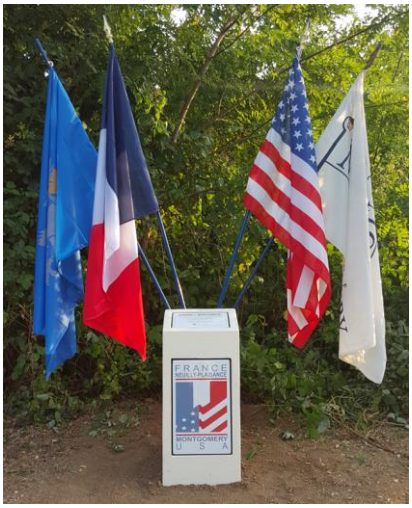
Comprehensive Annual Financial Report
City of Montgomery, Ohio
For the year ended December 31, 2015



CITY OF MONTGOMERY

Sister Cities Cultural Exchange, July 2015

In early July, a delegation from the City of Montgomery traveled to Montgomery's Sister City Neuilly-Plaisance, France to assist with their inaugural July 4th Celebration. "Week-end de l'Amitie" honored the City of Montgomery and the twinning relationship. Neuilly-Plaisance also dedicated a street in honor of the City of Montgomery, Du Chemin De Montgomery. The event was a success and attracted over 100 volunteers, a rare feat in a country not known for volunteerism.

During the four-day visit, the delegation was treated to an American-style July 4th parade complete with Harley-Davidson motorcycles, floats, American-made cars, Jeeps and World War II veterans and reenactors, Uncle Sam on stilts, and the singing of our National Anthem by some of Neuilly-Plaisance's youngest citizens.

While visiting Neuilly-Plaisance, Mayor Steinbrink and the Montgomery contingent also addressed future exchanges with Mayor Christian Demunyck. They identified opportunities for smaller groups to visit each city every year or every other year. Those exchange opportunities they discussed included youth, older adults and local government officials, giving each contingent the opportunity to experience first-hand programs and events geared towards those groups.

This exchange was self-funded by the delegation.

CITY • OF
MONTGOMERY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2015

Issued by:
Department of Finance

CITY • OF
MONTGOMERY

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Introductory Section

CITY • OF
MONTGOMERY

June 16, 2016

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, 2015. 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.

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Letter of Transmittal
For the Year Ended December 31, 2015

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 10,251. 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. 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 twenty 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.

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, Police Lieutenant, Fire Chief and the Assistant Fire Chief, are the only classified positions in the City of Montgomery.

Environmental Advisory Commission
This Commission has a mission statement that focuses upon making Montgomery an environmentally-conscious community. Members provide education and information to the public and are a resource for the City on yard waste, recycling, storm water management, water resources management, air pollution control, noise pollution control and soil and landscape protection and protection of flora and fauna. Commission members assist with Adopt-a-Spot, Cardboard Recycling, City-wide garage sale, One-Stop-Drop, and educational programs.

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 City 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 Montgomery Community 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.

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 an International Reception.

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 premier 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 Schools 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 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, including the 2015 opening of an 80,000 square foot medical office building for The Christ Hospital at the Vintage Club development.

In spite of very difficult national and regional economic conditions, 2015 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 2015 and was able to enter 2016 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 2015, the City, through its Community Improvement Corporation, conducted a competitive Request for Qualifications (RFQ) and subsequent Request for Proposals process to select a Preferred Developer for 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 in 2014 and then demolished the former Ford dealership in 2015, and acquired 2.7 acres of land from Hamilton County abutting Ronald Reagan Cross County Highway. The City currently owns approximately 11.2 acres of land at this site. The City's plan is to partner with its Preferred Developer, Gateway Partners, in the development of this land, which has been described as the best economic development site in Hamilton County.

Letter of Transmittal
For the Year Ended December 31, 2015

The vision for the project is to develop an integrated, mixed-use project that is complementary in scale and design to the adjacent historic district and sensitive to the real estate market and will serve as a legacy project for the City's southern gateway and Heritage District.

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 2015. Twenty-three graduates of the Montgomery Citizens' Leadership Academy joined the Montgomery Citizens' Leadership Academy (MCLA) Alumni in 2015, to bring the total number of MCLA graduates to 203 over the 8 years of this educational program. 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.

In 2015 the City held a Strategic Plan Review with City Council members and members of staff to map out the vision of City Council for the five year period from 2016 – 2021. During this session, City Council and staff identified five major goal areas for the City to pursue: Core Services; Economic Development; Housing; Quality of Life; and Finances. In addition to the development of a new Strategic Plan, City staff continued its work in closing out the last year of the City's current 2011-2016 Strategic Plan.

During 2015 the City of Montgomery was recognized for achievements in a wide variety of areas and by a diverse group of organizations which included:

- The Certificate of Achievement for Excellence in Financial Reporting for our 2014 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 twentieth consecutive year the City has received this award.
- The Tree City USA and Growth Award for 2015. This represents the twentieth year in a row that the City has received the Tree City USA Award and seventeen years that it has received the Growth Award.
- In June, as presented by Dave Yost, Auditor of the State of Ohio, the "Auditor of State Award with Distinction" award for the fiscal year 2014 financial audit. Fewer than five percent of all Ohio government agencies are eligible for this award.
- The Gold Award at the 2015 AAA Traffic Safety Awards ceremony. The City of Montgomery was among 16 jurisdictions and police departments in greater Cincinnati that were honored for their exemplary programs that address issues from impaired and distracted driving to teen and senior driver safety.
- The Pinnacle Award for the City/County Small Population Group category by the National Association of Government Web Professionals (NAGW). The City of Montgomery's website was recognized at the association's annual conference on September 24, 2015.
- Continued positive feedback from its insurance and risk management pool, the Miami Valley Risk Management Association (MVRMA), as the City received a 100% rating on its Safety Performance Evaluation Checklist (SPEC) review in 2015. This is seven years in a row that the City has received this rating.

Letter of Transmittal
For the Year Ended December 31, 2015

In 2015, the City continued its work on updates to its park system. The work involved delivered upgrades to the City's various parks and recreation facilities through infrastructure and facility upgrades. One of the largest efforts involved the replacement of the roof and interior upgrades at the City's Recreation Annex Building which is used for a variety of recreation programs throughout the year and is adjacent to Montgomery Park. These improvements are necessary to sustain the quality experience enjoyed by users of the parks, to ensure the safety of the facilities and equipment, and to maintain the operational and financial schedules and plans for the upkeep of the parks.

In 2015, the following park improvements were completed:

- Replaced the west edition of the roof on the Annex Building as well as interior improvements for lighting and flooring.
- Installed a Pickleball Court on the tennis court at Dulle Park including (4) new seating benches.
- Install wood safety chips around playgrounds in City parks.
- Asphalt path improvements at Swaim Park including the parking lot off of Cooper Road.
- Asphalt path improvements at Weller Park including sealing the entire walking path.
- Electrostatic painting of Dulle Park baseball backstops and basketball court posts.
- Electrostatic painting of Pfeiffer Park tennis court fencing.

In 2015, the following capital improvements were completed:

Major infrastructure repairs and rehabilitation of approximately 2.05 centerline miles of roadway resurfacing for all or portions of seven (7) streets including Forestglen Drive, Woodfern Way, Glenash Court, Stonehenge Drive, Delray Drive, Castleford Lane, and Belleford Court.

The replacement of 26 of the 704 total fire hydrants within the City. This work was done in conjunction with the Street Resurfacing Program and was the second year of a multi-year comprehensive plan to address the aging fire hydrants in the community.

The completion of a parking lot expansion at the Safety Center to construct an additional nineteen (19) parking spots along the southern portion of the parking lot.

The 2015 Bituminous Black Mat (Microsurfacing) Project for repairs and microsurfacing to approximately 0.87 centerline miles of roadway on ZigZag Road from Cooper Road to Monte Drive (north). The asphalt surfacing material is used primarily on our Class II roadways within Montgomery and provides five to seven years of asphalt preventative maintenance.

The continuation of 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). Approximately 680 feet of guardrail replacement was completed on East Kemper Road between Terwilliger's Run Drive and Hightower Court.

In 2015, the Ohio Department of Transportation (ODOT) awarded the Pfeiffer Road at Montgomery Road Improvement Project to Barrett Paving Materials, Inc. to complete. The cost to complete the project was approximately $625,000 and was primarily being funded by grant dollars secured from the Ohio-Kentucky-Indiana Regional Council of Governments (OKI).

The project area included approximately 600 feet in length on both Pfeiffer Road and Montgomery Road and included construction of an additional eastbound left turn lane on Pfeiffer Road at Montgomery Road and constructing an exclusive northbound right turn lane on Montgomery Road into the Bethesda North Hospital main entrance. In addition to the turn lane, a concrete sidewalk was added on the east side of Montgomery Road from Radabaugh Drive to the Bethesda North Hospital main entrance. Updated curb ramps and accessible (audible) pedestrian signals, compliant with the Americans with Disabilities Act (ADA), were also installed at the intersections of Montgomery Road at Pfeiffer Road and Montgomery Road at Bethesda North Hospital. Asphalt resurfacing and pavement markings capped off this important capital improvement project.

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.

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 Code, 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, the General Obligation Bond Retirement Fund, the Arts and Amenities Fund and the Fire/EMS Fund; and a conservative investment policy for the safe-guarding 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, 2015, 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, 2014. 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 twenty consecutive years (fiscal years which ended on December 31, 1995-2014). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting this report to the GFOA.

Acknowledgments

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

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

Letter of Transmittal
For the Year Ended December 31, 2015

Respectfully submitted,

Matthew Vanderhorst
Acting Director of Finance

Wayne S. Davis
City Manager

List of Principal Officials
For the Year Ended December 31, 2015

Elected Officials

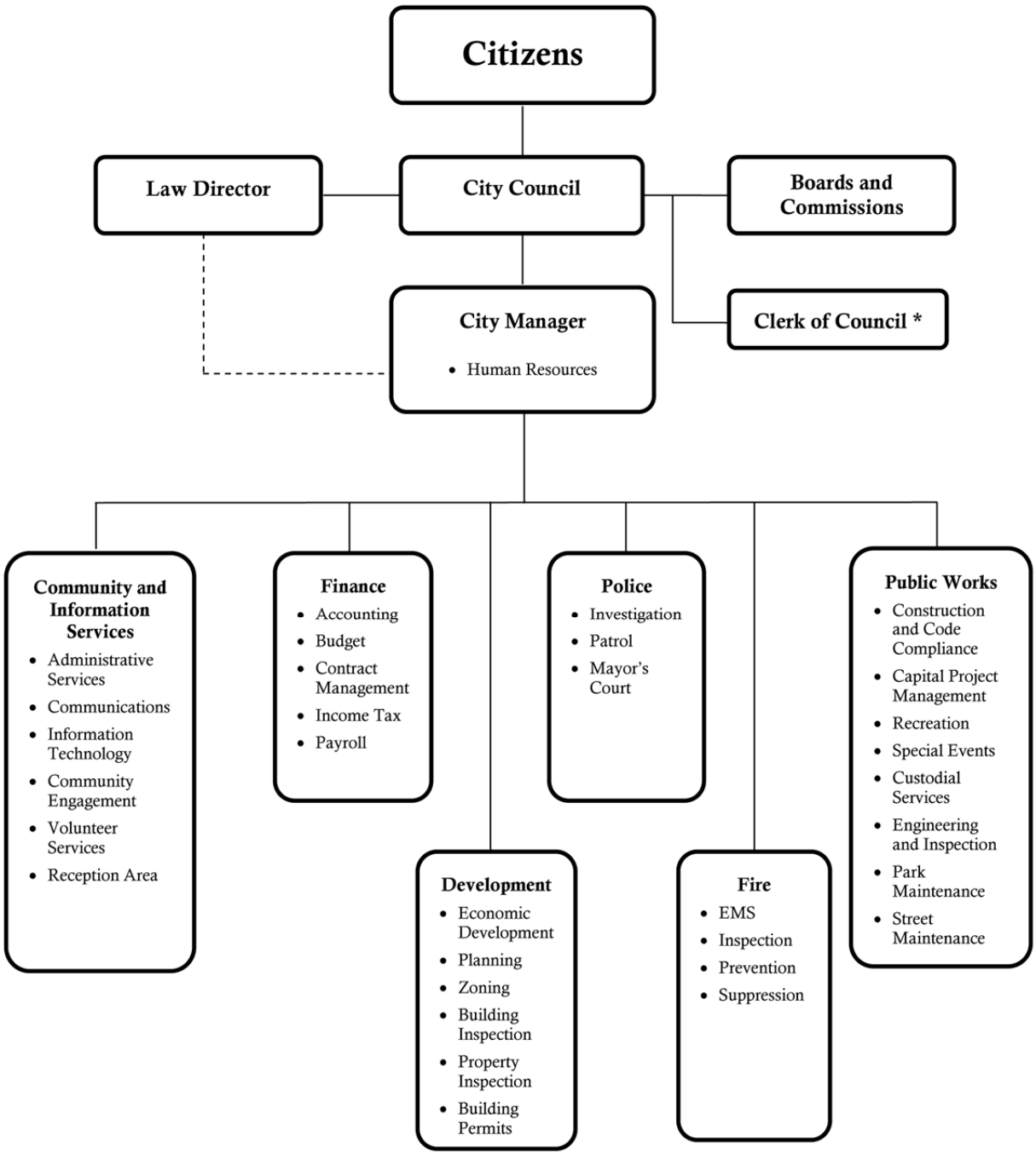
Name	Title	Term Expires
Todd Steinbrink *	Mayor	December 2015
Chris Dobrozsi *	Vice Mayor	December 2017
Ann Combs	Council	December 2017
Lynda Roesch *	Council	December 2017
Ken Suer	Council	December 2017
Gerri Harbison	Council	December 2019
Craig Margolis	Council	December 2019
Mike Cappel *	Council	December 2019

Appointed Officials

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

* City Council Member Mike Cappel was elected to the City Council on December 2, 2015 to fill the seat vacated by Mayor Todd Steinbrink who did not run for re-election. Chris Dobrozsi and Lynda Roesch were elected by their City Council peers and appointed as Mayor and Vice Mayor, respectively, and took office on December 2, 2015.

City Organizational Chart
For the Year Ended December 31, 2015



* 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 of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting

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, 2014

Executive Director/CEO

FINANCIAL SECTION

CITY • OF
MONTGOMERY

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, 2015, 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.

Opinion

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, 2015, and the respective changes in financial position thereof and the respective budgetary comparisons for the General and Fire Protection/EMS Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

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*, and schedules of net pension liabilities and pension contributions 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 16,2016, 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.

Dave Yost
Auditor of State

Columbus, Ohio

June 16, 2016

CITY • OF
MONTGOMERY

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, 2015. 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 2015 are as follows:

- Net position of governmental activities increased $1,385,486, which represents a 2% increase from 2014.

- General revenues accounted for $14,648,288 in revenue or 86% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for $2,477,331 or 14% of total revenues of $17,125,619.

- The City had $15,740,133 in expenses related to governmental activities; only $2,477,331 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of $14,648,288 were adequate to provide for these programs.

- Among major funds, the general fund had $9,692,645 in revenues and other financing sources and $10,796,588 in expenditures and other financing uses. The general fund's fund balance decreased $1,103,943 to $13,748,607.

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.

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, 2015 and 2014:

	Governmental Activities	
	2015	Restated 2014
Current and Other Assets	$43,061,411	$45,489,598
Capital Assets, Net	56,433,899	55,034,075
Total Assets	99,495,310	100,523,673
Deferred Outflows of Resources	1,254,880	864,973
Net Pension Liability	8,546,283	8,121,171
Other Long-Term Liabilities	14,872,718	15,133,044
Other Liabilities	915,002	3,526,864
Total Liabilities	24,334,003	26,781,079
Deferred Inflows of Resources	5,762,287	5,339,153
Net Position		
Net Investment in Capital Assets	43,262,398	39,698,707
Restricted	17,288,242	19,982,948
Unrestricted	10,103,260	9,586,759
Total Net Position	$70,653,900	$69,268,414

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2 Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014. The net pension liability reduced beginning of year net position by $7,333,176 in governmental activities.

