
December 31, 2009**

	General	Fire Protection / EMS	Reserve of Montgomery Bond Retirement	Capital Improvement
Assets:				
Cash and Cash Equivalents	\$ 6,242,854	\$ 1,768,430	\$ 77,315	\$ 2,291,307
Investments	7,334,220	2,044,086	0	0
Receivables:				
Taxes	2,829,242	1,717,077	0	214,887
Accounts	86,469	31,114	0	0
Intergovernmental	344,299	163,109	0	0
Interest	24,944	6,952	0	0
Special Assessments	0	0	2,936,711	0
Interfund Loans Receivables	85,190	0	0	1,197,500
Prepaid Items	19,431	409	0	0
Total Assets	\$ 16,966,649	\$ 5,731,177	\$ 3,014,026	\$ 3,703,694
Liabilities:				
Accounts Payable	\$ 65,301	\$ 14,414	\$ 0	\$ 30,584
Accrued Wages and Benefits Payable	219,362	80,614	0	0
Intergovernmental Payable	9,313	0	0	0
Interfund Loans Payable	50,000	0	0	0
Deferred Revenue	2,447,611	1,884,149	2,936,711	0
Compensated Absences Payable	0	0	0	0
Total Liabilities	2,791,587	1,979,177	2,936,711	30,584
Fund Balances:				
Reserved for Encumbrances	386,532	18,333	0	559,608
Reserved for Prepaid Items	19,431	409	0	0
Reserved for Debt Service	0	0	77,315	0
Undesignated, Unreserved in:				
General Fund	13,769,099	0	0	0
Special Revenue Funds	0	3,733,258	0	0
Capital Projects Funds (Deficit)	0	0	0	3,113,502
Total Fund Balances	14,175,062	3,752,000	77,315	3,673,110
Total Liabilities and Fund Balances	\$ 16,966,649	\$ 5,731,177	\$ 3,014,026	\$ 3,703,694

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

<u>Triangle Tax Increment</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 114,829	\$ 4,498,280	\$ 14,993,015
0	1,604,693	10,982,999
0	341,103	5,102,309
0	28	117,611
0	895,922	1,403,330
0	5,458	37,354
0	119,079	3,055,790
0	50,000	1,332,690
0	638	20,478
<u>\$ 114,829</u>	<u>\$ 7,515,201</u>	<u>\$ 37,045,576</u>
\$ 62,792	\$ 39,922	\$ 213,013
0	18,515	318,491
0	0	9,313
1,273,990	8,700	1,332,690
0	1,191,066	8,459,537
0	25,535	25,535
<u>1,336,782</u>	<u>1,283,738</u>	<u>10,358,579</u>
68,997	36,969	1,070,439
0	638	20,478
0	2,736,833	2,814,148
0	0	13,769,099
0	3,128,886	6,862,144
<u>(1,290,950)</u>	<u>328,137</u>	<u>2,150,689</u>
<u>(1,221,953)</u>	<u>6,231,463</u>	<u>26,686,997</u>
<u>\$ 114,829</u>	<u>\$ 7,515,201</u>	<u>\$ 37,045,576</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2009***

Total Governmental Fund Balances		\$ 26,686,997
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		38,569,128
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		4,765,028
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
	General Obligation Bonds Payable	(4,319,732)
	Special Assessment Bonds Payable	(125,814)
	Compensated Absences Payable	(754,123)
	Accrued Interest Payable	(8,150)
		<u>(5,207,819)</u>
<i>Net Assets of Governmental Activities</i>		<u>\$ 64,813,334</u>

See accompanying notes to the basic financial statements



CITY OF MONTGOMERY, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009**

	General	Fire Protection / EMS	Reserve of Montgomery Bond Retirement	Capital Improvement
Revenues:				
Taxes	\$ 8,896,706	\$ 1,810,401	\$ 0	\$ 1,680,719
Intergovernmental Revenues	339,275	200,117	0	80,001
Charges for Services	190,262	129,294	0	0
Licenses, Permits and Fees	255,443	0	0	0
Investment Earnings	134,048	42,392	0	0
Special Assessments	0	0	179,663	0
Fines and Forfeitures	154,790	0	0	0
All Other Revenue	113,666	39,708	0	21,462
Total Revenue	10,084,190	2,221,912	179,663	1,782,182
Expenditures:				
Current:				
Public Safety	2,778,071	2,514,296	0	0
Parks and Recreation	914,744	0	0	0
Community Economic Development	341,707	0	0	0
Public Works	459,838	0	0	0
General Government	3,175,686	0	5,378	0
Capital Outlay	3,153	0	0	2,611,222
Debt Service:				
Principal Retirement	0	0	115,000	0
Interest and Fiscal Charges	0	0	57,805	0
Total Expenditures	7,673,199	2,514,296	178,183	2,611,222
Excess (Deficiency) of Revenues Over Expenditures	2,410,991	(292,384)	1,480	(829,040)
Other Financing Sources (Uses):				
Sale of Capital Assets	4,712	25,010	0	0
Transfers In	0	0	0	0
Transfers Out	(1,496,059)	0	0	(550,000)
Total Other Financing Sources (Uses)	(1,491,347)	25,010	0	(550,000)
Net Change in Fund Balances	919,644	(267,374)	1,480	(1,379,040)
Fund Balances at Beginning of Year	13,255,418	4,019,374	75,835	5,052,150
Fund Balances End of Year	\$ 14,175,062	\$ 3,752,000	\$ 77,315	\$ 3,673,110

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

Triangle Tax Increment	Other Governmental Funds	Total Governmental Funds
\$ 25,538	\$ 1,142,284	\$ 13,555,648
0	589,572	1,208,965
0	181,871	501,427
0	8,250	263,693
0	23,926	200,366
0	72,208	251,871
0	21,403	176,193
0	110,746	285,582
<u>25,538</u>	<u>2,150,260</u>	<u>16,443,745</u>
0	140,949	5,433,316
0	270,201	1,184,945
0	0	341,707
0	1,228,995	1,688,833
0	371,322	3,552,386
614,935	214,496	3,443,806
0	503,883	618,883
0	121,963	179,768
<u>614,935</u>	<u>2,851,809</u>	<u>16,443,644</u>
(589,397)	(701,549)	101
0	0	29,722
550,000	1,646,059	2,196,059
0	(150,000)	(2,196,059)
<u>550,000</u>	<u>1,496,059</u>	<u>29,722</u>
(39,397)	794,510	29,823
<u>(1,182,556)</u>	<u>5,436,953</u>	<u>26,657,174</u>
<u>\$ (1,221,953)</u>	<u>\$ 6,231,463</u>	<u>\$ 26,686,997</u>

CITY OF MONTGOMERY, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended December 31, 2009***

Net Change in Fund Balances - Total Governmental Funds \$ 29,823

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

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

Capital Outlay	2,921,789	
Depreciation Expense	(1,432,660)	1,489,129

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets. (599,278)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 41,018

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

General Obligation Bond Principal Payment	579,342	
Special Assessment Bond Principal Payment	13,883	593,225

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,083

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

Compensated Absences		(9,431)
----------------------	--	---------

Change in Net Assets of Governmental Activities **\$ 1,545,569**

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 7,392,726	\$ 7,392,726	\$ 8,914,714	\$ 1,521,988
Intergovernmental Revenue	613,733	613,733	536,676	(77,057)
Charges for Services	204,857	204,857	190,052	(14,805)
Licenses, Permits and Fees	292,110	292,110	260,027	(32,083)
Investment Earnings	542,640	542,640	183,634	(359,006)
Fines and Forfeitures	183,395	183,395	159,735	(23,660)
All Other Revenues	24,000	24,000	262,111	238,111
Total Revenues	<u>9,253,461</u>	<u>9,253,461</u>	<u>10,506,949</u>	<u>1,253,488</u>
Expenditures:				
Current:				
Public Safety	3,254,910	3,262,737	3,020,713	242,024
Parks and Recreation	1,013,632	1,088,027	990,103	97,924
Community Economic Development	518,040	555,846	512,076	43,770
Public Works	493,878	496,067	466,051	30,016
General Government	3,657,424	3,893,054	3,439,077	453,977
Total Expenditures	<u>8,937,884</u>	<u>9,295,731</u>	<u>8,428,020</u>	<u>867,711</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	315,577	(42,270)	2,078,929	2,121,199
Other Financing Sources (Uses):				
Sale of Capital Assets	5,000	5,000	4,712	(288)
Transfers Out	(1,470,200)	(1,470,200)	(1,496,059)	(25,859)
Advances In	75,000	75,000	0	(75,000)
Total Other Financing Sources (Uses):	<u>(1,390,200)</u>	<u>(1,390,200)</u>	<u>(1,491,347)</u>	<u>(101,147)</u>
Net Change in Fund Balance	(1,074,623)	(1,432,470)	587,582	2,020,052
Fund Balance at Beginning of Year	12,195,516	12,195,516	12,195,516	0
Prior Year Encumbrances	327,848	327,848	327,848	0
Fund Balance at End of Year	<u>\$ 11,448,741</u>	<u>\$ 11,090,894</u>	<u>\$ 13,110,946</u>	<u>\$ 2,020,052</u>

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Fire Protection / EMS Fund
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,926,143	\$ 1,926,143	\$ 1,810,401	\$ (115,742)
Intergovernmental Revenue	204,287	204,287	200,117	(4,170)
Charges for Services	70,250	70,250	122,286	52,036
Investment Earnings	108,539	108,539	59,028	(49,511)
Fines and Forfeitures	5,410	5,410	0	(5,410)
All Other Revenues	9,284	9,284	39,809	30,525
Total Revenues	<u>2,323,913</u>	<u>2,323,913</u>	<u>2,231,641</u>	<u>(92,272)</u>
Expenditures:				
Current:				
Public Safety	<u>2,385,828</u>	<u>2,877,071</u>	<u>2,585,195</u>	<u>291,876</u>
Total Expenditures	<u>2,385,828</u>	<u>2,877,071</u>	<u>2,585,195</u>	<u>291,876</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,915)	(553,158)	(353,554)	199,604
Other Financing Sources (Uses):				
Sale of Capital Assets	20,000	20,000	25,010	5,010
Transfers Out	<u>(119,000)</u>	<u>(119,000)</u>	<u>0</u>	<u>119,000</u>
Total Other Financing Sources (Uses):	<u>(99,000)</u>	<u>(99,000)</u>	<u>25,010</u>	<u>124,010</u>
Net Change in Fund Balance	(160,915)	(652,158)	(328,544)	323,614
Fund Balance at Beginning of Year	<u>4,110,335</u>	<u>4,110,335</u>	<u>4,110,335</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,949,420</u>	<u>\$ 3,458,177</u>	<u>\$ 3,781,791</u>	<u>\$ 323,614</u>

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Net Assets
Fiduciary Funds
December 31, 2009**

	Private Purpose Trust	
	Special Trust	Agency
Assets:		
Cash and Cash Equivalents	\$ 45,946	\$ 0
Restricted Assets:		
Cash and Cash Equivalents	0	1,877
Cash and Cash Equivalents with Fiscal Agent	0	180,932
Total Assets	<u>45,946</u>	<u>182,809</u>
Liabilities:		
Accounts Payable	5,831	176,215
Intergovernmental Payable	0	3,921
Due to Others	0	2,673
Total Liabilities	<u>5,831</u>	<u>182,809</u>
Unrestricted	<u>40,115</u>	<u>0</u>
Total Net Assets	<u>\$ 40,115</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Changes in Net Assets
Fiduciary Fund
For the Year Ended December 31, 2009**

	Private Purpose Trust <u>Special Trust Fund</u>
Additions:	
Contributions:	
Rental Fees	\$ 14,563
Private Donations	<u>2,230</u>
Total Contributions	<u>16,793</u>
Investment Earnings:	
Interest	<u>741</u>
Total Investment Earnings	<u>741</u>
Total Additions	<u>17,534</u>
Deductions:	
Administrative Expenses	<u>27,351</u>
Total Deductions	<u>27,351</u>
Change in Net Assets	(9,817)
Net Assets at Beginning of Year	<u>49,932</u>
Net Assets End of Year	<u><u>\$ 40,115</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements are presented as of December 31, 2009 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

Blended Component Unit - The Community Improvement Corporation of the City of Montgomery (the "CIC") was created in accordance with Chapter 1702 of the Ohio Revised Code. As a legally separate not-for-profit corporation, the CIC's purpose is to provide economic development loans. The balances and transactions of the CIC have been reported as a special revenue fund of the primary government because the governing board of the corporation is composed of those persons who are serving as members of the City Council of the City of Montgomery.

B. Basis of Presentation - Fund Accounting

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

Fire Protection EMS Fund - This fund is used to account for Fire Protection / EMS Levy revenues collected to fund Fire Department operations.

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

Capital Improvement Fund - To account for resources used for the major capital construction and/or improvement projects undertaken by the City.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's only trust fund is a private purpose trust account for monies used for the upkeep of historical sites that are not owned by the City. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The City's agency funds account for funds flowing through the Mayor's Court, insurance deposits for contractors and businesses, and unclaimed monies.

C. Basis of Presentation - Financial Statements

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

Interfund receivables and payables between governmental activities have been eliminated in the government-wide Statement of Net Assets. These eliminations minimize the duplicating effect on assets and liabilities within the governmental activities.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

D. Basis of Accounting

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

Special assessment installments, including related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2009, but which are not intended to finance 2009 operations, and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue. Property taxes are further described in Note 4.

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

E. Budgetary Process

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

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control is established at the personnel or non-personnel cost level within each department or fund. Budgetary control is maintained by not permitting expenditures to exceed appropriations at those levels without the approval of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets.

1. Tax Budget

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1st of each year. As part of the certification process, the City receives an official certificate of estimated resources, which states that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed or fall short of current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2009.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1st of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1st of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the object level, and may only be modified during the year by ordinance of the City Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the legal level of control. During the year, several supplemental appropriations were necessary to budget note proceeds, contingency funds and intergovernmental grants. The supplemental appropriations decreased year end appropriations by approximately 20.7% over the appropriation ordinance approved in January 2009. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Non-GAAP Budgetary Basis)" for the General Fund and Major Special Revenue Funds are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

4. Lapsing of Appropriations

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting

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

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

	Net Change in Fund Balance	
	General Fund	Fire Protection / EMS Fund
GAAP Basis (as reported)	\$919,644	(\$267,374)
Increase (Decrease):		
Accrued Revenues at December 31, 2009 received during 2010	(930,459)	(33,152)
Accrued Revenues at December 31, 2008 received during 2009	1,203,932	42,881
Accrued Expenditures at December 31, 2009 paid during 2010	343,976	95,028
Accrued Expenditures at December 31, 2008 paid during 2009	(475,053)	(134,759)
2008 Prepays for 2009	3,175	917
2009 Prepays for 2010	(19,431)	(409)
Outstanding Encumbrances	(458,202)	(31,676)
Budget Basis	<u>\$587,582</u>	<u>(\$328,544)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During fiscal year 2009, cash and cash equivalents included amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the basic financial statements.

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

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value, except for nonparticipating investment contracts which are reported at cost, which approximates fair value. Fair value is determined by quoted market prices. See Note 3, "Cash, Cash Equivalents and Investments." The City allocates interest among the various funds based upon applicable legal and administrative requirements. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements.

