

THE CITY OF MONTGOMERY, OHIO

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

for the year ended December 31, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

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The Honorable Members of City Council
City of Montgomery, Ohio
10101 Montgomery Road
Montgomery, Ohio 45242

We have reviewed the independent auditor's report of the City of Montgomery, Hamilton County, prepared by Foxx & Company, for the audit period January 1, 1999 through December 31, 1999. 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.

A handwritten signature in black ink, appearing to read "Jim Petro", written over a faint circular stamp.

JIM PETRO
Auditor of State

July 20, 2000



Foxx & Company
Certified Public Accountants

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

The Honorable Mayor and Members of City Council
Montgomery, Ohio

We have audited the general-purpose financial statements of the City of Montgomery, Ohio, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 16, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Montgomery, Ohio's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of general-purpose 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City of Montgomery, Ohio, in a separate letter dated June 16, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Montgomery, Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be

material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City of Montgomery, Ohio, in a separate letter dated June 16, 2000.

This report is intended solely for the information and use of management of the City of Montgomery, Ohio and the Ohio Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

Fox & Company

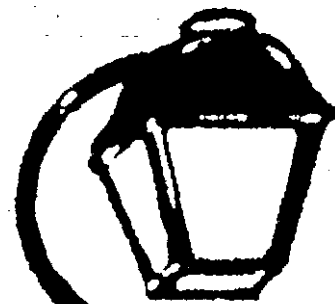
Cincinnati, Ohio
June 16, 2000

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT



CITY OF MONTGOMERY, OHIO

DECEMBER 31, 1999

THE CITY OF MONTGOMERY, OHIO

HAMILTON COUNTY

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 1999

Prepared by:
Department of Finance

THE CITY OF MONTGOMERY, OHIO

HAMILTON COUNTY

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 1999

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INTRODUCTORY SECTION



June 30, 2000

To the Citizens of the City of Montgomery, Ohio:

I am pleased to present the Comprehensive Annual Financial Report for the City of Montgomery for the fiscal year ended December 31, 1999. 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. I 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.

The report is comprised of three major sections:

1. *The Introductory Section* includes this Letter of Transmittal which addresses the organization, accomplishments and operational structure of the City, a list of the principal city officials, and an organizational chart.
2. *The Financial Section* contains the City's general purpose financial statements which include explanatory notes and provide an overview of the City's financial position and operating results, the combining financial statements of the individual funds and account groups that provide detailed information to the general purpose financial statements and the Report of the Independent Auditors.
3. *The Statistical Section* presents social, economic and historical data for general information and identifies financial trends.

The Reporting Entity

The accompanying general purpose 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 that would enhance the community. This entity's board of directors consists entirely of Montgomery's council members.

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 1984.

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, staggered to expire four seats then three seats every two years. The term of a council member begins on the fourth Thursday 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 historic preservation efforts, community development and enhancement, and evaluation of the numerous projects carried out each year. All of these boards and commissions are run 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 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

The Beautification and Tree 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 funds allocated to it. Throughout the year, the Commission sponsors events. Those events include the Arbor Day celebration and 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.

Board of Tax Review

This Board is defined by ordinance to hear appeals of 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. Because of the nature of its work with individual and business income tax, this is the only hearing conducted by the City which is held in privacy unless the taxpayer requests a public hearing.

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 classified services of the City. 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 the 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.

Community Improvement Corp.

The CIC is established under Ohio Revised Code to provide economic development benefits to businesses which are either located in Montgomery or are considering establishing an office in Montgomery. It has assisted businesses in obtaining favorable loan rates, offered incentives to businesses to establish offices in Montgomery and purchased property for the purposes of developing it for resale to desirable businesses. The Board of Directors of the CIC is comprised of the members of City Council.

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 its historical heritage, work with other preservation organizations and the Ohio Preservation officer and 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 of Montgomery has worked to acquire and develop desirable areas for its park system--including the municipal swimming pool--which supports all the Montgomery neighborhoods. 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 the 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 to Montgomery. It regularly conducts studies and surveys, as well as plans for the growth, development, redevelopment, rehabilitation and renewal of the City.

Sister Cities Commission

The Sister Cities Commissions 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 its Sister City, Neuilly-Plaisance in France. 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 and do business. Its prime location along Interstates 71 and 275 in northeastern Hamilton County, alluring properties, and easy access to the entire Greater Cincinnati region has created consistently high values for both residential and commercial properties.

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 Restaurant and the Ohio National Life Insurance Company. All of these employers are growing and are reflective of the economic vitality of the entire Cincinnati region, with its low unemployment and high growth rates.

The City also has an expanding medical office environment featuring a variety of general and specialty medical practitioners and clinics.

The local economy continued its healthy growth in 1999, represented by local earnings tax collections which increased approximately 6.7% over 1998 collections. Property tax collections also continued to rise as a result of new construction and increasing property values in residential and business properties alike.

MAJOR INITIATIVES

The City of Montgomery responded admirably to the challenges posed by Mother Nature in 1999. On April 9, 1999, a devastating tornado--rated F-4 on the Fujita scale of F-1 to F-5--ravaged portions of the City resulting in four deaths, many personal injuries, total destruction of more than 30 homes and damage to more than 150 structures, including the City's Service Department and two nature preserves.

In spite of the financial and service challenges that resulted from the tornado, the City provided an excellent level of service to its residents and received statewide recognition for its response to the disaster.

In addition to the many months of work associated with the tornado disaster recovery, the City continued work associated with the development and redevelopment of private properties in the community. Nearly \$21 million in building permits were issued throughout the community in 1999. Site plan approvals were granted for the development of a major new continuum of care retirement village, several new medical office buildings and continuing expansion of the Bethesda North Hospital emergency room and cardiac catheterization and telemetry facilities. The City also undertook a renovation of its City Hall facilities and continued enhancement work in its historic downtown "Heritage" district.

The voters of the City of Montgomery gave overwhelming approval to a replacement 5.55 mill fire levy in May of 1999 that enabled major service enhancements to the City's fire and paramedic service and provided funding for operational and capital equipment costs for a projected five-year period.

The City continued to focus on building upon its solid financial position through a five-year operational and capital budgeting program, aggressive debt repayment schedule, and the development of targeted fund "reserves" for operational and capital budgeting purposes. The targeted fund "reserves" would be used in the event of an unplanned emergency or unanticipated downturn in the local economy.

Other major initiatives undertaken by the City of Montgomery in 1999 included a comprehensive Strategic Planning initiative involving its staff and City Council, a Code of Ordinance update and revision project, update of the zoning code and comprehensive plan, and design and implementation of a city web site.

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 office.

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 expense, 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, 1999 are reported as reservations of fund balances within this report.

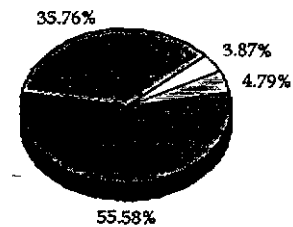
General Governmental Revenues

Governmental Fund Revenues (i.e., general, special revenue, debt service and capital projects funds) for 1999 decreased 6% compared to 1998. Tax receipts was one of only two revenue sources to increase from 1998 to 1999. Tax receipts increased approximately 2.3%, or \$183,134, during the year.

Tax receipts increased because certain revenues that had previously been recorded as special assessment receipts were more properly classified as tax receipts in 1999. The increase due to this reclassification was offset by a significant decrease in estate tax collections during the year. Taxes, which provide 83% of the City's revenues, are generated by the following tax sources:

1999 Tax Receipts	1999	%
Income Tax	\$4,445,950	55.58
Property Tax	2,860,065	35.76
Estate Tax	309,841	3.87
Miscellaneous Tax	382,823	4.79
Total Resources	\$7,998,679	100.00

1999



Intergovernmental revenues increased by the greatest dollar amount--\$215,159 or 68%--during the year. Nearly \$200,000 of the increase in intergovernmental revenues came from a reimbursement from the State of Ohio for tornado relief. Local government funds and certain other state shared revenue sources exhibited minor increases accounting for the remaining increase in intergovernmental revenues.

Charges for services consist primarily of charges levied by the Recreation Department for various recreational programs, pool fees, lodge rental charges and cemetery charges for lot sales and interments. Charges for services declined 16% during 1999. Most of the decrease in charges for services is attributable to the damage and disruption related to the tornado. Certain facilities were unavailable for use and many of the residents were displaced and or occupied rebuilding their properties and were not able to take advantage of the programs and facilities provided by the City.

Investment of fund balances, which are held for future projects or for safety margins, provide approximately 3% of the City's revenues. Investment earnings decreased 19.18% primarily as a result of a decline in market values which are recorded as reductions to investment earnings. Market values decreased as a result of interest rate increases during 1999.

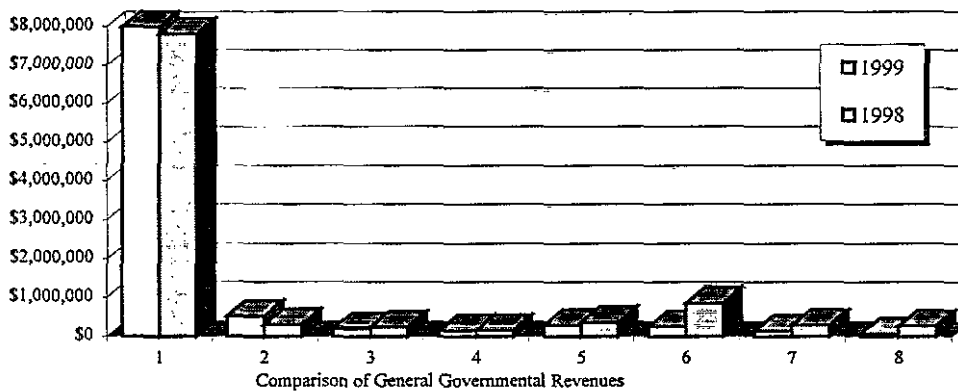
Special Assessment receipts dropped 69% from 1998 due to the reclassification of tax revenues previously recorded in error as special assessments.

Fines and Forfeitures declined 48% as the City's Mayor's Court collections decreased by over \$120,000 from 1998 to 1999. This decline is also directly attributable to the April tornado and the safety forces focus on protecting property and restoring order in the aftermath of the tornado.

All other revenues declined \$202,574 (72.12%) from 1998 to 1999. The decrease was attributable to two major factors, (1) nearly \$90,000 being received by the City in 1998 as reimbursement for legal fees from a lawsuit and (2) a one-time Workers' Compensation reimbursement to the City for over \$60,000 during the same year.

A comparison of 1998 and 1999 governmental funds revenue follows:

Revenue Source	1999 Total	Percent of Total	1998 Total	Increase (Decrease) over 1998	Percent of Increase (Decrease)
1. Taxes	\$7,998,679	82.52%	\$7,815,545	\$183,134	2.34%
2. Intergovernmental Revenues	529,898	5.47%	314,739	215,159	68.36%
3. Charges for Services	212,272	2.19%	253,453	(41,181)	(16.25%)
4. Licenses and Permits	159,297	1.64%	162,761	(3,464)	(2.13%)
5. Investment Earnings	298,124	3.08%	368,884	(70,760)	(19.18%)
6. Special Assessments	264,124	2.72%	855,887	(591,763)	(69.14%)
7. Fines and Forfeitures	153,457	1.58%	297,359	(143,902)	(48.39%)
8. All Other Revenues	78,324	0.81%	280,898	(202,574)	(72.12%)
Total	\$9,694,175	100.00%	\$10,349,526	(\$655,351)	



Expenditures

Governmental fund type expenditures (i.e., general, special revenue, debt service and capital projects funds) for 1999 increased 26%, excluding capital outlay, debt principal and interest.

Security of Persons and Property increased 38%, primarily as a result of the additional costs associated with the tornado. Approximately \$500,000 of the increase is directly attributable to the tornado and a majority of the remaining increase in costs related to increases in salaries, overtime, pension and workers' compensation costs which were all indirectly impacted by the tornado.

Leisure Time Activities increased by \$105,558 as a result of additional expenditures for capital equipment and projects, supplies and materials, and the addition of a special events function.

Basic Utility Services decreased by over 99% as the result of reclassifying solid waste removal expenditures from Basic Utility Services to General Government.

Transportation showed an increase of 32% from 1998 to 1999 due to a capital projects increase of \$235,000.

As noted above, solid waste removal expenditures were reclassified in 1999 to General Government which accounted for approximately half of the increase. In addition, solid waste collection and disposal costs increased by approximately \$150,000 accounting for the majority of the \$616,860 increase in general governmental expenditures. The remaining increase was due to routine increases in salaries, fringe benefits and costs of materials and supplies.

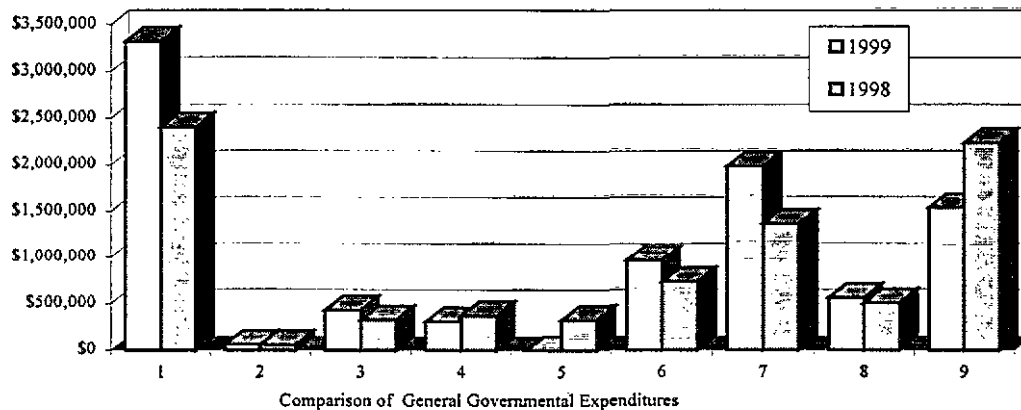
Debt payments declined 31% as two general obligation bonds were retired in 1998 and \$200,000 more in notes payable were retired during that year than in 1999.