Changes in Net Position – The following table shows the changes in net position for 2015 and 2014:

	Governmental Activities	
	2015	2014
Revenues		
Program Revenues:		
Charges for Services and Sales	$1,278,370	$1,909,542
Operating Grants and Contributions	710,112	602,689
Capital Grants and Contributions	488,849	361,417
Total Program Revenues	2,477,331	2,873,648
General Revenues:		
Property Taxes	5,284,135	5,032,078
Income Taxes	8,368,822	8,438,680
Other Local Taxes	5,516	8,205
Intergovernmental, Unrestricted	795,633	768,788
Investment Earnings	20,625	353,613
Miscellaneous	173,557	224,708
Total General Revenues	14,648,288	14,826,072
Total Revenues	17,125,619	17,699,720
Program Expenses		
Public Safety	5,686,783	5,525,153
Parks and Recreation	1,321,303	1,207,002
Community Economic Development	681,284	683,325
Public Works	2,494,890	2,528,383
General Government	4,953,073	4,535,252
Interest and Fiscal Charges	602,800	646,377
Total Expenses	15,740,133	15,125,492
Total Change in Net Position	1,385,486	2,574,228
Beginning Net Position - Restated	69,268,414	N/A
Ending Net Position - Restated	$70,653,900	$69,268,414

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of $787,995 for governmental activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of $861,729 for governmental activities. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities
Total 2015 program expenses under GASB 68	$15,740,133
Pension expense under GASB 68	(861,729)
2015 contractually required contribution	811,425
Adjusted 2015 program expenses	15,689,829
Total 2014 program expenses under GASB 27	15,125,492
Increase in program expenses not related to pension	$564,337

Governmental Activities

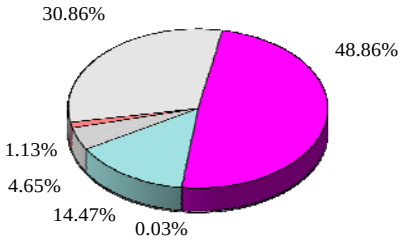
Net position of the City's governmental activities increased $1,385,486. In April 2014 the City purchased property which included the assignment of a lease. During 2014 the City received $200,000 of monthly rental payments. In December 2014, the lessee and the City agreed to terminate the lease. The City received an additional $400,000 from the lessee as a result of the termination. This resulted in an increase in charges for services and sales in 2014 and a subsequent decrease in the current year. Ohio Department of Transportation grants for the Pfeiffer and Montgomery Road improvement project resulted in the increase in capital grants. Changes in the fair value of investments resulted in the decrease in investment earnings.

Overall, expenses increased approximately 4%, which can mostly be attributed to noncapitalized costs for equipment and supplies.

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 31% and 49% respectively of revenues for governmental activities for the City in fiscal year 2015. The City's reliance upon tax revenues is demonstrated by the following graph indicating 80% of total revenues from general tax revenues:

Revenue Sources	2015	Percent of Total
Property Taxes	$5,284,135	30.86%
Income Taxes	8,368,822	48.86%
Other Local Taxes	5,516	0.03%
Program Revenues	2,477,331	14.47%
Intergovernmental, Unrestricted	795,633	4.65%
General Other	194,182	1.13%
Total Revenue	$17,125,619	100.00%



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of $32,774,620, which is an increase from last year's balance of $32,671,571. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2015 and 2014:

	Fund Balance December 31, 2015	Fund Balance December 31, 2014	Increase (Decrease)
General	$13,748,607	$14,852,550	($1,103,943)
Fire Protection / EMS	4,233,259	4,240,791	(7,532)
Reserve of Montgomery Bond Retirement	91,925	95,836	(3,911)
Vintage Club Tax Increment	2,091,500	2,113,969	(22,469)
Capital Improvement	4,993,458	5,222,854	(229,396)
Downtown Improvement	3,997,738	(739,217)	4,736,955
Other Governmental	3,618,133	6,884,788	(3,266,655)
Total	$32,774,620	$32,671,571	$103,049

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:

	2015 Revenues	2014 Revenues	Increase (Decrease)
Taxes	$8,472,236	$8,364,875	$107,361
Intergovernmental Revenues	470,343	412,409	57,934
Charges for Services	91,717	140,210	(48,493)
Rental Revenue	75,689	691,149	(615,460)
Licenses, Permits and Fees	434,680	455,962	(21,282)
Investment Earnings	(72,503)	246,278	(318,781)
Fines and Forfeitures	141,978	139,965	2,013
All Other Revenue	67,732	118,140	(50,408)
Total	$9,681,872	$10,568,988	($887,116)

General Fund revenues in 2015 decreased 8% compared to revenues in 2014. Changes in the fair value of investments resulted in the decrease 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. This resulted in an increase in rental revenue in 2014 and a subsequent decrease in the current year.

	2015 Expenditures	2014 Expenditures	Increase (Decrease)
Public Safety	$3,094,598	$2,996,911	$97,687
Parks and Recreation	890,205	798,501	91,704
Community Economic Development	545,656	582,466	(36,810)
Public Works	581,791	553,186	28,605
General Government	3,190,338	3,017,557	172,781
Total	$8,302,588	$7,948,621	$353,967

General Fund expenditures increased $353,967 from the prior year. An increase in public safety can be attributed to accumulated leave payouts in the police department. Repair and replacement costs for water pumps at the gateway fountain contributed to an increase in parks and recreation. An increase in general government can be attributed to property tax payments on newly acquired land to be used for development.

Fire Protection/EMS Fund - The fund balance of the Fire Protection/EMS Fund, a major governmental fund, decreased $7,532. 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, decreasing $3,911 during 2015.

Vintage Club Tax Increment Fund – The fund balance of the Vintage Club Tax Increment Fund, a major governmental fund, decreased $22,469 during 2015. Revenues and expenditures remained consistent with the prior year.

Capital Improvement Fund - The fund balance of the Capital Improvement Fund, a major governmental fund, decreased $229,396 during 2015. Ohio Department of Transportation grants for the Pfeiffer and Montgomery Road improvement project resulted in an increase in intergovernmental revenues. Expenditures were consistent with the prior year.

Downtown Improvement Fund – The Downtown Improvement Fund, a major governmental fund, reported a substantial increase in fund balance. In 2015, $2.8 million of transfers were received from the General Obligation Bond Retirement Fund for the retirement of notes payable. In addition, $2.5 million of transfers were received from the General Fund to be used for a mixed-use development along Montgomery Road.

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 increases in income tax receipts. Controlled costs across all General Fund departments resulted in actual expenditures that were 11% less than final budget amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2015 the City had $56,433,899 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, infrastructure, equipment and vehicles. The following table shows 2015 and 2014 balances:

	Governmental Activities		Increase (Decrease)
	2015	2014	
Land	$21,173,723	$20,974,753	$198,970
Construction In Progress	12,154,829	11,761,967	392,862
Buildings	4,288,204	4,184,554	103,650
Improvements Other than Buildings	7,101,049	7,142,143	(41,094)
Infrastructure	28,157,832	26,829,972	1,327,860
Machinery and Equipment	5,570,163	6,092,744	(522,581)
Less: Accumulated Depreciation	(22,011,901)	(21,952,058)	(59,843)
Totals	$56,433,899	$55,034,075	$1,399,824

The City increased its capitalization threshold to $3,000 in 2015, resulting in a decrease in improvements and machinery and equipment.

An increase in construction in progress can be attributed to improvements at the Vintage Club housing development. Increases in infrastructure can be attributed to routine street maintenance, improvements to Pfeiffer and Montgomery Roads, and construction of Vintage Club Boulevard.

Additional information on the City's capital assets can be found in Note 10.

Debt

At December 31, 2015, the City had $14.0 million in bonds outstanding, $355,883 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2015 and 2014:

	2015	Restated 2014
Governmental Activities:		
Special Obligation TIF Bonds	$13,165,000	$13,265,000
Special Assessment Bonds	871,516	1,030,399
Net Pension Liability	8,546,283	8,121,171
Compensated Absences	836,202	837,645
Total Governmental Activities	$23,419,001	$23,254,215

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, 2015, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 14.

ECONOMIC FACTORS

In 2015:

- The new Christ Hospital Outpatient Center and medical offices on the southwest portion of the Vintage Club property opened in May. The new 80,000 square foot building and a 20,000 square foot surgery center were built by the developer, Brandicorp, with the City completing construction of a 321-space parking garage under a portion of the larger building as well as public street, Vintage Club Boulevard, which provides access to both the residential and commercial properties at the Vintage Club. The surgery center is expected to be fully operational in 2016, and City staff has continued to work with the developer regarding future plans for the rest of the commercial section of the property.

- In 2015, the City, through its Community Improvement Corporation, conducted a competitive Request for Qualifications (RFQ) and subsequent Request for Proposals process to select a Preferred Developer for 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 in 2014 and then demolished the former Ford dealership in 2015, and acquired 2.7 acres of land from Hamilton County abutting Ronald Reagan Cross County Highway. The City currently owns approximately 11.2 acres of land at this site. The City's plan is to partner with the City's Preferred Developer, Gateway Partners, in the development of this land, which has been described as the best economic development site in Hamilton County. The vision for the project is to develop an integrated, mixed use project that is complementary in scale and design to the adjacent historic district and sensitive to the real estate market and will serve as a legacy project for the City's southern gateway and Heritage District.

- Only one commercial building permit for new construction and expansion was issued in 2015 for the construction of the new Fifth Third Bank building, which is lower than the three commercial building permits for new construction and expansion which were issued in 2014. The total value of improvements for commercial new construction, expansion and additions was also significantly lower than in 2014. The total value of new commercial, commercial additions and alterations was $9.7 million in 2015 versus $12.8 million in 2014.

- The residential sector was busy in 2015 with the building department issuing 32 permits for new homes and 65 permits for residential remodeling/room additions. The total value of residential construction was estimated at $20.4 million. The City continues to see a rise in teardown/rebuilds with 23 demolition permits approved in 2015. Since 2001, there have been a total of 209 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 Wayne Davis, City Manager of the City of Montgomery.

Statement of Net Position
December 31, 2015

	Governmental Activities
Assets:	
Cash and Cash Equivalents	$ 13,867,423
Investments	16,737,498
Receivables:	
Taxes	7,983,863
Accounts	54,091
Intergovernmental	663,665
Interest	30,415
Special Assessments	1,868,761
Prepaid Items	63,833
Restricted Assets:	
Investments	1,791,862
Capital Assets not Being Depreciated	33,328,552
Capital Assets Being Depreciated, net	23,105,347
Total Assets	99,495,310
Deferred Outflows of Resources:	
Deferred Charge on Debt Refunding	51,320
Pension:	
OPERS	412,939
OP&F	790,621
Total Deferred Outflows of Resources	1,254,880
Liabilities:	
Accounts Payable	259,666
Accrued Wages and Benefits	374,511
Intergovernmental Payable	234,773
Accrued Interest Payable	46,052
Noncurrent Liabilities:	
Due Within One Year	739,901
Due in More Than One Year:	
Net Pension Liability	8,546,283
Other Liabilities Due in More Than One Year	14,132,817
Total Liabilities	24,334,003
Deferred Inflows of Resources:	
Property Tax Levy for Next Fiscal Year	5,721,530
Pension:	
OPERS	40,757
Total Deferred Inflows of Resources	5,762,287
Net Position:	
Net Investment in Capital Assets	43,262,398
Restricted For:	
Capital Projects	5,839,513
Debt Service	4,647,882
Public Works	1,371,872
Public Safety	4,360,241
Arts and Amenities:	
Expendable	239,249
Nonexpendable	378,721
Other Purposes	450,764
Unrestricted	10,103,260
Total Net Position	$ 70,653,900

See accompanying notes to the basic financial statements

Statement of Activities
For the Year Ended December 31, 2015

		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
Governmental Activities:					
Public Safety	$ 5,686,783	$ 346,258	$ 86,500	$ 0	$ (5,254,025)
Parks and Recreation	1,321,303	303,576	0	0	(1,017,727)
Community Economic Development	681,284	310,367	60,000	0	(310,917)
Public Works	2,494,890	42,864	521,129	488,849	(1,442,048)
General Government	4,953,073	275,305	42,483	0	(4,635,285)
Interest and Fiscal Charges	602,800	0	0	0	(602,800)
Total Governmental Activities	$ 15,740,133	$ 1,278,370	$ 710,112	$ 488,849	$ (13,262,802)

General Revenues	
Property Taxes Levied for:	
General Purposes	5,284,135
Income Taxes	8,368,822
Other Local Taxes	5,516
Intergovernmental, Unrestricted	795,633
Investment Earnings	20,625
Miscellaneous	173,557
Total General Revenues	14,648,288
Change in Net Position	1,385,486
Net Position Beginning of Year - Restated	69,268,414
Net Position End of Year	$ 70,653,900

See accompanying notes to the basic financial statements

Balance Sheet
Governmental Funds
December 31, 2015

	General	Fire Protection / EMS	Reserve of Montgomery Bond Retirement	Vintage Club Tax Increment
Assets:				
Cash and Cash Equivalents	$ 5,774,348	$ 1,859,286	$ 91,925	$ 436,850
Investments	7,593,469	2,468,306	0	0
Receivables:				
Taxes	3,696,714	1,736,767	0	1,799,643
Accounts	53,051	0	0	0
Intergovernmental	204,057	109,373	0	74,999
Interest	15,630	5,115	0	0
Special Assessments	0	0	1,835,793	0
Interfund Loans Receivable	0	0	0	0
Prepaid Items	57,050	6,231	0	0
Restricted Assets:				
Investments	0	0	0	1,791,862
Total Assets	$ 17,394,319	$ 6,185,078	$ 1,927,718	$ 4,103,354
Liabilities:				
Accounts Payable	$ 164,476	$ 4,277	$ 0	$ 0
Accrued Wages and Benefits Payable	248,247	97,628	0	0
Intergovernmental Payable	96,136	1,425	0	137,212
Interfund Loans Payable	0	0	0	0
Total Liabilities	508,859	103,330	0	137,212
Deferred Inflows of Resources:				
Unavailable Amounts	1,128,903	152,669	1,835,793	88,882
Property Tax Levy for Next Fiscal Year	2,007,950	1,695,820	0	1,785,760
Total Deferred Inflows of Resources	3,136,853	1,848,489	1,835,793	1,874,642
Fund Balances:				
Nonspendable	57,050	6,231	0	0
Restricted	0	4,227,028	91,925	2,091,500
Assigned	632,729	0	0	0
Unassigned	13,058,828	0	0	0
Total Fund Balances	13,748,607	4,233,259	91,925	2,091,500
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 17,394,319	$ 6,185,078	$ 1,927,718	$ 4,103,354

See accompanying notes to the basic financial statements

Capital Improvement	Downtown Improvement	Other Governmental Funds	Total Governmental Funds
$ 1,735,372	$ 1,716,473	$ 2,253,169	$ 13,867,423
2,303,801	2,278,711	2,093,211	16,737,498
432,282	0	318,457	7,983,863
0	0	1,040	54,091
0	0	275,236	663,665
4,774	4,722	174	30,415
0	0	32,968	1,868,761
797,290	0	0	797,290
0	0	552	63,833
0	0	0	1,791,862
$ 5,273,519	$ 3,999,906	$ 4,974,807	$ 43,858,701
$ 41,846	$ 0	$ 49,067	$ 259,666
0	0	28,636	374,511
0	0	0	234,773
0	0	797,290	797,290
41,846	0	874,993	1,666,240
238,215	2,168	249,681	3,696,311
0	0	232,000	5,721,530
238,215	2,168	481,681	9,417,841
0	0	379,273	442,554
4,993,458	0	4,016,378	15,420,289
0	3,997,738	0	4,630,467
0	0	(777,518)	12,281,310
4,993,458	3,997,738	3,618,133	32,774,620
$ 5,273,519	$ 3,999,906	$ 4,974,807	$ 43,858,701

