



**CITY OF MONTGOMERY
HAMILTON COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CITY OF MONTGOMERY
HAMILTON COUNTY

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the City Council:

We have audited the financial statements of City of Montgomery, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2001, and have issued our report thereon dated June 14, 2002, wherein we noted that the City adopted Governmental Accounting Standards Board's Statement No. 33. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's 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 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 in a separate letter dated June 14, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 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 do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 14, 2002.

City of Montgomery
Hamilton County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

June 14, 2002

THE CITY OF MONTGOMERY, OHIO

HAMILTON COUNTY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2001

THE CITY OF MONTGOMERY, OHIO

HAMILTON COUNTY

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2001

Prepared by:
Department of Finance
Wayne Davis, Director

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INTRODUCTORY SECTION

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[HTTP://WWW.C I.MONTGOMERY.OH.US](http://www.ci.montgomery.oh.us)

CITY OF MONTGOMERY, OHIO

10101 MONTGOMERY ROAD
MONTGOMERY, OHIO 45242

PHONE (513) 792-8349 FAX (513) 891-2498

June 14, 2002

To the Citizens of the City of Montgomery, Ohio:

We are pleased to present the Comprehensive Annual Financial Report for the City of Montgomery for the fiscal year ended December 31, 2001. The report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

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

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 last Sunday of November of the year the member is elected to office. The Council elects a Mayor and Vice Mayor from within its ranks. These officers each serve a two-year term. The Mayor's primary duties include presiding over City Council meetings and performing ceremonial civic duties. The Vice Mayor assumes the duties of the Mayor in his or her absence. In 1996, the City obtained the services of a magistrate to oversee the proceedings of Montgomery's Mayor's Court.

The City Council has established various boards and commissions to help in its 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. Hearings requested by a taxpayer before the Board are not meetings of a public body subject to Sections 121.22 of the Ohio Revised Code.

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 Office 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 Greater Cincinnati region has created consistently high values for both residential and commercial properties. Montgomery is located in the Sycamore School District, which is a district that is nationally recognized for its academic excellence.

The City's economy is diverse with an ideal mix of residential, office and retail uses. Primary employers in the City include Bethesda North Hospital, the Sycamore Community School District, the world famous Montgomery Inn, the Ohio National Life Insurance Company and the Cincinnati Eye Institute. 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. In addition to the economic contributions of the major employers above, in recent years the City has experienced an expanding medical professional business environment with a variety of general and specialty medical practitioners and clinics. In addition to the expanding medical community, the City's historic downtown offers numerous retail and dining choices for residents and visitors, alike.

The local economy continued its healthy growth in 2001 as evidenced by income tax collections which increased 6.0% over 2000 collections. Likewise, the value of Montgomery residential and commercial property continues to increase. The increasing property values and new construction within the City both contributed to increasing property tax collections.

The area surrounding the City of Montgomery contains much of the same diversity in businesses that exists within its city limits. The greater Cincinnati area is the home of several Fortune 1000 companies and has experienced consistently low unemployment rates in recent years.

MAJOR INITIATIVES

Like other municipalities across the country, the City of Montgomery was profoundly affected by the September 11th terrorist attack on America. This event and the subsequent changes in security procedures and precautions resulted in increased demands for the City's fire and police services. These demands resulted from a variety of security related concerns. The City managed to cope with the increased demand for its security services, and continued to provide its usual level of service in other areas, both prior to, and following, September 11th. While 2001 will always be remembered for the terrorist attacks, the City experienced several significant achievements in 2001.

In 2001, the City was involved in a variety of activities, including the development of a Comprehensive Strategic Plan to guide City operations over the course of the next 5-7 years. As a part of this process, a comprehensive community survey was conducted with the assistance of the Institute for Policy Research at the University of Cincinnati. The survey, which received a 50 percent response rate, asked residents their opinions on the importance and quality of services provided by the City and indicated a 98 percent satisfaction rating in the community.

As a direct result of quality financial management by City Council and staff, property tax collections for the Pioneer Park bond levy were terminated in 2001. The termination of the collections, eleven years ahead of the scheduled levy expiration, will result in a savings of nearly \$1.2 million to the Montgomery taxpayers.

The City collaborated on two efforts with Sycamore Community Schools in 2001. The first effort involved the exploration of options and the development and approval of plans for a new Montgomery Elementary School. The second collaborative effort concerned the establishment of a School Resource Officer at the high school. This effort utilizes a sworn City of Montgomery police officer to work side by side with school administration and students to create positive community/police relations. A three-year, \$125,000 grant was received from the U.S. Department of Justice to partially fund this program.

In another collaborative effort, the City became involved with several local jurisdictions, including Hamilton and Warren Counties, in a consortium to fund the engineering associated with a major upgrade of Montgomery Road between Weller Road and the Little Miami River. The local funding of the project's engineering led to the overall expansion project being placed on the State of Ohio's capital improvement plan for construction in 2006.

In July, the City was hit hard by severe rainstorms that caused flooding and significant property damage. Montgomery and other surrounding communities were declared disaster areas by the Federal Emergency Management Agency (FEMA). As a result of the local damage, the City participated in the formation of a coalition of jurisdictions along the watershed, which ultimately requested consultation from the U.S. Army Corps of Engineers for strategies that could be implemented by a countywide storm water district. The City made application to FEMA and State of Ohio Disaster funds to help offset its costs for public damage and assistance costs associated with the disaster.

In December of 2001, City Council wrapped up a three-year effort, by adopting a revised zoning code. The revised code includes updates to various planning and zoning related processes and procedures, provides new language on best practices in community planning and zoning, and provides a comprehensive update of the existing code that was last reviewed in 1976.

Other 2001 initiatives included the expansion of a city sidewalk program to improve safety and eventually link neighborhoods to schools, parks and retail centers. A CVS Pharmacy was approved for construction of a new store, culminating nearly one year's work by the Landmarks Commission and staff to ensure that the design fit within Heritage District standards. City Council also approved a plan to develop 550 additional grave sites at the Hopewell Cemetery.

Finally, in 2001 the City continued to add to its solid financial base through the administration of its financial plan, as presented in its 2001 Budget and Capital Improvement planning documents. The five-year plan presented in each document allows the City to chart and pursue a fiscal course enabling the City to fund current operations, replace or improve outdated capital assets, reduce City debt, and establish sound financial and operational plans for four years beyond the current budget year. Fiscal year 2001 ensured that the City is maintaining its financial direction.

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.

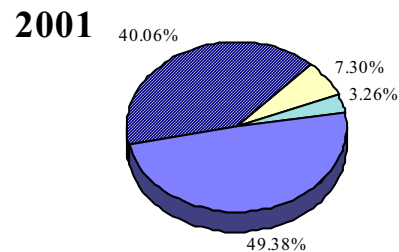
Budgetary Control

Budgetary control is maintained within the personal services, operating expenditures, contractual services, and capital outlay categories within each department through the encumbering of estimated purchase amounts prior to the release of formal purchase orders to vendors. Purchase orders which result in an overrun above appropriated balances are not released until additional appropriations are made available via amendments to the annual appropriations ordinance. Open encumbrances as of December 31, 2001 are reported as reservations of fund balances within this report.

General Governmental Revenues

Governmental Fund Revenues (i.e., general, special revenues, debt service and capital projects funds) for the City in 2001 decreased by approximately 5% from the amounts received in 2000. A decrease in tax receipts, which account for approximately 85% of the City's revenues, and in the City's reimbursement revenues accounted for the majority of the decrease in revenues. The decrease in taxes amounted to a total of 3.75% in 2001, which was the result of a sharp decrease in estate taxes from 2000, a year in which estate tax receipts were unusually high. The City's All Other Revenue source experienced a significant decline in 2001, accounting for almost \$385,000 in reduced receipts from 2000. This decrease resulted from a special circumstance arising for the City in 2000, when it received additional reimbursement from the State of Ohio for expenditures relating to the 1999 tornado. The City's tax receipts are identified by their tax source in the table below:

2001 Tax Receipts	2001	%
Income Tax	\$5,190,793	49.38
Property Tax	4,211,262	40.06
Estate Tax	766,971	7.30
Miscellaneous Tax	342,225	3.26
Total Resources	\$10,511,251	100.00



Intergovernmental revenues are comprised of funds from revenue sharing programs with the County and State. In 2001, the revenues for this funding source increased by 197%. This increase was due to the change in the reporting of accrued earnings tax receivables resulting from the implementation of GASB Statements No. 33 and 36.

Charges for Services consist primarily of charges levied by the Recreation Department for various recreational programs, pool fees, lodge rental charges and the cemetery charges for lot sales and interments. Charges for Services increased by 18% in 2001, which was due to increases in the receipt of County recycling revenues as well as increases in receipts for Emergency Medical Services (EMS) transportation charges.

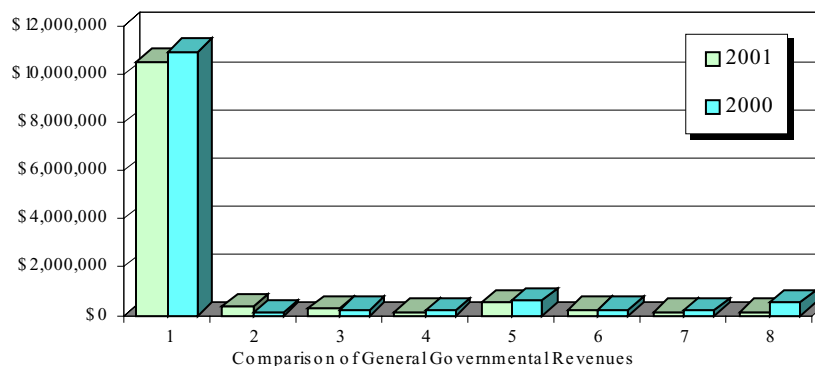
Revenue received for Licenses and Permits decreased by 30% in 2001. This decrease was primarily due to a less robust construction economy in 2001 as compared to 2000, which resulted in the issuance of fewer building permits in 2001.

Fines and Forfeitures decreased by 6% in 2001, which was due to a relatively minor decrease in Mayor's Court activity levels from 2000. Levels of fine receipts are dependent on Mayor's Court caseloads, as well as the nature of the crimes committed in the community, and therefore are subject to annual fluctuations with changes in crime patterns.

All Other Revenue sources decreased by 73% in 2001, which reflects a return to normal levels of receipts for this revenue source. In 2000, All Other Revenue sources for the City increased substantially due to refunds received from the State of Ohio Controlling Board for reimbursable expenditures for the City's 1999 tornado.

A comparison of 2000 and 2001 governmental funds revenue follows:

Revenue Source	2001 Total	Percent of Total	2000 Total	Increase (Decrease) over 2000	Percent of Increase (Decrease)
1. Taxes	\$10,511,251	84.85%	\$10,921,055	(\$409,804)	(3.75%)
2. Intergovernmental Revenues	362,873	2.93%	122,067	240,806	197.27%
3. Charges for Services	279,623	2.26%	236,043	43,580	18.46%
4. Licenses and Permits	149,867	1.21%	214,031	(64,164)	(29.98%)
5. Investment Earnings	540,132	4.36%	614,128	(73,996)	(12.05%)
6. Special Assessments	239,639	1.93%	244,251	(4,612)	(1.89%)
7. Fines and Forfeitures	163,973	1.32%	173,629	(9,656)	(5.56%)
8. All Other Revenues	141,268	1.14%	525,916	(384,648)	(73.14%)
Total	<u>\$12,388,626</u>	<u>100.00%</u>	<u>\$13,051,120</u>	<u>(\$662,494)</u>	



Expenditures

Governmental fund type expenditures (i.e., general, special revenues, debt service and capital projects funds) for 2001 increased by approximately 3%, excluding capital outlay and debt principal and interest.

Expenditures in the Public Health and Welfare Services function increased by 28% in 2001, which was primarily due to the renewal of the City's contract with the Youth Services Bureau for comprehensive drug and alcohol assessment and counseling. The City did not contract for these services in 2000.

Leisure Time Activities expenditures increased by 6% in 2001. This increase was the result of expenditure increases in the City's Parks Department to meet increased service demands and in the Special Events program to expand program offerings.

Community Environment expenditures decreased by 8% in 2001 reflecting a decrease in capital expenditures in the City Beautiful program from 2000, when the program made some relatively large capital equipment purchases to support its operations.

