

# Comprehensive Annual Financial Report

## City of Montgomery, Ohio

For the year ended December 31, 2014



2014 marked the 25th Anniversary of Montgomery's Bastille Day Celebration



## The Creation of the Mural

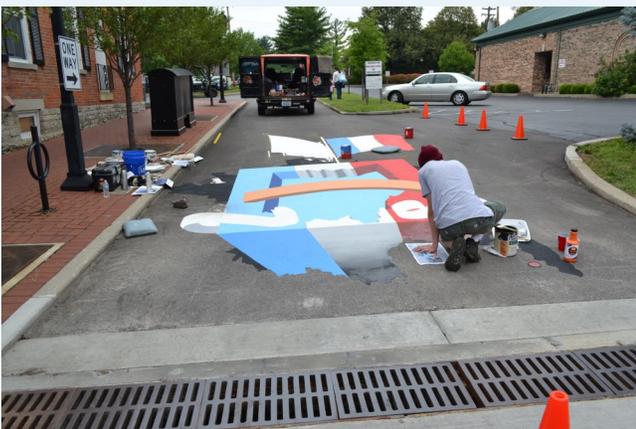


To commemorate the 25th anniversary of the Sister Cities twinning of Neuilly-Plaisance, France and Montgomery, Ohio, a 3-D Bastille Day street mural was painted on Ted Gregory Lane during the Bastille Day Celebration July 19.

The mural was created by Agar, in partnership with Higher Level Art, a collective of artists that specializes in murals, signs, exhibitions and exclusive custom projects.

“Bastille Day this year was a celebration of the 25th anniversary of the twinning with our sister city, Neuilly-Plaisance, France,” Montgomery Sister Cities Commission Chair Marcallene Shockey said. “We thought a great representation of this long-standing relationship was a mural that depicted that strong bond between our two cities.”

There is a great video of this process on YouTube: <https://www.youtube.com/watch?v=4KX14MclWdM>



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2014

Issued by:  
Department of Finance  
James Hanson  
Director



TABLE OF CONTENTS

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HAMILTON COUNTY, OHIO

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**I** INTRODUCTORY SECTION

**A** Letter of Transmittal ..... v  
**B** List of Principal Officials ..... xiii  
**C** City Organizational Chart ..... xiv  
**D** Certificate of Achievement for Excellence in Financial Reporting..... xv

**II** FINANCIAL SECTION

**A** Independent Auditor’s Report..... 1  
**B** Management’s Discussion and Analysis..... 5  
**C** Basic Financial Statements:  
    Government-wide Financial Statements:  
        Statement of Net Position ..... 14  
        Statement of Activities ..... 15  
    Fund Financial Statements:  
        *Governmental Funds:*  
            Balance Sheet ..... 16  
            Reconciliation of Total Governmental Fund Balances to Net Position of  
            Governmental Activities ..... 18  
            Statement of Revenues, Expenditures and Changes in Fund Balances ..... 20  
            Reconciliation of the Statement of Revenues, Expenditures and Changes  
            in Fund Balances of Governmental Funds to the Statement of Activities ..... 22  
            Statement of Revenues, Expenditures and Changes in Fund Balance -  
            Budget and Actual (Non-GAAP Budgetary Basis):  
                General Fund ..... 23  
                Fire Protection / EMS Fund ..... 24  
        *Fiduciary Funds:*  
            Statement of Net Position ..... 25  
            Statement of Changes in Net Position ..... 26  
    Notes to the Basic Financial Statements..... 27

**D Combining and Individual Fund Statements and Schedules:**

Nonmajor Governmental Financial Statements:

Combining Balance Sheet.....	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	65
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	70
Combining Balance Sheet – Nonmajor Debt Service Funds .....	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds .....	75
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds .....	77

Individual Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):

Major Governmental Funds:

<i>General Fund</i> .....	78
<i>Special Revenue Fund:</i>	
Fire Protection / EMS Fund.....	82
<i>Debt Service Funds:</i>	
Reserve of Montgomery Bond Retirement Fund .....	83
Vintage Club Tax Increment Fund .....	84
<i>Capital Projects Funds:</i>	
Vintage Club Capital Improvement Fund .....	85
Capital Improvement Fund.....	86
Downtown Improvement Fund.....	87

Nonmajor Governmental Funds:

<i>Special Revenue Funds:</i>	
Memorial Fund .....	88
Parks and Recreation Fundraising Fund.....	89
Law Enforcement Fund .....	90
Drug Law Enforcement Fund.....	91
DUI Enforcement and Education Fund .....	92

*Special Revenue Funds: (Continued)*

Mayor’s Court Technology Fund .....	93
Community Oriented Policing Services (COPS) Grant Fund .....	94
Environmental Impact Tax Fund.....	95
Street Construction, Maintenance and Repair Fund.....	96
State Highway Fund .....	97
Municipal Pool Fund .....	98
Cemetery Fund .....	99

*Debt Service Funds:*

Special Assessment Bond Retirement Fund.....	100
General Obligation Bond Retirement Fund.....	101
Ohio National Tax Increment Fund.....	102

*Capital Projects Funds:*

Triangle Tax Increment Fund.....	103
Urban Redevelopment Fund.....	104

*Permanent Fund:*

Arts and Amenities Fund.....	105
------------------------------	-----

**Fiduciary Funds – Agency Funds:**

Combining Statement of Changes in Assets and Liabilities.....	107
---	-----

**III**

**STATISTICAL SECTION**

Net Position by Component - Last Ten Years ..... S 2

Changes in Net Position - Last Ten Years..... S 4

Fund Balances, Governmental Funds - Last Ten Years ..... S 8

Changes in Fund Balances, Governmental Funds - Last Ten Years ..... S 10

Income Tax Revenues by Source, Governmental Funds - Last Ten Years ..... S 14

Income Tax Statistics - Current Year and Nine Years Ago ..... S 17

Ratios of Outstanding Debt By Type - Last Ten Years..... S 18

Ratios of General Bonded Debt Outstanding - Last Ten Years..... S 20

Computation of Direct and Overlapping Debt Attributable to  
Governmental Activities - Current Year ..... S 23

Debt Limitations - Last Ten Years ..... S 24

Pledged Revenue Coverage – Last Ten Years..... S 26

Demographic and Economic Statistics - Last Ten Years ..... S 28

Principal Employers - Current Year and Nine Years Ago ..... S 31

Full Time Equivalent Employees by Function - Last Ten Years ..... S 32

Operating Indicators by Function - Last Ten Years ..... S 34

Capital Asset Statistics by Function - Last Ten Years ..... S 36

## *INTRODUCTORY SECTION*

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June 4, 2015

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, 2014. This 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's 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***

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### ***Letter of Transmittal For the Year Ended December 31, 2014***

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#### **The City of Montgomery**

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

#### **City Council**

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

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

#### **Arts Commission**

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

#### **Beautification and Tree Commission**

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

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### ***Letter of Transmittal For the Year Ended December 31, 2014***

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#### ***Board of Zoning Appeals***

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

#### ***Civil Service Commission***

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

#### ***Environmental Advisory Commission***

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

#### ***Landmarks Commission***

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

#### ***Parks and Recreation Commission***

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

#### ***Planning Commission***

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

***Letter of Transmittal  
For the Year Ended December 31, 2014***

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***Sister Cities Commission***

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

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

***ECONOMIC CONDITIONS AND OUTLOOK***

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

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

In spite of very difficult national and regional economic conditions, 2014 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 2014 and was able to enter 2015 with continued goals of delivering high quality products and services to our citizens, businesses and community visitors and to engage all of these customers in the work of our organization.

***MAJOR INITIATIVES***

In 2014, the City acquired approximately 9.3 acres of property known as the Gateway Redevelopment Area (GRA) at the northeast corner of Montgomery Road and Ronald Reagan Cross County Highway. The site consists of the former Chevrolet dealership at 9292 Montgomery Road and the former Ford dealership at 9260 Montgomery Road. The City demolished the former Chevrolet dealership building, is in the process of acquiring approximately 2.3 acres of land from Hamilton County abutting Cross County Highway and issued a Request for Qualifications in 2015 in order to partner with a high quality development team on an integrated, mixed use project that is complementary in scale and design to the adjacent historic district and sensitive to the real estate market.

***Letter of Transmittal***

***For the Year Ended December 31, 2014***

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Community engagement is the City's effort to organize our greatest resource, the community, in the work we do in service to Montgomery and was a primary activity in 2014. Twenty-six graduates of the Montgomery Citizens' Leadership Academy joined the Montgomery Citizens' Leadership Academy (MCLA) Alumni. This program, which is designed to transform residents into active and engaged citizens, also features partnerships with local businesses and organizations, such as Bethesda North Hospital, Ohio National Financial Services, Twin Lakes Senior Living Community, the Hamilton County Emergency Regional Operations Center and the Sycamore Community Schools.

During 2014 the City of Montgomery was recognized for achievements in a wide variety of areas and by a diverse group of organizations which included:

- The City received the Certificate of Achievement for Excellence in Financial Reporting for our 2013 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 nineteenth consecutive year the City has received this award.
- The City also received a Tree City USA and Growth Award for 2014. This represents the nineteenth year in a row that the City has received the Tree City USA Award and sixteen years that it has received the Growth Award.
- For the fourth year in a row, the City received the Best Community Recycling Program Award (more than 10,000 residents) from the Hamilton County Recycling and Solid Waste District.
- In September, Dave Yost, Auditor of the State of Ohio, presented the City of Montgomery with the "Auditor of State Award with Distinction" award for the fiscal year 2013 financial audit. Fewer than five percent of all Ohio government agencies are eligible for this award.

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 to develop a comprehensive study from which the Parks and Recreation Commission and City Council can develop goals for the parks over the next several years. The development of this plan involved several public forums at which public comments on the plan were received and considered before Council accepted the recommendations for the park improvements.

In 2014, the following park improvements were completed:

- New playground equipment in Weller Park.
- Tire Swing replacement in Swaim Park.
- Install wood safety chips around playgrounds in City Parks.
- Asphalt path improvements in Dulle and Pioneer Parks.
- Electrostatic painting of Dulle Park tennis court fencing and basketball court posts.

## ***CITY OF MONTGOMERY, OHIO***

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### ***Letter of Transmittal For the Year Ended December 31, 2014***

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In 2014, the following capital improvements were completed:

The 2014 Bituminous Black Mat (Microsurfacing) Project was completed as public works staff coordinated repairs and microsurfacing to approximately 0.340 centerline miles of roadway on Montgomery Road from Bethesda North Hospital to Sycamore Creek. In conjunction with the Street Resurfacing Program was coordination of the replacement of 23 of the 704 total fire hydrants within the City. This was the first year of a multi-year comprehensive plan to address the aging fire hydrants in the community.

The public works department continued oversight of construction associated with the Vintage Club development which includes public funding for a two-story underground parking garage complete with a plaza deck level. Public funding is also being used for the construction and completion of Vintage Club Boulevard, entryway enhancements, landscaping, lighting, and modifications to create a round-a-bout adjacent to the Three Chimneys Clubhouse.

The public works department began work in 2014 on a five year plan to repair and replace identified sections of guardrail to assure compliance with safety standards set forth by the Ohio Department of Transportation (ODOT). In 2014, approximately 700 feet of guardrail replacement was completed on E. Kemper Road between Terwilligers Run Drive and Hightower Court.

### ***FINANCIAL HIGHLIGHTS***

#### **Accounting Controls**

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

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

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

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

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

#### **Budgetary Control**

Budgetary control is maintained within the personal services and non-personnel 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.

***Letter of Transmittal  
For the Year Ended December 31, 2014***

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***FINANCIAL PLANNING AND POLICIES***

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

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

***OTHER INFORMATION***

**Independent Audit**

Included in this report is the unmodified audit opinion rendered on the City's financial statements for the year ended December 31, 2014, by the State of Ohio Auditor's Office. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. This annual independent audit serves to maintain and strengthen the City's accounting and budgetary controls.

**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, 2013. 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 nineteen consecutive years (fiscal years ended December 31, 1995-2013). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

## ***CITY OF MONTGOMERY, OHIO***

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### ***Letter of Transmittal For the Year Ended December 31, 2014***

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#### 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 Financial Planning Committee. Their commitment to sound financial practices and reporting is the reason this CAFR is possible.

Respectfully submitted,



James A. Hanson  
Director of Finance



Wayne S. Davis  
City Manager

**CITY OF MONTGOMERY, OHIO**

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***List of Principal Officials  
For the Year Ended December 31, 2014***

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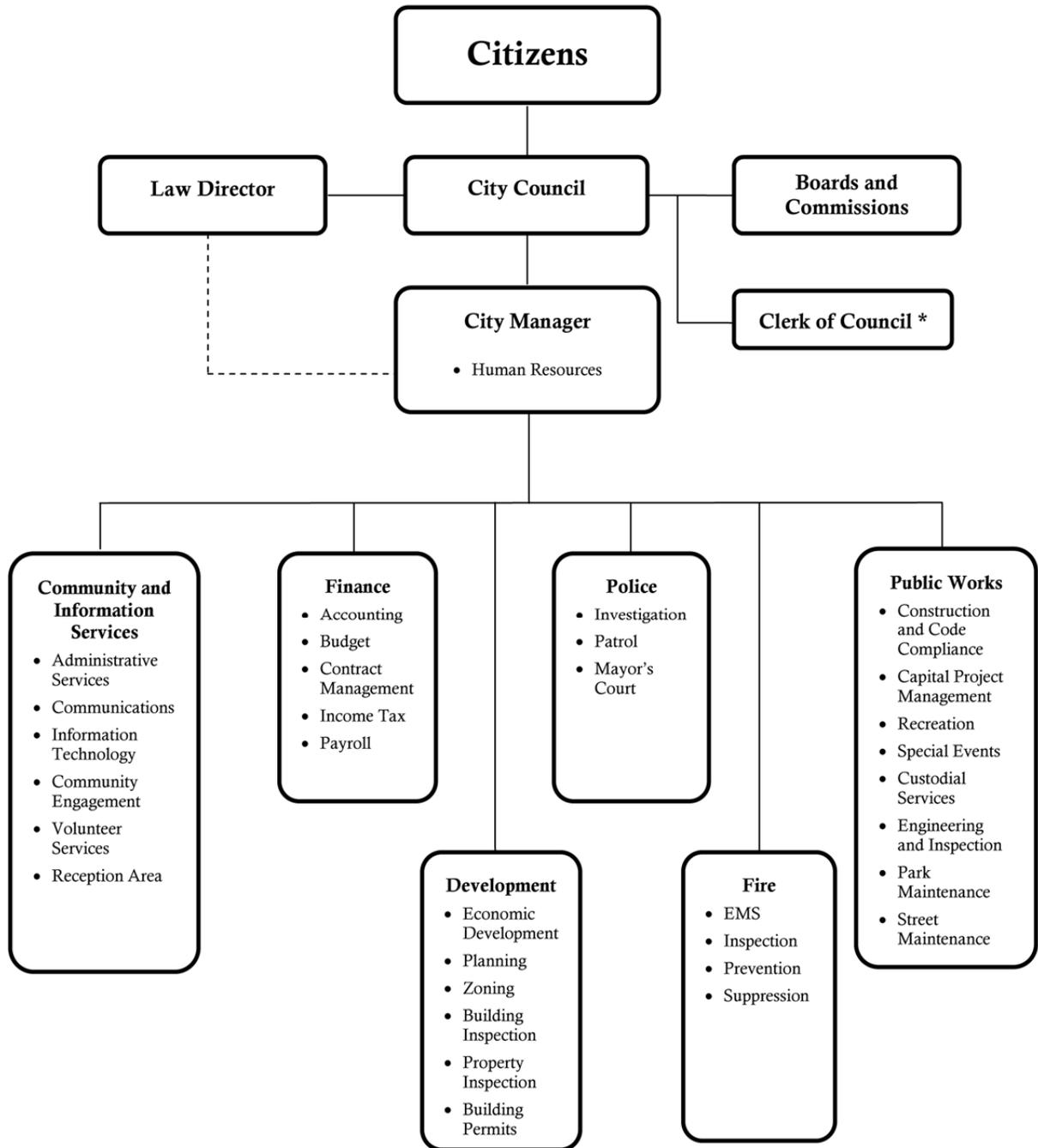
***Elected Officials***

<b>Name</b>	<b>Title</b>	<b>Term Expires</b>
Todd Steinbrink	Mayor	December 2015
Chris Dobrozsi	Vice Mayor	December 2017
Ann Combs	Council	December 2017
Lynda Roesch	Council	December 2017
Ken Suer	Council	December 2017
Gerri Harbison	Council	December 2015
Craig Margolis	Council	December 2015

***Appointed Officials***

<b>Name</b>	<b>Title</b>	<b>Term Expires</b>
Terry Donnellon	Director of Law	Indefinite
Connie Gaylor	Clerk of Council	Indefinite
Wayne S. Davis	City Manager	Indefinite

**City Organizational Chart  
For the Year Ended December 31, 2014**



\* Clerk of Council functions are provided through the Administrative Coordinator position in the Community and Information Services Department with the City Council confirming the appointment as Clerk of Council



Government Finance Officers Association

**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, 2013**

Executive Director/CEO



## *FINANCIAL SECTION*

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

### ***Report on the Financial Statements***

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, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***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, Hamilton County, Ohio, as of December 31, 2014, and the respective changes in financial position thereof and the respective budgetary comparisons for the General and the Fire Protection/EMS Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

#### *Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

June 4, 2015



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, 2014. 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 2014 are as follows:**

- ❑ Net position of governmental activities increased \$2,574,228, which represents a 4% increase from 2013.
- ❑ General revenues accounted for \$14,826,072 in revenue or 84% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,873,648 or 16% of total revenues of \$17,699,720.
- ❑ The City had \$15,125,492 in expenses related to governmental activities; only \$2,873,648 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$14,826,072 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$10,580,967 in revenues and other financing sources and \$10,877,532 in expenditures and other financing uses. The general fund's fund balance decreased \$296,565 to \$14,852,550.

**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 position includes all of the government's assets, liabilities, and deferred outflows/inflows of resources. 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 position and how it has changed. Net position is one way to measure the City's financial health.

- Over time, increases or decreases in the City's net position is 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 public safety, parks and recreation, community economic development, public works 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 Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**CITY OF MONTGOMERY, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2014**

**Unaudited**

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**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 statements 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 Position.