The City has invested funds in the STAR Ohio during 2009. 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, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2009.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

I. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life threshold of three or more years.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets and Depreciation (Continued)

1. Property, Plant and Equipment - Governmental Activities

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

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

2. Depreciation

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
Special Assessment Bonds	Debt Service Funds (Special Assessment Bond Retirement Fund) (Reserve of Montgomery Bond Retirement Fund)
General Obligation Bonds	Debt Service Funds (General Obligation Bond Retirement Fund) (Ohio National Tax Increment Fund)
Compensated Absences	General Fund Special Revenue Funds (Fire Protection/EMS Fund) (Street Construction, Maintenance and Repair Fund)

K. Compensated Absences

All full-time City employees earn vacation at varying rates based upon length of service. An employee's vacation must be used during the period in which it is earned unless the City Manager allows the balance to be carried over to the following year. Upon separation from the City, the employee (or his estate) is paid for his accumulated unused vacation leave balance.

All full-time City employees earn sick leave at the rate of 12 days per year of active service. Upon retirement from the City, an employee with 10-19 years of service to the City shall receive one day of monetary compensation for every three days of unused sick leave. An employee who retires with twenty or more years of service to the City shall receive one day of monetary compensation for every two days of unused sick leave. The monetary compensation shall be at the hourly rate of compensation of the employee at the time of retirement.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences (Continued)

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

L. Net Assets

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

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

M. Pensions

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

N. Interfund Transactions

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

The City generally eliminates the effect of interfund activity in the government-wide financial statements to remove indirect expenses, except where the elimination would distort the costs and program revenues reported for the various functions.

O. Intergovernmental Revenues

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Interfund Assets/Liabilities

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

Q. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for prepaid items, debt service and encumbered amounts that have not been accrued at year end.

R. Estimates

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

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Other long-term assets not available to pay for current-period expenditures:

Deferred Tax Revenue	\$414,120
Deferred Investment Earnings	21,293
Intergovernmental Revenue Receivable	1,273,825
Special Assessments Receivable	<u>3,055,790</u>
	\$4,765,028

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Governmental revenues not reported in the funds:

Increase in Deferred Tax Revenue	\$208,455
Decrease in Deferred Investment Earnings	(3,357)
Increase in Intergovernmental Revenue	66,898
Decrease in Special Assessments Revenue	(230,978)
	<hr/>
	\$41,018

NOTE 3 - CASH AND CASH EQUIVALENTS

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. The City has no adopted policy regarding custodial credit risk and follows Ohio Revised Code. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other 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.

At year end the carrying amount of the City's deposits was \$3,654,005 and the bank balance was \$4,076,028. Federal depository insurance covered \$250,000 of the bank balance and \$3,826,028 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	Balance
Uninsured and uncollateralized	<u>\$3,826,028</u>
Total Balance	<u><u>\$3,826,028</u></u>

B. Investments

The City's investments at December 31, 2009 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
STAR Ohio	\$11,567,765	AAAm ¹	\$11,567,765	\$0	\$0
City's Special Assessment Bonds	48,814		0	48,814	0
US Treasury	79,915		79,915	0	0
FHLMC	2,128,350	AAA ¹ / Aaa ²	40,141	1,084,269 a	1,003,940
FHLB	5,625,013	AAA ¹ / Aaa ²	568,448	1,085,542	3,971,023
FNMA	2,759,016	AAA ¹ / Aaa ²	170,029 a	2,588,987 a	0
FMAC	224,754	AAA ¹ / Aaa ²	179,497	45,257	0
FFCB	117,137	AAA ¹ / Aaa ²	0	117,137	0
Total Investments	<u>\$22,550,764</u>		<u>\$12,605,795</u>	<u>\$4,970,006</u>	<u>\$4,974,963</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

B. Investments (Continued)

¹ Standard & Poor's

² Moody's Investor Service

a Callable Dates: January 09, 2010, February 24, 25, 2010, April 2, 29, 2010, May 7, 27, 2010, and June 8, 17, 28, 30, 2010.

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

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

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. Of the City's total investments, 51.3% are STAR Ohio, 9.4% are FHLMC, 24.9% are FHLB, and the remaining 14.4% is comprised of other various investments.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

C. Reconciliation of Cash, Cash Equivalents and Investments

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

	Cash and Cash Equivalents	Investments
Per Financial Statements	\$15,221,770	\$10,982,999
STAR Ohio	(11,567,765)	11,567,765
Per GASB Statement No. 3	<u>\$3,654,005</u>	<u>\$22,550,764</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 4 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property which are used in business, located in the City. Real property taxes (other than public utility) collected during 2009 were levied after October 1, 2008 on assessed values as of January 1, 2008, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2005. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Tangible personal property tax revenues received in 2009 (other than public utility property) represent the collection of 2009 taxes. Tangible personal property taxes received in 2009 were levied after October 1, 2008, on the true value as of January 1, 2008. In prior years, tangible personal property assessments were twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Tangible personal property tax is being phased out. The assessment percentage for property, including inventory is 6.25% for 2009. This percentage will be reduced to zero for 2010. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill NO.66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business a railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 4 – TAXES (Continued)

A. Property Taxes (Continued)

The full tax rate for all City operations for the year ended December 31, 2009 was \$10.05 per \$1,000 of assessed value. The assessed value upon which the 2009 tax collections were based was \$520,037,250. This amount constitutes \$514,380,970 in real property assessed value, \$4,997,400 in public utility assessed value and \$658,880 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is 1.005% (10.05 mills) of assessed value.

B. Income Tax

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

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

NOTE 5 - RECEIVABLES

Receivables at December 31, 2009 consisted of taxes, accounts receivable, special assessments, interfund receivables, interest receivables, and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full. Those receivables that relate to amounts not intended to finance the current fiscal year are offset by deferred revenue.

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 6 - INTERFUND BALANCES

Individual interfund balances at December 31, 2009 are as follows:

Fund	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$85,190	\$50,000
Triangle Tax Increment Fund	0	1,273,990
Capital Improvement Fund	1,197,500	0
Nonmajor Governmental Fund:		
Cemetery Fund	50,000	0
Community Development Block Grant Fund	0	8,700
Totals	\$1,332,690	\$1,332,690

The interfund loans receivable/payable on the Governmental Balance Sheet are loans to the Community Development Block Grant Fund and the Triangle Tax Increment Fund to assist with cash flow issues.

NOTE 7 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2009:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$1,496,059
Capital Improvement Fund	0	550,000
Triangle Tax Increment Fund	550,000	0
Nonmajor Governmental Funds:		
COPS Grant Fund	45,000	0
Environmental Impact Tax Fund	11,059	150,000
Street Construction, Maintenance, & Repair Fund	1,550,000	0
Municipal Pool Fund	40,000	0
Total Nonmajor Governmental Funds	1,646,059	150,000
Totals	\$2,196,059	\$2,196,059

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

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2009:

Historical Cost:

Class	December 31, 2008	Additions	Deletions	December 31, 2009
<i>Capital assets not being depreciated:</i>				
Land	\$15,181,361	\$104,363	\$0	\$15,285,724
<i>Capital assets being depreciated:</i>				
Buildings	4,140,437	8,143	0	4,148,580
Improvements Other than Buildings	5,870,668	493,797	0	6,364,465
Infrastructure	24,075,882	1,277,195	(1,069,813)	24,283,264
Machinery and Equipment	4,905,065	1,038,291	(136,525)	5,806,831
Subtotal	38,992,052	2,817,426	(1,206,338)	40,603,140
Total Cost	\$54,173,413	\$2,921,789	(\$1,206,338)	\$55,888,864

Accumulated Depreciation:

Class	December 31, 2008	Additions	Deletions	December 31, 2009
Buildings	(\$1,295,786)	(\$103,567)	\$0	(\$1,399,353)
Improvements Other than Buildings	(3,513,562)	(307,669)	0	(3,821,231)
Infrastructure	(8,262,031)	(497,712)	491,482	(8,268,261)
Machinery and Equipment	(3,422,757)	(523,712)	115,578	(3,830,891)
Total Depreciation	(\$16,494,136)	(\$1,432,660) *	\$607,060	(\$17,319,736)
<i>Net Value:</i>	\$37,679,277			\$38,569,128

* Depreciation expenses were charged to governmental functions as follows:

Public Safety	\$438,161
Parks and Recreation	210,658
Community Economic Development	118,725
Public Works	624,287
General Government	40,829
Total Depreciation Expense	\$1,432,660

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 9 – DEFINED BENEFIT PENSION PLANS

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

A. Ohio Public Employees Retirement System (“OPERS”)

The following information was provided by OPERS to assist the City in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2009, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2009 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2009, from January 1 through March 31, 2009 7.0% of annual covered salary was the portion used to fund pension obligations, and from April 1 through December 31, 2009 8.5% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City's required contributions for pension obligations to OPERS for the years ending December 31, 2009, 2008, and 2007 were \$212,727, \$166,711 and \$171,827, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

Contributions to the member-directed plan for 2009 were \$364,807 made by the City and \$260,577 made by the plan members.

B. Ohio Police and Fire Pension Fund (“OP&F”)

All City full-time police officers and full-time firefighters participate in OP&F, a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the ORC. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2009, 12.75% of annual covered salary for police and 17.25% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City’s contributions for pension obligations to the OP&F Fund for the years ending December 31, 2009, 2008, and 2007 were \$214,228, \$191,095 and \$193,573 for police and \$120,452, \$115,885 and \$103,826 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 10 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (“OPERS”)

Plan Description – 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 plan, which includes a medical plan, prescription drug program and Medicare Part B Premium reimbursement, to qualifying member of both the Traditional Pension and the Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

A. Ohio Public Employees Retirement System (“OPERS”) (Continued)

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7.0% of covered payroll from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2009, 2008, and 2007 were \$152,081, \$166,711 and \$113,179, respectively, which were equal to the required contributions for each year.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

B. Ohio Police and Fire Pension Fund (“OP&F”)

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2009, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2009, 2008, and 2007 were \$113,415, \$101,168 and \$102,480 for police and \$47,132, \$45,347 and \$40,627 for firefighters, respectively, which were equal to the required contributions for each year.

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 11 - LONG-TERM OBLIGATIONS

Detail of the changes in the bonds, and compensated absences, of the City for the year ended December 31, 2009 is as follows:

			Balance December 31, 2008	Issued	(Retired)	Balance December 31, 2009	Amount Due Within One Year
Governmental Activities:							
General Obligation Bonds:							
2.00%	Public Improvement Refunding	2004	\$2,745,000	\$0	(\$330,000)	\$2,415,000	\$325,000
	Deferred Loss on Refunding	2004	(230,926)	0	25,658	(205,268)	(25,658)
2.00-3.80%	Various Purpose Refunding Bonds	2003	2,385,000	0	(275,000)	2,110,000	275,000
Total General Obligation Bonds			4,899,074	0	(579,342)	4,319,732	574,342
Special Assessment Bonds							
With Governmental Commitment:							
6.00%	Swaim Sidewalk Bonds	1994	22,000	0	(4,000)	18,000	4,000
6.50%	Street Lighting	1997	17,000	0	(2,000)	15,000	2,000
6.00%	Montgomery Woods Sidewalk	1997	47,000	0	(3,000)	44,000	4,000
6.00%	Tanager Woods	1999	53,697	0	(4,883)	48,814	4,883
Total Special Assessment Bonds							
With Governmental Commitment			139,697	0	(13,883)	125,814	14,883
Other Long-Term Obligations:							
Compensated Absences			744,692	85,519	(50,553)	779,658	363,183
Total Governmental Activities			\$5,783,463	\$85,519	(\$643,778)	\$5,225,204	\$952,408

The principal amount of the City's special assessment debt outstanding at December 31, 2009 of \$125,814 is general obligation debt (backed by the full faith and credit of the City) that is to be retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$129,544 in the Special Assessment Bond Retirement Fund and the balance of \$77,315 in the Reserve of Montgomery Bond Retirement Fund at December 31, 2009 are reserved for the retirement of outstanding special assessment bonds. The Tanager Woods special assessment bond payable is a self-funded debt obligation. The funds used to retire this debt are held in a special assessment bond, which is reported as an investment by the City.

Tax Increment Financing (TIF) Bonds have been issued as general obligation bonds to provide for additional security of the full faith and credit of the City. The TIF Bonds will be retired from the Ohio National Tax Increment Fund utilizing payments in lieu of taxes received from Ohio National City Life Insurance Company. A service agreement with Duke Realty provides for minimum annual payments sufficient to satisfy all TIF Bond debt service requirements.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 11 - LONG-TERM OBLIGATIONS (Continued)

A. Principal and Interest Requirements

Principal and interest requirements to retire long-term debt outstanding at December 31, 2009 are as follows:

Years	General Obligation Bonds		Special Assessment Bonds	
	Bonds	Interest	Bonds	Interest
2010	\$600,000	\$154,181	\$14,883	\$8,262
2011	605,000	136,870	14,883	7,652
2012	600,000	117,905	15,883	7,042
2013	470,000	97,607	16,883	6,372
2014	435,000	81,543	17,883	5,637
2015-2019	1,600,000	184,826	45,399	20,550
2020-2021	215,000	9,880	0	0
Totals	<u>\$4,525,000</u>	<u>\$782,812</u>	<u>\$125,814</u>	<u>\$55,515</u>

B. Defeasance of General Obligation and Special Assessment Debt

In November of 2004 the City issued \$4,495,000 of Public Improvement Refunding General Obligation Bonds to defease the \$4,130,000 of General Obligation Bonds for Public Improvements dated June 1, 1997.

The net proceeds of the 2004 Public Improvement General Obligation Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts, which including interest earned, was and will be used to pay the principal and interest on the refunded bonds. The refunded General Obligation Bonds, which have a balance of \$2,340,000 at December 31, 2009, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advanced refunding.

In June of 2003, the City issued \$7,895,000 of Various Purpose Refunding General Obligation Bonds to defease the following: the \$885,000 of General Obligation Bonds for Recreational Facilities dated July 1, 1992 (the "1992 Recreation Bonds"); the \$95,000 of General Obligation Bonds for Parking Lot Construction dated July 1, 1992 (the "1992 Parking Lot Bonds"); the \$1,030,000 of General Obligation Bonds for Park Facilities dated August 1, 1993 (the "Park and Recreation Bonds"); the \$2,965,000 of General Obligation Bonds for Real Estate Acquisition and Improvements dated July 1, 1995 (the "1995 TIF Duke Realty Bonds"); the \$300,000 of Special Assessment Bonds for Acomb Subdivision Sanitary Sewers dated February 1, 1993 (the "Acomb Sewer Bonds"); the \$2,250,000 of Special Assessment Bonds for Public Improvements dated August 1, 1993 (the "1993 Public Improvement Bonds").

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 11 – LONG-TERM OBLIGATIONS (Continued)

B. Defeasance of General Obligation and Special Assessment Debt (Continued)

The net proceeds of the 2003 Various Purpose Refunding General Obligation Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts, which including interest earned, was and will be used to pay the principal and interest on the refunded bonds. The refunded General Obligation Bonds, which have a balance of \$2,415,000 at December 31, 2009 are not included in the City's outstanding debt since the City has in-substance, satisfied its obligations through the advance refunding.

NOTE 12 – COMPENSATED ABSENCES

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

As of December 31, 2009, the liability for unpaid compensated absences was \$779,658 for all funds of the City, a net increase of \$34,966 from the amount at December 31, 2008 of \$744,692.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 13 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1992 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with other local cities. As of December 31, 2009, the pool has twenty one members. The pool has been operational since December of 1988 and was formed in accordance with Section 2744 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, surety, general liability, boiler and machinery, employment practices liability, police professional and public official liability coverage up to the limits stated below. Membership in MVRMA is intended to provide broad based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA is a non-profit corporation governed by a twenty one member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote.

