



Dave Yost • Auditor of State



CITY OF MONTGOMERY  
HAMILTON COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Montgomery, Hamilton County, (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 21, 2017.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

Columbus, Ohio

June 21, 2017



# Comprehensive Annual Financial Report

## City of Montgomery, Ohio

For the year ended December 31, 2016





## Improvements to Dulle Park

The Public Works Department accomplished many improvement projects in Dulle Park in 2016 and 2017. The first task was to clear out a hillside of invasive plants and trees such as honeysuckle (upper left corner photo) located in the front of the park on Deerfield Road and in the future replace it with oak and maple trees. Park visitors can expect to also see newly-planted Norway spruce and white pines along the western perimeter of the park at the tennis courts.

A new guardrail was installed along the path adjacent to Sycamore Creek (middle row, right photo). The guardrail replaced a weathered chain link fence. A rip-rap of stones was installed along the path (top row, right photo) to deflect runoff water from leaching into the creek. More invasive plants and trees such as honeysuckle were also removed from a creek bank opposite this walking path (lower left photo).

The Public Works Department also installed new lighting at the entrance of Terwilliger Lodge (middle row, left photo). The LED lighting, with additional lighting on the steps, will improve visibility in this area for City staff, guests and residents who rent or use this space.

By utilizing both financial and natural resources, the Public Works Department was able to make these much needed improvements to one of Montgomery's most popular parks.



(l to r) Crape myrtle shrubs, a snow queen oakleaf hydrangea and a forest pansy redbud are growing in a garden in Dulle Park, all maintained by volunteer Kaye Gaffney with the assistance of Public Works. A grove of eastern white pines are in the background.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2016

Issued by:  
Department of Finance  
Katie Smiddy  
Director



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HAMILTON COUNTY, OHIO

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# *INTRODUCTORY SECTION*

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June 21, 2017

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, 2016. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

### ***INTRODUCTION***

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

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

### **The Reporting Entity**

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

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

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

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## ***Letter of Transmittal For the Year Ended December 31, 2016***

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### **The City of Montgomery**

The City of Montgomery is a vibrant Ohio community located 12 miles north of Cincinnati. Its 5.3 square mile area serves an estimated residential population of 10,251. 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 one consecutive years.

### **Board of Tax Review**

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

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

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### ***Letter of Transmittal For the Year Ended December 31, 2016***

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

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

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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***Sister Cities Commission***

The Sister Cities Commission, like the Arts Commission, is another cultural endeavor designed to enhance City life and to provide education and understanding concerning other cultures. It participates in an active exchange program with our Sister City in France, Neuilly-Plaisance. Activities sponsored during the year include an annual Bastille Day Celebration, professional and student exchanges, and 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 2016 opening of a 20,000 square foot surgery center for The Christ Hospital at the Vintage Club development.

As national and regional economic conditions continue to improve, 2016 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 2016 and was able to enter 2017 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***

Twin Lakes Senior Living Community began work on a building addition to the main campus, 9840 Montgomery Road, in 2016. The addition will include 45 additional independent living apartments and a new club-like dining venue, which will be located adjacent to a new auditorium/community room. A retail component along Montgomery Road will be added as a second phase and could include a restaurant/retail site along the Montgomery Road entrance to the Twin Lakes campus, which was approved by the Planning Commission in December. Twin Lakes is hopeful that construction on the main campus expansion will be completed by fall 2017. A new residential subdivision, Orchard Trail, began construction in 2016. The new 29 lot single family, detached subdivision is on the site of the former Montgomery Swim and Tennis Club on Orchard Club Drive. Camden Homes will be developing the site and building the homes. The new subdivision will feature high-end, empty-nester type housing with a pocket park and a walking trail.



***Letter of Transmittal  
For the Year Ended December 31, 2016***

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Community engagement is the City's effort to organize our greatest resource, the community, in the work we do in service to Montgomery and was a primary activity in 2016. Twenty-nine graduates of the Montgomery Citizens' Leadership Academy joined the Montgomery Citizens' Leadership Academy (MCLA) Alumni in 2016, to bring the total number of MCLA graduates to 232 over the 10 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 2016 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 2015 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 twenty first consecutive year the City has received this award.
- The Tree City USA and Growth Award for 2016. This represents the twenty first year in a row that the City has received the Tree City USA Award and eighteen 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 2015 financial audit. Fewer than five percent of all Ohio government agencies are eligible for this award.
- The Platinum Award at the 2016 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.
- 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 2016. This is eight years in a row that the City has received this rating.

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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In 2016, 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. A few of the largest efforts involved the replacement of the roof Gazebo at Pfeiffer Park and resurfacing the tennis courts at Dulle 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 2016, the following park improvements were completed:

- Updated playground equipment in various City parks.
- Resurface tennis courts at Dulle Park.
- Install wood safety chips around playgrounds in City parks.
- Installation and relocation of playground equipment at Pfeiffer Park.
- Resurface, repair and restripe parking lots at various parks.
- Asphalt path improvements on various paths throughout the parks.
- Replacement of existing roof of Gazebo at Pfeiffer Park.

In 2016, 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 six streets including Barnsley Court, Cooper Lane, E. Kemper Road, Tanagerwoods Drive, Acrewood Drive and Escondido Drive. The City Hall parking lot was also resurfaced in 2016 as part of major infrastructure repairs.

In 2016, 27 of the 704 fire hydrants were replaced within the City. This work was done in conjunction with the street resurfacing program and was the third year of a multi-year comprehensive plan to address the aging fire hydrants in the community.

Coordinated repairs and Bituminous Black Mat (microsurfacing) was performed by the public works staff to approximately 0.75 centerline miles of roadway on Zig Zag Road from Monte Drive (north) to the west corporation limit. The asphalt surfacing material is used primarily on Class II roadways within Montgomery and provides five to seven years of asphalt preventative maintenance.

The public works department continued work in 2016 on a five-year plan to repair and replace identified sections of guardrail to assure compliance with safety standards set forth by the Ohio Department of Transportation. In 2016, approximately 430 feet of guardrail replacement was completed on East Kemper Road between Terwilliger's Run Drive and Hightower Court and approximately 220 feet on Remington Road east of Main Street.

In 2016, the City was again recognized with a Tree City USA Award for the 21st year and also a Tree City USA Growth Award for the 18<sup>th</sup> year for its ongoing commitment and action focused on environmental stewardship through care of public trees in the City's urban forest.