Capital Outlay increased in 1999 by approximately 11% or \$54,675. This relatively minor increase resulted from routine increases in the costs of capital items from 1998 to 1999.

The following graph illustrates the distribution of operating costs for the City in 1999, with comparative data for 1998:

This governmental expenditure data is shown in table form on the following page.

Function	1999 Total	Percent of Total	1998 Total	Increase (Decrease) over 1998	Percent of Increase (Decrease)
1. Security of Persons & Property	\$3,322,830	36.18%	\$2,406,355	\$916,475	38.09%
2. Public Health & Welfare Services	62,852	0.68%	59,926	2,926	4.88%
3. Leisure Time Activities	431,869	4.70%	326,311	105,558	32.35%
4. Community Environment	310,787	3.38%	373,941	(63,154)	(16.89%)
5. Basic Utility Services	1,152	0.01%	328,556	(327,404)	(99.65%)
6. Transportation	965,784	10.52%	734,320	231,464	31.52%
7. General Government	1,985,387	21.62%	1,368,527	616,860	45.07%
8. Capital Outlay	562,123	6.12%	507,448	54,675	10.77%
9. Debt Service - Principal	683,000	7.44%	1,291,481	(608,481)	(47.11%)
10. Debt Service - Interest	858,454	9.35%	947,125	(88,671)	(9.36%)
Total	\$9,184,238	100.00%	\$8,343,990	\$840,248	



Proprietary Funds

An enterprise fund recorded the activities of the municipal pool. The value of the fund's fixed assets declined \$56,862, which represents the 1999 depreciation expense which was offset in part by the acquisition of new assets costing \$5,145. It is Council's intention to have the fees charged for use of the pool and from the sale of concessions to cover the costs of running and maintaining this facility.

Fiduciary Funds

The fiduciary funds--Historical Trust, Mayor's Court and Trust Reimbursement--collectively increased their balances by \$59,329, primarily due to a large amount of reimbursements collected in the Historical Trust fund. The Trust Reimbursement fund held minor amounts to be remitted monthly to the state for building permit fees.

Debt Administration

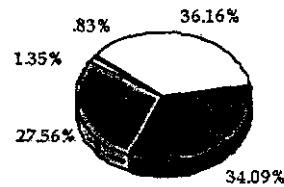
At December 1999, the City had outstanding general obligation bonds in the amount of \$12,125,000, special assessments bonds of \$2,992,644, and a long-term compensated absences balance of \$174,799. The major capital projects undertaken in recent years are completed, therefore, no further general obligation debt is anticipated within the next couple of years.

Cash Administration

Cash temporarily idle during the year was invested in interest-bearing demand deposit accounts or in the State Treasurer's investment pool, STAR Ohio. Funds which were determined to be available for long term investment (\$2,152,585) were invested in U.S. Government Securities, a certificate of deposit, and a special assessment bond (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.

1999

Cash Resources	1999	%
Cash	\$2,467,366	34.09
U S Government Securities	1,994,562	27.56
Investments (City's Debt)	97,644	1.35
Certificates of Deposit	60,379	0.83
STAR Ohio	2,617,218	36.16
Total Resources	\$7,237,169	100.00



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 operational 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.

OTHER INFORMATION

Independent Audit

The general purpose financial statements of the City of Montgomery were audited by the independent accounting firm of Foxx & Company. The independent auditors' report on the general purpose financial statements are included in the financial section of 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, 1998. 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.

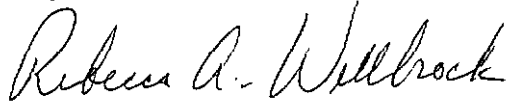
A Certificate of Achievement is valid for a period of one year only. The City of Montgomery has received a Certificate of Achievement for the last four consecutive years (fiscal years ended December 31, 1995, 1996, 1997 and 1998). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

I want to extend sincere appreciation to the many individuals who have contributed their time and effort in gathering data for this report, particularly the staff of the Finance Department, 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 City Manager and the Montgomery City Council. Their commitment to sound financial practices and reporting is the reason this CAFR is possible.

Respectfully submitted,

A handwritten signature in black ink that reads "Rebecca A. Wellbrock". The signature is written in a cursive style with a large initial 'R'.

Rebecca A. Wellbrock
Acting Finance Director

CITY OF MONTGOMERY, OHIO
PRINCIPAL OFFICIALS
DECEMBER 31, 1999

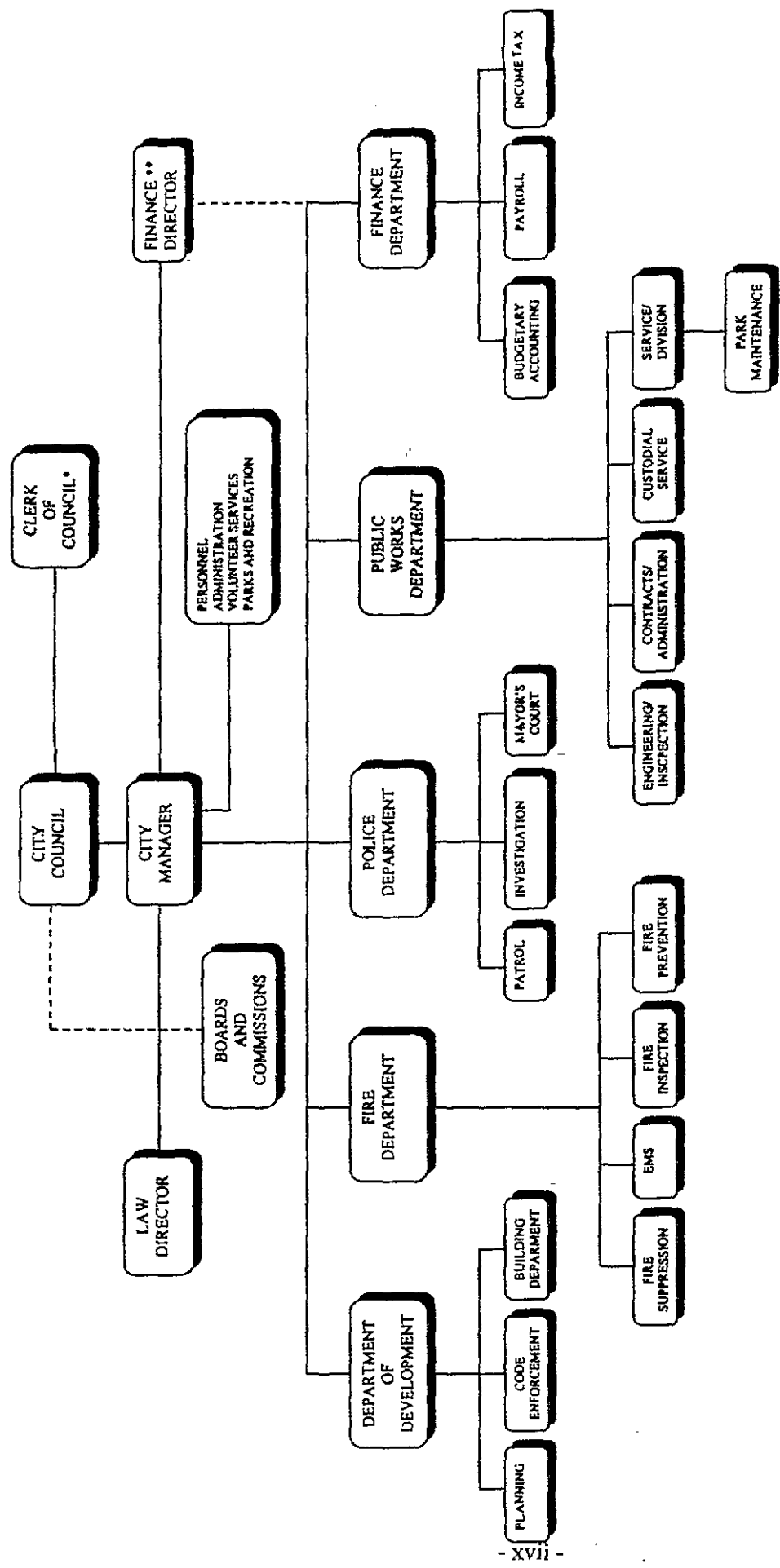
Elected Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Gary Blomberg	Mayor	November 2001
Don Cornett	Vice Mayor	November 2003
Jeanne Archiabile	Council	November 2001
Gerri Harbison	Council	November 2003
Gary Gross	Council	November 2001
George Rehfeldt	Council	November 2003
Gene McCracken	Council	November 2001

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
Rebecca Wellbrock	Director of Finance	Indefinite

CITY OF MONTGOMERY
 ORGANIZATIONAL CHART BY FUNCTION



*CLERK OF COUNCIL FUNCTIONS ARE PROVIDED THROUGH THE ADMINISTRATIVE COORDINATOR POSITION IN THE CITY MANAGERS OFFICE WITH CITY COUNCIL CONFIRMING THE APPOINTMENT AS CLERK OF COUNCIL

**FINANCE DIRECTOR: IS HIRED BY CITY COUNCIL WITH DAY-TO-DAY REPORTING RESPONSIBILITY TO CITY MANAGER UNDER FINANCE DEPARTMENT

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, 1998

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.



Cary Brubaker
President

Jeffrey L. Esalt
Executive Director

FINANCIAL SECTION



Foxx & Company
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Honorable Members of City Council
City of Montgomery, Ohio

We have audited the accompanying general-purpose financial statements of the City of Montgomery, Ohio, as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Montgomery, Ohio's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Montgomery, Ohio, as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated June 16, 2000 on our consideration of the City of Montgomery, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City of Montgomery, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

The statistical data listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statement of the City of Montgomery, Ohio. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion on it.

Fox & Company

Cincinnati, Ohio
June 16, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 1999 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY FUND FOR THE YEAR THEN ENDED.

THE CITY OF MONTGOMERY, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999

	<i>Governmental</i>			
	<i>Fund Types</i>			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
Assets and Other Debits:				
Assets:				
Cash and Cash Equivalents	\$3,931,477	\$1,122,629	\$0	\$0
Investments	35,021	0	1,254,498	679,531
Receivables (net of allowance for doubtful accounts):				
Taxes	1,769,498	1,559,573	285,272	53,275
Accounts	13,564	3,919	0	0
Special Assessments	0	0	5,514,638	0
Due from Other Funds	4,856	0	0	0
Intergovernmental Receivables	209,746	4,544	0	0
Prepaid Items	2,275	1,619	0	0
Restricted Assets:				
Cash with Fiscal Agent	0	0	0	0
Fixed Assets (net of accumulated depreciation)	0	0	0	0
Construction in Progress	0	0	0	0
Other Debits:				
Amount Available in Debt Service Funds	0	0	0	0
Amount to be Provided for				
General Long-Term Obligations	0	0	0	0
Total Assets and Other Debits	\$5,966,437	\$2,692,284	\$7,054,408	\$732,806
Liabilities, Equity and Other Credits:				
Liabilities:				
Accounts Payable	\$139,678	\$24,040	\$200	\$451
Accrued Wages and Benefits	107,789	54,392	0	0
Due to Other Funds	0	0	0	0
Intergovernmental Payables	0	0	0	0
Deferred Revenue	1,368,303	1,559,573	5,666,723	0
Compensated Absences Payable	10,590	0	0	0
Special Assessment Bonds Payable with Governmental Commitment	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	1,626,360	1,638,005	5,666,923	451
Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	247,584	124,936	0	294,218
Reserved for Prepaid Items	2,275	1,619	0	0
Reserved for Debt Service	0	0	1,387,485	0
Unreserved	4,090,218	927,724	0	438,137
Total Equity and Other Credits	4,340,077	1,054,279	1,387,485	732,355
Total Liabilities, Equity and Other Credits	\$5,966,437	\$2,692,284	\$7,054,408	\$732,806

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF MONTGOMERY, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999

<i>Proprietary Fund Type</i>	<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		<i>Totals (Memorandum Only)</i>
Enterprise Fund	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$25,622	\$0	\$0	\$0	\$5,079,728
0	183,535	0	0	2,152,585
0	0	0	0	3,667,618
0	4,811	0	0	22,294
0	0	0	0	5,514,638
0	0	0	0	4,856
0	0	0	0	214,290
0	0	0	0	3,894
0	4,856	0	0	4,856
1,648,382	0	14,486,346	0	16,134,728
0	0	180,897	0	180,897
0	0	0	1,387,485	1,387,485
0	0	0	13,904,958	13,904,958
<u>\$1,674,004</u>	<u>\$193,202</u>	<u>\$14,667,243</u>	<u>\$15,292,443</u>	<u>\$48,272,827</u>
\$1,411	\$34,619	\$0	\$0	\$200,399
12	0	0	0	162,193
0	4,856	0	0	4,856
0	4,811	0	0	4,811
0	0	0	0	8,594,599
0	0	0	174,799	185,389
0	0	0	2,992,644	2,992,644
0	0	0	12,125,000	12,125,000
1,423	44,286	0	15,292,443	24,269,891
0	0	14,667,243	0	14,667,243
1,752,327	0	0	0	1,752,327
(79,746)	0	0	0	(79,746)
0	1,670	0	0	668,408
0	0	0	0	3,894
0	0	0	0	1,387,485
0	147,246	0	0	5,603,325
<u>1,672,581</u>	<u>148,916</u>	<u>14,667,243</u>	<u>0</u>	<u>24,002,936</u>
<u>\$1,674,004</u>	<u>\$193,202</u>	<u>\$14,667,243</u>	<u>\$15,292,443</u>	<u>\$48,272,827</u>



