



COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF MONTGOMERY, OHIO
DECEMBER 31, 2008



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Montgomery, Hamilton County, prepared by Bastin & Company, LLC, for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 18, 2009

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2008

Issued by:
Department of Finance
James Hanson
Director



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INTRODUCTORY SECTION



June 12, 2009

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, 2008. The report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

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

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

The Reporting Entity

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

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

CITY OF MONTGOMERY, OHIO

Letter of Transmittal For the Year Ended December 31, 2008

The City of Montgomery

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

City Council

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

The City Council has established various boards and commissions to help in its many efforts - from arts to sister city - to enhance the City. 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 his estate, including artwork, to the City with the request that the City promote artistic endeavors. The Commission advises Council on the prudent and productive use of its financial resources, including the assets held in trust. It sponsors activities throughout the year, such as a photography contest and concerts, which are open to the general public.

Beautification and Tree Commission

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

Board of Tax Review

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

CITY OF MONTGOMERY, OHIO

Letter of Transmittal For the Year Ended December 31, 2008

Board of Zoning Appeals

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

Civil Service Commission

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

Environmental Advisory Commission

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

Landmarks Commission

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

Parks and Recreation Commission

The City has worked to acquire and develop desirable areas for its park system--including the municipal swimming pool--that 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 City Council concerning the City's subdivision, platting and zoning ordinances and regulations. It works in cooperation with other governmental or private planning agencies to secure the maximum benefits for Montgomery. It regularly conducts studies and surveys, as well as plans for the growth, development, redevelopment, rehabilitation and renewal of the City.

CITY OF MONTGOMERY, OHIO

Letter of Transmittal For the Year Ended December 31, 2008

Sister Cities Commission

The Sister Cities Commission, like the Arts Commission, is another cultural endeavor designed to enhance City life and to provide education and understanding concerning other cultures. It participates in an active exchange program with our Sister City, 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, work and play. Its prime location, along Interstates 71 and 275 in northeastern Hamilton County, alluring properties, and easy access to the Greater Cincinnati region has created consistently high values for both residential and commercial properties. Montgomery is located in the Sycamore Community School District, a district that is nationally recognized for its academic excellence.

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

In spite of very difficult national and regional economic conditions, 2008 proved to be another successful year for the City of Montgomery. Thanks to concerted efforts in financial planning, including multi-year budgeting, capital improvement planning, and the use of targeted fund balances, the City remained financially healthy through 2008 and was able to enter 2009 with continued goals of delivering high quality products and services to our citizens, businesses and community visitors and to engage all of these customers in the work of our organization.

***Letter of Transmittal
For the Year Ended December 31, 2008***

MAJOR INITIATIVES

2008 was a banner year for Montgomery in terms of awards, special events and positive changes in our communication efforts and customer service delivery.

Citizen engagement and outreach was a primary activity in 2008. The first annual Montgomery Citizens' Leadership Academy was conducted and was a huge success with 25 individuals comprising the inaugural class. This program, which is designed to transform residents into active and engaged citizens, also featured partnerships with local businesses and organizations such as Bethesda North Hospital, Ohio National Financial Services, the Hamilton County Emergency Operations Center and the Sycamore School District.

In the fall of 2008, the City of Montgomery, Rumpke Recycling, Hamilton County Solid Waste Management District, and the Ohio Department of Natural Resources (ODNR) officially launched the RecycleBank pilot project in the City of Montgomery aimed at increasing the City's recycling rate. City staff was instrumental in the successful kick-off of this pilot program by promoting the project with three informational open houses for residents and disseminating information through the City's newsletter, website, and direct mailings to residents who signed up for the program. Approximately 90% of Montgomery residents are participating in the program, which has resulted in a 54% recycling rate increase since the start of the program.

During 2008, the City of Montgomery was recognized for achievements in a wide variety of areas and by a diverse group of organizations which included:

- In the April edition of *Cincy* magazine, the City of Montgomery was named the Number One suburb in the tri-state area, topping the publication's list of the fifteen best suburbs in the Greater Cincinnati area.
- The City received the Certificate of Achievement for Excellence in Financial Reporting for our 2007 Comprehensive Annual Financial Report (CAFR). The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by our entire City. This is the thirteenth consecutive year the City has received this award.
- Cindy Rains, the City's Police Department Office Manager, was named the 2008 Public Administrator of the Year in the Support Services category. The award was presented by the local chapter of the American Society for Public Administration.
- The City also received a Tree City USA and Growth Award for 2008. This represents the thirteenth year in a row that the City has received the Tree City USA Award and nine years that it has received the Growth Award.
- The City of Montgomery was recognized as a Standard of Excellence award winner by the Miami Valley Risk Management Association (MVRMA) Awards Committee. The overall loss for the City was only \$15.87 per employee and represents a true commitment to safety from the City's employees.
- In September, Mary Taylor, Auditor of the State of Ohio, presented the City of Montgomery with the "Making Your Tax Dollars Count" award for the fiscal year 2007 audit. Fewer than five percent of all Ohio government agencies were eligible for this award.

CITY OF MONTGOMERY, OHIO

Letter of Transmittal For the Year Ended December 31, 2008

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

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

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

FINANCIAL HIGHLIGHTS

Accounting Controls

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

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

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

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

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

CITY OF MONTGOMERY, OHIO

Letter of Transmittal For the Year Ended December 31, 2008

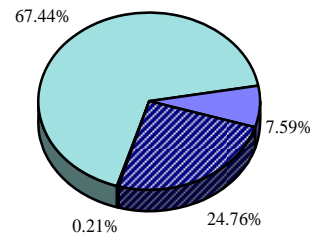
Budgetary Control

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, 2008 are reported as reservations of fund balances within this report.

Cash Management

Cash that was temporarily idle during the year was invested in interest-bearing demand deposit accounts or in the State Treasurer's investment pool, STAR Ohio. Funds of \$6,456,474, which were determined to be available for longer term investment, were invested in U.S. Government Securities. In addition, the City invests in certain special assessment bonds issued by the City of Montgomery. The City's investment policy is to minimize credit and market risks, while obtaining the highest yield possible on its investments. Accordingly, all funds are either insured by federal depository insurance, held in the City's name or are collateralized. All investments meet the State of Ohio's requirements on allowable investments and the City's official investment policy.

<u>Cash Resources</u>	<u>2008</u>	<u>%</u>
Cash	\$1,978,887	7.59
U S Government Securities	6,456,474	24.76
Investments (City's Debt)	53,697	0.21
STAR Ohio	17,582,530	67.44
Total Resources	<u>\$26,071,588</u>	<u>100.00</u>



Risk Management

The City tries to minimize its exposure to risk through employee training and insurance protection plans. Montgomery participates in an insurance pool operated by Miami Valley Risk Management Association, Inc. (MVRMA) for the purpose of obtaining lower insurance rates. MVRMA is a joint insurance pool for municipalities which has been 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.

***Letter of Transmittal
For the Year Ended December 31, 2008***

OTHER INFORMATION

Independent Audit

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Montgomery for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2007. 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 thirteen consecutive years (fiscal years ended December 31, 1995-2007). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Acknowledgments

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

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

Respectfully submitted,



James Hanson
Director of Finance



Cheryl Hilvert
City Manager

CITY OF MONTGOMERY, OHIO

***List of Principal Officials
For the Year Ended December 31, 2008***

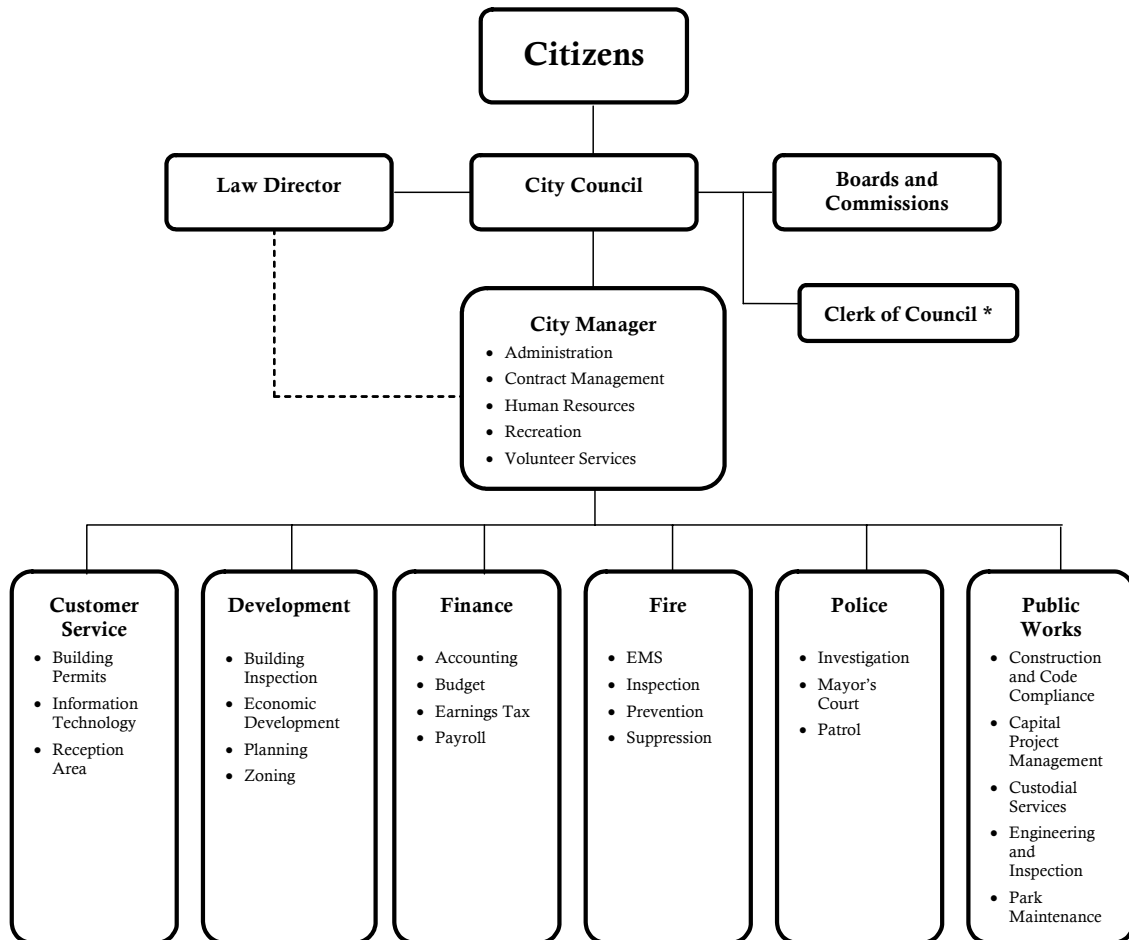
Elected Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Gerri Harbison	Mayor	December 2011
Ken Suer	Vice Mayor	December 2009
Vicki Hirsch	Council	December 2011
Todd Steinbrink	Council	December 2011
Mark Combs	Council	December 2009
Barry Joffe	Council	December 2009
Lynda Roesch	Council	December 2009

Appointed Officials

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

**City Organizational Chart
For the Year Ended December 31, 2008**



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

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Montgomery
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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



President

Executive Director



FINANCIAL SECTION



Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Honorable Members of City Council
City of Montgomery, Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Montgomery, Ohio as of and for the year ended December 31, 2008, which collectively comprise the City of Montgomery, Ohio's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Montgomery, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Montgomery, Ohio, as of December 31, 2008, and the respective changes in financial position, thereof and the respective budgetary comparisons for the General Fund and the Fire Protection/EMS Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2009, on our consideration of the City of Montgomery, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

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

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

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

Cincinnati, Ohio
June 12, 2009

The discussion and analysis of the City of Montgomery's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2008 are as follows:

- ❑ Net assets of governmental activities increased \$3,766,395, which represents a 6.3% increase from 2007.
- ❑ General revenues accounted for \$14,688,669 in revenue or 86.3% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,328,959 or 13.7% of all revenues.
- ❑ The City had \$13,251,233 in expenses related to governmental activities; only \$2,328,959 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$14,688,669 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$9,631,180 in revenues and \$7,507,955 in expenditures. The general fund's fund balance increased \$689,495 to \$13,255,418.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are:

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

CITY OF MONTGOMERY, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2008**

Unaudited

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of the City's net assets at December 31, 2008 and 2007:

	Governmental Activities	
	2008	2007
Current and other assets	\$35,671,487	\$34,943,369
Capital assets, Net	37,679,277	37,316,323
Total assets	<u>73,350,764</u>	<u>72,259,692</u>
Long-term debt outstanding	5,783,463	8,475,174
Other liabilities	4,299,536	4,283,148
Total liabilities	<u>10,082,999</u>	<u>12,758,322</u>
Net assets		
Invested in capital assets, net of related debt	32,640,506	29,524,327
Restricted	17,492,324	17,429,659
Unrestricted	13,134,935	12,547,384
Total net assets	<u>\$63,267,765</u>	<u>\$59,501,370</u>

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CITY OF MONTGOMERY, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2008**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for fiscal years 2008 and 2007:

	Governmental Activities	
	2008	2007
Revenues		
Program Revenues:		
Charges for Services and Sales	\$1,035,107	\$926,166
Operating Grants and Contributions	1,152,496	528,796
Capital Grants and Contributions	141,356	0
General Revenues:		
Property Taxes	4,744,451	4,675,342
Income Taxes	7,248,439	6,744,149
Other Local Taxes	703,870	614,607
General Shared Revenues	809,573	846,944
Investment Earnings	848,844	1,350,943
Miscellaneous	333,492	254,586
Total Revenues	<u>17,017,628</u>	<u>15,941,533</u>
Program Expenses		
Public Safety	5,080,065	4,963,698
Parks and Recreation	1,267,205	1,200,793
Community Economic Development	533,346	497,739
Public Works	2,594,464	2,748,023
General Government	3,503,099	3,349,254
Interest and Fiscal Charges	273,054	306,573
Total Expenses	<u>13,251,233</u>	<u>13,066,080</u>
Total Change in Net Assets	3,766,395	2,875,453
Beginning Net Assets	59,501,370	56,625,917
Ending Net Assets	<u>\$63,267,765</u>	<u>\$59,501,370</u>

Governmental Activities

Net assets of the City's governmental activities increased by \$3,766,395 due to a combination of factors. The majority of the increase in the net assets in governmental activities can be attributed to significant increases in several revenue sources that were above projections and/or in excess of receipts collected in 2007. Three of the major revenue increases were income tax collections, general fund property tax collections and operating grants which exceeded 2007 collections.

CITY OF MONTGOMERY, OHIO

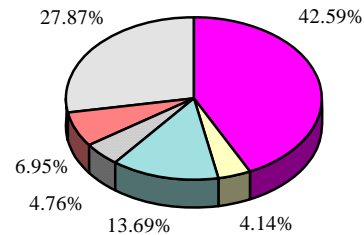
**Management's Discussion and Analysis
For the Year Ended December 31, 2008**

Unaudited

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

Property taxes and income taxes made up 27.87% and 42.59% respectively of revenues for governmental activities for the City in fiscal year 2008. The City's reliance upon tax revenues is demonstrated by the following graph indicating 74.6% of total revenues from general tax revenues:

Revenue Sources	2008	Percent of Total
Property Taxes	\$4,744,451	27.87%
Income Taxes	7,248,439	42.59%
Other Local Taxes	703,870	4.14%
Program Revenues	2,328,959	13.69%
Intergovernmental Unrestricted	809,573	4.76%
General Other	1,182,336	6.95%
Total Revenue	\$17,017,628	100.00%



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$26,657,174, which is an increase from last year's balance of \$26,256,753. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2008 and 2007:

	Fund Balance December 31, 2008	Fund Balance December 31, 2007	Increase (Decrease)
General	\$13,255,418	\$12,565,923	\$689,495
Fire Protection / EMS	4,019,374	3,611,793	407,581
Reserve of Montgomery			
Bond Retirement	75,835	70,567	5,268
Capital Improvement	5,052,150	4,439,656	612,494
Triangle Tax Increment	(1,182,556)	(1,159,070)	(23,486)
Other Governmental	5,436,953	6,727,884	(1,290,931)
Total	\$26,657,174	\$26,256,753	\$400,421

CITY OF MONTGOMERY, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2008**

Unaudited

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

	2008 Revenues	2007 Revenues	Increase (Decrease)
Taxes	\$7,598,030	\$7,185,647	\$412,383
Intergovernmental Revenues	612,508	656,947	(44,439)
Charges for Services	223,291	188,830	34,461
Licenses, Permits, and Fees	283,777	233,503	50,274
Investment Earnings	592,236	955,615	(363,379)
Fines and Forfeitures	157,938	126,155	31,783
All Other Revenue	163,400	141,106	22,294
Total	\$9,631,180	\$9,487,803	\$143,377

General Fund revenues in 2008 increased 1.5% compared to revenues in fiscal year 2007. The relative stability in revenues was due to an increase in tax collections being mostly offset by decreased investment earnings.