Reconciliation Of Total Governmental Fund Balances To Net Position Of Governmental Activities December 31, 2015

Total Governmental Fund Balances		$	32,774,620
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.			56,433,899
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			3,696,311
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred Outflows - Pension	1,203,560		
Deferred Inflows - Pension	(40,757)		
Net Pension Liability	(8,546,283)		(7,383,480)
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	(13,165,000)		
Special Assessment Bonds Payable	(871,516)		
Compensated Absences Payable	(836,202)		
Deferred Loss on Debt Refunding	51,320		
Accrued Interest Payable	(46,052)		(14,867,450)
Net Position of Governmental Activities		$	70,653,900

See accompanying notes to the basic financial statements

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015

	General	Fire Protection / EMS	Reserve of Montgomery Bond Retirement	Vintage Club Tax Increment
Revenues:				
Taxes	$ 8,472,236	$ 1,740,492	$ 0	$ 1,260,263
Intergovernmental Revenues	470,343	221,445	0	149,997
Charges for Services	91,717	148,022	0	0
Rental Revenue	75,689	0	0	0
Licenses, Permits and Fees	434,680	0	0	0
Investment Earnings	(72,503)	32,996	0	1,617
Special Assessments	0	0	181,902	0
Fines and Forfeitures	141,978	0	0	0
All Other Revenue	67,732	12,072	0	43,190
Total Revenues	9,681,872	2,155,027	181,902	1,455,067
Expenditures:				
Current:				
Public Safety	3,094,598	2,162,559	0	0
Parks and Recreation	890,205	0	0	0
Community Economic Development	545,656	0	0	0
Public Works	581,791	0	0	0
General Government	3,190,338	0	5,473	855,433
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	145,000	100,000
Interest and Fiscal Charges	0	0	35,340	522,103
Total Expenditures	8,302,588	2,162,559	185,813	1,477,536
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,379,284	(7,532)	(3,911)	(22,469)
Other Financing Sources (Uses):				
Sale of Capital Assets	10,773	0	0	0
Transfers In	0	0	0	0
Transfers Out	(2,494,000)	0	0	0
Total Other Financing Sources (Uses)	(2,483,227)	0	0	0
Net Change in Fund Balances	(1,103,943)	(7,532)	(3,911)	(22,469)
Fund Balances at Beginning of Year	14,852,550	4,240,791	95,836	2,113,969
Fund Balances End of Year	$ 13,748,607	$ 4,233,259	$ 91,925	$ 2,091,500

See accompanying notes to the basic financial statements

Capital Improvement	Downtown Improvement	Other Governmental Funds	Total Governmental Funds
$ 1,685,007	$ 0	$ 565,724	$ 13,723,722
488,849	60,000	605,976	1,996,610
0	0	311,547	551,286
0	0	0	75,689
0	0	25,500	460,180
30,291	13,258	18,353	24,012
0	0	18,806	200,708
0	0	48,376	190,354
9,054	0	41,509	173,557
2,213,201	73,258	1,635,791	17,396,118
0	0	144,343	5,401,500
0	0	255,806	1,146,011
0	0	32,122	577,778
0	0	1,089,377	1,671,168
0	0	84,633	4,135,877
2,442,597	150,495	942,876	3,535,968
0	0	13,883	258,883
0	13,730	6,542	577,715
2,442,597	164,225	2,569,582	17,304,900
(229,396)	(90,967)	(933,791)	91,218
0	0	1,058	11,831
0	4,827,922	494,000	5,321,922
0	0	(2,827,922)	(5,321,922)
0	4,827,922	(2,332,864)	11,831
(229,396)	4,736,955	(3,266,655)	103,049
5,222,854	(739,217)	6,884,788	32,671,571
$ 4,993,458	$ 3,997,738	$ 3,618,133	$ 32,774,620

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, 2015

Net Change in Fund Balances - Total Governmental Funds		$ 103,049
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital Outlay	2,967,358	
Depreciation Expense	(1,311,300)	1,656,058
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.		(256,234)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		811,425
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(861,729)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(270,499)
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	100,000	
Special Assessment Bond Principal Payment	158,883	
Amortization of Deferred Loss on Refunding	(25,658)	233,225
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		573
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		(30,382)
Change in Net Position of Governmental Activities		$ 1,385,486

See accompanying notes to the basic financial statements

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) General Fund For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 7,982,604	$ 7,982,604	$ 8,503,795	$ 521,191
Intergovernmental Revenue	418,397	418,397	431,076	12,679
Charges for Services	146,715	146,715	133,445	(13,270)
Rental Revenue	75,964	75,964	75,689	(275)
Licenses, Permits and Fees	431,600	431,600	465,575	33,975
Investment Earnings	100,000	100,000	100,076	76
Fines and Forfeitures	159,250	159,250	139,662	(19,588)
All Other Revenues	124,823	124,823	52,050	(72,773)
Total Revenues	9,439,353	9,439,353	9,901,368	462,015
Expenditures:				
Current:				
Public Safety	3,472,201	3,477,701	3,149,716	327,985
Parks and Recreation	1,099,954	1,099,953	965,549	134,404
Community Economic Development	744,500	744,500	645,058	99,442
Public Works	664,495	664,495	599,677	64,818
General Government	3,468,699	3,468,699	3,019,505	449,194
Total Expenditures	9,449,849	9,455,348	8,379,505	1,075,843
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,496)	(15,995)	1,521,863	1,537,858
Other Financing Sources (Uses):				
Sale of Capital Assets	5,000	5,000	10,773	5,773
Transfers In	16,139	16,139	16,139	0
Transfers Out	(494,000)	(2,494,000)	(2,494,000)	0
Total Other Financing Sources (Uses):	(472,861)	(2,472,861)	(2,467,088)	5,773
Net Change in Fund Balance	(483,357)	(2,488,856)	(945,225)	1,543,631
Fund Balance at Beginning of Year	13,832,003	13,832,003	13,832,003	0
Prior Year Encumbrances	156,883	156,883	156,883	0
Fund Balance at End of Year	$ 13,505,529	$ 11,500,030	$ 13,043,661	$ 1,543,631

See accompanying notes to the basic financial statements

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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 1,751,512	$ 1,751,512	$ 1,740,492	$ (11,020)
Intergovernmental Revenue	209,180	209,180	221,495	12,315
Charges for Services	128,512	128,512	148,022	19,510
Investment Earnings	25,000	25,000	30,230	5,230
All Other Revenues	15,068	15,068	12,072	(2,996)
Total Revenues	2,129,272	2,129,272	2,152,311	23,039
Expenditures:				
Current:				
Public Safety	2,454,355	2,454,355	2,213,505	240,850
Total Expenditures	2,454,355	2,454,355	2,213,505	240,850
Excess (Deficiency) of Revenues Over (Under) Expenditures	(325,083)	(325,083)	(61,194)	263,889
Fund Balance at Beginning of Year	4,331,232	4,331,232	4,331,232	0
Prior Year Encumbrances	8,630	8,630	8,630	0
Fund Balance at End of Year	$ 4,014,779	$ 4,014,779	$ 4,278,668	$ 263,889

See accompanying notes to the basic financial statements

Statement of Net Position
Fiduciary Funds
December 31, 2015

	Private Purpose Trust	
	Special Trust	Agency
Assets:		
Cash and Cash Equivalents	$ 33,266	$ 0
Restricted Assets:		
Cash and Cash Equivalents	0	5,908
Cash and Cash Equivalents with Fiscal Agent	0	165,069
Total Assets	33,266	170,977
Liabilities:		
Accounts Payable	0	144,309
Intergovernmental Payable	0	2,425
Due to Others	0	24,243
Total Liabilities	0	170,977
Net Position:		
Restricted For:		
Historical Site Preservation	33,266	0
Total Net Position	$ 33,266	$ 0

See accompanying notes to the basic financial statements

Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended December 31, 2015

	Private Purpose Trust
	Special Trust
Additions:	
Contributions:	
Rental Fees	$ 1,156
Private Donations	300
Total Additions	1,456
Deductions:	
Total Deductions	0
Change in Net Position	1,456
Net Position at Beginning of Year	31,810
Net Position End of Year	$ 33,266

See accompanying notes to the basic financial statements

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, 2015 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.

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.

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.

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.

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.

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, 2015, but which are not intended to finance 2015 operations, and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources. Property taxes are further described in Note 6.

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 Montgomery Community Improvement Corporation Fund (special revenue fund) was not budgeted and only exists on a GAAP basis. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1st of each year. As part of the certification process, the City receives an official certificate of estimated resources, which states that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed or fall short of current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2015.

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.

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)	($1,103,943)	($7,532)
Increase (Decrease):		
Accrued Revenues at December 31, 2015 received during 2016	(760,309)	(2,766)
Accrued Revenues at December 31, 2014 received during 2015	997,194	50
Accrued Expenditures at December 31, 2015 paid during 2016	508,859	103,330
Accrued Expenditures at December 31, 2014 paid during 2015	(423,792)	(102,387)
2014 Prepaids for 2015	48,297	3,266
2015 Prepaids for 2016	(57,050)	(6,231)
Outstanding Encumbrances	(180,489)	(48,924)
Perspective Difference:		
Activity of Funds Reclassified for GAAP Reporting Purposes	26,008	0
Budget Basis	($945,225)	($61,194)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During fiscal year 2015, 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 5, "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 5, "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 2015. 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, 2015.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015 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 $3,000 and an estimated useful life threshold of three or more years.

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:

Description	Estimated Lives (in years)
Buildings and Improvements	10 - 40
Machinery, Equipment, Furniture and Fixtures	5 - 15
Infrastructure	5 - 100

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

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

Obligation	Fund
Special Assessment Bonds	Debt Service Funds (Special Assessment Bond Retirement Fund, Reserve of Montgomery 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.

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net positon have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

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.

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.

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 reports deferred outflows for the deferred charge on debt refunding and for deferred pension amounts. The deferred charge on debt refunding is reported on 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. Deferred outflows of resources are reported for pension amounts on the government-wide statement of net position. See Note 11.

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. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. See Note 11.

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NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

In 2015 the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure.

In addition, adjustments were necessary to beginning of year net position to correct errors in accounting for income taxes receivable.

The implementation of GASB 68 and income tax receivable correction had the following effect on net position as reported December 31, 2014:

	Governmental Activities
Net Position December 31, 2014	$75,363,295
Adjustments:	
Net Pension Liability	(8,121,171)
Deferred Outflows - Payments Subsequent to Measurement Date	787,995
Income Taxes Receivable	1,238,295
Restated Net Position December 31, 2014	$69,268,414

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

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NOTE 3 – 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	Capital Improvement	Downtown Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable:								
Prepaid Items	$57,050	$6,231	$0	$0	$0	$0	$552	$63,833
Permanent Fund Corpus	0	0	0	0	0	0	378,721	378,721
Total Nonspendable	57,050	6,231	0	0	0	0	379,273	442,554
Restricted:								
Fire Protection/EMS	0	4,227,028	0	0	0	0	0	4,227,028
Parks and Recreation	0	0	0	0	0	0	39,002	39,002
Law Enforcement and Education	0	0	0	0	0	0	114,277	114,277
Court Computerization	0	0	0	0	0	0	43,563	43,563
Environmental Impact Mitigation	0	0	0	0	0	0	45,500	45,500
Street Improvements	0	0	0	0	0	0	912,838	912,838
Municipal Pool Operations	0	0	0	0	0	0	149,736	149,736
Cemetery Maintenance	0	0	0	0	0	0	331,074	331,074
Economic Development	0	0	0	0	0	0	216,526	216,526
Debt Service Payments	0	0	91,925	2,091,500	0	0	505,661	2,689,086
Capital Improvements	0	0	0	0	4,993,458	0	1,419,367	6,412,825
Arts and Amenities	0	0	0	0	0	0	238,834	238,834
Total Restricted	0	4,227,028	91,925	2,091,500	4,993,458	0	4,016,378	15,420,289
Assigned:								
Public Safety	17,246	0	0	0	0	0	0	17,246
Parks and Recreation	56,758	0	0	0	0	0	0	56,758
Community Economic Development	76,300	0	0	0	0	0	0	76,300
General Government	30,185	0	0	0	0	0	0	30,185
Compensated Absences	215,959	0	0	0	0	0	0	215,959
Capital Improvements	0	0	0	0	0	3,997,738	0	3,997,738
2016 Budget Deficit	236,281	0	0	0	0	0	0	236,281
Total Assigned	632,729	0	0	0	0	3,997,738	0	4,630,467
Unassigned (Deficits):	13,058,828	0	0	0	0	0	(777,518)	12,281,310
Total Fund Balances	$13,748,607	$4,233,259	$91,925	$2,091,500	$4,993,458	$3,997,738	$3,618,133	$32,774,620

NOTE 4 – 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	$1,281,038
Deferred Investment Earnings	13,887
Intergovernmental Revenue Receivable	532,625
Special Assessments Receivable	1,868,761
	$3,696,311

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	($65,249)
Decrease in Deferred Investment Earnings	(3,387)
Decrease in Intergovernmental Revenue	(2,016)
Decrease in Special Assessment Revenue	(199,847)
	($270,499)

NOTE 5 - 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.

NOTE 5 - 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).

NOTE 5 - 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 $15,070,045 and the bank balance was $15,292,008. Federal depository insurance covered $5,773,625 of the bank balance and $9,518,383 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	Balance
Uninsured and uncollateralized	$9,518,383
Total Balance	$9,518,383

B. Investments

The City's investments at December 31, 2015 were as follows:

	Fair Value	Credit Rating	Concentration of Credit Risk	Investment Maturities (in Years) less than 1	1-3	3-5
STAR Ohio	$1,621	AAAm[1]	0.0092%	$1,621	$0	$0
Marketable CD's	3,762,878	AAA[3]	21.4642%	835,970	2,926,908	0
Municipal Bonds	1,005,510	AA[1] / Aa3[2]	5.7356%	0	1,005,510	0
US Money Market	827,240	AA+[1] / Aaa[2]	4.7187%	827,240	0	0
US Treasury Notes	964,624	AA+[1] / Aaa[2]	5.5024%	964,624	0	0
FHLMC	3,487,294	AA+[1] / Aaa[2]	19.8922%	0	2,988,439	498,855
FHLB	4,495,049	AA+[1] / Aaa[2]	25.6406%	0	0	4,495,049
FNMA	1,493,885	AA+[1] / Aaa[2]	8.5214%	0	1,493,885	0
FFCB	1,492,880	AA+[1] / Aaa[2]	8.5157%	0	1,492,880	0
Total Investments	$17,530,981		100.0000%	$2,629,455	$9,907,622	$4,993,904

NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

B. Investments (Continued)

[1] Standard & Poor's
[2] Moody's Investor Service
[3] 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 it may invest in any one issuer.

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.