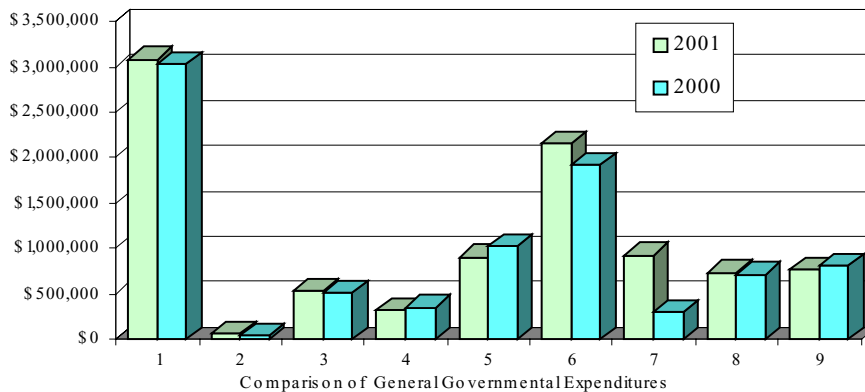
Transportation expenditures decreased by 12% in 2001 due almost entirely to a decrease in expenditures for the City's street resurfacing program. The City's expenditure transactions for the street resurfacing program were not completed until 2002 and therefore are not reflected in year-end 2001 numbers.

A 12% increase in 2001 expenditures in General Government can be attributed to a full year of staffing for the Assistant City Manager and Finance Director positions, which were not filled for the full twelve months in 2000. The City also realized a slight increase in expenditures as it transitioned from a part-time information technology consultant to an in-house capacity, with the addition to its staff of a full-time Information Technology Director.

Prior to 2001, and the implementation of a new budgetary system for the accounting of capital equipment and projects, capital assets were reported in the operating funds requesting and using the assets. In 2001, the City transferred the capital assets appropriations from its various operating budgets to the Capital Improvement Fund. This change in budgeting contributed to the 207% increase in expenditures in 2001.

The following table illustrates the distribution of operating costs for the City in 2001, with comparative data for 2000:

Function	2001 Total	Percent of Total	2000 Total	Increase (Decrease) over 2000	Percent of Increase (Decrease)
1. Security of Persons & Property	\$3,086,716	32.49%	\$3,024,669	\$62,047	2.05%
2. Public Health & Welfare Services	61,217	0.64%	47,900	13,317	27.80%
3. Leisure Time Activities	539,682	5.68%	507,291	32,391	6.39%
4. Community Environment	322,334	3.39%	350,474	(28,140)	(8.03%)
5. Transportation	907,814	9.56%	1,029,656	(121,842)	(11.83%)
6. General Government	2,156,817	22.70%	1,924,549	232,268	12.07%
7. Capital Outlay	926,712	9.75%	301,955	624,757	206.90%
8. Debt Service - Principal	734,883	7.74%	714,883	20,000	2.80%
9. Debt Service - Interest	764,383	8.05%	811,141	(46,758)	(5.76%)
Total	\$9,500,558	100.00%	\$8,712,518	\$788,040	



Proprietary Fund

An enterprise fund records the activities of the municipal pool, which represents the City’s only enterprise activity. The value of the fund’s fixed assets at December 31, 2001 was \$1,544,957. The depreciation expense for 2001 was \$53,044. Fixed assets of \$5,264 were purchased in the fund during 2001. It is City Council’s intention to have the fees charged for the use of the pool, its services and concessions cover the costs of operating and maintaining the facility.

Fiduciary Funds

The fiduciary funds--Historical Trust, Mayor’s Court, and Trust Reimbursement --collectively decreased their balances by \$51,422. Expenditures in the Historical Trust fund were primarily for painting and repairs to the Swaim House, Johnson Murdough building, and the Universalist Church.

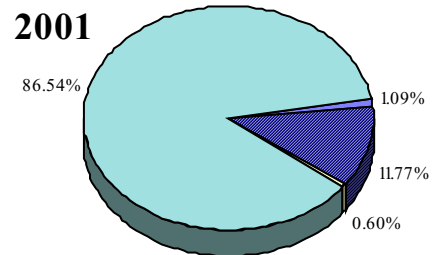
Debt Administration

At the end of December 2001, the City had outstanding general obligation bonds in the amount of \$10,820,000, special assessments bonds of \$2,847,878, and a long-term compensated absences balance of \$495,599. In 2002, the City anticipates issuing \$1 million in debt in the form of one-year renewable notes for the purchase of real estate. It is anticipated that the purchase of this strategic piece of property in the City’s Heritage District will be for future mixed-use development as well as for a gateway entrance to the City.

Cash Management

Cash that was temporarily idle during the year was invested in interest-bearing demand deposit accounts or in the State Treasurer’s investment pool, STAR Ohio. Funds which were determined to be available for longer term investment (\$1,803,290) were invested in U.S. Government Securities 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.

<u>Cash Resources</u>	<u>2001</u>	<u>%</u>
Cash	\$158,703	1.09
U S Government Securities	1,715,412	11.77
Investments (City's Debt)	87,878	0.60
STAR Ohio	12,607,102	86.54
Total Resources	\$14,569,095	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. Additional information regarding the City's risk management can be found in Note 13, "Risk Management" in the financial section of this report.

OTHER INFORMATION

Independent Audit

The general purpose financial statements of the City of Montgomery were audited by Auditor of the State of Ohio. The independent auditor's unqualified opinion has been included in this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Montgomery for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2000. 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 six consecutive years (fiscal years ended December 31, 1995, 1996, 1997, 1998, 1999 and 2000). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

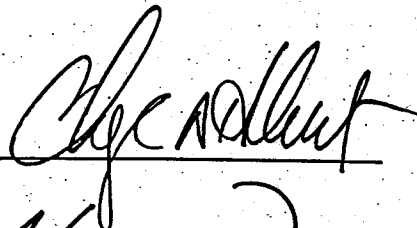
Acknowledgments

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

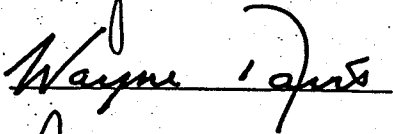
Also, it is important to recognize the continued dedication and support of the Montgomery City Council and its Finance Committee. Their commitment to sound financial practices and reporting is the reason this CAFR is possible.

Respectfully submitted,

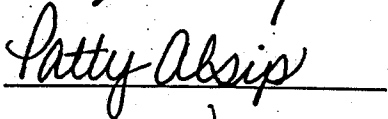
The City of Montgomery Finance Department



Cheryl Hilvert, City Manager



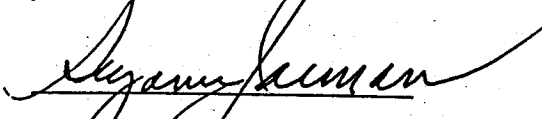
Wayne Davis, Director of Finance



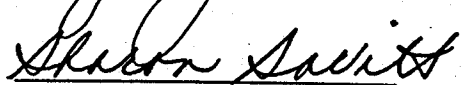
Patty Alsip, Senior Account Clerk



Rebecca Wellbrock, Tax Commissioner



Suzanne Jarman, Tax Account Clerk



Sharon Savitt, Payroll Account Clerk

CITY OF MONTGOMERY, OHIO
PRINCIPAL OFFICIALS
DECEMBER 31, 2001

Elected Officials

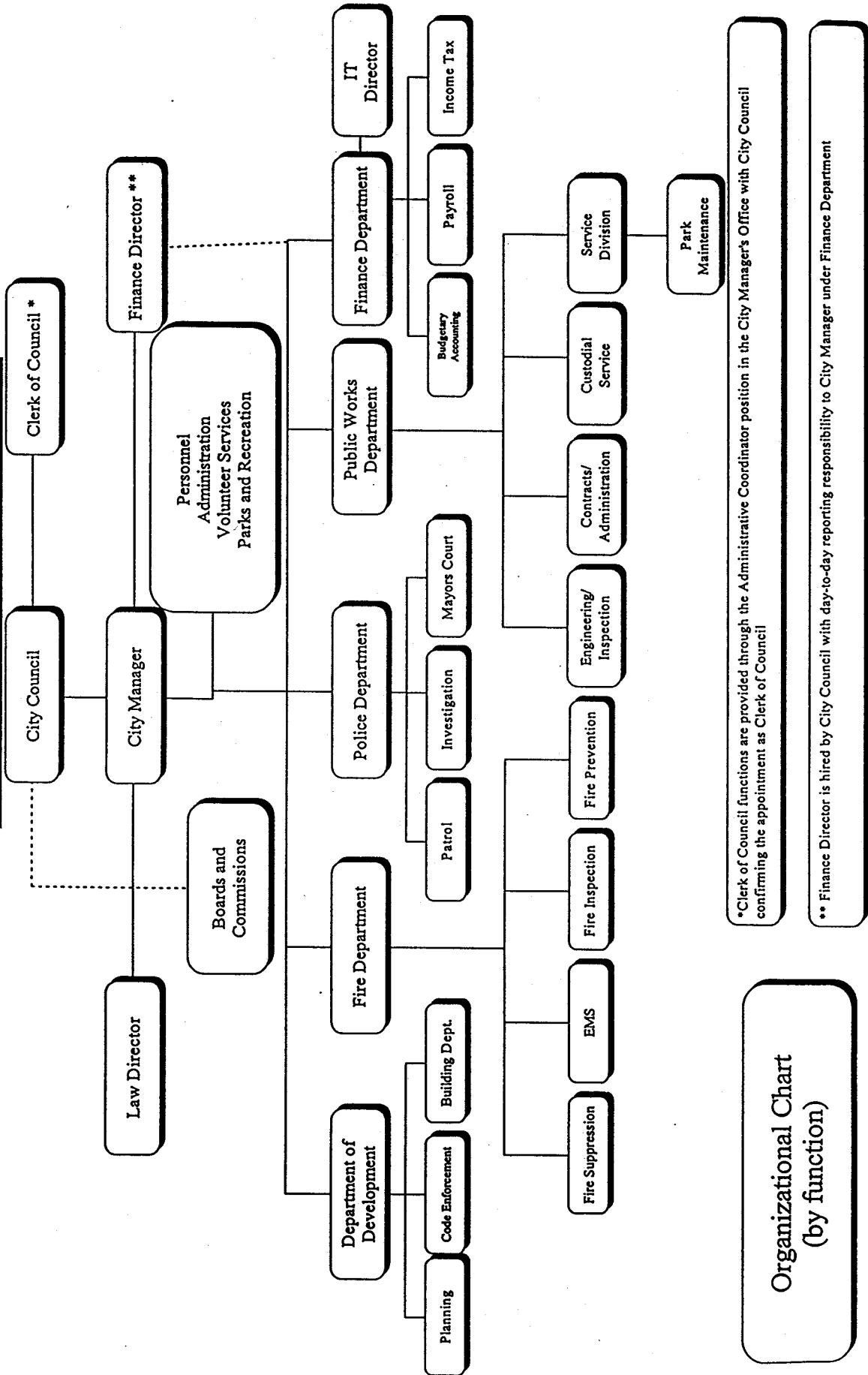
<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Gary Blomberg	Mayor	November 2005
Geri Harbison	Vice Mayor	November 2003
Ed Daniel	Council	November 2005
Bill Niehaus	Council	November 2003
George Rehfeldt	Council	November 2003
Lynda Roesch	Council	November 2005
Ken Suer	Council	November 2005

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
Wayne Davis	Director of Finance	Indefinite



City of Montgomery Organizational Chart



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

** Finance Director is hired by City Council with day-to-day reporting responsibility to City Manager under Finance Department

Organizational Chart
(by function)

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, 2000

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.



Timothy A. Drew
President

Jeffrey L. Esler
Executive Director



FINANCIAL SECTION

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the City Council:

We have audited the accompanying general purpose financial statements of the City of Montgomery, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the City'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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, Hamilton County, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the general purpose financial statements, during the year ended December 31, 2001, the City adopted Governmental Accounting Standards Board Statements No. 33 and 36.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2002, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general purpose financial statements of the City, 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 additional analysis and are not a required part of the general purpose financial statements. We subjected this information 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.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large loop at the end.