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The following table provides a comparison of the City's net position at December 31, 2014 and 2013:

	Governmental Activities	
	2014	2013
Current and Other Assets	\$44,251,303	\$50,435,646
Capital Assets, Net	55,034,075	44,998,687
Total Assets	<u>99,285,378</u>	<u>95,434,333</u>
Deferred Outflows of Resources	<u>76,978</u>	<u>102,636</u>
Long-Term Debt Outstanding	15,133,044	16,409,908
Other Liabilities	<u>3,526,864</u>	<u>1,092,649</u>
Total Liabilities	<u>18,659,908</u>	<u>17,502,557</u>
Deferred Inflows of Resources	<u>5,339,153</u>	<u>5,245,345</u>
Net Position		
Net Investment in Capital Assets	39,698,707	35,944,567
Restricted	19,982,948	22,057,822
Unrestricted	<u>15,681,640</u>	<u>14,786,678</u>
Total Net Position	<u>\$75,363,295</u>	<u>\$72,789,067</u>

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**CITY OF MONTGOMERY, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2014**

**Unaudited**

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Changes in Net Position – The following table shows the changes in net position for fiscal years 2014 and 2013:

	Governmental Activities	
	2014	2013
Revenues		
Program Revenues:		
Charges for Services and Sales	\$1,909,542	\$1,337,272
Operating Grants and Contributions	602,689	594,658
Capital Grants and Contributions	361,417	0
Total Program Revenues	2,873,648	1,931,930
General Revenues:		
Property Taxes	5,032,078	5,108,938
Income Taxes	8,438,680	7,564,240
Other Local Taxes	8,205	1,651,364
Intergovernmental, Unrestricted	768,788	690,532
Investment Earnings	353,613	66,401
Miscellaneous	224,708	408,662
Total General Revenues	14,826,072	15,490,137
Total Revenues	17,699,720	17,422,067
Program Expenses		
Public Safety	5,525,153	5,526,566
Parks and Recreation	1,207,002	1,323,018
Community Economic Development	683,325	660,502
Public Works	2,528,383	2,457,093
General Government	4,535,252	4,797,717
Interest and Fiscal Charges	646,377	421,583
Total Expenses	15,125,492	15,186,479
Total Change in Net Position	2,574,228	2,235,588
Beginning Net Position	72,789,067	70,553,479
Ending Net Position	\$75,363,295	\$72,789,067

**Governmental Activities**

Net position of the City's governmental activities increased \$2,574,228. In April 2014 the City purchased property which included the assignment of a lease. During 2014 the City received \$200,000 of monthly rental payments. In December 2014, the lessee and the City agreed to terminate the lease. The City received an additional \$400,000 from the lessee as a result of the termination. Reimbursements received from the Ohio Department of Transportation and JobsOhio for the resurfacing of Pfeiffer Road resulted in an increase in capital grants and contributions.

Changes in the fair value of investments resulted in the increase in investment earnings. An increase in income taxes can be attributed to increases in withholding taxes by employers. A decrease in other local taxes was the result of a decrease in estate tax receipts.

Expenses remained stable when compared with the prior year.

**CITY OF MONTGOMERY, OHIO**

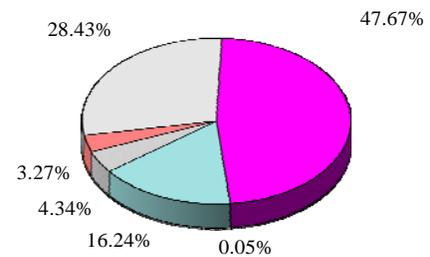
**Management's Discussion and Analysis  
For the Year Ended December 31, 2014**

**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 28% and 48% respectively of revenues for governmental activities for the City in fiscal year 2014. The City's reliance upon tax revenues is demonstrated by the following graph indicating 76% of total revenues from general tax revenues:

Revenue Sources	2014	Percent of Total
Property Taxes	\$5,032,078	28.43%
Income Taxes	8,438,680	47.67%
Other Local Taxes	8,205	0.05%
Program Revenues	2,873,648	16.24%
Intergovernmental, Unrestricted	768,788	4.34%
General Other	578,321	3.27%
<b>Total Revenue</b>	<b>\$17,699,720</b>	<b>100.00%</b>



**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$32,671,571, which is a decrease from last year's balance of \$41,165,910. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2014 and 2013:

	Fund Balance December 31, 2014	Fund Balance December 31, 2013	Increase (Decrease)
General	\$14,852,550	\$15,149,115	(\$296,565)
Fire Protection / EMS	4,240,791	4,163,626	77,165
Reserve of Montgomery			
Bond Retirement	95,836	89,937	5,899
Vintage Club Tax Increment	2,113,969	2,028,374	85,595
Vintage Club Capital Improvement	1,687,765	6,409,753	(4,721,988)
Capital Improvement	5,222,854	4,967,967	254,887
Downtown Improvement	(739,217)	4,938,215	(5,677,432)
Other Governmental	5,197,023	3,418,923	1,778,100
<b>Total</b>	<b>\$32,671,571</b>	<b>\$41,165,910</b>	<b>(\$8,494,339)</b>

# CITY OF MONTGOMERY, OHIO

## Management's Discussion and Analysis For the Year Ended December 31, 2014

Unaudited

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

	2014 Revenues	2013 Revenues	Increase (Decrease)
Taxes	\$8,364,875	\$9,324,844	(\$959,969)
Intergovernmental Revenues	412,409	415,022	(2,613)
Charges for Services	140,210	161,966	(21,756)
Rental Revenue	691,149	82,171	608,978
Licenses, Permits and Fees	455,962	463,084	(7,122)
Investment Earnings	246,278	18,019	228,259
Fines and Forfeitures	139,965	162,036	(22,071)
All Other Revenue	118,140	218,802	(100,662)
Total	<u>\$10,568,988</u>	<u>\$10,845,944</u>	<u>(\$276,956)</u>

General Fund revenues in 2014 decreased 3% compared to revenues in 2013. A decrease in taxes can be attributed to a decrease in estate tax receipts. Changes in the fair value of investments resulted in the increase in investment earnings. In April 2014 the City purchased property which included the assignment of a lease. During 2014 the City received \$200,000 of monthly rental payments. In December 2014, the lessee and the City agreed to terminate the lease. The City received an additional \$400,000 from the lessee as a result of the termination.

	2014 Expenditures	2013 Expenditures	Increase (Decrease)
Public Safety	\$2,996,911	\$3,097,016	(\$100,105)
Parks and Recreation	798,501	916,634	(118,133)
Community Economic Development	582,466	558,761	23,705
Public Works	553,186	568,352	(15,166)
General Government	3,017,557	2,949,234	68,323
Total	<u>\$7,948,621</u>	<u>\$8,089,997</u>	<u>(\$141,376)</u>

General Fund expenditures decreased \$141,376 from the prior year. A decrease in public safety can be attributed to the retirement of the Assistant Fire Chief as well as some vacancies that were unfilled for part of the year. The City Recreation Coordinator left the City in 2014, leaving a position which was not filled. In addition, some other Park department vacancies went unfilled for part of the year, resulting in a decrease in parks and recreation.

*Fire Protection/EMS Fund* - The fund balance of the Fire Protection/EMS Fund, a major governmental fund, increased \$77,165. Revenues and expenditures remained consistent with the prior year.

*Reserve of Montgomery Bond Retirement Fund* - The fund balance of the Reserve of Montgomery Bond Retirement Fund, a major governmental fund, remained stable, increasing \$5,899 during 2014.

*Vintage Club Tax Increment Fund* – The fund balance of the Vintage Club Tax Increment Fund, a major governmental fund, increased \$85,595 during 2014. In the prior year, this fund received a distribution of tax revenues which was a catch-up of previously unremitted TIF distributions. This resulted in a subsequent decrease in tax revenues in the current year. The costs to acquire real estate for a public parking garage in the prior year resulted in a decrease in expenditures in the current year.

## CITY OF MONTGOMERY, OHIO

### Management's Discussion and Analysis For the Year Ended December 31, 2014

Unaudited

*Vintage Club Capital Improvement Fund* – The Vintage Club Capital Improvement Fund, a major governmental fund, reported a significant decrease in fund balance, which was the result of infrastructure improvements at the Vintage Club housing development. Approximately \$4.7 million was expended during the year, resulting in ending fund balance of \$1.7 million.

*Capital Improvement Fund* - The fund balance of the Capital Improvement Fund, a major governmental fund, increased \$254,887 during 2014. Reimbursements received from the Ohio Department of Transportation and JobsOhio for the resurfacing of Pfeiffer Road resulted in an increase in intergovernmental revenue. An increase in expenditures was the result of several street resurfacing projects.

*Downtown Improvement Fund* – The Downtown Improvement Fund, a major governmental fund, reported \$5.7 million in outlays in 2014 for the acquisition of two pieces of property along Montgomery Road, which are to be used for mixed-use development.

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

For the General Fund, final budget basis revenue of \$9.5 million did not change over the original budget estimates of \$9.5 million. Actual revenues exceeded final budgeted revenues in the General Fund due to a significant increase in rental revenue, which was the result of a buyout of an existing lease agreement. Controlled costs across all General Fund departments resulted in actual expenditures that were 10% less than final budget amounts.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of fiscal 2014 the City had \$55,034,075 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, infrastructure, equipment and vehicles. The following table shows fiscal year 2014 and 2013 balances:

	Governmental Activities		Increase (Decrease)
	2014	2013	
Land	\$20,974,753	\$15,285,724	\$5,689,029
Construction In Progress	11,761,967	6,843,474	4,918,493
Buildings	4,184,554	4,179,293	5,261
Improvements Other than Buildings	7,142,143	7,142,143	0
Infrastructure	26,829,972	26,625,553	204,419
Machinery and Equipment	6,092,744	5,887,044	205,700
Less: Accumulated Depreciation	(21,952,058)	(20,964,544)	(987,514)
Totals	\$55,034,075	\$44,998,687	\$10,035,388

In 2014, the City purchased two lots, resulting in the increase in land. The increase in construction in progress can be attributed to infrastructure improvements at the Vintage Club housing development.

Additional information on the City's capital assets can be found in Note 9.

**Management's Discussion and Analysis  
For the Year Ended December 31, 2014**

**Unaudited**

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**Debt**

At December 31, 2014, the City had \$14.3 million in bonds outstanding, \$258,883 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Governmental Activities:		
General Obligation Bonds	\$0	\$1,130,000
Special Obligation TIF Bonds	13,265,000	13,265,000
Special Assessment Bonds	1,030,399	1,183,282
Compensated Absences	837,645	831,626
Total Governmental Activities	<u>\$15,133,044</u>	<u>\$16,409,908</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, 2014, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

**ECONOMIC FACTORS**

In 2014:

- The new Christ Hospital outpatient center and medical offices on the southwest portion of the Vintage Club property is nearing completion. A new 80,000 square foot building and a 20,000 square foot building were built by the developer, Brandicorp, with the City committing to construct a 321-space parking garage under a portion of the larger building. These medical office buildings will open in May of 2015. The development department continued discussions with the developer regarding future plans for the rest of the commercial section of the property.
- At the other end of Montgomery Road, the City acquired approximately 9.3 acres of property known as the Gateway Redevelopment Area (GRA) at the northeast corner of Montgomery Road and Ronald Reagan Cross County Highway. The site consists of the former Chevrolet dealership at 9292 Montgomery Road and the former Ford dealership at 9260 Montgomery Road. The City demolished the former Chevrolet dealership building, is in the process of acquiring approximately 2.3 acres of land from Hamilton County abutting Cross County Highway and issued a Request for Qualifications in 2015 in order to partner with a high quality development team on an integrated, mixed use project that is complementary in scale and design to the adjacent historic district and sensitive to the real estate market.
- Ohio National Financial Services completed work on the addition to its parking garage in 2014. Efficiencies in building design allowed them to add more employees within their existing building; however, the existing parking garage was not large enough to handle the additional staff. An additional 202 parking spaces were added to the garage.

- There were other positive developments in the City during the year, including the opening of fifteen new businesses. The long-vacant First Financial Bank building at 9360 Montgomery Road was occupied by a wealth management company. Work was completed on Montgomery Hill, the ten-unit condominium townhouse project that had been stalled for many years by the downturn in the housing market. The builder for Montgomery Hill applied for and received approval for an additional three-unit building across the street from Montgomery Hill at 7925 Remington Road. Work began on this project at the end of 2014.
- Only 3 commercial building permits for new construction and expansion were issued in 2014, which is significantly lower than the 18 permits issued in 2013; however, the total value of improvements in 2014 was also lower than in 2013. The total value of new commercial, commercial additions and alterations was \$12.8 million in 2014 versus \$17.1 million in 2013.
- The residential sector was busy in 2014 with the building department issuing 39 permits for new homes and 97 permits for residential remodeling/room additions. The total value of residential construction was estimated at \$21.5 million. The number of teardowns also increased dramatically in 2014. The City issued 30 demolition permits in 2014, which is the largest number of residential demolition permits issued in a single year. The number of residential demolition permits was significantly higher than in past years, with the exception of 2013 and 2005, which saw 22 teardowns each. Since 2001, there have been a total of 186 teardowns in the City.

## **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**

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**Statement of Net Position  
December 31, 2014**

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	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 11,389,734
Investments	22,188,747
Investments with Fiscal Agent	67,524
Receivables:	
Taxes	6,470,168
Accounts	81,357
Intergovernmental	666,055
Interest	32,848
Special Assessments	2,068,608
Prepaid Items	57,502
Restricted Assets:	
Investments	967,706
Investments with Fiscal Agent	261,054
Capital Assets not Being Depreciated	32,736,720
Capital Assets Being Depreciated, net	22,297,355
<b>Total Assets</b>	<b>99,285,378</b>
<b>Deferred Outflows of Resources:</b>	
Deferred Charge on Debt Refunding	76,978
<b>Liabilities:</b>	
Accounts Payable	175,029
Accrued Wages and Benefits	412,285
Intergovernmental Payable	1,029
Retainage Payable	77,704
Accrued Interest Payable	60,817
General Obligation Notes Payable	2,800,000
Noncurrent liabilities:	
Due within one year	650,621
Due in more than one year	14,482,423
<b>Total Liabilities</b>	<b>18,659,908</b>
<b>Deferred Inflows of Resources:</b>	
Property Tax Levy for Next Fiscal Year	5,339,153
<b>Net Position:</b>	
Net Investment in Capital Assets	39,698,707
Restricted For:	
Capital Projects	5,814,107
Debt Service	7,335,497
Public Works	1,455,608
Public Safety	4,355,202
Arts and Amenities:	
Expendable	240,521
Nonexpendable	378,060
Other Purposes	403,953
Unrestricted	15,681,640
<b>Total Net Position</b>	<b>\$ 75,363,295</b>

See accompanying notes to the basic financial statements

**CITY OF MONTGOMERY, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2014**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>					
Public Safety	\$ 5,525,153	\$ 330,344	\$ 85,430	\$ 0	\$ (5,109,379)
Parks and Recreation	1,207,002	316,669	0	0	(890,333)
Community Economic Development	683,325	338,339	0	0	(344,986)
Public Works	2,528,383	44,718	517,259	361,417	(1,604,989)
General Government	4,535,252	879,472	0	0	(3,655,780)
Interest and Fiscal Charges	646,377	0	0	0	(646,377)
<b>Total Governmental Activities</b>	<b>\$ 15,125,492</b>	<b>\$ 1,909,542</b>	<b>\$ 602,689</b>	<b>\$ 361,417</b>	<b>\$ (12,251,844)</b>

**General Revenues**

Property Taxes Levied for:

General Purposes	5,032,078
Income Taxes	8,438,680
Other Local Taxes	8,205
Intergovernmental, Unrestricted	768,788
Investment Earnings	353,613
Miscellaneous	224,708
<b>Total General Revenues</b>	<b>14,826,072</b>
Change in Net Position	2,574,228
Net Position Beginning of Year	72,789,067
Net Position End of Year	<b>\$ 75,363,295</b>

See accompanying notes to the basic financial statements

**CITY OF MONTGOMERY, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2014**

	General	Fire Protection / EMS	Reserve of Montgomery Bond Retirement	Vintage Club Tax Increment
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 5,825,214	\$ 850,893	\$ 95,836	\$ 412,085
Investments	8,508,923	3,488,969	0	500,000
Investments with Fiscal Agent	0	0	0	0
Receivables:				
Taxes	2,709,500	1,713,238	0	1,565,629
Accounts	81,332	0	0	0
Intergovernmental	206,359	102,404	0	78,434
Interest	13,492	2,087	0	890
Special Assessments	0	0	2,017,695	0
Interfund Loans Receivable	0	0	0	0
Prepaid Items	48,297	3,266	0	0
Restricted Assets:				
Investments	0	0	0	967,706
Investments with Fiscal Agent	0	0	0	261,054
<b>Total Assets</b>	<b>\$ 17,393,117</b>	<b>\$ 6,160,857</b>	<b>\$ 2,113,531</b>	<b>\$ 3,785,798</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 110,953	\$ 3,111	\$ 0	\$ 27,766
Accrued Wages and Benefits Payable	280,679	99,276	0	0
Intergovernmental Payable	335	0	0	0
Retainage Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
Compensated Absences Payable	31,825	0	0	0
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
<b>Total Liabilities</b>	<b>423,792</b>	<b>102,387</b>	<b>0</b>	<b>27,766</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	234,136	146,669	2,017,695	98,559
Property Tax Levy for Next Fiscal Year	1,882,639	1,671,010	0	1,545,504
<b>Total Deferred Inflows of Resources</b>	<b>2,116,775</b>	<b>1,817,679</b>	<b>2,017,695</b>	<b>1,644,063</b>
<b>Fund Balances:</b>				
Nonspendable	48,297	3,266	0	0
Restricted	0	4,237,525	95,836	2,113,969
Committed	241,965	0	0	0
Assigned	480,495	0	0	0
Unassigned	14,081,793	0	0	0
<b>Total Fund Balances</b>	<b>14,852,550</b>	<b>4,240,791</b>	<b>95,836</b>	<b>2,113,969</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 17,393,117</b>	<b>\$ 6,160,857</b>	<b>\$ 2,113,531</b>	<b>\$ 3,785,798</b>

See accompanying notes to the basic financial statements

**CITY OF MONTGOMERY, OHIO**

Vintage Club Capital Improvement	Capital Improvement	Downtown Improvement	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 1,146,439	\$ 587,270	\$ 2,471,997	\$ 11,389,734
1,687,765	3,001,111	1,499,000	3,502,979	22,188,747
67,524	0	0	0	67,524
0	201,501	0	280,300	6,470,168
0	0	0	25	81,357
0	0	0	278,858	666,055
0	9,193	1,304	5,882	32,848
0	0	0	50,913	2,068,608
0	872,290	0	0	872,290
0	5,241	0	698	57,502
0	0	0	0	967,706
0	0	0	0	261,054
<u>\$ 1,755,289</u>	<u>\$ 5,235,775</u>	<u>\$ 2,087,574</u>	<u>\$ 6,591,652</u>	<u>\$ 45,123,593</u>
\$ 0	\$ 7,715	\$ 1,115	\$ 24,369	\$ 175,029
0	0	0	32,330	412,285
0	0	0	694	1,029
67,524	0	10,180	0	77,704
0	0	0	872,290	872,290
0	0	0	0	31,825
0	0	14,192	0	14,192
0	0	2,800,000	0	2,800,000
<u>67,524</u>	<u>7,715</u>	<u>2,825,487</u>	<u>929,683</u>	<u>4,384,354</u>
0	5,206	1,304	224,946	2,728,515
0	0	0	240,000	5,339,153
0	5,206	1,304	464,946	8,067,668
0	5,241	0	378,343	435,147
1,687,765	5,217,613	0	5,687,449	19,040,157
0	0	0	0	241,965
0	0	0	0	480,495
0	0	(739,217)	(868,769)	12,473,807
<u>1,687,765</u>	<u>5,222,854</u>	<u>(739,217)</u>	<u>5,197,023</u>	<u>32,671,571</u>
<u>\$ 1,755,289</u>	<u>\$ 5,235,775</u>	<u>\$ 2,087,574</u>	<u>\$ 6,591,652</u>	<u>\$ 45,123,593</u>

**CITY OF MONTGOMERY, OHIO**

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***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2014***

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**Total Governmental Fund Balances** \$ 32,671,571

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

Capital Assets used in governmental activities are not  
resources and therefore are not reported in the funds. 55,034,075

Other long-term assets are not available to pay for current-  
period expenditures and therefore are deferred in the funds. 2,728,515

Long-term liabilities, including bonds payable, are not due  
and payable in the current period and therefore are not  
reported in the funds.