	Cash and Cash Equivalents	Investments
Per Financial Statements	$14,071,666	$18,529,360
Certificates of Deposit (with maturities of more than 3 months)	1,000,000	(1,000,000)
STAR Ohio	(1,621)	1,621
Per GASB Statement No. 3	$15,070,045	$17,530,981

NOTE 6 - 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 2015 were levied after October 1, 2014 on assessed values as of January 1, 2014, 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, 2015 was $10.05 per $1,000 of assessed value. The assessed value upon which the 2015 tax collections were based was $516,228,830. This amount constitutes $506,604,450 in real property assessed value and $9,624,380 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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NOTE 6 – 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 7 - RECEIVABLES

Receivables at December 31, 2015 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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NOTE 8 - INTERFUND BALANCES

Individual interfund balances at December 31, 2015 are as follows:

Fund	Interfund Loan Receivable	Interfund Loan Payable
Capital Improvement Fund	$797,290	$0
Other Governmental Funds	0	797,290
Totals	$797,290	$797,290

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 9 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2015:

Fund	Transfer In	Transfer Out
General Fund	$0	$2,494,000
Downtown Improvement	4,827,922	0
Other Governmental Funds	494,000	2,827,922
Totals	$5,321,922	$5,321,922

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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NOTE 10 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at December 31, 2015:

Historical Cost:

Class	December 31, 2014	Additions	Deletions	December 31, 2015
Capital assets not being depreciated:				
Land	$20,974,753	$198,970	$0	$21,173,723
Construction in Progress	11,761,967	572,882	(180,020)	12,154,829
Subtotal	32,736,720	771,852	(180,020)	33,328,552
Capital assets being depreciated:				
Buildings	4,184,554	135,023	(31,373)	4,288,204
Improvements Other than Buildings	7,142,143	16,603	(57,697)	7,101,049
Infrastructure	26,829,972	1,766,375	(438,515)	28,157,832
Machinery and Equipment	6,092,744	457,525	(980,106)	5,570,163
Subtotal	44,249,413	2,375,526	(1,507,691)	45,117,248
Total Cost	$76,986,133	$3,147,378	($1,687,711)	$78,445,800

Accumulated Depreciation:

Class	December 31, 2014	Additions	Deletions	December 31, 2015
Buildings	($1,920,751)	($105,922)	$11,816	($2,014,857)
Improvements Other than Buildings	(5,427,962)	(324,690)	25,436	(5,727,216)
Infrastructure	(9,701,861)	(622,244)	359,132	(9,964,973)
Machinery and Equipment	(4,901,484)	(258,444)	855,073	(4,304,855)
Total Depreciation	($21,952,058)	($1,311,300) *	$1,251,457	($22,011,901)
Net Value:	$55,034,075			$56,433,899

* Depreciation expenses were charged to governmental functions as follows:

Public Safety	$182,831
Parks and Recreation	176,838
Community Economic Development	94,879
Public Works	830,130
General Government	26,622
Total Depreciation Expense	$1,311,300

NOTE 11 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was $289,153 for 2015. Of this amount, $26,084 is reported as an intergovernmental payable.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
2015 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
2015 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was $522,272 for 2015. Of this amount, $56,107 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OP&F	Total
Proportionate Share of the Net Pension Liability	$2,319,956	$6,226,327	$8,546,283
Proportion of the Net Pension Liability	0.0192350%	0.1201897%	
Pension Expense	$254,827	$606,902	$861,729

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$123,786	$268,349	$392,135
City contributions subsequent to the measurement date	289,153	522,272	811,425
Total Deferred Outflows of Resources	$412,939	$790,621	$1,203,560
Deferred Inflows of Resources			
Differences between expected and actual experience	$40,757	$0	$40,757

$811,425 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2016	$12,141	$67,087	$79,228
2017	12,141	67,087	79,228
2018	27,800	67,087	94,887
2019	30,947	67,088	98,035
Total	$83,029	$268,349	$351,378

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	$4,268,054	$2,319,956	$679,188

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	120.00 %	

* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	$8,611,953	$6,226,327	$4,206,428

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. <u>Ohio Public Employees Retirement System ("OPERS")</u>

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 coverage, deposits to a Health Reimbursement Arrangement, 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 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

A. Ohio Public Employees Retirement System ("OPERS") (Continued)

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml#CAFR, 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 2015, 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.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

The City's contributions for health care to the OPERS for the years ending December 31, 2015, 2014, and 2013 were $48,192, $47,576 and $24,847, respectively, which were equal to the required contributions for each year.

NOTE 12 - 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.

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 2015, 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, 2015, 2014, and 2013 were $8,955, $8,632 and $60,704 for police and $3,817, $3,677 and $25,651 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 13 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 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, 2015	Issued	(Retired)	Balance December 31, 2015
Capital Projects Fund Notes Payable:				
1.000% Real Estate Acquisition	$2,800,000	$0	($2,800,000)	$0
Total Notes Payable	$2,800,000	$0	($2,800,000)	$0

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NOTE 14 - LONG-TERM OBLIGATIONS

Detail of the changes in the long term obligations of the City for the year ended December 31, 2015 is as follows:

			Restated Balance December 31, 2014	Issued	(Retired)	Balance December 31, 2015	Amount Due Within One Year
Governmental Activities:							
Special Obligation TIF Bonds:							
0.75-4.80%	Vintage Club Improvements	2013	$13,265,000	$0	($100,000)	$13,165,000	$200,000
Special Assessment Bonds With Governmental Commitment:							
6.50%	Street Lighting	1997	3,000	0	(3,000)	0	0
6.00%	Montgomery Woods Sidewalk	1997	18,000	0	(6,000)	12,000	6,000
6.00%	Tanager Woods	1999	24,399	0	(4,883)	19,516	4,883
2.00-3.80%	Public Improvement Refunding	2003	985,000	0	(145,000)	840,000	145,000
Total Special Assessment Bonds With Governmental Commitment			1,030,399	0	(158,883)	871,516	155,883
Net Pension Liability:							
	Ohio Public Employees Retirement System		2,267,556	52,400	0	2,319,956	0
	Ohio Police and Fire Pension Fund		5,853,615	372,712	0	6,226,327	0
	Total Net Pension Liability		8,121,171	425,112	0	8,546,283	0
Compensated Absences			837,645	390,295	(391,738)	836,202	384,018
	Total Governmental Activities		$23,254,215	$815,407	($650,621)	$23,419,001	$739,901

The principal amount of the City's special assessment debt outstanding at December 31, 2015 of $871,516 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 $157,684 in the Special Assessment Bond Retirement Fund and the balance of $91,925 in the Reserve of Montgomery Bond Retirement Fund at December 31, 2015 are restricted for the retirement of outstanding special assessment bonds. The Tanager Woods special assessment bond payable is a self-funded debt obligation.

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

A. Principal and Interest Requirements

Principal and interest requirements to retire long-term debt outstanding at December 31, 2015 are as follows:

	Special Obligation Bonds		Special Assessment Bonds	
Years	Principal	Interest	Principal	Interest
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	465,000	497,498	170,000	8,170
2021-2025	2,540,000	2,279,978	45,000	1,710
2026-2030	3,105,000	1,714,226	0	0
2031-2035	3,845,000	978,752	0	0
2036-2037	1,800,000	130,560	0	0
Totals	$13,165,000	$7,663,246	$871,516	$116,064

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 $590,000 at December 31, 2015, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advanced refunding.

NOTE 15 – 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, 2015, the liability for unpaid compensated absences was $836,202 for all funds of the City, a net decrease of $1,443 from the amount at December 31, 2014 of $837,645.

NOTE 16 – 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, 2015, 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.

NOTE 16 – 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 (Zones A & V)	5,000,000	per occurrence and aggregate
Flood (except Zones A & V	25,000,000	per occurrence and 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 Retrospective Rating Program. 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.

NOTE 17 – ACCOUNTABILITY

The fund deficit at December 31, 2015 of $777,518 in the Triangle Tax Increment Fund was 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 18 – 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 19 – SIGNIFICANT COMMITMENTS

At December 31, 2015 the City had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	$180,489
Fire Protection/EMS Fund	48,924
Capital Improvement Fund	487,935
Other Governmental Funds	71,258
Total Governmental Funds	$788,606

REQUIRED SUPPLEMENTAL INFORMATION

Schedule of City's Proportionate Share of the Net Pension Liability
Last Two Years

Ohio Public Employees Retirement System

Fiscal Year	2013	2014
City's proportion of the net pension liability (asset)	0.019235%	0.019235%
City's proportionate share of the net pension liability (asset)	$2,267,556	$2,319,956
City's covered-employee payroll	$2,484,715	$2,378,800
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	91.26%	97.53%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Fiscal Year	2013	2014
City's proportion of the net pension liability (asset)	0.1201897%	0.1201897%
City's proportionate share of the net pension liability (asset)	$5,853,615	$6,226,327
City's covered-employee payroll	$2,416,973	$2,468,266
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	242.19%	252.26%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.
Information prior to 2013 is not available.
The schedule is reported as of the measurement date of the Net Pension Liability.

Schedule of City Contributions
Last Three Years

Ohio Public Employees Retirement System

Fiscal Year	2013	2014	2015
Contractually required contribution	$323,013	$285,456	$289,153
Contributions in relation to the contractually required contribution	323,013	285,456	289,153
Contribution deficiency (excess)	$0	$0	$0
City's covered-employee payroll	$2,484,715	$2,378,800	$2,409,608
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Fiscal Year	2013	2014	2015
Contractually required contribution	$412,819	$502,539	$522,272
Contributions in relation to the contractually required contribution	412,819	502,539	522,272
Contribution deficiency (excess)	$0	$0	$0
City's covered-employee payroll	$2,416,973	$2,468,266	$2,599,662
Contributions as a percentage of covered-employee payroll	17.08%	20.36%	20.09%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.
Information prior to 2013 is not available.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Compensated Absences Fund
To account for transfers in to be used for payout of accumulated sick and vacation time upon resignation or retirement. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

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.

Law Enforcement Assistance Fund
To account for reimbursements received from the State of Ohio for continuing professional training programs for 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.

Special Revenue 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.

Permissive Motor Vehicle License Fund

To account for the permissive auto license taxes levied for street construction, maintenance and repairs.

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

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.

Capital Projects Funds

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

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.

Vintage Club Capital Improvement Fund

To account for infrastructure improvements at the Vintage Club housing development to be financed by tax increment financing bonds.

Permanent Fund

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.

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and Cash Equivalents	$ 1,065,574	$ 290,324	$ 631,948	$ 265,323	$ 2,253,169
Investments	752,203	176,085	812,691	352,232	2,093,211
Receivables:					
Taxes	0	86,457	232,000	0	318,457
Accounts	1,040	0	0	0	1,040
Intergovernmental	275,236	0	0	0	275,236
Interest	174	0	0	0	174
Special Assessments	0	32,968	0	0	32,968
Prepaid Items	137	0	0	415	552
Total Assets	$ 2,094,364	$ 585,834	$ 1,676,639	$ 617,970	$ 4,974,807
Liabilities:					
Accounts Payable	$ 43,567	$ 0	$ 5,500	$ 0	$ 49,067
Accrued Wages and Benefits Payable	28,636	0	0	0	28,636
Interfund Loans Payable	0	0	797,290	0	797,290
Total Liabilities	72,203	0	802,790	0	874,993
Deferred Inflows of Resources:					
Unavailable Amounts	169,508	80,173	0	0	249,681
Property Tax Levy for Next Fiscal Year	0	0	232,000	0	232,000
Total Deferred Inflows of Resources	169,508	80,173	232,000	0	481,681
Fund Balances:					
Nonspendable	137	0	0	379,136	379,273
Restricted	1,852,516	505,661	1,419,367	238,834	4,016,378
Unassigned	0	0	(777,518)	0	(777,518)
Total Fund Balances	1,852,653	505,661	641,849	617,970	3,618,133
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,094,364	$ 585,834	$ 1,676,639	$ 617,970	$ 4,974,807

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	$ 0	$ 337,002	$ 228,722	$ 0	$ 565,724
Intergovernmental Revenues	605,976	0	0	0	605,976
Charges for Services	295,748	0	0	15,799	311,547
Licenses, Permits and Fees	25,500	0	0	0	25,500
Investment Earnings	4,771	5,423	3,753	4,406	18,353
Special Assessments	0	18,806	0	0	18,806
Fines and Forfeitures	48,376	0	0	0	48,376
All Other Revenue	12,985	0	27,346	1,178	41,509
Total Revenues	993,356	361,231	259,821	21,383	1,635,791
Expenditures:					
Current:					
Public Safety	144,343	0	0	0	144,343
Parks and Recreation	233,812	0	0	21,994	255,806
Community Economic Development	32,122	0	0	0	32,122
Public Works	1,089,377	0	0	0	1,089,377
General Government	0	10,852	73,781	0	84,633
Capital Outlay	0	0	942,876	0	942,876
Debt Service:					
Principal Retirement	0	13,883	0	0	13,883
Interest and Fiscal Charges	0	6,542	0	0	6,542
Total Expenditures	1,499,654	31,277	1,016,657	21,994	2,569,582
Excess (Deficiency) of Revenues Over (Under) Expenditures	(506,298)	329,954	(756,836)	(611)	(933,791)
Other Financing Sources (Uses):					
Sale of Capital Assets	1,058	0	0	0	1,058
Transfers In	494,000	0	0	0	494,000
Transfers Out	0	(2,827,922)	0	0	(2,827,922)
Total Other Financing Sources (Uses)	495,058	(2,827,922)	0	0	(2,332,864)
Net Change in Fund Balances	(11,240)	(2,497,968)	(756,836)	(611)	(3,266,655)
Fund Balances at Beginning of Year	1,863,893	3,003,629	1,398,685	618,581	6,884,788
Fund Balances End of Year	$ 1,852,653	$ 505,661	$ 641,849	$ 617,970	$ 3,618,133

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Memorial	Parks and Recreation Fundraising	Law Enforcement	Drug Law Enforcement
Assets:				
Cash and Cash Equivalents	$ 29,072	$ 10,335	$ 66,487	$ 4,969
Investments	0	0	0	0
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	$ 29,072	$ 10,335	$ 66,487	$ 4,969
Liabilities:				
Accounts Payable	$ 405	$ 0	$ 0	$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Total Liabilities	405	0	0	0
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	28,667	10,335	66,487	4,969
Total Fund Balances	28,667	10,335	66,487	4,969
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 29,072	$ 10,335	$ 66,487	$ 4,969

DUI Enforcement and Education	Mayor's Court Technology	COPS Grant	Law Enforcement Assistance	Environmental Impact Tax	Street Construction Maintenance and Repair
$ 14,265	$ 42,548	$ 9,147	$ 1,520	$ 45,500	$ 313,751
0	0	0	0	0	416,519
0	1,040	0	0	0	0
0	0	20,974	0	0	199,059
0	0	0	0	0	0
0	137	0	0	0	0
$ 14,265	$ 43,725	$ 30,121	$ 1,520	$ 45,500	$ 929,329
$ 54	$ 25	$ 0	$ 0	$ 0	$ 37,851
0	0	3,031	0	0	25,605
54	25	3,031	0	0	63,456
0	0	0	0	0	132,706
0	0	0	0	0	132,706
0	137	0	0	0	0
14,211	43,563	27,090	1,520	45,500	733,167
14,211	43,700	27,090	1,520	45,500	733,167
$ 14,265	$ 43,725	$ 30,121	$ 1,520	$ 45,500	$ 929,329

(Continued)

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	State Highway	Permissive Motor Vehicle License	Municipal Pool	Cemetery
Assets:				
Cash and Cash Equivalents	$ 35,291	$ 79,978	$ 149,998	$ 142,241
Investments	46,851	0	0	188,833
Receivables:				
Accounts	0	0	0	0
Intergovernmental	16,140	39,063	0	0
Interest	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	$ 98,282	$ 119,041	$ 149,998	$ 331,074
Liabilities:				
Accounts Payable	$ 850	$ 0	$ 262	$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Total Liabilities	850	0	262	0
Deferred Inflows of Resources:				
Unavailable Amounts	10,760	26,042	0	0
Total Deferred Inflows of Resources	10,760	26,042	0	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	86,672	92,999	149,736	331,074
Total Fund Balances	86,672	92,999	149,736	331,074
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 98,282	$ 119,041	$ 149,998	$ 331,074