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

The twenty one participating entities and their respective pool contribution factors for the loss year ended December 31, 2009 are:

<u>Entity</u>	<u>Percentage</u>	<u>Entity</u>	<u>Percentage</u>
Beavercreek	6.14 %	Montgomery	3.26 %
Bellbrook	1.00 %	NAWA	0.1 %
Blue Ash	7.25 %	Piqua	5.29 %
Centerville	3.34 %	Sidney	7.11 %
Englewood	2.33 %	Springdale	4.19 %
Indian Hill	3.56 %	Tipp City	2.96 %
Kettering	12.50 %	Troy	7.51 %
Madeira	2.00 %	Vandalia	4.95 %
Mason	6.75 %	West Carrollton	3.40 %
Miamisburg	8.72 %	Wilmington	5.27 %
Subtotal	<u>53.59 %</u>	Wyoming	<u>2.37 %</u>
		Subtotal	<u>46.41 %</u>
		Total	<u><u>100.00 %</u></u>

The 2009 pool contribution of the City of Montgomery was \$94,950 representing 3.26% of the total collected from all members for that year's operating costs and projected loss reserves.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 13 – RISK MANAGEMENT (Continued)

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

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

General/Automobile Liability	\$10,000,000	per occurrence
Public Officials Liability	10,000,000	per occurrence
Property	1,000,000,000	per occurrence
Boiler and Machinery	100,000,000	per occurrence
Flood (Property in Zone A &B)	25,000,000	aggregate
Earthquake (Property)	25,000,000	aggregate

The member deductible per occurrence for most types of claims is \$2,500. The pool's self insured retention (SIR) for property claims is \$2,501 - \$200,000 per occurrence except Boiler and Machinery which is \$5,000. The pool's SIR for liability claims is \$1,000,000 per occurrence. Excess insurance coverage, provided by commercial companies and an excess insurance pool is \$9,000,000 to the limits stated above. The City pays an annual premium to MVRMA which is intended to cover administrative expenses and any claims covered by the pool. The MVRMA Board of Trustees has the ability to require the member cities to make supplemental payments in the event reserves are not adequate to cover claims in a particular loss year. The City was not required to make any supplemental payments as of December 31, 2008, because an actuarial opinion issued as of that date reported actual MVRMA loss reserves of \$5,030,870 an amount in excess of the recommended net reserve of \$4,972,630. MVRMA reported Montgomery's loss experience for the years 2008, 2007 and 2006 (most current available) as \$34,721, \$6,922, and \$68,480 respectively.

MVRMA issues a stand-alone financial report that includes financial statements and required supplementary information for MVRMA, Inc. Interested parties may obtain a copy by making a written request to 4625 Presidential Way, Kettering, Ohio 45429-5706.

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

The City continues to carry commercial insurance public officials liability. The City's liability coverage was \$10,000,000 per occurrence in 2009. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 14 – COMPLIANCE AND ACCOUNTABILITY

The deficit at December 31, 2009 of \$1,221,953 in the Triangle Tax Increment Fund (major governmental fund) was the result of recognizing expenditures on the modified accrual basis, which result in expenditures greater than those on the cash basis. Deficits did not exist on a cash basis. The General Fund provides transfers, upon City Council's approval, when cash is required, not when accruals occur.

NOTE 15 – CONTINGENCIES

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

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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



Nonmajor Governmental Funds

Special Revenue Funds

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

Memorial Fund

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

Parks and Recreation Fundraising Fund

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

Law Enforcement Fund

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

Drug Law Enforcement Fund

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

DUI Enforcement and Education Fund

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

Mayor's Court Technology Fund

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

Community Oriented Policing Services (COPS) Grant Fund

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

Environmental Impact Tax Fund

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

Street Construction, Maintenance and Repair Fund

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

(Continued)

Special Revenue Funds

Arts and Amenities Fund

To account for expenditures of the Arts Commission and the Sister Cities Commission.

Municipal Pool Fund

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

Cemetery Fund

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

Montgomery Community Improvement Corporation (CIC) Fund

To account for the activities of the Montgomery Community Improvement Corporation (CIC). The CIC was created to provide economic development loans.

Debt Service Funds

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

Special Assessment Bond Retirement Fund

To account for the accumulation of special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of principal and interest on the City's special assessment bonds.

General Obligation Bond Retirement Fund

To account for payments of principal and interest on the City's general obligation bonds. Revenues for this purpose include ad valorem property taxes, intergovernmental revenues and investment income.

Ohio National Tax Increment Fund

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

Vintage Club Tax Increment Fund

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

Capital Projects Funds

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

Special Assessment Capital Projects Fund

To account for revenues and expenditures designated for capital improvements which are financed by levying special assessments against benefited property owners.

Federal Emergency Management Agency Fund

To account for grant monies received from the Federal Emergency Management Agency for assistance with public or individual restoration of disaster-damaged projects. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Community Development Block Grant (CDBG) Fund

To account for Community Development Block grant monies used for the development of the City's Triangle property and improvements to Montgomery Park.

Urban Redevelopment Fund

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

CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 1,483,229	\$ 2,668,069	\$ 346,982	\$ 4,498,280
Investments	1,604,693	0	0	1,604,693
Taxes	0	341,103	0	341,103
Accounts	28	0	0	28
Intergovernmental	895,922	0	0	895,922
Interest	5,458	0	0	5,458
Special Assessments	0	119,079	0	119,079
Interfund Loans Receivables	50,000	0	0	50,000
Prepaid Items	638	0	0	638
Total Assets	\$ 4,039,968	\$ 3,128,251	\$ 346,982	\$ 7,515,201
Liabilities:				
Accounts Payable	\$ 39,922	\$ 0	\$ 0	\$ 39,922
Accrued Wages and Benefits Payable	18,515	0	0	18,515
Interfund Loans Payable	0	0	8,700	8,700
Deferred Revenue	799,648	391,418	0	1,191,066
Compensated Absences Payable	25,535	0	0	25,535
Total Liabilities	883,620	391,418	8,700	1,283,738
Fund Balances:				
Reserved for Encumbrances	26,824	0	10,145	36,969
Reserved for Prepaid Items	638	0	0	638
Reserved for Debt Service	0	2,736,833	0	2,736,833
Undesignated/Unreserved	3,128,886	0	328,137	3,457,023
Total Fund Balances	3,156,348	2,736,833	338,282	6,231,463
Total Liabilities and Fund Balances	\$ 4,039,968	\$ 3,128,251	\$ 346,982	\$ 7,515,201

CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 0	\$ 1,038,888	\$ 103,396	\$ 1,142,284
Intergovernmental Revenues	511,721	74,801	3,050	589,572
Charges for Services	181,871	0	0	181,871
Licenses, Permits and Fees	8,250	0	0	8,250
Investment Earnings	20,359	3,567	0	23,926
Special Assessments	0	59,876	12,332	72,208
Fines and Forfeitures	21,403	0	0	21,403
All Other Revenue	110,746	0	0	110,746
Total Revenue	854,350	1,177,132	118,778	2,150,260
Expenditures:				
Current:				
Public Safety	140,949	0	0	140,949
Parks & Recreation	270,201	0	0	270,201
Public Works	1,228,995	0	0	1,228,995
General Government	0	370,376	946	371,322
Capital Outlay	30,000	0	184,496	214,496
Debt Service:				
Principal Retirement	0	503,883	0	503,883
Interest and Fiscal Charges	0	121,963	0	121,963
Total Expenditures	1,670,145	996,222	185,442	2,851,809
Excess (Deficiency) of Revenues Over Expenditures	(815,795)	180,910	(66,664)	(701,549)
Other Financing Sources (Uses):				
Transfers In	1,646,059	0	0	1,646,059
Transfers Out	(150,000)	0	0	(150,000)
Total Other Financing Sources (Uses)	1,496,059	0	0	1,496,059
Net Change in Fund Balances	680,264	180,910	(66,664)	794,510
Fund Balances at Beginning of Year	2,476,084	2,555,923	404,946	5,436,953
Fund Balances End of Year	\$ 3,156,348	\$ 2,736,833	\$ 338,282	\$ 6,231,463

CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009**

	Memorial	Parks and Recreation Fundraising	Law Enforcement	Drug Law Enforcement
Assets:				
Cash and Cash Equivalents	\$ 24,494	\$ 11,046	\$ 6,187	\$ 5,337
Investments	0	0	0	0
Receivables:				
Accounts	0	0	0	28
Intergovernmental	0	0	35	0
Interest	0	0	0	0
Interfund Loans Receivables	0	0	0	0
Prepaid Items	0	0	33	0
Total Assets	\$ 24,494	\$ 11,046	\$ 6,255	\$ 5,365
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Compensated Absences Payable	0	0	0	0
Total Liabilities	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	0	0	0	0
Reserved for Prepaid Items	0	0	33	0
Undesignated/Unreserved	24,494	11,046	6,222	5,365
Total Fund Balances	24,494	11,046	6,255	5,365
Total Liabilities and Fund Balances	\$ 24,494	\$ 11,046	\$ 6,255	\$ 5,365

CITY OF MONTGOMERY, OHIO

DUI Enforcement and Education	Mayor's Court Technology	COPS Grant	Environmental Impact Tax	Street Construction, Maintenance, and Repair	Arts and Amenities
\$ 9,491	\$ 30,412	\$ 20,706	\$ 5,011	\$ 973,878	\$ 284,980
0	0	0	5,897	1,146,211	335,409
0	0	0	0	0	0
153	961	17,467	0	877,306	0
0	0	0	20	3,898	1,141
0	0	0	0	0	0
0	110	0	0	495	0
<u>\$ 9,644</u>	<u>\$ 31,483</u>	<u>\$ 38,173</u>	<u>\$ 10,928</u>	<u>\$ 3,001,788</u>	<u>\$ 621,530</u>
\$ 0	\$ 200	\$ 0	\$ 0	\$ 9,471	\$ 30,000
0	0	728	0	17,787	0
0	0	0	11	798,759	650
0	0	0	0	25,535	0
<u>0</u>	<u>200</u>	<u>728</u>	<u>11</u>	<u>851,552</u>	<u>30,650</u>
0	0	0	0	25,798	147
0	110	0	0	495	0
9,644	31,173	37,445	10,917	2,123,943	590,733
9,644	31,283	37,445	10,917	2,150,236	590,880
<u>\$ 9,644</u>	<u>\$ 31,483</u>	<u>\$ 38,173</u>	<u>\$ 10,928</u>	<u>\$ 3,001,788</u>	<u>\$ 621,530</u>

(Continued)

CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009**

	Municipal Pool	Cemetery	Montgomery CIC	Total Nonmajor Special Revenue Funds
Assets:				
Cash and Cash Equivalents	\$ 26,117	\$ 73,441	\$ 12,129	\$ 1,483,229
Investments	30,739	86,437	0	1,604,693
Receivables:				
Accounts	0	0	0	28
Intergovernmental	0	0	0	895,922
Interest	105	294	0	5,458
Interfund Loans Receivables	0	50,000	0	50,000
Prepaid Items	0	0	0	638
Total Assets	\$ 56,961	\$ 210,172	\$ 12,129	\$ 4,039,968
Liabilities:				
Accounts Payable	\$ 251	\$ 0	\$ 0	\$ 39,922
Accrued Wages and Benefits Payable	0	0	0	18,515
Deferred Revenue	60	168	0	799,648
Compensated Absences Payable	0	0	0	25,535
Total Liabilities	311	168	0	883,620
Fund Balances:				
Reserved for Encumbrances	479	400	0	26,824
Reserved for Prepaid Items	0	0	0	638
Undesignated/Unreserved	56,171	209,604	12,129	3,128,886
Total Fund Balances	56,650	210,004	12,129	3,156,348
Total Liabilities and Fund Balances	\$ 56,961	\$ 210,172	\$ 12,129	\$ 4,039,968



CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

	Memorial	Parks and Recreation Fundraising	Law Enforcement	Drug Law Enforcement
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	2,254	0	1,675	424
All Other Revenue	0	11,046	400	0
Total Revenue	2,254	11,046	2,075	424
Expenditures:				
Current:				
Public Safety	0	0	1,030	0
Parks and Recreation	3,167	0	0	0
Public Works	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	3,167	0	1,030	0
Excess (Deficiency) of Revenues Over Expenditures	(913)	11,046	1,045	424
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(913)	11,046	1,045	424
Fund Balances at Beginning of Year	25,407	0	5,210	4,941
Fund Balances End of Year	\$ 24,494	\$ 11,046	\$ 6,255	\$ 5,365

CITY OF MONTGOMERY, OHIO

DUI Enforcement and Education	Mayor's Court Technology	COPS Grant	Environmental Impact Tax	Street Construction, Maintenance, and Repair	Arts and Amenities
\$ 0	\$ 0	\$ 0	\$ 0	\$ 511,721	\$ 0
0	0	0	0	0	17,985
0	0	0	8,250	0	0
0	0	0	1,435	9,866	6,610
1,821	15,229	0	0	0	0
0	0	80,422	0	11,292	590
<u>1,821</u>	<u>15,229</u>	<u>80,422</u>	<u>9,685</u>	<u>532,879</u>	<u>25,185</u>
325	32,214	107,380	0	0	0
0	0	0	0	0	35,212
0	0	0	0	1,207,939	0
0	0	0	0	0	30,000
<u>325</u>	<u>32,214</u>	<u>107,380</u>	<u>0</u>	<u>1,207,939</u>	<u>65,212</u>
1,496	(16,985)	(26,958)	9,685	(675,060)	(40,027)
0	0	45,000	11,059	1,550,000	0
0	0	0	(150,000)	0	0
<u>0</u>	<u>0</u>	<u>45,000</u>	<u>(138,941)</u>	<u>1,550,000</u>	<u>0</u>
1,496	(16,985)	18,042	(129,256)	874,940	(40,027)
8,148	48,268	19,403	140,173	1,275,296	630,907
<u>\$ 9,644</u>	<u>\$ 31,283</u>	<u>\$ 37,445</u>	<u>\$ 10,917</u>	<u>\$ 2,150,236</u>	<u>\$ 590,880</u>

(Continued)

CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

	Municipal Pool	Cemetery	Montgomery CIC	Total Nonmajor Special Revenue Funds
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0	511,721
Charges for Services	146,291	17,595	0	181,871
Licenses, Permits and Fees	0	0	0	8,250
Investment Earnings	770	1,649	29	20,359
Fines and Forfeitures	0	0	0	21,403
All Other Revenue	0	6,996	0	110,746
Total Revenue	147,061	26,240	29	854,350
Expenditures:				
Current:				
Public Safety	0	0	0	140,949
Parks and Recreation	231,822	0	0	270,201
Public Works	0	21,056	0	1,228,995
Capital Outlay	0	0	0	30,000
Total Expenditures	231,822	21,056	0	1,670,145
Excess (Deficiency) of Revenues Over Expenditures	(84,761)	5,184	29	(815,795)
Other Financing Sources (Uses):				
Transfers In	40,000	0	0	1,646,059
Transfers Out	0	0	0	(150,000)
Total Other Financing Sources (Uses)	40,000	0	0	1,496,059
Net Change in Fund Balances	(44,761)	5,184	29	680,264
Fund Balances at Beginning of Year	101,411	204,820	12,100	2,476,084
Fund Balances End of Year	\$ 56,650	\$ 210,004	\$ 12,129	\$ 3,156,348



CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2009**

	Special Assessment Bond Retirement	General Obligation Bond Retirement	Ohio National Tax Increment
Assets:			
Cash and Cash Equivalents	\$ 129,544	\$ 1,144,303	\$ 946,763
Receivables			
Taxes	0	68,764	0
Special Assessments	119,079	0	0
Total Assets	<u>\$ 248,623</u>	<u>\$ 1,213,067</u>	<u>\$ 946,763</u>
Liabilities:			
Deferred Revenue	\$ 119,079	\$ 0	\$ 0
Total Liabilities	<u>119,079</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Reserved for Debt Service	129,544	1,213,067	946,763
Total Fund Balances	<u>129,544</u>	<u>1,213,067</u>	<u>946,763</u>
Total Liabilities and Fund Balances	<u>\$ 248,623</u>	<u>\$ 1,213,067</u>	<u>\$ 946,763</u>

CITY OF MONTGOMERY, OHIO

<u>Vintage Club Tax Increment</u>	<u>Total Nonmajor Debt Service Funds</u>
\$ 447,459	\$ 2,668,069
272,339	341,103
0	119,079
<u>\$ 719,798</u>	<u>\$ 3,128,251</u>
<u>\$ 272,339</u>	<u>\$ 391,418</u>
<u>272,339</u>	<u>391,418</u>
<u>447,459</u>	<u>2,736,833</u>
<u>447,459</u>	<u>2,736,833</u>
<u>\$ 719,798</u>	<u>\$ 3,128,251</u>

CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2009**

	Special Assessment Bond Retirement	General Obligation Bond Retirement	Ohio National Tax Increment
Revenues:			
Taxes	\$ 0	\$ 537,830	\$ 0
Intergovernmental Revenues	0	0	0
Investment Earnings	3,567	0	0
Special Assessments	59,876	0	0
Total Revenue	63,443	537,830	0
Expenditures:			
General Government	1,813	0	0
Debt Service:			
Principal Retirement	43,883	460,000	0
Interest and Fiscal Charges	13,225	108,738	0
Total Expenditures	58,921	568,738	0
Net Change in Fund Balances	4,522	(30,908)	0
Fund Balances at Beginning of Year	125,022	1,243,975	946,763
Fund Balances End of Year	\$ 129,544	\$ 1,213,067	\$ 946,763

CITY OF MONTGOMERY, OHIO

<u>Vintage Club Tax Increment</u>	<u>Total Nonmajor Debt Service Funds</u>
\$ 501,058	\$ 1,038,888
74,801	74,801
0	3,567
0	59,876
<u>575,859</u>	<u>1,177,132</u>
368,563	370,376
0	503,883
0	121,963
<u>368,563</u>	<u>996,222</u>
207,296	180,910
<u>240,163</u>	<u>2,555,923</u>
<u>\$ 447,459</u>	<u>\$ 2,736,833</u>

CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2009**

	Special Assessment Capital Projects	Community Development Block Grant	Urban Redevelopment
Assets:			
Cash and Cash Equivalents	\$ 136,541	\$ 12,390	\$ 198,051
Total Assets	<u>\$ 136,541</u>	<u>\$ 12,390</u>	<u>\$ 198,051</u>
Liabilities:			
Interfund Loans Payable	\$ 0	\$ 8,700	\$ 0
Total Liabilities	<u>0</u>	<u>8,700</u>	<u>0</u>
Fund Balances:			
Reserved for Encumbrances	0	0	10,145
Undesignated/Unreserved	136,541	3,690	187,906
Total Fund Balances	<u>136,541</u>	<u>3,690</u>	<u>198,051</u>
Total Liabilities and Fund Balances	<u>\$ 136,541</u>	<u>\$ 12,390</u>	<u>\$ 198,051</u>

CITY OF MONTGOMERY, OHIO

Total Nonmajor
Capital Projects
Funds

\$ 346,982

\$ 346,982

\$ 8,700

8,700

10,145

328,137

338,282

\$ 346,982

CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2009**

	Special Assessment Capital Projects	Federal Emergency Management Agency	Community Development Block Grant
Revenues:			
Taxes	\$ 9,850	\$ 0	\$ 0
Intergovernmental Revenues	0	3,050	0
Special Assessments	12,332	0	0
Total Revenue	<u>22,182</u>	<u>3,050</u>	<u>0</u>
Expenditures:			
Current:			
General Government	0	0	0
Capital Outlay	5,000	144,286	0
Total Expenditures	<u>5,000</u>	<u>144,286</u>	<u>0</u>
Net Change in Fund Balances	17,182	(141,236)	0
Fund Balances at Beginning of Year	<u>119,359</u>	<u>141,236</u>	<u>3,690</u>
Fund Balances End of Year	<u>\$ 136,541</u>	<u>\$ 0</u>	<u>\$ 3,690</u>

CITY OF MONTGOMERY, OHIO

<u>Urban Redevelopment</u>	<u>Total Nonmajor Capital Project Funds</u>
\$ 93,546	\$ 103,396
0	3,050
0	12,332
<u>93,546</u>	<u>118,778</u>
946	946
<u>35,210</u>	<u>184,496</u>
<u>36,156</u>	<u>185,442</u>
57,390	(66,664)
<u>140,661</u>	<u>404,946</u>
<u>\$ 198,051</u>	<u>\$ 338,282</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 7,392,726	\$ 7,392,726	\$ 8,914,714	\$ 1,521,988
Intergovernmental Revenues	613,733	613,733	536,676	(77,057)
Charges for Services	204,857	204,857	190,052	(14,805)
Licenses, Permits and Fees	292,110	292,110	260,027	(32,083)
Investment Earnings	542,640	542,640	183,634	(359,006)
Fines and Forfeitures	183,395	183,395	159,735	(23,660)
All Other Revenues	24,000	24,000	262,111	238,111
Total Revenues	9,253,461	9,253,461	10,506,949	1,253,488
Expenditures:				
Public Safety:				
Police:				
Personal Services	2,752,635	2,752,635	2,592,406	160,229
Material, Supplies, and Services	332,060	333,158	239,310	93,848
Capital Outlay	97,900	97,900	121,972	(24,072)
Total Police	3,182,595	3,183,693	2,804,402	230,005
Disaster Service:				
Material, Supplies, and Services	8,250	14,979	8,371	6,608
Total Disaster Service	8,250	14,979	8,371	6,608
Public Health and Welfare:				
Personal Services	55,990	55,990	52,381	3,609
Total Public Health and Welfare	55,990	55,990	52,381	3,609
Civil Service:				
Material, Supplies, and Services	8,075	8,075	6,273	1,802
Total Civil Service	8,075	8,075	6,273	1,802
Total Public Safety	3,254,910	3,262,737	2,871,427	242,024
Parks and Recreation:				
Recreation:				
Personal Services	193,977	193,977	187,767	6,210
Material, Supplies, and Services	108,824	129,318	78,343	50,975
Capital Outlay	3,750	5,823	4,473	1,350
Total Recreation	306,551	329,118	270,583	58,535

(Continued)

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
City Parks:				
Personal Services	229,592	229,592	224,628	4,964
Materials, Supplies, and Services	187,612	197,459	210,202	(12,743)
Capital Outlay	26,000	50,352	32,045	18,307
Total City Parks	<u>443,204</u>	<u>477,403</u>	<u>466,875</u>	<u>10,528</u>
Lodges:				
Materials, Supplies, and Services	17,500	17,672	14,588	3,084
Capital Outlay	24,500	32,000	30,777	1,223
Total Lodges	<u>42,000</u>	<u>49,672</u>	<u>45,365</u>	<u>4,307</u>
City Beautiful:				
Material, Supplies, and Services	109,802	115,469	117,788	(2,319)
Capital Outlay	10,000	10,200	3,203	6,997
Total City Beautiful	<u>119,802</u>	<u>125,669</u>	<u>120,991</u>	<u>4,678</u>
Special Events:				
Material, Supplies, and Services	102,075	106,165	86,289	19,876
Total Special Events	<u>102,075</u>	<u>106,165</u>	<u>86,289</u>	<u>19,876</u>
Total Parks and Recreation	<u>1,013,632</u>	<u>1,088,027</u>	<u>990,103</u>	<u>97,924</u>
Community Economic Development:				
Landmarks Commission:				
Material, Supplies, and Services	13,500	21,940	14,690	7,250
Capital Outlay	5,100	6,000	1,086	4,914
Total Landmarks Commission	<u>18,600</u>	<u>27,940</u>	<u>15,776</u>	<u>12,164</u>
Development				
Personal Services	214,840	214,840	203,619	11,221
Material, Supplies, and Services	267,100	289,316	274,099	15,217
Capital Outlay	0	0	0	0
Total Development	<u>481,940</u>	<u>504,156</u>	<u>477,718</u>	<u>26,438</u>
Planning Commission:				
Material, Supplies, and Services	7,500	8,370	3,151	5,219
Capital Outlay	10,000	15,380	15,431	(51)
Total Planning Commission	<u>17,500</u>	<u>23,750</u>	<u>18,582</u>	<u>5,168</u>
Total Community Economic Development	<u>518,040</u>	<u>555,846</u>	<u>512,076</u>	<u>43,770</u>

(Continued)

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Public Works:				
Personal Services	383,078	383,078	359,133	23,945
Material, Supplies, and Services	107,000	109,189	106,018	3,171
Capital Outlay	3,800	3,800	900	2,900
Total Public Works	<u>493,878</u>	<u>496,067</u>	<u>466,051</u>	<u>30,016</u>
General Government:				
Administration:				
Personal Services	516,548	516,548	503,952	12,596
Material, Supplies, and Services	29,000	35,653	29,490	6,163
Capital Outlay	2,200	2,200	0	2,200
Total Administration	<u>547,748</u>	<u>554,401</u>	<u>533,442</u>	<u>20,959</u>
Finance Administration:				
Personal Services	335,455	335,455	321,972	13,483
Material, Supplies, and Services	48,000	49,005	37,697	11,308
Capital Outlay	1,000	1,000	1,627	(627)
Total Finance Administration	<u>384,455</u>	<u>385,460</u>	<u>361,296</u>	<u>24,164</u>
Legal Administration:				
Material, Supplies, and Services	276,088	288,389	230,168	58,221
Capital Outlay	6,500	33,767	27,582	6,185
Total Legal Administration	<u>282,588</u>	<u>322,156</u>	<u>257,750</u>	<u>64,406</u>
Income Tax:				
Personal Services	171,747	171,747	169,737	2,010
Material, Supplies, and Services	23,650	33,589	22,742	10,847
Capital Outlay	16,000	16,000	14,659	1,341
Total Income Tax	<u>211,397</u>	<u>221,336</u>	<u>207,138</u>	<u>14,198</u>
Council:				
Personal Services	20,887	20,887	12,295	8,592
Material, Supplies, and Services	2,600	2,600	2,041	559
Capital Outlay	16,800	16,800	15,724	1,076
Total Council	<u>40,287</u>	<u>40,287</u>	<u>30,060</u>	<u>10,227</u>
Mayor's Court:				
Personal Services	118,750	118,750	98,665	20,085
Material, Supplies, and Services	40,034	40,034	28,473	11,561
Total Mayor's Court	<u>158,784</u>	<u>158,784</u>	<u>127,138</u>	<u>31,646</u>

(Continued)

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive Negative
Volunteer Services:				
Personal Services	48,104	48,104	40,023	8,081
Materials, Supplies, and Services	4,900	5,300	1,812	3,488
Capital Outlay	4,700	4,700	3,580	1,120
Total Volunteer Services	<u>57,704</u>	<u>58,104</u>	<u>45,415</u>	<u>12,689</u>
Citizen Engagement and Outreach:				
Personal Services	83,469	83,469	45,165	38,304
Materials, Supplies, and Services	100,000	100,000	41,320	58,680
Capital Outlay	32,000	32,000	11,056	20,944
Total Citizen Engagement and Outreach	<u>215,469</u>	<u>215,469</u>	<u>97,541</u>	<u>117,928</u>
General Administration:				
Personal Services	280,049	280,049	264,934	15,115
Material, Supplies, and Services	1,377,633	1,477,967	1,391,405	86,562
Capital Outlay	101,310	179,041	122,958	56,083
Total General Administration	<u>1,758,992</u>	<u>1,937,057</u>	<u>1,779,297</u>	<u>157,760</u>
Total General Government	<u>3,657,424</u>	<u>3,893,054</u>	<u>3,439,077</u>	<u>453,977</u>
Total Expenditures	<u>8,937,884</u>	<u>9,295,731</u>	<u>8,278,734</u>	<u>867,711</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	315,577	(42,270)	2,078,929	2,121,199
Other Financing Sources (Uses):				
Sale of Capital Assets	5,000	5,000	4,712	(288)
Transfers Out	(1,470,200)	(1,470,200)	(1,496,059)	(25,859)
Advances In	75,000	75,000	0	(75,000)
Total Other Financing Sources (Uses):	<u>(1,390,200)</u>	<u>(1,390,200)</u>	<u>(1,491,347)</u>	<u>(101,147)</u>
Net Change in Fund Balance	(1,074,623)	(1,432,470)	587,582	2,020,052
Fund Balance at Beginning of Year	12,195,516	12,195,516	12,195,516	0
Prior Year Encumbrances	327,848	327,848	327,848	0
Fund Balance at End of Year	<u>\$ 11,448,741</u>	<u>\$ 11,090,894</u>	<u>\$ 13,110,946</u>	<u>\$ 2,020,052</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund
For the Year Ended December 31, 2009**

	FIRE PROTECTION / EMS FUND			Variance with Final Budget Positive Negative
	Original Budget	Final Budget	Actual	(Negative)
Revenues:				
Taxes	\$ 1,926,143	\$ 1,926,143	\$ 1,810,401	\$ (115,742)
Intergovernmental Revenues	204,287	204,287	200,117	(4,170)
Charges for Services	70,250	70,250	122,286	52,036
Investment Earnings	108,539	108,539	59,028	(49,511)
Fines and Forfeitures	5,410	5,410	0	(5,410)
All Other Revenues	9,284	9,284	39,809	30,525
Total Revenues	<u>2,323,913</u>	<u>2,323,913</u>	<u>2,231,641</u>	<u>(92,272)</u>
Expenditures:				
Public Safety:				
Personal Services	1,847,515	1,847,803	1,640,021	207,782
Material, Supplies, and Services	285,763	292,718	226,724	65,994
Capital Outlay	252,550	736,550	718,450	18,100
Total Expenditures	<u>2,385,828</u>	<u>2,877,071</u>	<u>2,585,195</u>	<u>291,876</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,915)	(553,158)	(353,554)	199,604
Other Financing Sources (Uses):				
Sale of Capital Assets	20,000	20,000	25,010	5,010
Transfers Out	(119,000)	(119,000)	0	119,000
Total Other Financing Sources (Uses)	<u>(99,000)</u>	<u>(99,000)</u>	<u>25,010</u>	<u>124,010</u>
Net Change in Fund Balance	(160,915)	(652,158)	(328,544)	323,614
Fund Balance at Beginning of Year	3,619,092	3,619,092	3,619,092	0
Prior Year Encumbrances	491,243	491,243	491,243	0
Fund Balance at End of Year	<u>\$ 3,949,420</u>	<u>\$ 3,458,177</u>	<u>\$ 3,781,791</u>	<u>\$ 323,614</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund
For the Year Ended December 31, 2009**