Special Obligation Bonds Payable	(13,265,000)	
Special Assessment Bonds Payable	(1,030,399)	
Compensated Absences Payable	(805,820)	
Deferred Loss on Debt Refunding	76,978	
Accrued Interest Payable	(46,625)	(15,070,866)
	<hr/>	<hr/>

***Net Position of Governmental Activities*** \$ 75,363,295

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, 2014**

	General	Fire Protection / EMS	Reserve of Montgomery Bond Retirement	Vintage Club Tax Increment
<b>Revenues:</b>				
Taxes	\$ 8,364,875	\$ 1,720,550	\$ 0	\$ 1,152,795
Intergovernmental Revenues	412,409	208,689	0	156,868
Charges for Services	140,210	144,910	0	0
Rental Revenue	691,149	0	0	0
Licenses, Permits and Fees	455,962	0	0	0
Investment Earnings	246,278	31,157	0	2,698
Special Assessments	0	0	186,453	0
Fines and Forfeitures	139,965	0	0	0
All Other Revenue	118,140	37,865	0	0
<b>Total Revenues</b>	<b>10,568,988</b>	<b>2,143,171</b>	<b>186,453</b>	<b>1,312,361</b>
<b>Expenditures:</b>				
Current:				
Public Safety	2,996,911	2,066,006	0	0
Parks and Recreation	798,501	0	0	0
Community Economic Development	582,466	0	0	0
Public Works	553,186	0	0	0
General Government	3,017,557	0	5,962	703,437
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	135,000	0
Interest and Fiscal Charges	0	0	39,592	523,329
<b>Total Expenditures</b>	<b>7,948,621</b>	<b>2,066,006</b>	<b>180,554</b>	<b>1,226,766</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,620,367	77,165	5,899	85,595
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	11,979	0	0	0
Transfers In	0	0	0	0
Transfers Out	(2,928,911)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(2,916,932)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	(296,565)	77,165	5,899	85,595
<b>Fund Balances at Beginning of Year</b>	<b>15,149,115</b>	<b>4,163,626</b>	<b>89,937</b>	<b>2,028,374</b>
<b>Fund Balances End of Year</b>	<b>\$ 14,852,550</b>	<b>\$ 4,240,791</b>	<b>\$ 95,836</b>	<b>\$ 2,113,969</b>

See accompanying notes to the basic financial statements

**CITY OF MONTGOMERY, OHIO**

Vintage Club Capital Improvement	Capital Improvement	Downtown Improvement	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 1,687,458	\$ 0	\$ 568,129	\$ 13,493,807
0	361,417	0	590,083	1,729,466
0	0	0	319,543	604,663
0	0	0	0	691,149
0	0	0	0	455,962
16,485	19,095	9,360	24,627	349,700
0	0	0	23,761	210,214
0	0	0	21,144	161,109
0	0	35,000	34,326	225,331
<u>16,485</u>	<u>2,067,970</u>	<u>44,360</u>	<u>1,581,613</u>	<u>17,921,401</u>
0	0	0	148,492	5,211,409
0	0	0	249,507	1,048,008
0	0	0	36,696	619,162
0	0	0	1,020,892	1,574,078
0	0	0	82,378	3,809,334
4,738,473	1,813,083	5,707,600	5,260	12,264,416
0	0	0	1,147,883	1,282,883
0	0	14,192	47,588	624,701
<u>4,738,473</u>	<u>1,813,083</u>	<u>5,721,792</u>	<u>2,738,696</u>	<u>26,433,991</u>
(4,721,988)	254,887	(5,677,432)	(1,157,083)	(8,512,590)
0	0	0	6,272	18,251
0	0	0	2,928,911	2,928,911
0	0	0	0	(2,928,911)
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,935,183</u>	<u>18,251</u>
(4,721,988)	254,887	(5,677,432)	1,778,100	(8,494,339)
<u>6,409,753</u>	<u>4,967,967</u>	<u>4,938,215</u>	<u>3,418,923</u>	<u>41,165,910</u>
<u>\$ 1,687,765</u>	<u>\$ 5,222,854</u>	<u>\$ (739,217)</u>	<u>\$ 5,197,023</u>	<u>\$ 32,671,571</u>

**CITY OF MONTGOMERY, OHIO**

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***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, 2014***

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**Net Change in Fund Balances - Total Governmental Funds** \$ (8,494,339)

***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	11,577,788	
Depreciation Expense	(1,384,637)	10,193,151

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. (157,763)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (221,681)

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 position.

General Obligation Bond Principal Payment	1,130,000	
Special Assessment Bond Principal Payment	152,883	
Amortization of Deferred Loss on Refunding	(25,658)	1,257,225

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 3,982

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		(6,347)
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***Change in Net Position of Governmental Activities*** \$ 2,574,228

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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 7,936,345	\$ 7,936,345	\$ 8,105,981	\$ 169,636
Intergovernmental Revenue	421,696	421,696	415,970	(5,726)
Charges for Services	158,870	158,870	139,209	(19,661)
Rental Revenue	78,300	78,300	691,149	612,849
Licenses, Permits and Fees	434,100	434,100	457,331	23,231
Investment Earnings	100,000	100,000	84,796	(15,204)
Fines and Forfeitures	155,000	155,000	145,289	(9,711)
All Other Revenues	143,622	143,622	137,528	(6,094)
Total Revenues	<u>9,427,933</u>	<u>9,427,933</u>	<u>10,177,253</u>	<u>749,320</u>
<b>Expenditures:</b>				
Current:				
Public Safety	3,315,943	3,321,943	3,046,700	275,243
Parks and Recreation	1,080,945	1,080,945	879,852	201,093
Community Economic Development	575,492	705,492	606,939	98,553
Public Works	648,600	648,600	586,160	62,440
General Government	3,493,609	3,556,609	3,032,656	523,953
Total Expenditures	<u>9,114,589</u>	<u>9,313,589</u>	<u>8,152,307</u>	<u>1,161,282</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	313,344	114,344	2,024,946	1,910,602
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	5,000	5,000	11,979	6,979
Transfers In	44,680	44,680	31,391	(13,289)
Transfers Out	(531,491)	(3,031,491)	(2,960,302)	71,189
Advances In	2,881	2,881	0	(2,881)
Advances Out	0	(50,000)	(50,000)	0
Total Other Financing Sources (Uses):	<u>(478,930)</u>	<u>(3,028,930)</u>	<u>(2,966,932)</u>	<u>61,998</u>
Net Change in Fund Balance	(165,586)	(2,914,586)	(941,986)	1,972,600
Fund Balance at Beginning of Year	14,827,944	14,827,944	14,827,944	0
Prior Year Encumbrances	156,010	156,010	156,010	0
Fund Balance at End of Year	<u>\$ 14,818,368</u>	<u>\$ 12,069,368</u>	<u>\$ 14,041,968</u>	<u>\$ 1,972,600</u>

See accompanying notes to the basic financial statements

**CITY OF MONTGOMERY, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Special Revenue Fund – Fire Protection / EMS Fund  
For the Year Ended December 31, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,734,170	\$ 1,734,170	\$ 1,720,550	\$ (13,620)
Intergovernmental Revenue	201,960	201,960	208,639	6,679
Charges for Services	128,447	128,447	144,990	16,543
Investment Earnings	25,000	25,000	31,157	6,157
All Other Revenues	40,439	40,439	57,710	17,271
Total Revenues	<u>2,130,016</u>	<u>2,130,016</u>	<u>2,163,046</u>	<u>33,030</u>
<b>Expenditures:</b>				
Current:				
Public Safety	2,384,974	2,384,974	2,073,901	311,073
Total Expenditures	<u>2,384,974</u>	<u>2,384,974</u>	<u>2,073,901</u>	<u>311,073</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(254,958)	(254,958)	89,145	344,103
Fund Balance at Beginning of Year	4,226,895	4,226,895	4,226,895	0
Prior Year Encumbrances	15,192	15,192	15,192	0
Fund Balance at End of Year	<u>\$ 3,987,129</u>	<u>\$ 3,987,129</u>	<u>\$ 4,331,232</u>	<u>\$ 344,103</u>

See accompanying notes to the basic financial statements

**CITY OF MONTGOMERY, OHIO**

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**Statement of Net Position  
Fiduciary Funds  
December 31, 2014**

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	Private Purpose	
	Trust	
	Special Trust	Agency
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 31,810	\$ 0
Restricted Assets:		
Cash and Cash Equivalents	0	21,117
Cash and Cash Equivalents with Fiscal Agent	0	148,173
<b>Total Assets</b>	<u>31,810</u>	<u>169,290</u>
<b>Liabilities:</b>		
Accounts Payable	0	132,375
Intergovernmental Payable	0	2,690
Due to Others	0	34,225
<b>Total Liabilities</b>	<u>0</u>	<u>169,290</u>
<b>Net Position:</b>		
Restricted For:		
Historical Site Preservation	31,810	0
<b>Total Net Position</b>	<u>\$ 31,810</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**CITY OF MONTGOMERY, OHIO**

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**Statement of Changes in Net Position  
Fiduciary Fund  
For the Year Ended December 31, 2014**

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	Private Purpose Trust
	Special Trust
<b>Additions:</b>	
Contributions:	
Rental Fees	\$ 1,180
Private Donations	455
Total Additions	<u>1,635</u>
<b>Deductions:</b>	
Total Deductions	<u>0</u>
Change in Net Position	1,635
Net Position at Beginning of Year	<u>30,175</u>
Net Position End of Year	<u>\$ 31,810</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The financial statements are presented as of December 31, 2014 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, the City has a history of providing financial support to the CIC, and any long term debt of the CIC would be paid by the City. Separately issued financial statements for the CIC can be obtained by contacting the City of Montgomery Finance Department, 10101 Montgomery Rd, Montgomery, Ohio 45242, or at the City's website at <http://montgomeryohio.org>.

**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, 2014***

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**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 property taxes and charges for emergency medical services provided which are used 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.

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

Vintage Club Capital Improvement Fund - This fund is used to account for infrastructure improvements at the Vintage Club housing development to be financed by tax increment financing bonds.

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

Downtown Improvement Fund - To account for monies set aside for improvements in the downtown/heritage district of the City.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting** (Continued)

***Fiduciary Funds***

Fiduciary fund reporting focuses on net position and changes in net position. 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 to 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 position 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 Position. 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, 2014***

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**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, current liabilities, deferred outflows/inflows of resources, 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 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, 2014***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting (Continued)**

Revenue considered susceptible to accrual at year end includes income taxes, 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, 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 inflows of resources. Property taxes measurable as of December 31, 2014, but which are not intended to finance 2014 operations, and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 5.

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

**E. Budgetary Process**

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

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

**1. Tax Budget**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014***

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**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 1<sup>st</sup> 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 2014.

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 contingency funds and intergovernmental grants. 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, 2014**

**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)	(\$296,565)	\$77,165
Increase (Decrease):		
Accrued Revenues at December 31, 2014 received during 2015	(997,194)	(50)
Accrued Revenues at December 31, 2013 received during 2014	605,459	19,925
Accrued Expenditures at December 31, 2014 paid during 2015	423,792	102,387
Accrued Expenditures at December 31, 2013 paid during 2014	(479,060)	(99,095)
2013 Prepaids for 2014	38,762	709
2014 Prepaids for 2015	(48,297)	(3,266)
Outstanding Encumbrances	(188,883)	(8,630)
Budget Basis	<u>(\$941,986)</u>	<u>\$89,145</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Cash Equivalents**

During fiscal year 2014, 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 4, "Cash and Cash Equivalents."

**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 4, "Cash and Cash Equivalents." 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 invested funds in the STAR Ohio during 2014. 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, 2014.

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2014 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, 2014***

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**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 Position, 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>Estimated Lives (in years)</u>
Buildings and Improvements	10 - 40
Machinery, Equipment, Furniture and Fixtures	5 - 15
Infrastructure	5 - 100

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014***

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**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)
Special Obligation Bonds	Debt Service Funds (Vintage Club Tax Increment Financing Fund)
Compensated Absences	General Fund Special Revenue Funds (Fire Protection/EMS Fund, COPS Grant 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 position, "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, 2014***

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**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 Position**

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on 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 position is available.

**M. Pensions**

The provision for pension cost 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. Interfund services provided and used are not eliminated through the process of consolidation.

**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, 2014***

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**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 Loans Receivable/Payable."

**Q. Fund Balances**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

*Nonspendable* – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

*Restricted* – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

*Assigned* – Assigned fund balance consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City has no formal policy authorizing a body or official to assign amounts for specific purposes.

*Unassigned* – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted (committed, assigned and unassigned) resources as they are needed.

**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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**S. Restricted Assets**

A bond reserve account and principal and interest debt service account are classified as restricted assets because these funds are being held for specified purposes.

**T. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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**CITY OF MONTGOMERY, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

**NOTE 2 – FUND BALANCE CLASSIFICATION**

Fund balance is classified as nonspendable, restricted, committed, assigned, and unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Fire Protection/ EMS	Reserve of Montgomery Bond Retirement	Vintage Club Tax Increment	Vintage Club Capital Improvement	Capital Improvement	Downtown Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable:									
Prepaid Items	\$48,297	\$3,266	\$0	\$0	\$0	\$5,241	\$0	\$698	\$57,502
Permanent Fund Corpus	0	0	0	0	0	0	0	377,645	377,645
<b>Total Nonspendable</b>	<b>48,297</b>	<b>3,266</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,241</b>	<b>0</b>	<b>378,343</b>	<b>435,147</b>
Restricted:									
Fire Protection/EMS	0	4,237,525	0	0	0	0	0	0	4,237,525
Parks and Recreation	0	0	0	0	0	0	0	39,453	39,453
Law Enforcement and Education	0	0	0	0	0	0	0	94,922	94,922
Court Computerization	0	0	0	0	0	0	0	39,681	39,681
Environmental Impact Mitigation	0	0	0	0	0	0	0	21,822	21,822
Street Improvements	0	0	0	0	0	0	0	1,006,688	1,006,688
Municipal Pool Operations	0	0	0	0	0	0	0	116,380	116,380
Cemetery Maintenance	0	0	0	0	0	0	0	318,582	318,582
Economic Development	0	0	0	0	0	0	0	226,298	226,298
Debt Service Payments	0	0	95,836	2,113,969	0	0	0	3,003,413	5,213,218
Capital Improvements	0	0	0	0	1,687,765	5,217,613	0	579,689	7,485,067
Arts and Amenities	0	0	0	0	0	0	0	240,521	240,521
<b>Total Restricted</b>	<b>0</b>	<b>4,237,525</b>	<b>95,836</b>	<b>2,113,969</b>	<b>1,687,765</b>	<b>5,217,613</b>	<b>0</b>	<b>5,687,449</b>	<b>19,040,157</b>
Committed:									
Compensated Absences	241,965	0	0	0	0	0	0	0	241,965
Assigned:									
Public Safety	5,073	0	0	0	0	0	0	0	5,073
Parks and Recreation	71,985	0	0	0	0	0	0	0	71,985
Community Economic Development	42,817	0	0	0	0	0	0	0	42,817
General Government	34,147	0	0	0	0	0	0	0	34,147
2015 Budget Deficit	326,473	0	0	0	0	0	0	0	326,473
<b>Total Assigned</b>	<b>480,495</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>480,495</b>
Unassigned (Deficits):	14,081,793	0	0	0	0	0	(739,217)	(868,769)	12,473,807
<b>Total Fund Balances</b>	<b>\$14,852,550</b>	<b>\$4,240,791</b>	<b>\$95,836</b>	<b>\$2,113,969</b>	<b>\$1,687,765</b>	<b>\$5,222,854</b>	<b>(\$739,217)</b>	<b>\$5,197,023</b>	<b>\$32,671,571</b>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

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**NOTE 3 – 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 position**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. 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	\$107,992
Deferred Investment Earnings	17,274
Intergovernmental Revenue Receivable	534,641
Special Assessments Receivable	2,068,608
	<u>\$2,728,515</u>

**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 position 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	(\$14,844)
Increase in Deferred Investment Earnings	3,913
Increase in Intergovernmental Revenue	3,428
Decrease in Special Assessment Revenue	(214,178)
	<u>(\$221,681)</u>

**NOTE 4 - 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014***

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**NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)**

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.

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, 2014**

**NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)**

**A. Deposits**

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

At year end the carrying amount of the City's deposits was \$12,589,215 and the bank balance was \$12,515,558. Federal depository insurance covered \$5,515,527 of the bank balance and \$7,000,031 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

Uninsured and uncollateralized	<u>Balance</u> \$7,000,031
Total Balance	<u><u>\$7,000,031</u></u>

**B. Investments**

The City's investments at December 31, 2014 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
STAR Ohio	\$1,619	AAAm <sup>1</sup>	\$1,619	\$0	\$0
Marketable CD's	445,760	AAA <sup>3</sup>	445,760	0	0
US Money Market	2,018,441	AA+ <sup>1</sup> / Aaa <sup>2</sup>	2,018,441	0	0
US Treasury Notes	965,608	AA+ <sup>1</sup> / Aaa <sup>2</sup>	965,608	0	0
FHLMC	1,999,115	AA+ <sup>1</sup> / Aaa <sup>2</sup>	0	1,499,345	499,770
FHLB	7,989,485	AA+ <sup>1</sup> / Aaa <sup>2</sup>	0	2,989,085	5,000,400
FNMA	8,571,197	AA+ <sup>1</sup> / Aaa <sup>2</sup>	0	5,486,765	3,084,432
FFCB	495,425	AA+ <sup>1</sup> / Aaa <sup>2</sup>	0	495,425	0
Total Investments	<u><u>\$22,486,650</u></u>		<u><u>\$3,431,428</u></u>	<u><u>\$10,470,620</u></u>	<u><u>\$8,584,602</u></u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

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**NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)**

**B. Investments** (Continued)

<sup>1</sup> Standard & Poor's

<sup>2</sup> Moody's Investor Service

<sup>3</sup> All are fully FDIC insured and therefore have an implied AAA credit rating

*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, 9% is in a Money Market account, 9% are in FHLMC, 36% are FHLB, 38% are FNMA, and 8% are in other 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. The City has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

**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	\$11,590,834	\$23,485,031
Certificates of Deposit (with maturities of more than 3 months)	1,000,000	(1,000,000)
STAR Ohio	(1,619)	1,619
Per GASB Statement No. 3	<u>\$12,589,215</u>	<u>\$22,486,650</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014***

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**NOTE 5 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2014 were levied after October 1, 2013 on assessed values as of January 1, 2013, 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 2011. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

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

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

The full tax rate for all City operations for the year ended December 31, 2014 was \$10.05 per \$1,000 of assessed value. The assessed value upon which the 2014 tax collections were based was \$484,129,440. This amount constitutes \$475,159,760 in real property assessed value and \$8,969,680 in public utility 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.