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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In 2016, the public works department received a grant from the Hamilton County Storm Water District (HCWSD) in the amount of \$69,184 for the installation of a rain harvest system and conversion of a detention basin to a retention pond at the public works facility. The rain harvest system included the installation of a 5,000 gallon water tank that captures rain water runoff from approximately 5,700 square feet of roof area and is used to make salt brine for winter operations during the winter months and to water the annual flowers and hanging baskets during the summer months. The rain harvest system also eliminates the current rain water runoff that would normally be routed to a detention basin near the front of the facility resulting in a positive impact to the drainage system as it moves downstream.

The conversion of the detention basin to a retention pond included excavation of approximately 2,400 cubic yards of earth material to convert the existing basin to a pond. The retention pond will reduce the amount of volume of stormwater release during rain events and reduce the amount and volume of stormwater runoff to the downstream tributary.

The Ohio-Kentucky-Indiana Regional Council of Governments (OKI) approved and awarded funding for a Surface Transportation Program (STP) grant application submitted by the City for an Interchange Modification Project at Montgomery Road and Ronald Reagan Cross County Highway. The project includes construction of a modified two-lane roundabout, the installation of a traffic signal in and around the interchange, and would also include demolition of the existing bridge at this location. The project will have a safe and positive impact on traffic while opening up more land for redevelopment. The OKI grant of \$6,000,000 represents approximately 70 percent of the total estimated construction cost of \$8,600,000, and the project is currently programmed in the Ohio Department of Transportation (ODOT) fiscal year 2020.

The Ohio-Kentucky-Indiana Regional Council of Governments (OKI) approved and awarded funding for a Transportation Alternative (TA) grant application submitted by the City for the Phase II Montgomery Road Sidewalk project. The project includes construction of a concrete sidewalk on the east side of Montgomery Road from Radabaugh Drive to the southern limits of the Safety Center property at 10150 Montgomery Road. The OKI grant of \$386,680 represents 80 percent of the total estimated construction cost of \$483,350 and the project is currently programmed in the Ohio Department of Transportation (ODOT) fiscal year 2021.

***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.

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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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, 2016, 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, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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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 one consecutive years (fiscal years which ended on December 31, 1995-2015). 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.

Respectfully submitted,



Katie Smiddy  
Finance Director



Wayne S. Davis  
City Manager

**CITY OF MONTGOMERY, OHIO**

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***List of Principal Officials  
For the Year Ended December 31, 2016***

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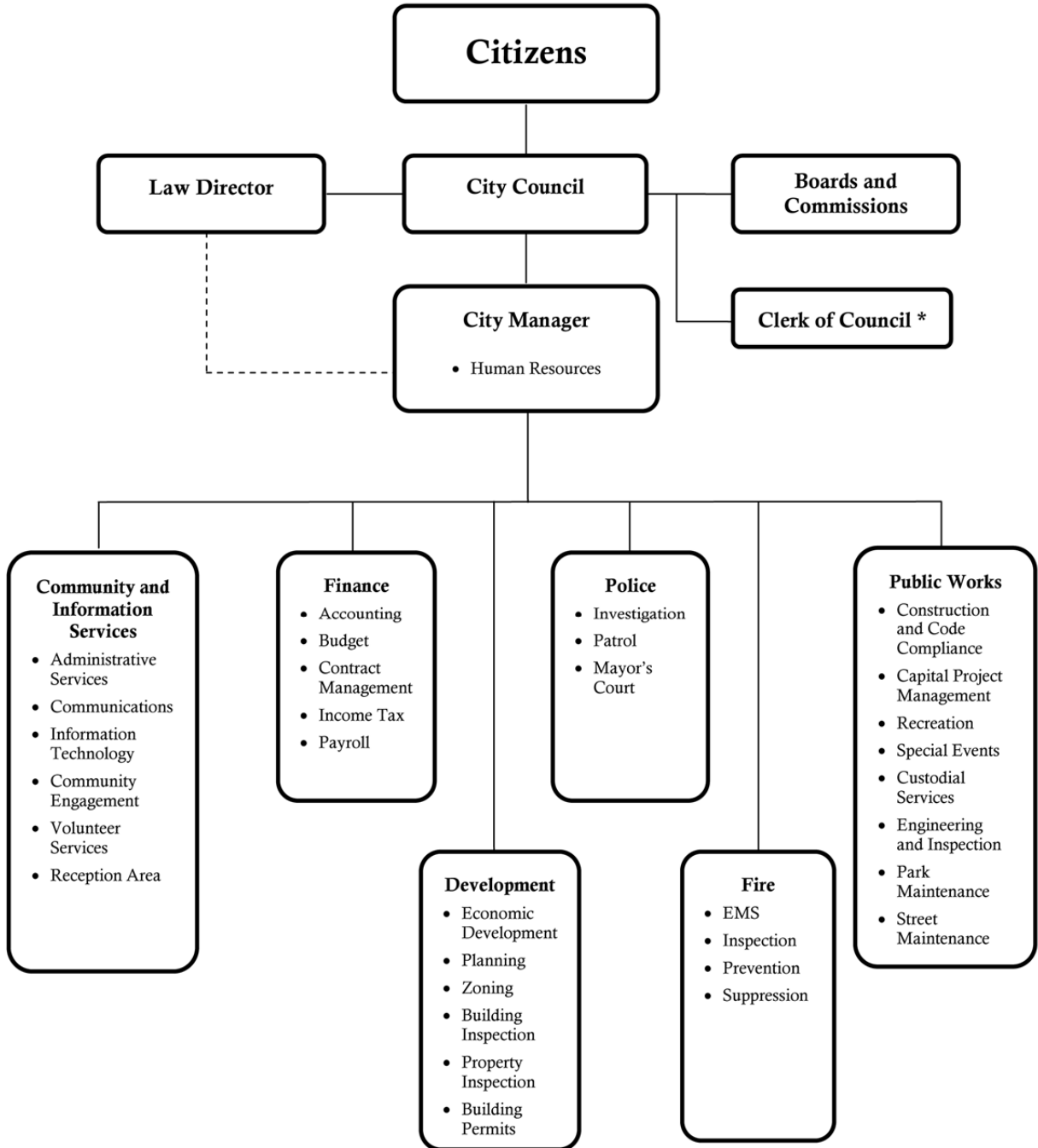
***Elected Officials***

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Term Expires</u></b>
Chris Dobrozsi	Mayor	December 2017
Linda Roesch	Vice Mayor	December 2017
Ann Combs	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***

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

**City Organizational Chart  
For the Year Ended December 31, 2016**



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



Government Finance Officers Association

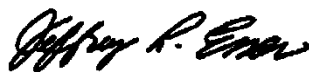
**Certificate of  
Achievement  
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Reporting**

Presented to

**City of Montgomery  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**



Executive Director/CEO



## *FINANCIAL SECTION*

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Montgomery, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2016, 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, 2016, 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.