Jim Petro
Auditor of State

June 14, 2002

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, 2001 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, 2001

	<i>Governmental</i>			
	<i>Fund Types</i>			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
<u>Assets and Other Debits:</u>				
Assets:				
Cash and Cash Equivalents	\$7,914,056	\$2,357,998	\$1,526,668	\$863,449
Investments	0	0	1,160,127	606,803
Receivables (net of allowance for doubtful accounts):				
Taxes	2,101,146	1,835,067	143,451	186,818
Accounts	1,277	632	0	0
Special Assessments	0	0	5,030,748	0
Due from Other Funds	1,101	1,030	0	0
Intergovernmental Receivables	273,508	100,185	30,156	3,569
Prepaid Items	28,931	12,407	0	0
Restricted Assets:				
Cash with Fiscal Agent	0	0	0	0
Fixed Assets (net of accumulated depreciation)	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	<u>\$10,320,019</u>	<u>\$4,307,319</u>	<u>\$7,891,150</u>	<u>\$1,660,639</u>
<u>Liabilities, Equity and Other Credits:</u>				
Liabilities:				
Accounts Payable	\$75,914	\$15,876	\$200	\$10,688
Accrued Wages and Benefits	126,550	68,626	0	0
Due to Other Funds	0	0	0	0
Intergovernmental Payables	163	0	0	20,000
Deferred Revenue	1,884,963	1,887,193	5,121,032	70,958
Compensated Absences Payable	3,672	0	0	0
Special Assessment Bonds Payable with Governmental Commitment	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	<u>2,091,262</u>	<u>1,971,695</u>	<u>5,121,232</u>	<u>101,646</u>
Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Accumulated Deficit	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	165,750	17,386	0	204,533
Reserved for Prepaid Items	28,931	12,407	0	0
Reserved for Debt Service	0	0	2,769,918	0
Unreserved	8,034,076	2,305,831	0	1,354,460
Total Equity and Other Credits	<u>8,228,757</u>	<u>2,335,624</u>	<u>2,769,918</u>	<u>1,558,993</u>
Total Liabilities, Equity and Other Credits	<u>\$10,320,019</u>	<u>\$4,307,319</u>	<u>\$7,891,150</u>	<u>\$1,660,639</u>

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, 2001

<i>Proprietary Fund Type</i>	<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		Totals (Memorandum Only)
Enterprise Fund	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$17,737	\$57,329	\$0	\$0	\$12,737,237
0	36,360	0	0	1,803,290
0	0	0	0	4,266,482
0	0	0	0	1,909
0	0	0	0	5,030,748
0	0	0	0	2,131
0	0	0	0	407,418
0	26	0	0	41,364
0	28,568	0	0	28,568
1,544,957	0	15,271,359	0	16,816,316
0	0	0	2,769,918	2,769,918
0	0	0	11,393,559	11,393,559
<u>\$1,562,694</u>	<u>\$122,283</u>	<u>\$15,271,359</u>	<u>\$14,163,477</u>	<u>\$55,298,940</u>
\$239	\$40,416	\$0	\$0	\$143,333
0	0	0	0	195,176
0	2,131	0	0	2,131
0	0	0	0	20,163
0	0	0	0	8,964,146
0	0	0	495,599	499,271
0	0	0	2,847,878	2,847,878
0	0	0	10,820,000	10,820,000
<u>239</u>	<u>42,547</u>	<u>0</u>	<u>14,163,477</u>	<u>23,492,098</u>
0	0	15,271,359	0	15,271,359
1,752,327	0	0	0	1,752,327
(189,872)	0	0	0	(189,872)
0	1,171	0	0	388,840
0	26	0	0	41,364
0	0	0	0	2,769,918
0	78,539	0	0	11,772,906
<u>1,562,455</u>	<u>79,736</u>	<u>15,271,359</u>	<u>0</u>	<u>31,806,842</u>
<u>\$1,562,694</u>	<u>\$122,283</u>	<u>\$15,271,359</u>	<u>\$14,163,477</u>	<u>\$55,298,940</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, 2001

	<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	Expensible Trust Fund	
Revenues:						
Taxes	\$5,656,590	\$2,121,083	\$1,466,220	\$1,267,358	\$0	\$10,511,251
Intergovernmental Revenues	342,035	0	0	20,838	0	362,873
Charges for Services	173,886	105,737	0	0	21,525	301,148
Licenses and Permits	130,550	19,317	0	0	0	149,867
Investment Earnings	398,425	103,859	37,848	0	1,469	541,601
Special Assessments	0	0	239,639	0	0	239,639
Fines and Forfeitures	138,707	25,266	0	0	0	163,973
All Other Revenues	86,687	52,483	0	2,098	1,933	143,201
Total Revenues	6,926,880	2,427,745	1,743,707	1,290,294	24,927	12,413,553
Expenditures:						
Current:						
Security of Persons and Property	1,797,364	1,289,352	0	0	0	3,086,716
Public Health and Welfare Services	61,217	0	0	0	0	61,217
Leisure Time Activities	526,142	13,540	0	0	0	539,682
Community Environment	319,816	2,518	0	0	17,971	340,305
Transportation	0	907,814	0	0	0	907,814
General Government	2,039,931	15,855	100,000	1,031	0	2,156,817
Capital Outlay	0	0	0	926,712	36,732	963,444
Debt Service:						
Principal Retirements	0	0	734,883	0	0	734,883
Interest and Fiscal Charges	0	0	764,383	0	0	764,383
Total Expenditures	4,744,470	2,229,079	1,599,266	927,743	54,703	9,555,261
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,182,410	198,666	144,441	362,551	(29,776)	2,858,292
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	10,630	15,840	0	0	0	26,470
Operating Transfers In	37,820	565,000	199,000	178,000	0	979,820
Operating Transfers Out	(743,000)	(236,820)	0	0	0	(979,820)
Total Other Financing Sources (Uses)	(694,550)	344,020	199,000	178,000	0	26,470
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,487,860	542,686	343,441	540,551	(29,776)	2,884,762
Restated Fund Balance at Beginning of Year	6,740,897	1,792,938	2,426,477	1,018,442	109,512	12,088,266
Fund Balance at End of Year	<u>\$8,228,757</u>	<u>\$2,335,624</u>	<u>\$2,769,918</u>	<u>\$1,558,993</u>	<u>\$79,736</u>	<u>\$14,973,028</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, 2001

	<u>General Fund</u>			<u>Special Revenue Funds</u>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$6,077,417	\$6,212,158	\$134,741	\$2,154,658	\$2,125,285	(\$29,373)
Intergovernmental Revenues	318,171	342,290	24,119	0	0	0
Charges for Services	153,492	173,886	20,394	94,550	105,737	11,187
Licenses and Permits	105,921	131,100	25,179	18,053	19,317	1,264
Investment Earnings	351,807	398,425	46,618	91,549	103,859	12,310
Special Assessments	0	0	0	0	0	0
Fines and Forfeitures	169,500	139,936	(29,564)	22,751	24,236	1,485
All Other Revenues	15,522	85,766	70,244	17,815	51,889	34,074
Total Revenues	7,191,830	7,483,561	291,731	2,399,376	2,430,323	30,947
Expenditures:						
Current:						
Security of Persons and Property	2,056,763	1,805,207	251,556	1,374,391	1,296,198	78,193
Public Health and Welfare Services	78,843	71,007	7,836	0	0	0
Leisure Time Activities	596,522	537,055	59,467	31,695	21,132	10,563
Community Environment	428,542	333,015	95,527	5,550	2,668	2,882
Transportation	0	0	0	979,510	938,544	40,966
General Government	2,504,146	2,181,850	322,296	16,308	15,857	451
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	0	0	0
Total Expenditures	5,664,816	4,928,134	736,682	2,407,454	2,274,399	133,055
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,527,014	2,555,427	1,028,413	(8,078)	155,924	164,002
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	250	10,630	10,380	11,253	15,840	4,587
Operating Transfers In	37,820	37,820	0	535,000	565,000	30,000
Operating Transfers Out	(625,000)	(743,000)	(118,000)	(236,820)	(236,820)	0
Total Other Financing Sources (Uses)	(586,930)	(694,550)	(107,620)	309,433	344,020	34,587
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	940,084	1,860,877	920,793	301,355	499,944	198,589
Fund Balance at Beginning of Year	5,697,586	5,697,586	0	1,713,590	1,713,590	0
Prior Year Encumbrances	132,462	132,462	0	120,918	120,918	0
Fund Balance at End of Year	<u>\$6,770,132</u>	<u>\$7,690,925</u>	<u>\$920,793</u>	<u>\$2,135,863</u>	<u>\$2,334,452</u>	<u>\$198,589</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, 2001

<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)
\$1,500,728	\$1,560,558	\$59,830	\$1,135,579	\$1,218,993	\$83,414	\$10,868,382	\$11,116,994	\$248,612
0	0	0	108,838	20,838	(88,000)	427,009	363,128	(63,881)
0	0	0	0	0	0	248,042	279,623	31,581
0	0	0	0	0	0	123,974	150,417	26,443
25,555	26,680	1,125	0	0	0	468,911	528,964	60,053
239,639	239,639	0	0	0	0	239,639	239,639	0
0	0	0	0	0	0	192,251	164,172	(28,079)
0	0	0	1,685	2,098	413	35,022	139,753	104,731
<u>1,765,922</u>	<u>1,826,877</u>	<u>60,955</u>	<u>1,246,102</u>	<u>1,241,929</u>	<u>(4,173)</u>	<u>12,603,230</u>	<u>12,982,690</u>	<u>379,460</u>
0	0	0	0	0	0	3,431,154	3,101,405	329,749
0	0	0	0	0	0	78,843	71,007	7,836
0	0	0	0	0	0	628,217	558,187	70,030
0	0	0	0	0	0	434,092	335,683	98,409
0	0	0	0	0	0	979,510	938,544	40,966
100,000	100,000	0	600	1,031	(431)	2,621,054	2,298,738	322,316
0	0	0	1,404,743	1,117,379	287,364	1,404,743	1,117,379	287,364
734,883	734,883	0	0	0	0	734,883	734,883	0
766,690	764,183	2,507	0	0	0	766,690	764,183	2,507
<u>1,601,573</u>	<u>1,599,066</u>	<u>2,507</u>	<u>1,405,343</u>	<u>1,118,410</u>	<u>286,933</u>	<u>11,079,186</u>	<u>9,920,009</u>	<u>1,159,177</u>
164,349	227,811	63,462	(159,241)	123,519	282,760	1,524,044	3,062,681	1,538,637
0	0	0	0	0	0	11,503	26,470	14,967
199,000	199,000	0	90,000	178,000	88,000	861,820	979,820	118,000
0	0	0	0	0	0	(861,820)	(979,820)	(118,000)
<u>199,000</u>	<u>199,000</u>	<u>0</u>	<u>90,000</u>	<u>178,000</u>	<u>88,000</u>	<u>11,503</u>	<u>26,470</u>	<u>14,967</u>
363,349	426,811	63,462	(69,241)	301,519	370,760	1,535,547	3,089,151	1,553,604
2,246,309	2,246,309	0	808,124	808,124	0	10,465,609	10,465,609	0
0	0	0	152,318	152,318	0	405,698	405,698	0
<u>\$2,609,658</u>	<u>\$2,673,120</u>	<u>\$63,462</u>	<u>\$891,201</u>	<u>\$1,261,961</u>	<u>\$370,760</u>	<u>\$12,406,854</u>	<u>\$13,960,458</u>	<u>\$1,553,604</u>

THE CITY OF MONTGOMERY, OHIO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN ACCUMULATED DEFICIT
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Enterprise Fund</i>
<u>Operating Revenues:</u>	
Charges for Services	\$134,490
Other Operating Revenues	789
Total Operating Revenues	135,279
<u>Operating Expenses:</u>	
Materials and Supplies	162,999
Depreciation Expense	53,044
Total Operating Expenses	216,043
Operating Loss	(80,764)
<u>Nonoperating Revenues (Expenses):</u>	
Investment Earnings	2,141
Total Nonoperating Revenues	2,141
Net Loss	(78,623)
Restated Accumulated Deficit at Beginning of Year	(111,249)
Accumulated Deficit at End of Year	(\$189,872)

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, 2001

	<u>Enterprise Fund</u>
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$135,279
Cash Payments for Goods and Services	<u>(163,868)</u>
Net Cash Used for Operating Activities	<u>(28,589)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Acquisition and Construction of Assets	<u>(5,264)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(5,264)</u>
<u>Cash Flows from Investing Activities:</u>	
Receipts of Interest	<u>2,141</u>
Net Cash Provided by Investing Activities	<u>2,141</u>
Net Decrease in Cash and Cash Equivalents	(31,712)
Cash and Cash Equivalents at Beginning of Year	<u>49,449</u>
Cash and Cash Equivalents at End of Year	<u><u>\$17,737</u></u>
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Loss	(\$80,764)
Adjustments to Reconcile Operating Loss to	
Net Cash Used for Operating Activities:	
Depreciation Expense	53,044
Changes in Assets and Liabilities:	
Decrease in Accounts Payable	(90)
Decrease in Accrued Wages and Benefits	<u>(779)</u>
Total Adjustments	<u>52,175</u>
Net Cash Used for Operating Activities	<u><u>(\$28,589)</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, 2001

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, 2001 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. There was no activity in the CIC during 2001, and the CIC did not report any balances at December 31, 2001.