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014***

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**NOTE 5 – TAXES (Continued)**

**B. Income Tax**

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

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

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2014 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 inflows of resources.

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**CITY OF MONTGOMERY, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

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**NOTE 7 - INTERFUND BALANCES**

Individual interfund balances at December 31, 2014 are as follows:

Fund	Interfund Loan Receivable	Interfund Loan Payable
Capital Improvement Fund	\$872,290	\$0
Other Governmental Funds	0	872,290
Totals	<u>\$872,290</u>	<u>\$872,290</u>

The interfund loans receivable/payable on the Governmental Balance Sheet include loans to the Triangle Tax Increment Fund to assist with cash flow issues.

**NOTE 8 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2014:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$2,928,911
Other Governmental Funds	2,928,911	0
Totals	<u>\$2,928,911</u>	<u>\$2,928,911</u>

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.

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**CITY OF MONTGOMERY, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

**NOTE 9 - CAPITAL ASSETS**

Summary by category of changes in governmental activities capital assets at December 31, 2014:

**Historical Cost:**

Class	December 31, 2013	Additions	Deletions	December 31, 2014
<b>Capital assets not being depreciated:</b>				
Land	\$15,285,724	\$5,689,029	\$0	\$20,974,753
Construction in Progress	6,843,474	4,918,493	0	11,761,967
Subtotal	<u>22,129,198</u>	<u>10,607,522</u>	<u>0</u>	<u>32,736,720</u>
<b>Capital assets being depreciated:</b>				
Buildings	4,179,293	5,261	0	4,184,554
Improvements Other than Buildings	7,142,143	0	0	7,142,143
Infrastructure	26,625,553	713,420	(509,001)	26,829,972
Machinery and Equipment	5,887,044	251,585	(45,885)	6,092,744
Subtotal	<u>43,834,033</u>	<u>970,266</u>	<u>(554,886)</u>	<u>44,249,413</u>
Total Cost	<u>\$65,963,231</u>	<u>\$11,577,788</u>	<u>(\$554,886)</u>	<u>\$76,986,133</u>

**Accumulated Depreciation:**

Class	December 31, 2013	Additions	Deletions	December 31, 2014
Buildings	(\$1,815,936)	(\$104,815)	\$0	(\$1,920,751)
Improvements Other than Buildings	(5,106,754)	(321,208)	0	(5,427,962)
Infrastructure	(9,440,544)	(612,555)	351,238	(9,701,861)
Machinery and Equipment	(4,601,310)	(346,059)	45,885	(4,901,484)
Total Depreciation	<u>(\$20,964,544)</u>	<u>(\$1,384,637) *</u>	<u>\$397,123</u>	<u>(\$21,952,058)</u>
<b>Net Value:</b>	<u>\$44,998,687</u>			<u>\$55,034,075</u>

\* Depreciation expenses were charged to governmental functions as follows:

Public Safety	\$259,022
Parks and Recreation	181,373
Community Economic Development	94,242
Public Works	819,250
General Government	30,750
Total Depreciation Expense	<u>\$1,384,637</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

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

**A. 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 visiting <https://www.opers.org/investments/cafr.shtml>, by making a written request to OPERS, 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 2014, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2014 employer contribution rate for local government employer units was 14.00% of covered payroll, which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The portion of employer contributions allocated to pension obligations for members in the Traditional and Combined Plans was 12.0% for calendar year 2014. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City’s contributions for pension obligations to OPERS for the years ending December 31, 2014, 2013, and 2012 were \$285,456, \$323,013 and \$236,850, respectively, which were equal to the required contributions for each year. Contributions to the member-directed plan for 2014 were \$2,886 made by the City and \$2,061 made by the plan members.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014***

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**NOTE 10 – 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, by calling (614) 228-2975, or by visiting [www.op-f.org](http://www.op-f.org).

From January 1, 2014 through July 1, 2014, plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members were required to contribute 11.5% of their annual covered salary. Throughout 2014, employers were 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 2014, 19.0% of annual covered salary for police and 23.5% 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, 2014, 2013, and 2012 were \$328,003, \$268,763 and \$210,815 for police officers and \$172,796, \$144,056 and \$134,821 for firefighters, respectively, which were equal to the required contributions for each year.

**NOTE 11 - 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014***

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**NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

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

The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. OPERS’ eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

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 visiting <https://www.opers.org/investments/cafr.shtml>, by making a written request to OPERS, 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 2014, 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. The portion of employer contributions allocated to health care for members in the Traditional and Combined Plans was 2.0% for calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to healthcare remains at 2% for both plans, as recommended by the OPERS actuary. 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, 2014, 2013, and 2012 were \$47,576, \$24,847 and \$94,740, respectively, which were equal to the required contributions for each year.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014***

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**NOTE 11 - 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. That report is also available on OP&F’s website at [www.op-f.org](http://www.op-f.org).

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.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

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 2014, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. 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, 2014, 2013, and 2012 were \$8,632, \$60,704 and \$111,608 for police and \$3,677, \$25,651 and \$52,756 for firefighters, respectively, which were equal to the required contributions for each year.

**CITY OF MONTGOMERY, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

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**NOTE 12 - NOTES PAYABLE**

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

	Balance January 1, 2014	Issued	(Retired)	Balance December 31, 2014
Capital Projects Fund Notes Payable:				
1.000% Real Estate Acquisition	\$0	\$2,800,000	\$0	\$2,800,000
Total Notes Payable	\$0	\$2,800,000	\$0	\$2,800,000

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**CITY OF MONTGOMERY, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

**NOTE 13 - LONG-TERM OBLIGATIONS**

Detail of the changes in the bonds and compensated absences of the City for the year ended December 31, 2014 is as follows:

			Balance December 31, 2013	Issued	(Retired)	Balance December 31, 2014	Amount Due Within One Year
<b>Governmental Activities:</b>							
General Obligation Bonds:							
2.00%	Public Improvement Refunding	2004	\$1,130,000	\$0	(\$1,130,000)	\$0	\$0
Special Obligation TIF Bonds:							
0.75-4.80%	Vintage Club Improvements	2013	13,265,000	0	0	13,265,000	100,000
Special Assessment Bonds							
With Governmental Commitment:							
6.00%	Swaim Sidewalk Bonds	1994	5,000	0	(5,000)	0	0
6.50%	Street Lighting	1997	6,000	0	(3,000)	3,000	3,000
6.00%	Montgomery Woods Sidewalk	1997	23,000	0	(5,000)	18,000	6,000
6.00%	Tanager Woods	1999	29,282	0	(4,883)	24,399	4,883
2.00-3.80%	Public Improvement Refunding	2003	1,120,000	0	(135,000)	985,000	145,000
Total Special Assessment Bonds							
With Governmental Commitment			1,183,282	0	(152,883)	1,030,399	158,883
Other Long-Term Obligations:							
Compensated Absences			831,626	392,061	(386,042)	837,645	391,738
Total Governmental Activities			\$16,409,908	\$392,061	(\$1,668,925)	\$15,133,044	\$650,621

The principal amount of the City's special assessment debt outstanding at December 31, 2014 of \$1,030,399 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 \$158,176 in the Special Assessment Bond Retirement Fund and the balance of \$95,836 in the Reserve of Montgomery Bond Retirement Fund at December 31, 2014 are restricted for the retirement of outstanding special assessment bonds. The Tanager Woods special assessment bond payable is a self-funded debt obligation.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

**NOTE 13 - LONG-TERM OBLIGATIONS (Continued)**

**A. Principal and Interest Requirements**

Principal and interest requirements to retire long-term debt outstanding at December 31, 2014 are as follows:

Years	<u>Special Obligation Bonds</u>		<u>Special Assessment Bonds</u>	
	Principal	Interest	Principal	Interest
2015	\$100,000	\$522,102	\$158,883	\$40,182
2016	200,000	521,352	155,883	34,842
2017	300,000	519,152	165,883	29,552
2018	450,000	514,802	164,883	23,767
2019	460,000	506,926	169,867	18,023
2020-2024	2,460,000	2,359,830	215,000	9,880
2025-2029	2,980,000	1,839,776	0	0
2030-2034	3,675,000	1,144,128	0	0
2035-2037	2,640,000	257,280	0	0
Totals	<u>\$13,265,000</u>	<u>\$8,185,348</u>	<u>\$1,030,399</u>	<u>\$156,246</u>

**B. Defeasance of General Obligation and Special Assessment Debt**

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

The net proceeds of the 2004 Public Improvement General Obligation Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts, which including interest earned, was and will be used to pay the principal and interest on the refunded bonds. The refunded General Obligation Bonds, which have a balance of \$885,000 at December 31, 2014, are not included in the City’s outstanding debt since the City has in-substance satisfied its obligations through the advanced refunding.

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014***

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**NOTE 13 – LONG-TERM OBLIGATIONS (Continued)**

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

The net proceeds of the 2003 Various Purpose Refunding General Obligation Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts, which including interest earned, was and will be used to pay the principal and interest on the refunded bonds. The refunded Bonds, which have a balance of \$250,000 at December 31, 2014 are not included in the City's outstanding debt since the City has in-substance, satisfied its obligations through the advance refunding.

**NOTE 14 – 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, 2014, the liability for unpaid compensated absences was \$837,645 for all funds of the City, a net increase of \$6,019 from the amount at December 31, 2013 of \$831,626.

**NOTE 15 – 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, 2014, 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 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014***

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**NOTE 15 – RISK MANAGEMENT (Continued)**

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 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 all types of claims is \$2,500.

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.

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

**CITY OF MONTGOMERY, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

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**NOTE 16 – COMPLIANCE AND ACCOUNTABILITY**

The fund deficits at December 31, 2014 of \$739,217 in the Downtown Improvement Fund and \$868,769 in the Triangle Tax Increment Fund were the result of recognizing expenditures on the modified accrual basis, which result in expenditures greater than those on the cash basis. A deficit does 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 17 – 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.

**NOTE 18 – SIGNIFICANT COMMITMENTS**

At December 31, 2014 the City had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$188,883
Fire Protection/EMS Fund	8,630
Vintage Club Capital Improvement Fund	1,493,731
Capital Improvement Fund	589,299
Downtown Improvement Fund	100,580
Other Governmental Funds	149,916
Total Governmental Funds	<u>\$2,531,039</u>

The City had the following contractual commitments at December 31, 2014:

<u>Project</u>	<u>Contractual Commitment</u>	<u>Expected Date of Completion</u>
Vintage Club Infrastructure Improvements	\$1,493,731	2015
Purchase of Real Estate	61,089	2015

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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



***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**Memorial Fund**

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

**Parks and Recreation Fundraising Fund**

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

**Law Enforcement Fund**

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

**Drug Law Enforcement Fund**

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

**DUI Enforcement and Education Fund**

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

**Mayor's Court Technology Fund**

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

**Community Oriented Policing Services (COPS) Grant Fund**

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

**Environmental Impact Tax Fund**

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

**Street Construction, Maintenance and Repair Fund**

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

**State Highway Fund**

To account for the portion of the state gasoline tax designated for construction, maintenance and repair of State highways located within the City.

***Special Revenue Funds***

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**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. (This fund is not part of the City's appropriated budget, therefore no budgetary schedule is presented.)

***Debt Service Funds***

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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 income taxes 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. (The Balance Sheet is not presented because there are no assets or liabilities at year end. The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there was no activity during the year.)

***Capital Projects Funds***

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

**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.

**Urban Redevelopment Fund**

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

***Permanent Fund***

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The Permanent Fund is used to account for the financial resources that are legally restricted in that only the earnings, not the principal, may be used to support the City's programs.

**Arts and Amenities Fund**

To account for donations and other income to be used for the Arts Commission and the Sister Cities Commission.

**CITY OF MONTGOMERY, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 912,369	\$ 1,360,134	\$ 83,210	\$ 116,284	\$ 2,471,997
Investments	900,000	1,602,979	500,000	500,000	3,502,979
Receivables:					
Taxes	0	40,300	240,000	0	280,300
Accounts	25	0	0	0	25
Intergovernmental	278,858	0	0	0	278,858
Interest	2,137	1,521	342	1,882	5,882
Special Assessments	0	50,913	0	0	50,913
Prepaid Items	67	216	0	415	698
<b>Total Assets</b>	<b>\$ 2,093,456</b>	<b>\$ 3,056,063</b>	<b>\$ 823,552</b>	<b>\$ 618,581</b>	<b>\$ 6,591,652</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 24,369	\$ 0	\$ 0	\$ 0	\$ 24,369
Accrued Wages and Benefits Payable	32,330	0	0	0	32,330
Intergovernmental Payable	694	0	0	0	694
Interfund Loans Payable	0	0	872,290	0	872,290
<b>Total Liabilities</b>	<b>57,393</b>	<b>0</b>	<b>872,290</b>	<b>0</b>	<b>929,683</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Amounts	172,170	52,434	342	0	224,946
Property Tax Levy for Next Fiscal Year	0	0	240,000	0	240,000
<b>Total Deferred Inflows of Resources</b>	<b>172,170</b>	<b>52,434</b>	<b>240,342</b>	<b>0</b>	<b>464,946</b>
<b>Fund Balances:</b>					
Nonspendable	67	216	0	378,060	378,343
Restricted	1,863,826	3,003,413	579,689	240,521	5,687,449
Unassigned	0	0	(868,769)	0	(868,769)
<b>Total Fund Balances</b>	<b>1,863,893</b>	<b>3,003,629</b>	<b>(289,080)</b>	<b>618,581</b>	<b>5,197,023</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,093,456</b>	<b>\$ 3,056,063</b>	<b>\$ 823,552</b>	<b>\$ 618,581</b>	<b>\$ 6,591,652</b>

**CITY OF MONTGOMERY, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 0	\$ 337,492	\$ 230,637	\$ 0	\$ 568,129
Intergovernmental Revenues	590,083	0	0	0	590,083
Charges for Services	291,934	0	0	27,609	319,543
Investment Earnings	6,010	11,067	2,500	5,050	24,627
Special Assessments	0	23,761	0	0	23,761
Fines and Forfeitures	21,144	0	0	0	21,144
All Other Revenue	20,150	12,768	0	1,408	34,326
<b>Total Revenues</b>	<b>929,321</b>	<b>385,088</b>	<b>233,137</b>	<b>34,067</b>	<b>1,581,613</b>
<b>Expenditures:</b>					
Current:					
Public Safety	148,492	0	0	0	148,492
Parks and Recreation	213,622	0	0	35,885	249,507
Community Economic Development	36,696	0	0	0	36,696
Public Works	1,020,892	0	0	0	1,020,892
General Government	0	6,889	75,489	0	82,378
Capital Outlay	0	0	5,260	0	5,260
Debt Service:					
Principal Retirement	0	1,147,883	0	0	1,147,883
Interest and Fiscal Charges	0	47,588	0	0	47,588
<b>Total Expenditures</b>	<b>1,419,702</b>	<b>1,202,360</b>	<b>80,749</b>	<b>35,885</b>	<b>2,738,696</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(490,381)	(817,272)	152,388	(1,818)	(1,157,083)
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	6,272	0	0	0	6,272
Transfers In	478,911	2,450,000	0	0	2,928,911
<b>Total Other Financing Sources (Uses)</b>	<b>485,183</b>	<b>2,450,000</b>	<b>0</b>	<b>0</b>	<b>2,935,183</b>
Net Change in Fund Balances	(5,198)	1,632,728	152,388	(1,818)	1,778,100
<b>Fund Balances at Beginning of Year</b>	<b>1,869,091</b>	<b>1,370,901</b>	<b>(441,468)</b>	<b>620,399</b>	<b>3,418,923</b>
<b>Fund Balances End of Year</b>	<b>\$ 1,863,893</b>	<b>\$ 3,003,629</b>	<b>\$ (289,080)</b>	<b>\$ 618,581</b>	<b>\$ 5,197,023</b>

**CITY OF MONTGOMERY, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2014**

	Memorial	Parks and Recreation Fundraising	Law Enforcement	Drug Law Enforcement
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 29,448	\$ 10,335	\$ 55,373	\$ 4,821
Investments	0	0	0	0
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	674	0
Interest	0	0	0	0
Prepaid Items	0	0	0	0
<b>Total Assets</b>	<b>\$ 29,448</b>	<b>\$ 10,335</b>	<b>\$ 56,047</b>	<b>\$ 4,821</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 330	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
<b>Total Liabilities</b>	<b>330</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Nondisposable	0	0	0	0
Restricted	29,118	10,335	56,047	4,821
<b>Total Fund Balances</b>	<b>29,118</b>	<b>10,335</b>	<b>56,047</b>	<b>4,821</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 29,448</b>	<b>\$ 10,335</b>	<b>\$ 56,047</b>	<b>\$ 4,821</b>

**CITY OF MONTGOMERY, OHIO**

DUI Enforcement and Education	Mayor's Court Technology	COPS Grant	Environmental Impact Tax	Street Construction Maintenance and Repair	State Highway
\$ 13,184	\$ 39,681	\$ 4,871	\$ 21,822	\$ 361,328	\$ 91,856
0	0	0	0	500,000	0
25	0	0	0	0	0
0	0	19,970	0	238,848	19,366
0	0	0	0	1,479	0
0	0	0	0	67	0
<u>\$ 13,209</u>	<u>\$ 39,681</u>	<u>\$ 24,841</u>	<u>\$ 21,822</u>	<u>\$ 1,101,722</u>	<u>\$ 111,222</u>
\$ 0	\$ 0	\$ 3	\$ 0	\$ 5,209	\$ 500
0	0	3,993	0	28,337	0
0	0	0	0	0	0
0	0	3,996	0	33,546	500
0	0	0	0	159,232	12,911
0	0	0	0	159,232	12,911
0	0	0	0	67	0
13,209	39,681	20,845	21,822	908,877	97,811
13,209	39,681	20,845	21,822	908,944	97,811
<u>\$ 13,209</u>	<u>\$ 39,681</u>	<u>\$ 24,841</u>	<u>\$ 21,822</u>	<u>\$ 1,101,722</u>	<u>\$ 111,222</u>

(Continued)

**CITY OF MONTGOMERY, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2014**

	Municipal Pool	Cemetery	Montgomery CIC	Total Nonmajor Special Revenue Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 121,706	\$ 118,582	\$ 39,362	\$ 912,369
Investments	0	200,000	200,000	900,000
Receivables:				
Accounts	0	0	0	25
Intergovernmental	0	0	0	278,858
Interest	0	27	631	2,137
Prepaid Items	0	0	0	67
<b>Total Assets</b>	<b>\$ 121,706</b>	<b>\$ 318,609</b>	<b>\$ 239,993</b>	<b>\$ 2,093,456</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 4,632	\$ 0	\$ 13,695	\$ 24,369
Accrued Wages and Benefits Payable	0	0	0	32,330
Intergovernmental Payable	694	0	0	694
<b>Total Liabilities</b>	<b>5,326</b>	<b>0</b>	<b>13,695</b>	<b>57,393</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	0	27	0	172,170
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>27</b>	<b>0</b>	<b>172,170</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	67
Restricted	116,380	318,582	226,298	1,863,826
<b>Total Fund Balances</b>	<b>116,380</b>	<b>318,582</b>	<b>226,298</b>	<b>1,863,893</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 121,706</b>	<b>\$ 318,609</b>	<b>\$ 239,993</b>	<b>\$ 2,093,456</b>