	2008 Expenditures	2007 Expenditures	Increase (Decrease)
Public Safety	\$2,818,564	\$2,820,149	(\$1,585)
Parks and Recreation	780,713	751,913	28,800
Community Economic Development	427,323	441,412	(14,089)
Public Works	434,539	419,922	14,617
General Government	3,044,252	3,117,526	(73,274)
Capital Outlay	2,564	1,831	733
Total	\$7,507,955	\$7,552,753	(\$44,798)

General Fund expenditures decreased by \$44,798 over the prior year due to the City's efforts to control expenditures in 2008.

Fire Protection EMS Fund - The fund balance of the Fire Protection EMS Fund, a major governmental fund, increased by \$407,581. As part of its five and ten-year financial plans, the department requires the buildup of a relatively large fund balance to finance capital equipment needs throughout the budgeting cycle.

Reserve of Montgomery Bond Retirement Fund - The fund balance of the Reserve of Montgomery Bond Retirement Fund, a major governmental fund, increased by \$5,268 during 2008 due to special assessments that were slightly more than anticipated in the original budgetary projections.

Capital Improvement Fund - The fund balance of the Capital Improvement Fund, a major governmental fund, increased by \$612,494 during 2008 mainly due to transfers from the General Fund.

CITY OF MONTGOMERY, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2008

Unaudited

Triangle Tax Increment Fund - The fund balance of the Triangle Tax Increment Fund, a major governmental fund, decreased by \$23,486 during 2008 due to increased costs associated with the redevelopment of the Triangle.

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

For the General Fund, final budget basis revenue of \$8.5 million did not change over the original budget estimates of \$8.5 million. Actual revenues exceeded final budgeted revenues in the General Fund. Revenues exceeded budgeted amounts due to higher income tax collections from increased prosperity in the City. The City slightly increased final appropriations to account for anticipated increases in personnel costs. The City was able to stay below final appropriations mainly by controlling expenditures for materials and supplies. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2008 the City had \$37,679,277 net of accumulated depreciation invested in land, buildings, infrastructure, equipment and vehicles. The following table shows fiscal year 2008 and 2007 balances:

	Governmental Activities		Increase (Decrease)
	2008	2007	
Land	\$15,181,361	\$15,181,361	\$0
Buildings	4,140,437	4,024,232	116,205
Improvements Other than Buildings	5,870,668	5,774,437	96,231
Infrastructure	24,075,882	23,119,621	956,261
Machinery and Equipment	4,905,065	4,824,400	80,665
Less: Accumulated Depreciation	(16,494,136)	(15,607,728)	(886,408)
Totals	\$37,679,277	\$37,316,323	\$362,954

CITY OF MONTGOMERY, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2008

Unaudited

The primary increases occurred in infrastructure. The City completed repairs and repaving to several City Streets.

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

Debt

At December 31, 2008, the City had \$4,899,074 in general obligation bonds outstanding, \$605,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Governmental Activities:		
General Obligation Bonds	\$4,899,074	\$7,638,416
Special Assessment Bonds	139,697	153,580
Compensated Absences	<u>744,692</u>	<u>683,178</u>
Total Governmental Activities	<u>\$5,783,463</u>	<u>\$8,475,174</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. At December 31, 2008, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 11.

ECONOMIC FACTORS

In 2008:

- Bethesda North Hospital's new parking garage and the shell of the seven-story, 130 bed tower were completed. In addition, the hospital invested an additional \$565,000 in upgrades to the campus.
- Along the Montgomery Road corridor an architectural/engineering firm purchased the old Bally's Gym building and completely renovated the interior.
- Key Bank proceeded with building a new branch bank at the corner of Montgomery Road and Mitchell Farm Lane. The \$1.5 million dollar investment was nearly complete at the end of the year.

- The Vintage Club—the 67 acre mixed office, retail and residential use project—broke ground in 2007 and continued to make progress in 2008. Phase I, which consists of 40 estate homes and 22 courtyard homes, was selected by the Home Builders Association of Greater Cincinnati to be the 2007 Homearama[®] site Showcase. In 2008, the clubhouse was constructed and opened.

- Income tax revenues were \$7.2 million, the highest in City history.

REQUESTS FOR INFORMATION

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

CITY OF MONTGOMERY, OHIO

Statement of Net Assets December 31, 2008

	Governmental Activities
Assets:	
Cash and Cash Equivalents	\$ 19,291,233
Investments	6,510,171
Receivables:	
Taxes	5,038,886
Accounts	115,169
Intergovernmental	1,364,087
Interest	60,881
Special Assessments	3,286,768
Prepaid Items	4,292
Capital Assets not Being Depreciated	15,181,361
Capital Assets Being Depreciated, net	22,497,916
Total Assets	73,350,764
Liabilities:	
Accounts Payable	263,001
Accrued Wages and Benefits	516,892
Unearned Revenue	3,510,410
Accrued Interest Payable	9,233
Noncurrent liabilities:	
Due within one year	917,189
Due in more than one year	4,866,274
Total Liabilities	10,082,999
Net Assets:	
Invested in Capital Assets, Net of Related Debt	32,640,506
Restricted For:	
Capital Projects	4,274,540
Debt Service	5,909,293
Public Works	2,197,637
Public Safety	4,199,900
Other Purposes	910,954
Unrestricted	13,134,935
Total Net Assets	\$ 63,267,765

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Activities
For the Year Ended December 31, 2008**

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Public Safety	\$ 5,080,065	\$ 257,297	\$ 2,900	\$ 0	\$ (4,819,868)
Parks and Recreation	1,267,205	246,394	0	0	(1,020,811)
Community Economic Development	533,346	300,079	21,000	141,236	(71,031)
Public Works	2,594,464	26,693	1,128,596	0	(1,439,175)
General Government	3,503,099	204,644	0	120	(3,298,335)
Interest and Fiscal Charges	273,054	0	0	0	(273,054)
Total Governmental Activities	<u>13,251,233</u>	<u>1,035,107</u>	<u>1,152,496</u>	<u>141,356</u>	<u>(10,922,274)</u>
Totals	<u>\$ 13,251,233</u>	<u>\$ 1,035,107</u>	<u>\$ 1,152,496</u>	<u>\$ 141,356</u>	<u>(10,922,274)</u>
General Revenues					
Property Taxes Levied for:					
					4,744,451
					7,248,439
					703,870
					809,573
					848,844
					333,492
					<u>14,688,669</u>
					3,766,395
					<u>59,501,370</u>
					<u>\$ 63,267,765</u>

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Balance Sheet
Governmental Funds
December 31, 2008**

	General	Fire Protection / EMS	Reserve of Montgomery Bond Retirement	Capital Improvement
Assets:				
Cash and Cash Equivalents	\$ 8,242,290	\$ 2,699,885	\$ 75,835	\$ 3,793,587
Investments	4,330,158	1,421,215	0	0
Receivables:				
Taxes	3,041,306	1,705,060	0	221,606
Accounts	90,212	24,207	0	0
Intergovernmental	243,572	101,744	0	0
Interest	40,494	13,290	0	0
Special Assessments	0	0	3,116,374	0
Interfund Loans Receivables	85,190	0	0	1,197,500
Prepaid Items	3,175	917	0	0
Total Assets	\$ 16,076,397	\$ 5,966,318	\$ 3,192,209	\$ 5,212,693
Liabilities:				
Accounts Payable	\$ 78,672	\$ 4,923	\$ 0	\$ 160,543
Accrued Wages and Benefits Payable	346,381	129,836	0	0
Interfund Loans Payable	50,000	0	0	0
Deferred Revenue	2,345,926	1,812,185	3,116,374	0
Total Liabilities	2,820,979	1,946,944	3,116,374	160,543
Fund Balances:				
Reserved for Encumbrances	276,469	491,243	0	644,188
Reserved for Prepaid Items	3,175	917	0	0
Reserved for Debt Service	0	0	75,835	0
Undesignated, Unreserved in:				
General Fund	12,975,774	0	0	0
Special Revenue Funds	0	3,527,214	0	0
Capital Projects Funds (Deficit)	0	0	0	4,407,962
Total Fund Balances	13,255,418	4,019,374	75,835	5,052,150
Total Liabilities and Fund Balances	\$ 16,076,397	\$ 5,966,318	\$ 3,192,209	\$ 5,212,693

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

Triangle Tax Increment	Other Governmental Funds	Total Governmental Funds
\$ 94,061	\$ 4,385,575	\$ 19,291,233
0	758,798	6,510,171
0	70,914	5,038,886
0	750	115,169
0	1,018,771	1,364,087
0	7,097	60,881
0	170,394	3,286,768
0	50,000	1,332,690
0	200	4,292
<u>\$ 94,061</u>	<u>\$ 6,462,499</u>	<u>\$ 37,004,177</u>
\$ 2,627	\$ 16,236	\$ 263,001
0	40,675	516,892
1,273,990	8,700	1,332,690
0	959,935	8,234,420
<u>1,276,617</u>	<u>1,025,546</u>	<u>10,347,003</u>
88,350	25,469	1,525,719
0	200	4,292
0	2,555,923	2,631,758
0	0	12,975,774
0	2,456,015	5,983,229
<u>(1,270,906)</u>	<u>399,346</u>	<u>3,536,402</u>
<u>(1,182,556)</u>	<u>5,436,953</u>	<u>26,657,174</u>
<u>\$ 94,061</u>	<u>\$ 6,462,499</u>	<u>\$ 37,004,177</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2008***

Total Governmental Fund Balances			\$ 26,657,174
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>			
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.			37,679,277
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.			4,724,010
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General Obligation Bonds Payable	(4,899,074)		
Special Assessment Bonds Payable	(139,697)		
Compensated Absences Payable	(744,692)		
Accrued Interest Payable	(9,233)		
		<u>(5,792,696)</u>	
<i>Net Assets of Governmental Activities</i>			<u><u>\$ 63,267,765</u></u>

See accompanying notes to the basic financial statements



CITY OF MONTGOMERY, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008**

	General	Fire Protection / EMS	Reserve of Montgomery Bond Retirement	Capital Improvement
Revenues:				
Taxes	\$ 7,598,030	\$ 1,732,947	\$ 0	\$ 1,852,454
Intergovernmental Revenues	612,508	196,683	0	0
Charges for Services	223,291	89,147	0	0
Licenses, Permits and Fees	283,777	0	0	0
Investment Earnings	592,236	178,911	0	0
Special Assessments	0	0	181,132	0
Fines and Forfeitures	157,938	0	0	0
All Other Revenue	163,400	92,664	0	0
Total Revenue	9,631,180	2,290,352	181,132	1,852,454
Expenditures:				
Current:				
Public Safety	2,818,564	1,763,786	0	0
Parks and Recreation	780,713	0	0	0
Community Economic Development	427,323	0	0	0
Public Works	434,539	0	0	0
General Government	3,044,252	0	5,309	0
Capital Outlay	2,564	0	0	2,139,960
Debt Service:				
Principal Retirement	0	0	110,000	0
Interest and Fiscal Charges	0	0	60,555	0
Total Expenditures	7,507,955	1,763,786	175,864	2,139,960
Excess (Deficiency) of Revenues Over Expenditures	2,123,225	526,566	5,268	(287,506)
Other Financing Sources (Uses):				
Sale of Capital Assets	15,115	15	0	0
Payment to Refunding Escrow	0	0	0	0
Transfers In	0	0	0	900,000
Transfers Out	(1,448,845)	(119,000)	0	0
Total Other Financing Sources (Uses)	(1,433,730)	(118,985)	0	900,000
Net Change in Fund Balances	689,495	407,581	5,268	612,494
Fund Balances at Beginning of Year	12,565,923	3,611,793	70,567	4,439,656
Fund Balances End of Year	\$ 13,255,418	\$ 4,019,374	\$ 75,835	\$ 5,052,150

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

Triangle Tax Increment	Other Governmental Funds	Total Governmental Funds
\$ 8,086	\$ 1,518,302	\$ 12,709,819
0	698,853	1,508,044
0	210,732	523,170
0	32,407	316,184
0	108,598	879,745
0	81,536	262,668
0	16,591	174,529
0	77,428	333,492
<u>8,086</u>	<u>2,744,447</u>	<u>16,707,651</u>
0	120,924	4,703,274
0	269,253	1,049,966
0	9,054	436,377
0	1,209,950	1,644,489
0	182,299	3,231,860
31,572	51,385	2,225,481
0	493,883	603,883
0	166,502	227,057
<u>31,572</u>	<u>2,503,250</u>	<u>14,122,387</u>
(23,486)	241,197	2,585,264
0	0	15,130
0	(2,199,973)	(2,199,973)
0	745,535	1,645,535
0	(77,690)	(1,645,535)
0	(1,532,128)	(2,184,843)
(23,486)	(1,290,931)	400,421
<u>(1,159,070)</u>	<u>6,727,884</u>	<u>26,256,753</u>
<u>\$ (1,182,556)</u>	<u>\$ 5,436,953</u>	<u>\$ 26,657,174</u>

CITY OF MONTGOMERY, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended December 31, 2008***

Net Change in Fund Balances - Total Governmental Funds \$ 400,421

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

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

Capital Outlay	1,775,406	
Depreciation Expense	<u>(1,277,399)</u>	498,007

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets. (135,053)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 309,977

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

General Obligation Bond Principal Payment	2,739,342	
Special Assessment Bond Principal Payment	<u>13,883</u>	2,753,225

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 4,634

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

Compensated Absences		<u>(64,816)</u>
----------------------	--	-----------------

Change in Net Assets of Governmental Activities \$ 3,766,395

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,685,913	\$ 6,685,913	\$ 7,736,096	\$ 1,050,183
Intergovernmental Revenue	576,323	576,323	615,397	39,074
Charges for Services	178,209	178,209	227,894	49,685
Licenses, Permits and Fees	286,275	286,275	287,970	1,695
Investment Earnings	573,000	573,000	597,150	24,150
Fines and Forfeitures	169,890	169,890	151,685	(18,205)
All Other Revenues	42,515	42,515	144,524	102,009
Total Revenues	8,512,125	8,512,125	9,760,716	1,248,591
Expenditures:				
Current:				
Public Safety	2,942,614	3,004,577	2,787,446	217,131
Parks and Recreation	935,600	984,588	840,507	144,081
Community Economic Development	485,441	507,557	469,268	38,289
Public Works	459,191	464,383	436,131	28,252
General Government	3,364,708	3,773,674	3,298,527	475,147
Capital Outlay	10,000	11,378	2,764	8,614
Total Expenditures	8,197,554	8,746,157	7,834,643	911,514
Excess (Deficiency) of Revenues Over (Under) Expenditures	314,571	(234,032)	1,926,073	2,160,105
Other Financing Sources (Uses):				
Sale of Capital Assets	314	314	15,217	14,903
Transfers Out	(1,588,882)	(1,588,882)	(1,448,845)	140,037
Total Other Financing Sources (Uses):	(1,588,568)	(1,588,568)	(1,433,628)	154,940
Net Change in Fund Balance	(1,273,997)	(1,822,600)	492,445	2,315,045
Fund Balance at Beginning of Year	11,280,468	11,280,468	11,280,468	0
Prior Year Encumbrances	422,603	422,603	422,603	0
Fund Balance at End of Year	\$ 10,429,074	\$ 9,880,471	\$ 12,195,516	\$ 2,315,045

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Fire Protection / EMS Fund
For the Year Ended December 31, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,761,220	\$ 1,761,220	\$ 1,732,947	\$ (28,273)
Intergovernmental Revenue	175,071	175,071	196,683	21,612
Charges for Services	70,250	70,250	86,770	16,520
Investment Earnings	176,750	176,750	179,794	3,044
Fines and Forfeitures	5,304	5,304	0	(5,304)
All Other Revenues	9,284	9,284	76,521	67,237
Total Revenues	<u>2,197,879</u>	<u>2,197,879</u>	<u>2,272,715</u>	<u>74,836</u>
Expenditures:				
Current:				
Public Safety	<u>2,561,361</u>	<u>2,562,169</u>	<u>2,237,578</u>	<u>324,591</u>
Total Expenditures	<u>2,561,361</u>	<u>2,562,169</u>	<u>2,237,578</u>	<u>324,591</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(363,482)	(364,290)	35,137	399,427
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	15	15
Transfers Out	<u>(119,000)</u>	<u>(119,000)</u>	<u>(119,000)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>(119,000)</u>	<u>(119,000)</u>	<u>(118,985)</u>	<u>15</u>
Net Change in Fund Balance	(482,482)	(483,290)	(83,848)	399,442
Fund Balance at Beginning of Year	3,702,132	3,702,132	3,702,132	0
Prior Year Encumbrances	808	808	808	0
Fund Balance at End of Year	<u>\$ 3,220,458</u>	<u>\$ 3,219,650</u>	<u>\$ 3,619,092</u>	<u>\$ 399,442</u>

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

**Statement of Net Assets
Fiduciary Funds
December 31, 2008**

	Private Purpose Trust	
	Special Trust	Agency
Assets:		
Cash and Cash Equivalents	\$ 56,474	\$ 0
Restricted Assets:		
Cash and Cash Equivalents	0	3,377
Cash and Cash Equivalents with Fiscal Agent	0	210,333
Total Assets	<u>56,474</u>	<u>213,710</u>
Liabilities:		
Accounts Payable	6,542	202,016
Intergovernmental Payable	0	8,097
Due to Others	0	3,597
Total Liabilities	<u>6,542</u>	<u>213,710</u>
Net Assets:		
Unrestricted	<u>49,932</u>	<u>0</u>
Total Net Assets	<u>\$ 49,932</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF MONTGOMERY, OHIO

***Statement of Changes in Net Assets
Fiduciary Fund
For the Year Ended December 31, 2008***

	Private Purpose Trust Special Trust Fund
Additions:	
Contributions:	
Rental Fees	\$ 11,465
Total Contributions	<u>11,465</u>
Investment Earnings:	
Interest	<u>2,895</u>
Total Investment Earnings	<u>2,895</u>
Total Additions	<u>14,360</u>
Deductions:	
Administrative Expenses	<u>33,833</u>
Total Deductions	<u>33,833</u>
Change in Net Assets	(19,473)
Net Assets at Beginning of Year	<u>69,405</u>
Net Assets End of Year	<u>\$ 49,932</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements are presented as of December 31, 2008 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

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

B. Basis of Presentation - Fund Accounting

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

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

C. Basis of Presentation - Financial Statements

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

D. Basis of Accounting

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

Special assessment installments, including related accrued interest, which are measurable but not available at December 31 are recorded as deferred revenue. Property taxes measurable as of December 31, 2008, but which are not intended to finance 2008 operations, and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue. Property taxes are further described in Note 4.