RESERVE OF MONTGOMERY BOND RETIREMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ 182,456	\$ 182,456	\$ 179,663	\$ (2,793)
Total Revenues	<u>182,456</u>	<u>182,456</u>	<u>179,663</u>	<u>(2,793)</u>
Expenditures:				
General Government:				
Material, Supplies, and Services	6,638	6,638	5,378	1,260
Debt Service:				
Principal Retirement	115,000	115,000	115,000	0
Interest and Fiscal Charges	58,005	58,005	57,805	200
Total Expenditures	<u>179,643</u>	<u>179,643</u>	<u>178,183</u>	<u>1,460</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,813	2,813	1,480	(1,333)
Fund Balance at Beginning of Year	<u>75,835</u>	<u>75,835</u>	<u>75,835</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 78,648</u>	<u>\$ 78,648</u>	<u>\$ 77,315</u>	<u>\$ (1,333)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund
For the Year Ended December 31, 2009**

CAPITAL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 1,813,832	\$ 1,813,832	\$ 1,687,438	\$ (126,394)
Intergovernmental Revenues	60,000	60,000	80,001	20,001
All Other Revenues	0	0	21,462	21,462
Total Revenues	<u>1,873,832</u>	<u>1,873,832</u>	<u>1,788,901</u>	<u>(84,931)</u>
Expenditures:				
Capital Outlay	<u>2,639,920</u>	<u>3,489,726</u>	<u>3,329,236</u>	<u>160,490</u>
Total Expenditures	<u>2,639,920</u>	<u>3,489,726</u>	<u>3,329,236</u>	<u>160,490</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(766,088)	(1,615,894)	(1,540,335)	75,559
Other Financing Sources (Uses):				
Transfers In	67,650	67,650	0	(67,650)
Transfers Out	0	(550,000)	(550,000)	0
Advances Out	<u>(500,000)</u>	<u>(500,000)</u>	<u>0</u>	<u>500,000</u>
Total Other Financing Sources (Uses)	<u>(432,350)</u>	<u>(982,350)</u>	<u>(550,000)</u>	<u>432,350</u>
Net Change in Fund Balance	(1,198,438)	(2,598,244)	(2,090,335)	507,909
Fund Balance at Beginning of Year	2,998,781	2,998,781	2,998,781	0
Prior Year Encumbrances	<u>794,806</u>	<u>794,806</u>	<u>794,806</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,595,149</u>	<u>\$ 1,195,343</u>	<u>\$ 1,703,252</u>	<u>\$ 507,909</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund
For the Year Ended December 31, 2009**

TRIANGLE TAX INCREMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 141,782	\$ 141,782	\$ 25,538	\$ (116,244)
Intergovernmental Revenues	15,754	15,754	0	(15,754)
Total Revenues	<u>157,536</u>	<u>157,536</u>	<u>25,538</u>	<u>(131,998)</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	633,693	724,670	686,559	38,111
Total Capital Outlay	<u>633,693</u>	<u>724,670</u>	<u>686,559</u>	<u>38,111</u>
Total Expenditures	<u>633,693</u>	<u>724,670</u>	<u>686,559</u>	<u>38,111</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(476,157)	(567,134)	(661,021)	(93,887)
Other Financing Sources (Uses):				
Transfers In	500,000	500,000	550,000	50,000
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>500,000</u>	<u>550,000</u>	<u>50,000</u>
Net Change in Fund Balance	23,843	(67,134)	(111,021)	(43,887)
Fund Balance at Beginning of Year	3,084	3,084	3,084	0
Prior Year Encumbrances	90,977	90,977	90,977	0
Fund Balance at End of Year	<u>\$ 117,904</u>	<u>\$ 26,927</u>	<u>\$ (16,960)</u>	<u>\$ (43,887)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

	MEMORIAL FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 6,500	\$ 6,500	\$ 2,254	\$ (4,246)
Total Revenues	<u>6,500</u>	<u>6,500</u>	<u>2,254</u>	<u>(4,246)</u>
Expenditures:				
Community Economic Development:				
Material, Supplies, and Services	7,500	8,251	3,359	4,892
Total Expenditures	<u>7,500</u>	<u>8,251</u>	<u>3,359</u>	<u>4,892</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000)	(1,751)	(1,105)	646
Fund Balance at Beginning of Year	24,848	24,848	24,848	0
Prior Year Encumbrances	751	751	751	0
Fund Balance at End of Year	<u>\$ 24,599</u>	<u>\$ 23,848</u>	<u>\$ 24,494</u>	<u>\$ 646</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

PARKS AND RECREATION FUNDRAISING FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 7,500	\$ 7,500	\$ 11,046	\$ 3,546
Total Revenues	<u>7,500</u>	<u>7,500</u>	<u>11,046</u>	<u>3,546</u>
Expenditures:				
Parks and Recreation:				
Capital Outlay	7,500	7,500	0	7,500
Total Expenditures	<u>7,500</u>	<u>7,500</u>	<u>0</u>	<u>7,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	11,046	11,046
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,046</u>	<u>\$ 11,046</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 800	\$ 800	\$ 1,640	\$ 840
All Other Revenues	400	400	400	0
Total Revenues	<u>1,200</u>	<u>1,200</u>	<u>2,040</u>	<u>840</u>
Expenditures:				
Public Safety:				
Material, Supplies, and Services	<u>600</u>	<u>600</u>	<u>430</u>	<u>170</u>
Capital Outlay	<u>600</u>	<u>600</u>	<u>600</u>	<u>0</u>
Total Expenditures	<u>1,200</u>	<u>1,200</u>	<u>1,030</u>	<u>170</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	1,010	1,010
Fund Balance at Beginning of Year	<u>5,177</u>	<u>5,177</u>	<u>5,177</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,177</u>	<u>\$ 5,177</u>	<u>\$ 6,187</u>	<u>\$ 1,010</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 300	\$ 300	\$ 396	\$ 96
Total Revenues	<u>300</u>	<u>300</u>	<u>396</u>	<u>96</u>
Expenditures:				
Public Safety:				
Material, Supplies, and Services	<u>300</u>	<u>300</u>	<u>0</u>	<u>300</u>
Total Expenditures	<u>300</u>	<u>300</u>	<u>0</u>	<u>300</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	396	396
Fund Balance at Beginning of Year	<u>4,941</u>	<u>4,941</u>	<u>4,941</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,941</u>	<u>\$ 4,941</u>	<u>\$ 5,337</u>	<u>\$ 396</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 2,500	\$ 2,500	\$ 1,699	\$ (801)
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>1,699</u>	<u>(801)</u>
Expenditures:				
Public Safety:				
Material, Supplies, and Services	600	600	325	275
Total Expenditures	<u>600</u>	<u>600</u>	<u>325</u>	<u>275</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,900	1,900	1,374	(526)
Fund Balance at Beginning of Year	<u>8,117</u>	<u>8,117</u>	<u>8,117</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,017</u>	<u>\$ 10,017</u>	<u>\$ 9,491</u>	<u>\$ (526)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

MAYOR'S COURT TECHNOLOGY FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 15,500	\$ 15,500	\$ 14,268	\$ (1,232)
Total Revenues	<u>15,500</u>	<u>15,500</u>	<u>14,268</u>	<u>(1,232)</u>
Expenditures:				
Public Safety:				
Material, Supplies, and Services	17,193	17,193	15,079	2,114
Capital Outlay	<u>21,700</u>	<u>21,700</u>	<u>17,350</u>	<u>4,350</u>
Total Expenditures	<u>38,893</u>	<u>38,893</u>	<u>32,429</u>	<u>6,464</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,393)	(23,393)	(18,161)	5,232
Fund Balance at Beginning of Year	<u>48,373</u>	<u>48,373</u>	<u>48,373</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24,980</u>	<u>\$ 24,980</u>	<u>\$ 30,212</u>	<u>\$ 5,232</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

	COPS GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 69,560	\$ 69,560	\$ 62,955	\$ (6,605)
Total Revenues	<u>69,560</u>	<u>69,560</u>	<u>62,955</u>	<u>(6,605)</u>
Expenditures:				
Public Safety:				
Personal Services	108,515	108,515	105,170	3,345
Material, Supplies, and Services	<u>4,250</u>	<u>4,250</u>	<u>2,584</u>	<u>1,666</u>
Total Expenditures	<u>112,765</u>	<u>112,765</u>	<u>107,754</u>	<u>5,011</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,205)	(43,205)	(44,799)	(1,594)
Other Financing Sources (Uses):				
Transfers In	<u>45,200</u>	<u>45,200</u>	<u>45,000</u>	<u>(200)</u>
Total Other Financing Sources (Uses)	<u>45,200</u>	<u>45,200</u>	<u>45,000</u>	<u>(200)</u>
Net Change in Fund Balance	1,995	1,995	201	(1,794)
Fund Balance at Beginning of Year	<u>20,505</u>	<u>20,505</u>	<u>20,505</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 22,500</u>	<u>\$ 22,500</u>	<u>\$ 20,706</u>	<u>\$ (1,794)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

ENVIRONMENTAL IMPACT TAX FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, Permits and Fees	\$ 75,000	\$ 75,000	\$ 9,000	\$ (66,000)
Investment Earnings	2,500	2,500	2,059	(441)
Total Revenues	<u>77,500</u>	<u>77,500</u>	<u>11,059</u>	<u>(66,441)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	77,500	77,500	11,059	(66,441)
Other Financing Sources (Uses):				
Transfers In	75,000	75,000	11,059	(63,941)
Transfers Out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(150,000)</u>	<u>100,000</u>
Total Other Financing Sources (Uses)	<u>(175,000)</u>	<u>(175,000)</u>	<u>(138,941)</u>	<u>36,059</u>
Net Change in Fund Balance	(97,500)	(97,500)	(127,882)	(30,382)
Fund Balance at Beginning of Year	<u>138,793</u>	<u>138,793</u>	<u>138,793</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 41,293</u>	<u>\$ 41,293</u>	<u>\$ 10,911</u>	<u>\$ (30,382)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive Negative
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND				
Revenues:				
Intergovernmental Revenues	\$ 497,500	\$ 497,500	\$ 521,788	\$ 24,288
Investment Earnings	65,000	65,000	14,046	(50,954)
All Other Revenues	7,000	7,000	11,292	4,292
Total Revenues	<u>569,500</u>	<u>569,500</u>	<u>547,126</u>	<u>(22,374)</u>
Expenditures:				
Public Works:				
Personal Services	907,898	909,134	892,094	17,040
Material, Supplies, and Services	328,252	341,361	334,727	6,634
Capital Outlay	1,032,500	1,038,575	16,777	1,021,798
Total Expenditures	<u>2,268,650</u>	<u>2,289,070</u>	<u>1,243,598</u>	<u>1,045,472</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,699,150)	(1,719,570)	(696,472)	1,023,098
Other Financing Sources (Uses):				
Sale of Capital Assets	8,000	8,000	0	(8,000)
Transfers In	1,550,000	1,550,000	1,550,000	0
Total Other Financing Sources (Uses)	<u>1,558,000</u>	<u>1,558,000</u>	<u>1,550,000</u>	<u>(8,000)</u>
Net Change in Fund Balance	(141,150)	(161,570)	853,528	1,015,098
Fund Balance at Beginning of Year	1,212,719	1,212,719	1,212,719	0
Prior Year Encumbrances	20,420	20,420	20,420	0
Fund Balance at End of Year	<u>\$ 1,091,989</u>	<u>\$ 1,071,569</u>	<u>\$ 2,086,667</u>	<u>\$ 1,015,098</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

	ARTS AND AMENITIES FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 15,700	\$ 15,700	\$ 17,985	\$ 2,285
Investment Earnings	28,050	28,050	9,129	(18,921)
All Other Revenues	1,000	1,000	590	(410)
Total Revenues	<u>44,750</u>	<u>44,750</u>	<u>27,704</u>	<u>(17,046)</u>
Expenditures:				
Parks and Recreation:				
Material, Supplies, and Services	36,900	36,900	15,859	21,041
Capital Outlay	<u>55,000</u>	<u>55,000</u>	<u>49,500</u>	<u>5,500</u>
Total Expenditures	<u>91,900</u>	<u>91,900</u>	<u>65,359</u>	<u>26,541</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47,150)	(47,150)	(37,655)	9,495
Fund Balance at Beginning of Year	<u>628,053</u>	<u>628,053</u>	<u>628,053</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 580,903</u>	<u>\$ 580,903</u>	<u>\$ 590,398</u>	<u>\$ 9,495</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

MUNICIPAL POOL FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 600	\$ 600	\$ 0	\$ (600)
Charges for Services	198,500	198,500	146,291	(52,209)
Investment Earnings	550	550	1,204	654
All Other Revenues	700	700	0	(700)
Total Revenues	<u>200,350</u>	<u>200,350</u>	<u>147,495</u>	<u>(52,855)</u>
Expenditures:				
Parks and Recreation:				
Material, Supplies, and Services	239,095	239,908	232,766	7,142
Capital Outlay	21,500	25,725	879	24,846
Total Expenditures	<u>260,595</u>	<u>265,633</u>	<u>233,645</u>	<u>31,988</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,245)	(65,283)	(86,150)	(20,867)
Other Financing Sources (Uses):				
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>40,000</u>	<u>(10,000)</u>
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>40,000</u>	<u>(10,000)</u>
Net Change in Fund Balance	(10,245)	(15,283)	(46,150)	(30,867)
Fund Balance at Beginning of Year	<u>102,290</u>	<u>102,290</u>	<u>102,290</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 92,045</u>	<u>\$ 87,007</u>	<u>\$ 56,140</u>	<u>\$ (30,867)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

CEMETERY FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 10,000	\$ 10,000	\$ 17,595	\$ 7,595
Investment Earnings	10,000	10,000	2,264	(7,736)
All Other Revenues	15,000	15,000	6,996	(8,004)
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>26,855</u>	<u>(8,145)</u>
Expenditures:				
Public Works:				
Material, Supplies, and Services	36,058	36,716	21,456	15,260
Capital Outlay	27,000	27,000	0	27,000
Total Expenditures	<u>63,058</u>	<u>63,716</u>	<u>21,456</u>	<u>42,260</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,058)	(28,716)	5,399	34,115
Fund Balance at Beginning of Year	153,461	153,461	153,461	0
Prior Year Encumbrances	658	658	658	0
Fund Balance at End of Year	<u>\$ 126,061</u>	<u>\$ 125,403</u>	<u>\$ 159,518</u>	<u>\$ 34,115</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009***

	MONTGOMERY CIC FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Investment Earnings	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 29</u>	<u>\$ 29</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>29</u>	<u>29</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	29	29
Fund Balance at Beginning of Year	<u>12,100</u>	<u>12,100</u>	<u>12,100</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,100</u>	<u>\$ 12,100</u>	<u>\$ 12,129</u>	<u>\$ 29</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2009**

SPECIAL ASSESSMENT BOND RETIREMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Investment Earnings	\$ 0	\$ 0	\$ 3,567	\$ 3,567
Special Assessments	72,568	72,568	59,876	(12,692)
Total Revenues	<u>72,568</u>	<u>72,568</u>	<u>63,443</u>	<u>(9,125)</u>
Expenditures:				
General Government:				
Material, Supplies, and Services	2,100	2,100	1,813	287
Debt Service:				
Principal Retirement	43,883	43,883	43,883	0
Interest and Fiscal Charges	13,425	13,425	13,225	200
Total Expenditures	<u>59,408</u>	<u>59,408</u>	<u>58,921</u>	<u>487</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,160	13,160	4,522	(8,638)
Fund Balance at Beginning of Year	125,022	125,022	125,022	0
Fund Balance at End of Year	<u>\$ 138,182</u>	<u>\$ 138,182</u>	<u>\$ 129,544</u>	<u>\$ (8,638)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2009**