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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

Special assessment installments, including related accrued interest, which are measurable but not available at December 31 are recorded as deferred revenue. Property taxes measurable as of December 31, 2001 but which are not intended to finance 2001 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 at the fund level. Budgetary control is maintained by not permitting expenditures to exceed appropriations at the fund level without the approval of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets.

1. Tax Budget

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

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 2001.

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 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 fund level. During the year, several supplemental appropriations were necessary to budget contingency funds and intergovernmental grants. The supplemental appropriations increased year end appropriations by approximately 5% over the appropriation ordinance approved in December 2000. 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)	\$1,487,860	\$542,686	\$343,441	\$540,551
Increase (Decrease):				
Accrued Revenues at December 31, 2001 received during 2002	(492,069)	(49,721)	(96,998)	(119,429)
Accrued Revenues at December 31, 2000 received during 2001	1,048,751	52,299	180,168	71,064
Accrued Expenditures at December 31, 2001 paid during 2002	206,299	84,502	200	30,688
Accrued Expenditures at December 31, 2000 paid during 2001	(158,289)	(103,753)	0	(13,064)
2000 Prepays for 2001	20,387	9,884	0	0
2001 Prepays for 2002	(28,931)	(12,407)	0	0
Outstanding Encumbrances	(223,131)	(23,546)	0	(208,291)
Budget Basis	<u>\$1,860,877</u>	<u>\$499,944</u>	<u>\$426,811</u>	<u>\$301,519</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

During fiscal year 2001, 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 demand deposits 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 investments at 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 2001. 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, 2001.

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. Assets valued at less than \$1,000 are not capitalized.

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. Assets valued at less than \$1,000 are not capitalized.

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	10 - 40
Machinery, equipment, furniture and fixtures	5 - 15

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

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 fifteen days per year of active service. 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. Capital contributions received after December 31, 2000 are recorded as revenue in the proprietary fund.

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 2001.

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. There were no cash advances during 2001.

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, prepaid items 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 – CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCES/ACCUMULATED DEFICIT

A. Changes in Accounting Principles

For fiscal year 2001, the City has implemented GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions” and GASB Statement No. 36 “Recipient Reporting for Certain Shared Nonexchange Revenues.” At December 31, 2000, the implementation of GASB Statements No. 33 and 36 had the following effect on fund balances:

Fund Name	Fund Balance as Reported 12/31/00	GASB 33 & 36 Implementation	Fund Balance as Restated 12/31/00
General Fund	\$6,664,056	\$76,841	\$6,740,897
Special Revenue Funds	1,750,058	42,880	1,792,938

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

Fund Name	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses as Reported 12/31/00	GASB 33 & 36 Implementation	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses as Restated 12/31/00
General Fund	\$104,352	\$83,024	\$187,376
Special Revenue Funds	26,644	28,695	55,339

B. Restatement of Accumulated Deficit

Adjustments were made to the accumulated deficit balance of the enterprise fund to reflect the increase in the City’s capitalization limit for fixed assets from \$500 to \$1,000. The balance in the General Fixed Asset Account Group was also restated by \$107,353 from a balance of \$15,109,036 to \$15,001,683 to reflect the increase in the City’s capitalization limit. The restatement resulted in the change to accumulated deficit shown in the table below:

Description	Enterprise Fund
Accumulated Deficit at December 31, 2000 (As Reported)	(\$109,000)
Restatement of Fixed Assets	(2,249)
Accumulated Deficit at December 31, 2000 (As Restated)	(\$111,249)

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

Retained Earnings Deficit - The accumulated deficit at December 31, 2001 of \$189,872 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.

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 five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

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

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

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

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

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation or other authority. 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.

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

A. Deposits

At year end, the carrying amount of the City's deposits was \$158,703 and the depository balance was \$363,741. Of the depository balance, \$182,282 was covered by federal depository insurance; \$181,459 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 105% of uninsured deposits. A qualified trustee as defined by state law must hold the collateral. The City held \$1,500 in petty cash funds.

B. Investments

The City's investments at December 31, 2001 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	\$87,878	\$0	\$87,878
US Government Securities	N/A	1,715,412	1,715,412
Total Categorized Investments	87,878	1,715,412	1,803,290
<u>Non-Categorized Investments</u>			
STAR Ohio	N/A	N/A	12,607,102
Total Investments	<u>\$87,878</u>	<u>\$1,715,412</u>	<u>\$14,410,392</u>

The special assessment bond is an investment held by the City for the purpose of funding retirement payments related to the City's Tanager Woods special assessment bond payable, which is reported in the General Long-Term Obligations Account Group. The investment is funded by special assessment collections from property owners for sidewalk improvements.

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. STAR Ohio is 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.

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

C. Reconciliation of Cash, Cash Equivalents and Investments (Continued)

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:

	Cash and Cash Equivalents *	Investments
Per Combined Balance Sheet	\$12,765,805	\$1,803,290
Investments:		
STAR Ohio	<u>(12,607,102)</u>	<u>12,607,102</u>
Per GASB Statement No. 3	<u>\$158,703</u>	<u>\$14,410,392</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 2001 were levied after October 1, 2000 on assessed values as of January 1, 2000, 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 1999. 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 Montgomery. The County Auditor remits in February and August of each year the City's portion of the taxes collected.

NOTE 5 - TAXES

A. Property Taxes (Continued)

The full tax rate for all City operations for the year ended December 31, 2001 was \$10.05 per \$1,000 of assessed value. The assessed value upon which the 2001 levy was based was \$360,441,670. This amount constitutes \$330,550,770 in real property assessed value, \$6,384,560 in public utility assessed value and \$23,506,340 in tangible personal property assessed value.

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

B. Income Tax

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

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

NOTE 6 - RECEIVABLES

Receivables at December 31, 2001 consisted of taxes, 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, 2001 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$1,101	\$0
Special Revenue Fund:		
Mayor's Court Technology Fund	1,030	0
Agency Fund:		
Mayor's Court Fund	<u>0</u>	<u>2,131</u>
Totals	<u><u>\$2,131</u></u>	<u><u>\$2,131</u></u>

NOTE 8 - OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 2001:

Fund	Transfer In	Transfer Out
General Fund	\$37,820	\$743,000
Special Revenue Funds:		
Fire Protection - EMS Fund	0	119,000
Environmental Impact Tax Fund	40,000	80,000
Street Construction, Maintenance and Repair Fund	525,000	0
Street and Storm Sewer Fund	0	37,820
Total Special Revenue Funds	565,000	236,820
Debt Service Fund:		
General Obligation Bond Retirement Fund	199,000	0
Capital Projects Funds:		
Special Assessment Capital Projects Fund	90,000	0
Federal Emergency Management Agency Fund	88,000	0
Total Capital Projects Funds	178,000	0
Totals	\$979,820	\$979,820

NOTE 9 - FIXED ASSETS

A. General Fixed Assets

Summary by category of changes in general fixed assets:

Category	Restated December 31, 2000	Additions	Deletions	December 31, 2001
Land	\$5,493,783	\$0	\$0	\$5,493,783
Buildings	3,256,543	7,250	0	3,263,793
Improvements Other than Buildings	3,903,856	68,022	0	3,971,878
Machinery and Equipment	2,347,501	399,184	(204,780)	2,541,905
Totals	\$15,001,683	\$474,456	(\$204,780)	\$15,271,359

NOTE 9 - FIXED ASSETS (Continued)

B. Proprietary Fixed Assets

Summary by category at December 31, 2001:

Category	Historical Cost	Accumulated Depreciation	Book Value
Land	\$405,576	\$0	\$405,576
Buildings	660,143	(99,021)	561,122
Improvements Other than Buildings	719,324	(176,965)	542,359
Machinery and Equipment	69,063	(33,163)	35,900
Property, Plant and Equipment	\$1,854,106	(\$309,149)	\$1,544,957

Contributed Capital in the Proprietary Fund did not change during 2001. The balance at December 31, 2001 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 2001 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.25% to fund the pension and 4.3% 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, 2001, 2000 and 1999 were \$197,867, \$148,720 and \$184,695, 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. The health care coverage provided by the PERS of Ohio is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. 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 2001 employer contribution rate (identified above) that was used to fund health care for the year 2001 was 4.3% of covered payroll which amounted to \$62,792.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the PERS of Ohio's latest actuarial review performed as of December 31, 2000. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2000 was 7.75%. An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 411,076. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 2000 is \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively.

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.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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, 2001, 2000 and 1999 were \$212,795, \$201,665 and \$209,318 for police and \$125,238, \$116,462 and \$97,476 for firefighters, respectively, which were equal to the required contributions for each year.

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 2001 covered payroll that was used to fund postemployment health care benefits was \$81,844 representing 7.5% of covered payroll for police and \$39,137 representing 7.5% 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, 2000, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 12,853 for police and 10,037 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, 2000 were \$106,160,054, which was net of member contributions of \$5,657,431.

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 50%. If a full-time employee has accumulated 864 hours or more of unused sick leave, the employee may redeem sick leave hours at the employee's current rate of pay at the rate of one hour of compensation for each three hours of sick leave redeemed.

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, 2001, the liability for unpaid compensated absences was \$495,599 for all funds of the City, a net increase of \$60,032 from the amount at December 31, 2000 of \$435,567.

NOTE 12 - LONG-TERM OBLIGATIONS

Activity in the General Long-Term Obligations Account Group in 2001 was as follows:

			Balance December 31, 2000	Issued (Retired)	Balance December 31, 2001
General Long-Term Debt:					
General Obligation Bonds:					
5.00 - 7.50%	Pioneer Park Improvement Bonds	1991	\$860,000	(\$60,000)	\$800,000
5.20 - 7.50%	Recreation Bonds	1992	1,165,000	(135,000)	1,030,000
5.00 - 7.50%	Parking Lot Bonds	1992	115,000	(10,000)	105,000
6.25%	Park and Recreation Bonds	1993	1,155,000	(60,000)	1,095,000
5.05 - 6.75%	TIF Duke Realty Bonds	1995	3,170,000	(100,000)	3,070,000
4.85%	Public Improvement	1997	5,015,000	(295,000)	4,720,000
	Total General Obligation Bonds		<u>11,480,000</u>	<u>(660,000)</u>	<u>10,820,000</u>
Special Assessment Bonds					
With Governmental Commitment:					
5.25 - 5.70%	Acomb Sewer Bonds	1993	330,000	(15,000)	315,000
6.25%	Public Improvement Bonds	1993	2,355,000	(50,000)	2,305,000
6.00%	Swaim Sidewalk Bonds	1994	46,000	(2,000)	44,000
6.50%	Street Lighting	1997	29,000	(1,000)	28,000
6.00%	Montgomery Woods Sidewalk	1997	70,000	(2,000)	68,000
6.00%	Tanager Woods	1999	92,761	(4,883)	87,878
	Total Special Assessment Bonds				
	With Governmental Commitment		<u>2,922,761</u>	<u>(74,883)</u>	<u>2,847,878</u>
	Total General Long-Term Debt		<u>14,402,761</u>	<u>(734,883)</u>	<u>13,667,878</u>
Other Long-Term Obligations:					
	Compensated Absences		<u>435,567</u>	<u>60,032</u>	<u>495,599</u>
	Total Other Long-Term Obligations		<u>435,567</u>	<u>60,032</u>	<u>495,599</u>
	Total General Long-Term Debt and Other Long-Term Obligations		<u>\$14,838,328</u>	<u>(\$674,851)</u>	<u>\$14,163,477</u>

The principal amount of the City's special assessment debt outstanding at December 31, 2001 of \$2,847,878, 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 \$57,743 in the Special Assessment Bond Retirement Fund and the balance of \$30,510 in the Reserve of Montgomery Bond Retirement Fund at December 31, 2001 are reserved for the retirement of outstanding special assessment bonds. The Tanager Woods special assessment bond payable is a self-funded debt obligation. The funds used to retire this debt are held in a special assessment bond, which is reported as an investment by the City.