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

E. Budgetary Process

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

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

1. Tax Budget

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1st of each year. As part of the certification process, the City receives an official certificate of estimated resources, which states that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed or fall short of current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2008.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1st of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1st of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the object level, and may only be modified during the year by ordinance of the City Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the legal level of control. During the year, several supplemental appropriations were necessary to budget note proceeds, contingency funds and intergovernmental grants. The supplemental appropriations increased year end appropriations by approximately 1.7% over the appropriation ordinance approved in January 2008. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Non-GAAP Budgetary Basis)" for the General Fund and Major Special Revenue Funds are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

4. Lapsing of Appropriations

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting

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

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

	Net Change in Fund Balance	
	General Fund	Fire Protection / EMS Fund
GAAP Basis (as reported)	\$689,495	\$407,581
Increase (Decrease):		
Accrued Revenues at December 31, 2008 received during 2009	(1,203,932)	(42,881)
Accrued Revenues at December 31, 2007 received during 2008	1,333,570	25,244
Accrued Expenditures at December 31, 2008 paid during 2009	475,053	134,759
Accrued Expenditures at December 31, 2007 paid during 2008	(494,111)	(117,957)
2007 Prepays for 2008	23,393	1,566
2008 Prepays for 2009	(3,175)	(917)
Outstanding Encumbrances	(327,848)	(491,243)
Budget Basis	<u>\$492,445</u>	<u>(\$83,848)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During fiscal year 2008, cash and cash equivalents included amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the basic financial statements.

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

G. Investments

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

The City has invested funds in the STAR Ohio during 2008. 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, 2008.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

I. Capital Assets and Depreciation

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets and Depreciation (Continued)

1. Property, Plant and Equipment - Governmental Activities

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

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

2. Depreciation

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
Special Assessment Bonds	Debt Service Funds (Special Assessment Bond Retirement Fund) (Reserve of Montgomery Bond Retirement Fund)
General Obligation Bonds	Debt Service Funds (General Obligation Bond Retirement Fund) (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)

K. Compensated Absences

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences (Continued)

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

L. Net Assets

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

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

M. Pensions

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

N. Interfund Transactions

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

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

O. Intergovernmental Revenues

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Interfund Assets/Liabilities

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

Q. Reservations of Fund Balance

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

R. Estimates

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

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

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

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

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

Deferred Tax Revenue	\$205,665
Deferred Investment Earnings	24,650
Intergovernmental Revenue Receivable	1,206,927
Special Assessments Receivable	3,286,768
	<hr/>
	\$4,724,010

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

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

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

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

Governmental revenues not reported in the funds:

Decrease in Deferred Tax Revenue	(\$13,059)
Decrease in Deferred Investment Earnings	(30,901)
Increase in Intergovernmental Revenue	595,381
Decrease in Special Assessments Revenue	<u>(241,444)</u>
	\$309,977

NOTE 3 - CASH AND CASH EQUIVALENTS

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

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

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

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

A. Deposits

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

At year end the carrying amount of the City's deposits was \$1,978,887 and the bank balance was \$2,142,831. Federal depository insurance covered \$250,000 of the bank balance and \$1,892,831 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and uncollateralized	<u>\$1,892,831</u>
Total Balance	<u><u>\$1,892,831</u></u>

B. Investments

The City's investments at December 31, 2008 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
STAR Ohio	\$17,582,530	AAA ^m ¹	\$17,582,530	\$0	\$0
City's Special Assessment Bonds	53,697		0	53,697	0
US Treasury	92,982		92,982	0	0
FHLMC	2,009,940	AAA ¹ / Aaa ²	0	1,504,400 a	505,540
FHLB	2,502,196	AAA ¹ / Aaa ²	414,946	579,125	1,508,125
FNMA	883,084	AAA ¹ / Aaa ²	287,917 a	83,292 a	511,875
FMAC	426,184	AAA ¹ / Aaa ²	334,506	91,678	0
FFCB	542,088	AAA ¹ / Aaa ²	0	542,088	0
Total Investments	<u><u>\$24,092,701</u></u>		<u><u>\$18,712,881</u></u>	<u><u>\$2,854,280</u></u>	<u><u>\$2,525,540</u></u>

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

B. Investments (Continued)

¹ Standard & Poor's

² Moody's Investor Service

a Callable Dates: January 30, 2009, February 10, 2009, March 12, 15, 2009, November 8, 15, 2009

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

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

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. Of the City's total investments, 73% are STAR Ohio, 8.3% are FHLMC, 10.4% are FHLB, and the remaining 8.3% is comprised of other various investments.

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

C. Reconciliation of Cash, Cash Equivalents and Investments

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$19,561,417	\$6,510,171
STAR Ohio	<u>(17,582,530)</u>	<u>17,582,530</u>
Per GASB Statement No. 3	<u>\$1,978,887</u>	<u>\$24,092,701</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 4 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property which are used in business, located in the City. Real property taxes (other than public utility) collected during 2008 were levied after October 1, 2007 on assessed values as of January 1, 2007, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2005. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Tangible personal property tax revenues received in 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of January 1, 2007. In prior years, tangible personal property assessments were twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Tangible personal property tax is being phased out. The assessment percentage for property, including inventory is 6.25% for 2008. This percentage will be reduced to zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 4 – TAXES (Continued)

A. Property Taxes (Continued)

The full tax rate for all City operations for the year ended December 31, 2008 was \$10.05 per \$1,000 of assessed value. The assessed value upon which the 2008 tax collections were based was \$488,255,500. This amount constitutes \$477,146,790 in real property assessed value, \$4,862,310 in public utility assessed value and \$6,246,400 in tangible personal property assessed value.

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

B. Income Tax

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

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

NOTE 5 - RECEIVABLES

Receivables at December 31, 2008 consisted of taxes, accounts receivable, special assessments, interfund receivables, interest receivables, and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full. Those receivables that relate to amounts not intended to finance the current fiscal year are offset by deferred revenue.

CITY OF MONTGOMERY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2008

NOTE 6 - INTERFUND BALANCES

Individual interfund balances at December 31, 2008 are as follows:

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

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

NOTE 7 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2008:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$1,448,845
Fire Protection / EMS Fund	0	119,000
Capital Improvement Fund	900,000	0
Nonmajor Governmental Funds:		
COPS Grant Fund	30,000	0
Environmental Impact Tax Fund	38,845	77,690
Street Construction, Maintenance, & Repair Fund	477,690	0
Municipal Pool Fund	80,000	0
General Obligation Bond Retirement Fund	119,000	0
Total Nonmajor Governmental Funds	745,535	77,690
Totals	\$1,645,535	\$1,645,535

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

The City transferred \$119,000 from the Fire Protection / EMS Fund to the General Obligation Bond Retirement Fund according to a City ordinance to help retire debt. The City also transferred \$77,690 from the Environmental Impact Tax Fund to the Street Construction, Maintenance, and Repair Fund as required by City Ordinance 153.05.

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2008:

Historical Cost:

Class	December 31, 2007	Additions	Deletions	December 31, 2008
<i>Capital assets not being depreciated:</i>				
Land	\$15,181,361	\$0	\$0	\$15,181,361
<i>Capital assets being depreciated:</i>				
Buildings	4,024,232	116,205	0	4,140,437
Improvements Other than Buildings	5,774,437	96,231	0	5,870,668
Infrastructure	23,119,621	1,384,805	(428,544)	24,075,882
Machinery and Equipment	4,824,400	178,165	(97,500)	4,905,065
Subtotal	37,742,690	1,775,406	(526,044)	38,992,052
Total Cost	\$52,924,051	\$1,775,406	(\$526,044)	\$54,173,413

Accumulated Depreciation:

Class	December 31, 2007	Additions	Deletions	December 31, 2008
Buildings	(\$1,194,382)	(\$101,404)	\$0	(\$1,295,786)
Improvements Other than Buildings	(3,226,310)	(287,252)	0	(3,513,562)
Infrastructure	(8,128,434)	(436,190)	302,593	(8,262,031)
Machinery and Equipment	(3,058,602)	(452,553)	88,398	(3,422,757)
Total Depreciation	(\$15,607,728)	(\$1,277,399) *	\$390,991	(\$16,494,136)
<i>Net Value:</i>	\$37,316,323			\$37,679,277

* Depreciation expenses were charged to governmental functions as follows:

Public Safety	\$365,991
Parks and Recreation	212,641
Community Economic Development	94,573
Public Works	553,181
General Government	51,013
Total Depreciation Expense	\$1,277,399

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 9 – DEFINED BENEFIT PENSION PLANS

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

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

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

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

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

The ORC provides statutory authority for employee and employer contributions. For 2008, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2008 employer contribution rate for local government employer units was 14.00%, of covered payroll. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2008, 7.0% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City's required contributions for pension obligations to OPERS for the years ending December 31, 2008, 2007, and 2006 were \$166,711, \$171,827 and \$186,733, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2008, 12.75% of annual covered salary for police and 17.25% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City's contributions for pension obligations to the OP&F Fund for the years ending December 31, 2008, 2007, and 2006 were \$191,095, \$193,573 and \$169,140 for police and \$115,885, \$103,826 and \$85,855 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 10 - POSTEMPLOYMENT BENEFITS

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

Plan Description – OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2008, 2007, and 2006 were \$166,711, \$113,179 and \$91,337, respectively, which were equal to the required contributions for each year.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2008, 2007, and 2006 were \$101,168, \$102,480 and \$111,560 for police and \$45,347, \$40,627 and \$40,946 for firefighters, respectively, which were equal to the required contributions for each year.

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 11 - LONG-TERM OBLIGATIONS

Detail of the changes in the bonds, notes, and compensated absences, of the City for the year ended December 31, 2008 is as follows:

			Balance December 31, 2007	Issued	(Retired)	Balance December 31, 2008	Amount Due Within One Year
Governmental Activities:							
General Obligation Bonds:							
2.00%	Public Improvement Refunding	2004	\$3,080,000	\$0	(\$335,000)	\$2,745,000	\$330,000
	Deferred Loss on Refunding	2004	(256,584)	0	25,658	(230,926)	(25,658)
2.00-3.80%	Various Purpose Refunding Bonds	2003	4,815,000	0	(2,430,000)	2,385,000	275,000
Total General Obligation Bonds			\$7,638,416	\$0	(\$2,739,342)	\$4,899,074	\$579,342
Special Assessment Bonds							
With Governmental Commitment:							
6.00%	Swain Sidewalk Bonds	1994	26,000	0	(4,000)	22,000	4,000
6.50%	Street Lighting	1997	19,000	0	(2,000)	17,000	2,000
6.00%	Montgomery Woods Sidewalk	1997	50,000	0	(3,000)	47,000	3,000
6.00%	Tanager Woods	1999	58,580	0	(4,883)	53,697	4,883
Total Special Assessment Bonds							
With Governmental Commitment			153,580	0	(13,883)	139,697	13,883
Other Long-Term Obligations:							
Compensated Absences			683,178	101,570	(40,056)	744,692	323,964
Total Governmental Activities			\$8,475,174	\$101,570	(\$2,793,281)	\$5,783,463	\$917,189

The principal amount of the City's special assessment debt outstanding at December 31, 2008 of \$139,697 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 \$125,022 in the Special Assessment Bond Retirement Fund and the balance of \$75,835 in the Reserve of Montgomery Bond Retirement Fund at December 31, 2008 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.

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 11 - LONG-TERM OBLIGATIONS (Continued)

A. Principal and Interest Requirements

Principal and interest requirements to retire long-term debt outstanding at December 31, 2008 are as follows:

Years	General Obligation Bonds		Special Assessment Bonds	
	Bonds	Interest	Bonds	Interest
2009	\$605,000	\$170,957	\$13,883	\$8,812
2010	600,000	154,181	14,883	8,262
2011	605,000	136,870	14,883	7,652
2012	600,000	117,905	15,883	7,042
2013	470,000	97,607	16,883	6,372
2014-2018	1,870,000	251,969	58,415	22,620
2019-2021	380,000	24,280	4,867	3,567
Totals	<u>\$5,130,000</u>	<u>\$953,769</u>	<u>\$139,697</u>	<u>\$64,327</u>

B. Defeasance of General Obligation and Special Assessment Debt

In August of 2008, the City refunded \$2,175,000 of the Various Purpose Refunding General Obligation Bonds for the Tax Increment Finance Bonds for Duke Realty, dated June, 2003. The net proceeds of the current refunding payment have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds are not included in the City's outstanding debt since the City has satisfied its obligations through the current refunding. The City reduced its aggregate debt service payments over the life of the refunded bonds by \$255,199.

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

The net proceeds of the 2004 Public Improvement General Obligation Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts, which including interest earned, was and will be used to pay the principal and interest on the refunded bonds. The refunded General Obligation Bonds, which have a balance of \$2,655,000 at December 31, 2008, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advanced refunding.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 11 – LONG-TERM OBLIGATIONS (Continued)

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

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

The net proceeds of the 2003 Various Purpose Refunding General Obligation Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts, which including interest earned, was and will be used to pay the principal and interest on the refunded bonds. The refunded General Obligation Bonds, which have a balance of \$2,655,000 at December 31, 2008 and are not included in the City’s outstanding debt since the City has in-substance, satisfied its obligations through the advance refunding.

NOTE 12 – COMPENSATED ABSENCES

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

As of December 31, 2008, the liability for unpaid compensated absences was \$744,692 for all funds of the City, a net increase of \$61,514 from the amount at December 31, 2007 of \$683,178.

CITY OF MONTGOMERY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

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, 2008, the pool has twenty members. The pool has been operational since December of 1988 and was formed in accordance with Section 2744 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, surety, general liability, boiler and machinery, employment practices liability, police professional and public official liability coverage up to the limits stated below. Membership in MVRMA is intended to provide broad based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA is a non-profit corporation governed by a twenty one member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote.