GENERAL OBLIGATION BOND RETIREMENT FUND				Variance with Final Budget Positive Negative
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 580,427	\$ 580,427	\$ 539,980	\$ (40,447)
Total Revenues	<u>580,427</u>	<u>580,427</u>	<u>539,980</u>	<u>(40,447)</u>
Expenditures:				
General Government:				
Material, Supplies, and Services	13,200	13,200	0	13,200
Debt Service:				
Principal Retirement	460,000	460,000	460,000	0
Interest and Fiscal Charges	110,739	110,739	108,738	2,001
Total Expenditures	<u>583,939</u>	<u>583,939</u>	<u>568,738</u>	<u>15,201</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,512)	(3,512)	(28,758)	(25,246)
Other Financing Sources (Uses):				
Transfers In	119,000	119,000	0	(119,000)
Total Other Financing Sources (Uses)	<u>119,000</u>	<u>119,000</u>	<u>0</u>	<u>(119,000)</u>
Net Change in Fund Balance	115,488	115,488	(28,758)	(144,246)
Fund Balance at Beginning of Year	1,173,061	1,173,061	1,173,061	0
Fund Balance at End of Year	<u>\$ 1,288,549</u>	<u>\$ 1,288,549</u>	<u>\$ 1,144,303</u>	<u>\$ (144,246)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2009**

OHIO NATIONAL TAX INCREMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	946,763	946,763	946,763	0
Fund Balance at End of Year	<u>\$ 946,763</u>	<u>\$ 946,763</u>	<u>\$ 946,763</u>	<u>\$ 0</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2009**

VINTAGE CLUB TAX INCREMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 302,694	\$ 302,694	\$ 501,058	\$ 198,364
Intergovernmental Revenues	0	0	74,801	74,801
Total Revenues	<u>302,694</u>	<u>302,694</u>	<u>575,859</u>	<u>273,165</u>
Expenditures:				
General Government:				
Material, Supplies, and Services	161,847	368,847	368,563	284
Total General Government	<u>161,847</u>	<u>368,847</u>	<u>368,563</u>	<u>284</u>
Total Expenditures	<u>161,847</u>	<u>368,847</u>	<u>368,563</u>	<u>284</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	140,847	(66,153)	207,296	273,449
Fund Balance at Beginning of Year	<u>240,163</u>	<u>240,163</u>	<u>240,163</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 381,010</u>	<u>\$ 174,010</u>	<u>\$ 447,459</u>	<u>\$ 273,449</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2009**

SPECIAL ASSESSMENT CAPITAL PROJECTS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 0	\$ 0	\$ 9,850	\$ 9,850
Special Assessments	20,836	20,836	12,332	(8,504)
Total Revenues	<u>20,836</u>	<u>20,836</u>	<u>22,182</u>	<u>1,346</u>
Expenditures:				
Capital Outlay	5,000	5,000	5,000	0
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,836	15,836	17,182	1,346
Fund Balance at Beginning of Year	<u>119,359</u>	<u>119,359</u>	<u>119,359</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 135,195</u>	<u>\$ 135,195</u>	<u>\$ 136,541</u>	<u>\$ 1,346</u>

CITY OF MONTGOMERY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2009***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	<u>\$ 0</u>	<u>\$ 150,000</u>	<u>\$ 144,286</u>	<u>\$ (5,714)</u>
Total Revenues	<u>0</u>	<u>150,000</u>	<u>144,286</u>	<u>(5,714)</u>
Expenditures:				
Capital Outlay	<u>0</u>	<u>150,000</u>	<u>144,286</u>	<u>5,714</u>
Total Expenditures	<u>0</u>	<u>150,000</u>	<u>144,286</u>	<u>5,714</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>0</u>	<u>150,000</u>	<u>144,286</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 150,000</u>	<u>\$ 144,286</u>	<u>\$ 0</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2009**

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 75,000	\$ 75,000	\$ 0	\$ (75,000)
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>0</u>	<u>(75,000)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	75,000	75,000	0	(75,000)
Other Financing Sources (Uses):				
Advances Out	(75,000)	(75,000)	0	75,000
Total Other Financing Sources (Uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>0</u>	<u>75,000</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>12,390</u>	<u>12,390</u>	<u>12,390</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,390</u>	<u>\$ 12,390</u>	<u>\$ 12,390</u>	<u>\$ 0</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2009**

URBAN REDEVELOPMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 93,221	\$ 93,221	\$ 93,546	\$ 325
Intergovernmental Revenues	8,242	8,242	0	(8,242)
All Other Revenues	2,400	2,400	0	(2,400)
Total Revenues	<u>103,863</u>	<u>103,863</u>	<u>93,546</u>	<u>(10,317)</u>
Expenditures:				
General Government:				
Material, Supplies, and Services	973	973	946	27
Total General Government	<u>973</u>	<u>973</u>	<u>946</u>	<u>27</u>
Capital Outlay:				
Capital Outlay	97,100	102,700	45,355	57,345
Total Capital Outlay	<u>97,100</u>	<u>102,700</u>	<u>45,355</u>	<u>57,345</u>
Total Expenditures	<u>98,073</u>	<u>103,673</u>	<u>46,301</u>	<u>57,372</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,790	190	47,245	47,055
Fund Balance at Beginning of Year	135,061	135,061	135,061	0
Prior Year Encumbrances	5,600	5,600	5,600	0
Fund Balance at End of Year	<u>\$ 146,451</u>	<u>\$ 140,851</u>	<u>\$ 187,906</u>	<u>\$ 47,055</u>



Fiduciary Funds

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

Agency Funds

Mayor's Court Fund

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

Trust Reimbursement Fund

To account for a cost center for depositing insurance monies and other payments with the City prior to payments to the appropriate contractor or business.

Unclaimed Monies Fund

To account for funds which rightfully belong to the payor and are refunded when the payor provides proof of claim for the funds within the period specified by law.

CITY OF MONTGOMERY, OHIO

**Combining Statement of Changes In Assets And Liabilities
Agency Funds
For the Year Ended December 31, 2009**

	Balance December 31, 2008	Additions	Deductions	Balance December 31, 2009
Mayor's Court				
Assets:				
Restricted Assets:				
Cash with Fiscal Agent	\$220	\$224,589	(\$224,013)	\$796
Total Assets	\$220	\$224,589	(\$224,013)	\$796
Liabilities:				
Due to Others	\$220	\$224,589	(\$224,013)	\$796
Total Liabilities	\$220	\$224,589	(\$224,013)	\$796
Trust Reimbursement				
Assets:				
Restricted Assets:				
Cash with Fiscal Agent	\$210,113	\$53,268	(\$83,245)	\$180,136
Total Assets	\$210,113	\$53,268	(\$83,245)	\$180,136
Liabilities:				
Accounts Payable	\$202,016	\$51,307	(\$77,108)	\$176,215
Intergovernmental Payables	8,097	1,961	(6,137)	3,921
Total Liabilities	\$210,113	\$53,268	(\$83,245)	\$180,136
Unclaimed Monies				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$3,377	\$0	(\$1,500)	\$1,877
Total Assets	\$3,377	\$0	(\$1,500)	\$1,877
Liabilities:				
Due to Others	\$3,377	\$0	(\$1,500)	\$1,877
Total Liabilities	\$3,377	\$0	(\$1,500)	\$1,877
Totals - All Agency Funds				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$3,377	\$0	(\$1,500)	\$1,877
Cash with Fiscal Agent	210,333	277,857	(307,258)	180,932
Total Assets	\$213,710	\$277,857	(\$308,758)	\$182,809
Liabilities:				
Accounts Payable	\$202,016	\$51,307	(\$77,108)	\$176,215
Intergovernmental Payables	8,097	1,961	(6,137)	3,921
Due to Others	3,597	224,589	(225,513)	2,673
Total Liabilities	\$213,710	\$277,857	(\$308,758)	\$182,809

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

CITY OF MONTGOMERY, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2009***

Capital Assets:

Land	\$15,285,724
Buildings	4,148,580
Improvements Other than Buildings	6,364,465
Infrastructure	24,283,264
Machinery and Equipment	<u>5,806,831</u>
Total Capital Assets	<u><u>\$55,888,864</u></u>

Investment in Capital Assets from:

General Fund	\$11,884,421
Special Revenue Funds	5,469,911
Capital Projects Funds	38,419,608
Private Purpose Trust Funds	<u>114,924</u>
Total Investment in Capital Assets	<u><u>\$55,888,864</u></u>

CITY OF MONTGOMERY, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2009**

Function and Activity	Land	Buildings	Improvements Other than Buildings	Infrastructure
General Government:				
Administration	\$104,363	\$286,177	\$417,493	\$0
Finance	0	0	0	0
Mayor's Court	0	0	0	0
Total	<u>104,363</u>	<u>286,177</u>	<u>417,493</u>	<u>0</u>
Public Safety:				
Police	278,400	1,799,140	154,217	0
Fire/EMS	0	0	160,267	0
Communications	0	0	0	0
Total	<u>278,400</u>	<u>1,799,140</u>	<u>314,484</u>	<u>0</u>
Public Works:				
Street/Service	8,685,273	909,320	157,914	24,283,264
Cemetery	274,743	0	6,988	0
Total	<u>8,960,016</u>	<u>909,320</u>	<u>164,902</u>	<u>24,283,264</u>
Parks and Recreation:				
Parks/Recreation	4,284,640	200,470	3,287,474	0
Municipal Swimming Pool	405,576	683,109	726,142	0
Total	<u>4,690,216</u>	<u>883,579</u>	<u>4,013,616</u>	<u>0</u>
Community Economic Development:				
Development	1,252,729	270,364	1,351,778	0
Historic Trust	0	0	102,192	0
Total	<u>1,252,729</u>	<u>270,364</u>	<u>1,453,970</u>	<u>0</u>
Total Capital Assets	<u><u>\$15,285,724</u></u>	<u><u>\$4,148,580</u></u>	<u><u>\$6,364,465</u></u>	<u><u>\$24,283,264</u></u>

CITY OF MONTGOMERY, OHIO

<u>Machinery and Equipment</u>	<u>Total</u>
\$290,725	\$1,098,758
64,003	64,003
40,191	40,191
<u>394,919</u>	<u>1,202,952</u>
823,555	3,055,312
2,680,495	2,840,762
83,224	83,224
<u>3,587,274</u>	<u>5,979,298</u>
1,281,808	35,317,579
6,814	288,545
<u>1,288,622</u>	<u>35,606,124</u>
360,143	8,132,727
101,439	1,916,266
<u>461,582</u>	<u>10,048,993</u>
69,614	2,944,485
4,820	107,012
74,434	3,051,497
<u>\$5,806,831</u>	<u>\$55,888,864</u>

CITY OF MONTGOMERY, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For Year Ended December 31, 2009**

Function and Activity	December 31, 2008	Additions	Deletions	December 31, 2009
General Government:				
Administration	\$980,563	\$119,947	(\$1,752)	\$1,098,758
Finance	62,533	3,142	(1,672)	64,003
Mayor's Court	40,191	0	0	40,191
Total	<u>1,083,287</u>	<u>123,089</u>	<u>(3,424)</u>	<u>1,202,952</u>
Public Safety:				
Police	2,905,638	177,578	(27,904)	3,055,312
Fire/EMS	2,268,977	674,085	(102,300)	2,840,762
Communications	26,825	56,399	0	83,224
Total	<u>5,201,440</u>	<u>908,062</u>	<u>(130,204)</u>	<u>5,979,298</u>
Public Works:				
Street/Service	35,070,547	1,316,845	(1,069,813)	35,317,579
Cemetery	288,545	0	0	288,545
Total	<u>35,359,092</u>	<u>1,316,845</u>	<u>(1,069,813)</u>	<u>35,606,124</u>
Leisure Time Activities:				
Parks/Recreation	8,033,509	99,218	0	8,132,727
Municipal Pool Fund	1,903,856	13,679	(1,269)	1,916,266
Total	<u>9,937,365</u>	<u>112,897</u>	<u>(1,269)</u>	<u>10,048,993</u>
Community Environment:				
Development	2,485,217	460,896	(1,628)	2,944,485
Historic Trust	107,012	0	0	107,012
Total	<u>2,592,229</u>	<u>460,896</u>	<u>(1,628)</u>	<u>3,051,497</u>
Total Capital Assets	<u><u>\$54,173,413</u></u>	<u><u>\$2,921,789</u></u>	<u><u>(\$1,206,338)</u></u>	<u><u>\$55,888,864</u></u>



STATISTICAL
SECTION



STATISTICAL TABLES

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

Contents

Financial Trends	S 3 – S 11
These schedules contain trend information to help the reader understand how the city’s financial position has changed over time.	
Revenue Capacity	S 12 – S 15
These schedules contain information to help the reader understand and assess the factors affecting the city’s ability to generate its most significant local revenue sources, the property tax and the income tax.	
Debt Capacity	S 16 – S 23
These schedules present information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in the future.	
Economic and Demographic Information	S 24 – S 27
These schedules offer economic and demographic indicators to help the reader understand the environment within which the city’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 28 – S 33
These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city provides and the activities it performs.	

Sources Note:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

City of Montgomery

*Net Assets by Component
Last Six Years
(accrual basis of accounting)*

	<u>2004</u>	<u>2005</u>	<u>2006 (1)</u>	<u>2007</u>
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$23,841,752	\$25,169,496	\$27,744,549	\$29,267,743
Restricted	14,660,323	15,362,245	15,861,681	17,429,659
Unrestricted	<u>10,442,992</u>	<u>11,272,760</u>	<u>13,019,687</u>	<u>12,803,968</u>
Total Governmental Activities Net Assets	<u>\$48,945,067</u>	<u>\$51,804,501</u>	<u>\$56,625,917</u>	<u>\$59,501,370</u>
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$1,410,112	\$1,358,748	\$0	\$0
Unrestricted	<u>17,091</u>	<u>52,456</u>	<u>0</u>	<u>0</u>
Total Business-type Activities Net Assets	<u>\$1,427,203</u>	<u>\$1,411,204</u>	<u>\$0</u>	<u>\$0</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$25,251,864	\$26,528,244	\$27,744,549	\$29,267,743
Restricted	14,660,323	15,362,245	15,861,681	17,429,659
Unrestricted	<u>10,460,083</u>	<u>11,325,216</u>	<u>13,019,687</u>	<u>12,803,968</u>
Total Primary Government Net Assets	<u>\$50,372,270</u>	<u>\$53,215,705</u>	<u>\$56,625,917</u>	<u>\$59,501,370</u>

Source: City Finance Director's Office

(1) The City passed an ordinance to establish the municipal pool fund as special revenue rather than as an enterprise fund at the beginning of 2007.