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

NOTE 12 - LONG-TERM OBLIGATIONS (Continued)

A. Principal and Interest Requirements

Principal and interest requirements to retire long-term debt outstanding at December 31, 2001 are as follows:

Years	General Obligation Bonds		Special Assessment Bonds	
	Bonds	Interest	Bonds	Interest
2002	\$690,000	\$555,499	\$80,883	\$151,122
2003	730,000	519,091	85,883	145,697
2004	750,000	480,319	90,883	140,547
2005	780,000	442,771	96,883	136,256
2006	815,000	403,629	102,883	131,717
2007-2011	3,610,000	1,428,474	615,415	574,435
2012-2016	3,150,000	578,016	684,415	396,970
2017-2021	295,000	15,193	740,633	203,561
2022-2023	0	0	350,000	23,850
Totals	<u>\$10,820,000</u>	<u>\$4,422,992</u>	<u>\$2,847,878</u>	<u>\$1,904,155</u>

NOTE 13 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1992 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with other local cities. As of December 31, 2001, 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, surety, general liability, boiler and machinery, employment practices liability, police professional and public official liability coverage up to the limits stated below. Membership in MVRMA is intended to provide broad based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA is a non-profit corporation governed by a 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 Claims Manager, a full-time Loss Control Manager and office staff. The board is responsible for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA is subject to the approval of the board, and the organization is covered by policies, procedures, and formally adopted bylaws.

NOTE 13 - RISK MANAGEMENT (Continued)

The sixteen participating cities and their respective pool contribution factors for the loss year ended December 31, 2001 are:

<u>Entity</u>	<u>Percentage</u>	<u>Entity</u>	<u>Percentage</u>	
Beavercreek	8.99 %	Sidney	7.91 %	
Blue Ash	7.31	Springdale	4.74	
Indian Hill	2.36	Tipp City	2.54	
Kettering	16.47	Troy	7.93	
Madeira	1.27	Vandalia	4.73	
Mason	8.21	West Carrollton	3.71	
Miamisburg	12.51	Wilmington	5.76	
Montgomery	2.92	Wyoming	2.64	Total
Subtotal	<u>60.04 %</u>	Subtotal	<u>39.96 %</u>	<u>100.00 %</u>

The 2001 pool contribution of the City of Montgomery was \$71,051 representing 2.92% of the total collected from all members for that year's operating costs and projected loss reserves.

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	\$477,066,399	per occurrence
Crime / Employee Theft	1,000,000	per occurrence
Liability	11,000,000	per occurrence
Flood (Property in Zone C)	100,000,000	Aggregate
Flood (Property in Zone B)	500,000	Aggregate
Earthquake (Property)	100,000,000	Aggregate
Extra Expense	5,000,000	per occurrence

The member deductible per occurrence for most types of claims is \$2,500. The pool's self insured retention (SIR) for property claims is \$2,501 - \$150,000 per occurrence except Boiler and Machinery which is \$2,500 - \$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, 2001, because an actuarial opinion issued as of that date reported actual MVRMA loss reserves of \$5,073,296 an amount in excess of the recommended net reserve of \$2,304,203. MVRMA reported Montgomery's loss experience for years 2000, 1999 and 1998 as \$38,991, \$39,425, and \$38,897 respectively.

NOTE 13 - RISK MANAGEMENT (Continued)

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

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

The City continues to carry commercial insurance for other risks of loss, including employee health and life insurance. Other than a reduction in aggregate coverage limits of \$500,000 in Flood Zone B (from \$100,000,000 in 2000), 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 14 - 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, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$6,077,417	\$6,212,158	\$134,741
Intergovernmental Revenues	318,171	342,290	24,119
Charges for Services	153,492	173,886	20,394
Licenses and Permits	105,921	131,100	25,179
Investment Earnings	351,807	398,425	46,618
Fines and Forfeitures	169,500	139,936	(29,564)
All Other Revenues	15,522	85,766	70,244
Total Revenues	7,191,830	7,483,561	291,731
<u>Expenditures:</u>			
Security of Persons and Property:			
Police:			
Personal Services	1,668,542	1,554,818	113,724
Material, Supplies, and Services	223,350	202,298	21,052
Capital Outlay	75,371	46,951	28,420
Total Police	1,967,263	1,804,067	163,196
Disaster Service:			
Material, Supplies, and Services	89,500	1,140	88,360
Total Disaster Service	89,500	1,140	88,360
Total Security of Persons and Property	2,056,763	1,805,207	251,556
Public Health and Welfare:			
Public Health and Welfare:			
Personal Services	50,443	46,639	3,804
Total Public Health and Welfare	50,443	46,639	3,804
Cemetery:			
Material, Supplies, and Services	23,400	19,755	3,645
Capital Outlay	5,000	4,613	387
Total Cemetery	28,400	24,368	4,032
Total Public Health and Welfare	78,843	71,007	7,836

(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, 2001

GENERAL FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Leisure Time Activities:			
Recreation:			
Personal Services	88,075	77,300	10,775
Material, Supplies, and Services	64,678	55,568	9,110
Capital Outlay	3,550	3,374	176
Total Recreation	<u>156,303</u>	<u>136,242</u>	<u>20,061</u>
City Parks:			
Personal Services	144,121	128,854	15,267
Material, Supplies, and Services	116,558	107,404	9,154
Capital Outlay	70,562	67,048	3,514
Total City Parks	<u>331,241</u>	<u>303,306</u>	<u>27,935</u>
Lodges:			
Material, Supplies, and Services	11,826	9,336	2,490
Capital Outlay	11,000	9,141	1,859
Total Lodges	<u>22,826</u>	<u>18,477</u>	<u>4,349</u>
Volunteer Services:			
Personal Services	26,646	26,202	444
Material, Supplies, and Services	6,256	4,495	1,761
Capital Outlay	1,500	1,440	60
Total Volunteer Services	<u>34,402</u>	<u>32,137</u>	<u>2,265</u>
Special Events:			
Material, Supplies, and Services	51,750	46,893	4,857
Total Special Events	<u>51,750</u>	<u>46,893</u>	<u>4,857</u>
Total Leisure Time Activities	<u>596,522</u>	<u>537,055</u>	<u>59,467</u>
Community Environment:			
Landmarks Commission:			
Material, Supplies, and Services	15,461	9,299	6,162
Capital Outlay	4,000	4,000	0
Total Landmarks Commission	<u>19,461</u>	<u>13,299</u>	<u>6,162</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, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
City Beautiful:			
Material, Supplies, and Services	78,983	65,057	13,926
Capital Outlay	7,143	824	6,319
Total City Beautiful	<u>86,126</u>	<u>65,881</u>	<u>20,245</u>
Development:			
Personal Services	206,221	124,378	81,843
Material, Supplies, and Services	96,134	119,565	(23,431)
Capital Outlay	466	506	(40)
Total Development	<u>302,821</u>	<u>244,449</u>	<u>58,372</u>
Planning Commission:			
Material, Supplies, and Services	12,442	5,886	6,556
Capital Outlay	7,692	3,500	4,192
Total Planning Commission	<u>20,134</u>	<u>9,386</u>	<u>10,748</u>
Total Community Environment	<u>428,542</u>	<u>333,015</u>	<u>95,527</u>
General Government:			
Administration:			
Personal Services	359,635	345,558	14,077
Material, Supplies, and Services	19,875	18,788	1,087
Total Administration	<u>379,510</u>	<u>364,346</u>	<u>15,164</u>
Finance Administration:			
Personal Services	178,827	159,826	19,001
Material, Supplies, and Services	68,510	55,149	13,361
Capital Outlay	12,305	14,156	(1,851)
Total Finance Administration	<u>259,642</u>	<u>229,131</u>	<u>30,511</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, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Legal Administration:			
Material, Supplies, and Services	139,000	87,398	51,602
Capital Outlay	5,000	5,000	0
Total Legal Administration	<u>144,000</u>	<u>92,398</u>	<u>51,602</u>
Income Tax:			
Personal Services	117,774	105,573	12,201
Material, Supplies, and Services	16,366	16,852	(486)
Capital Outlay	7,862	4,526	3,336
Total Income Tax	<u>142,002</u>	<u>126,951</u>	<u>15,051</u>
Council:			
Personal Services	14,475	11,157	3,318
Material, Supplies, and Services	2,200	2,668	(468)
Capital Outlay	8,000	7,210	790
Total Council	<u>24,675</u>	<u>21,035</u>	<u>3,640</u>
Mayor's Court:			
Personal Services	65,147	64,280	867
Material, Supplies, and Services	31,846	10,831	21,015
Total Mayor's Court	<u>96,993</u>	<u>75,111</u>	<u>21,882</u>
Civil Service:			
Material, Supplies, and Services	6,050	1,200	4,850
Total Civil Service	<u>6,050</u>	<u>1,200</u>	<u>4,850</u>
Central Services:			
Personal Services	187,244	141,988	45,256
Material, Supplies, and Services	59,594	54,160	5,434
Capital Outlay	3,000	2,880	120
Total Central Services	<u>249,838</u>	<u>199,028</u>	<u>50,810</u>
Information Technology:			
Personal Services	60,000	29,850	30,150
Material, Supplies, and Services	7,500	33,931	(26,431)
Capital Outlay	3,500	6,574	(3,074)
Total Information Technology	<u>71,000</u>	<u>70,355</u>	<u>645</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, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
General Administration:			
Personal Services	2,000	3,870	(1,870)
Material, Supplies, and Services	1,120,051	990,419	129,632
Capital Outlay	8,385	8,006	379
Total General Administration	<u>1,130,436</u>	<u>1,002,295</u>	<u>128,141</u>
Total General Government	<u>2,504,146</u>	<u>2,181,850</u>	<u>322,296</u>
Total Expenditures	<u>5,664,816</u>	<u>4,928,134</u>	<u>736,682</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,527,014	2,555,427	1,028,413
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	250	10,630	10,380
Operating Transfers In	37,820	37,820	0
Operating Transfers Out	<u>(625,000)</u>	<u>(743,000)</u>	<u>(118,000)</u>
Total Other Financing Sources (Uses)	<u>(586,930)</u>	<u>(694,550)</u>	<u>(107,620)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	940,084	1,860,877	920,793
Fund Balance at Beginning of Year	5,697,586	5,697,586	0
Prior Year Encumbrances	<u>132,462</u>	<u>132,462</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$6,770,132</u></u>	<u><u>\$7,690,925</u></u>	<u><u>\$920,793</u></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 for revenues distributed by the State from the motor vehicle registration and gasoline tax. Expenditures may only be used for street construction, maintenance and repair.

(Continued)

SPECIAL REVENUE FUNDS

Street and Storm Sewer Fund

To account for capital improvements for street projects only. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Arts and Amenities Fund

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

THE CITY OF MONTGOMERY, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001

	Memorial	Law Enforcement	Drug Law Enforcement	DUI Enforcement and Education	Mayor's Court Technology
<u>Assets:</u>					
Cash and Cash Equivalents	\$4,012	\$3,980	\$2,701	\$5,668	\$67,067
Receivables (net of allowance for doubtful accounts):					
Taxes	0	0	0	0	0
Accounts	0	0	0	0	0
Due from Other Funds	0	0	0	0	1,030
Intergovernmental Receivables	0	0	0	0	0
Prepaid Items	0	0	0	0	138
Total Assets	<u>\$4,012</u>	<u>\$3,980</u>	<u>\$2,701</u>	<u>\$5,668</u>	<u>\$68,235</u>
<u>Liabilities:</u>					
Accounts Payable	\$0	\$0	\$0	\$0	\$457
Accrued Wages and Benefits	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>457</u>
<u>Fund Equity:</u>					
Fund Balances:					
Reserved for Encumbrances	150	0	0	0	0
Reserved for Prepaid Items	0	0	0	0	138
Unreserved - Undesignated	3,862	3,980	2,701	5,668	67,640
Total Fund Equity	<u>4,012</u>	<u>3,980</u>	<u>2,701</u>	<u>5,668</u>	<u>67,778</u>
Total Liabilities and Fund Equity	<u>\$4,012</u>	<u>\$3,980</u>	<u>\$2,701</u>	<u>\$5,668</u>	<u>\$68,235</u>

THE CITY OF MONTGOMERY, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001

Fire Protection/ EMS	Environmental Impact Tax	Street Construction, Maintenance and Repair	Arts and Amenities	Totals
\$1,626,564	\$11,243	\$204,264	\$432,499	\$2,357,998
1,686,903	0	148,164	0	1,835,067
314	0	318	0	632
0	0	0	0	1,030
100,185	0	0	0	100,185
6,374	0	5,895	0	12,407
<u>\$3,420,340</u>	<u>\$11,243</u>	<u>\$358,641</u>	<u>\$432,499</u>	<u>\$4,307,319</u>
\$6,677	\$0	\$8,548	\$194	\$15,876
52,987	0	15,639	0	68,626
1,787,088	0	100,105	0	1,887,193
<u>1,846,752</u>	<u>0</u>	<u>124,292</u>	<u>194</u>	<u>1,971,695</u>
1,697	0	7,947	7,592	17,386
6,374	0	5,895	0	12,407
1,565,517	11,243	220,507	424,713	2,305,831
<u>1,573,588</u>	<u>11,243</u>	<u>234,349</u>	<u>432,305</u>	<u>2,335,624</u>
<u>\$3,420,340</u>	<u>\$11,243</u>	<u>\$358,641</u>	<u>\$432,499</u>	<u>\$4,307,319</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, 2001