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

The twenty one participating entities and their respective pool contribution factors for the loss year ended December 31, 2008 are:

<u>Entity</u>	<u>Percentage</u>	<u>Entity</u>	<u>Percentage</u>
Beavercreek	5.43 %	Montgomery	2.36 %
Bellbrook	1.27 %	NAWA	0.19 %
Blue Ash	7.34 %	Piqua	6.61 %
Centerville	4.39 %	Sidney	6.66 %
Englewood	3.82 %	Springdale	4.07 %
Indian Hill	3.82 %	Tipp City	3.28 %
Kettering	12.18 %	Troy	6.92 %
Madeira	2.05 %	Vandalia	4.99 %
Mason	6.71 %	West Carrollton	3.06 %
Miamisburg	7.36 %	Wilmington	5.13 %
Subtotal	<u>54.37 %</u>	Wyoming	2.36 %
		Subtotal	<u>45.63 %</u>
		Total	<u>100.00 %</u>

The 2008 pool contribution of the City of Montgomery was \$90,391 representing 2.36% of the total collected from all members for that year's operating costs and projected loss reserves.

CITY OF MONTGOMERY, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2008

NOTE 13 – RISK MANAGEMENT (Continued)

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

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

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

The member deductible per occurrence for most types of claims is \$2,500. The pool's self insured retention (SIR) for property claims is \$2,501 - \$200,000 per occurrence except Boiler and Machinery which is \$5,000. The pool's SIR for liability claims is \$1,000,000 per occurrence. Excess insurance coverage, provided by commercial companies and an excess insurance pool is \$9,000,000 to the limits stated above. The City pays an annual premium to MVRMA which is intended to cover administrative expenses and any claims covered by the pool. The MVRMA Board of Trustees has the ability to require the member cities to make supplemental payments in the event reserves are not adequate to cover claims in a particular loss year. The City was not required to make any supplemental payments as of December 31, 2008, because an actuarial opinion issued as of that date reported actual MVRMA loss reserves of \$14,617,299 an amount in excess of the recommended net reserve of \$5,030,870. MVRMA reported Montgomery's loss experience for most years 2007, 2006 and 2005 (most current available) as \$1,000, \$1,500, and \$2,000 respectively.

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

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

The City continues to carry commercial insurance public officials liability. The City's liability coverage was \$10,000,000 per occurrence in 2008. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 14 – COMPLIANCE AND ACCOUNTABILITY

The deficit at December 31, 2008 of \$1,182,556 in the Triangle Tax Increment Fund (major governmental fund) was the result of recognizing expenditures on the modified accrual basis, which result in expenditures greater than those on the cash basis. Deficits did not exist on a cash basis. The General Fund provides transfers, upon City Council's approval, when cash is required, not when accruals occur.

NOTE 15 – CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year 2008, the City has implemented GASB Statement No. 49 "Accounting and Financial Reporting for Pollution Remediation Obligations", and GASB Statement No. 50 "Pension Disclosures", and amendment of GASB Statements No. 25 and No. 27. The implementation of GASB No.'s 49 and 50 did not affect the presentation of the financial statements of the City.

NOTE 16 – CONTINGENCIES

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

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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



Nonmajor Governmental Funds

Special Revenue Funds

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

Memorial Fund

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

Parks and Recreation Fundraising Fund

To account for monies received from gifts and donations given to the City to support projects that will enhance the city's parks and gateways. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because there are no assets or liabilities and there was no activity during the year.)

Law Enforcement Fund

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

Drug Law Enforcement Fund

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

DUI Enforcement and Education Fund

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

Mayor's Court Technology Fund

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

Community Oriented Policing Services (COPS) Grant Fund

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

Environmental Impact Tax Fund

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

Street Construction, Maintenance and Repair Fund

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

(Continued)

Special Revenue Funds

Arts and Amenities Fund

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

Municipal Pool Fund

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

Cemetery Fund

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

Montgomery Community Improvement Corporation (CIC) Fund

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

Debt Service Funds

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

Special Assessment Bond Retirement Fund

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

General Obligation Bond Retirement Fund

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

Ohio National Tax Increment Fund

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

Vintage Club Tax Increment Fund

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

Capital Projects Funds

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

Special Assessment Capital Projects Fund

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

Federal Emergency Management Agency Fund

To account for grant monies received from the Federal Emergency Management Agency for assistance with public or individual restoration of disaster-damaged projects. (This fund only exists on a GAAP basis and is not part of the City's appropriated budget, therefore no budgetary schedule is presented.)

Community Development Block Grant (CDBG) Fund

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

Urban Redevelopment Fund

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

CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 1,628,156	\$ 2,485,009	\$ 272,410	\$ 4,385,575
Investments	758,798	0	0	758,798
Taxes	0	70,914	0	70,914
Accounts	750	0	0	750
Intergovernmental	877,535	0	141,236	1,018,771
Interest	7,097	0	0	7,097
Special Assessments	0	170,394	0	170,394
Interfund Loans Receivables	50,000	0	0	50,000
Prepaid Items	200	0	0	200
Total Assets	<u>\$ 3,322,536</u>	<u>\$ 2,726,317</u>	<u>\$ 413,646</u>	<u>\$ 6,462,499</u>
Liabilities:				
Accounts Payable	\$ 16,236	\$ 0	\$ 0	\$ 16,236
Accrued Wages and Benefits Payable	40,675	0	0	40,675
Interfund Loans Payable	0	0	8,700	8,700
Deferred Revenue	789,541	170,394	0	959,935
Total Liabilities	<u>846,452</u>	<u>170,394</u>	<u>8,700</u>	<u>1,025,546</u>
Fund Balances:				
Reserved for Encumbrances	19,869	0	5,600	25,469
Reserved for Prepaid Items	200	0	0	200
Reserved for Debt Service	0	2,555,923	0	2,555,923
Undesignated/Unreserved	2,456,015	0	399,346	2,855,361
Total Fund Balances	<u>2,476,084</u>	<u>2,555,923</u>	<u>404,946</u>	<u>5,436,953</u>
Total Liabilities and Fund Balances	<u>\$ 3,322,536</u>	<u>\$ 2,726,317</u>	<u>\$ 413,646</u>	<u>\$ 6,462,499</u>

CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 0	\$ 1,427,668	\$ 90,634	\$ 1,518,302
Intergovernmental Revenues	532,464	25,033	141,356	698,853
Charges for Services	210,732	0	0	210,732
Licenses, Permits and Fees	32,407	0	0	32,407
Investment Earnings	94,330	14,268	0	108,598
Special Assessments	0	60,312	21,224	81,536
Fines and Forfeitures	16,591	0	0	16,591
All Other Revenue	74,628	0	2,800	77,428
Total Revenue	961,152	1,527,281	256,014	2,744,447
Expenditures:				
Current:				
Public Safety	120,924	0	0	120,924
Parks & Recreation	269,253	0	0	269,253
Community Economic Development	9,054	0	0	9,054
Public Works	1,209,950	0	0	1,209,950
General Government	0	180,737	1,562	182,299
Capital Outlay	0	0	51,385	51,385
Debt Service:				
Principal Retirement	0	493,883	0	493,883
Interest and Fiscal Charges	0	166,502	0	166,502
Total Expenditures	1,609,181	841,122	52,947	2,503,250
Excess (Deficiency) of Revenues Over Expenditures	(648,029)	686,159	203,067	241,197
Other Financing Sources (Uses):				
Payments to Escrow Agent	0	(2,199,973)	0	(2,199,973)
Transfers In	626,535	119,000	0	745,535
Transfers Out	(77,690)	0	0	(77,690)
Total Other Financing Sources (Uses)	548,845	(2,080,973)	0	(1,532,128)
Net Change in Fund Balances	(99,184)	(1,394,814)	203,067	(1,290,931)
Fund Balances at Beginning of Year	2,575,268	3,950,737	201,879	6,727,884
Fund Balances End of Year	\$ 2,476,084	\$ 2,555,923	\$ 404,946	\$ 5,436,953

CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008**

	Memorial	Law Enforcement	Drug Law Enforcement	DUI Enforcement and Education	Mayor's Court Technology
Assets:					
Cash and Cash Equivalents	\$ 25,599	\$ 5,177	\$ 4,941	\$ 8,117	\$ 48,373
Investments	0	0	0	0	0
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	0	0	0	31	0
Interest	0	0	0	0	0
Interfund Loans Receivables	0	0	0	0	0
Prepaid Items	0	33	0	0	48
Total Assets	<u>\$ 25,599</u>	<u>\$ 5,210</u>	<u>\$ 4,941</u>	<u>\$ 8,148</u>	<u>\$ 48,421</u>
Liabilities:					
Accounts Payable	\$ 192	\$ 0	\$ 0	\$ 0	\$ 153
Accrued Wages and Benefits Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
Total Liabilities	<u>192</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>153</u>
Fund Balances:					
Reserved for Encumbrances	559	0	0	0	0
Reserved for Prepaid Items	0	33	0	0	48
Undesignated/Unreserved	24,848	5,177	4,941	8,148	48,220
Total Fund Balances	<u>25,407</u>	<u>5,210</u>	<u>4,941</u>	<u>8,148</u>	<u>48,268</u>
Total Liabilities and Fund Balances	<u>\$ 25,599</u>	<u>\$ 5,210</u>	<u>\$ 4,941</u>	<u>\$ 8,148</u>	<u>\$ 48,421</u>

CITY OF MONTGOMERY, OHIO

<u>COPS Grant</u>	<u>Environmental Impact Tax</u>	<u>Street Construction, Maintenance, and Repair</u>	<u>Arts and Amenities</u>	<u>Municipal Pool Fund</u>	<u>Cemetery</u>	<u>Montgomery CIC</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 20,505	\$ 91,167	\$ 831,217	\$ 412,538	\$ 67,189	\$ 101,233	\$ 12,100	\$ 1,628,156
0	47,989	404,990	217,160	35,369	53,290	0	758,798
0	750	0	0	0	0	0	750
0	0	877,504	0	0	0	0	877,535
0	449	3,787	2,031	331	499	0	7,097
0	0	0	0	0	50,000	0	50,000
34	0	85	0	0	0	0	200
<u>\$ 20,539</u>	<u>\$ 140,355</u>	<u>\$ 2,117,583</u>	<u>\$ 631,729</u>	<u>\$ 102,889</u>	<u>\$ 205,022</u>	<u>\$ 12,100</u>	<u>\$ 3,322,536</u>
\$ 510	\$ 0	\$ 14,037	\$ 0	\$ 1,344	\$ 0	\$ 0	\$ 16,236
626	0	40,049	0	0	0	0	40,675
0	182	788,201	822	134	202	0	789,541
<u>1,136</u>	<u>182</u>	<u>842,287</u>	<u>822</u>	<u>1,478</u>	<u>202</u>	<u>0</u>	<u>846,452</u>
0	0	13,974	0	4,678	658	0	19,869
34	0	85	0	0	0	0	200
<u>19,369</u>	<u>140,173</u>	<u>1,261,237</u>	<u>630,907</u>	<u>96,733</u>	<u>204,162</u>	<u>12,100</u>	<u>2,456,015</u>
<u>19,403</u>	<u>140,173</u>	<u>1,275,296</u>	<u>630,907</u>	<u>101,411</u>	<u>204,820</u>	<u>12,100</u>	<u>2,476,084</u>
<u>\$ 20,539</u>	<u>\$ 140,355</u>	<u>\$ 2,117,583</u>	<u>\$ 631,729</u>	<u>\$ 102,889</u>	<u>\$ 205,022</u>	<u>\$ 12,100</u>	<u>\$ 3,322,536</u>

CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	Memorial	Law Enforcement	Drug Law Enforcement	DUI Enforcement and Education	Mayor's Court Technology
Revenues:					
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Charges for Services	0	0	0	0	0
Licenses, Permits and Fees	0	0	0	0	0
Investment Earnings	0	0	0	0	0
Fines and Forfeitures	6,379	953	623	1,989	6,647
All Other Revenue	0	0	0	0	0
Total Revenue	6,379	953	623	1,989	6,647
Expenditures:					
Current:					
Public Safety	0	592	284	0	15,766
Parks and Recreation	3,743	0	0	0	0
Community Economic Development	0	0	0	0	0
Public Works	0	0	0	0	0
Total Expenditures	3,743	592	284	0	15,766
Excess (Deficiency) of Revenues Over Expenditures	2,636	361	339	1,989	(9,119)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balances	2,636	361	339	1,989	(9,119)
Fund Balances at Beginning of Year	22,771	4,849	4,602	6,159	57,387
Fund Balances End of Year	\$ 25,407	\$ 5,210	\$ 4,941	\$ 8,148	\$ 48,268

CITY OF MONTGOMERY, OHIO

<u>COPS Grant</u>	<u>Environmental Impact Tax</u>	<u>Street Construction, Maintenance, and Repair</u>	<u>Arts and Amenities</u>	<u>Municipal Pool</u>	<u>Cemetery</u>	<u>Montgomery CIC</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 511,464	\$ 0	\$ 0	\$ 0	\$ 21,000	\$ 532,464
0	0	0	16,122	167,917	26,693	0	210,732
0	32,407	0	0	0	0	0	32,407
0	7,179	48,112	28,180	3,756	6,949	154	94,330
0	0	0	0	0	0	0	16,591
<u>64,828</u>	<u>0</u>	<u>9,045</u>	<u>585</u>	<u>170</u>	<u>0</u>	<u>0</u>	<u>74,628</u>
<u>64,828</u>	<u>39,586</u>	<u>568,621</u>	<u>44,887</u>	<u>171,843</u>	<u>33,642</u>	<u>21,154</u>	<u>961,152</u>
104,282	0	0	0	0	0	0	120,924
0	0	0	16,820	248,690	0	0	269,253
0	0	0	0	0	0	9,054	9,054
0	0	1,185,402	0	0	24,548	0	1,209,950
<u>104,282</u>	<u>0</u>	<u>1,185,402</u>	<u>16,820</u>	<u>248,690</u>	<u>24,548</u>	<u>9,054</u>	<u>1,609,181</u>
(39,454)	39,586	(616,781)	28,067	(76,847)	9,094	12,100	(648,029)
30,000	38,845	477,690	0	80,000	0	0	626,535
0	(77,690)	0	0	0	0	0	(77,690)
<u>30,000</u>	<u>(38,845)</u>	<u>477,690</u>	<u>0</u>	<u>80,000</u>	<u>0</u>	<u>0</u>	<u>548,845</u>
(9,454)	741	(139,091)	28,067	3,153	9,094	12,100	(99,184)
28,857	139,432	1,414,387	602,840	98,258	195,726	0	2,575,268
<u>\$ 19,403</u>	<u>\$ 140,173</u>	<u>\$ 1,275,296</u>	<u>\$ 630,907</u>	<u>\$ 101,411</u>	<u>\$ 204,820</u>	<u>\$ 12,100</u>	<u>\$ 2,476,084</u>

CITY OF MONTGOMERY, OHIO

***Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2008***

	Special Assessment Bond Retirement	General Obligation Bond Retirement	Ohio National Tax Increment
Assets:			
Cash and Cash Equivalents	\$ 125,022	\$ 1,173,061	\$ 946,763
Receivables (net of allowance for doubtful accounts):			
Taxes	0	70,914	0
Special Assessments	170,394	0	0
Total Assets	<u>\$ 295,416</u>	<u>\$ 1,243,975</u>	<u>\$ 946,763</u>
Liabilities:			
Deferred Revenue	\$ 170,394	\$ 0	\$ 0
Total Liabilities	<u>170,394</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Reserved for Debt Service	125,022	1,243,975	946,763
Total Fund Balances	<u>125,022</u>	<u>1,243,975</u>	<u>946,763</u>
Total Liabilities and Fund Balances	<u>\$ 295,416</u>	<u>\$ 1,243,975</u>	<u>\$ 946,763</u>

CITY OF MONTGOMERY, OHIO

<u>Vintage Club Tax Increment</u>	<u>Total Nonmajor Debt Service Funds</u>
\$ 240,163	\$ 2,485,009
0	70,914
<u>0</u>	<u>170,394</u>
<u>\$ 240,163</u>	<u>\$ 2,726,317</u>
<u>\$ 0</u>	<u>\$ 170,394</u>
<u>0</u>	<u>170,394</u>
<u>240,163</u>	<u>2,555,923</u>
<u>240,163</u>	<u>2,555,923</u>
<u>\$ 240,163</u>	<u>\$ 2,726,317</u>

CITY OF MONTGOMERY, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2008***

	Special Assessment Bond Retirement	General Obligation Bond Retirement	Ohio National Tax Increment
Revenues:			
Taxes	\$ 0	\$ 499,185	\$ 705,583
Intergovernmental Revenues	0	0	0
Investment Earnings	14,268	0	0
Special Assessments	60,312	0	0
Total Revenue	74,580	499,185	705,583
Expenditures:			
General Government	1,922	250	170,795
Debt Service:			
Principal Retirement	43,883	450,000	0
Interest and Fiscal Charges	14,524	119,570	32,408
Total Expenditures	60,329	569,820	203,203
Excess (Deficiency) of Revenues Over Expenditures	14,251	(70,635)	502,380
Other Financing Sources (Uses):			
Payments to Refunding Escrow	0	0	(2,199,973)
Transfers In	0	119,000	0
Total Other Financing Sources (Uses)	0	119,000	(2,199,973)
Net Change in Fund Balances	14,251	48,365	(1,697,593)
Fund Balances at Beginning of Year	110,771	1,195,610	2,644,356
Fund Balances End of Year	\$ 125,022	\$ 1,243,975	\$ 946,763