City of Montgomery

<u>2008</u>	<u>2009</u>
\$32,640,506	\$34,123,582
17,492,324	15,106,012
13,134,935	15,583,740
<u>\$63,267,765</u>	<u>\$64,813,334</u>

\$0	\$0
0	0
<u>\$0</u>	<u>\$0</u>

\$32,640,506	\$34,123,582
17,492,324	15,106,012
13,134,935	15,583,740
<u>\$63,267,765</u>	<u>\$64,813,334</u>

City of Montgomery

*Changes in Net Assets
Last Six Years
(accrual basis of accounting)*

	2004	2005	2006	2007
Expenses			(1)	
Governmental Activities:				
Public Safety	\$4,034,433	\$4,813,554	\$4,857,414	\$4,963,698
Parks and Recreation	725,148	819,366	1,098,032	1,200,793
Community Economic Development	493,830	485,651	435,457	497,739
Public Health and Welfare Services	63,586	0	0	0
Public Works	2,008,508	2,044,679	2,798,249	2,748,023
General Government	2,697,782	2,488,043	2,669,442	3,349,254
Interest and Fiscal Charges	346,420	350,048	328,216	306,573
<i>Total Governmental Activities Expenses</i>	<u>10,369,707</u>	<u>11,001,341</u>	<u>12,186,810</u>	<u>13,066,080</u>
Business-type Activities:				
Municipal Pool	227,144	244,662	0	0
<i>Total Business-type Activities Expenses</i>	<u>227,144</u>	<u>244,662</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government Expenses</i>	<u>\$10,596,851</u>	<u>\$11,246,003</u>	<u>\$12,186,810</u>	<u>\$13,066,080</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Public Safety	\$259,563	\$217,513	\$211,414	\$242,638
Parks and Recreation	35,072	39,053	260,213	242,400
Community Economic Development	162,406	624,099	292,730	258,821
Public Health and Welfare Services	34,424	45,375	0	0
Public Works	0	0	31,671	19,501
General Government	251,629	203,998	220,176	162,806
Operating Grants and Contributions	148,639	38,350	494,955	528,796
Capital Grants and Contributions	55,700	18,768	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>947,433</u>	<u>1,187,156</u>	<u>1,511,159</u>	<u>1,454,962</u>

(1) In 2006 the City realigned certain departmental expenditures for financial reporting purposes. The 2005 expenditures have been adjusted for comparison purposes.

City of Montgomery

<u>2008</u>	<u>2009</u>
\$5,080,065	\$5,875,326
1,267,205	1,399,365
533,346	453,272
0	0
2,594,464	2,883,791
3,503,099	4,123,097
273,054	204,343
<u>13,251,233</u>	<u>14,939,194</u>
0	0
0	0
<u>\$13,251,233</u>	<u>\$14,939,194</u>

\$257,297	\$303,233
246,394	231,247
300,079	202,502
0	0
26,693	17,595
204,644	218,675
1,152,496	525,090
141,356	83,050
<u>2,328,959</u>	<u>1,581,392</u>

(continued)

City of Montgomery

Changes in Net Assets Last Six Years (accrual basis of accounting)

	2004	2005	2006	2007
Business-type Activities:				
Charges for Services				
Municipal Pool	164,162	196,663	0	0
<i>Total Business-type Activities Program Revenues</i>	<u>164,162</u>	<u>196,663</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government Program Revenues</i>	<u>1,111,595</u>	<u>1,383,819</u>	<u>1,511,159</u>	<u>1,454,962</u>
Net (Expense)/Revenue				
Governmental Activities	(9,422,274)	(9,814,185)	(10,675,651)	(11,611,118)
Business-type Activities	(62,982)	(47,999)	0	0
<i>Total Primary Government Net (Expense)/Revenue</i>	<u><u>(\$9,485,256)</u></u>	<u><u>(\$9,862,184)</u></u>	<u><u>(\$10,675,651)</u></u>	<u><u>(\$11,611,118)</u></u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$4,001,114	\$4,050,884	\$4,591,205	\$4,675,342
Income Taxes	5,460,795	6,136,151	6,363,549	6,744,149
Other Local Taxes	539,802	339,367	222,865	614,607
Intergovernmental Revenue, Unrestricted	1,144,087	1,244,731	929,626	846,944
Investment Earnings	282,737	568,358	1,118,810	1,350,943
Miscellaneous	307,796	366,128	859,808	254,586
Transfers	(10,000)	(32,000)	0	0
<i>Total Governmental Activities</i>	<u>11,726,331</u>	<u>12,673,619</u>	<u>14,085,863</u>	<u>14,486,571</u>
Business-type Activities:				
Transfers	10,000	32,000	0	0
<i>Total Business-type Activities</i>	<u>10,000</u>	<u>32,000</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u><u>\$11,736,331</u></u>	<u><u>\$12,705,619</u></u>	<u><u>\$14,085,863</u></u>	<u><u>\$14,486,571</u></u>
Change in Net Assets				
Governmental Activities	\$2,304,057	\$2,859,434	\$3,410,212	\$2,875,453
Business-type Activities	(52,982)	(15,999)	0	0
<i>Total Primary Government Change in Net Assets</i>	<u><u>\$2,251,075</u></u>	<u><u>\$2,843,435</u></u>	<u><u>\$3,410,212</u></u>	<u><u>\$2,875,453</u></u>

Source: City Finance Director's Office

City of Montgomery

<u>2008</u>	<u>2009</u>
<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>
<u>2,328,959</u>	<u>1,581,392</u>
(10,922,274)	(13,357,802)
<u>0</u>	<u>0</u>
<u>(\$10,922,274)</u>	<u>(\$13,357,802)</u>
\$4,744,451	\$4,822,909
7,248,439	6,732,726
703,870	2,208,468
809,573	667,723
848,844	197,009
333,492	274,536
<u>0</u>	<u>0</u>
<u>14,688,669</u>	<u>14,903,371</u>
<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>
<u>\$14,688,669</u>	<u>\$14,903,371</u>
\$3,766,395	\$1,545,569
<u>0</u>	<u>0</u>
<u>\$3,766,395</u>	<u>\$1,545,569</u>

City of Montgomery

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund				
Reserved	\$142,976	\$194,681	\$232,441	\$226,587
Unreserved	<u>6,521,080</u>	<u>8,034,076</u>	<u>8,856,718</u>	<u>8,956,731</u>
<i>Total General Fund</i>	<u>6,664,056</u>	<u>8,228,757</u>	<u>9,089,159</u>	<u>9,183,318</u>
All Other Governmental Funds				
Reserved	2,693,666	3,004,244	4,052,400	2,967,622
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,623,952	2,305,831	2,628,647	3,723,168
Capital Projects Funds	<u>877,359</u>	<u>1,354,460</u>	<u>909,203</u>	<u>2,331,912</u>
Total All Other Governmental Funds	<u>5,194,977</u>	<u>6,664,535</u>	<u>7,590,250</u>	<u>9,022,702</u>
<i>Total Governmental Funds</i>	<u><u>\$11,859,033</u></u>	<u><u>\$14,893,292</u></u>	<u><u>\$16,679,409</u></u>	<u><u>\$18,206,020</u></u>

Source: City Finance Director's Office

City of Montgomery

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$303,486	\$369,159	\$848,817	\$411,288	\$279,644	\$405,963
<u>9,784,276</u>	<u>10,634,063</u>	<u>12,172,862</u>	<u>12,154,635</u>	<u>12,975,774</u>	<u>13,769,099</u>
<u>10,087,762</u>	<u>11,003,222</u>	<u>13,021,679</u>	<u>12,565,923</u>	<u>13,255,418</u>	<u>14,175,062</u>
4,007,598	3,889,218	4,761,597	4,342,424	3,882,125	3,499,102
3,901,646	4,679,988	5,397,618	6,149,504	5,983,229	6,862,144
<u>2,151,261</u>	<u>2,462,286</u>	<u>1,665,020</u>	<u>3,198,902</u>	<u>3,536,402</u>	<u>2,150,689</u>
<u>10,060,505</u>	<u>11,031,492</u>	<u>11,824,235</u>	<u>13,690,830</u>	<u>13,401,756</u>	<u>12,511,935</u>
<u>\$20,148,267</u>	<u>\$22,034,714</u>	<u>\$24,845,914</u>	<u>\$26,256,753</u>	<u>\$26,657,174</u>	<u>\$26,686,997</u>

City of Montgomery

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

	2000	2001	2002	2003
Revenues:				
Taxes	\$10,921,055	\$10,511,251	\$11,102,193	\$10,730,132
Intergovernmental Revenues	122,067	362,873	432,545	1,303,807
Charges for Services	236,043	279,623	343,799	300,191
Licenses, Permits and Fees	214,031	149,867	205,731	550,360
Investment Earnings	614,128	540,132	301,023	222,096
Special Assessments	244,251	239,639	239,645	246,398
Fines and Forfeitures	173,629	163,973	152,069	203,435
All Other Revenue	525,916	141,268	79,439	79,523
Total Revenue	13,051,120	12,388,626	12,856,444	13,635,942
Expenditures:				
Current:				
Public Safety	3,024,669	3,086,716	3,294,040	4,207,246
Public Health and Welfare Services	47,900	61,217	36,500	71,191
Parks and Recreation	507,291	539,682	504,812	543,956
Community Economic Development	350,474	322,334	340,702	480,298
Public Works	1,029,656	907,814	794,995	931,182
General Government	1,924,549	2,156,817	2,440,323	2,654,358
Capital Outlay	301,955	926,712	2,131,054	1,512,227
Debt Service:				
Principal Retirement	714,883	734,883	770,883	2,141,883
Interest and Fiscal Charges	811,141	764,383	729,024	638,932
Total Expenditures	8,712,518	9,500,558	11,042,333	13,181,273
Excess (Deficiency) of Revenues Over Expenditures	4,338,602	2,888,068	1,814,111	454,669

City of Montgomery

(1)					
2004	2005	2006	2007	2008	2009
\$10,234,237	\$10,629,284	\$11,200,882	\$12,044,105	\$12,709,819	\$13,555,648
1,360,965	1,343,674	1,422,911	1,354,153	1,508,044	1,208,965
337,765	328,218	548,004	511,409	523,170	501,427
237,850	611,953	319,408	269,326	316,184	263,693
249,354	563,496	1,085,849	1,371,200	879,745	200,366
247,410	280,046	262,538	268,786	262,668	251,871
166,726	148,433	144,110	145,431	174,529	176,193
241,942	293,656	829,855	254,586	333,492	285,582
<u>13,076,249</u>	<u>14,198,760</u>	<u>15,813,557</u>	<u>16,218,996</u>	<u>16,707,651</u>	<u>16,443,745</u>
3,772,691	4,521,403	4,518,043	4,568,155	4,703,274	5,433,316
63,370	0	0	0	0	0
547,032	636,971	864,631	977,049	1,049,966	1,184,945
474,413	468,000	421,068	441,412	436,377	341,707
923,703	1,300,709	1,334,110	1,535,161	1,644,489	1,688,833
2,655,321	2,416,707	2,578,840	3,291,453	3,231,860	3,552,386
1,147,304	1,418,266	2,062,710	2,750,034	2,225,481	3,443,806
1,234,883	1,207,883	1,022,883	973,883	603,883	618,883
360,787	329,594	304,218	282,666	227,057	179,768
<u>11,179,504</u>	<u>12,299,533</u>	<u>13,106,503</u>	<u>14,819,813</u>	<u>14,122,387</u>	<u>16,443,644</u>
1,896,745	1,899,227	2,707,054	1,399,183	2,585,264	101

(Continued)

City of Montgomery

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

	2000	2001	2002	2003
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	6,235	26,470	2,006	16,663
Proceeds from the Sale of Bonds	0	0	0	0
Proceeds from Bond Anticiptaion Notes	0	0	0	1,000,000
Proceeds from Refunding Bonds	0	0	0	7,895,000
Payment to Refunding Bond Escrow Agent	0	0	0	(7,828,113)
Transfers In	987,150	979,820	1,373,817	2,512,374
Transfers Out	(987,150)	(979,820)	(1,403,817)	(2,532,374)
Total Other Financing Sources (Uses)	<u>6,235</u>	<u>26,470</u>	<u>(27,994)</u>	<u>1,063,550</u>
Net Change in Fund Balance	<u>\$4,344,837</u>	<u>\$2,914,538</u>	<u>\$1,786,117</u>	<u>\$1,518,219</u>
Debt Service as a Percentage of Noncapital Expenditures	22.63%	19.92%	18.15%	29.57%

Source: City Finance Director's Office

- (1) In 2006 the City realigned certain departmental expenditures for financial reporting purposes.
The 2005 expenditures have been adjusted for comparison purposes.

City of Montgomery

2004	2005	(1) 2006	2007	2008	2009
24,060	19,220	51,610	11,656	15,130	29,722
4,495,000	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(4,463,558)	0	0	0	(2,199,973)	0
937,510	1,300,443	690,086	2,514,253	1,645,535	2,196,059
(947,510)	(1,332,443)	(720,086)	(2,514,253)	(1,645,535)	(2,196,059)
45,502	(12,780)	21,610	11,656	(2,184,843)	29,722
<u>\$1,942,247</u>	<u>\$1,886,447</u>	<u>\$2,728,664</u>	<u>\$1,410,839</u>	<u>\$400,421</u>	<u>\$29,823</u>
15.62%	16.07%	12.45%	10.96%	7.22%	6.28%

City of Montgomery

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Income Tax Rate	1.00%	1.00%	1.00%	1.00%
Estimated Personal Income	\$341,141	\$353,083	\$367,453	\$378,633
Total Tax Collected	\$5,041,316	\$5,345,954	\$5,516,114	\$5,846,363
Income Tax Receipts				
Withholding	3,361,445	3,619,820	3,753,456	4,146,652
Percentage	66.7%	67.7%	68.0%	70.9%
Corporate	366,462	426,785	415,531	427,923
Percentage	7.3%	8.0%	7.5%	7.3%
Individuals	1,313,409	1,299,349	1,347,127	1,271,788
Percentage	26.1%	24.3%	24.4%	21.8%

Source: City Finance Department

City of Montgomery

2004	2005	2006	2007	2008	2009
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
\$401,103	\$405,880	\$405,880	\$421,531	\$434,265	\$434,265
\$5,841,251	\$6,100,942	\$6,434,747	\$6,425,182	\$7,485,419	\$6,772,329
4,194,245	4,317,030	4,519,322	4,502,641	5,375,336	4,734,037
71.8%	70.8%	70.2%	70.1%	71.8%	69.9%
439,111	466,028	555,189	501,854	588,505	510,358
7.5%	7.6%	8.6%	7.8%	7.9%	7.5%
1,207,895	1,317,884	1,360,236	1,420,687	1,521,578	1,527,934
20.7%	21.6%	21.1%	22.1%	20.3%	22.6%



City of Montgomery

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2009				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,472	34.33%	\$64,007	1.31%
20,000 - 49,999	493	11.50%	167,807	3.43%
50,000 - 74,999	397	9.26%	247,021	5.04%
75,000 - 99,999	356	8.30%	308,851	6.31%
Over 100,000	1,570	36.61%	4,109,331	83.91%
Total	4,288	100.00%	\$4,897,017	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Credited to Other Municipalities	\$3,418,684
	\$3,418,684

Calendar Year 2000				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,353	31.95%	\$73,696	1.92%
20,000 - 49,999	625	14.76%	218,919	5.69%
50,000 - 74,999	486	11.48%	303,795	7.90%
75,000 - 99,999	471	11.12%	410,562	10.67%
Over 100,000	1,300	30.69%	2,840,277	73.82%
Total	4,235	100.00%	\$3,847,249	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Credited to Other Municipalities	\$2,740,488
	\$2,740,488

Source: City Finance Director's Office

City of Montgomery

Ratio of Outstanding Debt By Type Last Ten Years

	2000	2001	2002	2003
Governmental Activities (1)				
General Obligation Bonds Payable	\$11,480,000	\$10,820,000	\$10,130,000	\$11,500,000
Special Assessment Bonds	2,922,761	2,847,878	2,766,995	204,112
Long-Term Notes Payable	0	0	0	419,000
Total Primary Government	<u>\$14,402,761</u>	<u>\$13,667,878</u>	<u>\$12,896,995</u>	<u>\$12,123,112</u>
Population (2)				
City of Montgomery	10,163	10,163	10,163	10,163
Outstanding Debt Per Capita	\$1,417	\$1,345	\$1,269	\$1,193
Income (3)				
Personal (in thousands)	341,141	353,083	367,453	378,633
Percentage of Personal Income	4.22%	3.87%	3.51%	3.20%