**CITY OF MONTGOMERY, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2014**

	Memorial	Parks and Recreation Fundraising	Law Enforcement	Drug Law Enforcement
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 674	\$ 0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	5,045	0	0	80
All Other Revenue	0	623	100	0
<b>Total Revenues</b>	<u>5,045</u>	<u>623</u>	<u>774</u>	<u>80</u>
<b>Expenditures:</b>				
Current:				
Public Safety	0	0	5,750	0
Parks and Recreation	4,219	0	0	0
Community Economic Development	0	0	0	0
Public Works	0	0	0	0
<b>Total Expenditures</b>	<u>4,219</u>	<u>0</u>	<u>5,750</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	826	623	(4,976)	80
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	826	623	(4,976)	80
<b>Fund Balances at Beginning of Year</b>	<u>28,292</u>	<u>9,712</u>	<u>61,023</u>	<u>4,741</u>
<b>Fund Balances End of Year</b>	<u>\$ 29,118</u>	<u>\$ 10,335</u>	<u>\$ 56,047</u>	<u>\$ 4,821</u>

**CITY OF MONTGOMERY, OHIO**

DUI Enforcement and Education	Mayor's Court Technology	COPS Grant	Environmental Impact Tax	Street Construction Maintenance and Repair	State Highway
\$ 0	\$ 0	\$ 76,514	\$ 0	\$ 474,429	\$ 38,466
0	0	0	0	0	0
0	0	0	0	3,750	0
3,224	12,795	0	0	0	0
0	0	2,100	0	16,689	0
<u>3,224</u>	<u>12,795</u>	<u>78,614</u>	<u>0</u>	<u>494,868</u>	<u>38,466</u>
1,000	18,096	123,646	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	924,558	70,482
<u>1,000</u>	<u>18,096</u>	<u>123,646</u>	<u>0</u>	<u>924,558</u>	<u>70,482</u>
2,224	(5,301)	(45,032)	0	(429,690)	(32,016)
0	0	0	0	6,272	0
0	0	48,000	10,911	420,000	0
0	0	48,000	10,911	426,272	0
2,224	(5,301)	2,968	10,911	(3,418)	(32,016)
10,985	44,982	17,877	10,911	912,362	129,827
<u>\$ 13,209</u>	<u>\$ 39,681</u>	<u>\$ 20,845</u>	<u>\$ 21,822</u>	<u>\$ 908,944</u>	<u>\$ 97,811</u>

(Continued)

**CITY OF MONTGOMERY, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2014**

	Municipal Pool	Cemetery	Montgomery CIC	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0	\$ 590,083
Charges for Services	247,216	44,718	0	291,934
Investment Earnings	0	1,550	710	6,010
Fines and Forfeitures	0	0	0	21,144
All Other Revenue	638	0	0	20,150
<b>Total Revenues</b>	<b>247,854</b>	<b>46,268</b>	<b>710</b>	<b>929,321</b>
<b>Expenditures:</b>				
Current:				
Public Safety	0	0	0	148,492
Parks and Recreation	209,403	0	0	213,622
Community Economic Development	0	0	36,696	36,696
Public Works	0	25,852	0	1,020,892
<b>Total Expenditures</b>	<b>209,403</b>	<b>25,852</b>	<b>36,696</b>	<b>1,419,702</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,451	20,416	(35,986)	(490,381)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	0	6,272
Transfers In	0	0	0	478,911
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>485,183</b>
Net Change in Fund Balances	38,451	20,416	(35,986)	(5,198)
<b>Fund Balances at Beginning of Year</b>	<b>77,929</b>	<b>298,166</b>	<b>262,284</b>	<b>1,869,091</b>
<b>Fund Balances End of Year</b>	<b>\$ 116,380</b>	<b>\$ 318,582</b>	<b>\$ 226,298</b>	<b>\$ 1,863,893</b>



**CITY OF MONTGOMERY, OHIO**

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**Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2014**

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	Special Assessment Bond Retirement	General Obligation Bond Retirement	Total Nonmajor Debt Service Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 158,176	\$ 1,201,958	\$ 1,360,134
Investments	0	1,602,979	1,602,979
Receivables:			
Taxes	0	40,300	40,300
Interest	0	1,521	1,521
Special Assessments	50,913	0	50,913
Prepaid Items	0	216	216
<b>Total Assets</b>	<u>\$ 209,089</u>	<u>\$ 2,846,974</u>	<u>\$ 3,056,063</u>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	50,913	1,521	52,434
<b>Total Deferred Inflows of Resources</b>	<u>50,913</u>	<u>1,521</u>	<u>52,434</u>
<b>Fund Balances:</b>			
Nonspendable	0	216	216
Restricted	158,176	2,845,237	3,003,413
<b>Total Fund Balances</b>	<u>158,176</u>	<u>2,845,453</u>	<u>3,003,629</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 209,089</u>	<u>\$ 2,846,974</u>	<u>\$ 3,056,063</u>

**CITY OF MONTGOMERY, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2014**

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	Special Assessment Bond Retirement	General Obligation Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues:</b>			
Taxes	\$ 0	\$ 337,492	\$ 337,492
Investment Earnings	3,567	7,500	11,067
Special Assessments	23,761	0	23,761
All Other Revenue	0	12,768	12,768
<b>Total Revenues</b>	<u>27,328</u>	<u>357,760</u>	<u>385,088</u>
<b>Expenditures:</b>			
Current:			
General Government	730	6,159	6,889
Debt Service:			
Principal Retirement	17,883	1,130,000	1,147,883
Interest and Fiscal Charges	5,637	41,951	47,588
<b>Total Expenditures</b>	<u>24,250</u>	<u>1,178,110</u>	<u>1,202,360</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,078	(820,350)	(817,272)
<b>Other Financing Sources (Uses):</b>			
Transfers In	0	2,450,000	2,450,000
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>2,450,000</u>	<u>2,450,000</u>
Net Change in Fund Balances	3,078	1,629,650	1,632,728
<b>Fund Balances at Beginning of Year</b>	<u>155,098</u>	<u>1,215,803</u>	<u>1,370,901</u>
<b>Fund Balances End of Year</b>	<u>\$ 158,176</u>	<u>\$ 2,845,453</u>	<u>\$ 3,003,629</u>

**CITY OF MONTGOMERY, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2014**

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	Triangle Tax Increment	Urban Redevelopment	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 3,521	\$ 79,689	\$ 83,210
Investments	0	500,000	500,000
Receivables:			
Taxes	145,000	95,000	240,000
Interest	0	342	342
<b>Total Assets</b>	<u>\$ 148,521</u>	<u>\$ 675,031</u>	<u>\$ 823,552</u>
<b>Liabilities:</b>			
Interfund Loans Payable	\$ 872,290	\$ 0	\$ 872,290
<b>Total Liabilities</b>	<u>872,290</u>	<u>0</u>	<u>872,290</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	0	342	342
Property Tax Levy for Next Fiscal Year	145,000	95,000	240,000
<b>Total Deferred Inflows of Resources</b>	<u>145,000</u>	<u>95,342</u>	<u>240,342</u>
<b>Fund Balances:</b>			
Restricted	0	579,689	579,689
Unassigned	(868,769)	0	(868,769)
<b>Total Fund Balances</b>	<u>(868,769)</u>	<u>579,689</u>	<u>(289,080)</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 148,521</u>	<u>\$ 675,031</u>	<u>\$ 823,552</u>

**CITY OF MONTGOMERY, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2014**

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	Triangle Tax Increment	Urban Redevelopment	Total Nonmajor Capital Project Funds
<b>Revenues:</b>			
Taxes	\$ 135,587	\$ 95,050	\$ 230,637
Investment Earnings	0	2,500	2,500
<b>Total Revenues</b>	<u>135,587</u>	<u>97,550</u>	<u>233,137</u>
<b>Expenditures:</b>			
Current:			
General Government	68,468	7,021	75,489
Capital Outlay	0	5,260	5,260
<b>Total Expenditures</b>	<u>68,468</u>	<u>12,281</u>	<u>80,749</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,119	85,269	152,388
<b>Fund Balances at Beginning of Year</b>	<u>(935,888)</u>	<u>494,420</u>	<u>(441,468)</u>
<b>Fund Balances End of Year</b>	<u>\$ (868,769)</u>	<u>\$ 579,689</u>	<u>\$ (289,080)</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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 7,936,345	\$ 7,936,345	\$ 8,105,981	\$ 169,636
Intergovernmental Revenues	421,696	421,696	415,970	(5,726)
Charges for Services	158,870	158,870	139,209	(19,661)
Rental Revenue	78,300	78,300	691,149	612,849
Licenses, Permits and Fees	434,100	434,100	457,331	23,231
Investment Earnings	100,000	100,000	84,796	(15,204)
Fines and Forfeitures	155,000	155,000	145,289	(9,711)
All Other Revenues	143,622	143,622	137,528	(6,094)
Total Revenues	9,427,933	9,427,933	10,177,253	749,320
<b>Expenditures:</b>				
Public Safety:				
Police:				
Personal Services	2,854,142	2,854,142	2,648,187	205,955
Nonpersonnel	393,518	393,518	329,064	64,454
Total Police	3,247,660	3,247,660	2,977,251	270,409
Disaster Service:				
Nonpersonnel	9,250	9,250	5,060	4,190
Total Disaster Service	9,250	9,250	5,060	4,190
Public Health and Welfare:				
Personal Services	55,933	55,933	55,379	554
Total Public Health and Welfare	55,933	55,933	55,379	554
Civil Service:				
Nonpersonnel	3,100	9,100	9,010	90
Total Civil Service	3,100	9,100	9,010	90
Total Public Safety	3,315,943	3,321,943	3,046,700	275,243
Parks and Recreation:				
Recreation:				
Personal Services	240,670	240,670	143,403	97,267
Nonpersonnel	79,315	79,315	57,035	22,280
Total Recreation	319,985	319,985	200,438	119,547

(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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
City Parks:				
Personal Services	308,324	308,324	244,851	63,473
Nonpersonnel	216,533	216,533	209,956	6,577
Total City Parks	524,857	524,857	454,807	70,050
Lodges:				
Nonpersonnel	33,320	33,320	29,816	3,504
Total Lodges	33,320	33,320	29,816	3,504
City Beautiful:				
Nonpersonnel	121,683	121,683	116,152	5,531
Total City Beautiful	121,683	121,683	116,152	5,531
Special Events:				
Nonpersonnel	81,100	81,100	78,639	2,461
Total Special Events	81,100	81,100	78,639	2,461
Total Parks and Recreation	1,080,945	1,080,945	879,852	201,093
Community Economic Development:				
Landmarks Commission:				
Nonpersonnel	12,800	12,800	5,758	7,042
Total Landmarks Commission	12,800	12,800	5,758	7,042
Historical Building Operations:				
Nonpersonnel	40,950	40,950	32,025	8,925
Total Historical Building Operations	40,950	40,950	32,025	8,925
Development:				
Personal Services	244,507	244,507	241,876	2,631
Nonpersonnel	268,735	398,735	324,526	74,209
Total Development	513,242	643,242	566,402	76,840
Planning Commission:				
Nonpersonnel	8,500	8,500	2,754	5,746
Total Planning Commission	8,500	8,500	2,754	5,746
Total Community Economic Development	575,492	705,492	606,939	98,553

(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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Works:				
Personal Services	510,211	510,211	465,861	44,350
Nonpersonnel	138,389	138,389	120,299	18,090
Total Public Works	<u>648,600</u>	<u>648,600</u>	<u>586,160</u>	<u>62,440</u>
General Government:				
Administration:				
Personal Services	505,954	505,954	360,654	145,300
Nonpersonnel	26,700	26,700	13,711	12,989
Total Administration	<u>532,654</u>	<u>532,654</u>	<u>374,365</u>	<u>158,289</u>
Finance Administration:				
Personal Services	507,092	507,092	498,341	8,751
Nonpersonnel	65,200	65,200	53,392	11,808
Total Finance Administration	<u>572,292</u>	<u>572,292</u>	<u>551,733</u>	<u>20,559</u>
Legal Administration:				
Nonpersonnel	255,125	255,125	189,465	65,660
Total Legal Administration	<u>255,125</u>	<u>255,125</u>	<u>189,465</u>	<u>65,660</u>
Council:				
Personal Services	17,102	17,102	15,422	1,680
Nonpersonnel	2,500	2,500	1,191	1,309
Total Council	<u>19,602</u>	<u>19,602</u>	<u>16,613</u>	<u>2,989</u>
Mayor's Court:				
Personal Services	100,475	100,475	92,373	8,102
Nonpersonnel	42,327	67,327	63,348	3,979
Total Mayor's Court	<u>142,802</u>	<u>167,802</u>	<u>155,721</u>	<u>12,081</u>
Volunteer Services:				
Personal Services	27,487	27,487	25,478	2,009
Nonpersonnel	8,550	8,550	6,070	2,480
Total Volunteer Services	<u>36,037</u>	<u>36,037</u>	<u>31,548</u>	<u>4,489</u>
Citizen Engagement and Outreach:				
Personal Services	92,523	92,523	100,915	(8,392)
Nonpersonnel	58,900	58,900	26,978	31,922
Total Citizen Engagement and Outreach	<u>151,423</u>	<u>151,423</u>	<u>127,893</u>	<u>23,530</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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Administration:				
Personal Services	386,363	386,363	368,125	18,238
Nonpersonnel	1,397,311	1,435,311	1,217,193	218,118
Total General Administration	<u>1,783,674</u>	<u>1,821,674</u>	<u>1,585,318</u>	<u>236,356</u>
Total General Government	3,493,609	3,556,609	3,032,656	523,953
Total Expenditures	<u>9,114,589</u>	<u>9,313,589</u>	<u>8,152,307</u>	<u>1,161,282</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	313,344	114,344	2,024,946	1,910,602
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	5,000	5,000	11,979	6,979
Transfers In	44,680	44,680	31,391	(13,289)
Transfers Out	(531,491)	(3,031,491)	(2,960,302)	71,189
Advances In	2,881	2,881	0	(2,881)
Advances Out	0	(50,000)	(50,000)	0
Total Other Financing Sources (Uses)	<u>(478,930)</u>	<u>(3,028,930)</u>	<u>(2,966,932)</u>	<u>61,998</u>
Net Change in Fund Balance	(165,586)	(2,914,586)	(941,986)	1,972,600
Fund Balance at Beginning of Year	14,827,944	14,827,944	14,827,944	0
Prior Year Encumbrances	<u>156,010</u>	<u>156,010</u>	<u>156,010</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,818,368</u>	<u>\$ 12,069,368</u>	<u>\$ 14,041,968</u>	<u>\$ 1,972,600</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, 2014**

<b>FIRE PROTECTION / EMS FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 1,734,170	\$ 1,734,170	\$ 1,720,550	\$ (13,620)
Intergovernmental Revenues	201,960	201,960	208,639	6,679
Charges for Services	128,447	128,447	144,990	16,543
Investment Earnings	25,000	25,000	31,157	6,157
All Other Revenues	40,439	40,439	57,710	17,271
Total Revenues	<u>2,130,016</u>	<u>2,130,016</u>	<u>2,163,046</u>	<u>33,030</u>
<b>Expenditures:</b>				
Public Safety:				
Personal Services	1,990,305	1,990,305	1,742,674	247,631
Nonpersonnel	394,669	394,669	331,227	63,442
Total Expenditures	<u>2,384,974</u>	<u>2,384,974</u>	<u>2,073,901</u>	<u>311,073</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(254,958)	(254,958)	89,145	344,103
Fund Balance at Beginning of Year	4,226,895	4,226,895	4,226,895	0
Prior Year Encumbrances	15,192	15,192	15,192	0
Fund Balance at End of Year	<u>\$ 3,987,129</u>	<u>\$ 3,987,129</u>	<u>\$ 4,331,232</u>	<u>\$ 344,103</u>

**CITY OF MONTGOMERY, OHIO**

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**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, 2014**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Special Assessments	\$ 182,456	\$ 182,456	\$ 186,453	\$ 3,997
Total Revenues	<u>182,456</u>	<u>182,456</u>	<u>186,453</u>	<u>3,997</u>
<b>Expenditures:</b>				
General Government:				
Nonpersonnel	6,000	6,000	5,962	38
Debt Service:				
Principal Retirement	135,000	135,000	135,000	0
Interest and Fiscal Charges	<u>39,593</u>	<u>39,593</u>	<u>39,592</u>	<u>1</u>
Total Expenditures	<u>180,593</u>	<u>180,593</u>	<u>180,554</u>	<u>39</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,863	1,863	5,899	4,036
Fund Balance at Beginning of Year	<u>89,937</u>	<u>89,937</u>	<u>89,937</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 91,800</u>	<u>\$ 91,800</u>	<u>\$ 95,836</u>	<u>\$ 4,036</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, 2014**

VINTAGE CLUB TAX INCREMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,390,192	\$ 1,390,192	\$ 1,152,795	\$ (237,397)
Intergovernmental Revenues	150,000	150,000	156,868	6,868
Investment Earnings	6,500	6,500	3,502	(2,998)
Total Revenues	<u>1,546,692</u>	<u>1,546,692</u>	<u>1,313,165</u>	<u>(233,527)</u>
<b>Expenditures:</b>				
General Government:				
Nonpersonnel	955,000	955,000	675,671	279,329
Debt Service:				
Interest and Fiscal Charges	524,103	524,103	523,329	774
Total Expenditures	<u>1,479,103</u>	<u>1,479,103</u>	<u>1,199,000</u>	<u>280,103</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,589	67,589	114,165	46,576
Fund Balance at Beginning of Year	1,736,617	1,736,617	1,736,617	0
Prior Year Encumbrances	30,000	30,000	30,000	0
Fund Balance at End of Year	<u>\$ 1,834,206</u>	<u>\$ 1,834,206</u>	<u>\$ 1,880,782</u>	<u>\$ 46,576</u>

**CITY OF MONTGOMERY, OHIO**

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**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, 2014**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 101,000	\$ 101,000	\$ (5,750)	\$ (106,750)
All Other Revenues	<u>426,000</u>	<u>199,122</u>	<u>0</u>	<u>(199,122)</u>
Total Revenues	<u>527,000</u>	<u>300,122</u>	<u>(5,750)</u>	<u>(305,872)</u>
<b>Expenditures:</b>				
Capital Outlay:				
Nonpersonnel	<u>6,958,865</u>	<u>6,658,865</u>	<u>6,232,204</u>	<u>426,661</u>
Total Expenditures	<u>6,958,865</u>	<u>6,658,865</u>	<u>6,232,204</u>	<u>426,661</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,431,865)	(6,358,743)	(6,237,954)	120,789
Fund Balance at Beginning of Year	<u>6,431,988</u>	<u>6,431,988</u>	<u>6,431,988</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 123</u>	<u>\$ 73,245</u>	<u>\$ 194,034</u>	<u>\$ 120,789</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, 2014**