CITY OF MONTGOMERY, OHIO

<u>Vintage Club Tax Increment</u>	<u>Total Nonmajor Debt Service Funds</u>
\$ 222,900	\$ 1,427,668
25,033	25,033
0	14,268
0	60,312
<u>247,933</u>	<u>1,527,281</u>
7,770	180,737
0	493,883
0	166,502
<u>7,770</u>	<u>841,122</u>
240,163	686,159
0	(2,199,973)
0	119,000
0	(2,080,973)
240,163	(1,394,814)
0	3,950,737
<u>\$ 240,163</u>	<u>\$ 2,555,923</u>

CITY OF MONTGOMERY, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2008**

	Special Assessment Capital Projects	Federal Emergency Management Agency	Community Development Block Grant
Assets:			
Cash and Cash Equivalents	\$ 119,359	\$ 0	\$ 12,390
Receivables:			
Intergovernmental	0	141,236	0
Total Assets	<u>\$ 119,359</u>	<u>\$ 141,236</u>	<u>\$ 12,390</u>
Liabilities:			
Interfund Loans Payable	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,700</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>8,700</u>
Fund Balances:			
Reserved for Encumbrances	0	0	0
Undesignated/Unreserved	119,359	141,236	3,690
Total Fund Balances	<u>119,359</u>	<u>141,236</u>	<u>3,690</u>
Total Liabilities and Fund Balances	<u>\$ 119,359</u>	<u>\$ 141,236</u>	<u>\$ 12,390</u>

CITY OF MONTGOMERY, OHIO

<u>Urban Redevelopment</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 140,661	\$ 272,410
<u>0</u>	<u>141,236</u>
<u>\$ 140,661</u>	<u>\$ 413,646</u>
<u>\$ 0</u>	<u>\$ 8,700</u>
<u>0</u>	<u>8,700</u>
5,600	5,600
<u>135,061</u>	<u>399,346</u>
<u>140,661</u>	<u>404,946</u>
<u>\$ 140,661</u>	<u>\$ 413,646</u>

CITY OF MONTGOMERY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2008**

	Special Assessment Capital Projects	Federal Emergency Management Agency	Community Development Block Grant
Revenues:			
Taxes	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	141,236	0
Special Assessments	21,224	0	0
All Other Revenue	0	0	0
Total Revenue	<u>21,224</u>	<u>141,236</u>	<u>0</u>
Expenditures:			
Current:			
General Government	641	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>641</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	20,583	141,236	0
Fund Balances at Beginning of Year	<u>98,776</u>	<u>0</u>	<u>3,690</u>
Fund Balances End of Year	<u>\$ 119,359</u>	<u>\$ 141,236</u>	<u>\$ 3,690</u>

CITY OF MONTGOMERY, OHIO

<u>Urban Redevelopment</u>	<u>Total Nonmajor Capital Project Funds</u>
\$ 90,634	\$ 90,634
120	141,356
0	21,224
<u>2,800</u>	<u>2,800</u>
<u>93,554</u>	<u>256,014</u>
921	1,562
<u>51,385</u>	<u>51,385</u>
<u>52,306</u>	<u>52,947</u>
41,248	203,067
<u>99,413</u>	<u>201,879</u>
<u>\$ 140,661</u>	<u>\$ 404,946</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,685,913	\$ 6,685,913	\$ 7,736,096	\$ 1,050,183
Intergovernmental Revenues	576,323	576,323	615,397	39,074
Charges for Services	178,209	178,209	227,894	49,685
Licenses, Permits and Fees	286,275	286,275	287,970	1,695
Investment Earnings	573,000	573,000	597,150	24,150
Fines and Forfeitures	169,890	169,890	151,685	(18,205)
All Other Revenues	42,515	42,515	144,524	102,009
Total Revenues	<u>8,512,125</u>	<u>8,512,125</u>	<u>9,760,716</u>	<u>1,248,591</u>
Expenditures:				
Public Safety:				
Police:				
Personal Services	2,465,788	2,466,179	2,347,571	118,608
Material, Supplies, and Services	327,590	344,162	266,978	77,184
Capital Outlay	80,500	80,500	76,271	4,229
Total Police	<u>2,873,878</u>	<u>2,890,841</u>	<u>2,690,820</u>	<u>200,021</u>
Disaster Service:				
Material, Supplies, and Services	7,500	52,500	45,990	6,510
Total Disaster Service	<u>7,500</u>	<u>52,500</u>	<u>45,990</u>	<u>6,510</u>
Public Health and Welfare:				
Personal Services	55,161	55,161	50,636	4,525
Total Public Health and Welfare	<u>55,161</u>	<u>55,161</u>	<u>50,636</u>	<u>4,525</u>
Civil Service:				
Material, Supplies, and Services	6,075	6,075	0	6,075
Total Civil Service	<u>6,075</u>	<u>6,075</u>	<u>0</u>	<u>6,075</u>
Total Public Safety	<u>2,942,614</u>	<u>3,004,577</u>	<u>2,787,446</u>	<u>217,131</u>
Parks and Recreation:				
Recreation:				
Personal Services	200,284	200,284	158,966	41,318
Material, Supplies, and Services	94,627	109,989	87,710	22,279
Capital Outlay	8,600	9,152	6,531	2,621
Total Recreation	<u>303,511</u>	<u>319,425</u>	<u>253,207</u>	<u>66,218</u>

(Continued)

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
City Parks:				
Personal Services	216,294	216,294	185,572	30,722
Materials, Supplies, and Services	167,693	182,854	164,003	18,851
Capital Outlay	36,000	36,000	33,588	2,412
Total City Parks	419,987	435,148	383,163	51,985
Lodges:				
Materials, Supplies, and Services	17,021	18,165	12,775	5,390
Capital Outlay	12,600	12,600	12,480	120
Total Lodges	29,621	30,765	25,255	5,510
City Beautiful:				
Material, Supplies, and Services	99,336	112,851	100,994	11,857
Capital Outlay	10,000	11,378	2,764	8,614
Total City Beautiful	109,336	124,229	103,758	20,471
Special Events:				
Material, Supplies, and Services	83,145	86,399	77,888	8,511
Total Special Events	83,145	86,399	77,888	8,511
Total Parks and Recreation	945,600	995,966	843,271	152,695
Community Economic Development:				
Landmarks Commission:				
Material, Supplies, and Services	14,300	15,977	13,952	2,025
Capital Outlay	2,100	2,200	900	1,300
Total Landmarks Commission	16,400	18,177	14,852	3,325
Development				
Personal Services	200,991	200,991	197,947	3,044
Material, Supplies, and Services	248,700	256,388	238,810	17,578
Capital Outlay	1,400	1,400	1,400	0
Total Development	451,091	458,779	438,157	20,622
Planning Commission:				
Material, Supplies, and Services	7,950	8,486	4,144	4,342
Capital Outlay	10,000	22,115	12,115	10,000
Total Planning Commission	17,950	30,601	16,259	14,342
Total Community Economic Development	485,441	507,557	469,268	38,289

(Continued)

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Works:				
Personal Services	355,518	355,518	340,630	14,888
Material, Supplies, and Services	99,873	105,065	94,713	10,352
Capital Outlay	3,800	3,800	788	3,012
Total Public Works	<u>459,191</u>	<u>464,383</u>	<u>436,131</u>	<u>28,252</u>
General Government:				
Administration:				
Personal Services	481,885	481,885	473,130	8,755
Material, Supplies, and Services	30,000	40,733	33,420	7,313
Capital Outlay	3,200	3,200	1,227	1,973
Total Administration	<u>515,085</u>	<u>525,818</u>	<u>507,777</u>	<u>18,041</u>
Finance Administration:				
Personal Services	313,025	313,025	261,612	51,413
Material, Supplies, and Services	57,400	82,916	73,740	9,176
Capital Outlay	8,400	8,400	1,772	6,628
Total Finance Administration	<u>378,825</u>	<u>404,341</u>	<u>337,124</u>	<u>67,217</u>
Legal Administration:				
Material, Supplies, and Services	257,750	340,360	270,976	69,384
Capital Outlay	6,000	40,586	34,886	5,700
Total Legal Administration	<u>263,750</u>	<u>380,946</u>	<u>305,862</u>	<u>75,084</u>
Income Tax:				
Personal Services	177,946	177,946	150,448	27,498
Material, Supplies, and Services	18,875	34,500	39,634	(5,134)
Capital Outlay	2,600	2,600	0	2,600
Total Income Tax	<u>199,421</u>	<u>215,046</u>	<u>190,082</u>	<u>24,964</u>
Council:				
Personal Services	20,594	20,594	13,051	7,543
Material, Supplies, and Services	2,600	2,697	1,303	1,394
Capital Outlay	13,500	13,500	0	13,500
Total Council	<u>36,694</u>	<u>36,791</u>	<u>14,354</u>	<u>22,437</u>
Mayor's Court:				
Personal Services	87,012	87,012	85,738	1,274
Material, Supplies, and Services	38,287	39,439	36,082	3,357
Total Mayor's Court	<u>125,299</u>	<u>126,451</u>	<u>121,820</u>	<u>4,631</u>

(Continued)

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Volunteer Services:				
Personal Services	43,749	43,749	36,770	6,979
Materials, Supplies, and Services	4,100	5,217	2,459	2,758
Capital Outlay	5,000	10,100	5,868	4,232
Total Volunteer Services	<u>52,849</u>	<u>59,066</u>	<u>45,097</u>	<u>13,969</u>
Information Technology:				
Capital Outlay	0	1,369	1,369	0
Total Information Technology	<u>0</u>	<u>1,369</u>	<u>1,369</u>	<u>0</u>
General Administration:				
Personal Services	237,392	237,392	214,250	23,142
Material, Supplies, and Services	1,479,893	1,663,518	1,459,923	203,595
Capital Outlay	75,500	122,936	100,869	22,067
Total General Administration	<u>1,792,785</u>	<u>2,023,846</u>	<u>1,775,042</u>	<u>248,804</u>
Total General Government	<u>3,364,708</u>	<u>3,773,674</u>	<u>3,298,527</u>	<u>475,147</u>
Total Expenditures	<u>8,197,554</u>	<u>8,746,157</u>	<u>7,834,643</u>	<u>911,514</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	314,571	(234,032)	1,926,073	2,160,105
Other Financing Sources (Uses):				
Sale of Capital Assets	314	314	15,217	14,903
Transfers Out	(1,588,882)	(1,588,882)	(1,448,845)	140,037
Total Other Financing Sources (Uses)	<u>(1,588,568)</u>	<u>(1,588,568)</u>	<u>(1,433,628)</u>	<u>154,940</u>
Net Change in Fund Balance	(1,273,997)	(1,822,600)	492,445	2,315,045
Fund Balance at Beginning of Year	11,280,468	11,280,468	11,280,468	0
Prior Year Encumbrances	422,603	422,603	422,603	0
Fund Balance at End of Year	<u>\$ 10,429,074</u>	<u>\$ 9,880,471</u>	<u>\$ 12,195,516</u>	<u>\$ 2,315,045</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund
For the Year Ended December 31, 2008**

FIRE PROTECTION / EMS FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 1,761,220	\$ 1,761,220	\$ 1,732,947	\$ (28,273)
Intergovernmental Revenues	175,071	175,071	196,683	21,612
Charges for Services	70,250	70,250	86,770	16,520
Investment Earnings	176,750	176,750	179,794	3,044
Fines and Forfeitures	5,304	5,304	0	(5,304)
All Other Revenues	9,284	9,284	76,521	67,237
Total Revenues	<u>2,197,879</u>	<u>2,197,879</u>	<u>2,272,715</u>	<u>74,836</u>
Expenditures:				
Public Safety:				
Personal Services	1,795,962	1,795,962	1,506,160	289,802
Material, Supplies, and Services	239,806	240,614	208,600	32,014
Capital Outlay	525,593	525,593	522,818	2,775
Total Expenditures	<u>2,561,361</u>	<u>2,562,169</u>	<u>2,237,578</u>	<u>324,591</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(363,482)	(364,290)	35,137	399,427
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	15	15
Transfers Out	(119,000)	(119,000)	(119,000)	0
Total Other Financing Sources (Uses)	<u>(119,000)</u>	<u>(119,000)</u>	<u>(118,985)</u>	<u>15</u>
Net Change in Fund Balance	(482,482)	(483,290)	(83,848)	399,442
Fund Balance at Beginning of Year	3,702,132	3,702,132	3,702,132	0
Prior Year Encumbrances	808	808	808	0
Fund Balance at End of Year	<u>\$ 3,220,458</u>	<u>\$ 3,219,650</u>	<u>\$ 3,619,092</u>	<u>\$ 399,442</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund
For the Year Ended December 31, 2008**

RESERVE OF MONTGOMERY BOND RETIREMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 182,456	\$ 182,456	\$ 181,132	\$ (1,324)
Total Revenues	<u>182,456</u>	<u>182,456</u>	<u>181,132</u>	<u>(1,324)</u>
Expenditures:				
General Government:				
Material, Supplies, and Services	6,508	6,508	5,309	1,199
Debt Service:				
Principal Retirement	110,000	110,000	110,000	0
Interest and Fiscal Charges	<u>60,755</u>	<u>60,755</u>	<u>60,555</u>	<u>200</u>
Total Expenditures	<u>177,263</u>	<u>177,263</u>	<u>175,864</u>	<u>1,399</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,193	5,193	5,268	75
Fund Balance at Beginning of Year	<u>70,567</u>	<u>70,567</u>	<u>70,567</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 75,760</u>	<u>\$ 75,760</u>	<u>\$ 75,835</u>	<u>\$ 75</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund
For the Year Ended December 31, 2008**

CAPITAL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 1,638,681	\$ 1,638,681	\$ 1,878,681	\$ 240,000
Total Revenues	<u>1,638,681</u>	<u>1,638,681</u>	<u>1,878,681</u>	<u>240,000</u>
Expenditures:				
Capital Outlay	3,086,500	3,529,707	2,842,547	687,160
Total Expenditures	<u>3,086,500</u>	<u>3,529,707</u>	<u>2,842,547</u>	<u>687,160</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,447,819)	(1,891,026)	(963,866)	927,160
Other Financing Sources (Uses):				
Transfers In	934,575	934,575	900,000	(34,575)
Advances Out	(100,000)	(100,000)	(70,000)	30,000
Total Other Financing Sources (Uses)	<u>834,575</u>	<u>834,575</u>	<u>830,000</u>	<u>(4,575)</u>
Net Change in Fund Balance	(613,244)	(1,056,451)	(133,866)	922,585
Fund Balance at Beginning of Year	2,825,440	2,825,440	2,825,440	0
Prior Year Encumbrances	307,207	307,207	307,207	0
Fund Balance at End of Year	<u>\$ 2,519,403</u>	<u>\$ 2,076,196</u>	<u>\$ 2,998,781</u>	<u>\$ 922,585</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund
For the Year Ended December 31, 2008**

TRIANGLE TAX INCREMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 137,652	\$ 137,652	\$ 8,086	\$ (129,566)
Intergovernmental Revenues	15,295	15,295	0	(15,295)
Total Revenues	<u>152,947</u>	<u>152,947</u>	<u>8,086</u>	<u>(144,861)</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	128,649	190,885	138,973	51,912
Total Capital Outlay	<u>128,649</u>	<u>190,885</u>	<u>138,973</u>	<u>51,912</u>
Total Expenditures	<u>128,649</u>	<u>190,885</u>	<u>138,973</u>	<u>51,912</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,298	(37,938)	(130,887)	(92,949)
Other Financing Sources (Uses):				
Transfers Out	(34,575)	(34,575)	0	34,575
Advances In	100,000	100,000	70,000	(30,000)
Total Other Financing Sources (Uses)	<u>65,425</u>	<u>65,425</u>	<u>70,000</u>	<u>4,575</u>
Net Change in Fund Balance	89,723	27,487	(60,887)	(88,374)
Fund Balance at Beginning of Year	1,735	1,735	1,735	0
Prior Year Encumbrances	62,236	62,236	62,236	0
Fund Balance at End of Year	<u>\$ 153,694</u>	<u>\$ 91,458</u>	<u>\$ 3,084</u>	<u>\$ (88,374)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	MEMORIAL FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 5,000	\$ 5,000	\$ 6,379	\$ 1,379
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>6,379</u>	<u>1,379</u>
Expenditures:				
Community Economic Development:				
Material, Supplies, and Services	<u>5,200</u>	<u>8,185</u>	<u>4,302</u>	<u>3,883</u>
Total Expenditures	<u>5,200</u>	<u>8,185</u>	<u>4,302</u>	<u>3,883</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200)	(3,185)	2,077	5,262
Fund Balance at Beginning of Year	21,786	21,786	21,786	0
Prior Year Encumbrances	<u>985</u>	<u>985</u>	<u>985</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 22,571</u>	<u>\$ 19,586</u>	<u>\$ 24,848</u>	<u>\$ 5,262</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