### ***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 21, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

June 21, 2017



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, 2016. 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 2016 are as follows:**

- ❑ Net position of governmental activities increased \$1,055,454, which represents a 1.5% increase from 2015.
- ❑ General revenues accounted for \$15,260,615 in revenue or 88% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,146,582 or 12% of total revenues of \$17,407,197.
- ❑ The City had \$16,351,743 in expenses related to governmental activities; only \$2,146,582 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$15,260,615 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$10,105,615 in revenues and other financing sources and \$8,777,112 in expenditures and other financing uses. The general fund's fund balance increased \$1,328,503 to \$15,077,110.

**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, 2016 and 2015:

	Governmental Activities	
	2016	2015
Current and Other Assets	\$44,148,216	\$43,061,411
Capital Assets, Net	56,476,749	56,433,899
Total Assets	<u>100,624,965</u>	<u>99,495,310</u>
Deferred Outflows of Resources	<u>3,170,799</u>	<u>1,254,880</u>
Net Pension Liability	11,084,597	8,546,283
Other Long-Term Liabilities	14,539,454	14,872,718
Other Liabilities	729,329	915,002
Total Liabilities	<u>26,353,380</u>	<u>24,334,003</u>
Deferred Inflows of Resources	<u>5,733,030</u>	<u>5,762,287</u>
Net Position		
Net Investment in Capital Assets	42,821,778	43,262,398
Restricted	18,106,169	17,288,242
Unrestricted	10,781,407	10,103,260
Total Net Position	<u>\$71,709,354</u>	<u>\$70,653,900</u>

The adoption of GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," significantly revised 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.

**Management's Discussion and Analysis  
For the Year Ended December 31, 2016**

**Unaudited**

Changes in Net Position – The following table shows the changes in net position for 2016 and 2015:

	Governmental Activities	
	2016	2015
Revenues		
Program Revenues:		
Charges for Services and Sales	\$1,382,442	\$1,278,370
Operating Grants and Contributions	657,398	710,112
Capital Grants and Contributions	106,742	488,849
Total Program Revenues	<u>2,146,582</u>	<u>2,477,331</u>
General Revenues:		
Property Taxes	5,637,621	5,284,135
Income Taxes	8,627,561	8,368,822
Other Local Taxes	8	5,516
Intergovernmental, Unrestricted	804,732	795,633
Investment Earnings	125,332	20,625
Miscellaneous	65,361	173,557
Total General Revenues	<u>15,260,615</u>	<u>14,648,288</u>
Total Revenues	<u>17,407,197</u>	<u>17,125,619</u>
Program Expenses		
Public Safety	6,155,810	5,686,783
Parks and Recreation	1,423,495	1,321,303
Community Economic Development	833,598	681,284
Public Works	3,037,588	2,494,890
General Government	4,318,323	4,953,073
Interest and Fiscal Charges	582,929	602,800
Total Expenses	<u>16,351,743</u>	<u>15,740,133</u>
Total Change in Net Position	1,055,454	1,385,486
Beginning Net Position	<u>70,653,900</u>	<u>69,268,414</u>
Ending Net Position	<u>\$71,709,354</u>	<u>\$70,653,900</u>

**Governmental Activities**

Net position of the City's governmental activities increased \$1,055,454. An increase in charges for services can be attributed to an increase in building permits as well as EMS billings. The increase in building permits can be attributed to a building addition at the Twin Lakes Senior Living Community. The increase in EMS service revenue is the result of an increase in the percentage of billings collected as well as the number of billable transports. Ohio Department of Transportation grants for the Pfeiffer and Montgomery Road improvement project received in the prior year resulted in the subsequent decrease in capital grants in the current year. Changes in the fair value of investments resulted in the increase in investment earnings. An increase in the valuation of parcels within the tax increment financing district resulted in the increase in property tax receipts while increased economic activity resulted in an increase in income taxes.

Overall, expenses increased approximately 4% from the prior year. An increase in public safety can be attributed to an increase in the net pension liability for police and fire. Changes in public works and general government can be attributed to fluctuations in non-capitalized costs for materials and supplies.

**CITY OF MONTGOMERY, OHIO**

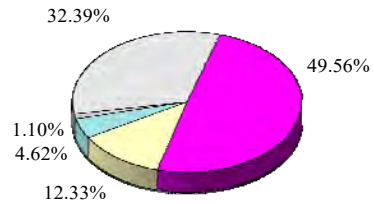
**Management's Discussion and Analysis  
For the Year Ended December 31, 2016**

**Unaudited**

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

Property taxes and income taxes made up 32% and 50% respectively of revenues for governmental activities in fiscal year 2016. The City's reliance upon tax revenues is demonstrated by the following graph indicating 82% of total revenues from general tax revenues:

Revenue Sources	2016	Percent of Total
Property Taxes	\$5,637,621	32.39%
Income Taxes	8,627,561	49.56%
Program Revenues	2,146,582	12.33%
Intergovernmental, Unrestricted	804,732	4.62%
General Other	190,701	1.10%
<b>Total Revenue</b>	<b>\$17,407,197</b>	<b>100.00%</b>



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

The City's governmental funds reported a combined fund balance of \$34,480,177, which is an increase from last year's balance of \$32,774,620. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2016 and 2015:

	Fund Balance December 31, 2016	Fund Balance December 31, 2015	Increase (Decrease)
General	\$15,077,110	\$13,748,607	\$1,328,503
Fire Protection / EMS	4,091,182	4,233,259	(142,077)
Reserve of Montgomery			
Bond Retirement	93,494	91,925	1,569
Vintage Club Tax Increment	3,209,955	2,091,500	1,118,455
Capital Improvement	4,581,466	4,993,458	(411,992)
Downtown Improvement	4,017,131	3,997,738	19,393
Other Governmental	3,409,839	3,618,133	(208,294)
<b>Total</b>	<b>\$34,480,177</b>	<b>\$32,774,620</b>	<b>\$1,705,557</b>

**CITY OF MONTGOMERY, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2016**

**Unaudited**

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

	2016 Revenues	2015 Revenues	Increase (Decrease)
Taxes	\$8,753,943	\$8,472,236	\$281,707
Intergovernmental Revenues	452,862	470,343	(17,481)
Charges for Services	98,832	91,717	7,115
Rental Revenue	72,428	75,689	(3,261)
Licenses, Permits and Fees	493,737	434,680	59,057
Investment Earnings	39,127	(72,503)	111,630
Fines and Forfeitures	128,385	141,978	(13,593)
All Other Revenue	35,617	67,732	(32,115)
<b>Total</b>	<b>\$10,074,931</b>	<b>\$9,681,872</b>	<b>\$393,059</b>

General Fund revenues in 2016 increased 4% compared to revenues in 2015. Changes in the fair value of investments resulted in the increase in investment earnings. An increase in taxes can be attributed to an increase in income taxes, which was the result of increased economic activity.