Montgomery CIC	Total Nonmajor Special Revenue Funds
$ 120,472	$ 1,065,574
100,000	752,203
0	1,040
0	275,236
174	174
0	137
$ 220,646	$ 2,094,364
$ 4,120	$ 43,567
0	28,636
4,120	72,203
0	169,508
0	169,508
0	137
216,526	1,852,516
216,526	1,852,653
$ 220,646	$ 2,094,364

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015

	Memorial	Parks and Recreation Fundraising	Law Enforcement	Drug Law Enforcement
Revenues:				
Intergovernmental Revenues	$ 0	$ 0	$ 673	$ 0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	13,820	0	20,601	348
All Other Revenue	0	0	100	0
Total Revenues	13,820	0	21,374	348
Expenditures:				
Current:				
Public Safety	0	0	10,934	200
Parks and Recreation	14,271	0	0	0
Community Economic Development	0	0	0	0
Public Works	0	0	0	0
Total Expenditures	14,271	0	10,934	200
Excess (Deficiency) of Revenues Over (Under) Expenditures	(451)	0	10,440	148
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(451)	0	10,440	148
Fund Balances at Beginning of Year	29,118	10,335	56,047	4,821
Fund Balances End of Year	$ 28,667	$ 10,335	$ 66,487	$ 4,969

DUI Enforcement and Education	Mayor's Court Technology	COPS Grant	Law Enforcement Assistance	Environmental Impact Tax	Street Construction Maintenance and Repair
$ 0	$ 0	$ 80,019	$ 1,520	$ 0	$ 398,458
0	0	0	0	0	0
0	0	0	0	25,500	0
0	0	0	0	0	2,151
1,056	12,551	0	0	0	0
0	0	1,849	0	0	11,023
1,056	12,551	81,868	1,520	25,500	411,632
54	8,532	124,623	0	0	0
0	0	0	0	0	0
0	0	0	0	21,822	0
0	0	0	0	0	1,013,467
54	8,532	124,623	0	21,822	1,013,467
1,002	4,019	(42,755)	1,520	3,678	(601,835)
0	0	0	0	0	1,058
0	0	49,000	0	20,000	425,000
0	0	49,000	0	20,000	426,058
1,002	4,019	6,245	1,520	23,678	(175,777)
13,209	39,681	20,845	0	21,822	908,944
$ 14,211	$ 43,700	$ 27,090	$ 1,520	$ 45,500	$ 733,167

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015

	State Highway	Permissive Motor Vehicle License	Municipal Pool	Cemetery
Revenues:				
Intergovernmental Revenues	$ 32,307	$ 92,999	$ 0	$ 0
Charges for Services	0	0	252,884	42,864
Licenses, Permits and Fees	0	0	0	0
Investment Earnings	190	0	0	1,902
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	13	0
Total Revenues	32,497	92,999	252,897	44,766
Expenditures:				
Current:				
Public Safety	0	0	0	0
Parks and Recreation	0	0	219,541	0
Community Economic Development	0	0	0	0
Public Works	43,636	0	0	32,274
Total Expenditures	43,636	0	219,541	32,274
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,139)	92,999	33,356	12,492
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(11,139)	92,999	33,356	12,492
Fund Balances at Beginning of Year	97,811	0	116,380	318,582
Fund Balances End of Year	$ 86,672	$ 92,999	$ 149,736	$ 331,074

Montgomery CIC	Total Nonmajor Special Revenue Funds
$ 0	$ 605,976
0	295,748
0	25,500
528	4,771
0	48,376
0	12,985
528	993,356
0	144,343
0	233,812
10,300	32,122
0	1,089,377
10,300	1,499,654
(9,772)	(506,298)
0	1,058
0	494,000
0	495,058
(9,772)	(11,240)
226,298	1,863,893
$ 216,526	$ 1,852,653

Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2015

	Special Assessment Bond Retirement	General Obligation Bond Retirement	Total Nonmajor Debt Service Funds
Assets:			
Cash and Cash Equivalents	$ 157,684	$ 132,640	$ 290,324
Investments	0	176,085	176,085
Receivables:			
Taxes	0	86,457	86,457
Special Assessments	32,968	0	32,968
Total Assets	$ 190,652	$ 395,182	$ 585,834
Liabilities:			
Total Liabilities	$ 0	$ 0	$ 0
Deferred Inflows of Resources:			
Unavailable Amounts	32,968	47,205	80,173
Total Deferred Inflows of Resources	32,968	47,205	80,173
Fund Balances:			
Restricted	157,684	347,977	505,661
Total Fund Balances	157,684	347,977	505,661
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 190,652	$ 395,182	$ 585,834

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2015

	Special Assessment Bond Retirement	General Obligation Bond Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Taxes	$ 0	$ 337,002	$ 337,002
Investment Earnings	0	5,423	5,423
Special Assessments	18,806	0	18,806
Total Revenues	18,806	342,425	361,231
Expenditures:			
Current:			
General Government	573	10,279	10,852
Debt Service:			
Principal Retirement	13,883	0	13,883
Interest and Fiscal Charges	4,842	1,700	6,542
Total Expenditures	19,298	11,979	31,277
Excess (Deficiency) of Revenues Over (Under) Expenditures	(492)	330,446	329,954
Other Financing Sources (Uses):			
Transfers Out	0	(2,827,922)	(2,827,922)
Total Other Financing Sources (Uses)	0	(2,827,922)	(2,827,922)
Net Change in Fund Balances	(492)	(2,497,476)	(2,497,968)
Fund Balances at Beginning of Year	158,176	2,845,453	3,003,629
Fund Balances End of Year	$ 157,684	$ 347,977	$ 505,661

Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2015

	Triangle Tax Increment	Urban Redevelopment	Vintage Club Capital Improvement	Total Nonmajor Capital Projects Funds
Assets:				
Cash and Cash Equivalents	$ 19,772	$ 260,539	$ 351,637	$ 631,948
Investments	0	345,876	466,815	812,691
Receivables:				
Taxes	137,000	95,000	0	232,000
Total Assets	$ 156,772	$ 701,415	$ 818,452	$ 1,676,639
Liabilities:				
Accounts Payable	$ 0	$ 5,500	$ 0	$ 5,500
Interfund Loans Payable	797,290	0	0	797,290
Total Liabilities	797,290	5,500	0	802,790
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	137,000	95,000	0	232,000
Total Deferred Inflows of Resources	137,000	95,000	0	232,000
Fund Balances:				
Restricted	0	600,915	818,452	1,419,367
Unassigned	(777,518)	0	0	(777,518)
Total Fund Balances	(777,518)	600,915	818,452	641,849
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 156,772	$ 701,415	$ 818,452	$ 1,676,639

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015

	Triangle Tax Increment	Urban Redevelopment	Vintage Club Capital Improvement	Total Nonmajor Capital Project Funds
Revenues:				
Taxes	$ 137,175	$ 91,547	$ 0	$ 228,722
Investment Earnings	0	3,708	45	3,753
All Other Revenue	23,346	4,000	0	27,346
Total Revenues	160,521	99,255	45	259,821
Expenditures:				
Current:				
General Government	69,270	4,511	0	73,781
Capital Outlay	0	73,518	869,358	942,876
Total Expenditures	69,270	78,029	869,358	1,016,657
Excess (Deficiency) of Revenues Over (Under) Expenditures	91,251	21,226	(869,313)	(756,836)
Fund Balances at Beginning of Year	(868,769)	579,689	1,687,765	1,398,685
Fund Balances End of Year	$ (777,518)	$ 600,915	$ 818,452	$ 641,849

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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 7,982,604	$ 7,982,604	$ 8,503,795	$ 521,191
Intergovernmental Revenues	418,397	418,397	431,076	12,679
Charges for Services	146,715	146,715	133,445	(13,270)
Rental Revenue	75,964	75,964	75,689	(275)
Licenses, Permits and Fees	431,600	431,600	465,575	33,975
Investment Earnings	100,000	100,000	100,076	76
Fines and Forfeitures	159,250	159,250	139,662	(19,588)
All Other Revenues	124,823	124,823	52,050	(72,773)
Total Revenues	9,439,353	9,439,353	9,901,368	462,015
Expenditures:				
Public Safety:				
Police:				
Personal Services	2,963,155	2,963,155	2,719,552	243,603
Nonpersonnel	437,540	437,540	361,052	76,488
Total Police	3,400,695	3,400,695	3,080,604	320,091
Disaster Service:				
Nonpersonnel	9,250	9,250	5,000	4,250
Total Disaster Service	9,250	9,250	5,000	4,250
Public Health and Welfare:				
Personal Services	57,256	57,256	54,936	2,320
Total Public Health and Welfare	57,256	57,256	54,936	2,320
Civil Service:				
Nonpersonnel	5,000	10,500	9,176	1,324
Total Civil Service	5,000	10,500	9,176	1,324
Total Public Safety	3,472,201	3,477,701	3,149,716	327,985
Parks and Recreation:				
Recreation:				
Personal Services	204,298	204,298	176,123	28,175
Nonpersonnel	90,626	90,626	68,882	21,744
Total Recreation	294,924	294,924	245,005	49,919

(Continued)

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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
City Parks:				
Personal Services	299,096	299,096	257,984	41,112
Nonpersonnel	241,347	241,347	234,483	6,864
Total City Parks	540,443	540,443	492,467	47,976
Lodges:				
Nonpersonnel	42,450	42,450	34,835	7,615
Total Lodges	42,450	42,450	34,835	7,615
City Beautiful:				
Nonpersonnel	125,812	125,811	113,169	12,642
Total City Beautiful	125,812	125,811	113,169	12,642
Special Events:				
Nonpersonnel	96,325	96,325	80,073	16,252
Total Special Events	96,325	96,325	80,073	16,252
Total Parks and Recreation	1,099,954	1,099,953	965,549	134,404
Community Economic Development:				
Landmarks Commission:				
Nonpersonnel	11,550	11,550	4,380	7,170
Total Landmarks Commission	11,550	11,550	4,380	7,170
Historical Building Operations:				
Nonpersonnel	45,339	45,339	29,759	15,580
Total Historical Building Operations	45,339	45,339	29,759	15,580
Development:				
Personal Services	342,122	342,122	302,877	39,245
Nonpersonnel	334,889	334,889	303,638	31,251
Total Development	677,011	677,011	606,515	70,496
Planning Commission:				
Nonpersonnel	10,600	10,600	4,404	6,196
Total Planning Commission	10,600	10,600	4,404	6,196
Total Community Economic Development	744,500	744,500	645,058	99,442

(Continued)

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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Works:				
Personal Services	503,245	503,245	476,532	26,713
Nonpersonnel	161,250	161,250	123,145	38,105
Total Public Works	664,495	664,495	599,677	64,818
General Government:				
Administration:				
Personal Services	404,398	404,398	283,532	120,866
Nonpersonnel	25,300	25,300	16,350	8,950
Total Administration	429,698	429,698	299,882	129,816
Finance Administration:				
Personal Services	520,119	520,119	460,663	59,456
Nonpersonnel	65,075	65,075	57,206	7,869
Total Finance Administration	585,194	585,194	517,869	67,325
Legal Administration:				
Nonpersonnel	228,000	228,000	224,599	3,401
Total Legal Administration	228,000	228,000	224,599	3,401
Council:				
Personal Services	17,304	17,304	16,321	983
Nonpersonnel	2,500	2,500	2,016	484
Total Council	19,804	19,804	18,337	1,467
Mayor's Court:				
Personal Services	81,821	81,821	77,988	3,833
Nonpersonnel	76,775	76,775	28,865	47,910
Total Mayor's Court	158,596	158,596	106,853	51,743
Citizen Engagement and Outreach:				
Personal Services	458,687	458,687	431,142	27,545
Nonpersonnel	128,855	128,855	88,733	40,122
Total Citizen Engagement and Outreach	587,542	587,542	519,875	67,667

(Continued)

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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Administration:				
Personal Services	10,000	10,000	0	10,000
Nonpersonnel	1,449,865	1,449,865	1,332,090	117,775
Total General Administration	1,459,865	1,459,865	1,332,090	127,775
Total General Government	3,468,699	3,468,699	3,019,505	449,194
Total Expenditures	9,449,849	9,455,348	8,379,505	1,075,843
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,496)	(15,995)	1,521,863	1,537,858
Other Financing Sources (Uses):				
Sale of Capital Assets	5,000	5,000	10,773	5,773
Transfers In	16,139	16,139	16,139	0
Transfers Out	(494,000)	(2,494,000)	(2,494,000)	0
Total Other Financing Sources (Uses)	(472,861)	(2,472,861)	(2,467,088)	5,773
Net Change in Fund Balance	(483,357)	(2,488,856)	(945,225)	1,543,631
Fund Balance at Beginning of Year	13,832,003	13,832,003	13,832,003	0
Prior Year Encumbrances	156,883	156,883	156,883	0
Fund Balance at End of Year	$ 13,505,529	$ 11,500,030	$ 13,043,661	$ 1,543,631

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, 2015

FIRE PROTECTION / EMS FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 1,751,512	$ 1,751,512	$ 1,740,492	$ (11,020)
Intergovernmental Revenues	209,180	209,180	221,495	12,315
Charges for Services	128,512	128,512	148,022	19,510
Investment Earnings	25,000	25,000	30,230	5,230
All Other Revenues	15,068	15,068	12,072	(2,996)
Total Revenues	2,129,272	2,129,272	2,152,311	23,039
Expenditures:				
Public Safety:				
Personal Services	2,077,247	2,077,247	1,852,902	224,345
Nonpersonnel	377,108	377,108	360,603	16,505
Total Expenditures	2,454,355	2,454,355	2,213,505	240,850
Excess (Deficiency) of Revenues Over (Under) Expenditures	(325,083)	(325,083)	(61,194)	263,889
Fund Balance at Beginning of Year	4,331,232	4,331,232	4,331,232	0
Prior Year Encumbrances	8,630	8,630	8,630	0
Fund Balance at End of Year	$ 4,014,779	$ 4,014,779	$ 4,278,668	$ 263,889

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, 2015

RESERVE OF MONTGOMERY BOND RETIREMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	$ 182,456	$ 182,456	$ 181,902	$ (554)
Total Revenues	182,456	182,456	181,902	(554)
Expenditures:				
General Government:				
Nonpersonnel	6,000	6,000	5,473	527
Debt Service:				
Principal Retirement	145,000	145,000	145,000	0
Interest and Fiscal Charges	35,340	35,340	35,340	0
Total Expenditures	186,340	186,340	185,813	527
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,884)	(3,884)	(3,911)	(27)
Fund Balance at Beginning of Year	95,836	95,836	95,836	0
Fund Balance at End of Year	$ 91,952	$ 91,952	$ 91,925	$ (27)

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, 2015

VINTAGE CLUB TAX INCREMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 1,545,504	$ 1,545,504	$ 1,260,263	$ (285,241)
Intergovernmental Revenues	150,000	150,000	149,997	(3)
Investment Earnings	12,000	12,000	3,115	(8,885)
All Other Revenues	0	0	43,190	43,190
Total Revenues	1,707,504	1,707,504	1,456,565	(250,939)
Expenditures:				
General Government:				
Nonpersonnel	875,252	875,252	745,987	129,265
Total General Government	875,252	875,252	745,987	129,265
Debt Service:				
Principal Retirement	100,000	100,000	100,000	0
Interest and Fiscal Charges	524,103	524,103	522,103	2,000
Total Expenditures	1,499,355	1,499,355	1,368,090	131,265
Excess (Deficiency) of Revenues Over (Under) Expenditures	208,149	208,149	88,475	(119,674)
Other Financing Sources (Uses):				
Issuance of Debt	0	0	261,054	261,054
Total Other Financing Sources (Uses)	0	0	261,054	261,054
Net Change in Fund Balance	208,149	208,149	349,529	141,380
Fund Balance at Beginning of Year	1,880,782	1,880,782	1,880,782	0
Fund Balance at End of Year	$ 2,088,931	$ 2,088,931	$ 2,230,311	$ 141,380