<b>CAPITAL IMPROVEMENT FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 1,540,907	\$ 1,540,907	\$ 1,621,464	\$ 80,557
Intergovernmental Revenues	454,280	454,280	361,417	(92,863)
Investment Earnings	20,000	20,000	15,810	(4,190)
Total Revenues	<u>2,015,187</u>	<u>2,015,187</u>	<u>1,998,691</u>	<u>(16,496)</u>
<b>Expenditures:</b>				
Capital Outlay:				
Nonpersonnel	<u>3,047,760</u>	<u>3,497,760</u>	<u>2,423,413</u>	<u>1,074,347</u>
Total Expenditures	<u>3,047,760</u>	<u>3,497,760</u>	<u>2,423,413</u>	<u>1,074,347</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,032,573)	(1,482,573)	(424,722)	1,057,851
<b>Other Financing Sources (Uses):</b>				
Advances In	<u>70,000</u>	<u>70,000</u>	<u>84,900</u>	<u>14,900</u>
Total Other Financing Sources (Uses)	<u>70,000</u>	<u>70,000</u>	<u>84,900</u>	<u>14,900</u>
Net Change in Fund Balance	(962,573)	(1,412,573)	(339,822)	1,072,751
Fund Balance at Beginning of Year	3,424,963	3,424,963	3,424,963	0
Prior Year Encumbrances	<u>473,110</u>	<u>473,110</u>	<u>473,110</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,935,500</u>	<u>\$ 2,485,500</u>	<u>\$ 3,558,251</u>	<u>\$ 1,072,751</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, 2014**

<b>DOWNTOWN IMPROVEMENT FUND</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 10,000	\$ 10,000	\$ 9,360	\$ (640)
All Other Revenues	0	0	35,000	35,000
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>44,360</u>	<u>34,360</u>
<b>Expenditures:</b>				
Capital Outlay:				
Nonpersonnel	2,866,215	6,019,215	5,799,345	219,870
Total Expenditures	<u>2,866,215</u>	<u>6,019,215</u>	<u>5,799,345</u>	<u>219,870</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,856,215)	(6,009,215)	(5,754,985)	254,230
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	0	2,800,000	2,800,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>2,800,000</u>	<u>2,800,000</u>	<u>0</u>
Net Change in Fund Balance	(2,856,215)	(3,209,215)	(2,954,985)	254,230
Fund Balance at Beginning of Year	2,074,460	2,074,460	2,074,460	0
Prior Year Encumbrances	2,866,215	2,866,215	2,866,215	0
Fund Balance at End of Year	<u>\$ 2,084,460</u>	<u>\$ 1,731,460</u>	<u>\$ 1,985,690</u>	<u>\$ 254,230</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, 2014**

	MEMORIAL FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 3,000	\$ 3,000	\$ 5,045	\$ 2,045
Total Revenues	3,000	3,000	5,045	2,045
<b>Expenditures:</b>				
Parks and Recreation:				
Nonpersonnel	4,254	4,254	3,915	339
Total Expenditures	4,254	4,254	3,915	339
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,254)	(1,254)	1,130	2,384
Fund Balance at Beginning of Year	28,038	28,038	28,038	0
Prior Year Encumbrances	254	254	254	0
Fund Balance at End of Year	\$ 27,038	\$ 27,038	\$ 29,422	\$ 2,384

**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, 2014**

<b>PARKS AND RECREATION FUNDRAISING FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
All Other Revenues	\$ 500	\$ 500	\$ 623	\$ 123
Total Revenues	<u>500</u>	<u>500</u>	<u>623</u>	<u>123</u>
<b>Expenditures:</b>				
Parks and Recreation:				
Nonpersonnel	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	623	623
Fund Balance at Beginning of Year	<u>9,712</u>	<u>9,712</u>	<u>9,712</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,712</u>	<u>\$ 9,712</u>	<u>\$ 10,335</u>	<u>\$ 623</u>

**CITY OF MONTGOMERY, OHIO**

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**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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 800	\$ 800	\$ 0	\$ (800)
All Other Revenues	400	400	100	(300)
Total Revenues	<u>1,200</u>	<u>1,200</u>	<u>100</u>	<u>(1,100)</u>
<b>Expenditures:</b>				
Public Safety:				
Nonpersonnel	6,700	6,700	5,980	720
Total Expenditures	<u>6,700</u>	<u>6,700</u>	<u>5,980</u>	<u>720</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,500)	(5,500)	(5,880)	(380)
Fund Balance at Beginning of Year	61,023	61,023	61,023	0
Fund Balance at End of Year	<u>\$ 55,523</u>	<u>\$ 55,523</u>	<u>\$ 55,143</u>	<u>\$ (380)</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, 2014**

<b>DRUG LAW ENFORCEMENT FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 80	\$ (920)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>80</u>	<u>(920)</u>
<b>Expenditures:</b>				
Public Safety:				
Nonpersonnel	<u>350</u>	<u>350</u>	<u>0</u>	<u>350</u>
Total Expenditures	<u>350</u>	<u>350</u>	<u>0</u>	<u>350</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	650	650	80	(570)
Fund Balance at Beginning of Year	<u>4,741</u>	<u>4,741</u>	<u>4,741</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,391</u>	<u>\$ 5,391</u>	<u>\$ 4,821</u>	<u>\$ (570)</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, 2014**

<b>DUI ENFORCEMENT AND EDUCATION FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 3,199	\$ 2,199
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>3,199</u>	<u>2,199</u>
<b>Expenditures:</b>				
Public Safety:				
Nonpersonnel	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	2,199	2,199
Fund Balance at Beginning of Year	<u>10,985</u>	<u>10,985</u>	<u>10,985</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,985</u>	<u>\$ 10,985</u>	<u>\$ 13,184</u>	<u>\$ 2,199</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, 2014**

<b>MAYOR'S COURT TECHNOLOGY FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 18,025	\$ 18,025	\$ 12,795	\$ (5,230)
Total Revenues	<u>18,025</u>	<u>18,025</u>	<u>12,795</u>	<u>(5,230)</u>
<b>Expenditures:</b>				
Public Safety:				
Nonpersonnel	<u>25,532</u>	<u>25,532</u>	<u>18,463</u>	<u>7,069</u>
Total Expenditures	<u>25,532</u>	<u>25,532</u>	<u>18,463</u>	<u>7,069</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,507)	(7,507)	(5,668)	1,839
Fund Balance at Beginning of Year	<u>45,149</u>	<u>45,149</u>	<u>45,149</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 37,642</u>	<u>\$ 37,642</u>	<u>\$ 39,481</u>	<u>\$ 1,839</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, 2014**

	COPS GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 77,036	\$ 77,036	\$ 76,580	\$ (456)
All Other Revenues	2,423	2,423	2,100	(323)
Total Revenues	<u>79,459</u>	<u>79,459</u>	<u>78,680</u>	<u>(779)</u>
<b>Expenditures:</b>				
Public Safety:				
Personal Services	121,614	121,614	119,835	1,779
Nonpersonnel	<u>3,350</u>	<u>3,350</u>	<u>3,311</u>	<u>39</u>
Total Expenditures	<u>124,964</u>	<u>124,964</u>	<u>123,146</u>	<u>1,818</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,505)	(45,505)	(44,466)	1,039
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>45,100</u>	<u>45,100</u>	<u>48,000</u>	<u>2,900</u>
Total Other Financing Sources (Uses)	<u>45,100</u>	<u>45,100</u>	<u>48,000</u>	<u>2,900</u>
Net Change in Fund Balance	(405)	(405)	3,534	3,939
Fund Balance at Beginning of Year	<u>1,337</u>	<u>1,337</u>	<u>1,337</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 932</u>	<u>\$ 932</u>	<u>\$ 4,871</u>	<u>\$ 3,939</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, 2014**

ENVIRONMENTAL IMPACT TAX FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Licenses, Permits and Fees	\$ 10,000	\$ 912	\$ 0	\$ (912)
Total Revenues	<u>10,000</u>	<u>912</u>	<u>0</u>	<u>(912)</u>
<b>Expenditures:</b>				
Community Economic Development:				
Nonpersonnel	0	21,822	21,822	0
Total Expenditures	<u>0</u>	<u>21,822</u>	<u>21,822</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,000	(20,910)	(21,822)	(912)
<b>Other Financing Sources (Uses):</b>				
Transfers In	10,000	10,000	10,911	911
Transfers Out	(20,000)	0	0	0
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>10,000</u>	<u>10,911</u>	<u>911</u>
Net Change in Fund Balance	0	(10,910)	(10,911)	(1)
Fund Balance at Beginning of Year	<u>10,911</u>	<u>10,911</u>	<u>10,911</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,911</u>	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ (1)</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, 2014**

<b>STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 476,000	\$ 476,000	\$ 472,410	\$ (3,590)
Investment Earnings	3,300	3,300	3,750	450
All Other Revenues	14,892	14,892	16,689	1,797
Total Revenues	<u>494,192</u>	<u>494,192</u>	<u>492,849</u>	<u>(1,343)</u>
<b>Expenditures:</b>				
Public Works:				
Personal Services	676,640	676,640	613,178	63,462
Nonpersonnel	364,903	364,903	368,220	(3,317)
Total Expenditures	<u>1,041,543</u>	<u>1,041,543</u>	<u>981,398</u>	<u>60,145</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(547,351)	(547,351)	(488,549)	58,802
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	1,000	1,000	6,272	5,272
Transfers In	420,000	420,000	420,000	0
Total Other Financing Sources (Uses)	<u>421,000</u>	<u>421,000</u>	<u>426,272</u>	<u>5,272</u>
Net Change in Fund Balance	(126,351)	(126,351)	(62,277)	64,074
Fund Balance at Beginning of Year	836,032	836,032	836,032	0
Prior Year Encumbrances	37,517	37,517	37,517	0
Fund Balance at End of Year	<u>\$ 747,198</u>	<u>\$ 747,198</u>	<u>\$ 811,272</u>	<u>\$ 64,074</u>

**CITY OF MONTGOMERY, OHIO**

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**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, 2014**

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	STATE HIGHWAY FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental Revenues	<u>\$ 44,150</u>	<u>\$ 44,150</u>	<u>\$ 38,303</u>	<u>\$ (5,847)</u>
Total Revenues	<u>44,150</u>	<u>44,150</u>	<u>38,303</u>	<u>(5,847)</u>
<b>Expenditures:</b>				
Public Works:				
Nonpersonnel	<u>86,500</u>	<u>86,500</u>	<u>75,824</u>	<u>10,676</u>
Total Expenditures	<u>86,500</u>	<u>86,500</u>	<u>75,824</u>	<u>10,676</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,350)	(42,350)	(37,521)	4,829
Fund Balance at Beginning of Year	102,835	102,835	102,835	0
Prior Year Encumbrances	<u>21,500</u>	<u>21,500</u>	<u>21,500</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 81,985</u>	<u>\$ 81,985</u>	<u>\$ 86,814</u>	<u>\$ 4,829</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, 2014**

<b>MUNICIPAL POOL FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Charges for Services	\$ 182,050	\$ 182,050	\$ 247,216	\$ 65,166
All Other Revenues	500	500	638	138
Total Revenues	<u>182,550</u>	<u>182,550</u>	<u>247,854</u>	<u>65,304</u>
<b>Expenditures:</b>				
Parks and Recreation:				
Nonpersonnel	226,530	226,530	213,484	13,046
Total Expenditures	<u>226,530</u>	<u>226,530</u>	<u>213,484</u>	<u>13,046</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,980)	(43,980)	34,370	78,350
<b>Other Financing Sources (Uses):</b>				
Transfers In	45,000	45,000	0	(45,000)
Total Other Financing Sources (Uses)	<u>45,000</u>	<u>45,000</u>	<u>0</u>	<u>(45,000)</u>
Net Change in Fund Balance	1,020	1,020	34,370	33,350
Fund Balance at Beginning of Year	77,960	77,960	77,960	0
Prior Year Encumbrances	130	130	130	0
Fund Balance at End of Year	<u>\$ 79,110</u>	<u>\$ 79,110</u>	<u>\$ 112,460</u>	<u>\$ 33,350</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, 2014**

<b>CEMETERY FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Charges for Services	\$ 43,000	\$ 43,000	\$ 44,718	\$ 1,718
Investment Earnings	1,500	1,500	1,550	50
Total Revenues	<u>44,500</u>	<u>44,500</u>	<u>46,268</u>	<u>1,768</u>
<b>Expenditures:</b>				
Public Works:				
Nonpersonnel	34,604	34,604	31,050	3,554
Total Expenditures	<u>34,604</u>	<u>34,604</u>	<u>31,050</u>	<u>3,554</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,896	9,896	15,218	5,322
<b>Other Financing Sources (Uses):</b>				
Advances In	0	0	50,000	50,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>
Net Change in Fund Balance	9,896	9,896	65,218	55,322
Fund Balance at Beginning of Year	245,934	245,934	245,934	0
Prior Year Encumbrances	2,254	2,254	2,254	0
Fund Balance at End of Year	<u>\$ 258,084</u>	<u>\$ 258,084</u>	<u>\$ 313,406</u>	<u>\$ 55,322</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, 2014**

<b>SPECIAL ASSESSMENT BOND RETIREMENT FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Investment Earnings	\$ 0	\$ 0	\$ 3,567	\$ 3,567
Special Assessments	23,520	23,520	23,761	241
Total Revenues	<u>23,520</u>	<u>23,520</u>	<u>27,328</u>	<u>3,808</u>
<b>Expenditures:</b>				
General Government:				
Nonpersonnel	2,200	2,200	730	1,470
Debt Service:				
Principal Retirement	17,883	17,883	17,883	0
Interest and Fiscal Charges	5,837	5,837	5,637	200
Total Expenditures	<u>25,920</u>	<u>25,920</u>	<u>24,250</u>	<u>1,670</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,400)	(2,400)	3,078	5,478
Fund Balance at Beginning of Year	155,098	155,098	155,098	0
Fund Balance at End of Year	<u>\$ 152,698</u>	<u>\$ 152,698</u>	<u>\$ 158,176</u>	<u>\$ 5,478</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, 2014**

GENERAL OBLIGATION BOND RETIREMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 308,181	\$ 308,181	\$ 324,293	\$ 16,112
Investment Earnings	7,000	7,000	7,500	500
Total Revenues	<u>315,181</u>	<u>315,181</u>	<u>331,793</u>	<u>16,612</u>
<b>Expenditures:</b>				
General Government:				
Nonpersonnel	11,500	11,500	6,375	5,125
Debt Service:				
Principal Retirement	300,000	1,130,000	1,130,000	0
Interest and Fiscal Charges	41,952	41,952	41,951	1
Total Expenditures	<u>353,452</u>	<u>1,183,452</u>	<u>1,178,326</u>	<u>5,126</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,271)	(868,271)	(846,533)	21,738
<b>Other Financing Sources (Uses):</b>				
Premium on Debt Issuance	0	0	12,768	12,768
Transfers In	0	2,500,000	2,450,000	(50,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>2,500,000</u>	<u>2,462,768</u>	<u>(37,232)</u>
Net Change in Fund Balance	(38,271)	1,631,729	1,616,235	(15,494)
Fund Balance at Beginning of Year	<u>1,188,702</u>	<u>1,188,702</u>	<u>1,188,702</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,150,431</u>	<u>\$ 2,820,431</u>	<u>\$ 2,804,937</u>	<u>\$ (15,494)</u>

**CITY OF MONTGOMERY, OHIO**

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**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, 2014**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
<b>Other Financing Sources (Uses):</b>				
Transfers In	2,881	0	0	0
Transfers Out	<u>(2,881)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	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 Capital Projects Funds  
For the Year Ended December 31, 2014**

<b>TRIANGLE TAX INCREMENT FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 125,000	\$ 135,000	\$ 135,587	\$ 587
Total Revenues	<u>125,000</u>	<u>135,000</u>	<u>135,587</u>	<u>587</u>
<b>Expenditures:</b>				
General Government:				
Nonpersonnel	64,500	69,500	68,468	1,032
Total Expenditures	<u>64,500</u>	<u>69,500</u>	<u>68,468</u>	<u>1,032</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	60,500	65,500	67,119	1,619
<b>Other Financing Sources (Uses):</b>				
Advances Out	(70,000)	(85,000)	(84,900)	100
Total Other Financing Sources (Uses)	<u>(70,000)</u>	<u>(85,000)</u>	<u>(84,900)</u>	<u>100</u>
Net Change in Fund Balance	(9,500)	(19,500)	(17,781)	1,719
Fund Balance at Beginning of Year	<u>21,302</u>	<u>21,302</u>	<u>21,302</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,802</u>	<u>\$ 1,802</u>	<u>\$ 3,521</u>	<u>\$ 1,719</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, 2014**

<b>URBAN REDEVELOPMENT FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 93,000	\$ 93,000	\$ 95,050	\$ 2,050
Investment Earnings	0	0	2,500	2,500
Total Revenues	<u>93,000</u>	<u>93,000</u>	<u>97,550</u>	<u>4,550</u>
<b>Expenditures:</b>				
General Government:				
Nonpersonnel	6,532	6,532	3,421	3,111
Capital Outlay:				
Nonpersonnel	<u>116,000</u>	<u>116,000</u>	<u>63,380</u>	<u>52,620</u>
Total Expenditures	<u>122,532</u>	<u>122,532</u>	<u>66,801</u>	<u>55,731</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,532)	(29,532)	30,749	60,281
Fund Balance at Beginning of Year	<u>490,820</u>	<u>490,820</u>	<u>490,820</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 461,288</u>	<u>\$ 461,288</u>	<u>\$ 521,569</u>	<u>\$ 60,281</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Fund  
For the Year Ended December 31, 2014**

<b>ARTS AND AMENITIES FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for Services	\$ 22,800	\$ 22,800	\$ 27,609	\$ 4,809
Investment Earnings	5,000	5,000	5,050	50
All Other Revenues	<u>2,500</u>	<u>2,500</u>	<u>1,408</u>	<u>(1,092)</u>
Total Revenues	<u>30,300</u>	<u>30,300</u>	<u>34,067</u>	<u>3,767</u>
<b>Expenditures:</b>				
Parks and Recreation:				
Nonpersonnel	<u>54,950</u>	<u>54,950</u>	<u>36,400</u>	<u>18,550</u>
Total Expenditures	<u>54,950</u>	<u>54,950</u>	<u>36,400</u>	<u>18,550</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,650)	(24,650)	(2,333)	22,317
Fund Balance at Beginning of Year	<u>618,617</u>	<u>618,617</u>	<u>618,617</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 593,967</u>	<u>\$ 593,967</u>	<u>\$ 616,284</u>	<u>\$ 22,317</u>

***Fiduciary Funds***

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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***

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**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, 2014**

	Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014
<b>Mayor's Court</b>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	\$20,752	\$202,540	(\$210,184)	\$13,108
Total Assets	<u>\$20,752</u>	<u>\$202,540</u>	<u>(\$210,184)</u>	<u>\$13,108</u>
Liabilities:				
Due to Others	\$20,752	\$202,540	(\$210,184)	\$13,108
Total Liabilities	<u>\$20,752</u>	<u>\$202,540</u>	<u>(\$210,184)</u>	<u>\$13,108</u>
<b>Trust Reimbursement</b>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	\$127,545	\$45,585	(\$38,065)	\$135,065
Total Assets	<u>\$127,545</u>	<u>\$45,585</u>	<u>(\$38,065)</u>	<u>\$135,065</u>
Liabilities:				
Accounts Payable	\$124,472	\$40,716	(\$32,813)	\$132,375
Intergovernmental Payable	3,073	4,869	(5,252)	2,690
Total Liabilities	<u>\$127,545</u>	<u>\$45,585</u>	<u>(\$38,065)</u>	<u>\$135,065</u>
<b>Unclaimed Monies</b>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$17,406	\$3,786	(\$75)	\$21,117
Total Assets	<u>\$17,406</u>	<u>\$3,786</u>	<u>(\$75)</u>	<u>\$21,117</u>
Liabilities:				
Due to Others	\$17,406	\$3,786	(\$75)	\$21,117
Total Liabilities	<u>\$17,406</u>	<u>\$3,786</u>	<u>(\$75)</u>	<u>\$21,117</u>
<b>Totals - All Agency Funds</b>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$17,406	\$3,786	(\$75)	\$21,117
Cash and Cash Equivalents with Fiscal Agent	148,297	248,125	(248,249)	148,173
Total Assets	<u>\$165,703</u>	<u>\$251,911</u>	<u>(\$248,324)</u>	<u>\$169,290</u>
Liabilities:				
Accounts Payable	\$124,472	\$40,716	(\$32,813)	\$132,375
Intergovernmental Payable	3,073	4,869	(5,252)	2,690
Due to Others	38,158	206,326	(210,259)	34,225
Total Liabilities	<u>\$165,703</u>	<u>\$251,911</u>	<u>(\$248,324)</u>	<u>\$169,290</u>



*STATISTICAL SECTION*

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## *STATISTICAL TABLES*

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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*

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<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
<b>Revenue Capacity</b>	S 14 – S 17
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 source, the income tax.	
<b>Debt Capacity</b>	S 18 – S 27
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.	
<b>Economic and Demographic Information</b>	S 28 – S 31
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.	
<b>Operating Information</b>	S 32 – S 37
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.	
<b>Sources Note:</b>	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

## *City of Montgomery*

*Net Position by Component  
Last Ten Years  
(accrual basis of accounting)*

	<u>2005</u>	<u>2006 (1)</u>	<u>2007</u>	<u>2008</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$25,169,496	\$27,744,549	\$29,267,743	\$32,640,506
Restricted	15,362,245	15,861,681	17,429,659	17,492,324
Unrestricted	11,272,760	13,019,687	12,803,968	13,134,935
Total Governmental Activities Net Position	<u>\$51,804,501</u>	<u>\$56,625,917</u>	<u>\$59,501,370</u>	<u>\$63,267,765</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$1,358,748	\$0	\$0	\$0
Unrestricted	52,456	0	0	0
Total Business-type Activities Net Position	<u>\$1,411,204</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$26,528,244	\$27,744,549	\$29,267,743	\$32,640,506
Restricted	15,362,245	15,861,681	17,429,659	17,492,324
Unrestricted	11,325,216	13,019,687	12,803,968	13,134,935
Total Primary Government Net Position	<u>\$53,215,705</u>	<u>\$56,625,917</u>	<u>\$59,501,370</u>	<u>\$63,267,765</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*

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2009	2010	2011	2012	2013	2014
\$34,123,582	\$34,953,112	\$36,182,645	\$36,128,095	\$35,944,567	\$39,698,707
15,106,012	17,430,333	17,561,697	19,652,718	22,057,822	19,982,948
15,583,740	14,809,621	14,845,473	14,772,666	14,786,678	15,681,640
<u>\$64,813,334</u>	<u>\$67,193,066</u>	<u>\$68,589,815</u>	<u>\$70,553,479</u>	<u>\$72,789,067</u>	<u>\$75,363,295</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$34,123,582	\$34,953,112	\$36,182,645	\$36,128,095	\$35,944,567	\$39,698,707
15,106,012	17,430,333	17,561,697	19,652,718	22,057,822	19,982,948
15,583,740	14,809,621	14,845,473	14,772,666	14,786,678	15,681,640
<u>\$64,813,334</u>	<u>\$67,193,066</u>	<u>\$68,589,815</u>	<u>\$70,553,479</u>	<u>\$72,789,067</u>	<u>\$75,363,295</u>

## City of Montgomery

### Changes in Net Position Last Ten Years (accrual basis of accounting)

	2005	2006	2007	2008
<b>Expenses</b>		(1)		
Governmental Activities:				
Public Safety	\$4,813,554	\$4,857,414	\$4,963,698	\$5,080,065
Parks and Recreation	819,366	1,098,032	1,200,793	1,267,205
Community Economic Development	485,651	435,457	497,739	533,346
Public Works	2,044,679	2,798,249	2,748,023	2,594,464
General Government	2,488,043	2,669,442	3,349,254	3,503,099
Interest and Fiscal Charges	350,048	328,216	306,573	273,054
<i>Total Governmental Activities Expenses</i>	11,001,341	12,186,810	13,066,080	13,251,233
Business-type Activities:				
Municipal Pool	244,662	0	0	0
<i>Total Business-type Activities Expenses</i>	244,662	0	0	0
<i>Total Primary Government Expenses</i>	\$11,246,003	\$12,186,810	\$13,066,080	\$13,251,233
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
Public Safety	\$217,513	\$211,414	\$242,638	\$257,297
Parks and Recreation	39,053	260,213	242,400	246,394
Community Economic Development	624,099	292,730	258,821	300,079
Public Health and Welfare Services	45,375	0	0	0
Public Works	0	31,671	19,501	26,693
General Government	203,998	220,176	162,806	204,644
Operating Grants and Contributions	38,350	494,955	528,796	1,152,496
Capital Grants and Contributions	18,768	0	0	141,356
<i>Total Governmental Activities Program Revenues</i>	1,187,156	1,511,159	1,454,962	2,328,959

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

*City of Montgomery*

2009	2010	2011	2012	2013	2014
\$5,875,326	\$5,625,518	\$6,016,951	\$5,938,453	\$5,526,566	\$5,525,153
1,399,365	1,384,928	1,375,420	1,350,375	1,323,018	1,207,002
453,272	447,491	483,968	515,765	660,502	683,325
2,883,791	2,700,671	2,322,822	2,368,658	2,457,093	2,528,383
4,123,097	3,916,652	4,396,020	4,435,686	4,797,717	4,535,252
204,343	187,006	173,463	148,817	421,583	646,377
<u>14,939,194</u>	<u>14,262,266</u>	<u>14,768,644</u>	<u>14,757,754</u>	<u>15,186,479</u>	<u>15,125,492</u>
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$14,939,194</u>	<u>\$14,262,266</u>	<u>\$14,768,644</u>	<u>\$14,757,754</u>	<u>\$15,186,479</u>	<u>\$15,125,492</u>
\$303,233	\$341,109	\$327,909	\$389,783	\$379,782	\$330,344
231,247	239,140	256,030	262,896	279,176	316,669
202,502	212,544	217,495	389,531	357,126	338,339
0	0	0	0	0	0
17,595	28,401	38,212	50,612	44,463	44,718
218,675	306,876	263,899	239,153	276,725	879,472
525,090	533,729	637,823	503,370	594,658	602,689
83,050	117,265	0	0	0	361,417
<u>1,581,392</u>	<u>1,779,064</u>	<u>1,741,368</u>	<u>1,835,345</u>	<u>1,931,930</u>	<u>2,873,648</u>

(continued)

## City of Montgomery

### Changes in Net Position Last Ten Years (accrual basis of accounting)

	2005	2006	2007	2008
<b>Business-type Activities:</b>				
Charges for Services				
Municipal Pool	196,663	0	0	0
<i>Total Business-type Activities Program Revenues</i>	196,663	0	0	0
<i>Total Primary Government Program Revenues</i>	1,383,819	1,511,159	1,454,962	2,328,959
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(9,814,185)	(10,675,651)	(11,611,118)	(10,922,274)
Business-type Activities	(47,999)	0	0	0
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$9,862,184)	(\$10,675,651)	(\$11,611,118)	(\$10,922,274)
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$4,050,884	\$4,591,205	\$4,675,342	\$4,744,451
Income Taxes	6,136,151	6,363,549	6,744,149	7,248,439
Other Local Taxes	339,367	222,865	614,607	703,870
Intergovernmental Revenue, Unrestricted	1,244,731	929,626	846,944	809,573
Investment Earnings	568,358	1,118,810	1,350,943	848,844
Miscellaneous	366,128	859,808	254,586	333,492
Transfers	(32,000)	0	0	0
<i>Total Governmental Activities</i>	12,673,619	14,085,863	14,486,571	14,688,669
Business-type Activities:				
Transfers	32,000	0	0	0
<i>Total Business-type Activities</i>	32,000	0	0	0
<i>Total Primary Government</i>	\$12,705,619	\$14,085,863	\$14,486,571	\$14,688,669
<b>Change in Net Position</b>				
Governmental Activities	\$2,859,434	\$3,410,212	\$2,875,453	\$3,766,395
Business-type Activities	(15,999)	0	0	0
<i>Total Primary Government Change in Net Position</i>	\$2,843,435	\$3,410,212	\$2,875,453	\$3,766,395

Source: City Finance Director's Office

*City of Montgomery*

2009	2010	2011	2012	2013	2014
0	0	0	0	0	0
0	0	0	0	0	0
1,581,392	1,779,064	1,741,368	1,835,345	1,931,930	2,873,648
(13,357,802)	(12,483,202)	(13,027,276)	(12,922,409)	(13,254,549)	(12,251,844)
0	0	0	0	0	0
<u>(\$13,357,802)</u>	<u>(\$12,483,202)</u>	<u>(\$13,027,276)</u>	<u>(\$12,922,409)</u>	<u>(\$13,254,549)</u>	<u>(\$12,251,844)</u>
\$4,822,909	\$5,264,702	\$5,067,545	\$4,831,239	\$5,108,938	\$5,032,078
6,732,726	7,126,510	6,829,459	7,163,487	7,564,240	8,438,680
2,208,468	1,070,266	1,096,131	1,686,255	1,651,364	8,205
667,723	953,694	1,007,530	672,620	690,532	768,788
197,009	275,677	116,322	203,020	66,401	353,613
274,536	172,085	307,038	329,452	408,662	224,708
0	0	0	0	0	0
<u>14,903,371</u>	<u>14,862,934</u>	<u>14,424,025</u>	<u>14,886,073</u>	<u>15,490,137</u>	<u>14,826,072</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$14,903,371</u>	<u>\$14,862,934</u>	<u>\$14,424,025</u>	<u>\$14,886,073</u>	<u>\$15,490,137</u>	<u>\$14,826,072</u>
\$1,545,569	\$2,379,732	\$1,396,749	\$1,963,664	\$2,235,588	\$2,574,228
0	0	0	0	0	0
<u>\$1,545,569</u>	<u>\$2,379,732</u>	<u>\$1,396,749</u>	<u>\$1,963,664</u>	<u>\$2,235,588</u>	<u>\$2,574,228</u>

## *City of Montgomery*

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Fund</b>				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	369,159	848,817	411,288	279,644
Unreserved	<u>10,634,063</u>	<u>12,172,862</u>	<u>12,154,635</u>	<u>12,975,774</u>
<i>Total General Fund</i>	<u>11,003,222</u>	<u>13,021,679</u>	<u>12,565,923</u>	<u>13,255,418</u>
<b>All Other Governmental Funds</b>				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	3,889,218	4,761,597	4,342,424	3,882,125
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	4,679,988	5,397,618	6,149,504	5,983,229
Capital Projects Funds	<u>2,462,286</u>	<u>1,665,020</u>	<u>3,198,902</u>	<u>3,536,402</u>
<i>Total All Other Governmental Funds</i>	<u>11,031,492</u>	<u>11,824,235</u>	<u>13,690,830</u>	<u>13,401,756</u>
<i>Total Governmental Funds</i>	<u><u>\$22,034,714</u></u>	<u><u>\$24,845,914</u></u>	<u><u>\$26,256,753</u></u>	<u><u>\$26,657,174</u></u>

Source: City Finance Director's Office

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

*City of Montgomery*

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2009	2010	2011	2012	2013	2014
\$0	\$0	\$23,350	\$31,759	\$38,762	\$48,297
0	0	0	0	0	0
0	0	232,456	213,241	241,177	241,965
0	0	148,421	0	14,255	480,495
0	0	14,583,500	14,739,811	14,854,921	14,081,793
405,963	317,113	0	0	0	0
13,769,099	14,361,458	0	0	0	0
<u>14,175,062</u>	<u>14,678,571</u>	<u>14,987,727</u>	<u>14,984,811</u>	<u>15,149,115</u>	<u>14,852,550</u>
0	0	378,911	386,807	381,214	386,850
0	0	14,737,416	14,848,236	21,633,254	19,040,157
0	0	0	0	0	0
0	0	0	2,762,750	4,938,215	0
0	0	(1,028,831)	(1,002,569)	(935,888)	(1,607,986)
3,499,102	4,032,014	0	0	0	0
6,862,144	7,183,676	0	0	0	0
2,150,689	2,652,138	0	0	0	0
<u>12,511,935</u>	<u>13,867,828</u>	<u>14,087,496</u>	<u>16,995,224</u>	<u>26,016,795</u>	<u>17,819,021</u>
<u>\$26,686,997</u>	<u>\$28,546,399</u>	<u>\$29,075,223</u>	<u>\$31,980,035</u>	<u>\$41,165,910</u>	<u>\$32,671,571</u>

## *City of Montgomery*

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

	2005	(1) 2006	2007	2008
<b>Revenues:</b>				
Taxes	\$10,629,284	\$11,200,882	\$12,044,105	\$12,709,819
Intergovernmental Revenues	1,343,674	1,422,911	1,354,153	1,508,044
Charges for Services	282,478	491,600	454,890	476,130
Rental Revenue	45,740	56,404	56,519	47,040
Licenses, Permits and Fees	611,953	319,408	269,326	316,184
Investment Earnings	563,496	1,085,849	1,371,200	879,745
Special Assessments	280,046	262,538	268,786	262,668
Fines and Forfeitures	148,433	144,110	145,431	174,529
All Other Revenue	293,656	829,855	254,586	333,492
<b>Total Revenue</b>	<u>14,198,760</u>	<u>15,813,557</u>	<u>16,218,996</u>	<u>16,707,651</u>
<b>Expenditures:</b>				
Current:				
Public Safety	4,521,403	4,518,043	4,568,155	4,703,274
Parks and Recreation	636,971	864,631	977,049	1,049,966
Community Economic Development	468,000	421,068	441,412	436,377
Public Works	1,300,709	1,334,110	1,535,161	1,644,489
General Government	2,416,707	2,578,840	3,291,453	3,231,860
Capital Outlay	1,418,266	2,062,710	2,750,034	2,225,481
Debt Service:				
Principal Retirement	1,207,883	1,022,883	973,883	603,883
Interest and Fiscal Charges	329,594	304,218	282,666	227,057
<b>Total Expenditures</b>	<u>12,299,533</u>	<u>13,106,503</u>	<u>14,819,813</u>	<u>14,122,387</u>
Excess (Deficiency) of Revenues Over Expenditures	1,899,227	2,707,054	1,399,183	2,585,264

*City of Montgomery*

2009	2010	2011	2012	2013	2014
\$13,555,648	\$13,447,773	\$13,207,984	\$13,772,405	\$14,323,258	\$13,493,807
1,208,965	1,661,817	1,524,756	1,910,352	1,356,908	1,729,466
445,636	567,008	516,638	570,815	590,048	604,663
55,791	49,725	71,567	74,334	82,171	691,149
263,693	341,216	329,972	288,456	463,084	455,962
200,366	273,850	118,982	207,977	68,543	349,700
251,871	267,745	240,774	247,118	239,150	210,214
176,193	122,657	182,546	208,992	197,398	161,109
285,582	192,519	308,438	330,070	408,662	225,331
<u>16,443,745</u>	<u>16,924,310</u>	<u>16,501,657</u>	<u>17,610,519</u>	<u>17,729,222</u>	<u>17,921,401</u>
5,433,316	5,124,108	5,571,856	5,257,367	5,195,970	5,211,409
1,184,945	1,188,511	1,183,413	1,173,520	1,140,568	1,048,008
341,707	338,006	407,163	423,326	558,761	619,162
1,688,833	1,573,712	1,553,391	1,393,153	1,551,869	1,574,078
3,552,386	3,810,968	4,773,477	3,680,703	4,454,948	3,809,334
3,443,806	2,261,729	1,750,423	2,140,335	8,132,369	12,264,416
618,883	614,883	619,883	615,883	486,883	1,282,883
179,768	162,428	144,521	124,949	374,970	624,701
<u>16,443,644</u>	<u>15,074,345</u>	<u>16,004,127</u>	<u>14,809,236</u>	<u>21,896,338</u>	<u>26,433,991</u>
101	1,849,965	497,530	2,801,283	(4,167,116)	(8,512,590)

(Continued)

## *City of Montgomery*

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

	2005	(1) 2006	2007	2008
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	19,220	51,610	11,656	15,130
Proceeds from the Sale of Bonds	0	0	0	0
Premium on Bond Issuance	0	0	0	0
Special Obligation Bonds Issued	0	0	0	0
Payment to Refunding Bond Escrow Agent	0	0	0	(2,199,973)
Transfers In	1,300,443	690,086	2,514,253	1,645,535
Transfers Out	(1,332,443)	(720,086)	(2,514,253)	(1,645,535)
<b>Total Other Financing Sources (Uses)</b>	<u>(12,780)</u>	<u>21,610</u>	<u>11,656</u>	<u>(2,184,843)</u>
<b>Net Change in Fund Balance</b>	<u>\$1,886,447</u>	<u>\$2,728,664</u>	<u>\$1,410,839</u>	<u>\$400,421</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 16.07%	 12.45%	 10.96%	 7.22%

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*

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2009	2010	2011	2012	2013	2014
29,722	9,437	31,294	103,529	66,903	18,251
0	0	0	0	0	0
0	0	0	0	21,088	0
0	0	0	0	13,265,000	0
0	0	0	0	0	0
2,196,059	1,461,364	435,962	2,482,510	2,647,980	2,928,911
<u>(2,196,059)</u>	<u>(1,461,364)</u>	<u>(435,962)</u>	<u>(2,482,510)</u>	<u>(2,647,980)</u>	<u>(2,928,911)</u>
<u>29,722</u>	<u>9,437</u>	<u>31,294</u>	<u>103,529</u>	<u>13,352,991</u>	<u>18,251</u>
<u>\$29,823</u>	<u>\$1,859,402</u>	<u>\$528,824</u>	<u>\$2,904,812</u>	<u>\$9,185,875</u>	<u>(\$8,494,339)</u>
6.28%	6.05%	5.53%	5.31%	6.13%	12.84%