	2016 Expenditures	2015 Expenditures	Increase (Decrease)
Public Safety	\$2,943,234	\$3,094,598	(\$151,364)
Parks and Recreation	995,446	890,205	105,241
Community Economic Development	690,014	545,656	144,358
Public Works	617,167	581,791	35,376
General Government	2,991,251	3,190,338	(199,087)
<b>Total</b>	<b>\$8,237,112</b>	<b>\$8,302,588</b>	<b>(\$65,476)</b>

General Fund expenditures decreased \$65,476 from the prior year. Equipment purchases in the prior year in the police department resulted in a subsequent decrease in public safety in the current year. An increase in parks and recreation can be attributed to costs for landscaping materials, trees, and decorations. An increase in community economic development can be attributed to increased building inspection costs. A decrease in general government was the result of a decrease in property taxes and workers compensation costs. During 2016, certain land parcels purchased by the City were designated as exempt from property taxes, resulting in a decrease in property tax expenditures. The decrease in workers compensation costs can be attributed to a change in billings from retrospective to prospective.

*Fire Protection/EMS Fund* - The fund balance of the Fire Protection/EMS Fund, a major governmental fund, decreased \$142,077. Revenues were consistent with the prior year. An increase in expenditures was the result of equipment purchases as well as salary increases.

*Reserve of Montgomery Bond Retirement Fund* - The fund balance of the Reserve of Montgomery Bond Retirement Fund, a major governmental fund, remained stable, increasing \$1,569 during 2016.

# CITY OF MONTGOMERY, OHIO

## Management's Discussion and Analysis For the Year Ended December 31, 2016

Unaudited

*Vintage Club Tax Increment Fund* – The fund balance of the Vintage Club Tax Increment Fund, a major governmental fund, increased more than 50% during 2016. An increase in the valuation of parcels within the tax increment financing district resulted in the increase in property tax receipts. During 2016, the residual balance in the Vintage Club Capital Improvement Fund of \$818,452 was transferred to the Vintage Club Tax Increment Fund.

*Capital Improvement Fund* - The fund balance of the Capital Improvement Fund, a major governmental fund, decreased \$411,992 during 2016. Ohio Department of Transportation grants received in the prior year for road improvements resulted in the subsequent decrease in revenues and expenditures in 2016.

*Downtown Improvement Fund* – The Downtown Improvement Fund, a major governmental fund, remained stable in 2016, increasing less than 1%. Revenues and expenditures were minimal. The balance of this fund will be used toward development costs in the Gateway Redevelopment Area.

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 \$9.8 million did not change over the original budget estimates of \$9.8 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 2016 the City had \$56,476,749 net of accumulated depreciation invested in land, buildings, improvements, infrastructure, equipment and vehicles. The following table shows 2016 and 2015 balances:

	Governmental Activities		Increase (Decrease)
	2016	2015	
Land	\$21,173,723	\$21,173,723	\$0
Construction In Progress	0	12,154,829	(12,154,829)
Buildings	16,656,075	4,288,204	12,367,871
Improvements Other than Buildings	7,101,049	7,101,049	0
Infrastructure	28,971,623	28,157,832	813,791
Machinery and Equipment	5,728,822	5,570,163	158,659
Less: Accumulated Depreciation	(23,154,543)	(22,011,901)	(1,142,642)
Totals	\$56,476,749	\$56,433,899	\$42,850

An increase in buildings can be attributed to the completion of the Vintage Club parking garage. Additions to infrastructure included routine street maintenance as well as traffic signal improvements at Cooper Road and Delray Drive, Montgomery Road, and Main Street. Machinery and equipment additions included the purchase of a dump truck for the street department.

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

**Management's Discussion and Analysis  
For the Year Ended December 31, 2016**

**Unaudited**

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**Debt**

At December 31, 2016, the City had \$13.7 million in bonds outstanding, \$465,883 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Governmental Activities:		
Special Obligation TIF Bonds	\$12,965,000	\$13,165,000
Special Assessment Bonds	715,633	871,516
Net Pension Liability	11,084,597	8,546,283
Compensated Absences	858,821	836,202
Total Governmental Activities	<u>\$25,624,051</u>	<u>\$23,419,001</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. At December 31, 2016, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

**ECONOMIC FACTORS**

In 2016:

- An updated General Development Plan for the Village Section of the Vintage Club of Montgomery was approved by the Planning Commission in May of 2016. The City originally approved the establishment of the Vintage Club Planned Development in 2006 for approximately 15 acres along Montgomery Road north of I-275 to allow the creation of a mixed-use village with residential and commercial uses. The updated General Development Plan is a reflection of months of work by the developer in order to meet the expectations of the City and the residents of the Vintage Club while working with the current market conditions. The final product will be an attractive mixed-use development with retail, office, restaurants and condominiums that will complement the existing homes and The Christ Hospital Health Network medical office building.
- On the southern end of the City, work continues on the planning of the Gateway Redevelopment Area (GRA). This mixed-use project will feature a unique blend of an urban-suburban lifestyle and will include professional office, boutique hotel, condominiums and a restaurant row built around a new community green. As part of the project, the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) approved and awarded funding for a grant application submitted by the City for an Interchange Modification Project at Montgomery Road and Ronald Reagan Cross County Highway. The project includes construction of a modified two-lane roundabout, the installation of a traffic signal in and around the interchange and would also include demolition of the existing bridge at this location. The project would have a safe and positive impact on traffic while opening up more land for redevelopment. The OKI grant of \$6,000,000 represents approximately 70% of the total estimated construction cost of \$8,600,000 and the project is currently programmed in the Ohio Department of Transportation (ODOT) fiscal year 2020.