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, 2015

CAPITAL IMPROVEMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 1,571,725	$ 1,571,725	$ 1,690,249	$ 118,524
Intergovernmental Revenues	849,442	849,442	0	(849,442)
Investment Earnings	20,000	20,000	31,696	11,696
All Other Revenues	0	0	9,054	9,054
Total Revenues	2,441,167	2,441,167	1,730,999	(710,168)
Expenditures:				
Capital Outlay:				
Nonpersonnel	3,752,201	3,752,201	2,402,311	1,349,890
Total Expenditures	3,752,201	3,752,201	2,402,311	1,349,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,311,034)	(1,311,034)	(671,312)	639,722
Other Financing Sources (Uses):				
Advances In	0	0	75,000	75,000
Total Other Financing Sources (Uses)	0	0	75,000	75,000
Net Change in Fund Balance	(1,311,034)	(1,311,034)	(596,312)	714,722
Fund Balance at Beginning of Year	3,558,251	3,558,251	3,558,251	0
Prior Year Encumbrances	589,299	589,299	589,299	0
Fund Balance at End of Year	$ 2,836,516	$ 2,836,516	$ 3,551,238	$ 714,722

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, 2015

DOWNTOWN IMPROVEMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	$ 10,000	$ 10,000	$ 10,704	$ 704
All Other Revenues	0	0	60,000	60,000
Total Revenues	10,000	10,000	70,704	60,704
Expenditures:				
Capital Outlay:				
Nonpersonnel	100,580	250,580	161,790	88,790
Total Expenditures	100,580	250,580	161,790	88,790
Excess (Deficiency) of Revenues Over (Under) Expenditures	(90,580)	(240,580)	(91,086)	149,494
Other Financing Sources (Uses):				
Transfers In	0	2,800,000	2,000,000	(800,000)
Total Other Financing Sources (Uses)	0	2,800,000	2,000,000	(800,000)
Net Change in Fund Balance	(90,580)	2,559,420	1,908,914	(650,506)
Fund Balance at Beginning of Year	1,985,690	1,985,690	1,985,690	0
Prior Year Encumbrances	100,580	100,580	100,580	0
Fund Balance at End of Year	$ 1,995,690	$ 4,645,690	$ 3,995,184	$ (650,506)

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, 2015

COMPENSATED ABSENCES FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	$ 500	$ 500	$ 1,250	$ 750
Total Revenues	500	500	1,250	750
Expenditures:				
General Government:				
Personal Services	77,000	77,000	47,760	29,240
Total Expenditures	77,000	77,000	47,760	29,240
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,500)	(76,500)	(46,510)	29,990
Other Financing Sources (Uses):				
Transfers In	57,002	57,002	20,504	(36,498)
Total Other Financing Sources (Uses)	57,002	57,002	20,504	(36,498)
Net Change in Fund Balance	(19,498)	(19,498)	(26,006)	(6,508)
Fund Balance at Beginning of Year	241,965	241,965	241,965	0
Fund Balance at End of Year	$ 222,467	$ 222,467	$ 215,959	$ (6,508)

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, 2015

MEMORIAL FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	$ 3,000	$ 14,000	$ 13,820	$ (180)
Total Revenues	3,000	14,000	13,820	(180)
Expenditures:				
Parks and Recreation:				
Nonpersonnel	4,026	15,026	14,196	830
Total Expenditures	4,026	15,026	14,196	830
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,026)	(1,026)	(376)	650
Fund Balance at Beginning of Year	29,422	29,422	29,422	0
Prior Year Encumbrances	26	26	26	0
Fund Balance at End of Year	$ 28,422	$ 28,422	$ 29,072	$ 650

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, 2015

PARKS AND RECREATION FUNDRAISING FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	$ 500	$ 500	$ 0	$ (500)
Total Revenues	500	500	0	(500)
Expenditures:				
Parks and Recreation:				
Nonpersonnel	500	500	0	500
Total Expenditures	500	500	0	500
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	10,335	10,335	10,335	0
Fund Balance at End of Year	$ 10,335	$ 10,335	$ 10,335	$ 0

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, 2015

LAW ENFORCEMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	$ 0	$ 0	$ 1,347	$ 1,347
Fines and Forfeitures	800	10,800	20,601	9,801
All Other Revenues	400	400	100	(300)
Total Revenues	1,200	11,200	22,048	10,848
Expenditures:				
Public Safety:				
Nonpersonnel	8,930	18,930	18,434	496
Total Expenditures	8,930	18,930	18,434	496
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,730)	(7,730)	3,614	11,344
Fund Balance at Beginning of Year	55,143	55,143	55,143	0
Prior Year Encumbrances	230	230	230	0
Fund Balance at End of Year	$ 47,643	$ 47,643	$ 58,987	$ 11,344

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, 2015

DRUG LAW ENFORCEMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	$ 1,000	$ 1,000	$ 348	$ (652)
Total Revenues	1,000	1,000	348	(652)
Expenditures:				
Public Safety:				
Nonpersonnel	350	350	200	150
Total Expenditures	350	350	200	150
Excess (Deficiency) of Revenues Over (Under) Expenditures	650	650	148	(502)
Fund Balance at Beginning of Year	4,821	4,821	4,821	0
Fund Balance at End of Year	$ 5,471	$ 5,471	$ 4,969	$ (502)

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, 2015

DUI ENFORCEMENT AND EDUCATION FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	$ 1,000	$ 1,000	$ 1,081	$ 81
Total Revenues	1,000	1,000	1,081	81
Expenditures:				
Public Safety:				
Nonpersonnel	1,000	1,000	0	1,000
Total Expenditures	1,000	1,000	0	1,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	1,081	1,081
Fund Balance at Beginning of Year	13,184	13,184	13,184	0
Fund Balance at End of Year	$ 13,184	$ 13,184	$ 14,265	$ 1,081

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, 2015

MAYOR'S COURT TECHNOLOGY FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	$ 15,278	$ 15,278	$ 11,511	$ (3,767)
Total Revenues	15,278	15,278	11,511	(3,767)
Expenditures:				
Public Safety:				
Nonpersonnel	14,027	14,027	8,644	5,383
Total Expenditures	14,027	14,027	8,644	5,383
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,251	1,251	2,867	1,616
Fund Balance at Beginning of Year	39,481	39,481	39,481	0
Prior Year Encumbrances	200	200	200	0
Fund Balance at End of Year	$ 40,932	$ 40,932	$ 42,548	$ 1,616

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, 2015

COPS GRANT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	$ 77,300	$ 77,300	$ 79,015	$ 1,715
All Other Revenues	2,008	2,008	1,849	(159)
Total Revenues	79,308	79,308	80,864	1,556
Expenditures:				
Public Safety:				
Personal Services	124,528	124,528	122,141	2,387
Nonpersonnel	4,300	4,300	3,447	853
Total Expenditures	128,828	128,828	125,588	3,240
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,520)	(49,520)	(44,724)	4,796
Other Financing Sources (Uses):				
Transfers In	49,000	49,000	49,000	0
Total Other Financing Sources (Uses)	49,000	49,000	49,000	0
Net Change in Fund Balance	(520)	(520)	4,276	4,796
Fund Balance at Beginning of Year	4,871	4,871	4,871	0
Fund Balance at End of Year	$ 4,351	$ 4,351	$ 9,147	$ 4,796

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, 2015

LAW ENFORCEMENT ASSISTANCE FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	$ 0	$ 0	$ 1,520	$ 1,520
Total Revenues	0	0	1,520	1,520
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	1,520	1,520
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	$ 0	$ 0	$ 1,520	$ 1,520

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, 2015

ENVIRONMENTAL IMPACT TAX FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses, Permits and Fees	$ 60,000	$ 19,000	$ 25,500	$ 6,500
Total Revenues	60,000	19,000	25,500	6,500
Expenditures:				
Community Economic Development:				
Nonpersonnel	21,822	40,822	21,822	19,000
Total Expenditures	21,822	40,822	21,822	19,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,178	(21,822)	3,678	25,500
Other Financing Sources (Uses):				
Transfers In	20,000	0	20,000	20,000
Transfers Out	(40,000)	0	0	0
Total Other Financing Sources (Uses)	(20,000)	0	20,000	20,000
Net Change in Fund Balance	18,178	(21,822)	23,678	45,500
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	21,822	21,822	21,822	0
Fund Balance at End of Year	$ 40,000	$ 0	$ 45,500	$ 45,500

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, 2015

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	$ 476,000	$ 476,000	$ 411,721	$ (64,279)
Investment Earnings	3,000	3,000	3,630	630
All Other Revenues	12,064	12,064	11,023	(1,041)
Total Revenues	491,064	491,064	426,374	(64,690)
Expenditures:				
Public Works:				
Personal Services	690,510	690,510	628,300	62,210
Nonpersonnel	421,574	421,574	404,276	17,298
Total Expenditures	1,112,084	1,112,084	1,032,576	79,508
Excess (Deficiency) of Revenues Over (Under) Expenditures	(621,020)	(621,020)	(606,202)	14,818
Other Financing Sources (Uses):				
Sale of Capital Assets	1,000	1,000	1,058	58
Transfers In	465,000	465,000	425,000	(40,000)
Total Other Financing Sources (Uses)	466,000	466,000	426,058	(39,942)
Net Change in Fund Balance	(155,020)	(155,020)	(180,144)	(25,124)
Fund Balance at Beginning of Year	811,272	811,272	811,272	0
Prior Year Encumbrances	50,056	50,056	50,056	0
Fund Balance at End of Year	$ 706,308	$ 706,308	$ 681,184	$ (25,124)

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, 2015

STATE HIGHWAY FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	$ 39,150	$ 39,150	$ 33,382	$ (5,768)
Investment Earnings	0	0	190	190
Total Revenues	39,150	39,150	33,572	(5,578)
Expenditures:				
Public Works:				
Nonpersonnel	65,042	65,042	44,382	20,660
Total Expenditures	65,042	65,042	44,382	20,660
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,892)	(25,892)	(10,810)	15,082
Fund Balance at Beginning of Year	86,814	86,814	86,814	0
Prior Year Encumbrances	5,042	5,042	5,042	0
Fund Balance at End of Year	$ 65,964	$ 65,964	$ 81,046	$ 15,082

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, 2015

PERMISSIVE MOTOR VEHICLE LICENSE FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	$ 0	$ 0	$ 79,978	$ 79,978
Total Revenues	0	0	79,978	79,978
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	79,978	79,978
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	$ 0	$ 0	$ 79,978	$ 79,978

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, 2015

MUNICIPAL POOL FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 207,350	$ 207,350	$ 252,884	$ 45,534
All Other Revenues	500	500	13	(487)
Total Revenues	207,850	207,850	252,897	45,047
Expenditures:				
Parks and Recreation:				
Nonpersonnel	243,435	243,435	229,272	14,163
Total Expenditures	243,435	243,435	229,272	14,163
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,585)	(35,585)	23,625	59,210
Fund Balance at Beginning of Year	112,460	112,460	112,460	0
Prior Year Encumbrances	9,246	9,246	9,246	0
Fund Balance at End of Year	$ 86,121	$ 86,121	$ 145,331	$ 59,210

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, 2015

CEMETERY FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 45,000	$ 45,000	$ 42,864	$ (2,136)
Investment Earnings	1,500	1,500	1,902	402
Total Revenues	46,500	46,500	44,766	(1,734)
Expenditures:				
Public Works:				
Nonpersonnel	38,526	38,526	35,683	2,843
Total Expenditures	38,526	38,526	35,683	2,843
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,974	7,974	9,083	1,109
Fund Balance at Beginning of Year	313,406	313,406	313,406	0
Prior Year Encumbrances	5,176	5,176	5,176	0
Fund Balance at End of Year	$ 326,556	$ 326,556	$ 327,665	$ 1,109

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, 2015

SPECIAL ASSESSMENT BOND RETIREMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	$ 18,725	$ 18,725	$ 18,806	$ 81
Total Revenues	18,725	18,725	18,806	81
Expenditures:				
General Government:				
Nonpersonnel	2,200	2,200	573	1,627
Debt Service:				
Principal Retirement	13,883	13,883	13,883	0
Interest and Fiscal Charges	5,042	5,042	4,842	200
Total Expenditures	21,125	21,125	19,298	1,827
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,400)	(2,400)	(492)	1,908
Fund Balance at Beginning of Year	158,176	158,176	158,176	0
Fund Balance at End of Year	$ 155,776	$ 155,776	$ 157,684	$ 1,908

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, 2015

GENERAL OBLIGATION BOND RETIREMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 314,345	$ 314,345	$ 338,050	$ 23,705
Investment Earnings	2,500	2,500	5,423	2,923
Total Revenues	316,845	316,845	343,473	26,628
Expenditures:				
General Government:				
Nonpersonnel	11,500	11,500	10,063	1,437
Debt Service:				
Principal Retirement	0	2,800,000	2,800,000	0
Interest and Fiscal Charges	30,500	30,500	29,622	878
Total Expenditures	42,000	2,842,000	2,839,685	2,315
Excess (Deficiency) of Revenues Over (Under) Expenditures	274,845	(2,525,155)	(2,496,212)	28,943
Fund Balance at Beginning of Year	2,804,937	2,804,937	2,804,937	0
Fund Balance at End of Year	$ 3,079,782	$ 279,782	$ 308,725	$ 28,943

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, 2015

TRIANGLE TAX INCREMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 145,000	$ 145,000	$ 137,175	$ (7,825)
All Other Revenues	0	0	23,346	23,346
Total Revenues	145,000	145,000	160,521	15,521
Expenditures:				
General Government:				
Nonpersonnel	73,500	73,500	69,270	4,230
Total Expenditures	73,500	73,500	69,270	4,230
Excess (Deficiency) of Revenues Over (Under) Expenditures	71,500	71,500	91,251	19,751
Other Financing Sources (Uses):				
Advances Out	(75,000)	(75,000)	(75,000)	0
Total Other Financing Sources (Uses)	(75,000)	(75,000)	(75,000)	0
Net Change in Fund Balance	(3,500)	(3,500)	16,251	19,751
Fund Balance at Beginning of Year	3,521	3,521	3,521	0
Fund Balance at End of Year	$ 21	$ 21	$ 19,772	$ 19,751

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, 2015

URBAN REDEVELOPMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 95,000	$ 95,000	$ 91,547	$ (3,453)
Investment Earnings	0	0	3,708	3,708
All Other Revenues	3,600	3,600	4,000	400
Total Revenues	98,600	98,600	99,255	655
Expenditures:				
General Government:				
Nonpersonnel	6,532	6,532	4,511	2,021
Capital Outlay:				
Nonpersonnel	214,120	214,120	73,518	140,602
Total Expenditures	220,652	220,652	78,029	142,623
Excess (Deficiency) of Revenues Over (Under) Expenditures	(122,052)	(122,052)	21,226	143,278
Fund Balance at Beginning of Year	521,569	521,569	521,569	0
Prior Year Encumbrances	58,120	58,120	58,120	0
Fund Balance at End of Year	$ 457,637	$ 457,637	$ 600,915	$ 143,278

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, 2015

VINTAGE CLUB CAPITAL IMPROVEMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	$ 500	$ 500	$ 45	$ (455)
Total Revenues	500	500	45	(455)
Expenditures:				
Capital Outlay:				
Nonpersonnel	1,678,219	1,678,219	869,358	808,861
Total Expenditures	1,678,219	1,678,219	869,358	808,861
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,677,719)	(1,677,719)	(869,313)	808,406
Fund Balance at Beginning of Year	194,034	194,034	194,034	0
Prior Year Encumbrances	1,493,731	1,493,731	1,493,731	0
Fund Balance at End of Year	$ 10,046	$ 10,046	$ 818,452	$ 808,406