	Memorial	Law Enforcement	Drug Law Enforcement	DUI Enforcement and Education	Mayor's Court Technology
<u>Revenues:</u>					
Taxes	\$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	5,490	416	380	18,980
All Other Revenues	1,650	200	0	0	0
Total Revenues	1,650	5,690	416	380	18,980
<u>Expenditures:</u>					
Current:					
Security of Persons and Property	0	3,494	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	2,518	0	0	0	0
Transportation	0	0	0	0	0
General Government	0	0	0	0	15,855
Total Expenditures	2,518	3,494	0	0	15,855
Excess (Deficiency) of Revenues Over (Under) Expenditures	(868)	2,196	416	380	3,125
<u>Other Financing Sources (Uses):</u>					
Proceeds from Sale of Fixed Assets	0	0	0	0	0
Operating Transfers In	0	0	0	0	0
Operating Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(868)	2,196	416	380	3,125
Restated Fund Balance at Beginning of Year	4,880	1,784	2,285	5,288	64,653
Fund Balance at End of Year	\$4,012	\$3,980	\$2,701	\$5,668	\$67,778

THE CITY OF MONTGOMERY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

Fire Protection/ EMS	Environmental Impact Tax	Street Construction, Maintenance and Repair	Street and Storm Sewer	Arts and Amenities	Totals
\$1,804,856	\$0	\$316,227	\$0	\$0	\$2,121,083
91,001	0	0	0	14,736	105,737
0	19,317	0	0	0	19,317
69,982	1,467	8,503	0	23,907	103,859
0	0	0	0	0	25,266
39,286	0	10,732	0	615	52,483
<u>2,005,125</u>	<u>20,784</u>	<u>335,462</u>	<u>0</u>	<u>39,258</u>	<u>2,427,745</u>
1,285,858	0	0	0	0	1,289,352
0	0	0	0	13,540	13,540
0	0	0	0	0	2,518
0	0	907,814	0	0	907,814
0	0	0	0	0	15,855
<u>1,285,858</u>	<u>0</u>	<u>907,814</u>	<u>0</u>	<u>13,540</u>	<u>2,229,079</u>
719,267	20,784	(572,352)	0	25,718	198,666
3,510	0	12,330	0	0	15,840
0	40,000	525,000	0	0	565,000
<u>(119,000)</u>	<u>(80,000)</u>	<u>0</u>	<u>(37,820)</u>	<u>0</u>	<u>(236,820)</u>
<u>(115,490)</u>	<u>(40,000)</u>	<u>537,330</u>	<u>(37,820)</u>	<u>0</u>	<u>344,020</u>
603,777	(19,216)	(35,022)	(37,820)	25,718	542,686
969,811	30,459	269,371	37,820	406,587	1,792,938
<u>\$1,573,588</u>	<u>\$11,243</u>	<u>\$234,349</u>	<u>\$0</u>	<u>\$432,305</u>	<u>\$2,335,624</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, 2001

MEMORIAL FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	<u>\$1,500</u>	<u>\$1,650</u>	<u>\$150</u>
Total Revenues	<u>1,500</u>	<u>1,650</u>	<u>150</u>
<u>Expenditures:</u>			
Community Environment:			
Material, Supplies, and Services	<u>5,550</u>	<u>2,668</u>	<u>2,882</u>
Total Expenditures	<u>5,550</u>	<u>2,668</u>	<u>2,882</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,050)	(1,018)	3,032
Fund Balance at Beginning of Year	4,330	4,330	0
Prior Year Encumbrances	<u>550</u>	<u>550</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$830</u></u>	<u><u>\$3,862</u></u>	<u><u>\$3,032</u></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, 2001

LAW ENFORCEMENT FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$5,190	\$5,490	\$300
All Other Revenues	<u>500</u>	<u>200</u>	<u>(300)</u>
Total Revenues	<u>5,690</u>	<u>5,690</u>	<u>0</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Material, Supplies, and Services	599	599	0
Capital Outlay	<u>3,401</u>	<u>2,895</u>	<u>506</u>
Total Expenditures	<u>4,000</u>	<u>3,494</u>	<u>506</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,690	2,196	506
Fund Balance at Beginning of Year	<u>1,784</u>	<u>1,784</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,474</u></u>	<u><u>\$3,980</u></u>	<u><u>\$506</u></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, 2001

DRUG LAW ENFORCEMENT FUND

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	<u>\$416</u>	<u>\$416</u>	<u>\$0</u>
Total Revenues	<u>416</u>	<u>416</u>	<u>0</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Material, Supplies, and Services	<u>500</u>	<u>0</u>	<u>500</u>
Total Expenditures	<u>500</u>	<u>0</u>	<u>500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(84)	416	500
Fund Balance at Beginning of Year	<u>2,285</u>	<u>2,285</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,201</u></u>	<u><u>\$2,701</u></u>	<u><u>\$500</u></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, 2001

DUI ENFORCEMENT AND EDUCATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$345	\$380	\$35
Total Revenues	345	380	35
<u>Expenditures:</u>			
Security of Persons and Property:			
Material, Supplies, and Services	1,000	0	1,000
Total Expenditures	1,000	0	1,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(655)	380	1,035
Fund Balance at Beginning of Year	5,288	5,288	0
Fund Balance at End of Year	\$4,633	\$5,668	\$1,035

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, 2001

MAYOR'S COURT TECHNOLOGY FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$16,800	\$17,950	\$1,150
Total Revenues	<u>16,800</u>	<u>17,950</u>	<u>1,150</u>
<u>Expenditures:</u>			
General Government:			
Material, Supplies, and Services	7,037	7,037	0
Capital Outlay	<u>9,271</u>	<u>8,820</u>	<u>451</u>
Total Expenditures	<u>16,308</u>	<u>15,857</u>	<u>451</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	492	2,093	1,601
Fund Balance at Beginning of Year	<u>64,974</u>	<u>64,974</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$65,466</u></u>	<u><u>\$67,067</u></u>	<u><u>\$1,601</u></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, 2001

FIRE PROTECTION / EMS FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$1,827,396	\$1,804,856	(\$22,540)
Charges for Services	78,694	91,001	12,307
Investment Earnings	59,394	69,982	10,588
All Other Revenues	<u>6,700</u>	<u>38,972</u>	<u>32,272</u>
Total Revenues	<u>1,972,184</u>	<u>2,004,811</u>	<u>32,627</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	1,085,823	1,048,955	36,868
Material, Supplies, and Services	166,468	129,587	36,881
Capital Outlay	<u>116,600</u>	<u>114,162</u>	<u>2,438</u>
Total Expenditures	<u>1,368,891</u>	<u>1,292,704</u>	<u>76,187</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	603,293	712,107	108,814
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	0	3,510	3,510
Operating Transfers Out	<u>(119,000)</u>	<u>(119,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(119,000)</u>	<u>(115,490)</u>	<u>3,510</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	484,293	596,617	112,324
Fund Balance at Beginning of Year	1,025,779	1,025,779	0
Prior Year Encumbrances	<u>815</u>	<u>815</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,510,887</u>	<u>\$1,623,211</u>	<u>\$112,324</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, 2001

ENVIRONMENTAL IMPACT TAX FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Licenses and Permits	\$18,053	\$19,317	\$1,264
Investment Earnings	1,210	1,467	257
Total Revenues	<u>19,263</u>	<u>20,784</u>	<u>1,521</u>
<u>Expenditures:</u>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,263	20,784	1,521
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	40,000	40,000	0
Operating Transfers Out	<u>(80,000)</u>	<u>(80,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(20,737)	(19,216)	1,521
Fund Balance at Beginning of Year	<u>30,459</u>	<u>30,459</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$9,722</u></u>	<u><u>\$11,243</u></u>	<u><u>\$1,521</u></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, 2001

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$327,262	\$320,429	(\$6,833)
Charges for Services	1,120	0	(1,120)
Investment Earnings	8,000	8,503	503
All Other Revenues	8,500	10,452	1,952
Total Revenues	344,882	339,384	(5,498)
<u>Expenditures:</u>			
Transportation:			
Personal Services	599,373	565,569	33,804
Material, Supplies, and Services	257,087	266,413	(9,326)
Capital Outlay	123,050	106,562	16,488
Total Expenditures	979,510	938,544	40,966
Excess (Deficiency) of Revenues Over (Under) Expenditures	(634,628)	(599,160)	35,468
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	11,253	12,330	1,077
Operating Transfers In	495,000	525,000	30,000
Total Other Financing Sources (Uses)	506,253	537,330	31,077
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(128,375)	(61,830)	66,545
Fund Balance at Beginning of Year	136,584	136,584	0
Prior Year Encumbrances	117,253	117,253	0
Fund Balance at End of Year	\$125,462	\$192,007	\$66,545

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, 2001

STREET AND STORM SEWER FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	<u>(37,820)</u>	<u>(37,820)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(37,820)</u>	<u>(37,820)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(37,820)	(37,820)	0
Fund Balance at Beginning of Year	<u>37,820</u>	<u>37,820</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></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, 2001

ARTS AND AMENITIES FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$14,736	\$14,736	\$0
Investment Earnings	22,945	23,907	962
All Other Revenues	615	615	0
Total Revenues	38,296	39,258	962
<u>Expenditures:</u>			
Leisure Time Activities:			
Material, Supplies, and Services	31,695	21,132	10,563
Total Expenditures	31,695	21,132	10,563
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,601	18,126	11,525
Fund Balance at Beginning of Year	404,287	404,287	0
Prior Year Encumbrances	2,300	2,300	0
Fund Balance at End of Year	\$413,188	\$424,713	\$11,525



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, 2001

	Special Assessment Bond Retirement	General Obligation Bond Retirement	Pioneer Park Bond Retirement	Reserve of Montgomery Bond Retirement	Ohio National Tax Increment	Totals
<u>Assets:</u>						
Cash and Cash Equivalents	\$32,683	\$482,348	\$300,851	\$17,269	\$693,517	\$1,526,668
Investments	25,060	369,853	220,200	13,241	531,773	1,160,127
Receivables:						
Taxes	0	130,338	13,113	0	0	143,451
Special Assessments	634,294	0	0	4,396,454	0	5,030,748
Intergovernmental Receivables	0	0	0	0	30,156	30,156
Total Assets	<u>\$692,037</u>	<u>\$982,539</u>	<u>\$534,164</u>	<u>\$4,426,964</u>	<u>\$1,255,446</u>	<u>\$7,891,150</u>
<u>Liabilities:</u>						
Accounts Payable	\$0	\$200	\$0	\$0	\$0	\$200
Deferred Revenue	634,294	47,015	13,113	4,396,454	30,156	5,121,032
Total Liabilities	<u>634,294</u>	<u>47,215</u>	<u>13,113</u>	<u>4,396,454</u>	<u>30,156</u>	<u>5,121,232</u>
<u>Fund Equity:</u>						
Fund Balances:						
Reserved for Debt Service	57,743	935,324	521,051	30,510	1,225,290	2,769,918
Total Fund Equity	<u>57,743</u>	<u>935,324</u>	<u>521,051</u>	<u>30,510</u>	<u>1,225,290</u>	<u>2,769,918</u>
Total Liabilities and Fund Equity	<u>\$692,037</u>	<u>\$982,539</u>	<u>\$534,164</u>	<u>\$4,426,964</u>	<u>\$1,255,446</u>	<u>\$7,891,150</u>