- Twin Lakes Senior Living Community began work on a building addition to the main campus, 9840 Montgomery Road, in 2016. The addition will include 45 additional independent living apartments and a new club-like dining venue, which will be located adjacent to a new auditorium/community room. A retail component along Montgomery Road will be added as a second phase and could include a restaurant/retail site along the Montgomery Road entrance to the Twin Lakes campus, which was approved by the Planning Commission in December. Twin Lakes is hopeful that construction on the main campus expansion will be completed by fall 2017. A new residential subdivision, Orchard Trail, began construction in 2016. The new 29 lot single family, detached subdivision is located at the location of the former Montgomery Swim and Tennis Club on Orchard Club Drive. Camden Homes will be developing the site and building the homes. The new subdivision will feature high-end, empty-nester type housing with a pocket park and a walking trail.
- Four commercial building permits for new construction and expansion were issued in 2016; however, two of these building permits were for additions to existing multi-family residential units at Twin Lakes. One new building permit was issued for the construction of the new pre-owned vehicle building for Columbia Acura/Hyundai. The final commercial building permit for new construction was issued for the addition to the Main Campus at Twin Lakes. The total value of improvements for new commercial construction, expansion and additions was significantly higher than in 2015 due in large part to the building addition at Twin Lakes Main Campus. The total value of new commercial, commercial additions and alterations was \$31.7 million in 2016 versus \$9.7 million in 2015.
- The residential sector was busy in 2016 with the building department issuing 34 permits for new homes and 78 permits for residential remodeling/room additions. The total value of residential construction was estimated at \$22.4 million. The City issued 24 demolition permits in 2016, which nearly mirrors the number of demolition permits issued in 2015 of 23 permits. A record 30 residential demolition permits were issued in 2014. Since 2001, there have been a total of 233 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 Katie Smiddy, Finance Director of the City of Montgomery.





# CITY OF MONTGOMERY, OHIO

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## Statement of Net Position December 31, 2016

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	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 18,019,822
Investments	14,340,487
Receivables:	
Taxes	7,638,850
Accounts	49,612
Intergovernmental	712,579
Interest	29,541
Special Assessments	1,669,740
Prepaid Items	205,239
Restricted Assets:	
Investments	1,482,346
Non-Depreciable Capital Assets	21,173,723
Depreciable Capital Assets, Net	35,303,026
<b>Total Assets</b>	<b>100,624,965</b>
<b>Deferred Outflows of Resources:</b>	
Deferred Charge on Debt Refunding	25,662
Pension:	
OPERS	1,257,193
OP&F	1,887,944
<b>Total Deferred Outflows of Resources</b>	<b>3,170,799</b>
<b>Liabilities:</b>	
Accounts Payable	265,101
Accrued Wages and Benefits	341,459
Intergovernmental Payable	77,341
Accrued Interest Payable	45,428
Noncurrent Liabilities:	
Due Within One Year	864,589
Due in More Than One Year:	
Net Pension Liability	11,084,597
Other Liabilities Due in More Than One Year	13,674,865
<b>Total Liabilities</b>	<b>26,353,380</b>
<b>Deferred Inflows of Resources:</b>	
Property Tax Levy for Next Fiscal Year	5,612,049
Pension:	
OPERS	98,990
OP&F	21,991
<b>Total Deferred Inflows of Resources</b>	<b>5,733,030</b>

**CITY OF MONTGOMERY, OHIO**

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	<b>Governmental Activities</b>
<b>Net Position:</b>	
Net Investment in Capital Assets	42,821,778
Restricted For:	
Capital Projects	5,485,665
Debt Service	5,870,038
Public Works	1,399,661
Public Safety	4,174,351
Arts and Amenities:	
Expendable	248,611
Nonexpendable	378,733
Other Purposes	549,110
Unrestricted	10,781,407
<b>Total Net Position</b>	<b>\$ 71,709,354</b>

See accompanying notes to the basic financial statements

**CITY OF MONTGOMERY, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2016**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Public Safety	\$ 6,155,810	\$ 334,220	\$ 92,294	\$ 0
Parks and Recreation	1,423,495	329,497	0	0
Community Economic Development	833,598	383,667	0	0
Public Works	3,037,588	67,878	524,879	106,742
General Government	4,318,323	267,180	40,225	0
Interest and Fiscal Charges	582,929	0	0	0
<b>Total Governmental Activities</b>	<b>\$ 16,351,743</b>	<b>\$ 1,382,442</b>	<b>\$ 657,398</b>	<b>\$ 106,742</b>

**General Revenues**

Property Taxes Levied for:

General Purposes

Income Taxes

Other Local Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

**CITY OF MONTGOMERY, OHIO**

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Net (Expense) Revenue  
and Changes in Net Position

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Governmental Activities

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\$	(5,729,296)
	(1,093,998)
	(449,931)
	(2,338,089)
	(4,010,918)
	(582,929)
\$	(14,205,161)

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5,637,621

8,627,561

8

804,732

125,332

65,361

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15,260,615

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1,055,454

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70,653,900

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\$ 71,709,354

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**CITY OF MONTGOMERY, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2016**

	General	Fire Protection / EMS	Reserve of Montgomery Bond Retirement	Vintage Club Tax Increment
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 7,582,778	\$ 2,124,387	\$ 93,494	\$ 1,727,695
Investments	7,061,717	2,023,544	0	0
Receivables:				
Taxes	3,634,064	1,809,551	0	1,569,490
Accounts	48,969	0	0	0
Intergovernmental	200,728	102,819	0	90,041
Interest	16,297	4,648	0	0
Special Assessments	0	0	1,653,090	0
Interfund Loans Receivable	0	0	0	0
Prepaid Items	153,093	38,326	0	0
Restricted Assets:				
Investments	0	0	0	1,482,346
<b>Total Assets</b>	<b>\$ 18,697,646</b>	<b>\$ 6,103,275</b>	<b>\$ 1,746,584</b>	<b>\$ 4,869,572</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 197,442	\$ 12,616	\$ 0	\$ 0
Accrued Wages and Benefits Payable	231,559	83,715	0	0
Intergovernmental Payable	76,200	1,055	0	86
Interfund Loans Payable	0	0	0	0
<b>Total Liabilities</b>	<b>505,201</b>	<b>97,386</b>	<b>0</b>	<b>86</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	1,065,335	127,990	1,653,090	120,315
Property Tax Levy for Next Fiscal Year	2,050,000	1,786,717	0	1,539,216
<b>Total Deferred Inflows of Resources</b>	<b>3,115,335</b>	<b>1,914,707</b>	<b>1,653,090</b>	<b>1,659,531</b>
<b>Fund Balances:</b>				
Nonspendable	153,093	38,326	0	0
Restricted	0	4,052,856	93,494	3,209,955
Assigned	1,231,318	0	0	0
Unassigned	13,692,699	0	0	0
<b>Total Fund Balances</b>	<b>15,077,110</b>	<b>4,091,182</b>	<b>93,494</b>	<b>3,209,955</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 18,697,646</b>	<b>\$ 6,103,275</b>	<b>\$ 1,746,584</b>	<b>\$ 4,869,572</b>