PARKS AND RECREATION FUNDRAISING FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 500	\$ 500	\$ 0	\$ (500)
Total Revenues	<u>500</u>	<u>500</u>	<u>0</u>	<u>(500)</u>
Expenditures:				
Parks and Recreation:				
Capital Outlay	500	500	0	500
Total Expenditures	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

LAW ENFORCEMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 800	\$ 800	\$ 953	\$ 153
All Other Revenues	400	400	0	(400)
Total Revenues	<u>1,200</u>	<u>1,200</u>	<u>953</u>	<u>(247)</u>
Expenditures:				
Public Safety:				
Material, Supplies, and Services	500	500	116	384
Capital Outlay	600	600	600	0
Total Expenditures	<u>1,100</u>	<u>1,100</u>	<u>716</u>	<u>384</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	100	100	237	137
Fund Balance at Beginning of Year	4,940	4,940	4,940	0
Fund Balance at End of Year	<u>\$ 5,040</u>	<u>\$ 5,040</u>	<u>\$ 5,177</u>	<u>\$ 137</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

DRUG LAW ENFORCEMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Fines and Forfeitures	\$ 300	\$ 300	\$ 623	\$ 323
Total Revenues	<u>300</u>	<u>300</u>	<u>623</u>	<u>323</u>
Expenditures:				
General Government:				
Material, Supplies, and Services	<u>300</u>	<u>300</u>	<u>284</u>	<u>16</u>
Total Expenditures	<u>300</u>	<u>300</u>	<u>284</u>	<u>16</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	339	339
Fund Balance at Beginning of Year	<u>4,602</u>	<u>4,602</u>	<u>4,602</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 4,602</u></u>	<u><u>\$ 4,602</u></u>	<u><u>\$ 4,941</u></u>	<u><u>\$ 339</u></u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

DUI ENFORCEMENT AND EDUCATION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 2,069	\$ 1,069
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>2,069</u>	<u>1,069</u>
Expenditures:				
General Government:				
Material, Supplies, and Services	660	660	0	660
Total Expenditures	<u>660</u>	<u>660</u>	<u>0</u>	<u>660</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	340	340	2,069	1,729
Fund Balance at Beginning of Year	6,048	6,048	6,048	0
Fund Balance at End of Year	<u>\$ 6,388</u>	<u>\$ 6,388</u>	<u>\$ 8,117</u>	<u>\$ 1,729</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

MAYOR'S COURT TECHNOLOGY FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 15,000	\$ 15,000	\$ 6,647	\$ (8,353)
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>6,647</u>	<u>(8,353)</u>
Expenditures:				
General Government:				
Material, Supplies, and Services	16,935	17,243	11,557	5,686
Capital Outlay	<u>3,700</u>	<u>3,700</u>	<u>3,658</u>	<u>42</u>
Total Expenditures	<u>20,635</u>	<u>20,943</u>	<u>15,215</u>	<u>5,728</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,635)	(5,943)	(8,568)	(2,625)
Fund Balance at Beginning of Year	56,633	56,633	56,633	0
Prior Year Encumbrances	<u>308</u>	<u>308</u>	<u>308</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 51,306</u>	<u>\$ 50,998</u>	<u>\$ 48,373</u>	<u>\$ (2,625)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	COPS GRANT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
All Other Revenues	\$ 67,583	\$ 67,583	\$ 64,828	\$ (2,755)
Total Revenues	<u>67,583</u>	<u>67,583</u>	<u>64,828</u>	<u>(2,755)</u>
Expenditures:				
Public Works:				
Personal Services	103,733	103,733	100,707	3,026
Material, Supplies, and Services	<u>3,750</u>	<u>3,750</u>	<u>3,199</u>	<u>551</u>
Total Expenditures	<u>107,483</u>	<u>107,483</u>	<u>103,906</u>	<u>3,577</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,900)	(39,900)	(39,078)	822
Other Financing Sources (Uses):				
Transfers In	<u>43,882</u>	<u>43,882</u>	<u>30,000</u>	<u>(13,882)</u>
Total Other Financing Sources (Uses)	<u>43,882</u>	<u>43,882</u>	<u>30,000</u>	<u>(13,882)</u>
Net Change in Fund Balance	3,982	3,982	(9,078)	(13,060)
Fund Balance at Beginning of Year	<u>29,583</u>	<u>29,583</u>	<u>29,583</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 33,565</u>	<u>\$ 33,565</u>	<u>\$ 20,505</u>	<u>\$ (13,060)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

ENVIRONMENTAL IMPACT TAX FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses, Permits and Fees	\$ 200,000	\$ 200,000	\$ 38,845	\$ (161,155)
Investment Earnings	2,491	2,491	7,244	4,753
Total Revenues	<u>202,491</u>	<u>202,491</u>	<u>46,089</u>	<u>(156,402)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	202,491	202,491	46,089	(156,402)
Other Financing Sources (Uses):				
Transfers In	200,000	200,000	38,845	(161,155)
Transfers Out	<u>(400,000)</u>	<u>(100,000)</u>	<u>(77,690)</u>	<u>22,310</u>
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>100,000</u>	<u>(38,845)</u>	<u>(138,845)</u>
Net Change in Fund Balance	2,491	302,491	7,244	(295,247)
Fund Balance at Beginning of Year	<u>131,549</u>	<u>131,549</u>	<u>131,549</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 134,040</u>	<u>\$ 434,040</u>	<u>\$ 138,793</u>	<u>\$ (295,247)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 447,467	\$ 447,467	\$ 505,396	\$ 57,929
Investment Earnings	68,850	68,850	49,711	(19,139)
All Other Revenues	14,337	14,337	9,108	(5,229)
Total Revenues	<u>530,654</u>	<u>530,654</u>	<u>564,215</u>	<u>33,561</u>
Expenditures:				
Public Works:				
Personal Services	851,096	851,755	838,261	13,494
Material, Supplies, and Services	294,871	353,562	333,761	19,801
Capital Outlay	34,700	41,942	18,718	23,224
Total Expenditures	<u>1,180,667</u>	<u>1,247,259</u>	<u>1,190,740</u>	<u>56,519</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(650,013)	(716,605)	(626,525)	90,080
Other Financing Sources (Uses):				
Sale of Capital Assets	6,000	6,000	0	(6,000)
Transfers In	800,000	800,000	477,690	(322,310)
Total Other Financing Sources (Uses)	<u>806,000</u>	<u>806,000</u>	<u>477,690</u>	<u>(328,310)</u>
Net Change in Fund Balance	155,987	89,395	(148,835)	(238,230)
Fund Balance at Beginning of Year	1,329,962	1,329,962	1,329,962	0
Prior Year Encumbrances	31,592	31,592	31,592	0
Fund Balance at End of Year	<u>\$ 1,517,541</u>	<u>\$ 1,450,949</u>	<u>\$ 1,212,719</u>	<u>\$ (238,230)</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

ARTS AND AMENITIES FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 12,700	\$ 12,700	\$ 16,122	\$ 3,422
Investment Earnings	27,500	27,500	28,494	994
All Other Revenues	1,000	1,000	585	(415)
Total Revenues	<u>41,200</u>	<u>41,200</u>	<u>45,201</u>	<u>4,001</u>
Expenditures:				
Parks and Recreation:				
Material, Supplies, and Services	29,200	29,820	12,070	17,750
Capital Outlay	5,000	5,000	5,000	0
Total Expenditures	<u>34,200</u>	<u>34,820</u>	<u>17,070</u>	<u>17,750</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,000	6,380	28,131	21,751
Fund Balance at Beginning of Year	599,302	599,302	599,302	0
Prior Year Encumbrances	620	620	620	0
Fund Balance at End of Year	<u>\$ 606,922</u>	<u>\$ 606,302</u>	<u>\$ 628,053</u>	<u>\$ 21,751</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

MUNICIPAL POOL FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 600	\$ 600	\$ 0	\$ (600)
Charges for Services	180,850	180,850	167,917	(12,933)
Investment Earnings	550	550	3,807	3,257
All Other Revenues	700	700	170	(530)
Total Revenues	<u>182,700</u>	<u>182,700</u>	<u>171,894</u>	<u>(10,806)</u>
Expenditures:				
Parks and Recreation:				
Material, Supplies, and Services	213,300	237,800	222,393	15,407
Capital Outlay	20,950	31,950	29,991	1,959
Total Expenditures	<u>234,250</u>	<u>269,750</u>	<u>252,384</u>	<u>17,366</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,550)	(87,050)	(80,490)	6,560
Other Financing Sources (Uses):				
Transfers In	45,000	45,000	80,000	35,000
Total Other Financing Sources (Uses)	<u>45,000</u>	<u>45,000</u>	<u>80,000</u>	<u>35,000</u>
Net Change in Fund Balance	(6,550)	(42,050)	(490)	41,560
Fund Balance at Beginning of Year	97,242	97,242	97,242	0
Prior Year Encumbrances	500	500	500	0
Fund Balance at End of Year	<u>\$ 91,192</u>	<u>\$ 55,692</u>	<u>\$ 97,252</u>	<u>\$ 41,560</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

	CEMETERY FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 25,000	\$ 25,000	\$ 26,693	\$ 1,693
Investment Earnings	10,000	10,000	7,014	(2,986)
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>33,707</u>	<u>(1,293)</u>
Expenditures:				
Public Works:				
Material, Supplies, and Services	33,494	36,280	24,946	11,334
Capital Outlay	7,000	8,865	260	8,605
Total Expenditures	<u>40,494</u>	<u>45,145</u>	<u>25,206</u>	<u>19,939</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,494)	(10,145)	8,501	18,646
Fund Balance at Beginning of Year	140,309	140,309	140,309	0
Prior Year Encumbrances	4,651	4,651	4,651	0
Fund Balance at End of Year	<u>\$ 139,466</u>	<u>\$ 134,815</u>	<u>\$ 153,461</u>	<u>\$ 18,646</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008**

MONTGOMERY CIC FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 21,000	\$ 21,000	\$ 21,000	\$ 0
Investment Earnings	154	154	154	0
Total Revenues	<u>21,154</u>	<u>21,154</u>	<u>21,154</u>	<u>0</u>
Expenditures:				
Community Economic Development:				
Contractual Services	<u>9,054</u>	<u>9,054</u>	<u>9,054</u>	<u>0</u>
Total Expenditures	<u>9,054</u>	<u>9,054</u>	<u>9,054</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,100	12,100	12,100	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 12,100</u></u>	<u><u>\$ 12,100</u></u>	<u><u>\$ 12,100</u></u>	<u><u>\$ 0</u></u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2008**

SPECIAL ASSESSMENT BOND RETIREMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 0	\$ 0	\$ 14,268	\$ 14,268
Special Assessments	72,568	72,568	60,312	(12,256)
Total Revenues	<u>72,568</u>	<u>72,568</u>	<u>74,580</u>	<u>2,012</u>
Expenditures:				
General Government:				
Material, Supplies, and Services	2,050	2,050	1,922	128
Debt Service:				
Principal Retirement	43,883	43,883	42,567	1,316
Interest and Fiscal Charges	14,725	14,725	15,840	(1,115)
Total Expenditures	<u>60,658</u>	<u>60,658</u>	<u>60,329</u>	<u>329</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,910	11,910	14,251	2,341
Fund Balance at Beginning of Year	<u>110,771</u>	<u>110,771</u>	<u>110,771</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 122,681</u>	<u>\$ 122,681</u>	<u>\$ 125,022</u>	<u>\$ 2,341</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2008**

GENERAL OBLIGATION BOND RETIREMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 523,004	\$ 523,004	\$ 601,178	\$ 78,174
Total Revenues	<u>523,004</u>	<u>523,004</u>	<u>601,178</u>	<u>78,174</u>
Expenditures:				
General Government:				
Material, Supplies, and Services	13,200	13,200	250	12,950
Debt Service:				
Principal Retirement	450,000	450,000	450,000	0
Interest and Fiscal Charges	<u>124,479</u>	<u>124,479</u>	<u>119,570</u>	<u>4,909</u>
Total Expenditures	<u>587,679</u>	<u>587,679</u>	<u>569,820</u>	<u>17,859</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(64,675)	(64,675)	31,358	96,033
Other Financing Sources (Uses):				
Transfers In	<u>119,000</u>	<u>119,000</u>	<u>119,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>119,000</u>	<u>119,000</u>	<u>119,000</u>	<u>0</u>
Net Change in Fund Balance	54,325	54,325	150,358	96,033
Fund Balance at Beginning of Year	<u>1,022,703</u>	<u>1,022,703</u>	<u>1,022,703</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,077,028</u>	<u>\$ 1,077,028</u>	<u>\$ 1,173,061</u>	<u>\$ 96,033</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2008**

OHIO NATIONAL TAX INCREMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 635,216	\$ 635,216	\$ 705,583	\$ 70,367
Total Revenues	<u>635,216</u>	<u>635,216</u>	<u>705,583</u>	<u>70,367</u>
Expenditures:				
General Government:				
Material, Supplies, and Services	159,900	174,900	170,795	4,105
Total General Government	<u>159,900</u>	<u>174,900</u>	<u>170,795</u>	<u>4,105</u>
Debt Service:				
Interest and Fiscal Charges	65,815	65,815	32,408	33,407
Total Expenditures	<u>225,715</u>	<u>240,715</u>	<u>203,203</u>	<u>37,512</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	409,501	394,501	502,380	107,879
Other Financing Sources (Uses):				
Payments to Refunding Escrow Agent	(240,000)	(2,425,000)	(2,199,973)	225,027
Total Other Financing Sources (Uses)	<u>(240,000)</u>	<u>(2,425,000)</u>	<u>(2,199,973)</u>	<u>225,027</u>
Net Change in Fund Balance	169,501	(2,030,499)	(1,697,593)	332,906
Fund Balance at Beginning of Year	<u>2,644,356</u>	<u>2,644,356</u>	<u>2,644,356</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,813,857</u>	<u>\$ 613,857</u>	<u>\$ 946,763</u>	<u>\$ 332,906</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2008**

VINTAGE CLUB TAX INCREMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 0	\$ 0	\$ 222,900	\$ 222,900
Intergovernmental Revenues	7,782,000	157,000	25,033	(131,967)
Total Revenues	<u>7,782,000</u>	<u>157,000</u>	<u>247,933</u>	<u>90,933</u>
Expenditures:				
General Government:				
Material, Supplies, and Services	155,000	155,000	7,770	147,230
Total General Government	<u>155,000</u>	<u>155,000</u>	<u>7,770</u>	<u>147,230</u>
Debt Service:				
Interest and Fiscal Charges	2,000	2,000	0	2,000
Total Expenditures	<u>157,000</u>	<u>157,000</u>	<u>7,770</u>	<u>149,230</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,625,000	0	240,163	240,163
Other Financing Sources (Uses):				
Transfers Out	(7,625,000)	0	0	0
Total Other Financing Sources (Uses)	<u>(7,625,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	240,163	240,163
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 240,163</u>	<u>\$ 240,163</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2008**

SPECIAL ASSESSMENT CAPITAL PROJECTS FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Special Assessments	\$ 20,836	\$ 20,836	\$ 21,224	\$ 388
Total Revenues	<u>20,836</u>	<u>20,836</u>	<u>21,224</u>	<u>388</u>
Expenditures:				
General Government:				
Material, Supplies, and Services	0	1,000	641	359
Total Expenditures	<u>0</u>	<u>1,000</u>	<u>641</u>	<u>359</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,836	19,836	20,583	747
Fund Balance at Beginning of Year	98,776	98,776	98,776	0
Fund Balance at End of Year	<u>\$ 119,612</u>	<u>\$ 118,612</u>	<u>\$ 119,359</u>	<u>\$ 747</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2008**

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	12,390	12,390	12,390	0
Fund Balance at End of Year	<u>\$ 12,390</u>	<u>\$ 12,390</u>	<u>\$ 12,390</u>	<u>\$ 0</u>