CITY OF MONTGOMERY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	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	\$708,116	\$170,925	\$0	\$587,179	\$1,466,220
Investment Earnings	0	0	37,848	0	0	37,848
Special Assessments	59,510	0	0	180,129	0	239,639
Total Revenues	<u>59,510</u>	<u>708,116</u>	<u>208,773</u>	<u>180,129</u>	<u>587,179</u>	<u>1,743,707</u>
Expenditures:						
General Government	0	0	0	0	100,000	100,000
Debt Service:						
Principal Retirement	24,883	500,000	60,000	50,000	100,000	734,883
Interest and Fiscal Charges	32,639	373,425	42,397	130,643	185,279	764,383
Total Expenditures	<u>57,522</u>	<u>873,425</u>	<u>102,397</u>	<u>180,643</u>	<u>385,279</u>	<u>1,599,266</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,988	(165,309)	106,376	(514)	201,900	144,441
Other Financing Sources (Uses):						
Operating Transfers In	0	199,000	0	0	0	199,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>199,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>199,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,988	33,691	106,376	(514)	201,900	343,441
Fund Balance at Beginning of Year	<u>55,755</u>	<u>901,633</u>	<u>414,675</u>	<u>31,024</u>	<u>1,023,390</u>	<u>2,426,477</u>
Fund Balance at End of Year	<u>\$57,743</u>	<u>\$935,324</u>	<u>\$521,051</u>	<u>\$30,510</u>	<u>\$1,225,290</u>	<u>\$2,769,918</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, 2001

SPECIAL ASSESSMENT BOND RETIREMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Special Assessments	\$59,510	\$59,510	\$0
Total Revenues	59,510	59,510	0
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	24,883	24,883	0
Interest and Fiscal Charges	32,647	32,639	8
Total Expenditures	57,530	57,522	8
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,980	1,988	8
Fund Balance at Beginning of Year	55,755	55,755	0
Fund Balance at End of Year	\$57,735	\$57,743	\$8

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, 2001

GENERAL OBLIGATION BOND RETIREMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$744,258	\$802,454	\$58,196
Total Revenues	744,258	802,454	58,196
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	500,000	500,000	0
Interest and Fiscal Charges	374,376	373,225	1,151
Total Debt Service	874,376	873,225	1,151
Total Expenditures	874,376	873,225	1,151
Excess (Deficiency) of Revenues Over (Under) Expenditures	(130,118)	(70,771)	59,347
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	199,000	199,000	0
Total Other Financing Sources (Uses)	199,000	199,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	68,882	128,229	59,347
Fund Balance at Beginning of Year	723,972	723,972	0
Fund Balance at End of Year	\$792,854	\$852,201	\$59,347

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, 2001

PIONEER PARK BOND RETIREMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$169,291	\$170,925	\$1,634
Investment Earnings	25,555	26,680	1,125
Total Revenues	194,846	197,605	2,759
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	60,000	60,000	0
Interest and Fiscal Charges	42,643	42,397	246
Total Expenditures	102,643	102,397	246
Excess (Deficiency) of Revenues Over (Under) Expenditures	92,203	95,208	3,005
Fund Balance at Beginning of Year	412,168	412,168	0
Fund Balance at End of Year	\$504,371	\$507,376	\$3,005

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, 2001

RESERVE OF MONTGOMERY BOND RETIREMENT FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Special Assessments	\$180,129	\$180,129	\$0
Total Revenues	<u>180,129</u>	<u>180,129</u>	<u>0</u>
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	50,000	50,000	0
Interest and Fiscal Charges	<u>131,169</u>	<u>130,643</u>	<u>526</u>
Total Expenditures	<u>181,169</u>	<u>180,643</u>	<u>526</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,040)	(514)	526
Fund Balance at Beginning of Year	<u>31,024</u>	<u>31,024</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$29,984</u></u>	<u><u>\$30,510</u></u>	<u><u>\$526</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, 2001

OHIO NATIONAL TAX INCREMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$587,179	\$587,179	\$0
Total Revenues	587,179	587,179	0
<u>Expenditures:</u>			
General Government:			
Materials, Supplies, and Services	100,000	100,000	0
Total General Government	100,000	100,000	0
Debt Service:			
Principal Retirement	100,000	100,000	0
Interest and Fiscal Charges	185,855	185,279	576
Total Debt Service	285,855	285,279	576
Total Expenditures	385,855	385,279	576
Excess (Deficiency) of Revenues Over (Under) Expenditures	201,324	201,900	576
Fund Balance at Beginning of Year	1,023,390	1,023,390	0
Fund Balance at End of Year	\$1,224,714	\$1,225,290	\$576

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.

Federal Emergency Management Agency (FEMA) Fund

To account for grant monies received from the Federal Emergency Management Agency for assistance with public or individual restoration of disaster-damaged projects.

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, 2001

	<u>Capital Improvement</u>	<u>Federal Emergency Management Agency</u>	<u>Urban Redevelopment</u>	<u>Special Assessment Capital Projects</u>	<u>Totals</u>
<u>Assets:</u>					
Cash and Cash Equivalents	\$651,470	\$72,079	\$88,960	\$50,940	\$863,449
Investments	499,532	0	68,211	39,060	606,803
Receivables (net of allowance for doubtful accounts):					
Taxes	186,818	0	0	0	186,818
Intergovernmental Receivables	0	0	3,569	0	3,569
Total Assets	<u>\$1,337,820</u>	<u>\$72,079</u>	<u>\$160,740</u>	<u>\$90,000</u>	<u>\$1,660,639</u>
<u>Liabilities:</u>					
Accounts Payable	\$3,646	\$112	\$6,930	\$0	\$10,688
Intergovernmental Payables	20,000	0	0	0	20,000
Deferred Revenue	67,389	0	3,569	0	70,958
Total Liabilities	<u>91,035</u>	<u>112</u>	<u>10,499</u>	<u>0</u>	<u>101,646</u>
<u>Fund Equity:</u>					
Fund Balances:					
Reserved for Encumbrances	134,812	14,134	55,587	0	204,533
Unreserved - Undesignated	1,111,973	57,833	94,654	90,000	1,354,460
Total Fund Equity	<u>1,246,785</u>	<u>71,967</u>	<u>150,241</u>	<u>90,000</u>	<u>1,558,993</u>
Total Liabilities and Fund Equity	<u>\$1,337,820</u>	<u>\$72,079</u>	<u>\$160,740</u>	<u>\$90,000</u>	<u>\$1,660,639</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, 2001

	<u>Capital Improvement</u>	<u>Federal Emergency Management Agency</u>	<u>Urban Redevelopment</u>	<u>Special Assessment Capital Projects</u>	<u>Totals</u>
Revenues:					
Taxes	\$1,197,101	\$0	\$70,257	\$0	\$1,267,358
Intergovernmental Revenues	0	20,838	0	0	20,838
All Other Revenues	0	0	2,098	0	2,098
Total Revenues	<u>1,197,101</u>	<u>20,838</u>	<u>72,355</u>	<u>0</u>	<u>1,290,294</u>
Expenditures:					
Current:					
General Government	0	0	1,031	0	1,031
Capital Outlay	<u>870,634</u>	<u>36,871</u>	<u>19,207</u>	<u>0</u>	<u>926,712</u>
Total Expenditures	<u>870,634</u>	<u>36,871</u>	<u>20,238</u>	<u>0</u>	<u>927,743</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	326,467	(16,033)	52,117	0	362,551
Other Financing Sources (Uses):					
Operating Transfers In	<u>0</u>	<u>88,000</u>	<u>0</u>	<u>90,000</u>	<u>178,000</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>88,000</u>	<u>0</u>	<u>90,000</u>	<u>178,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	326,467	71,967	52,117	90,000	540,551
Fund Balance at Beginning of Year	<u>920,318</u>	<u>0</u>	<u>98,124</u>	<u>0</u>	<u>1,018,442</u>
Fund Balance at End of Year	<u><u>\$1,246,785</u></u>	<u><u>\$71,967</u></u>	<u><u>\$150,241</u></u>	<u><u>\$90,000</u></u>	<u><u>\$1,558,993</u></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, 2001

CAPITAL IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$1,065,322	\$1,148,736	\$83,414
Total Revenues	1,065,322	1,148,736	83,414
<u>Expenditures:</u>			
Capital Outlay	1,131,243	998,510	132,733
Total Expenditures	1,131,243	998,510	132,733
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,921)	150,226	216,147
Fund Balance at Beginning of Year	720,000	720,000	0
Prior Year Encumbrances	142,318	142,318	0
Fund Balance at End of Year	\$796,397	\$1,012,544	\$216,147

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, 2001

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$108,838	\$20,838	(\$88,000)
Total Revenues	108,838	20,838	(88,000)
<u>Expenditures:</u>			
Capital Outlay	88,000	51,005	36,995
Total Expenditures	88,000	51,005	36,995
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,838	(30,167)	(51,005)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	0	88,000	88,000
Total Other Financing Sources (Uses)	0	88,000	88,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	20,838	57,833	36,995
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$20,838	\$57,833	\$36,995

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, 2001

URBAN REDEVELOPMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$70,257	\$70,257	\$0
All Other Revenues	1,685	2,098	413
Total Revenues	71,942	72,355	413
<u>Expenditures:</u>			
General Government:			
Materials, Supplies, and Services	600	1,031	(431)
Total General Government	600	1,031	(431)
Capital Outlay:			
Capital Outlay	95,500	67,864	27,636
Total Capital Outlay	95,500	67,864	27,636
Total Expenditures	96,100	68,895	27,205
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,158)	3,460	27,618
Fund Balance at Beginning of Year	88,124	88,124	0
Prior Year Encumbrances	10,000	10,000	0
Fund Balance at End of Year	\$73,966	\$101,584	\$27,618

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, 2001

SPECIAL ASSESSMENT CAPITAL PROJECTS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay	90,000	0	90,000
Total Expenditures	90,000	0	90,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(90,000)	0	90,000
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	90,000	90,000	0
Total Other Financing Sources (Uses)	90,000	90,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	90,000	90,000
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$90,000	\$90,000

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 TRUST FUND

Historical Trust Fund

To account for the revenue generated from the rental of City owned 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, 2001

	Expendable Trust Fund	Agency Funds		Totals
	Historical Trust	Mayor's Court	Trust Reimbursement	
<u>Assets:</u>				
Cash and Cash Equivalents	\$57,329	\$0	\$0	\$57,329
Investments	25,764	0	10,596	36,360
Prepaid Items	26	0	0	26
Restricted Assets:				
Cash with Fiscal Agent	0	2,131	26,437	28,568
Total Assets	<u>\$83,119</u>	<u>\$2,131</u>	<u>\$37,033</u>	<u>\$122,283</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$3,383	\$0	\$37,033	\$40,416
Due to Other Funds	0	2,131	0	2,131
Total Liabilities	<u>3,383</u>	<u>2,131</u>	<u>37,033</u>	<u>42,547</u>
Fund Equity:				
Reserved for Encumbrances	1,171	0	0	1,171
Reserved for Prepaid Items	26	0	0	26
Unreserved	78,539	0	0	78,539
Total Equity	<u>79,736</u>	<u>0</u>	<u>0</u>	<u>79,736</u>
Total Liabilities and Fund Equity	<u>\$83,119</u>	<u>\$2,131</u>	<u>\$37,033</u>	<u>\$122,283</u>

THE CITY OF MONTGOMERY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Balance December 31, 2000	Additions	Deductions	Balance December 31, 2001
<u>Mayor's Court</u>				
Assets:				
Restricted Assets:				
Cash with Fiscal Agent	\$2,330	\$198,456	(\$198,655)	\$2,131
Total Assets	<u>\$2,330</u>	<u>\$198,456</u>	<u>(\$198,655)</u>	<u>\$2,131</u>
Liabilities:				
Due to Other Funds	\$2,330	\$198,456	(\$198,655)	\$2,131
Total Liabilities	<u>\$2,330</u>	<u>\$198,456</u>	<u>(\$198,655)</u>	<u>\$2,131</u>
<u>Trust Reimbursement</u>				
Assets:				
Investments	\$20,035	\$19,303	(\$28,742)	\$10,596
Restricted Assets:				
Cash with Fiscal Agent	38,445	0	(12,008)	26,437
Total Assets	<u>\$58,480</u>	<u>\$19,303</u>	<u>(\$40,750)</u>	<u>\$37,033</u>
Liabilities:				
Accounts Payable	\$58,480	\$19,303	(\$40,750)	\$37,033
Total Liabilities	<u>\$58,480</u>	<u>\$19,303</u>	<u>(\$40,750)</u>	<u>\$37,033</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Investments	\$20,035	\$19,303	(\$28,742)	\$10,596
Restricted Assets:				
Cash with Fiscal Agent	40,775	198,456	(210,663)	28,568
Total Assets	<u>\$60,810</u>	<u>\$217,759</u>	<u>(\$239,405)</u>	<u>\$39,164</u>
Liabilities:				
Accounts Payable	\$58,480	\$19,303	(\$40,750)	\$37,033
Due to Other Funds	2,330	198,456	(198,655)	2,131
Total Liabilities	<u>\$60,810</u>	<u>\$217,759</u>	<u>(\$239,405)</u>	<u>\$39,164</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, 2001