See accompanying notes to the basic financial statements

**CITY OF MONTGOMERY, OHIO**

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Capital Improvement	Downtown Improvement	Other Governmental Funds	Total Governmental Funds
\$ 1,872,413	\$ 2,056,300	\$ 2,562,755	\$ 18,019,822
1,783,528	1,958,686	1,513,012	14,340,487
389,629	0	236,116	7,638,850
0	0	643	49,612
37,558	0	281,433	712,579
4,097	4,499	0	29,541
0	0	16,650	1,669,740
722,290	0	0	722,290
0	0	13,820	205,239
0	0	0	1,482,346
<u>\$ 4,809,515</u>	<u>\$ 4,019,485</u>	<u>\$ 4,624,429</u>	<u>\$ 44,870,506</u>
\$ 12,249	\$ 92	\$ 42,702	\$ 265,101
0	0	26,185	341,459
0	0	0	77,341
0	0	722,290	722,290
<u>12,249</u>	<u>92</u>	<u>791,177</u>	<u>1,406,191</u>
215,800	2,262	187,297	3,372,089
0	0	236,116	5,612,049
<u>215,800</u>	<u>2,262</u>	<u>423,413</u>	<u>8,984,138</u>
0	0	392,553	583,972
4,581,466	0	3,713,871	15,651,642
0	4,017,131	0	5,248,449
0	0	(696,585)	12,996,114
<u>4,581,466</u>	<u>4,017,131</u>	<u>3,409,839</u>	<u>34,480,177</u>
<u>\$ 4,809,515</u>	<u>\$ 4,019,485</u>	<u>\$ 4,624,429</u>	<u>\$ 44,870,506</u>

**CITY OF MONTGOMERY, OHIO**

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***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2016***

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<b>Total Governmental Fund Balances</b>		\$	34,480,177
<i>Amounts reported for governmental activities in the statement of net position are different because</i>			
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.			56,476,749
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			3,372,089
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	3,145,137		
Deferred Inflows - Pension	(120,981)		
Net Pension Liability	<u>(11,084,597)</u>		(8,060,441)
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	(12,965,000)		
Special Assessment Bonds Payable	(715,633)		
Compensated Absences Payable	(858,821)		
Deferred Loss on Debt Refunding	25,662		
Accrued Interest Payable	<u>(45,428)</u>		<u>(14,559,220)</u>
<b><i>Net Position of Governmental Activities</i></b>		\$	<u><u>71,709,354</u></u>

See accompanying notes to the basic financial statements





**CITY OF MONTGOMERY, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2016**

	General	Fire Protection / EMS	Reserve of Montgomery Bond Retirement	Vintage Club Tax Increment
<b>Revenues:</b>				
Taxes	\$ 8,753,943	\$ 1,752,971	\$ 0	\$ 1,593,666
Intergovernmental Revenues	452,862	209,338	0	180,081
Charges for Services	98,832	174,024	0	0
Rental Revenue	72,428	0	0	0
Licenses, Permits and Fees	493,737	0	0	0
Investment Earnings	39,127	19,233	0	1,644
Special Assessments	0	0	182,703	0
Fines and Forfeitures	128,385	0	0	0
All Other Revenue	35,617	8,536	0	0
<b>Total Revenues</b>	<b>10,074,931</b>	<b>2,164,102</b>	<b>182,703</b>	<b>1,775,391</b>
<b>Expenditures:</b>				
Current:				
Public Safety	2,943,234	2,295,409	0	0
Parks and Recreation	995,446	0	0	0
Community Economic Development	690,014	0	0	0
Public Works	617,167	0	0	0
General Government	2,991,251	0	5,579	752,335
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	145,000	200,000
Interest and Fiscal Charges	0	0	30,555	523,053
<b>Total Expenditures</b>	<b>8,237,112</b>	<b>2,295,409</b>	<b>181,134</b>	<b>1,475,388</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,837,819	(131,307)	1,569	300,003
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	19,914	0	0	0
Transfers In	10,770	0	0	818,452
Transfers Out	(540,000)	(10,770)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(509,316)</b>	<b>(10,770)</b>	<b>0</b>	<b>818,452</b>
Net Change in Fund Balances	1,328,503	(142,077)	1,569	1,118,455
<b>Fund Balances at Beginning of Year</b>	<b>13,748,607</b>	<b>4,233,259</b>	<b>91,925</b>	<b>2,091,500</b>
<b>Fund Balances End of Year</b>	<b>\$ 15,077,110</b>	<b>\$ 4,091,182</b>	<b>\$ 93,494</b>	<b>\$ 3,209,955</b>

See accompanying notes to the basic financial statements

**CITY OF MONTGOMERY, OHIO**

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Capital Improvement	Downtown Improvement	Other Governmental Funds	Total Governmental Funds
\$ 1,747,795	\$ 0	\$ 550,497	\$ 14,398,872
106,742	0	612,334	1,561,357
0	0	351,020	623,876
0	0	0	72,428
0	0	46,500	540,237
22,341	19,763	22,258	124,366
0	0	15,793	198,496
0	0	18,041	146,426
950	0	20,258	65,361
<u>1,877,828</u>	<u>19,763</u>	<u>1,636,701</u>	<u>17,731,419</u>
0	0	163,954	5,402,597
0	0	235,300	1,230,746
0	0	37,452	727,466
0	0	1,022,891	1,640,058
0	0	86,133	3,835,298
2,296,619	370	8,750	2,305,739
0	0	10,883	355,883
0	0	4,287	557,895
<u>2,296,619</u>	<u>370</u>	<u>1,569,650</u>	<u>16,055,682</u>
(418,791)	19,393	67,051	1,675,737
6,799	0	3,107	29,820
0	0	540,000	1,369,222
0	0	(818,452)	(1,369,222)
<u>6,799</u>	<u>0</u>	<u>(275,345)</u>	<u>29,820</u>
(411,992)	19,393	(208,294)	1,705,557
<u>4,993,458</u>	<u>3,997,738</u>	<u>3,618,133</u>	<u>32,774,620</u>
<u>\$ 4,581,466</u>	<u>\$ 4,017,131</u>	<u>\$ 3,409,839</u>	<u>\$ 34,480,177</u>