THE CITY OF MONTGOMERY, OHIO
COMBINED STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	<i>Governmental</i>			<i>Fiduciary</i>		Totals (Memorandum Only)
	<i>Fund Types</i>			<i>Fund Type</i>		
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Expendable Trust Fund	
Revenues:						
Taxes	\$4,448,414	\$1,254,865	\$1,752,000	\$543,400	\$0	\$7,998,679
Intergovernmental Revenues	525,354	4,544	0	0	0	529,898
Charges for Services	134,109	78,163	0	0	27,861	240,133
Licenses and Permits	117,204	42,093	0	0	0	159,297
Investment Earnings	218,067	64,872	15,185	0	7,402	305,526
Special Assessments	0	0	233,610	30,514	0	264,124
Fines and Forfeitures	131,786	21,671	0	0	0	153,457
All Other Revenues	63,983	14,341	0	0	76,000	154,324
Total Revenues	<u>5,638,917</u>	<u>1,480,549</u>	<u>2,000,795</u>	<u>573,914</u>	<u>111,263</u>	<u>9,805,438</u>
Expenditures:						
Current:						
Security of Persons and Property	2,290,613	1,032,217	0	0	0	3,322,830
Public Health and Welfare Services	62,852	0	0	0	0	62,852
Leisure Time Activities	401,958	29,911	0	0	0	431,869
Community Environment	308,729	2,058	0	0	13,458	324,245
Basic Utility Services	1,152	0	0	0	0	1,152
Transportation	0	965,784	0	0	0	965,784
General Government	1,859,577	19,143	100,000	6,667	0	1,985,387
Capital Outlay	0	0	0	562,123	8,218	570,341
Debt Service:						
Principal Retirements	0	0	683,000	0	0	683,000
Interest and Fiscal Charges	0	96	849,946	8,412	0	858,454
Total Expenditures	<u>4,924,881</u>	<u>2,049,209</u>	<u>1,632,946</u>	<u>577,202</u>	<u>21,676</u>	<u>9,205,914</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	714,036	(568,660)	367,849	(3,288)	89,587	599,524
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	276,415	0	0	0	0	276,415
Proceeds from Special Assessment Bonds	0	0	0	97,644	0	97,644
Operating Transfers In	0	627,400	556,830	232,401	0	1,416,631
Operating Transfers Out	(660,801)	(199,000)	(556,830)	0	0	(1,416,631)
Total Other Financing Sources (Uses)	<u>(384,386)</u>	<u>428,400</u>	<u>0</u>	<u>330,045</u>	<u>0</u>	<u>374,059</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	329,650	(140,260)	367,849	326,757	89,587	973,583
Restated Fund Balance at Beginning of Year	<u>4,010,427</u>	<u>1,194,539</u>	<u>1,019,636</u>	<u>405,598</u>	<u>59,329</u>	<u>6,689,529</u>
Fund Balance at End of Year	<u>\$4,340,077</u>	<u>\$1,054,279</u>	<u>\$1,387,485</u>	<u>\$732,355</u>	<u>\$148,916</u>	<u>\$7,663,112</u>

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF MONTGOMERY, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$4,539,477	\$4,788,721	\$249,244	\$1,180,261	\$1,277,596	\$97,335
Intergovernmental Revenues	298,446	337,747	39,301	0	0	0
Charges for Services	155,075	173,314	18,239	61,875	78,444	16,569
Licenses and Permits	120,738	117,704	(3,034)	30,000	42,093	12,093
Investment Earnings	225,000	332,680	107,680	31,916	64,872	32,956
Special Assessments	0	0	0	0	0	0
Fines and Forfeitures	126,500	128,081	1,581	20,500	21,623	1,123
All Other Revenues	78,794	66,348	(12,446)	9,556	14,341	4,785
Total Revenues	5,544,030	5,944,595	400,565	1,334,108	1,498,969	164,861
Expenditures:						
Current:						
Security of Persons and Property	2,372,233	2,324,840	47,393	1,104,586	1,069,346	35,240
Public Health and Welfare Services	65,847	60,269	5,578	0	0	0
Leisure Time Activities	481,745	426,206	55,539	80,330	77,411	2,919
Community Environment	387,367	361,124	26,243	3,500	2,558	942
Transportation	0	0	0	1,065,753	1,030,374	35,379
General Government	2,188,509	2,105,283	83,226	19,598	18,808	790
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	96	96	0
Total Expenditures	5,495,701	5,277,722	217,979	2,273,863	2,198,593	75,270
Excess (Deficiency) of Revenues Over (Under) Expenditures	48,329	666,873	618,544	(939,755)	(699,624)	240,131
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	175,000	276,415	101,415	0	0	0
Proceeds from Special Assessment Bonds	0	0	0	0	0	0
Operating Transfers In	0	0	0	616,780	627,400	10,620
Operating Transfers Out	(661,132)	(660,801)	331	(209,000)	(199,000)	10,000
Total Other Financing Sources (Uses)	(486,132)	(384,386)	101,746	407,780	428,400	20,620
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(437,803)	282,487	720,290	(531,975)	(271,224)	260,751
Fund Balance at Beginning of Year	3,393,593	3,393,593	0	1,238,079	1,238,079	0
Prior Year Encumbrances	54,183	54,183	0	20,060	20,060	0
Fund Balance at End of Year	\$3,009,973	\$3,730,263	\$720,290	\$726,164	\$986,915	\$260,751

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF MONTGOMERY, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

<i>Debt Service Funds</i>			<i>Capital Projects Funds</i>			<i>Totals (Memorandum Only)</i>		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$2,228,681	\$1,822,600	(\$406,081)	\$481,414	\$509,463	\$28,049	\$8,429,833	\$8,398,380	(\$31,453)
0	0	0	0	0	0	298,446	337,747	39,301
0	0	0	0	0	0	216,950	251,758	34,808
0	0	0	0	0	0	150,738	159,797	9,059
15,803	19,449	3,646	0	0	0	272,719	417,001	144,282
232,000	233,610	1,610	30,500	30,514	14	262,500	264,124	1,624
0	0	0	0	0	0	147,000	149,704	2,704
0	0	0	0	0	0	88,350	80,689	(7,661)
2,476,484	2,075,659	(400,825)	511,914	539,977	28,063	9,866,536	10,059,200	192,664
0	0	0	0	0	0	3,476,819	3,394,186	82,633
0	0	0	0	0	0	65,847	60,269	5,578
0	0	0	0	0	0	562,075	503,617	58,458
0	0	0	0	0	0	390,867	363,682	27,185
0	0	0	0	0	0	1,065,753	1,030,374	35,379
100,532	100,000	532	6,667	6,667	0	2,315,306	2,230,758	84,548
0	0	0	913,742	856,314	57,428	913,742	856,314	57,428
920,000	918,000	2,000	0	0	0	920,000	918,000	2,000
863,990	858,358	5,632	0	0	0	864,086	858,454	5,632
1,884,522	1,876,358	8,164	920,409	862,981	57,428	10,574,495	10,215,654	358,841
591,962	199,301	(392,661)	(408,495)	(323,004)	85,491	(707,959)	(156,454)	551,505
0	0	0	0	0	0	175,000	276,415	101,415
0	0	0	97,658	97,644	(14)	97,658	97,644	(14)
199,000	755,830	556,830	33,401	33,401	0	849,181	1,416,631	567,450
(556,830)	(556,830)	0	0	0	0	(1,426,962)	(1,416,631)	10,331
(357,830)	199,000	556,830	131,059	131,045	(14)	(305,123)	374,059	679,182
234,132	398,301	164,169	(277,436)	(191,959)	85,477	(1,013,082)	217,605	1,230,687
860,461	860,461	0	535,240	535,240	0	6,027,373	6,027,373	0
0	0	0	41,706	41,706	0	115,949	115,949	0
\$1,094,593	\$1,258,762	\$164,169	\$299,510	\$384,987	\$85,477	\$5,130,240	\$6,360,927	\$1,230,687

**THE CITY OF MONTGOMERY, OHIO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN ACCUMULATED DEFICIT
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Enterprise Fund</u>
<u>Operating Revenues:</u>	
Charges for Services	\$140,138
Other Operating Revenues	380
Total Operating Revenues	<u>140,518</u>
<u>Operating Expenses:</u>	
Personal Services	79,810
Materials and Supplies	46,581
Depreciation Expense	56,862
Total Operating Expenses	<u>183,253</u>
Operating Loss	(42,735)
<u>Nonoperating Revenues (Expenses):</u>	
Investment Earnings	2,059
Total Nonoperating Revenues	<u>2,059</u>
Net Loss	(40,676)
Accumulated Deficit at Beginning of Year	<u>(39,070)</u>
Accumulated Deficit at End of Year	<u><u>(\$79,746)</u></u>

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF MONTGOMERY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u><i>Enterprise Fund</i></u>
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$140,518
Cash Payments for Goods and Services	(45,697)
Cash Payments to Employees	(80,658)
Net Cash Provided by Operating Activities	<u>14,163</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Acquisition and Construction of Assets	(5,145)
Net Cash Used for Capital and Related Financing Activities	<u>(5,145)</u>
<u>Cash Flows from Investing Activities:</u>	
Receipts of Interest	2,059
Net Cash Provided by Investing Activities	<u>2,059</u>
Net Increase in Cash and Cash Equivalents	11,077
Cash and Cash Equivalents at Beginning of Year	14,545
Cash and Cash Equivalents at End of Year	<u><u>\$25,622</u></u>
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Loss	(\$42,735)
Adjustments to Reconcile Operating Loss to	
Net Cash Provided by Operating Activities:	
Depreciation Expense	56,862
Changes in Assets and Liabilities:	
Increase in Accounts Payable	24
Increase in Accrued Wages and Benefits	12
Total Adjustments	<u>56,898</u>
Net Cash Provided by Operating Activities	<u><u>\$14,163</u></u>

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF MONTGOMERY, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying general purpose financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary fund. The financial statements are presented as of December 31, 1999 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 general purpose 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, account groups, 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 and the CIC only serves the City of Montgomery.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

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 (except those accounted for in the proprietary fund) 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 governmental fund types:

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.

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds - These funds are used for the accumulation of resources for, and the payment of, general obligation and special assessment long-term debt principal and interest other than those accounted for in the proprietary fund.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Fund

Enterprise Fund - This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund is accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Fund equity (i.e. net assets) is segregated into contributed capital and retained earnings components. The enterprise fund operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The Municipal Pool Fund is operated as an enterprise fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

Trust and Agency Funds - These funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City maintains an expendable trust fund and agency funds. Expendable trust funds are accounted for and reported similarly to governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of the general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for fixed assets of the City, other than those accounted for in the proprietary fund.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt and other long-term obligations of the City except those accounted for in the proprietary fund.

C. 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 and expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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, 1999 but which are not intended to finance 1999 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 5.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Pursuant to GASB Statement No. 20, *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,"* the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

D. 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 by fund at the major object level (personal services, materials and supplies, contractual services, capital outlay, and transfers) by department. Budgetary control is maintained by not permitting expenditures to exceed appropriations at the major object level for each department within each fund without the approval of City Council.

Administrative control is maintained through the establishment of more detailed line-item budgets. Budgetary modifications above the major object level by fund may only be made by ordinance of the City Council. During 1999, all appropriations were approved as required and all funds and departments completed the year within their legally authorized appropriations.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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 the projected receipts by fund. Prior to December 31, the City must revise its budget so 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 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 1999.

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 fund, department and 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 may not legally exceed budgeted appropriations at the object level. During the year, several supplemental appropriations were necessary to budget note proceeds, contingency funds and intergovernmental grants. The supplemental appropriations increased year end appropriations by approximately 17% over the appropriation ordinance approved in January 1999. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--All Governmental Fund Types are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

5. 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.

6. 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. 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 budgetary basis statements for the governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
GAAP Basis (as reported)	\$329,650	(\$140,260)	\$367,849	\$326,757
Increase (Decrease):				
Accrued Revenues at December 31, 1999 received during 2000	(556,432)	(8,463)	(128,923)	(53,275)
Accrued Revenues at December 31, 1998 received during 1999	862,006	26,883	159,375	63,750
Accrued Expenditures at December 31, 1999 paid during 2000	258,057	78,432	200	451
Accrued Expenditures at December 31, 1998 paid during 1999	(299,355)	(90,483)	(200)	(98)
1998 Prepays for 1999	0	0	0	0
1999 Prepays for 2000	(2,275)	(1,619)	0	0
General Obligation Note Retirements	0	0	0	(235,000)
Outstanding Encumbrances	(309,164)	(135,714)	0	(294,544)
Budget Basis	\$282,487	(\$271,224)	\$398,301	(\$191,959)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**E. Cash and Cash Equivalents**

During fiscal year 1999, 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 general purpose 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. For purposes of the statement of cash flows, the proprietary fund considers its share of equity in pooled repurchase agreements and STAR Ohio to be cash equivalents. See Note 4, "Cash, Cash Equivalents and Investments."

F. 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 certificate of deposit at cost which approximates fair value. 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. Fair value is determined by quoted market prices. See Note 4, "Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 1999. 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, 1999.

G. Fixed Assets and Depreciation

The accounting and reporting treatment applied to fixed assets is determined by their ultimate use.

1. Property, Plant and Equipment - General Governmental Purposes

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Fixed Assets and Depreciation (Continued)

1. Property, Plant and Equipment - General Governmental Purposes (Continued)

General fixed asset values were initially determined 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 fixed assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

The City has elected not to record depreciation in the General Fixed Assets Account Group.

2. Property, Plant and Equipment - Proprietary Fund

Property, plant and equipment acquired by the proprietary fund is stated at cost (or estimated historical cost), including interest capitalized during construction, and architectural and engineering fees where applicable. Contributed fixed assets are recorded at fair market value at the date received.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (Years)</u>
Buildings and Improvements	15 - 25
Machinery, equipment, furniture and fixtures	3 - 10

H. 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)
General Obligation Bonds	Debt Service Funds (General Obligation Bond Retirement Fund) (Pioneer Park Bond Retirement Fund) (Reserve of Montgomery Bond Retirement Fund)
Compensated Absences	General Fund Special Revenue Funds (Fire Protection Fund) (Street Construction, Maintenance and Repair Fund)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences

All full-time City employees earn vacation at varying rates based upon length of service. An employee's vacation time may be carried over and accumulated in subsequent calendar years in an amount not to exceed the amount of vacation earned in a two-year period. 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 1.25 days per calendar month of active service. Upon separation from the City, other than retirement under the PERS of Ohio or the PFDPF System of Ohio, an employee shall receive one day of monetary compensation for every three days of unused sick leave; the monetary compensation shall be at the hourly rate of compensation of the employee at the time of resignation if the employee is not given credit at his next place of employment.