CITY OF MONTGOMERY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2008**

URBAN REDEVELOPMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 90,506	\$ 90,506	\$ 90,634	\$ 128
Intergovernmental Revenues	8,242	8,242	120	(8,122)
All Other Revenues	0	0	2,800	2,800
Total Revenues	<u>98,748</u>	<u>98,748</u>	<u>93,554</u>	<u>(5,194)</u>
Expenditures:				
General Government:				
Material, Supplies, and Services	945	945	921	24
Total General Government	<u>945</u>	<u>945</u>	<u>921</u>	<u>24</u>
Capital Outlay:				
Capital Outlay	117,100	117,100	56,985	60,115
Total Capital Outlay	<u>117,100</u>	<u>117,100</u>	<u>56,985</u>	<u>60,115</u>
Total Expenditures	<u>118,045</u>	<u>118,045</u>	<u>57,906</u>	<u>60,139</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,297)	(19,297)	35,648	54,945
Fund Balance at Beginning of Year	99,413	99,413	99,413	0
Fund Balance at End of Year	<u>\$ 80,116</u>	<u>\$ 80,116</u>	<u>\$ 135,061</u>	<u>\$ 54,945</u>

Fiduciary Funds

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

Agency Funds

Mayor's Court Fund

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

Trust Reimbursement Fund

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

Unclaimed Monies Fund

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

CITY OF MONTGOMERY, OHIO

**Combining Statement Of Changes In Assets And Liabilities
Agency Funds
For the Year Ended December 31, 2008**

	Balance December 31, 2007	Additions	Deductions	Balance December 31, 2008
<u>Mayor's Court</u>				
Assets:				
Restricted Assets:				
Cash with Fiscal Agent	\$407	\$207,333	(\$207,520)	\$220
Total Assets	<u>\$407</u>	<u>\$207,333</u>	<u>(\$207,520)</u>	<u>\$220</u>
Liabilities:				
Due to Others	\$407	\$207,333	(\$207,520)	\$220
Total Liabilities	<u>\$407</u>	<u>\$207,333</u>	<u>(\$207,520)</u>	<u>\$220</u>
<u>Trust Reimbursement</u>				
Assets:				
Restricted Assets:				
Cash with Fiscal Agent	\$285,767	\$102,924	(\$178,578)	\$210,113
Total Assets	<u>\$285,767</u>	<u>\$102,924</u>	<u>(\$178,578)</u>	<u>\$210,113</u>
Liabilities:				
Accounts Payable	\$276,965	\$100,168	(\$175,117)	\$202,016
Intergovernmental Payables	8,802	2,756	(3,461)	8,097
Total Liabilities	<u>\$285,767</u>	<u>\$102,924</u>	<u>(\$178,578)</u>	<u>\$210,113</u>
<u>Unclaimed Monies</u>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$3,479	\$0	(\$102)	\$3,377
Total Assets	<u>\$3,479</u>	<u>\$0</u>	<u>(\$102)</u>	<u>\$3,377</u>
Liabilities:				
Due to Others	\$3,479	\$0	(\$102)	\$3,377
Total Liabilities	<u>\$3,479</u>	<u>\$0</u>	<u>(\$102)</u>	<u>\$3,377</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$3,479	\$0	(\$102)	\$3,377
Cash with Fiscal Agent	286,174	310,257	(386,098)	210,333
Total Assets	<u>\$289,653</u>	<u>\$310,257</u>	<u>(\$386,200)</u>	<u>\$213,710</u>
Liabilities:				
Accounts Payable	\$276,965	\$100,168	(\$175,117)	\$202,016
Intergovernmental Payables	8,802	2,756	(3,461)	8,097
Due to Others	3,886	207,333	(207,622)	3,597
Total Liabilities	<u>\$289,653</u>	<u>\$310,257</u>	<u>(\$386,200)</u>	<u>\$213,710</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

CITY OF MONTGOMERY, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2008***

Capital Assets:

Land	\$15,181,361
Buildings	4,140,437
Improvements Other than Buildings	5,870,668
Infrastructure	24,075,882
Machinery and Equipment	<u>4,905,065</u>
Total Capital Assets	<u><u>\$54,173,413</u></u>

Investment in Capital Assets from:

General Fund	\$11,845,836
Special Revenue Funds	4,755,606
Capital Projects Funds	37,455,778
Private Purpose Trust Funds	<u>116,193</u>
Total Investment in Capital Assets	<u><u>\$54,173,413</u></u>

CITY OF MONTGOMERY, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2008**

Function and Activity	Land	Buildings	Improvements Other than Buildings	Infrastructure
General Government:				
Administration	\$0	\$286,177	\$417,493	\$0
Finance	0	0	0	0
Mayor's Court	0	0	0	0
Total	<u>0</u>	<u>286,177</u>	<u>417,493</u>	<u>0</u>
Public Safety				
Police	278,400	1,799,140	154,217	0
Fire/EMS	0	0	160,267	0
Communications	0	0	0	0
Total	<u>278,400</u>	<u>1,799,140</u>	<u>314,484</u>	<u>0</u>
Public Works				
Street/Service	8,685,273	909,320	157,914	24,075,882
Cemetery	274,743	0	6,988	0
Total	<u>8,960,016</u>	<u>909,320</u>	<u>164,902</u>	<u>24,075,882</u>
Parks and Recreation				
Municipal Swimming Pool	405,576	683,109	726,142	0
Parks/Recreation	4,284,640	192,327	3,254,573	0
Total	<u>4,690,216</u>	<u>875,436</u>	<u>3,980,715</u>	<u>0</u>
Community Economic Development:				
Development	1,252,729	270,364	890,882	0
Historic Trust	0	0	102,192	0
Total	<u>1,252,729</u>	<u>270,364</u>	<u>993,074</u>	<u>0</u>
Total Capital Assets	<u><u>\$15,181,361</u></u>	<u><u>\$4,140,437</u></u>	<u><u>\$5,870,668</u></u>	<u><u>\$24,075,882</u></u>

CITY OF MONTGOMERY, OHIO

<u>Machinery and Equipment</u>	<u>Total</u>
\$276,893	\$980,563
62,533	62,533
40,191	40,191
<u>379,617</u>	<u>1,083,287</u>
673,881	2,905,638
2,108,710	2,268,977
26,825	26,825
<u>2,809,416</u>	<u>5,201,440</u>
1,242,158	35,070,547
6,814	288,545
<u>1,248,972</u>	<u>35,359,092</u>
89,029	1,903,856
301,969	8,033,509
<u>390,998</u>	<u>9,937,365</u>
71,242	2,485,217
4,820	107,012
<u>76,062</u>	<u>2,592,229</u>
<u>\$4,905,065</u>	<u>\$54,173,413</u>

CITY OF MONTGOMERY, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For Year Ended December 31, 2008**

Function and Activity	December 31, 2007	Additions	Deletions	December 31, 2008
General Government:				
Administration	\$982,046	\$0	(\$1,483)	\$980,563
Finance	67,314	0	(4,781)	62,533
Mayor's Court	47,052	0	(6,861)	40,191
Total	<u>1,096,412</u>	<u>0</u>	<u>(13,125)</u>	<u>1,083,287</u>
Public Safety				
Police	2,918,229	70,333	(82,924)	2,905,638
Fire/EMS	2,257,502	12,925	(1,450)	2,268,977
Fire/EMS	22,214	4,611	0	26,825
Total	<u>5,197,945</u>	<u>87,869</u>	<u>(84,374)</u>	<u>5,201,440</u>
Public Works				
Street/Service	33,885,995	1,613,097	(428,545)	35,070,547
Cemetery	285,870	2,675	0	288,545
Total	<u>34,171,865</u>	<u>1,615,772</u>	<u>(428,545)</u>	<u>35,359,092</u>
Leisure Time Activities:				
Municipal Pool Fund	1,901,656	2,200	0	1,903,856
Parks/Recreation	7,999,856	33,653	0	8,033,509
Total	<u>9,901,512</u>	<u>35,853</u>	<u>0</u>	<u>9,937,365</u>
Community Environment:				
Development	2,449,305	35,912	0	2,485,217
Historic Trust	107,012	0	0	107,012
Total	<u>2,556,317</u>	<u>35,912</u>	<u>0</u>	<u>2,592,229</u>
Total Capital Assets	<u><u>\$52,924,051</u></u>	<u><u>\$1,775,406</u></u>	<u><u>(\$526,044)</u></u>	<u><u>\$54,173,413</u></u>

STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

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

Sources Note:

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

City of Montgomery

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

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

Source: City Finance Director's Office

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

City of Montgomery

2008

\$32,640,506
17,492,324
13,134,935
\$63,267,765

\$0

0

\$0

\$32,640,506
17,492,324
13,134,935
\$63,267,765

City of Montgomery

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

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

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

City of Montgomery

2008

\$5,080,065

1,267,205

533,346

0

2,594,464

3,503,099

273,054

13,251,233

0

0

\$13,251,233

\$257,297

246,394

300,079

0

26,693

204,644

1,152,496

141,356

2,328,959

(continued)

City of Montgomery

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

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

Source: City Finance Director's Office

City of Montgomery

2008

0

0

0

0

2,328,959

(10,922,274)

0

(\$10,922,274)

\$4,744,451

7,248,439

703,870

809,573

848,844

333,492

0

14,688,669

0

0

\$14,688,669

\$3,766,395

0

\$3,766,395

City of Montgomery

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General Fund				
Reserved	\$249,859	\$142,976	\$194,681	\$232,441
Unreserved	<u>4,090,218</u>	<u>6,521,080</u>	<u>8,034,076</u>	<u>8,856,718</u>
<i>Total General Fund</i>	<u>4,340,077</u>	<u>6,664,056</u>	<u>8,228,757</u>	<u>9,089,159</u>
All Other Governmental Funds				
Reserved	1,808,258	2,693,666	3,004,244	4,052,400
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	927,724	1,623,952	2,305,831	2,628,647
Capital Projects Funds	<u>438,137</u>	<u>877,359</u>	<u>1,354,460</u>	<u>909,203</u>
Total All Other Governmental Funds	<u>3,174,119</u>	<u>5,194,977</u>	<u>6,664,535</u>	<u>7,590,250</u>
<i>Total Governmental Funds</i>	<u><u>\$7,514,196</u></u>	<u><u>\$11,859,033</u></u>	<u><u>\$14,893,292</u></u>	<u><u>\$16,679,409</u></u>

Source: City Finance Director's Office

City of Montgomery

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$226,587	\$303,486	\$369,159	\$848,817	\$411,288	\$279,644
<u>8,956,731</u>	<u>9,784,276</u>	<u>10,634,063</u>	<u>12,172,862</u>	<u>12,154,635</u>	<u>12,975,774</u>
9,183,318	10,087,762	11,003,222	13,021,679	12,565,923	13,255,418
2,967,622	4,007,598	3,889,218	4,761,597	4,342,424	3,882,125
3,723,168	3,901,646	4,679,988	5,397,618	6,149,504	5,983,229
<u>2,331,912</u>	<u>2,151,261</u>	<u>2,462,286</u>	<u>1,665,020</u>	<u>3,198,902</u>	<u>3,536,402</u>
9,022,702	10,060,505	11,031,492	11,824,235	13,690,830	13,401,756
<u>\$18,206,020</u>	<u>\$20,148,267</u>	<u>\$22,034,714</u>	<u>\$24,845,914</u>	<u>\$26,256,753</u>	<u>\$26,657,174</u>

City of Montgomery

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

	1999	2000	2001	2002
Revenues:				
Taxes	\$7,998,679	\$10,921,055	\$10,511,251	\$11,102,193
Intergovernmental Revenues	529,898	122,067	362,873	432,545
Charges for Services	212,272	236,043	279,623	343,799
Licenses, Permits and Fees	159,297	214,031	149,867	205,731
Investment Earnings	298,124	614,128	540,132	301,023
Special Assessments	264,124	244,251	239,639	239,645
Fines and Forfeitures	153,457	173,629	163,973	152,069
All Other Revenue	78,324	525,916	141,268	79,439
Total Revenue	<u>9,694,175</u>	<u>13,051,120</u>	<u>12,388,626</u>	<u>12,856,444</u>
Expenditures:				
Current:				
Public Safety	3,322,830	3,024,669	3,086,716	3,294,040
Public Health and Welfare Services	62,852	47,900	61,217	36,500
Parks and Recreation	431,869	507,291	539,682	504,812
Community Economic Development	310,787	350,474	322,334	340,702
Basic Utility Services	1,152	0	0	0
Public Works	965,784	1,029,656	907,814	794,995
General Government	1,985,387	1,924,549	2,156,817	2,440,323
Capital Outlay	562,123	301,955	926,712	2,131,054
Debt Service:				
Principal Retirement	683,000	714,883	734,883	770,883
Interest and Fiscal Charges	858,454	811,141	764,383	729,024
Total Expenditures	<u>9,184,238</u>	<u>8,712,518</u>	<u>9,500,558</u>	<u>11,042,333</u>
Excess (Deficiency) of Revenues Over Expenditures	509,937	4,338,602	2,888,068	1,814,111

City of Montgomery

(1)					
2003	2004	2005	2006	2007	2008
\$10,730,132	\$10,234,237	\$10,629,284	\$11,200,882	\$12,044,105	\$12,709,819
1,303,807	1,360,965	1,343,674	1,422,911	1,354,153	1,508,044
300,191	337,765	328,218	548,004	511,409	523,170
550,360	237,850	611,953	319,408	269,326	316,184
222,096	249,354	563,496	1,085,849	1,371,200	879,745
246,398	247,410	280,046	262,538	268,786	262,668
203,435	166,726	148,433	144,110	145,431	174,529
79,523	241,942	293,656	829,855	254,586	333,492
<u>13,635,942</u>	<u>13,076,249</u>	<u>14,198,760</u>	<u>15,813,557</u>	<u>16,218,996</u>	<u>16,707,651</u>
4,207,246	3,772,691	4,521,403	4,518,043	4,568,155	4,703,274
71,191	63,370	0	0	0	0
543,956	547,032	636,971	864,631	977,049	1,049,966
480,298	474,413	468,000	421,068	441,412	436,377
0	0	0	0	0	0
931,182	923,703	1,300,709	1,334,110	1,535,161	1,644,489
2,654,358	2,655,321	2,416,707	2,578,840	3,291,453	3,231,860
1,512,227	1,147,304	1,418,266	2,062,710	2,750,034	2,225,481
2,141,883	1,234,883	1,207,883	1,022,883	973,883	603,883
638,932	360,787	329,594	304,218	282,666	227,057
<u>13,181,273</u>	<u>11,179,504</u>	<u>12,299,533</u>	<u>13,106,503</u>	<u>14,819,813</u>	<u>14,122,387</u>
454,669	1,896,745	1,899,227	2,707,054	1,399,183	2,585,264

(Continued)

City of Montgomery

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

	1999	2000	2001	2002
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	276,415	6,235	26,470	2,006
Proceeds from Capital Leases	0	0	0	0
Proceeds from Special Assessment Bonds	97,644	0	0	0
Proceeds from the Sale of Bonds	0	0	0	0
Proceeds from Bond Anticiptaion Notes	0	0	0	0
Proceeds from Refunding Bonds	0	0	0	0
Payment to Refunding Bond Escrow Agent	0	0	0	0
Transfers In	1,416,631	987,150	979,820	1,373,817
Transfers Out	(1,416,631)	(987,150)	(979,820)	(1,403,817)
Total Other Financing Sources (Uses)	<u>374,059</u>	<u>6,235</u>	<u>26,470</u>	<u>(27,994)</u>
Net Change in Fund Balance	<u>\$883,996</u>	<u>\$4,344,837</u>	<u>\$2,914,538</u>	<u>\$1,786,117</u>
 Debt Service as a Percentage of Noncapital Expenditures	 21.56%	 22.63%	 19.92%	 18.15%

Source: City Finance Director's Office

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

City of Montgomery

(1)					
2003	2004	2005	2006	2007	2008
16,663	24,060	19,220	51,610	11,656	15,130
0	0	0	0	0	0
0	0	0	0	0	0
0	4,495,000	0	0	0	0
1,000,000	0	0	0	0	0
7,895,000	0	0	0	0	0
(7,828,113)	(4,463,558)	0	0	0	(2,199,973)
2,512,374	937,510	1,300,443	690,086	2,514,253	1,645,535
(2,532,374)	(947,510)	(1,332,443)	(720,086)	(2,514,253)	(1,645,535)
<u>1,063,550</u>	<u>45,502</u>	<u>(12,780)</u>	<u>21,610</u>	<u>11,656</u>	<u>(2,184,843)</u>
<u>\$1,518,219</u>	<u>\$1,942,247</u>	<u>\$1,886,447</u>	<u>\$2,728,664</u>	<u>\$1,410,839</u>	<u>\$400,421</u>