**CITY OF MONTGOMERY, OHIO**

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***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For The Year Ended December 31, 2016***

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**Net Change in Fund Balances - Total Governmental Funds** \$ 1,705,557

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

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

Capital Outlay	1,625,004	
Depreciation Expense	<u>(1,509,264)</u>	115,740

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. (72,890)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 842,030

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (1,518,991)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (324,222)

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	200,000	
Special Assessment Bond Principal Payment	155,883	
Amortization of Deferred Loss on Refunding	<u>(25,658)</u>	330,225

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 624

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

Compensated Absences		<u>(22,619)</u>
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***Change in Net Position of Governmental Activities*** **\$ 1,055,454**

See accompanying notes to the basic financial statements

**CITY OF MONTGOMERY, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 8,309,018	\$ 8,309,018	\$ 8,796,171	\$ 487,153
Intergovernmental Revenue	435,132	435,132	454,319	19,187
Charges for Services	117,411	117,411	100,792	(16,619)
Rental Revenue	75,964	75,964	72,428	(3,536)
Licenses, Permits and Fees	546,300	546,300	494,103	(52,197)
Investment Earnings	85,000	85,000	97,046	12,046
Fines and Forfeitures	164,500	164,500	129,963	(34,537)
All Other Revenues	35,065	35,065	35,555	490
Total Revenues	<u>9,768,390</u>	<u>9,768,390</u>	<u>10,180,377</u>	<u>411,987</u>
<b>Expenditures:</b>				
Current:				
Public Safety	3,482,306	3,473,936	3,131,604	342,332
Parks and Recreation	1,115,281	1,115,281	1,021,236	94,045
Community Economic Development	904,705	904,705	742,071	162,634
Public Works	654,684	654,684	629,982	24,702
General Government	3,495,682	3,495,682	3,068,136	427,546
Total Expenditures	<u>9,652,658</u>	<u>9,644,288</u>	<u>8,593,029</u>	<u>1,051,259</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	115,732	124,102	1,587,348	1,463,246
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	7,500	7,500	19,914	12,414
Transfers Out	(540,000)	(554,620)	(554,620)	0
Total Other Financing Sources (Uses):	<u>(532,500)</u>	<u>(547,120)</u>	<u>(534,706)</u>	<u>12,414</u>
Net Change in Fund Balance	(416,768)	(423,018)	1,052,642	1,475,660
Fund Balance at Beginning of Year	13,043,661	13,043,661	13,043,661	0
Prior Year Encumbrances	180,487	180,487	180,487	0
Fund Balance at End of Year	<u>\$ 12,807,380</u>	<u>\$ 12,801,130</u>	<u>\$ 14,276,790</u>	<u>\$ 1,475,660</u>

See accompanying notes to the basic financial statements

**CITY OF MONTGOMERY, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Special Revenue Fund – Fire Protection / EMS Fund  
For the Year Ended December 31, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,769,000	\$ 1,769,000	\$ 1,752,971	\$ (16,029)
Intergovernmental Revenue	211,258	211,258	209,338	(1,920)
Charges for Services	128,678	128,678	174,024	45,346
Investment Earnings	25,000	25,000	19,688	(5,312)
All Other Revenues	6,051	6,051	8,536	2,485
Total Revenues	<u>2,139,987</u>	<u>2,139,987</u>	<u>2,164,557</u>	<u>24,570</u>
<b>Expenditures:</b>				
Current:				
Public Safety	2,631,398	2,680,128	2,432,730	247,398
Total Expenditures	<u>2,631,398</u>	<u>2,680,128</u>	<u>2,432,730</u>	<u>247,398</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(491,411)	(540,141)	(268,173)	271,968
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	2,000	2,000	0	(2,000)
Transfers Out	0	(10,770)	(10,770)	0
Total Other Financing Sources (Uses):	<u>2,000</u>	<u>(8,770)</u>	<u>(10,770)</u>	<u>(2,000)</u>
Net Change in Fund Balance	(489,411)	(548,911)	(278,943)	269,968
Fund Balance at Beginning of Year	4,278,668	4,278,668	4,278,668	0
Prior Year Encumbrances	48,924	48,924	48,924	0
Fund Balance at End of Year	<u>\$ 3,838,181</u>	<u>\$ 3,778,681</u>	<u>\$ 4,048,649</u>	<u>\$ 269,968</u>

See accompanying notes to the basic financial statements

**CITY OF MONTGOMERY, OHIO**

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**Statement of Net Position  
Fiduciary Funds  
December 31, 2016**

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	Private Purpose	
	Trust	
	Special Trust	Agency
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 34,071	\$ 0
Restricted Assets:		
Cash and Cash Equivalents	0	5,998
Cash and Cash Equivalents with Fiscal Agent	0	186,958
<b>Total Assets</b>	<u>34,071</u>	<u>192,956</u>
<b>Liabilities:</b>		
Accounts Payable	0	168,527
Intergovernmental Payable	0	4,443
Due to Others	0	19,986
<b>Total Liabilities</b>	<u>0</u>	<u>192,956</u>
<b>Net Position:</b>		
Restricted For:		
Historical Site Preservation	34,071	0
<b>Total Net Position</b>	<u>\$ 34,071</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**CITY OF MONTGOMERY, OHIO**

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**Statement of Changes in Net Position  
Fiduciary Fund  
For the Year Ended December 31, 2016**

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	Private Purpose Trust
	<u>Special Trust</u>
<b>Additions:</b>	
Contributions:	
Rental Fees	\$ 650
Private Donations	155
Total Additions	<u>805</u>
<b>Deductions:</b>	
Total Deductions	<u>0</u>
Change in Net Position	805
Net Position at Beginning of Year	33,266
Net Position End of Year	<u>\$ 34,071</u>

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

The financial statements are presented as of December 31, 2016 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

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

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

*Blended Component Unit* - The Community Improvement Corporation of the City of Montgomery (the "CIC") was created in accordance with Chapter 1702 of the Ohio Revised Code. As a legally separate not-for-profit corporation, the CIC's purpose is to provide economic development loans. The balances and transactions of the CIC have been reported as a special revenue fund of the primary government because the governing board of the corporation is composed of those persons who are serving as members of the City Council of the City of Montgomery, the City has a history of providing financial support to the CIC, and any long term debt of the CIC would be paid by the City. Separately issued financial statements for the CIC can be obtained by contacting the City of Montgomery Finance Department, 10101 Montgomery Rd, Montgomery, Ohio 45242, or at the City's website at <http://montgomeryohio.org>.