Upon retirement from the City's service, 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 that is expected to be paid using expendable, available resources 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." The remaining portion of the liability is reported in the General Long-Term Obligations Account Group.

J. Pensions

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

K. Contributed Capital

Proprietary fund type contributed capital is recorded at fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from grants, entitlements and shared revenues is recorded as an operating expense and closed along with other operating expenses directly to retained earnings.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Operating transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Operating Transfers In" by the recipient fund, and "Operating Transfers Out" by the disbursing fund.
- Residual equity transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance. There were no residual equity transfers during 1999.

Transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the City are similarly treated when involving other funds of the City. The City also advances cash from one fund to another as necessary to meet current obligations.

M. 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 debt service and encumbered amounts that have not been accrued at year end.

N. Total Columns on Combined Financial Statements - Overview

Total columns on the Combined Statements-Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - PRIOR PERIOD ADJUSTMENTS

The beginning fund balance of the following funds have been restated to correct errors in accounting for the reporting of notes payable. The accounting errors have required a restatement of beginning fund balance at December 31, 1998 in the following fund types in the amounts noted:

Fund Type	Fund Balance as Reported 12/31/98	Accounting Error Adjustment Increase/ (Decrease)	Fund Balance as Restated 12/31/98
Debt Service Funds	\$1,236,819	(\$217,183)	\$1,019,636
Capital Projects Funds	188,415	217,183	405,598

NOTE 2 – PRIOR PERIOD ADJUSTMENTS (Continued)

In addition to the above noted changes to fund balance the prior period adjustments had the following effect on prior year excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses:

Fund Type	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses as Reported 12/31/98	Accounting Error Adjustment Increase/ (Decrease)	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses/ as Restated 12/31/98
Debt Service Funds	\$527,465	(\$217,183)	\$310,282
Capital Projects Funds	36,730	217,183	253,913

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

Retained Earnings Deficit - The accumulated deficit at December 31, 1999 of \$79,746 in the Municipal Pool Fund (enterprise fund) arose from the recognition of expenses on the accrual basis of accounting which are greater than expenses on the cash basis of accounting. A deficit does not exist under the cash basis of accounting. The general fund provides operating transfers when cash is required, not when accruals occur.

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NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of a majority of individual funds are combined to form a pool of cash and investments. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents." Ohio law requires 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 "cash equivalent" 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 two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

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

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

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

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 110% 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. Based upon criteria described in GASB Statement No. 3 "Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements," collateral held in single financial collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3.

The Governmental Accounting Standards Board has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investments:

- Category 1 Insured or registered, or securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

A. Deposits

At year end, the carrying amount of the City's deposits was \$2,527,745 and the depository balance was \$2,620,949. Of the depository balance, \$190,974 was covered by federal depository insurance; \$2,429,975 was covered by collateral held by third party trustees in single financial institution collateral pools, but not in the City's name, collateralizing all public funds on deposit with the specific depository institution. In accordance with Section 135.18 of the Ohio Revised Code, all deposits with eligible financial institutions must be collateralized in an amount equal to 110% of uninsured deposits. A qualified trustee as defined by state law must hold the collateral. In addition, the City held \$1,500 in petty cash funds.

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

The City's investments at December 31, 1999 are summarized below:

<u>Categorized Investments</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Fair Value</u>
City of Montgomery			
Special Assessment Bond	\$97,644	\$0	\$97,644
US Government Securities	N/A	1,994,562	1,994,562
<u>Total Categorized Investments</u>	<u>97,644</u>	<u>1,994,562</u>	<u>2,092,206</u>
<u>Non-Categorized Investments</u>			
STAR Ohio	N/A	N/A	2,617,218
<u>Total Investments</u>	<u>\$97,644</u>	<u>\$1,994,562</u>	<u>\$4,709,424</u>

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Repurchase agreements and STAR Ohio are treated as cash and cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note is based on criteria set forth in GASB Statement No. 3.

A reconciliation between classifications of cash and investments on the combined financial statements and the classifications per items A and B of this note are as follows:

	<u>Cash and Cash Equivalents *</u>	<u>Investments</u>
Per Combined Balance Sheet	\$5,084,584	\$2,152,585
Certificates of Deposit	60,379	(60,379)
(with maturities of more than 3 months)		
Investments:		
STAR Ohio	(2,617,218)	2,617,218
<u>Per GASB Statement No. 3</u>	<u>\$2,527,745</u>	<u>\$4,709,424</u>

* Includes Cash with Fiscal Agent.

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property which is used in business, located in the City. Real property taxes (other than public utility) collected during 1999 were levied after October 1, 1998 on assessed values as of January 1, 1998, 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 1996. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually. The first payment is due April 30, with the remainder payable by September 20.

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

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

The full tax rate for all City operations for the year ended December 31, 1999 was \$9.15 per \$1,000 of assessed value. The assessed value upon which the 1999 levy was based was \$346,452,860. This amount constitutes \$319,012,100 in real property assessed value, \$8,024,660 in public utility assessed value and \$19,416,100 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 .915% (9.15 mills) of assessed value.

NOTE 5 - TAXES (Continued)

B. Income Tax

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

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

NOTE 6 - RECEIVABLES

Receivables at December 31, 1999 consisted of taxes, interest, accounts receivable, special assessments, interfund 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.

NOTE 7 - INTERFUND BALANCES

Individual interfund balances at December 31, 1999 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$4,856	\$0
Agency Fund:		
Mayor's Court Fund	0	4,856
Totals	\$4,856	\$4,856

NOTE 8 - OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 1999:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$660,801
Special Revenue Funds:		
Memorial Fund	2,400	0
Fire Protection - EMS Fund	0	119,000
Environmental Impact Tax Fund	40,000	80,000
Street Construction, Maintenance and Repair Fund	575,000	0
Street and Storm Sewer Fund	10,000	0
Total Special Revenue Funds	627,400	199,000
Debt Service Funds:		
General Obligation Bond Retirement Fund	0	556,830
Ohio National Tax Increment Fund	556,830	0
Total Debt Service Funds	556,830	556,830
Capital Projects Funds:		
Capital Improvement Fund	199,000	0
Special Assessment Capital Projects Fund	33,401	0
Total Capital Projects Funds	232,401	0
Totals	\$1,416,631	\$1,416,631

NOTE 9 - FIXED ASSETS

A. General Fixed Assets

Summary by category of changes in general fixed assets:

Category	December 31, 1998	Additions	Deletions	December 31, 1999
Land	\$5,746,083	\$0	(\$252,300)	\$5,493,783
Buildings	3,036,058	41,168	(182,700)	2,894,526
Improvements Other than Buildings	3,812,994	15,205	0	3,828,199
Machinery and Equipment	2,014,696	255,142	0	2,269,838
Construction in Progress	0	180,897	0	180,897
Totals	\$14,609,831	\$492,412	(\$435,000)	\$14,667,243

NOTE 9 - FIXED ASSETS (Continued)

B. Proprietary Fixed Assets

Summary by category at December 31, 1999:

Category	Historical Cost	Accumulated Depreciation	Book Value
Land	\$405,576	\$0	\$405,576
Buildings	660,143	(66,014)	594,129
Improvements Other than Buildings	719,324	(117,977)	601,347
Machinery and Equipment	72,004	(24,674)	47,330
Property, Plant and Equipment	\$1,857,047	(\$208,665)	\$1,648,382

Contributed Capital in the Proprietary Fund did not change during 1999. The balance at December 31, 1999 is \$1,752,327.

NOTE 10 – 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. Public Employees Retirement System (the “PERS of Ohio”)

The following information was provided by the PERS of Ohio 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 the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 1999 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.35% to fund the pension and 4.2% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City’s contributions to the PERS of Ohio for the years ending December 31, 1999, 1998 and 1997 were \$184,695, \$170,358 and \$160,853, respectively, which were equal to the required contributions for each year.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**A. Public Employees Retirement System (the “PERS of Ohio”)** (Continued)

The PERS of Ohio provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 1999 employer contribution rate (identified above) that was used to fund health care for the year 1999 was 4.2% of covered payroll which amounted to \$57,249.

Other Postemployment Benefits (OPEB) are financed through employer contributions and investment earnings thereon. Funding and accounting were on a pay-as-you-go basis. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. Expenditures for other postemployment benefits during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

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

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund 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 Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. 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. The City's contributions to the OP&F Fund for the years ending December 31, 1999, 1998 and 1997 were \$209,318, \$186,490 and \$185,070 for police and \$97,476, \$86,836 and \$86,175 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**B. Ohio Police and Fire Pension Fund (the “OP&F Fund”) (Continued)**

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 1999 covered payroll that was used to fund postemployment health care benefits was \$75,140 representing 7.00% of covered payroll for police and \$28,431 representing 7.00% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 1998, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 11,424 for police and 9,186 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 1998 were \$78,596,790, which was net of member contributions of \$5,331,515.

NOTE 11 - 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 33%. If a full-time employee has accumulated 840 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.

Accrued employee benefits for governmental funds not currently due and payable at year end are recorded in the General Long-Term Obligations Account Group. As of December 31, 1999, the liability for unpaid compensated absences was \$174,799 for all funds of the City, a net increase of \$37,036 from the amount reported at December 31, 1998.

NOTE 12 - LONG-TERM OBLIGATIONS

Activity in the General Long-Term Obligations Account Group in 1999 was as follows:

				Balance		Balance
				December 31,	Issued	December 31,
				1998	(Retired)	1999
General Long-Term Debt:						
General Obligation Bonds:						
5.00 - 7.50%	Pioneer Park Improvement Bond	1991		\$980,000	(\$60,000)	\$920,000
5.20 - 7.50%	Recreation Bonds	1992		1,415,000	(120,000)	1,295,000
5.00 - 7.50%	Parking Lot Bonds	1992		130,000	(10,000)	120,000
6.25%	Park and Recreation Bonds	1993		1,270,000	(55,000)	1,215,000
5.05 - 6.75%	TIF Duke Realty Bonds	1995		3,345,000	(80,000)	3,265,000
4.85%	Public Improvement	1997		5,605,000	(295,000)	5,310,000
Total General Obligation Bonds				12,745,000	(620,000)	12,125,000
Special Assessment Bonds						
With Governmental Commitment:						
5.25 - 5.70%	Acomb Sewer Bonds	1993		360,000	(15,000)	345,000
6.25%	Public Improvement Bonds	1993		2,445,000	(45,000)	2,400,000
6.00%	Swaim Sidewalk Bonds	1994		48,000	0	48,000
6.50%	Street Lighting	1997		31,000	(1,000)	30,000
6.00%	Montgomery Woods Sidewalk	1997		74,000	(2,000)	72,000
6.00%	Tanager Woods	1999		0	97,644	97,644
Total Special Assessment Bonds						
With Governmental Commitment				2,958,000	34,644	2,992,644
Total General Long-Term Debt				15,703,000	(585,356)	15,117,644
Other Long-Term Obligations:						
	Capital Lease	1997		65,195	(65,195)	0
	Compensated Absences			137,763	37,036	174,799
Total Other Long-Term Obligations				202,958	(28,159)	174,799
Total General Long-Term Debt and Other Long-Term Obligations				\$15,905,958	(\$613,515)	\$15,292,443

The principal amount of the City's special assessment debt outstanding at December 31, 1999 of \$2,992,644, 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 \$54,709 in the Special Assessment Bond Retirement Fund and the balance of \$26,077 in the Reserve of Montgomery Bond Retirement Fund at December 31, 1999 are reserved for the retirement of outstanding special assessment bonds.

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 General Obligation Bond Retirement 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.

NOTE 12 - LONG-TERM OBLIGATIONS (Continued)

A. Principal and Interest Requirements

Principal and interest requirements to retire long-term debt outstanding at December 31, 1999 are as follows:

Years	General Obligation Bonds		Special Assessment Bonds	
	Bonds	Interest	Bonds	Interest
2000	\$645,000	\$632,706	\$69,654	\$164,507
2001	660,000	592,279	72,814	158,234
2002	690,000	555,499	78,982	153,086
2003	730,000	519,091	84,161	147,482
2004	750,000	480,319	89,351	142,142
2005-2009	3,835,000	1,809,619	543,024	632,636
2010-2014	3,290,000	911,829	692,797	463,423
2015-2019	1,525,000	146,635	701,861	272,235
2020-2023	0	0	660,000	78,850
Totals	\$12,125,000	\$5,647,977	\$2,992,644	\$2,212,595

NOTE 13 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five year period.

	Balance December 31, 1998	Issued (Retired)	Balance December 31, 1999
3.68% Real Estate Acquisition	\$235,000	(\$235,000)	\$0

NOTE 14 - 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 1991 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with other local cities. As of December 31, 1999, the pool has sixteen 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, general liability, boiler and machinery, 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 sixteen 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 full-time Claims Manager, 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.

The sixteen participating cities and their respective pool contribution factors for the loss year ended December 31, 1999 are:

Entity	Percentage
Beavercreek	8.70 %
Blue Ash	6.87
Indian Hill	2.87
Kettering	16.19
Madeira	1.69
Mason	4.47
Miamisburg	12.73
Montgomery	3.97
Sidney	10.21
Springdale	5.42
Tipp City	2.60
Troy	8.03
Vandalia	5.31
West Carrollton	4.45
Wilmington	4.34
Wyoming	2.15
Total	<u>100.00 %</u>

The 1999 pool contribution of the City of Montgomery was \$82,818 representing 3.97% of the total collected from all members for that year's operating costs and projected loss reserves.