General Fixed Assets:

Land	\$5,493,783
Buildings	3,263,793
Improvements Other than Buildings	3,971,878
Machinery and Equipment	<u>2,541,905</u>
Total General Fixed Assets	<u>\$15,271,359</u>

Investment in General Fixed Assets from:

General Fund	\$11,997,630
Special Revenue Funds	3,007,308
Capital Projects Funds	157,042
Expendable Trust Funds	<u>109,379</u>
Total Investment in General Fixed Assets	<u>\$15,271,359</u>

THE CITY OF MONTGOMERY, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
DECEMBER 31, 2001

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
<u>General Government:</u>					
Administration	\$0	\$286,177	\$417,493	\$117,355	\$821,025
Mayor's Court	0	0	0	21,286	21,286
Finance	0	0	0	111,366	111,366
Total	<u>0</u>	<u>286,177</u>	<u>417,493</u>	<u>250,007</u>	<u>953,677</u>
<u>Security of Persons and Property:</u>					
Police	278,400	1,799,140	0	434,565	2,512,105
Fire/EMS	0	0	0	998,870	998,870
Total	<u>278,400</u>	<u>1,799,140</u>	<u>0</u>	<u>1,433,435</u>	<u>3,510,975</u>
<u>Transportation:</u>					
Street/Service	390,000	779,705	101,409	682,407	1,953,521
<u>Leisure Time Activities:</u>					
Parks/Recreation	4,284,640	128,407	3,273,304	89,470	7,775,821
<u>Community Environment:</u>					
Development	266,000	270,364	73,167	81,766	691,297
Historic Trust	0	0	102,192	4,820	107,012
Total	<u>266,000</u>	<u>270,364</u>	<u>175,359</u>	<u>86,586</u>	<u>798,309</u>
<u>Public Health and Welfare:</u>					
Cemetery	274,743	0	4,313	0	279,056
Total General Fixed Assets	<u><u>\$5,493,783</u></u>	<u><u>\$3,263,793</u></u>	<u><u>\$3,971,878</u></u>	<u><u>\$2,541,905</u></u>	<u><u>\$15,271,359</u></u>

THE CITY OF MONTGOMERY, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2001

Function and Activity	Restated December 31, 2000	Additions	Deletions	December 31, 2001
<u>General Government:</u>				
Administration	\$792,789	\$35,924	(\$7,688)	\$821,025
Mayor's Court	5,914	15,372	0	21,286
Finance	107,095	8,371	(4,100)	111,366
Total	905,798	59,667	(11,788)	953,677
<u>Security of Persons and Property:</u>				
Police	2,539,688	64,293	(91,876)	2,512,105
Fire/EMS	947,302	106,147	(54,579)	998,870
Total	3,486,990	170,440	(146,455)	3,510,975
<u>Transportation:</u>				
Street/Service	1,814,229	183,795	(44,503)	1,953,521
<u>Leisure Time Activities:</u>				
Parks/Recreation	7,735,217	40,604	0	7,775,821
<u>Community Environment:</u>				
Development	690,081	3,250	(2,034)	691,297
Historic Trust	90,312	16,700	0	107,012
Total	780,393	19,950	(2,034)	798,309
<u>Public Health and Welfare:</u>				
Cemetery	279,056	0	0	279,056
Total General Fixed Assets	\$15,001,683	\$474,456	(\$204,780)	\$15,271,359

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 Public Health and Welfare		Leisure Time Activities		Community Environment		Basic Utility Services		Trans- portation	General Government	Capital Outlay	Debt Service	Total
	Property	Services	Public Health	and Welfare	Time	Activities	Community	Environment					
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			
2000	3,024,669	47,900	507,291	350,474	0	1,029,656	1,924,549	301,955	1,526,024	8,712,518			
2001	3,086,716	61,217	539,682	322,334	0	907,814	2,156,817	926,712	1,499,266	9,500,558			

(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
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
2000	10,921,055	122,067	236,043	214,031	614,128	173,629	770,167	13,051,120
2001	10,511,251	362,873	279,623	149,867	540,132	163,973	380,907	12,388,626

- (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 To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes To Total Tax Levy
1992	\$1,780,860	\$1,739,728	\$46,776	\$1,786,504	100.32%	\$67,910	3.81%
1993	1,827,027	1,773,484	36,871	1,810,355	99.09%	87,527	4.79%
1994	1,910,908	1,876,653	44,580	1,921,233	100.54%	89,536	4.69%
1995	2,036,861	1,995,021	31,385	2,026,406	99.49%	76,847	3.77%
1996	2,101,898	1,989,010	37,680	2,026,690	96.42%	162,551	7.73%
1997	2,263,997	2,135,574	34,309	2,169,883	95.84%	261,402	11.55%
1998	2,425,338	2,181,724	44,045	2,225,769	91.77%	195,163	8.05%
1999	2,499,219	2,423,510	124,006	2,547,516	101.93%	140,242	5.61%
2000	3,530,615	3,436,936	80,766	3,517,702	99.63%	224,721	6.36%
2001	3,832,239	3,497,696	79,276	3,576,972	93.34%	257,224	6.71%

Source: Hamilton County Auditor

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

<u>Year Paid</u>	<u>Amount</u>
1992	\$163,986
1993	162,621
1994	160,208
1995	71,551
1996	152,856
1997	152,790
1998	179,461
1999	180,620
2000	224,196
2001	244,982

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	
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%
2000	324,262,130	926,463,229	7,580,120	7,580,120	22,166,530	88,666,120	354,008,780	1,022,709,469	34.61%
2001	330,550,770	944,430,771	6,384,560	6,384,560	23,506,340	94,025,360	360,441,670	1,044,840,691	34.50%

(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				Total	Sycamore School District	Hamilton County	Special Taxing Districts	Total
	General Fund	Fire / EMS Fund	Pioneer Park						
1992	\$4.50	\$3.94	\$0.70		\$9.14	\$46.74	\$17.50	\$2.70	\$76.08
1993	4.50	3.94	0.70		9.14	54.14	18.56	2.70	84.54
1994	4.50	3.95	0.70		9.15	54.14	18.33	2.70	84.32
1995	4.50	3.95	0.70		9.15	54.14	18.30	2.70	84.29
1996	4.50	3.95	0.70		9.15	54.14	19.44	2.70	85.43
1997	4.50	3.95	0.70		9.15	54.14	19.44	2.70	85.43
1998	4.50	3.95	0.70		9.15	54.14	19.01	2.70	85.00
1999	4.50	3.95	0.70		9.15	61.53	18.51	3.73	92.92
2000	4.50	5.55	0.70		10.75	60.84	19.80	3.73	95.12
2001	4.50	5.55	0.70		10.75	60.84	19.92	2.70	94.21

Source: Hamilton County Auditor

City of Montgomery
Special Assessment Billings and Collections
Last Ten Years

Collection Year	Amount Billed	Amount Collected	Percent Collected
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%
2000	247,820	244,584	98.69%
2001	246,639	239,871	97.26%

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, 2001

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$360,441,670	\$360,441,670
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (2)	37,846,375	19,824,292
Applicable City Debt Outstanding	7,750,000	6,950,000
Less: Applicable Debt Service Fund Amounts	(1,456,375)	(935,324)
Net Indebtedness Subject to Limitation	6,293,625	6,014,676
Legal Debt Margin	\$31,552,750	\$13,809,616

(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
1992	9,753 (a)	\$237,538,740	\$6,390,000	\$5,995	\$6,384,005	2.69%	\$655
1993	9,753 (a)	250,751,960	7,340,000	55,228	7,284,772	2.91%	747
1994	9,753 (a)	261,663,450	6,725,000	115,262	6,609,738	2.53%	678
1995	9,753 (a)	272,396,070	9,550,000	271,467	9,278,533	3.41%	951
1996	9,753 (a)	301,214,880	8,845,000	460,625	8,384,375	2.78%	860
1997	9,753 (a)	302,704,750	15,905,958	1,158,782	14,747,176	4.87%	1,512
1998	9,753 (a)	307,261,570	15,703,000	1,236,819	14,466,181	4.71%	1,483
1999	9,753 (a)	346,452,860	8,860,000	1,387,485	7,472,515	2.16%	766
2000	10,163 (b)	354,008,780	8,310,000	2,426,477	5,883,523	1.66%	579
2001	10,163 (b)	360,441,670	7,750,000	1,456,375	6,293,625	1.75%	619

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

(b) U.S. Bureau of Census; 2000 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
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%
2000	550,000	447,139	997,139	8,712,518	11.44%
2001	560,000	413,124	973,124	9,500,558	10.24%

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

City of Montgomery
Computation of All Direct and Overlapping Governmental Debt
December 31, 2001

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Montgomery (1)	Amount Applicable to City of Montgomery
Direct:			
City of Montgomery	\$6,293,625	100.00%	\$6,293,625
Overlapping Subdivisions:			
Sycamore School District	44,843,599	24.12%	10,816,276
Great Oaks Career Center School District	7,975,000	2.31%	184,223
Hamilton County	140,300,000	2.03%	2,848,090
		Subtotal	13,848,589
		Total	\$20,142,214

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)
1992	9,753 (a)	5,754	5.5%
1993	9,753 (a)	5,870	5.4%
1994	9,753 (a)	5,933	4.4%
1995	9,753 (a)	6,073	4.2%
1996	9,753 (a)	6,240	4.5%
1997	9,753 (a)	6,259	3.3%
1998	9,753 (a)	6,279	2.8%
1999	9,753 (a)	6,079	4.9%
2000	10,163 (b)	6,309	3.1%
2001	10,163 (b)	5,677	3.9%

(1) Source: (a) U.S. Bureau of Census - 1990 Federal Census
(b) U.S. Bureau of Census - 2000 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
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
2000	187	6,200,000	136	38,000,000
2001	165	4,472,228	89	3,613,290

Source: City of Montgomery Building Department

**City of Montgomery
Principal Taxpayers (Property Tax)
December 31, 2001**

Taxpayer	Type of Business	2001 Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
Bethesda Properties, Inc.	Real Estate Development	\$4,858,090	1.35%
Bethesda Healthcare, Inc.	Health Care	3,815,010	1.06%
Cinergy	Public Utility	3,669,810	1.02%
Coopers Myers Co.	Real Estate Management	3,110,990	0.86%
Bethesda Hospital, Inc.	Hospital	2,501,600	0.69%
Wolf Investment Group II	Financial Services	2,303,740	0.64%
High Country Health Care	Health Care	1,901,770	0.53%
Cooper Realty, LLC	Real Estate Management	1,826,480	0.51%
Montgomery Swim	Recreation	1,823,890	0.51%
Cincinnati Bell	Public Utility	1,487,200	0.40%
Sub-Total		27,298,580	7.57%
All Others		333,143,090	92.43%
Total		\$360,441,670	100.00%

Source: Hamilton County, Ohio: County Auditor.

**City of Montgomery
Principal Taxpayers (Income Tax)
December 31, 2001**

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

Source: City of Montgomery Income Tax Department

**CITY OF MONTGOMERY , OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2001**

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
1. Bethesda Hospital	Hospital	2,359
2. Ohio National Life Insurance Company	Insurance and Financial Services	681
3. Sycamore Community School District	Education	652
4. Montgomery Inn, Inc.	Restaurant	601
5. CEI Physicians PSC, Inc.	Health Care	319
6. Meadowbrook Care Center	Health Care	310
7. Kroger Limited Partnership	Grocery Retail	233
8. CBS Personnel Services	Employee Leasing	218
9. Bethesda Healthcare, Inc.	Health Care	195
10. Montgomery Care Center	Health Care	195

Source: City of Montgomery Income Tax Department

City of Montgomery
Miscellaneous Statistics
December 31, 2001

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
Number of Street Lights (per Light bill)	207	Number of Full-time Officers and Firefighter/Paramedics
Police Protection:		Number of Part-time Officers and Firefighter/Paramedics
Number of Stations	1	Number of Calls Answered:
Number of Uniformed Personnel	21	Fire Run Calls
Number of Civilian Personnel	3	Emergency Medical Calls
Number of Patrol Units	7	
Number of Law Violations:		Recreation and Culture:
Criminal/Juvenile Citations and Charge	485	Number of Parks
Citations Issued	2,401	Nature Preserve
Calls for Police	11,698	Park Area (acres)
		Number of Ball Fields
Volunteer Hours	3,431	Number of Tennis Courts
(excluding committees, boards & commissions)		Summer Camp Attendance

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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
JULY 30, 2002**