29.57%	15.62%	16.07%	12.45%	10.96%	7.20%
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City of Montgomery

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	1999	2000	2001	2002
Income Tax Rate	1.00%	1.00%	1.00%	1.00%
Estimated Personal Income	\$314,651	\$341,141	\$353,083	\$367,453
Total Tax Collected	\$4,557,744	\$5,041,316	\$5,345,954	\$5,516,114
Income Tax Receipts				
Withholding	3,039,358	3,361,445	3,619,820	3,753,456
Percentage	66.7%	66.7%	67.7%	68.0%
Corporate	339,915	366,462	426,785	415,531
Percentage	7.5%	7.3%	8.0%	7.5%
Individuals	1,178,471	1,313,409	1,299,349	1,347,127
Percentage	25.9%	26.1%	24.3%	24.4%

Source: City Income Tax Department

City of Montgomery

2003	2004	2005	2006	2007	2008
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
\$378,633	\$401,103	\$405,880	\$405,880	\$421,531	\$434,265
\$5,846,363	\$5,841,251	\$6,100,942	\$6,434,747	\$6,425,182	\$7,485,419
4,146,652	4,194,245	4,317,030	4,519,322	4,502,641	5,375,336
70.9%	71.8%	70.8%	70.2%	70.1%	71.8%
427,923	439,111	466,028	555,189	501,854	588,505
7.3%	7.5%	7.6%	8.6%	7.8%	7.9%
1,271,788	1,207,895	1,317,884	1,360,236	1,420,687	1,521,578
21.8%	20.7%	21.6%	21.1%	22.1%	20.3%



City of Montgomery

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2008				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,434	33.80%	\$62,868	1.32%
20,000 - 49,999	530	12.49%	182,442	3.84%
50,000 - 74,999	376	8.86%	233,513	4.92%
75,000 - 99,999	365	8.60%	316,814	6.67%
Over 100,000	1,538	36.25%	3,953,037	83.25%
Total	4,243	100.00%	\$4,748,674	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Credited to Other Municipalities	\$3,378,997
	\$3,378,997

Calendar Year 1999				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,306	31.30%	\$73,204	1.97%
20,000 - 49,999	656	15.72%	223,716	6.01%
50,000 - 74,999	520	12.46%	326,183	8.76%
75,000 - 99,999	472	11.31%	409,468	11.00%
Over 100,000	1,219	29.21%	2,690,998	72.26%
Total	4,173	100.00%	\$3,723,569	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Credited to Other Municipalities	\$2,738,452
	\$2,738,452

Source: City Finance Director's Office

City of Montgomery

Ratio of Outstanding Debt By Type Last Ten Years

	1999	2000	2001	2002
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$12,125,000	\$11,480,000	\$10,820,000	\$10,130,000
Special Assessment Bonds	2,992,644	2,922,761	2,847,878	2,766,995
Total Primary Government	<u>\$15,117,644</u>	<u>\$14,402,761</u>	<u>\$13,667,878</u>	<u>\$12,896,995</u>
Population ⁽²⁾				
City of Montgomery	9,753	10,163	10,163	10,163
Outstanding Debt Per Capita	\$1,550	\$1,417	\$1,345	\$1,269
Income ⁽³⁾				
Personal (in thousands)	314,651	341,141	353,083	367,453
Percentage of Personal Income	4.80%	4.22%	3.87%	3.51%

Sources:

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

City of Montgomery

2003	2004	2005	2006	2007	2008
\$11,500,000	\$10,526,442	\$9,557,100	\$8,572,758	\$7,638,416	\$4,899,074
204,112	193,229	180,346	167,463	153,580	139,697
<u>\$12,123,112</u>	<u>\$10,919,671</u>	<u>\$9,737,446</u>	<u>\$8,740,221</u>	<u>\$7,791,996</u>	<u>\$5,038,771</u>
10,163	10,163	10,163	10,163	10,163	10,163
\$1,193	\$1,074	\$958	\$860	\$767	\$496
378,633	401,103	405,880	405,880	421,531	434,265
3.20%	2.72%	2.40%	2.15%	1.85%	1.16%

City of Montgomery

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	1999	2000	2001	2002
Population (1)	9,753	10,163	10,163	10,163
Assessed Value (2)	\$346,452,860	\$354,008,780	\$360,441,670	\$406,581,220
General Bonded Debt (3)				
General Obligation Bonds	\$12,125,000	\$11,480,000	\$10,820,000	\$10,130,000
Resources Available to Pay Principal (4)	\$1,387,485	\$2,426,477	\$1,456,375	\$1,475,475
Net General Bonded Debt	\$10,737,515	\$9,053,523	\$9,363,625	\$8,654,525
Ratio of Net Bonded Debt to Estimated Assessed Value	3.10%	2.56%	2.60%	2.13%
Net Bonded Debt per Capita	\$1,100.94	\$890.83	\$921.34	\$851.57

Source:

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

City of Montgomery

2003	2004	2005	2006	2007	2008
10,163	10,163	10,163	10,163	10,163	10,163
\$404,624,600	\$413,822,990	\$481,924,300	\$486,557,560	\$488,255,500	\$520,027,750
\$11,500,000	\$10,526,442	\$9,557,100	\$8,572,758	\$7,638,416	\$4,899,074
\$1,011,136	\$951,899	\$967,900	\$1,241,771	\$1,195,610	\$1,243,975
\$10,488,864	\$9,574,543	\$8,589,200	\$7,330,987	\$6,442,806	\$3,655,099
2.59%	2.31%	1.78%	1.51%	1.32%	0.70%
\$1,032.06	\$942.10	\$845.14	\$721.34	\$633.95	\$359.65



City of Montgomery

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2008*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Montgomery</u>	<u>Amount Applicable to the City of Montgomery</u>
Direct:			
City of Montgomery	\$4,980,000	100.00%	\$4,980,000
Overlapping:			
Sycamore Community School District	33,091,415	28.48%	9,424,435
Great Oaks Joint Vocational School District	14,630,000	2.51%	367,213
Hamilton County	106,915,000	2.39%	<u>2,555,269</u>
		Subtotal	<u>12,346,917</u>
		Total	<u><u>\$17,326,917</u></u>

Source: Ohio Municipal Advisory Council

City of Montgomery

Debt Limitations Last Ten Years

	1999	2000	2001	2002
<u>Total Debt</u>				
Net Assessed Valuation	\$346,452,860	\$354,008,780	\$360,441,670	\$406,581,220
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	36,377,550	37,170,922	37,846,375	42,691,028
City Debt Outstanding (2)	8,860,000	8,310,000	7,750,000	7,165,000
Less: Applicable Debt Service Fund Amounts	(608,266)	(1,316,308)	(1,456,375)	(1,475,475)
Net Indebtedness Subject to Limitation	<u>8,251,734</u>	<u>6,993,692</u>	<u>6,293,625</u>	<u>5,689,525</u>
Overall Legal Debt Margin	<u><u>\$28,125,816</u></u>	<u><u>\$30,177,230</u></u>	<u><u>\$31,552,750</u></u>	<u><u>\$37,001,503</u></u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$346,452,860	\$354,008,780	\$360,441,670	\$406,581,220
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	19,054,907	19,470,483	19,824,292	22,361,967
City Debt Outstanding (2)	7,940,000	7,450,000	6,950,000	6,433,000
Less: Applicable Debt Service Fund Amounts	(291,902)	(901,633)	(935,324)	(1,059,386)
Net Indebtedness Subject to Limitation	<u>7,648,098</u>	<u>6,548,367</u>	<u>6,014,676</u>	<u>5,373,614</u>
Overall Legal Debt Margin	<u><u>\$11,406,809</u></u>	<u><u>\$12,922,116</u></u>	<u><u>\$13,809,616</u></u>	<u><u>\$16,988,353</u></u>

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

Source: City Finance Director's Office

City of Montgomery

2003	2004	2005	2006	2007	2008
\$404,624,600	\$413,822,990	\$481,924,300	\$486,557,560	\$488,255,500	\$520,027,750
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
42,485,583	43,451,414	50,602,052	51,088,544	51,266,828	54,602,914
11,500,000	10,860,000	9,865,000	8,855,000	7,895,000	5,130,000
(1,011,136)	(951,899)	(967,900)	(1,241,771)	(1,195,610)	(1,243,975)
10,488,864	9,908,101	8,897,100	7,613,229	6,699,390	3,886,025
\$31,996,719	\$33,543,313	\$41,704,952	\$43,475,315	\$44,567,438	\$50,716,889
\$404,624,600	\$413,822,990	\$481,924,300	\$486,557,560	\$488,255,500	\$520,027,750
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
22,254,353	22,760,264	26,505,837	26,760,666	26,854,053	28,601,526
11,500,000	10,860,000	9,865,000	8,855,000	7,895,000	5,130,000
(1,011,136)	(951,899)	(967,900)	(1,241,771)	(1,195,610)	(1,243,975)
10,488,864	9,908,101	8,897,100	7,613,229	6,699,390	3,886,025
\$11,765,489	\$12,852,163	\$17,608,737	\$19,147,437	\$20,154,663	\$24,715,501

City of Montgomery

Demographic and Economic Statistics Last Ten Years

Calendar Year	1999	2000	2001	2002
Population (1)				
City of Montgomery	9,753	10,163	10,163	10,163
Hamilton County	866,228	845,303	845,303	845,303
Income (2) (a)				
Total Personal (in thousands)	314,651	341,141	353,083	367,453
Hamilton County Per Capita	32,262	33,567	34,742	36,156
Unemployment Rate (3)				
Federal	4.5%	4.2%	3.8%	4.8%
State	4.3%	4.3%	3.7%	4.3%
Hamilton County	3.4%	3.5%	6.3%	4.8%
Civilian Work Force Estimates (3)				
State	5,749,000	5,900,400	5,857,000	5,828,000
Hamilton County	439,400	436,300	444,100	435,200

Sources:

(1) US Bureau of Census of Population

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

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

(3) State Department of Labor Statistics

City of Montgomery

2003	2004	2005	2006	2007	2008
10,163	10,163	10,163	10,163	10,163	10,163
845,303	845,303	786,982	786,982	786,982	786,982
378,633	401,103	405,880	405,880	421,531	434,265
37,256	39,467	39,937	39,937	41,477	42,730
5.8%	6.0%	5.5%	5.0%	4.6%	5.8%
5.7%	6.1%	6.0%	5.9%	5.6%	6.6%
4.5%	5.1%	5.6%	3.5%	5.0%	5.6%
5,915,000	5,875,300	5,900,400	5,934,000	5,976,500	5,986,400
437,900	422,200	426,800	423,500	431,200	432,400



City of Montgomery

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2008		
		Number of Employees	Rank	Percentage of Total Employment
Bethesda Hospital	Medical	3,161	1	19%
Sycamore School District	Educational	1,099	2	7%
Ohio National Financial Services	Financial	834	3	5%
Montgomery Inn, Inc.	Restaurant	354	4	2%
TriHealth, Inc.	Medical	278	5	2%
Meadowbrook Care Center	Medical	278	6	2%
Kroger	Retail	254	7	2%
Twin Lakes	Medical	247	8	2%
Montgomery Care Center	Medical	225	9	1%
Columbia Oldsmobile, Inc.	Retail	132	10	1%
Total		6,862		
Total Employment within the City		16,398		

Employer	Nature of Business	1999		
		Number of Employees	Rank	Percentage of Total Employment
Sycamore School District	Education	1,122	1	7%
Montgomery Inn, Inc.	Restaurant	751	2	5%
Meadowbrook Care Center	Medical	260	3	2%
Collier Nursing Services Inc	Medical	242	4	2%
Perkin's	Restaurant	239	5	2%
Kroger	Retail	224	6	1%
William's Ford	Retail	220	7	1%
Chester's Roadhouse	Restaurant	185	8	1%
Montgomery Care Center	Medical	161	9	1%
Bethesda Health Care Inc.	Medical	161	10	1%
Total		3,565		
Total Employment within the City		15,603		

Sources:

City Income Tax Department

City of Montgomery

Full Time Equivalent Employees by Function Last Ten Years

	1999	2000	2001	2002	2003
Governmental Activities					
General Government					
Finance	5.50	5.00	6.00	6.00	6.00
Legal/Court	1.50	1.50	1.50	1.50	1.50
Administration	4.50	4.50	5.50	5.75	5.50
Maintenance	1.00	1.00	1.00	1.00	1.00
Public Safety					
Police	22.00	22.00	22.00	23.00	23.00
Fire	22.50	24.50	24.50	24.50	24.50
Public Works					
Street	12.25	12.25	12.50	12.50	12.75
Parks and Recreation					
Parks and Recreation	6.00	6.00	6.00	6.00	6.00
Community Environment					
Service	3.00	3.00	3.00	3.00	3.00
Business-Type Activities					
Municipal Pool	4.75	4.75	0.00	0.00	0.00
Total Employees	<u>83.00</u>	<u>84.50</u>	<u>82.00</u>	<u>83.25</u>	<u>83.25</u>

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

Source: City Finance Director's Office

City of Montgomery

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
6.00	6.00	6.00	5.50	5.50
1.50	1.50	1.50	1.50	1.50
5.50	5.50	5.50	7.50	7.50
1.50	1.50	1.50	1.50	1.50
23.00	23.00	24.00	24.00	24.00
24.50	25.00	25.00	25.00	25.00
12.50	12.50	12.50	13.50	13.50
6.00	5.25	5.25	4.50	4.50
3.00	3.00	3.00	2.00	2.00
0.00	0.00	0.00	0.00	0.00
<u>83.50</u>	<u>83.25</u>	<u>84.25</u>	<u>85.00</u>	<u>85.00</u>

City of Montgomery

Operating Indicators by Function Last Seven Years

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

Source: City Finance Director's Office

Information is not available in this format prior to 2002.

City of Montgomery

<u>2006</u>	<u>2007</u>	<u>2008</u>
1,759	1,695	1,757
453	335	241
986	1,362	1,181
209,293	165,455	181,978
903	1,909	4,152
\$12.00	\$3.72	\$1.71
1,151	1,772	1,674
363	392	258
19	27	35
129	177	251
106	77	67
92	75	18
536	612	534
482	609	626
860	991	1,032
143	166	178
334	742	996
1.97	1.35	4.39
443	575	383
600	2,000	2,500
138	150	210
137	139	178
556	518	449
4,900	5,445	8,614

City of Montgomery

Capital Asset Statistics by Function Last Ten Years

	1999	2000	2001	2002	2003
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	23	23	23	23	23
Buildings	8	8	8	8	8
Public Safety					
Police					
Stations	1	1	1	1	1
Vehicles	7	7	7	11	11
Fire					
Stations	1	1	1	1	1
Vehicles	2	4	5	6	6
Public Works					
Street					
Streets (lane miles)	46	46	46	46	46
Street Lights	207	207	207	207	207
Vehicles	7	9	11	12	15
Parks and Recreation					
Parks and Recreation					
Land (acres)	80	80	80	80	80
Buildings	3	3	3	3	3
Parks	6	6	7	7	7
Playgrounds	6	6	6	6	6
Tennis Courts	10	10	10	10	10
Baseball/Softball Diamonds	13	13	13	13	13
Business-Type Activities					
Municipal Pool					
Land (acres)	2	2	2	2	2
Buildings	1	1	1	2	2

Source: City Finance Director's Office

City of Montgomery

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
23	23	23	23	23
8	8	8	8	8
1	1	1	1	1
12	12	12	12	12
1	1	1	1	1
6	7	9	9	9
46	46	46	46	46
233	23	233	247	247
15	15	16	16	17
81	81	81	81	81
3	3	3	3	3
7	7	7	7	7
6	6	6	6	6
10	10	10	10	10
13	13	13	13	13
2	2	2	2	2
2	2	2	2	2



Bastin & Company, LLC

Certified Public Accountants

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

The Honorable Members of City Council
City of Montgomery, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Montgomery, Ohio, as of and for the year ended December 31, 2008, which collectively comprise the City of Montgomery, Ohio's basic financial statements, and have issued our report thereon dated June 12, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Montgomery, Ohio's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Montgomery, Ohio's financial statements that is more than inconsequential will not be prevented or detected by the City of Montgomery, Ohio's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Montgomery, Ohio's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Montgomery, Ohio's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management 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 cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a white background.

Cincinnati, Ohio
June 12, 2009



Mary Taylor, CPA
Auditor of State

CITY OF MONTGOMERY

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 30, 2009**