NOTE 14 - 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:

Property	\$437,305,462	per occurrence
Crime	1,000,000	per occurrence
Liability	10,500,000	per occurrence
Boiler and Machinery	437,305,462	per occurrence
Public Officials Liability /		
Police Professional Liability	11,000,000	per occurrence
Ambulance Liability	10,500,000	per occurrence
Employee Theft Coverage	3,250,000	per occurrence
Flood (Property)	100,000,000	per occurrence
Earthquake (Property)	100,000,000	per occurrence

The deductible per occurrence for most types of claims is \$2,500, except Boiler and Machinery which is \$1,000. The pool's self insured retention (SIR) for property claims is \$2,501 - \$250,000 per occurrence except Boiler and Machinery which is \$1,001 - \$5,000. The pool's SIR for liability claims is \$500,000 per occurrence. Excess insurance coverage, provided by commercial companies and an excess insurance pool is \$500,001 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, 1999, because an actuarial opinion issued as of that date reported actual reserves in excess of \$3,671,956, an amount in excess of the recommended net reserve of \$1,124,822. MVRMA reported Montgomery's loss experience for years 1998, 1997 and 1996 as \$38,897, \$37,243 and \$18,654 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 1450 East Davidson Road, Suite 1B, Kettering, Ohio 45429.

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 for other risks of loss, including employee health and life insurance. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

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 AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE THE
GENERAL FUND, SPECIAL REVENUE FUNDS, DEBT SERVICE FUNDS,
CAPITAL PROJECTS FUNDS, FIDUCIARY FUNDS AND THE GENERAL FIXED
ASSETS ACCOUNT GROUP.*

GENERAL FUND

The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter and/or the general laws of Ohio.

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$4,539,477	\$4,788,721	\$249,244
Intergovernmental Revenues	298,446	337,747	39,301
Charges for Services	155,075	173,314	18,239
Licenses and Permits	120,738	117,704	(3,034)
Investment Earnings	225,000	332,680	107,680
Fines and Forfeitures	126,500	128,081	1,581
All Other Revenues	78,794	66,348	(12,446)
Total Revenues	5,544,030	5,944,595	400,565
Expenditures:			
Security of Persons and Property:			
Police:			
Personal Services	1,516,909	1,516,909	0
Material, Supplies, and Services	199,210	185,111	14,099
Capital Outlay	155,114	129,728	25,386
Total Police	1,871,233	1,831,748	39,485
Disaster Service:			
Personal Services	21,607	21,607	0
Material, Supplies, and Services	479,393	471,485	7,908
Total Disaster Service	501,000	493,092	7,908
Total Security of Persons and Property	2,372,233	2,324,840	47,393
Public Health and Welfare:			
Public Health and Welfare:			
Personal Services	32,725	31,295	1,430
Material, Supplies, and Services	7,500	7,500	0
Total Public Health and Welfare	40,225	38,795	1,430
Cemetery:			
Material, Supplies, and Services	15,409	11,261	4,148
Capital Outlay	10,213	10,213	0
Total Cemetery	25,622	21,474	4,148
Total Public Health and Welfare	65,847	60,269	5,578

(Continued)

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Leisure Time Activities:			
Recreation:			
Personal Services	65,402	60,056	5,346
Material, Supplies, and Services	52,400	48,737	3,663
Capital Outlay	38,500	33,321	5,179
Total Recreation	156,302	142,114	14,188
City Parks:			
Personal Services	100,793	97,272	3,521
Material, Supplies, and Services	84,810	84,810	0
Capital Outlay	31,520	24,804	6,716
Total City Parks	217,123	206,886	10,237
Lodges:			
Material, Supplies, and Services	10,915	10,915	0
Capital Outlay	7,335	6,874	461
Total Lodges	18,250	17,789	461
Volunteer Services:			
Personal Services	21,320	21,320	0
Material, Supplies, and Services	3,285	2,781	504
Capital Outlay	2,500	2,066	434
Total Volunteer Services	27,105	26,167	938
Special Events:			
Material, Supplies, and Services	62,965	33,250	29,715
Total Special Events	62,965	33,250	29,715
Total Leisure Time Activities	481,745	426,206	55,539
Community Environment:			
Landmarks Commission:			
Material, Supplies, and Services	3,500	2,257	1,243
Capital Outlay	8,000	2,618	5,382
Total Landmarks Commission	11,500	4,875	6,625

(Continued)

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
City Beautiful:			
Material, Supplies, and Services	64,000	62,252	1,748
Capital Outlay	16,800	9,703	7,097
Total City Beautiful	<u>80,800</u>	<u>71,955</u>	<u>8,845</u>
Development:			
Personal Services	167,976	160,052	7,924
Material, Supplies, and Services	80,800	78,193	2,607
Capital Outlay	15,291	15,291	0
Total Development	<u>264,067</u>	<u>253,536</u>	<u>10,531</u>
Planning Commission:			
Personal Services	492	250	242
Material, Supplies, and Services	508	508	0
Capital Outlay	30,000	30,000	0
Total Planning Commission	<u>31,000</u>	<u>30,758</u>	<u>242</u>
Total Community Environment	<u>387,367</u>	<u>361,124</u>	<u>26,243</u>
General Government:			
Administration:			
Personal Services	251,218	239,468	11,750
Material, Supplies, and Services	14,842	14,842	0
Capital Outlay	8,258	8,258	0
Total Administration	<u>274,318</u>	<u>262,568</u>	<u>11,750</u>
Finance Administration:			
Personal Services	148,574	136,508	12,066
Material, Supplies, and Services	57,086	57,086	0
Contractual Services	18,800	18,749	51
Total Finance Administration	<u>224,460</u>	<u>212,343</u>	<u>12,117</u>

(Continued)

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Legal Administration:			
Material, Supplies, and Services	134,000	110,798	23,202
Capital Outlay	5,000	5,000	0
Total Legal Administration	139,000	115,798	23,202
Income Tax:			
Personal Services	103,679	99,892	3,787
Material, Supplies, and Services	18,274	18,274	0
Capital Outlay	7,050	4,036	3,014
Total Income Tax	129,003	122,202	6,801
Council:			
Personal Services	15,778	13,854	1,924
Material, Supplies, and Services	3,855	2,240	1,615
Total Council	19,633	16,094	3,539
Mayor's Court:			
Personal Services	47,219	47,219	0
Material, Supplies, and Services	31,118	19,631	11,487
Total Mayor's Court	78,337	66,850	11,487
Civil Service:			
Material, Supplies, and Services	6,050	3,679	2,371
Total Civil Service	6,050	3,679	2,371
Central Services:			
Personal Services	173,057	168,995	4,062
Material, Supplies, and Services	49,489	48,595	894
Capital Outlay	3,686	3,686	0
Total Central Services	226,232	221,276	4,956
General Administration:			
Material, Supplies, and Services	957,541	956,667	874
Capital Outlay	133,935	127,806	6,129
Total General Administration	1,091,476	1,084,473	7,003
Total General Government	2,188,509	2,105,283	83,226
Total Expenditures	5,495,701	5,277,722	217,979

(Continued)

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over (Under) Expenditures	48,329	666,873	618,544
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	175,000	276,415	101,415
Operating Transfers Out	(661,132)	(660,801)	331
Total Other Financing Sources (Uses)	(486,132)	(384,386)	101,746
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(437,803)	282,487	720,290
Fund Balance at Beginning of Year	3,393,593	3,393,593	0
Prior Year Encumbrances	54,183	54,183	0
Fund Balance at End of Year	<u>\$3,009,973</u>	<u>\$3,730,263</u>	<u>\$720,290</u>

SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or 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.

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.

Fire Protection / EMS Fund

To account for Fire Protection / EMS Levy revenues collected to fund Fire Department operations.

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 revenues distributed 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

Street and Storm Sewer Fund

To account for capital improvements for street projects only.

Arts and Amenities Fund

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

Montgomery Community Improvement Corporation (CIC) Fund

To account for the activity of the CIC, a not-for-profit Ohio corporation. The CIC is an agency and instrumentality of the City for industrial, commercial, distribution and research development, to create or preserve jobs and employment opportunities in the City and improve the economic welfare. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

**THE CITY OF MONTGOMERY, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 1999**

	Memorial	Law Enforcement	Drug Law Enforcement	DUI Enforcement and Education	Mayor's Court Technology
Assets:					
Cash and Cash Equivalents	\$4,830	\$10,746	\$2,285	\$3,460	\$48,575
Receivables (net of allowance for doubtful accounts):					
Taxes	0	0	0	0	0
Accounts	0	0	0	48	0
Intergovernmental Receivables	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Total Assets	\$4,830	\$10,746	\$2,285	\$3,508	\$48,575
Liabilities:					
Accounts Payable	\$90	\$0	\$0	\$0	\$310
Accrued Wages and Benefits	0	0	0	0	125
Deferred Revenue	0	0	0	0	0
Total Liabilities	90	0	0	0	435
Fund Equity:					
Fund Balances:					
Reserved for Encumbrances	0	0	0	0	0
Reserved for Prepaid Items	0	0	0	0	0
Unreserved - Undesignated	4,740	10,746	2,285	3,508	48,140
Total Fund Equity	4,740	10,746	2,285	3,508	48,140
Total Liabilities and Fund Equity	\$4,830	\$10,746	\$2,285	\$3,508	\$48,575

THE CITY OF MONTGOMERY, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 1999

Fire Protection/ EMS	Environmental Impact Tax	Street Construction, Maintenance and Repair	Street and Storm Sewer	Arts and Amenities	Totals
\$403,277	\$29,554	\$171,361	\$74,268	\$374,273	\$1,122,629
1,559,573	0	0	0	0	1,559,573
3,871	0	0	0	0	3,919
0	0	4,544	0	0	4,544
1,576	0	43	0	0	1,619
<u>\$1,968,297</u>	<u>\$29,554</u>	<u>\$175,948</u>	<u>\$74,268</u>	<u>\$374,273</u>	<u>\$2,692,284</u>
\$6,092	\$0	\$15,441	\$2,107	\$0	\$24,040
42,037	0	12,230	0	0	54,392
1,559,573	0	0	0	0	1,559,573
<u>1,607,702</u>	<u>0</u>	<u>27,671</u>	<u>2,107</u>	<u>0</u>	<u>1,638,005</u>
23,386	0	38,698	15,552	47,300	124,936
1,576	0	43	0	0	1,619
335,633	29,554	109,536	56,609	326,973	927,724
360,595	29,554	148,277	72,161	374,273	1,054,279
<u>\$1,968,297</u>	<u>\$29,554</u>	<u>\$175,948</u>	<u>\$74,268</u>	<u>\$374,273</u>	<u>\$2,692,284</u>

THE CITY OF MONTGOMERY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Memorial	Law Enforcement	Drug Law Enforcement	DUI Enforcement and Education	Mayor's Court Technology
Revenues:					
Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenues	0	0	0	0	0
Charges for Services	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Investment Earnings	0	0	0	0	0
Fines and Forfeitures	0	1,158	538	1,205	18,770
All Other Revenues	2,820	0	0	0	0
Total Revenues	<u>2,820</u>	<u>1,158</u>	<u>538</u>	<u>1,205</u>	<u>18,770</u>
Expenditures:					
Current:					
Security of Persons and Property	0	149	0	1,700	0
Leisure Time Activities	0	0	0	0	0
Community Environment	2,058	0	0	0	0
Transportation	0	0	0	0	0
General Government	0	0	0	0	19,143
Debt Service:					
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	<u>2,058</u>	<u>149</u>	<u>0</u>	<u>1,700</u>	<u>19,143</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	762	1,009	538	(495)	(373)
Other Financing Sources (Uses):					
Operating Transfers In	2,400	0	0	0	0
Operating Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>2,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,162	1,009	538	(495)	(373)
Fund Balance at Beginning of Year	1,578	9,737	1,747	4,003	48,513
Fund Balance at End of Year	<u>\$4,740</u>	<u>\$10,746</u>	<u>\$2,285</u>	<u>\$3,508</u>	<u>\$48,140</u>

THE CITY OF MONTGOMERY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

Fire Protection/ EMS	Environmental Impact Tax	Street Construction, Maintenance and Repair	Street and Storm Sewer	Arts and Amenities	Montgomery CIC	Totals
\$942,680	\$0	\$312,185	\$0	\$0	\$0	\$1,254,865
0	0	4,544	0	0	0	4,544
60,689	0	0	0	17,474	0	78,163
0	42,093	0	0	0	0	42,093
39,046	2,428	2,461	0	20,937	0	64,872
0	0	0	0	0	0	21,671
9,691	0	1,441	0	358	31	14,341
<u>1,052,106</u>	<u>44,521</u>	<u>320,631</u>	<u>0</u>	<u>38,769</u>	<u>31</u>	<u>1,480,549</u>
1,030,368	0	0	0	0	0	1,032,217
0	0	0	0	29,911	0	29,911
0	0	0	0	0	0	2,058
0	0	931,798	33,986	0	0	965,784
0	0	0	0	0	0	19,143
0	0	0	0	0	96	96
<u>1,030,368</u>	<u>0</u>	<u>931,798</u>	<u>33,986</u>	<u>29,911</u>	<u>96</u>	<u>2,049,209</u>
21,738	44,521	(611,167)	(33,986)	8,858	(65)	(568,660)
0	40,000	575,000	10,000	0	0	627,400
(119,000)	(80,000)	0	0	0	0	(199,000)
<u>(119,000)</u>	<u>(40,000)</u>	<u>575,000</u>	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>428,400</u>
(97,262)	4,521	(36,167)	(23,986)	8,858	(65)	(140,260)
<u>457,857</u>	<u>25,033</u>	<u>184,444</u>	<u>96,147</u>	<u>365,415</u>	<u>65</u>	<u>1,194,539</u>
<u>\$360,595</u>	<u>\$29,554</u>	<u>\$148,277</u>	<u>\$72,161</u>	<u>\$374,273</u>	<u>\$0</u>	<u>\$1,054,279</u>