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, 2015

ARTS AND AMENITIES FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 30,500	$ 30,500	$ 15,799	$ (14,701)
Investment Earnings	2,500	2,500	6,288	3,788
All Other Revenues	0	0	1,178	1,178
Total Revenues	33,000	33,000	23,265	(9,735)
Expenditures:				
Parks and Recreation:				
Nonpersonnel	84,000	84,000	21,994	62,006
Total Expenditures	84,000	84,000	21,994	62,006
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,000)	(51,000)	1,271	52,271
Fund Balance at Beginning of Year	616,284	616,284	616,284	0
Fund Balance at End of Year	$ 565,284	$ 565,284	$ 617,555	$ 52,271

Fiduciary Funds

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

Agency Funds

Mayor's Court Fund

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

Trust Reimbursement Fund

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

Unclaimed Monies Fund

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

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2015

	Balance December 31, 2014	Additions	Deductions	Balance December 31, 2015
Mayor's Court				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	$13,108	$205,439	($200,212)	$18,335
Total Assets	$13,108	$205,439	($200,212)	$18,335
Liabilities:				
Due to Others	$13,108	$205,439	($200,212)	$18,335
Total Liabilities	$13,108	$205,439	($200,212)	$18,335
Trust Reimbursement				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	$135,065	$54,739	($43,070)	$146,734
Total Assets	$135,065	$54,739	($43,070)	$146,734
Liabilities:				
Accounts Payable	$132,375	$50,752	($38,818)	$144,309
Intergovernmental Payable	2,690	3,987	(4,252)	2,425
Total Liabilities	$135,065	$54,739	($43,070)	$146,734
Unclaimed Monies				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	$21,117	$930	($16,139)	$5,908
Total Assets	$21,117	$930	($16,139)	$5,908
Liabilities:				
Due to Others	$21,117	$930	($16,139)	$5,908
Total Liabilities	$21,117	$930	($16,139)	$5,908
Totals - All Agency Funds				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	$21,117	$930	($16,139)	$5,908
Cash and Cash Equivalents with Fiscal Agent	148,173	260,178	(243,282)	165,069
Total Assets	$169,290	$261,108	($259,421)	$170,977
Liabilities:				
Accounts Payable	$132,375	$50,752	($38,818)	$144,309
Intergovernmental Payable	2,690	3,987	(4,252)	2,425
Due to Others	34,225	206,369	(216,351)	24,243
Total Liabilities	$169,290	$261,108	($259,421)	$170,977

Statistical Section

CITY • OF
MONTGOMERY

STATISTICAL TABLES

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

Contents

Financial Trends S 2 – S 13

These schedules contain trend information to help the reader understand how the City's financial position has changed over time.

Revenue Capacity 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.

Debt Capacity 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.

Economic and Demographic Information 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.

Operating Information 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.

Sources Note:

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)

	2006	2007	2008	2009
Governmental Activities:				
Net Investment in Capital Assets	$27,744,549	$29,267,743	$32,640,506	$34,123,582
Restricted	15,861,681	17,429,659	17,492,324	15,106,012
Unrestricted	13,019,687	12,803,968	13,134,935	15,583,740
Total Primary Government Net Position	$56,625,917	$59,501,370	$63,267,765	$64,813,334

Source: City Finance Director's Office
* As Restated

2010	2011	2012	2013	* 2014	2015
$34,953,112	$36,182,645	$36,128,095	$35,944,567	$39,698,707	$43,262,398
17,430,333	17,561,697	19,652,718	22,057,822	19,982,948	17,288,242
14,809,621	14,845,473	14,772,666	14,786,678	9,586,759	10,103,260
$67,193,066	$68,589,815	$70,553,479	$72,789,067	$69,268,414	$70,653,900

City of Montgomery

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

	2006	2007	2008
Expenses			
Governmental Activities:			
Public Safety	$4,857,414	$4,963,698	$5,080,065
Parks and Recreation	1,098,032	1,200,793	1,267,205
Community Economic Development	435,457	497,739	533,346
Public Works	2,798,249	2,748,023	2,594,464
General Government	2,669,442	3,349,254	3,503,099
Interest and Fiscal Charges	328,216	306,573	273,054
Total Primary Government Expenses	$12,186,810	$13,066,080	$13,251,233
Program Revenues			
Governmental Activities:			
Charges for Services			
Public Safety	$211,414	$242,638	$257,297
Parks and Recreation	260,213	242,400	246,394
Community Economic Development	292,730	258,821	300,079
Public Works	31,671	19,501	26,693
General Government	220,176	162,806	204,644
Operating Grants and Contributions	494,955	528,796	1,152,496
Capital Grants and Contributions	0	0	141,356
Total Primary Government Program Revenues	1,511,159	1,454,962	2,328,959

2009	2010	2011	2012	2013	2014	2015
$5,875,326	$5,625,518	$6,016,951	$5,938,453	$5,526,566	$5,525,153	$5,686,783
1,399,365	1,384,928	1,375,420	1,350,375	1,323,018	1,207,002	1,321,303
453,272	447,491	483,968	515,765	660,502	683,325	681,284
2,883,791	2,700,671	2,322,822	2,368,658	2,457,093	2,528,383	2,494,890
4,123,097	3,916,652	4,396,020	4,435,686	4,797,717	4,535,252	4,953,073
204,343	187,006	173,463	148,817	421,583	646,377	602,800
$14,939,194	$14,262,266	$14,768,644	$14,757,754	$15,186,479	$15,125,492	$15,740,133
$303,233	$341,109	$327,909	$389,783	$379,782	$330,344	$346,258
231,247	239,140	256,030	262,896	279,176	316,669	303,576
202,502	212,544	217,495	389,531	357,126	338,339	310,367
17,595	28,401	38,212	50,612	44,463	44,718	42,864
218,675	306,876	263,899	239,153	276,725	879,472	275,305
525,090	533,729	637,823	503,370	594,658	602,689	710,112
83,050	117,265	0	0	0	361,417	488,849
1,581,392	1,779,064	1,741,368	1,835,345	1,931,930	2,873,648	2,477,331

(continued)

City of Montgomery

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

	2006	2007	2008
Net (Expense)/Revenue			
Governmental Activities	(10,675,651)	(11,611,118)	(10,922,274)
Total Primary Government Net (Expense)/Revenue	($10,675,651)	($11,611,118)	($10,922,274)
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	$4,591,205	$4,675,342	$4,744,451
Income Taxes	6,363,549	6,744,149	7,248,439
Other Local Taxes	222,865	614,607	703,870
Intergovernmental Revenue, Unrestricted	929,626	846,944	809,573
Investment Earnings	1,118,810	1,350,943	848,844
Miscellaneous	859,808	254,586	333,492
Total Primary Government	$14,085,863	$14,486,571	$14,688,669
Change in Net Position			
Governmental Activities	$3,410,212	$2,875,453	$3,766,395
Total Primary Government Change in Net Position	$3,410,212	$2,875,453	$3,766,395

Source: City Finance Director's Office

2009	2010	2011	2012	2013	2014	2015
(13,357,802)	(12,483,202)	(13,027,276)	(12,922,409)	(13,254,549)	(12,251,844)	(13,262,802)
($13,357,802)	($12,483,202)	($13,027,276)	($12,922,409)	($13,254,549)	($12,251,844)	($13,262,802)
$4,822,909	$5,264,702	$5,067,545	$4,831,239	$5,108,938	$5,032,078	$5,284,135
6,732,726	7,126,510	6,829,459	7,163,487	7,564,240	8,438,680	8,368,822
2,208,468	1,070,266	1,096,131	1,686,255	1,651,364	8,205	5,516
667,723	953,694	1,007,530	672,620	690,532	768,788	795,633
197,009	275,677	116,322	203,020	66,401	353,613	20,625
274,536	172,085	307,038	329,452	408,662	224,708	173,557
$14,903,371	$14,862,934	$14,424,025	$14,886,073	$15,490,137	$14,826,072	$14,648,288
$1,545,569	$2,379,732	$1,396,749	$1,963,664	$2,235,588	$2,574,228	$1,385,486
$1,545,569	$2,379,732	$1,396,749	$1,963,664	$2,235,588	$2,574,228	$1,385,486

City of Montgomery

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

	2006	2007	2008	2009
General Fund				
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	848,817	411,288	279,644	405,963
Unreserved	12,172,862	12,154,635	12,975,774	13,769,099
Total General Fund	13,021,679	12,565,923	13,255,418	14,175,062
All Other Governmental Funds				
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	4,761,597	4,342,424	3,882,125	3,499,102
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	5,397,618	6,149,504	5,983,229	6,862,144
Capital Projects Funds	1,665,020	3,198,902	3,536,402	2,150,689
Total All Other Governmental Funds	11,824,235	13,690,830	13,401,756	12,511,935
Total Governmental Funds	$24,845,914	$26,256,753	$26,657,174	$26,686,997

Source: City Finance Director's Office
Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

2010	2011	2012	2013	2014	2015
$0	$23,350	$31,759	$38,762	$48,297	$57,050
0	0	0	0	0	0
0	232,456	213,241	241,177	241,965	0
0	148,421	0	14,255	480,495	632,729
0	14,583,500	14,739,811	14,854,921	14,081,793	13,058,828
317,113	0	0	0	0	0
14,361,458	0	0	0	0	0
14,678,571	14,987,727	14,984,811	15,149,115	14,852,550	13,748,607
0	378,911	386,807	381,214	386,850	385,504
0	14,737,416	14,848,236	21,633,254	19,040,157	15,420,289
0	0	0	0	0	0
0	0	2,762,750	4,938,215	0	3,997,738
0	(1,028,831)	(1,002,569)	(935,888)	(1,607,986)	(777,518)
4,032,014	0	0	0	0	0
7,183,676	0	0	0	0	0
2,652,138	0	0	0	0	0
13,867,828	14,087,496	16,995,224	26,016,795	17,819,021	19,026,013
$28,546,399	$29,075,223	$31,980,035	$41,165,910	$32,671,571	$32,774,620

City of Montgomery

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

	2006	2007	2008	2009
Revenues:				
Taxes	$11,200,882	$12,044,105	$12,709,819	$13,555,648
Intergovernmental Revenues	1,422,911	1,354,153	1,508,044	1,208,965
Charges for Services	491,600	454,890	476,130	445,636
Rental Revenue	56,404	56,519	47,040	55,791
Licenses, Permits and Fees	319,408	269,326	316,184	263,693
Investment Earnings	1,085,849	1,371,200	879,745	200,366
Special Assessments	262,538	268,786	262,668	251,871
Fines and Forfeitures	144,110	145,431	174,529	176,193
All Other Revenue	829,855	254,586	333,492	285,582
Total Revenue	15,813,557	16,218,996	16,707,651	16,443,745
Expenditures:				
Current:				
Public Safety	4,518,043	4,568,155	4,703,274	5,433,316
Parks and Recreation	864,631	977,049	1,049,966	1,184,945
Community Economic Development	421,068	441,412	436,377	341,707
Public Works	1,334,110	1,535,161	1,644,489	1,688,833
General Government	2,578,840	3,291,453	3,231,860	3,552,386
Capital Outlay	2,062,710	2,750,034	2,225,481	3,443,806
Debt Service:				
Principal Retirement	1,022,883	973,883	603,883	618,883
Interest and Fiscal Charges	304,218	282,666	227,057	179,768
Total Expenditures	13,106,503	14,819,813	14,122,387	16,443,644
Excess (Deficiency) of Revenues Over Expenditures	2,707,054	1,399,183	2,585,264	101

2010	2011	2012	2013	2014	2015
$13,447,773	$13,207,984	$13,772,405	$14,323,258	$13,493,807	$13,723,722
1,661,817	1,524,756	1,910,352	1,356,908	1,729,466	1,996,610
567,008	516,638	570,815	590,048	604,663	551,286
49,725	71,567	74,334	82,171	691,149	75,689
341,216	329,972	288,456	463,084	455,962	460,180
273,850	118,982	207,977	68,543	349,700	24,012
267,745	240,774	247,118	239,150	210,214	200,708
122,657	182,546	208,992	197,398	161,109	190,354
192,519	308,438	330,070	408,662	225,331	173,557
16,924,310	16,501,657	17,610,519	17,729,222	17,921,401	17,396,118
5,124,108	5,571,856	5,257,367	5,195,970	5,211,409	5,401,500
1,188,511	1,183,413	1,173,520	1,140,568	1,048,008	1,146,011
338,006	407,163	423,326	558,761	619,162	577,778
1,573,712	1,553,391	1,393,153	1,551,869	1,574,078	1,671,168
3,810,968	4,773,477	3,680,703	4,454,948	3,809,334	4,135,877
2,261,729	1,750,423	2,140,335	8,132,369	12,264,416	3,535,968
614,883	619,883	615,883	486,883	1,282,883	258,883
162,428	144,521	124,949	374,970	624,701	577,715
15,074,345	16,004,127	14,809,236	21,896,338	26,433,991	17,304,900
1,849,965	497,530	2,801,283	(4,167,116)	(8,512,590)	91,218

(continued)

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

	2006	2007	2008	2009
Other Financing Sources (Uses):				
Sale of Capital Assets	51,610	11,656	15,130	29,722
Premium on Bond Issuance	0	0	0	0
Special Obligation Bonds Issued	0	0	0	0
Payment to Refunding Bond Escrow Agent	0	0	(2,199,973)	0
Transfers In	690,086	2,514,253	1,645,535	2,196,059
Transfers Out	(720,086)	(2,514,253)	(1,645,535)	(2,196,059)
Total Other Financing Sources (Uses)	21,610	11,656	(2,184,843)	29,722
Net Change in Fund Balance	$2,728,664	$1,410,839	$400,421	$29,823
Debt Service as a Percentage of Noncapital Expenditures	12.45%	10.96%	7.22%	6.28%

Source: City Finance Director's Office

2010	2011	2012	2013	2014	2015
9,437	31,294	103,529	66,903	18,251	11,831
0	0	0	21,088	0	0
0	0	0	13,265,000	0	0
0	0	0	0	0	0
1,461,364	435,962	2,482,510	2,647,980	2,928,911	5,321,922
(1,461,364)	(435,962)	(2,482,510)	(2,647,980)	(2,928,911)	(5,321,922)
9,437	31,294	103,529	13,352,991	18,251	11,831
$1,859,402	$528,824	$2,904,812	$9,185,875	($8,494,339)	$103,049
6.05%	5.53%	5.31%	6.13%	12.84%	5.84%

City of Montgomery

Income Tax Revenues by Source, Governmental Funds
Last Ten Years

Tax year	2006	2007	2008	2009
Income Tax Rate	1.00%	1.00%	1.00%	1.00%
Estimated Personal Income	$452,955	$462,437	$477,559	$446,339
Total Tax Collected	$6,434,747	$6,425,182	$7,514,726	$6,749,754
Income Tax Receipts				
Withholding	4,519,322	4,502,641	5,404,643	4,711,462
Percentage	70.3%	70.1%	72.0%	69.8%
Corporate	555,189	501,854	588,505	510,358
Percentage	8.6%	7.8%	7.8%	7.6%
Individuals	1,360,236	1,420,687	1,521,578	1,527,934
Percentage	21.1%	22.1%	20.2%	22.6%

Source: City Finance Department

2010	2011	2012	2013	2014	2015
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
$458,743	$480,577	$506,533	$506,533	$514,959	$525,148
$6,670,824	$7,135,086	$7,266,418	$7,791,153	$8,108,709	$8,453,212
4,871,941	5,166,841	5,132,899	5,492,994	5,682,726	6,095,746
73.1%	72.4%	70.7%	70.5%	70.1%	72.1%
421,386	490,950	519,450	531,787	558,753	592,503
6.3%	6.9%	7.1%	6.8%	6.9%	7.0%
1,377,497	1,477,295	1,614,069	1,766,372	1,867,230	1,764,963
20.6%	20.7%	22.2%	22.7%	23.0%	20.9%