Sources:

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

City of Montgomery

2004	2005	2006	2007	2008	2009
\$10,526,442	\$9,557,100	\$8,572,758	\$7,638,416	\$4,899,074	\$4,319,732
193,229	180,346	167,463	153,580	139,697	125,814
200,000	0	0	0	0	0
<u>\$10,919,671</u>	<u>\$9,737,446</u>	<u>\$8,740,221</u>	<u>\$7,791,996</u>	<u>\$5,038,771</u>	<u>\$4,445,546</u>
10,163	10,163	10,163	10,163	10,163	10,163
\$1,074	\$958	\$860	\$767	\$496	\$437
401,103	405,880	405,880	421,531	434,265	434,265
2.72%	2.40%	2.15%	1.85%	1.16%	1.02%

City of Montgomery

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2000	2001	2002	2003
Population (1)	10,163	10,163	10,163	10,163
Assessed Value (2)	\$354,008,780	\$360,441,670	\$406,581,220	\$404,624,600
General Bonded Debt (3)				
General Obligation Bonds	\$11,480,000	\$10,820,000	\$10,130,000	\$11,500,000
Resources Available to Pay Principal (4)	\$2,426,477	\$1,456,375	\$1,475,475	\$1,011,136
Net General Bonded Debt	\$9,053,523	\$9,363,625	\$8,654,525	\$10,488,864
Ratio of Net Bonded Debt to Estimated Assessed Value	2.56%	2.60%	2.13%	2.59%
Net Bonded Debt per Capita	\$890.83	\$921.34	\$851.57	\$1,032.06

Source:

- (1) U.S. Bureau of Census of Population
- (2) Hamilton County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

City of Montgomery

2004	2005	2006	2007	2008	2009
10,163	10,163	10,163	10,163	10,163	10,163
\$413,822,990	\$481,924,300	\$486,557,560	\$488,255,500	\$520,027,750	\$522,227,380
\$10,526,442	\$9,557,100	\$8,572,758	\$7,638,416	\$4,899,074	\$4,319,732
\$951,899	\$967,900	\$1,241,771	\$1,195,610	\$1,243,975	\$1,213,067
\$9,574,543	\$8,589,200	\$7,330,987	\$6,442,806	\$3,655,099	\$3,106,665
2.31%	1.78%	1.51%	1.32%	0.70%	0.59%
\$942.10	\$845.14	\$721.34	\$633.95	\$359.65	\$305.68



City of Montgomery

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2009*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Montgomery</u>	<u>Amount Applicable to the City of Montgomery</u>
Direct:			
City of Montgomery	\$4,525,000	100.00%	\$4,525,000
Overlapping:			
Sycamore Community School District	31,194,985	29.13%	9,087,099
Great Oaks Joint Vocational School District	10,000,000	2.66%	266,000
Hamilton County	107,460,000	2.54%	2,729,484
		Subtotal	12,082,583
		Total	<u>\$16,607,583</u>

Source: Ohio Municipal Advisory Council

(1) Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City

City of Montgomery

Debt Limitations Last Ten Years

	2000	2001	2002	2003
<u>Total Debt</u>				
Net Assessed Valuation	\$354,008,780	\$360,441,670	\$406,581,220	\$404,624,600
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	37,170,922	37,846,375	42,691,028	42,485,583
City Debt Outstanding (2)	8,310,000	7,750,000	7,165,000	11,500,000
Less: Applicable Debt Service Fund Amounts	(1,316,308)	(1,456,375)	(1,475,475)	(1,011,136)
Net Indebtedness Subject to Limitation	<u>6,993,692</u>	<u>6,293,625</u>	<u>5,689,525</u>	<u>10,488,864</u>
Overall Legal Debt Margin	<u><u>\$30,177,230</u></u>	<u><u>\$31,552,750</u></u>	<u><u>\$37,001,503</u></u>	<u><u>\$31,996,719</u></u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$354,008,780	\$360,441,670	\$406,581,220	\$404,624,600
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	19,470,483	19,824,292	22,361,967	22,254,353
City Debt Outstanding (2)	7,450,000	6,950,000	6,433,000	11,500,000
Less: Applicable Debt Service Fund Amounts	(901,633)	(935,324)	(1,059,386)	(1,011,136)
Net Indebtedness Subject to Limitation	<u>6,548,367</u>	<u>6,014,676</u>	<u>5,373,614</u>	<u>10,488,864</u>
Overall Legal Debt Margin	<u><u>\$12,922,116</u></u>	<u><u>\$13,809,616</u></u>	<u><u>\$16,988,353</u></u>	<u><u>\$11,765,489</u></u>

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

Source: City Finance Director's Office

City of Montgomery

2004	2005	2006	2007	2008	2009
\$413,822,990	\$481,924,300	\$486,557,560	\$488,255,500	\$520,027,750	\$522,227,380
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
43,451,414	50,602,052	51,088,544	51,266,828	54,602,914	54,833,875
10,860,000	9,865,000	8,855,000	7,895,000	5,130,000	4,525,000
(951,899)	(967,900)	(1,241,771)	(1,195,610)	(1,243,975)	(1,213,067)
9,908,101	8,897,100	7,613,229	6,699,390	3,886,025	3,311,933
<u>\$33,543,313</u>	<u>\$41,704,952</u>	<u>\$43,475,315</u>	<u>\$44,567,438</u>	<u>\$50,716,889</u>	<u>\$51,521,942</u>
\$413,822,990	\$481,924,300	\$486,557,560	\$488,255,500	\$520,027,750	\$522,227,380
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
22,760,264	26,505,837	26,760,666	26,854,053	28,601,526	28,722,506
10,860,000	9,865,000	8,855,000	7,895,000	5,130,000	4,525,000
(951,899)	(967,900)	(1,241,771)	(1,195,610)	(1,243,975)	(1,213,067)
9,908,101	8,897,100	7,613,229	6,699,390	3,886,025	3,311,933
<u>\$12,852,163</u>	<u>\$17,608,737</u>	<u>\$19,147,437</u>	<u>\$20,154,663</u>	<u>\$24,715,501</u>	<u>\$25,410,573</u>

City of Montgomery

Demographic and Economic Statistics Last Ten Years

Calendar Year	2000	2001	2002	2003
Population (1)				
City of Montgomery	10,163	10,163	10,163	10,163
Hamilton County	845,303	845,303	845,303	845,303
Income (2) (a)				
Total Personal (in thousands)	341,141	353,083	367,453	378,633
Hamilton County Per Capita	33,567	34,742	36,156	37,256
Unemployment Rate (3)				
Federal	4.2%	3.8%	4.8%	5.8%
State	4.3%	3.7%	4.3%	5.7%
Hamilton County	3.5%	6.3%	4.8%	4.5%
Civilian Work Force Estimates (3)				
State	5,900,400	5,857,000	5,828,000	5,915,000
Hamilton County	436,300	444,100	435,200	437,900

Sources:

(1) US Bureau of Census of Population

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

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

(3) State Department of Labor Statistics

City of Montgomery

2004	2005	2006	2007	2008	2009
10,163	10,163	10,163	10,163	10,163	10,163
845,303	786,982	786,982	786,982	786,982	786,982
401,103	405,880	405,880	421,531	434,265	434,265
39,467	39,937	39,937	41,477	42,730	42,730
6.0%	5.5%	5.0%	4.6%	5.8%	10.0%
6.1%	6.0%	5.9%	5.6%	6.6%	10.8%
5.1%	5.6%	3.5%	5.0%	5.6%	10.4%
5,875,300	5,900,400	5,934,000	5,976,500	5,986,400	5,905,100
422,200	426,800	423,500	431,200	432,400	410,676



City of Montgomery

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2009		
		Number of Employees	Rank	Percentage of Total Employment
Bethesda Hospital	Medical	3,009	1	20%
Sycamore School District	Educational	1,144	2	7%
Ohio National Financial Services	Financial	824	3	5%
TriHealth, Inc.	Medical	381	4	2%
Montgomery Inn, Inc.	Restaurant	274	5	2%
Twin Lakes	Medical	268	6	2%
Meadowbrook Care Center	Medical	255	7	2%
Kroger	Retail	246	8	2%
Montgomery Care Center	Medical	202	9	1%
Columbia Oldsmobile, Inc.	Retail	135	10	1%
Total		<u>6,738</u>		
Total Employment within the City		<u><u>15,373</u></u>		
		2000		
Employer	Nature of Business	Number of Employees	Rank	Percentage of Total Employment
Bethesda Hospital	Medical	1,987	1	12%
Montgomery Inn, Inc.	Restaurant	722	2	4%
Ohio National Life Insurance Co.	Insurance	680	3	4%
Sycamore School District	Educational	526	4	3%
CEI Physicians PSC, Inc.	Medical	348	5	2%
Meadowbrook Care Center	Medical	281	6	2%
Montgomery Care Center	Medical	238	7	1%
Bob Williams Auto Group	Retail	229	8	1%
Kroger	Retail	226	9	1%
Bethesda Health Care, Inc.	Medical	194	10	1%
Total		<u>5,431</u>		
Total Employment within the City		<u><u>17,162</u></u>		

Sources:

City Income Tax Department

City of Montgomery

Full Time Equivalent Employees by Function Last Ten Years

	2000	2001	2002	2003	2004
Governmental Activities					
General Government					
Finance	5.00	6.00	6.00	6.00	6.00
Legal/Court	1.50	1.50	1.50	1.50	1.50
Administration	4.50	5.50	5.75	5.50	5.50
Maintenance	1.00	1.00	1.00	1.00	1.50
Public Safety					
Police	22.00	22.00	23.00	23.00	23.00
Fire	24.50	24.50	24.50	24.50	24.50
Public Works					
Street	12.25	12.50	12.50	12.75	12.50
Parks and Recreation					
Parks and Recreation	6.00	6.00	6.00	6.00	6.00
Community Environment					
Service	3.00	3.00	3.00	3.00	3.00
Business-Type Activities					
Municipal Pool	4.75	0.00	0.00	0.00	0.00
Total Employees	<u>84.50</u>	<u>82.00</u>	<u>83.25</u>	<u>83.25</u>	<u>83.50</u>

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

Source: City Finance Director's Office

City of Montgomery

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
6.00	6.00	5.50	5.50	5.50
1.50	1.50	1.50	1.50	1.50
5.50	5.50	7.50	7.50	7.50
1.50	1.50	1.50	1.50	1.00
23.00	24.00	24.00	24.00	24.00
25.00	25.00	25.00	25.00	25.00
12.50	12.50	13.50	13.50	13.50
5.25	5.25	4.50	4.50	5.50
3.00	3.00	2.00	2.00	2.00
0.00	0.00	0.00	0.00	0.00
<u>83.25</u>	<u>84.25</u>	<u>85.00</u>	<u>85.00</u>	<u>85.50</u>

City of Montgomery

Operating Indicators by Function Last Eight Years

	2002	2003	2004	2005
Governmental Activities				
General Government				
Court				
Number of Traffic Cases	2,148	2,604	2,169	1,976
Licenses and Permits				
Number of Building Permits	122	193	252	268
Number of Building Inspections	N/A	762	1,630	1,483
Information Technology				
Number of Website Visitors	51,811	87,654	148,370	213,108
Number of Online Transactions	24	101	818	906
Average Cost per Online Transactions	\$925.00	\$220.00	\$31.00	\$24.00
Public Safety				
Police				
Number of Moving Citations Issued	1,269	1,666	1,153	1,316
Number of Non-moving Citations Issued	322	461	390	312
Number of Felony Arrests	19	12	15	15
Number of Misdemeanor Arrests	94	188	143	134
Number of Juvenile Arrests	90	90	98	97
Number of DUI/OVI Arrests	36	94	55	79
Number of Auto Accident Reports	662	694	554	537
Fire				
Number of Fire Calls	478	465	457	447
Number of EMS Runs	915	887	867	871
Number of Car Seat Inspections	225	320	208	195
Number of Inspections	N/A	1,068	1,173	589
Public Works				
Street				
Centerline Miles of Streets Resurfaced	N/A	N/A	3.37	2.87
Number of Public Trees Trimmed	N/A	N/A	30	51
Number of Households Receiving Curbside Brush Chipping	N/A	N/A	465	447
Number of Sidewalk Locations Required	N/A	N/A	1,777	93
Parks and Recreation				
Parks and Recreation				
Number of Classes / Events	N/A	N/A	N/A	54
Business-Type Activities				
Pool				
Number of Pool Passes Sold	517	542	528	555
Number of Daily Patrons	4,848	3,400	4,200	4,500

Source: City Finance Director's Office

Information is not available in this format prior to 2002.

City of Montgomery

2006	2007	2008	2009
1,759	1,695	1,757	1,741
453	335	241	160
986	1,362	1,181	538
209,293	165,455	181,978	204,887
903	1,909	4,152	2,618
\$12.00	\$3.72	\$1.71	\$2.71
1,151	1,772	1,674	1,479
363	392	258	376
19	27	35	38
129	177	251	208
106	77	67	85
92	75	18	31
536	612	534	564
482	609	626	483
860	991	1,032	1,029
143	166	178	148
334	742	996	983
1.97	1.35	4.39	3.67
443	575	383	405
600	2,000	2,500	1,100
138	150	210	160
137	139	178	101
556	518	449	490
4,900	5,445	8,614	11,000

City of Montgomery

Capital Asset Statistics by Function Last Ten Years

	2000	2001	2002	2003	2004
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	23	23	23	23	23
Buildings	8	8	8	8	8
Public Safety					
Police					
Stations	1	1	1	1	1
Vehicles	7	7	11	11	12
Fire					
Stations	1	1	1	1	1
Vehicles	4	5	6	6	6
Public Works					
Street					
Streets (lane miles)	46	46	46	46	46
Street Lights	207	207	207	207	233
Vehicles	9	11	12	15	15
Parks and Recreation					
Parks and Recreation					
Land (acres)	80	80	80	80	81
Buildings	3	3	3	3	3
Parks	6	7	7	7	7
Playgrounds	6	6	6	6	6
Tennis Courts	10	10	10	10	10
Baseball/Softball Diamonds	13	13	13	13	13
Business-Type Activities					
Municipal Pool					
Land (acres)	2	2	2	2	2
Buildings	1	1	2	2	2

Source: City Finance Director's Office

City of Montgomery

2005	2006	2007	2008	2009
23	23	23	23	23
8	8	8	8	8
1	1	1	1	1
12	12	12	12	12
1	1	1	1	1
7	9	9	9	9
46	46	46	46	46
23	233	247	247	246
15	16	16	17	18
81	81	81	81	81
3	3	3	3	3
7	7	7	7	7
6	6	6	6	6
10	10	10	10	10
13	13	13	13	12
2	2	2	2	2
2	2	2	2	2



Bastin & Company, LLC

Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Members of City Council
City of Montgomery, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Montgomery, Ohio, as of and for the year ended December 31, 2009, which collectively comprise the City of Montgomery, Ohio's basic financial statements, and have issued our report thereon dated May 17, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Montgomery, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Montgomery, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Montgomery, Ohio's internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Montgomery, Ohio's financial statements are free of 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 determination of financial statement amounts. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, City Council, and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

Bastin & Company, LLC

Cincinnati, Ohio
May 17, 2010



Mary Taylor, CPA
Auditor of State

CITY OF MONTGOMERY

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 22, 2010**