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

MEMORIAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenue	\$50	\$2,820	\$2,770
Total Revenues	50	2,820	2,770
<u>Expenditures:</u>			
Community Environment:			
Material, Supplies, and Services	3,500	2,558	942
Total Expenditures	3,500	2,558	942
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,450)	262	3,712
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	1,950	2,400	450
Total Other Financing Sources (Uses)	1,950	2,400	450
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,500)	2,662	4,162
Fund Balance at Beginning of Year	2,168	2,168	0
Fund Balance at End of Year	\$668	\$4,830	\$4,162

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

LAW ENFORCEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$1,000	\$1,158	\$158
Total Revenues	1,000	1,158	158
<u>Expenditures:</u>			
Security of Persons and Property:			
Material, Supplies, and Services	1,000	149	851
Total Expenditures	1,000	149	851
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	1,009	1,009
Fund Balance at Beginning of Year	9,737	9,737	0
Fund Balance at End of Year	<u>\$9,737</u>	<u>\$10,746</u>	<u>\$1,009</u>

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

DRUG LAW ENFORCEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$0	\$538	\$538
Total Revenues	0	538	538
<u>Expenditures:</u>			
Security of Persons and Property:			
Material, Supplies, and Services	1,500	0	1,500
Total Expenditures	1,500	0	1,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,500)	538	2,038
Fund Balance at Beginning of Year	1,747	1,747	0
Fund Balance at End of Year	<u>\$247</u>	<u>\$2,285</u>	<u>\$2,038</u>

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

DUI ENFORCEMENT AND EDUCATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$1,000	\$1,157	\$157
Total Revenues	1,000	1,157	157
<u>Expenditures:</u>			
Security of Persons and Property:			
Material, Supplies, and Services	2,000	1,700	300
Total Expenditures	2,000	1,700	300
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000)	(543)	457
Fund Balance at Beginning of Year	4,003	4,003	0
Fund Balance at End of Year	<u>\$3,003</u>	<u>\$3,460</u>	<u>\$457</u>

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

MAYOR'S COURT TECHNOLOGY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$18,500	\$18,770	\$270
Total Revenues	18,500	18,770	270
<u>Expenditures:</u>			
General Government:			
Personal Services	14,498	13,758	740
Material, Supplies, and Services	4,841	4,841	0
Capital Outlay	259	209	50
Total Expenditures	19,598	18,808	790
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,098)	(38)	1,060
Fund Balance at Beginning of Year	48,613	48,613	0
Fund Balance at End of Year	<u>\$47,515</u>	<u>\$48,575</u>	<u>\$1,060</u>

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

FIRE PROTECTION / EMS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$880,155	\$942,680	\$62,525
Charges for Services	56,175	60,970	4,795
Investment Earnings	16,775	39,046	22,271
All Other Revenues	8,386	9,691	1,305
Total Revenues	961,491	1,052,387	90,896
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	879,342	850,233	29,109
Material, Supplies, and Services	126,970	126,970	0
Capital Outlay	93,774	90,294	3,480
Total Expenditures	1,100,086	1,067,497	32,589
Excess (Deficiency) of Revenues Over (Under) Expenditures	(138,595)	(15,110)	123,485
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(119,000)	(119,000)	0
Total Other Financing Sources (Uses)	(119,000)	(119,000)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(257,595)	(134,110)	123,485
Fund Balance at Beginning of Year	506,260	506,260	0
Prior Year Encumbrances	5,735	5,735	0
Fund Balance at End of Year	\$254,400	\$377,885	\$123,485

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

ENVIRONMENTAL IMPACT TAX FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Licenses and Permits	\$30,000	\$42,093	\$12,093
Investment Earnings	821	2,428	1,607
Total Revenues	30,821	44,521	13,700
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,821	44,521	13,700
Other Financing Sources (Uses):			
Operating Transfers In	30,000	40,000	10,000
Operating Transfers Out	(80,000)	(80,000)	0
Total Other Financing Sources (Uses)	(50,000)	(40,000)	10,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(19,179)	4,521	23,700
Fund Balance at Beginning of Year	25,033	25,033	0
Fund Balance at End of Year	\$5,854	\$29,554	\$23,700

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$300,106	\$334,916	\$34,810
Investment Earnings	1,821	2,461	640
All Other Revenues	1,120	1,441	321
Total Revenues	<u>303,047</u>	<u>338,818</u>	<u>35,771</u>
<u>Expenditures:</u>			
Transportation:			
Personal Services	495,174	482,485	12,689
Material, Supplies, and Services	210,992	194,458	16,534
Capital Outlay	307,993	304,447	3,546
Total Expenditures	<u>1,014,159</u>	<u>981,390</u>	<u>32,769</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(711,112)	(642,572)	68,540
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	574,830	575,000	170
Operating Transfers Out	(10,000)	0	10,000
Total Other Financing Sources (Uses)	<u>564,830</u>	<u>575,000</u>	<u>10,170</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(146,282)	(67,572)	78,710
Fund Balance at Beginning of Year	189,130	189,130	0
Prior Year Encumbrances	3,731	3,731	0
Fund Balance at End of Year	<u>\$46,579</u>	<u>\$125,289</u>	<u>\$78,710</u>

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

STREET AND STORM SEWER FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Transportation:			
Material, Supplies, and Services	21,594	20,794	800
Capital Outlay	30,000	28,190	1,810
Total Expenditures	51,594	48,984	2,610
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,594)	(48,984)	2,610
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	10,000	10,000	0
Total Other Financing Sources (Uses)	10,000	10,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(41,594)	(38,984)	2,610
Fund Balance at Beginning of Year	85,708	85,708	0
Prior Year Encumbrances	10,594	10,594	0
Fund Balance at End of Year	<u>\$54,708</u>	<u>\$57,318</u>	<u>\$2,610</u>

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

ARTS AND AMENITIES FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Charges for Services	\$5,700	\$17,474	\$11,774
Investment Earnings	12,499	20,937	8,438
All Other Revenues	0	358	358
Total Revenues	<u>18,199</u>	<u>38,769</u>	<u>20,570</u>
Expenditures:			
Leisure Time Activities:			
Material, Supplies, and Services	35,330	32,411	2,919
Capital Outlay	45,000	45,000	0
Total Expenditures	<u>80,330</u>	<u>77,411</u>	<u>2,919</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,131)	(38,642)	23,489
Fund Balance at Beginning of Year	<u>365,615</u>	<u>365,615</u>	<u>0</u>
Fund Balance at End of Year	<u>\$303,484</u>	<u>\$326,973</u>	<u>\$23,489</u>

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

MONTGOMERY CIC FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$0	\$31	\$31
Total Revenues	0	31	31
<u>Expenditures:</u>			
<u>Debt Service:</u>			
Interest and Fiscal Charges	96	96	0
Total Expenditures	96	96	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(96)	(65)	31
Fund Balance at Beginning of Year	65	65	0
Fund Balance at End of Year	(\$31)	\$0	\$31

DEBT SERVICE FUNDS

Debt Service Funds are used to account for retirement of the City's general obligation and special assessment bonds.

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 accumulation of resources for the payments of principal and interest on the City's general obligation bonds including self-supporting obligations.

Pioneer Park Bond Retirement Fund

To account for the 0.7 mil levy, voted for the retirement of debt on the purchase and development of Pioneer Park.

Reserve of Montgomery Bond Retirement Fund

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.

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.

**THE CITY OF MONTGOMERY, OHIO
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
DECEMBER 31, 1999**

	Special Assessment Bond Retirement	General Obligation Bond Retirement	Pioneer Park Bond Retirement	Reserve of Montgomery Bond Retirement	Ohio National Tax Increment	Totals
Assets:						
Investments	\$54,709	\$158,915	\$316,364	\$26,077	\$698,433	\$1,254,498
Receivables:						
Taxes	0	133,187	152,085	0	0	285,272
Special Assessments	753,510	0	0	4,761,128	0	5,514,638
Total Assets	<u>\$808,219</u>	<u>\$292,102</u>	<u>\$468,449</u>	<u>\$4,787,205</u>	<u>\$698,433</u>	<u>\$7,054,408</u>
Liabilities:						
Accounts Payable	\$0	\$200	\$0	\$0	\$0	\$200
Deferred Revenue	753,510	0	152,085	4,761,128	0	5,666,723
Total Liabilities	<u>753,510</u>	<u>200</u>	<u>152,085</u>	<u>4,761,128</u>	<u>0</u>	<u>5,666,923</u>
Fund Equity:						
Fund Balances:						
Reserved for Debt Service	54,709	291,902	316,364	26,077	698,433	1,387,485
Total Fund Equity	<u>54,709</u>	<u>291,902</u>	<u>316,364</u>	<u>26,077</u>	<u>698,433</u>	<u>1,387,485</u>
Total Liabilities and Fund Equity	<u>\$808,219</u>	<u>\$292,102</u>	<u>\$468,449</u>	<u>\$4,787,205</u>	<u>\$698,433</u>	<u>\$7,054,408</u>

CITY OF MONTGOMERY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Special Assessment Bond Retirement	General Obligation Bond Retirement	Pioneer Park Bond Retirement	Reserve of Montgomery Bond Retirement	Ohio National Tax Increment	Totals
Revenues:						
Taxes	\$0	\$1,091,981	\$142,057	\$0	\$517,962	\$1,752,000
Investment Earnings	0	0	15,185	0	0	15,185
Special Assessments	51,378	0	0	182,232	0	233,610
Total Revenues	<u>51,378</u>	<u>1,091,981</u>	<u>157,242</u>	<u>182,232</u>	<u>517,962</u>	<u>2,000,795</u>
Expenditures:						
General Government	0	0	0	0	100,000	100,000
Debt Service:						
Principal Retirement	18,000	480,000	60,000	45,000	80,000	683,000
Interest and Fiscal Charges	29,824	434,937	50,789	138,037	196,359	849,946
Total Expenditures	<u>47,824</u>	<u>914,937</u>	<u>110,789</u>	<u>183,037</u>	<u>376,359</u>	<u>1,632,946</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,554	177,044	46,453	(805)	141,603	367,849
Other Financing Sources (Uses):						
Operating Transfers In	0	0	0	0	556,830	556,830
Operating Transfers Out	0	(556,830)	0	0	0	(556,830)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(556,830)</u>	<u>0</u>	<u>0</u>	<u>556,830</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,554	(379,786)	46,453	(805)	698,433	367,849
Fund Balance at Beginning of Year	51,155	671,688	269,911	26,882	0	1,019,636
Fund Balance at End of Year	<u>\$54,709</u>	<u>\$291,902</u>	<u>\$316,364</u>	<u>\$26,077</u>	<u>\$698,433</u>	<u>\$1,387,485</u>

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

SPECIAL ASSESSMENT BOND RETIREMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Special Assessments	\$50,500	\$51,378	\$878
Total Revenues	50,500	51,378	878
Expenditures:			
Debt Service:			
Principal Retirement	20,000	18,000	2,000
Interest and Fiscal Charges	32,390	29,824	2,566
Total Expenditures	52,390	47,824	4,566
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,890)	3,554	5,444
Fund Balance at Beginning of Year	51,155	51,155	0
Fund Balance at End of Year	\$49,265	\$54,709	\$5,444

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL OBLIGATION BOND RETIREMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$1,088,188	\$1,162,581	\$74,393
Total Revenues	1,088,188	1,162,581	74,393
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	715,000	715,000	0
Interest and Fiscal Charges	445,870	443,349	2,521
Total Debt Service	1,160,870	1,158,349	2,521
Total Expenditures	1,160,870	1,158,349	2,521
Excess (Deficiency) of Revenues Over (Under) Expenditures	(72,682)	4,232	76,914
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	199,000	199,000	0
Operating Transfers Out	(556,830)	(556,830)	0
Total Other Financing Sources (Uses)	(357,830)	(357,830)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(430,512)	(353,598)	76,914
Fund Balance at Beginning of Year	512,513	512,513	0
Fund Balance at End of Year	\$82,001	\$158,915	\$76,914

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

PIONEER PARK BOND RETIREMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$140,493	\$142,057	\$1,564
Investment Earnings	15,803	19,449	3,646
Total Revenues	<u>156,296</u>	<u>161,506</u>	<u>5,210</u>
Expenditures:			
Debt Service:			
Principal Retirement	60,000	60,000	0
Interest and Fiscal Charges	51,069	50,789	280
Total Expenditures	<u>111,069</u>	<u>110,789</u>	<u>280</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	45,227	50,717	5,490
Fund Balance at Beginning of Year	<u>269,911</u>	<u>269,911</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$315,138</u></u>	<u><u>\$320,628</u></u>	<u><u>\$5,490</u></u>

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

RESERVE OF MONTGOMERY BOND RETIREMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Special Assessments	\$181,500	\$182,232	\$732
Total Revenues	181,500	182,232	732
Expenditures:			
Debt Service:			
Principal Retirement	45,000	45,000	0
Interest and Fiscal Charges	138,193	138,037	156
Total Expenditures	183,193	183,037	156
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,693)	(805)	888
Fund Balance at Beginning of Year	26,882	26,882	0
Fund Balance at End of Year	\$25,189	\$26,077	\$888

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

OHIO NATIONAL TAX INCREMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$1,000,000	\$517,962	(\$482,038)
Total Revenues	1,000,000	517,962	(482,038)
Expenditures:			
General Government:			
Materials, Supplies, and Services	100,532	100,000	532
Total General Government	100,532	100,000	532
Debt Service:			
Principal Retirement	80,000	80,000	0
Interest and Fiscal Charges	196,468	196,359	109
Total Debt Service	276,468	276,359	109
Total Expenditures	377,000	376,359	641
Excess (Deficiency) of Revenues Over (Under) Expenditures	623,000	141,603	(481,397)
Other Financing Sources (Uses):			
Operating Transfers In	0	556,830	556,830
Total Other Financing Sources (Uses)	0	556,830	556,830
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	623,000	698,433	75,433
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$623,000	\$698,433	\$75,433

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, other than those financed by proprietary or trust funds.