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City of Montgomery

Income Tax Statistics
Current Year and Nine Years Ago

	Calendar Year 2015			
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
$0 - $19,999	1,485	33.62%	$69,098	1.18%
20,000 - 49,999	546	12.36%	189,914	3.25%
50,000 - 74,999	329	7.45%	202,651	3.47%
75,000 - 99,999	308	6.97%	268,531	4.60%
Over 100,000	1,749	39.60%	5,110,076	87.50%
Total	4,417	100.00%	$5,840,270	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Credited to Other Municipalities	$3,320,768
	$3,320,768

	Calendar Year 2006			
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
$0 - $19,999	1,001	26.45%	$62,564	1.44%
20,000 - 49,999	588	15.54%	203,300	4.68%
50,000 - 74,999	357	9.43%	223,525	5.14%
75,000 - 99,999	374	9.88%	325,011	7.48%
Over 100,000	1,465	38.70%	3,533,136	81.26%
Total	3,785	100.00%	$4,347,536	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Credited to Other Municipalities	$3,141,119
	$3,141,119

Source: City Finance Director's Office

City of Montgomery

Ratios of Outstanding Debt By Type
Last Ten Years

	2006	2007	2008	2009
Governmental Activities (1)				
General Obligation Bonds Payable	$6,900,000	$6,050,000	$3,395,000	$2,905,000
Special Assessment Bonds	2,122,463	1,998,580	1,874,697	1,745,814
Special Obligation TIF Bonds	0	0	0	0
Total Primary Government	$9,022,463	$8,048,580	$5,269,697	$4,650,814
Population (2)				
City of Montgomery	10,163	10,163	10,163	10,163
Outstanding Debt Per Capita	$888	$792	$519	$458
Income (3)				
Personal (in thousands)	452,955	462,437	477,559	446,339
Percentage of Personal Income	1.99%	1.74%	1.10%	1.04%

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

2010	2011	2012	2013	2014	2015
$2,425,000	$1,890,000	$1,450,000	$1,130,000	$0	$0
1,610,931	1,526,048	1,350,165	1,183,282	1,030,399	871,516
0	0	0	13,265,000	13,265,000	13,165,000
$4,035,931	$3,416,048	$2,800,165	$15,578,282	$14,295,399	$14,036,516
10,251	10,251	10,251	10,251	10,251	10,251
$394	$333	$273	$1,520	$1,395	$1,369
458,743	480,577	506,533	506,533	514,959	525,148
0.88%	0.71%	0.55%	3.08%	2.78%	2.67%

City of Montgomery

Ratios of General Bonded Debt Outstanding
Last Ten Years

Year	2006	2007	2008	2009
Population (1)	10,163	10,163	10,163	10,163
Personal Income (2)	$452,954,747	$462,436,826	$477,559,370	$446,338,634
General Bonded Debt (3)				
General Obligation Bonds	$6,900,000	$6,050,000	$3,395,000	$2,905,000
Resources Available to Pay Principal	$1,241,771	$1,195,610	$1,243,975	$1,213,067
Net General Bonded Debt	$5,658,229	$4,854,390	$2,151,025	$1,691,933
Ratio of Net Bonded Debt to Personal Income	1.25%	1.05%	0.45%	0.38%
Net Bonded Debt per Capita	$556.75	$477.65	$211.65	$166.48

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.

2010	2011	2012	2013	2014	2015
10,251	10,251	10,251	10,251	10,251	10,251
$458,742,501	$480,577,131	$506,532,663	$506,532,663	$514,958,985	$525,148,479
$2,425,000	$1,890,000	$1,450,000	$1,130,000	$0	$0
$1,236,599	$1,267,621	$1,289,798	$1,215,803	$2,845,453	$347,977
$1,188,401	$622,379	$160,202	($85,803)	NA	NA
0.26%	0.13%	0.03%	-0.02%	NA	NA
$115.93	$60.71	$15.63	($8.37)	NA	NA

City of Montgomery

Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2015

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to the City of Montgomery	Amount Applicable to the City of Montgomery
Direct:			
City of Montgomery	$14,036,516	100.00%	$14,036,516
Overlapping:			
Sycamore Community School District	45,750,000	30.81%	14,095,575
Great Oaks Joint Vocational School District	10,905,000	2.83%	308,612
Hamilton County	80,665,000	2.83%	2,282,820
		Subtotal	16,687,007
		Total	$30,723,523

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

	2006	2007	2008	2009
Total Debt				
Net Assessed Valuation	$486,557,560	$488,255,500	$520,027,750	$522,227,380
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation ($) (1)	51,088,544	51,266,828	54,602,914	54,833,875
City Debt Outstanding (2)	6,900,000	6,050,000	3,395,000	2,905,000
Less: Applicable Debt Service Fund Amounts	(1,241,771)	(1,195,610)	(1,243,975)	(1,213,067)
Net Indebtedness Subject to Limitation	5,658,229	4,854,390	2,151,025	1,691,933
Overall Legal Debt Margin	$45,430,315	$46,412,438	$52,451,889	$53,141,942
Debt Margin as a Percentage of Debt Limit	88.92%	90.53%	96.06%	96.91%
Unvoted Debt				
Net Assessed Valuation	$486,557,560	$488,255,500	$520,027,750	$522,227,380
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation ($) (1)	26,760,666	26,854,053	28,601,526	28,722,506
City Debt Outstanding (2)	6,900,000	6,050,000	3,395,000	2,905,000
Less: Applicable Debt Service Fund Amounts	(1,241,771)	(1,195,610)	(1,243,975)	(1,213,067)
Net Indebtedness Subject to Limitation	5,658,229	4,854,390	2,151,025	1,691,933
Overall Legal Debt Margin	$21,102,437	$21,999,663	$26,450,501	$27,030,573

(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

2010	2011	2012	2013	2014	2015
$523,512,940	$481,043,250	$481,049,290	$484,129,440	$516,228,830	$521,032,070
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
54,968,859	50,509,541	50,510,175	50,833,591	54,204,027	54,708,367
2,425,000	1,890,000	1,450,000	1,130,000	2,800,000	0
(1,236,599)	(1,267,621)	(1,289,798)	(1,215,803)	(2,845,453)	(347,977)
1,188,401	622,379	160,202	(85,803)	(45,453)	(347,977)
$53,780,458	$49,887,162	$50,349,973	$50,919,394	$54,249,480	$55,056,344
97.84%	98.77%	99.68%	100.17%	100.08%	100.64%
$523,512,940	$481,043,250	$481,049,290	$484,129,440	$516,228,830	$521,032,070
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
28,793,212	26,457,379	26,457,711	26,627,119	28,392,586	28,656,764
2,425,000	1,890,000	1,450,000	1,130,000	2,800,000	0
(1,236,599)	(1,267,621)	(1,289,798)	(1,215,803)	(2,845,453)	(347,977)
1,188,401	622,379	160,202	(85,803)	(45,453)	(347,977)
$27,604,811	$25,835,000	$26,297,509	$26,712,922	$28,438,039	$29,004,741

City of Montgomery

Pledged Revenue Coverage
Last Ten Years

	2006	2007	2008	2009	2010
Special Assessment Bonds					
Special Assessment Collections	$262,538	$268,786	$262,668	$251,871	$267,745
Debt Service					
Principal	117,883	123,883	123,883	128,883	134,883
Interest	81,970	78,780	76,395	70,830	66,839
Coverage	1.31	1.33	1.31	1.26	1.33

Source: City Finance Director's Office

2011	2012	2013	2014	2015
$240,774	$247,118	$239,150	$210,214	$200,708
139,883	175,883	166,883	152,883	158,883
59,282	56,710	50,840	45,230	40,182
1.21	1.06	1.10	1.06	1.01

City of Montgomery

Demographic and Economic Statistics
Last Ten Years

Calendar Year	2006	2007	2008	2009
Population (1)				
City of Montgomery	10,163	10,163	10,163	10,163
Hamilton County	845,303	845,303	845,303	845,303
Income (2) (a)				
Total Personal (in thousands)	452,955	462,437	477,559	446,339
Hamilton County Per Capita	44,569	45,502	46,990	43,918
Unemployment Rate (3)				
Federal	4.6%	4.6%	5.8%	9.3%
State	5.4%	5.6%	6.6%	10.2%
Hamilton County	5.0%	5.0%	5.6%	8.8%
Civilian Work Force Estimates (3)				
State	5,924,000	5,961,000	5,940,000	5,923,000
Hamilton County	424,000	433,100	435,900	433,200

Sources:

(1) US Bureau of Census of Population
(2) US Department of Commerce, Bureau of Economic Analysis
  (a) Per Capita Income is only available by County, Total Personal Income is a calculation
(3) Ohio Department of Job and Family Services Ohio Labor Market Information

2010	2011	2012	2013	2014	2015
10,251	10,251	10,251	10,251	10,251	10,251
802,374	802,374	802,374	802,374	802,374	802,374
458,743	480,577	506,533	506,533	514,959	525,148
44,751	46,881	49,413	49,413	50,235	51,229
9.6%	8.9%	8.1%	7.4%	5.4%	5.3%
10.0%	8.6%	7.2%	7.4%	4.7%	4.9%
9.5%	8.6%	7.0%	7.1%	4.3%	4.4%
5,858,000	5,805,000	5,748,000	5,704,000	5,704,300	5,719,500
411,000	405,100	400,000	399,800	400,500	404,100

City of Montgomery

Principal Employers
Current Year and Nine Years Ago

		2015		
Employer	Nature of Business	Number of Employees	Rank	Percentage of Total Employment
Bethesda Hospital	Medical	3,149	1	21%
Ohio National Financial Institution	Financial	1,101	2	7%
Sycamore School District	Educational	979	3	7%
Twin Lakes	Senior Community	286	4	2%
Meadowbrook Care Center	Medical	272	5	2%
Kroger	Retail	223	6	1%
TriHealth, Inc.	Medical	188	7	1%
Bethesda Health Care	Medical	186	8	1%
Good Samaritan Hospital	Medical	156	9	1%
Columbia Oldsmobile Inc.	Automobile Retail	143	10	1%
Total		6,683		
Total Employment within the City		14,998		

		2006		
Employer	Nature of Business	Number of Employees	Rank	Percentage of Total Employment
Bethesda Hospital	Medical	2,920	1	17%
Sycamore Schools	Educational	1,129	2	7%
Ohio National Financial Services	Financial	779	3	5%
Montgomery Inn, Inc.	Restaurant	365	4	2%
CEI Physicians PSC, Inc.	Medical	362	5	2%
Tri-Health Inc.	Medical	291	6	2%
Meadowbrook Care Center	Medical	261	7	2%
American Nursing Care	Medical	244	8	1%
Kroger Limited Partnership	Retail	243	9	1%
Twin Lakes	Medical	211	10	1%
Total		6,805		
Total Employment within the City		16,983		

Source: City Finance Director's Office

City of Montgomery

Full Time Equivalent Employees by Function
Last Ten Years

	2006	2007	2008	2009	2010
Governmental Activities					
General Government					
Finance	6.00	5.50	5.50	5.50	5.50
Legal/Court	1.50	1.50	1.50	1.50	1.50
Administration	5.50	7.50	7.50	7.50	7.50
Maintenance	1.50	1.50	1.50	1.00	1.00
Public Safety					
Police	24.00	24.00	24.00	24.00	24.00
Fire	25.00	25.00	25.00	25.00	25.00
Public Works					
Street	12.50	13.50	13.50	13.50	11.50
Parks and Recreation					
Parks and Recreation	5.25	4.50	4.50	5.50	7.00
Community Environment					
Service	3.00	2.00	2.00	2.00	2.00
Total Employees	84.25	85.00	85.00	85.50	85.00

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

2011	2012	2013	2014	2015
5.00	5.50	5.50	5.50	5.50
1.50	1.50	1.50	1.00	1.00
7.00	6.50	6.50	6.50	6.50
1.00	0.00	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
7.50	7.00	7.00	7.00	7.00
2.00	2.00	2.00	2.00	2.00
84.50	83.00	83.00	82.50	82.50

Operating Indicators by Function
Last Ten Years

	2006	2007	2008	2009
Governmental Activities				
General Government				
Court				
Number of Traffic Cases	1,759	1,695	1,757	1,741
Licenses and Permits				
Number of Building Permits	453	335	241	160
Number of Building Inspections	986	1,362	1,181	538
Information Technology				
Number of Website Visitors	209,293	165,455	181,978	204,887
Number of Online Transactions	903	1,909	4,152	2,618
Average Cost per Online Transactions	$12.00	$3.72	$1.71	$2.71
Public Safety				
Police				
Number of Moving Citations Issued	1,151	1,772	1,674	1,479
Number of Non-moving Citations Issued	363	392	258	376
Number of Felony Arrests	19	27	35	38
Number of Misdemeanor Arrests	129	177	251	208
Number of Juvenile Arrests	106	77	67	85
Number of DUI/OVI Arrests	92	75	18	31
Number of Auto Accident Reports	536	612	534	564
Fire				
Number of Fire Calls	482	609	626	483
Number of EMS Runs	860	991	1,032	1,029
Number of Car Seat Inspections	143	166	178	148
Number of Inspections	334	742	996	983
Public Works				
Street				
Centerline Miles of Streets Resurfaced	1.97	1.35	4.39	3.67
Number of Public Trees Trimmed	443	575	383	405
Number of Households Receiving Curbside Brush Chipping	600	2,000	2,500	1,100
Number of Sidewalk Locations Required	138	150	210	160
Parks and Recreation				
Parks and Recreation				
Number of Classes / Events	137	139	178	101
Number of Pool Passes Sold	556	518	449	490
Number of Pool Daily Patrons	4,900	5,445	8,614	11,000

Source: City Finance Director's Office

2010	2011	2012	2013	2014	2015
1,262	1,529	1,742	2,066	1,829	1,496
218	253	250	337	423	384
649	733	1,195	1,186	1,603	1,711
293,593	220,001	269,439	292,845	309,065	334,014
2,873	2,972	2,914	2,883	2,024	2,796
$1.00	$0.97	$0.99	$1.08	$1.54	$1.12
1,517	1,883	1,929	1,765	1,549	1,589
246	271	261	301	280	148
31	38	59	39	42	32
193	233	326	541	371	384
53	83	105	97	104	49
23	38	88	91	49	80
629	766	609	727	516	546
510	490	467	490	577	471
1,047	1,005	998	972	949	1,125
170	151	151	191	214	217
1,031	1,103	1,008	613	906	894
7.50	3.70	2.43	2.27	2.34	2.05
317	135	65	154	48	33
677	825	803	669	785	796
85	65	71	82	77	127
97	82	60	61	73	73
453	518	546	587	666	652
13,585	11,237	9,873	10,382	19,763	20,573

Capital Asset Statistics by Function
Last Ten Years

	2006	2007	2008	2009	2010
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	23	23	23	23	23
Buildings	8	8	8	8	8
Public Safety					
Police					
Stations	1	1	1	1	1
Vehicles	12	12	12	12	16
Fire					
Stations	1	1	1	1	1
Vehicles	9	9	9	9	8
Public Works					
Street					
Streets (lane miles)	46	46	46	46	46
Street Lights	233	247	247	246	206
Vehicles	16	16	17	18	16
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	12	11
Municipal Pool Land (acres)	2	2	2	2	2
Municipal Pool Buildings	2	2	2	2	2

Source: City Finance Director's Office

2011	2012	2013	2014	2015
23	23	23	32	32
8	8	8	8	8
1	1	1	1	1
16	13	14	14	15
1	1	1	1	1
10	11	10	10	9
46	46	46	46	46
316	246	246	246	246
17	16	16	16	15
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
9	9	9	9	9
2	2	2	2	2
2	2	2	2	2