## *City of Montgomery*

### *Income Tax Revenues by Source, Governmental Funds Last Ten Years*

<b>Tax year</b>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Income Tax Rate	1.00%	1.00%	1.00%	1.00%
Estimated Personal Income	\$424,824	\$452,955	\$462,437	\$477,559
Total Tax Collected	\$6,100,942	\$6,434,747	\$6,425,182	\$7,514,726
Income Tax Receipts				
Withholding	4,317,030	4,519,322	4,502,641	5,404,643
Percentage	70.8%	70.3%	70.1%	72.0%
Corporate	466,028	555,189	501,854	588,505
Percentage	7.6%	8.6%	7.8%	7.8%
Individuals	1,317,884	1,360,236	1,420,687	1,521,578
Percentage	21.6%	21.1%	22.1%	20.2%

Source: City Finance Department

*City of Montgomery*

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2009	2010	2011	2012	2013	2014
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
\$446,339	\$458,743	\$480,577	\$506,533	\$506,533	\$514,959
\$6,749,754	\$6,670,824	\$7,135,086	\$7,266,418	\$7,791,153	\$8,108,709
4,711,462	4,871,941	5,166,841	5,132,899	5,492,994	5,682,726
69.8%	73.1%	72.4%	70.7%	70.5%	70.1%
510,358	421,386	490,950	519,450	531,787	558,753
7.6%	6.3%	6.9%	7.1%	6.8%	6.9%
1,527,934	1,377,497	1,477,295	1,614,069	1,766,372	1,867,230
22.6%	20.6%	20.7%	22.2%	22.7%	23.0%



# City of Montgomery

## Income Tax Statistics Current Year and Nine Years Ago

### Calendar Year 2014

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,547	34.26%	\$71,861	1.26%
20,000 - 49,999	546	12.09%	188,619	3.30%
50,000 - 74,999	346	7.66%	213,045	3.73%
75,000 - 99,999	332	7.35%	289,986	5.08%
Over 100,000	1,745	38.64%	4,948,372	86.63%
Total	4,516	100.00%	\$5,711,883	100.00%

Local Taxes Paid by Residents

Taxes Credited to Other Municipalities

Tax Dollars

\$3,162,962

\$3,162,962

### Calendar Year 2005

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,264	31.04%	\$63,458	1.56%
20,000 - 49,999	590	14.49%	199,346	4.90%
50,000 - 74,999	392	9.63%	242,721	5.96%
75,000 - 99,999	412	10.12%	358,639	8.81%
Over 100,000	1,414	34.72%	3,206,150	78.77%
Total	4,072	100.00%	\$4,070,314	100.00%

Local Taxes Paid by Residents

Taxes Credited to Other Municipalities

Tax Dollars

\$2,901,359

\$2,901,359

Source: City Finance Director's Office

## *City of Montgomery*

### *Ratios of Outstanding Debt By Type Last Ten Years*

	2005	2006	2007	2008
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$7,805,000	\$6,900,000	\$6,050,000	\$3,395,000
Special Assessment Bonds	2,240,346	2,122,463	1,998,580	1,874,697
Special Obligation TIF Bonds	0	0	0	0
Total Primary Government	<u>\$10,045,346</u>	<u>\$9,022,463</u>	<u>\$8,048,580</u>	<u>\$5,269,697</u>
<b>Population</b> <sup>(2)</sup>				
City of Montgomery	10,163	10,163	10,163	10,163
Outstanding Debt Per Capita	\$988	\$888	\$792	\$519
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	424,824	452,955	462,437	477,559
Percentage of Personal Income	2.36%	1.99%	1.74%	1.10%

**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*

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2009	2010	2011	2012	2013	2014
\$2,905,000	\$2,425,000	\$1,890,000	\$1,450,000	\$1,130,000	\$0
1,745,814	1,610,931	1,526,048	1,350,165	1,183,282	1,030,399
0	0	0	0	13,265,000	13,265,000
<u>\$4,650,814</u>	<u>\$4,035,931</u>	<u>\$3,416,048</u>	<u>\$2,800,165</u>	<u>\$15,578,282</u>	<u>\$14,295,399</u>

10,163	10,251	10,251	10,251	10,251	10,251
\$458	\$394	\$333	\$273	\$1,520	\$1,395

446,339	458,743	480,577	506,533	506,533	514,959
1.04%	0.88%	0.71%	0.55%	3.08%	2.78%

## *City of Montgomery*

### *Ratios of General Bonded Debt Outstanding Last Ten Years*

Year	2005	2006	2007	2008
<b>Population</b> <sup>(1)</sup>	10,163	10,163	10,163	10,163
<b>Personal Income</b> <sup>(2)</sup>	\$424,823,563	\$452,954,747	\$462,436,826	\$477,559,370
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	\$7,805,000	\$6,900,000	\$6,050,000	\$3,395,000
<b>Resources Available to Pay Principal</b>	\$967,900	\$1,241,771	\$1,195,610	\$1,243,975
<b>Net General Bonded Debt</b>	\$6,837,100	\$5,658,229	\$4,854,390	\$2,151,025
<b>Ratio of Net Bonded Debt to Personal Income</b>	1.61%	1.25%	1.05%	0.45%
<b>Net Bonded Debt per Capita</b>	\$672.74	\$556.75	\$477.65	\$211.65

**Source:**

(1) U.S. 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) Includes all general obligation bonded debt supported by property taxes.

*City of Montgomery*

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2009	2010	2011	2012	2013	2014
10,163	10,251	10,251	10,251	10,251	10,251
\$446,338,634	\$458,742,501	\$480,577,131	\$506,532,663	\$506,532,663	\$514,958,985
\$2,905,000	\$2,425,000	\$1,890,000	\$1,450,000	\$1,130,000	\$0
\$1,213,067	\$1,236,599	\$1,267,621	\$1,289,798	\$1,215,803	\$2,845,453
\$1,691,933	\$1,188,401	\$622,379	\$160,202	(\$85,803)	NA
0.38%	0.26%	0.13%	0.03%	-0.02%	NA
\$166.48	\$115.93	\$60.71	\$15.63	(\$8.37)	NA



## *City of Montgomery*

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2014*

<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>
<b>Direct:</b>			
City of Montgomery	\$14,295,399	100.00%	\$14,295,399
<b>Overlapping:</b>			
Sycamore Community School District	48,531,952	29.82%	14,472,228
Great Oaks Joint Vocational School District	12,985,000	2.70%	350,595
Hamilton County	72,460,000	2.66%	<u>1,927,436</u>
		Subtotal	<u>16,750,259</u>
		Total	<u><u>\$31,045,658</u></u>

**Source:** Ohio Municipal Advisory Council

**Note:** Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

## *City of Montgomery*

### *Debt Limitations Last Ten Years*

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$481,924,300	\$486,557,560	\$488,255,500	\$520,027,750
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	50,602,052	51,088,544	51,266,828	54,602,914
City Debt Outstanding (2)	7,805,000	6,900,000	6,050,000	3,395,000
Less: Applicable Debt Service Fund Amounts	<u>(967,900)</u>	<u>(1,241,771)</u>	<u>(1,195,610)</u>	<u>(1,243,975)</u>
Net Indebtedness Subject to Limitation	<u>6,837,100</u>	<u>5,658,229</u>	<u>4,854,390</u>	<u>2,151,025</u>
Overall Legal Debt Margin	<u>\$43,764,952</u>	<u>\$45,430,315</u>	<u>\$46,412,438</u>	<u>\$52,451,889</u>
Debt Margin as a Percentage of Debt Limit	86.49%	88.92%	90.53%	96.06%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$481,924,300	\$486,557,560	\$488,255,500	\$520,027,750
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	26,505,837	26,760,666	26,854,053	28,601,526
City Debt Outstanding (2)	7,805,000	6,900,000	6,050,000	3,395,000
Less: Applicable Debt Service Fund Amounts	<u>(967,900)</u>	<u>(1,241,771)</u>	<u>(1,195,610)</u>	<u>(1,243,975)</u>
Net Indebtedness Subject to Limitation	<u>6,837,100</u>	<u>5,658,229</u>	<u>4,854,390</u>	<u>2,151,025</u>
Overall Legal Debt Margin	<u>\$19,668,737</u>	<u>\$21,102,437</u>	<u>\$21,999,663</u>	<u>\$26,450,501</u>

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

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.

**Source:** City Finance Director's Office

*City of Montgomery*

2009	2010	2011	2012	2013	2014
\$522,227,380	\$523,512,940	\$481,043,250	\$481,049,290	\$484,129,440	\$516,228,830
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
54,833,875	54,968,859	50,509,541	50,510,175	50,833,591	54,204,027
2,905,000	2,425,000	1,890,000	1,450,000	1,130,000	2,800,000
(1,213,067)	(1,236,599)	(1,267,621)	(1,289,798)	(1,215,803)	(2,845,453)
1,691,933	1,188,401	622,379	160,202	(85,803)	(45,453)
<u>\$53,141,942</u>	<u>\$53,780,458</u>	<u>\$49,887,162</u>	<u>\$50,349,973</u>	<u>\$50,919,394</u>	<u>\$54,249,480</u>
96.91%	97.84%	98.77%	99.68%	100.17%	100.08%
\$522,227,380	\$523,512,940	\$481,043,250	\$481,049,290	\$484,129,440	\$516,228,830
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
28,722,506	28,793,212	26,457,379	26,457,711	26,627,119	28,392,586
2,905,000	2,425,000	1,890,000	1,450,000	1,130,000	2,800,000
(1,213,067)	(1,236,599)	(1,267,621)	(1,289,798)	(1,215,803)	(2,845,453)
1,691,933	1,188,401	622,379	160,202	(85,803)	(45,453)
<u>\$27,030,573</u>	<u>\$27,604,811</u>	<u>\$25,835,000</u>	<u>\$26,297,509</u>	<u>\$26,712,922</u>	<u>\$28,438,039</u>

## *City of Montgomery*

### *Pledged Revenue Coverage Last Ten Years*

	2005	2006	2007	2008	2009
<b>Special Assessment Bonds</b>					
Special Assessment Collections	\$280,046	\$262,538	\$268,786	\$262,668	\$251,871
Debt Service					
Principal	117,883	117,883	123,883	123,883	128,883
Interest	85,060	81,970	78,780	76,395	70,830
Coverage	1.38	1.31	1.33	1.31	1.26

**Source:** City Finance Director's Office

*City of Montgomery*

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2010	2011	2012	2013	2014
\$267,745	\$240,774	\$247,118	\$239,150	\$210,214
134,883	139,883	175,883	166,883	152,883
66,839	59,282	56,710	50,840	45,230
1.33	1.21	1.06	1.10	1.06

# City of Montgomery

## Demographic and Economic Statistics Last Ten Years

Calendar Year	2005	2006	2007	2008
<b>Population</b> (1)				
City of Montgomery	10,163	10,163	10,163	10,163
Hamilton County	845,303	845,303	845,303	845,303
<b>Income</b> (2) (a)				
Total Personal (in thousands)	424,824	452,955	462,437	477,559
Hamilton County Per Capita	41,801	44,569	45,502	46,990
<b>Unemployment Rate</b> (3)				
Federal	5.1%	4.6%	4.6%	5.8%
State	5.9%	5.4%	5.6%	6.6%
Hamilton County	5.4%	5.0%	5.0%	5.6%
<b>Civilian Work Force Estimates</b> (3)				
State	5,882,000	5,924,000	5,961,000	5,940,000
Hamilton County	418,200	424,000	433,100	435,900

### Sources:

(1) US Bureau of Census of Population

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

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

(3) Ohio Department of Job and Family Services Ohio Labor Market Information

*City of Montgomery*

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2009	2010	2011	2012	2013	2014
10,163	10,251	10,251	10,251	10,251	10,251
845,303	802,374	802,374	802,374	802,374	802,374
446,339	458,743	480,577	506,533	506,533	514,959
43,918	44,751	46,881	49,413	49,413	50,235
9.3%	9.6%	8.9%	8.1%	7.4%	5.4%
10.2%	10.0%	8.6%	7.2%	7.4%	4.7%
8.8%	9.5%	8.6%	7.0%	7.1%	4.3%
5,923,000	5,858,000	5,805,000	5,748,000	5,704,000	5,704,300
433,200	411,000	405,100	400,000	399,800	400,500



## *City of Montgomery*

### *Principal Employers Current Year and Nine Years Ago*

Employer	Nature of Business	2014		
		Number of Employees	Rank	Percentage of Total Employment
Bethesda Hospital	Medical	3,009	1	20%
Sycamore Community School District	Educational	1,165	2	8%
Ohio National Financial Institution	Financial	1,103	3	7%
Montgomery Inn, Inc.	Restaurant	310	4	2%
TriHealth, Inc.	Medical	307	5	2%
Twin Lakes	Senior Community	273	6	2%
Meadowbrook Care Center	Medical	272	7	2%
Montgomery Care Center	Medical	217	8	1%
Kroger	Retail	208	9	1%
Columbia Oldsmobile Inc.	Automobile Retail	135	10	1%
Total		<u>6,999</u>		
Total Employment within the City		<u><u>15,279</u></u>		

Employer	Nature of Business	2005		
		Number of Employees	Rank	Percentage of Total Employment
Bethesda Hospital	Health Care	2,832	1	16%
Sycamore Community School District	Educational	1,106	2	6%
Ohio National Financial Institution	Financial	751	3	4%
Montgomery Inn, Inc.	Restaurant	373	4	2%
CEI Physicians PSC, Inc.	Health Care	333	5	2%
Bethesda Healthcare, Inc.	Health Care	242	6	1%
Kroger	Retail	237	7	1%
Montgomery Care Center	Health Care	232	8	1%
Camargo Cadillac	Automobile Retail	165	9	1%
Columbia Oldsmobile Inc.	Automobile Retail	161	10	1%
Total		<u>6,432</u>		
Total Employment within the City		<u><u>17,763</u></u>		

**Source:** City Finance Director's Office

## *City of Montgomery*

### *Full Time Equivalent Employees by Function Last Ten Years*

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental Activities</b>					
General Government					
Finance	6.00	6.00	5.50	5.50	5.50
Legal/Court	1.50	1.50	1.50	1.50	1.50
Administration	5.50	5.50	7.50	7.50	7.50
Maintenance	1.50	1.50	1.50	1.50	1.00
Public Safety					
Police	23.00	24.00	24.00	24.00	24.00
Fire	25.00	25.00	25.00	25.00	25.00
Public Works					
Street	12.50	12.50	13.50	13.50	13.50
Parks and Recreation					
Parks and Recreation	5.25	5.25	4.50	4.50	5.50
Community Environment					
Service	3.00	3.00	2.00	2.00	2.00
Total Employees	<u>83.25</u>	<u>84.25</u>	<u>85.00</u>	<u>85.00</u>	<u>85.50</u>

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

**Source:** City Finance Director's Office

*City of Montgomery*

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<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
5.50	5.00	5.50	5.50	5.50
1.50	1.50	1.50	1.50	1.00
7.50	7.00	6.50	6.50	6.50
1.00	1.00	0.00	0.00	0.00
24.00	24.00	24.00	24.00	24.00
25.00	25.00	25.00	25.00	25.00
11.50	11.50	11.50	11.50	11.50
7.00	7.50	7.00	7.00	7.00
<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
<u>85.00</u>	<u>84.50</u>	<u>83.00</u>	<u>83.00</u>	<u>82.50</u>

# City of Montgomery

## Operating Indicators by Function Last Ten Years

	2005	2006	2007	2008
<b>Governmental Activities</b>				
General Government				
Court				
Number of Traffic Cases	1,976	1,759	1,695	1,757
Licenses and Permits				
Number of Building Permits	268	453	335	241
Number of Building Inspections	1,483	986	1,362	1,181
Information Technology				
Number of Website Visitors	213,108	209,293	165,455	181,978
Number of Online Transactions	906	903	1,909	4,152
Average Cost per Online Transactions	\$24.00	\$12.00	\$3.72	\$1.71
Public Safety				
Police				
Number of Moving Citations Issued	1,316	1,151	1,772	1,674
Number of Non-moving Citations Issued	312	363	392	258
Number of Felony Arrests	15	19	27	35
Number of Misdemeanor Arrests	134	129	177	251
Number of Juvenile Arrests	97	106	77	67
Number of DUI/OVI Arrests	79	92	75	18
Number of Auto Accident Reports	537	536	612	534
Fire				
Number of Fire Calls	447	482	609	626
Number of EMS Runs	871	860	991	1,032
Number of Car Seat Inspections	195	143	166	178
Number of Inspections	589	334	742	996
Public Works				
Street				
Centerline Miles of Streets Resurfaced	2.87	1.97	1.35	4.39
Number of Public Trees Trimmed	51	443	575	383
Number of Households Receiving Curbside Brush Chipping	447	600	2,000	2,500
Number of Sidewalk Locations Required	93	138	150	210
Parks and Recreation				
Parks and Recreation				
Number of Classes / Events	54	137	139	178
Number of Pool Passes Sold	555	556	518	449
Number of Pool Daily Patrons	4,500	4,900	5,445	8,614

**Source:** City Finance Director's Office

*City of Montgomery*

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2009	2010	2011	2012	2013	2014
1,741	1,262	1,529	1,742	2,066	1,829
160	218	253	250	337	423
538	649	733	1,195	1,186	1,603
204,887	293,593	220,001	269,439	292,845	309,065
2,618	2,873	2,972	2,914	2,883	2,024
\$2.71	\$1.00	\$0.97	\$0.99	\$1.08	\$1.54
1,479	1,517	1,883	1,929	1,765	1,549
376	246	271	261	301	280
38	31	38	59	39	42
208	193	233	326	541	371
85	53	83	105	97	104
31	23	38	88	91	49
564	629	766	609	727	516
483	510	490	467	490	577
1,029	1,047	1,005	998	972	949
148	170	151	151	191	214
983	1,031	1,103	1,008	613	906
3.67	7.50	3.70	2.43	2.27	2.34
405	317	135	65	154	48
1,100	677	825	803	669	785
160	85	65	71	82	77
101	97	82	60	61	73
490	453	518	546	587	666
11,000	13,585	11,237	9,873	10,382	19,763

## *City of Montgomery*

### *Capital Asset Statistics by Function Last Ten Years*

	2005	2006	2007	2008	2009
<b>Governmental Activities</b>					
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	12	12	12	12	12
Fire					
Stations	1	1	1	1	1
Vehicles	7	9	9	9	9
Public Works					
Street					
Streets (lane miles)	46	46	46	46	46
Street Lights	233	233	247	247	246
Vehicles	15	16	16	17	18
Parks and Recreation					
Parks and Recreation					
Land (acres)	81	81	81	81	81
Buildings	3	3	3	3	3
Parks	7	7	7	7	7
Playgrounds	6	6	6	6	6
Tennis Courts	10	10	10	10	10
Baseball/Softball Diamonds	13	13	13	13	12
Municipal Pool Land (acres)	2	2	2	2	2
Municipal Pool Buildings	2	2	2	2	2

**Source:** City Finance Director's Office

*City of Montgomery*

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2010	2011	2012	2013	2014
23	23	23	23	32
8	8	8	8	8
1	1	1	1	1
16	16	13	14	14
1	1	1	1	1
8	10	11	10	10
46	46	46	46	46
206	316	246	246	246
16	17	16	16	16
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
11	9	9	9	9
2	2	2	2	2
2	2	2	2	2