Capital Improvement Fund

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

Urban Redevelopment Fund

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

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.

**THE CITY OF MONTGOMERY, OHIO
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUNDS
 DECEMBER 31, 1999**

	Capital Improvement	Urban Redevelopment	Special Assessment Capital Projects	Totals
Assets:				
Investments	\$610,936	\$54,936	\$13,659	\$679,531
Taxes Receivable	53,275	0	0	53,275
Total Assets	<u>\$664,211</u>	<u>\$54,936</u>	<u>\$13,659</u>	<u>\$732,806</u>
Liabilities:				
Accounts Payable	\$0	\$451	\$0	\$451
Total Liabilities	<u>0</u>	<u>451</u>	<u>0</u>	<u>451</u>
Fund Equity:				
Fund Balances:				
Reserved for Encumbrances	275,093	5,466	13,659	294,218
Unreserved - Undesignated	389,118	49,019	0	438,137
Total Fund Equity	<u>664,211</u>	<u>54,485</u>	<u>13,659</u>	<u>732,355</u>
Total Liabilities and Fund Equity	<u>\$664,211</u>	<u>\$54,936</u>	<u>\$13,659</u>	<u>\$732,806</u>

THE CITY OF MONTGOMERY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Capital Improvement	Urban Redevelopment	Special Assessment Capital Projects	Totals
Revenues:				
Taxes	\$488,969	\$54,431	\$0	\$543,400
Special Assessments	0	0	30,514	30,514
Total Revenues	<u>488,969</u>	<u>54,431</u>	<u>30,514</u>	<u>573,914</u>
Expenditures:				
General Government	0	6,667	0	6,667
Capital Outlay	377,274	36,949	147,900	562,123
Debt Service:				
Interest and Fiscal Charges	8,412	0	0	8,412
Total Expenditures	<u>385,686</u>	<u>43,616</u>	<u>147,900</u>	<u>577,202</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	103,283	10,815	(117,386)	(3,288)
Other Financing Sources (Uses):				
Proceeds from Special Assessment Bonds	0	0	97,644	97,644
Operating Transfers In	199,000	0	33,401	232,401
Total Other Financing Sources (Uses)	<u>199,000</u>	<u>0</u>	<u>131,045</u>	<u>330,045</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	302,283	10,815	13,659	326,757
Fund Balance at Beginning of Year	361,928	43,670	0	405,598
Fund Balance (Deficit) at End of Year	<u>\$664,211</u>	<u>\$54,485</u>	<u>\$13,659</u>	<u>\$732,355</u>

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

CAPITAL IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$435,414	\$455,032	\$19,618
Total Revenues	435,414	455,032	19,618
<u>Expenditures:</u>			
Capital Outlay	703,950	652,367	51,583
Total Expenditures	703,950	652,367	51,583
Excess (Deficiency) of Revenues Over (Under) Expenditures	(268,536)	(197,335)	71,201
Fund Balance at Beginning of Year	491,847	491,847	0
Prior Year Encumbrances	41,331	41,331	0
Fund Balance at End of Year	\$264,642	\$335,843	\$71,201

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

URBAN REDEVELOPMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$46,000	\$54,431	\$8,431
Total Revenues	46,000	54,431	8,431
<u>Expenditures:</u>			
General Government:			
Materials, Supplies, and Services	6,667	6,667	0
Total General Government	6,667	6,667	0
Capital Outlay			
Capital Outlay	48,233	42,388	5,845
Total Capital Outlay	48,233	42,388	5,845
Total Expenditures	54,900	49,055	5,845
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,900)	5,376	14,276
Fund Balance at Beginning of Year	43,393	43,393	0
Prior Year Encumbrances	375	375	0
Fund Balance at End of Year	\$34,868	\$49,144	\$14,276

CITY OF MONTGOMERY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

SPECIAL ASSESSMENT CAPITAL PROJECTS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Special Assessments	\$30,500	\$30,514	\$14
Total Revenues	30,500	30,514	14
<u>Expenditures:</u>			
Capital Outlay	161,559	161,559	0
Total Expenditures	161,559	161,559	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(131,059)	(131,045)	14
<u>Other Financing Sources (Uses):</u>			
Bond Proceeds	97,658	97,644	(14)
Operating Transfers In	33,401	33,401	0
Total Other Financing Sources (Uses)	131,059	131,045	(14)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

FIDUCIARY FUND TYPES

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.

EXPENDABLE FUND

Historical Trust Fund

To account for the revenue generated from the rental of City owner properties in the historical district. The revenues are used to maintain the properties.

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.

THE CITY OF MONTGOMERY, OHIO
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
DECEMBER 31, 1999

	Expendable Trust Fund	Agency Funds		Totals
	Historical Trust	Mayor's Court	Trust Reimbursement	
Assets:				
Investments	\$151,629	\$0	\$31,906	\$183,535
Accounts Receivable	0	4,811	0	4,811
Restricted Assets:				
Cash with Fiscal Agent	0	4,856	0	4,856
Total Assets	\$151,629	\$9,667	\$31,906	\$193,202
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$2,713	\$0	\$31,906	\$34,619
Due to Other Funds	0	4,856	0	4,856
Intergovernmental Payables	0	4,811	0	4,811
Total Liabilities	2,713	9,667	31,906	44,286
Fund Equity:				
Reserved for Encumbrances	1,670	0	0	1,670
Unreserved	147,246	0	0	147,246
Total Equity	148,916	0	0	148,916
Total Liabilities and Fund Equity	\$151,629	\$9,667	\$31,906	\$193,202

THE CITY OF MONTGOMERY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Balance December 31, 1998	Additions	Deductions	Balance December 31, 1999
<u>Mayor's Court</u>				
Assets:				
Accounts Receivable	\$12,904	\$0	(\$8,093)	\$4,811
Restricted Assets:				
Cash with Fiscal Agent	2,597	217,837	(215,578)	4,856
Total Assets	<u>\$15,501</u>	<u>\$217,837</u>	<u>(\$223,671)</u>	<u>\$9,667</u>
Liabilities:				
Due to Other Funds	\$14,341	\$167,992	(\$177,477)	\$4,856
Intergovernmental Payables	1,160	49,845	(46,194)	4,811
Total Liabilities	<u>\$15,501</u>	<u>\$217,837</u>	<u>(\$223,671)</u>	<u>\$9,667</u>
<u>Trust Reimbursement</u>				
Assets:				
Investments	\$13,079	\$41,797	(\$22,970)	\$31,906
Total Assets	<u>\$13,079</u>	<u>\$41,797</u>	<u>(\$22,970)</u>	<u>\$31,906</u>
Liabilities:				
Accounts Payable	\$13,079	\$41,797	(\$22,970)	\$31,906
Total Liabilities	<u>\$13,079</u>	<u>\$41,797</u>	<u>(\$22,970)</u>	<u>\$31,906</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Investments	\$13,079	\$41,797	(\$22,970)	\$31,906
Accounts Receivable	12,904	0	(8,093)	4,811
Restricted Assets:				
Cash with Fiscal Agent	2,597	217,837	(215,578)	4,856
Total Assets	<u>\$28,580</u>	<u>\$259,634</u>	<u>(\$246,641)</u>	<u>\$41,573</u>
Liabilities:				
Accounts Payable	\$13,079	\$41,797	(\$22,970)	\$31,906
Due to Other Funds	14,341	167,992	(177,477)	4,856
Intergovernmental Payables	1,160	49,845	(46,194)	4,811
Total Liabilities	<u>\$28,580</u>	<u>\$259,634</u>	<u>(\$246,641)</u>	<u>\$41,573</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group is used to account for fixed assets other than those accounted for in the Proprietary Fund.

THE CITY OF MONTGOMERY, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 1999

General Fixed Assets:

Land	\$5,493,783
Buildings	2,894,526
Improvements Other than Buildings	3,828,199
Machinery and Equipment	2,269,838
Construction in Progress	180,897
	<hr/>
Total General Fixed Assets	<u>\$14,667,243</u>

Investment in General Fixed Assets from:

General Fund	\$10,575,919
Special Revenue Funds	3,842,027
Expendable Trust Funds	39,297
Donations	210,000
	<hr/>
Total Investment in General Fixed Assets	<u>\$14,667,243</u>

THE CITY OF MONTGOMERY, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
DECEMBER 31, 1999

Function and Activity	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Construction in Progress	Total
General Government:						
Administration	\$0	\$0	\$213,670	\$150,448	\$0	\$364,118
Mayor's Court	0	0	0	6,491	0	6,491
Finance	0	0	0	67,335	0	67,335
Total	0	0	213,670	224,274	0	437,944
Security of Persons and Property:						
Police	278,400	1,799,140	0	522,716	0	2,600,256
Fire/EMS	0	0	0	792,066	0	792,066
Total	278,400	1,799,140	0	1,314,782	0	3,392,322
Transportation:						
Street/Service	390,000	738,537	82,542	543,752	0	1,754,831
Leisure Time Activities:						
Parks/Recreation	4,284,641	177,075	3,091,371	109,496	0	7,662,583
Community Environment:						
Development	265,999	179,774	440,616	75,684	180,897	1,142,970
Public Health and Welfare:						
Cemetery	274,743	0	0	1,850	0	276,593
Total General Fixed Assets	\$5,493,783	\$2,894,526	\$3,828,199	\$2,269,838	\$180,897	\$14,667,243

THE CITY OF MONTGOMERY, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 1999

Function and Activity	December 31, 1998	Additions	Deletions	December 31, 1999
<u>General Government:</u>				
Administration	\$324,511	\$39,607	\$0	\$364,118
Mayor's Court	6,491	0	0	6,491
Finance	41,577	25,758	0	67,335
Total	<u>372,579</u>	<u>65,365</u>	<u>0</u>	<u>437,944</u>
<u>Security of Persons and Property:</u>				
Police	2,496,068	104,188	0	2,600,256
Fire/EMS	764,452	27,614	0	792,066
Total	<u>3,260,520</u>	<u>131,802</u>	<u>0</u>	<u>3,392,322</u>
<u>Transportation:</u>				
Street/Service	1,732,093	22,738	0	1,754,831
<u>Leisure Time Activities:</u>				
Parks/Recreation	7,640,110	22,473	0	7,662,583
<u>Community Environment:</u>				
Development	1,327,936	250,034	(435,000)	1,142,970
<u>Public Health and Welfare:</u>				
Cemetery	276,593	0	0	276,593
Total General Fixed Assets	<u>\$14,609,831</u>	<u>\$492,412</u>	<u>(\$435,000)</u>	<u>\$14,667,243</u>

STATISTICAL SECTION

STATISTICAL TABLE

THE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE CITY.

City of Montgomery
General Governmental Expenditures by Function (1)
Last Ten Years

Year	Security of Persons and Property	Public Health and Welfare Services	Leisure Time Activities	Community Environment	Basic Utility Services	Trans- portation	General Government	Capital Outlay	Debt Service	Total
	Property	Services	Activities	Environment	Services	portation	Government	Outlay	Service	
1990	\$1,483,501	\$69,642	\$148,078	\$201,257	\$185,801	\$332,721	\$994,767	\$96,068	\$845,137	\$4,356,972
1991	1,672,970	74,230	188,723	252,797	238,930	808,799	884,421	0	830,561	4,951,431
1992	1,701,386	71,728	182,155	273,483	201,630	671,704	1,030,955	0	849,600	4,982,641
1993	2,385,491	72,127	212,631	264,883	228,317	703,521	1,018,839	0	980,942	5,866,751
1994	1,919,030	57,988	247,578	297,830	263,262	545,886	1,147,563	0	1,295,945	5,775,082
1995	2,044,241	48,541	693,648	622,199	266,594	780,217	1,360,634	0	1,311,580	7,127,654
1996	2,194,986	54,461	464,171	363,793	411,842	788,858	1,506,270	0	1,432,095	7,216,476
1997	2,674,436	54,003	599,505	357,371	358,415	750,492	1,251,736	2,644,681	2,163,053	10,853,692
1998	2,406,355	59,926	326,311	373,941	328,556	734,320	1,368,527	507,448	2,238,606	8,343,990
1999	3,322,830	62,852	431,869	310,787	1,152	965,784	1,985,387	562,123	1,541,454	9,184,238

(1) Includes General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds

City of Montgomery
General Governmental Revenues by Source (1)
Last Ten Years

Year	Taxes	Inter-Governmental Revenue	Charges for Service	Licenses and Permits	Investment Earnings	Fines and Forfeitures	(2) All Other	Total
1990	\$3,828,375	\$816,691	\$52,085	\$64,699	\$305,014	\$86,818	\$83,257	\$5,236,939
1991	4,118,233	767,229	68,082	84,187	200,575	98,424	80,310	5,417,040
1992	4,007,067	905,293	65,694	103,254	146,281	135,802	67,558	5,430,949
1993	4,595,850	679,249	69,013	83,629	161,660	151,561	18,226	5,759,188
1994	4,865,515	978,020	148,889	135,985	162,400	184,175	224,258	6,699,242
1995	4,914,488	909,336	217,503	116,300	329,023	161,763	232,869	6,881,282
1996	5,709,941	712,552	318,774	152,904	353,987	145,321	324,389	7,717,868
1997	6,955,554	549,159	350,962	179,103	354,618	202,904	647,170	9,239,470
1998	7,815,545	314,739	253,453	162,761	368,884	297,359	1,136,785	10,349,526
1999	7,998,679	529,898	212,272	159,297	298,124	153,457	342,448	9,694,175

- (1) Includes General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds
- (2) Special Assessments are included in All Other.

City of Montgomery
Real Property Tax Levies and Collections
Last Ten Years

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections		Accumulated Delinquent Taxes		Percentage of Accumulated Delinquent Taxes To Total Tax Levy
					To Tax Levy	To Tax Levy	Outstanding Delinquent Taxes	To Total Tax Levy	
1990	\$1,344,717	\$1,288,373	\$40,854	\$1,329,227	98.85%	98.85%	\$53,307	3.96%	
1991	1,762,221	1,696,129	53,189	1,749,318	99.27%	99.27%	68,259	3.87%	
1992	1,780,860	1,739,728	46,776	1,786,504	100.32%	100.32%	67,910	3.81%	
1993	1,827,027	1,773,484	36,871	1,810,355	99.09%	99.09%	87,527	4.79%	
1994	1,910,908	1,876,653	44,580	1,921,233	100.54%	100.54%	89,536	4.69%	
1995	2,036,861	1,995,021	31,385	2,026,406	99.49%	99.49%	76,847	3.77%	
1996	2,101,898	1,989,010	37,680	2,026,690	96.42%	96.42%	162,551	7.73%	
1997	2,263,997	2,135,574	34,309	2,169,883	95.84%	95.84%	261,402	11.55%	
1998	2,425,338	2,181,724	44,045	2,225,769	91.77%	91.77%	195,163	8.05%	
1999	2,499,219	2,423,510	124,006	2,547,516	101.93%	101.93%	140,242	5.61%	

Source: Hamilton County Auditor

**City of Montgomery
Tangible Tax Collected
Last Ten Years**

<u>Year Paid</u>	<u>Amount</u>
1990	\$111,971
1991	130,224
1992	163,986
1993	162,621
1994	160,208
1995	71,551
1996	152,856
1997	152,790
1998	179,461
1999	180,620

Source: Hamilton County Auditor

City of Montgomery
Assessed Valuations and Estimated True Values
of Taxable Property Last Ten Years

Tax Year	Real Property (a)		Public Utility Personal (a)		Tangible Personal Property (b)		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1990	\$166,370,560	\$475,344,457	\$7,001,260	\$7,955,977	\$14,169,660	\$56,678,640	\$187,541,480	\$539,979,074	34.73%
1991	204,420,300	584,058,000	6,966,830	7,916,852	17,533,890	70,135,560	228,921,020	662,110,412	34.57%
1992	206,450,600	589,858,857	8,563,850	8,595,284	17,825,650	71,302,600	232,840,100	669,756,741	34.76%
1993	211,565,410	604,472,600	8,147,680	9,258,727	17,526,440	70,105,760	237,239,530	683,837,087	34.69%
1994	224,699,070	641,997,343	8,526,450	8,689,148	14,688,980	58,755,920	247,914,500	709,442,411	34.94%
1995	237,235,850	677,816,714	9,738,620	11,066,614	14,700,000	58,800,000	261,674,470	747,683,328	35.00%
1996	249,290,140	712,257,543	8,405,930	9,552,193	15,019,050	60,076,200	272,715,120	781,885,936	34.88%
1997	277,592,030	793,120,086	8,603,800	9,777,045	16,508,900	66,035,600	302,704,730	868,932,731	34.84%
1998	281,025,200	802,929,142	7,851,570	8,922,238	18,384,000	73,536,000	307,260,770	885,387,380	34.70%
1999	319,012,100	911,463,143	8,024,660	8,024,660	19,416,100	77,664,400	346,452,860	997,152,203	34.74%

(a) Assessed taxes are collected in subsequent year
(b) Assessed taxes are collected in same year

Source: Hamilton County Auditor

City of Montgomery
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuations)
Last Ten Years

Collection Year	City of Montgomery					Sycamore School District	Hamilton County	Special Taxing Districts	Total
	General Fund	Fire / EMS Fund	Pioneer Park	Total					
1990	4.50	3.4	0	7.9	46.74	16.26	2.70	73.60	
1991	4.50	3.94	0.7	9.14	46.74	16.88	2.70	75.46	
1992	4.5	3.94	0.7	9.14	46.74	17.50	2.70	76.08	
1993	4.5	3.94	0.7	9.14	54.14	18.56	2.70	84.54	
1994	4.5	3.95	0.7	9.15	54.14	18.33	2.70	84.32	
1995	4.50	3.95	0.7	9.15	54.14	18.30	2.70	84.29	
1996	4.50	3.95	0.7	9.15	54.14	19.44	2.70	85.43	
1997	4.50	3.95	0.7	9.15	54.14	19.44	2.70	85.43	
1998	4.50	3.95	0.7	9.15	54.14	19.01	2.70	85.00	
1999	4.50	3.95	0.7	9.15	61.53	18.51	3.73	92.92	

Source: Hamilton County Auditor

City of Montgomery
Special Assessment Billings and Collections
Last Ten Years

Collection Year	Amount Billed	Amount Collected	Percent Collected
1990	\$31,047	\$29,126	93.81%
1991	31,708	31,130	98.18%
1992	601	556	92.51%
1993	98	98	100.00%
1994	37,426	36,175	96.66%
1995	44,099	42,701	96.83%
1996	42,233	40,124	95.01%
1997	239,812	236,539	98.64%
1998	237,481	232,371	97.85%
1999	239,020	234,251	98.00%

These figures represent amounts certified to and collected by the Hamilton County Auditor.

Source: Hamilton County Auditor

City of Montgomery
Computation of Legal Debt Margin
December 31, 1999

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$346,452,860	\$346,452,860
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (2)	36,377,550	19,054,907
Applicable City Debt Outstanding	8,860,000	8,860,000
Less: Applicable Debt Service Fund Amounts	(1,387,485)	(1,387,485)
Net Indebtedness Subject to Limitation	7,472,515	7,472,515
Legal Debt Margin	\$28,905,035	\$11,582,392

(1) Direct Debt Limitation Based Upon Section 133, The Uniform Bond Act of the Ohio Revised Code

(2) Tax Increment Financing Debt (Duke Realty Bonds) and Special Assessment Debt are not considered in the computation of the legal debt margin

Source: Finance Department, City of Montgomery and Hamilton County Auditor's Office

City of Montgomery

**Ratio of Net General Obligation Bonded Debt to Assessed
Value and Net General Obligation Bonded Debt Per Capita
Last Ten Years**

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of	
						Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1990	9,753	\$225,556,790	\$3,730,000	\$3,460	\$3,726,540	1.65%	\$382
1991	9,753	231,548,340	3,365,000	9,523	3,355,477	1.45%	344
1992	9,753	237,538,740	6,390,000	5,995	6,384,005	2.69%	655
1993	9,753	250,751,960	7,340,000	55,228	7,284,772	2.91%	747
1994	9,753	261,663,450	6,725,000	115,262	6,609,738	2.53%	678
1995	9,753	272,396,070	9,550,000	271,467	9,278,533	3.41%	951
1996	9,753	301,214,880	8,845,000	460,625	8,384,375	2.78%	860
1997	9,753	302,704,750	15,905,958	1,158,782	14,747,176	4.87%	1,512
1998	9,753	307,261,570	15,703,000	1,236,819	14,466,181	4.71%	1,483
1999	9,753	346,452,860	8,860,000	1,387,485	7,472,515	2.16%	766

(1) Source: U.S. Bureau of Census; 1990 Federal Census

(2) Source: Hamilton County Auditor

(3) Includes all general obligation bonded debt except the TIF Duke Realty Bonds which are supported by payments in lieu of taxes

City of Montgomery
Ratio of Annual Debt Service Expenditures
For General Bonded Debt to Total General Governmental Expenditures
Last Ten Years

Year	Debt Principal	Interest and Fiscal Charges	Total Bonded Debt Service (1)	General Governmental Expenditures	Debt Service to General Governmental Expenditures
1990	\$345,000	\$275,063	\$620,063	\$4,356,972	14.23%
1991	365,000	251,775	616,775	4,951,431	12.46%
1992	390,000	227,138	617,138	4,982,641	12.39%
1993	550,000	489,097	1,039,097	5,866,751	17.71%
1994	615,000	460,206	1,075,206	5,775,082	18.62%
1995	665,000	417,019	1,082,019	7,127,654	15.18%
1996	705,000	587,513	1,292,513	7,216,476	17.91%
1997	830,000	521,301	1,351,301	10,853,692	12.45%
1998	1,170,000	754,760	1,924,760	8,343,990	23.07%
1999	540,000	482,356	1,022,356	9,184,238	11.13%

(1) Includes Debt Principal, Interest and Fiscal Charges on all general obligation bonded debt except the TIF Realty Bonds which are supported by payments in lieu of taxes

City of Montgomery
Computation of All Direct and Overlapping Governmental Debt
December 31, 1999

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Montgomery (1)</u>	<u>Amount Applicable to City of Montgomery</u>
City of Montgomery	\$12,125,000	100.00%	\$12,125,000
Sycamore School District	45,274,599	9.15%	4,142,626
Joint Vocational School District	0	2.46%	0
Hamilton County	189,371,301	2.03%	3,844,237
Total			<u>\$20,111,863</u>

The percentage of gross indebtedness of the city's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed value within the City by its total assessed value.

(1) Decimal places have been rounded to the nearest hundredth for presentation.

Source: Ohio Municipal Advisory Council.

City of Montgomery
Demographic Statistics
Last Ten Years

Year	Population (1)	School Enrollment (2)	Unemployment Rate Cincinnati Metropolitan Area (3)
1990	9,753	5,505	4.2%
1991	9,753	5,528	5.0%
1992	9,753	5,754	5.5%
1993	9,753	5,870	5.4%
1994	9,753	5,933	4.4%
1995	9,753	6,073	4.2%
1996	9,753	6,240	4.5%
1997	9,753	6,259	3.3%
1998	9,753	6,279	2.8%
1999	9,753	6,079	4.9%

(1) Source: U.S. Bureau of Census - 1990 Federal Census

(2) Source: Sycamore Community School District, Board of Education
Includes total Sycamore Community School District, a portion of which is located outside the City of Montgomery.

(3) Source: Greater Cincinnati Chamber of Commerce.

City of Montgomery
Property Value and Construction Permits
Last Ten Years

Year	Residential		Commercial	
	Number of Permits	Property Value	Number of Permits	Property Value
1990	231	\$3,092,203	90	\$8,327,896
1991	202	6,111,190	92	3,245,172
1992	192	5,631,505	80	2,395,839
1993	193	12,645,818	61	2,203,657
1994	229	10,838,049	91	3,777,947
1995	217	13,156,019	96	18,023,060
1996	186	14,047,725	145	32,927,295
1997	209	7,355,986	126	7,345,788
1998	217	11,401,916	168	19,505,009
1999	392	13,642,941	106	7,253,005

Source: City of Montgomery Building Department

City of Montgomery
Principal Taxpayers (Property Tax)
December 31, 1999

Taxpayer	Type of Business	1999 Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
1. Cinergy	Public Utility	\$5,308,190	1.53%
2. Bethesda Healthcare, Inc.	Health Care	4,728,680	1.36%
3. Bethesda Properties, Inc.	Real Estate Development	4,569,440	1.32%
4. Coopers Myers Co.	Real Estate Management	3,600,440	1.04%
5. Bethesda Hospital, Inc.	Hospital	2,973,540	0.86%
6. Teachers Insurance	Insurance	2,303,740	0.66%
7. High Country Health Care	Health Care	1,901,770	0.55%
8. Cincinnati Bell	Public Utility	1,605,650	0.46%
9. Montgomery Swim	Recreation	1,595,760	0.46%
10. Weller Office Builder LLC	Real Estate Development	1,340,540	0.39%
	Sub-Total	29,927,750	8.64%
	All Others	316,525,110	91.36%
	Total	\$346,452,860	100.00%

Source: Hamilton County, Ohio: County Auditor.

City of Montgomery
Principal Taxpayers (Income Tax)
December 31, 1999

Taxpayer	Type of Business
1. Bethesda Hospital	Health Care
2. Sycamore Community School District	Education
3. Ohio National Life Insurance Company	Insurance and Financial Services
4. CEI Physicians PSC, Inc.	Medical
5. Anesthesia Group Practice, Inc.	Medical
6. Northeast Radiology, Inc.	Medical
7. Montgomery Inn Ribs King	Restaurant
8. Williams Ford Sales, Inc.	Automobile Dealership
9. Cardiology Center of Cinti, Inc.	Medical
10. Camargo Cadillac	Automobile Dealership

Source: City of Montgomery Income Tax Department

**CITY OF MONTGOMERY, OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 1999**

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
1. Bethesda North Hospital	Health Care	2,827
2. Sycamore Community School District	Education	1,122
3. Montgomery Inn Ribs King	Restaurant	751
4. Ohio National Life Insurance Company	Insurance and Financial Services	550
5. Meadowbrook Care Center	Health Care	260
6. Collier Nursing Services, Inc.	Health Care	242
7. Kroger Company	Grocery Retail	224
8. Williams Ford Sales	Automobile Dealership	220
9. Chester's Roadhouse	Restaurant	185
10. Montgomery Care Center	Health Care	161

Source: City of Montgomery Income Tax Department

City of Montgomery
Miscellaneous Statistics
December 31, 1999

Date of Incorporation	1910		
Form of Government	Council/Manager		
Area	5.3 Square Miles	Fire/Emergency Medical Services:	
Miles of Streets	46	Number of Stations	1
Number of Street Lights (per Light bill)	207	Number of Full-time Officers and Firefighter/Paramedics	9
Police Protection:		Number of Part-time Officers and Firefighter/Paramedics	30
Number of Stations	1	Number of Calls Answered:	
Number of Uniformed Personnel	20	Fire Run Calls	707
Number of Civilian Personnel	3	Emergency Medical Calls	872
Number of Patrol Units	7		
Number of Law Violations:		Recreation and Culture:	
Criminal/Juvenile Citations and Charges	462	Number of Parks	6
Citations Issued	2,554	Nature Preserve	1
Calls for Police	10,021	Park Area (acres)	80
		Number of Ball Fields	13
Volunteer Hours	3,850	Number of Tennis Courts	10
(excluding committees, boards & commissions)		Summer Camp Attendance	1,283



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
SEPTEMBER 14, 2000**