**B. Basis of Presentation - Fund Accounting**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

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

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

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

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

Fire Protection/EMS Fund - This fund is used to account for property taxes and charges for emergency medical services provided which are used to fund Fire Department operations.

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

***Fiduciary Funds***

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

**C. Basis of Presentation - Financial Statements**

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

Interfund receivables and payables between governmental activities have been eliminated in the government-wide Statement of Net Position. These eliminations minimize the duplicating effect on assets and liabilities within the governmental activities. Interfund services provided and used are not eliminated through the process of consolidation.

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**C. Basis of Presentation – Financial Statements (Continued)**

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

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

Fiduciary funds are reported using the economic resources measurement focus.

**D. Basis of Accounting**

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

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

Special assessment installments, including related accrued interest, which are measurable but not available at December 31, are recorded as deferred inflows of resources. Property taxes measurable as of December 31, 2016, but which are not intended to finance 2016 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**E. Budgetary Process (Continued)**

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1<sup>st</sup> of each year. As part of the certification process, the City receives an official certificate of estimated resources, which states that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed or fall short of current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2016.

3. Appropriations

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

4. Lapsing of Appropriations

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**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)	\$1,328,503	(\$142,077)
Increase (Decrease):		
Accrued Revenues at December 31, 2016 received during 2017	(654,863)	(2,311)
Accrued Revenues at December 31, 2015 received during 2016	760,309	2,766
Accrued Expenditures at December 31, 2016 paid during 2017	505,201	97,386
Accrued Expenditures at December 31, 2015 paid during 2016	(508,859)	(103,330)
2015 Prepays for 2016	57,050	6,231
2016 Prepays for 2017	(153,093)	(38,326)
Outstanding Encumbrances	(266,923)	(99,282)
Perspective Difference:		
Activity of Funds Reclassified for GAAP Reporting Purposes	(14,683)	0
Budget Basis	<u>\$1,052,642</u>	<u>(\$278,943)</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**F. Cash and Cash Equivalents**

During fiscal year 2016, 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's investment in the State Treasury Asset Reserve of Ohio (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 and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2016 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.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**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.

**1. Property, Plant and Equipment - Governmental Activities**

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

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

**2. Depreciation**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**J. Long-Term Obligations**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**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 position 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**P. Interfund Assets/Liabilities**

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

**Q. Fund Balances**

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

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

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

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

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

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

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

**R. Estimates**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**S. Restricted Assets**

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

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City 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.

**U. Fair Market Value**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE**

For 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, “Fair Value Measurement and Application,” and GASB Statement No. 77 “Tax Abatement Disclosures.”

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes, for applying fair value to certain investments, and disclosures related to all fair value measurements. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

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**CITY OF MONTGOMERY, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**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	Reserve of		Vintage Club Tax Increment	Capital Improvement	Downtown Improvement	Other Governmental Funds	Total Governmental Funds
		Fire Protection/ EMS	Montgomery Bond Retirement					
Nonspendable:								
Prepaid Items	\$153,093	\$38,326	\$0	\$0	\$0	\$0	\$13,820	\$205,239
Permanent Fund Corpus	0	0	0	0	0	0	378,733	378,733
Total Nonspendable	153,093	38,326	0	0	0	0	392,553	583,972
Restricted:								
Fire Protection/EMS	0	4,052,856	0	0	0	0	0	4,052,856
Parks and Recreation	0	0	0	0	0	0	41,021	41,021
Law Enforcement and Education	0	0	0	0	0	0	96,073	96,073
Court Computerization	0	0	0	0	0	0	46,445	46,445
Environmental Impact Mitigation	0	0	0	0	0	0	116,000	116,000
Street Improvements	0	0	0	0	0	0	906,806	906,806
Municipal Pool Operations	0	0	0	0	0	0	210,436	210,436
Cemetery Maintenance	0	0	0	0	0	0	359,116	359,116
Economic Development	0	0	0	0	0	0	181,653	181,653
Debt Service Payments	0	0	93,494	3,209,955	0	0	821,962	4,125,411
Capital Improvements	0	0	0	0	4,581,466	0	686,137	5,267,603
Arts and Amenities	0	0	0	0	0	0	248,222	248,222
Total Restricted	0	4,052,856	93,494	3,209,955	4,581,466	0	3,713,871	15,651,642
Assigned:								
Supplies and Services	245,937	0	0	0	0	0	0	245,937
Compensated Absences	230,642	0	0	0	0	0	0	230,642
Capital Improvements	0	0	0	0	0	4,017,131	0	4,017,131
2017 Budget Deficit	754,739	0	0	0	0	0	0	754,739
Total Assigned	1,231,318	0	0	0	0	4,017,131	0	5,248,449
Unassigned (Deficits):	13,692,699	0	0	0	0	0	(696,585)	12,996,114
Total Fund Balances	\$15,077,110	\$4,091,182	\$93,494	\$3,209,955	\$4,581,466	\$4,017,131	\$3,409,839	\$34,480,177

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**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	\$1,147,356
Deferred Investment Earnings	14,853
Intergovernmental Revenue Receivable	540,140
Special Assessments Receivable	1,669,740
	<u>\$3,372,089</u>

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

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

*Governmental revenues not reported in the funds:*

Decrease in Deferred Tax Revenue	(\$133,682)
Increase in Deferred Investment Earnings	966
Increase in Intergovernmental Revenue	7,515
Decrease in Special Assessment Revenue	(199,021)
	<u>(\$324,222)</u>

**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.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**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).

**CITY OF MONTGOMERY, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**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 \$19,245,219 and the bank balance was \$19,845,548. Federal depository insurance covered \$5,959,521 of the bank balance and \$13,886,027 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

Uninsured and uncollateralized	<u>\$13,886,027</u>
Total Balance	<u><u>\$13,886,027</u></u>

**B. Investments**

The City's investments at December 31, 2016 were as follows:

	Fair Value	Credit Rating	Concentration of Credit Risk	Investment Maturities (in Years)		
				less than 1	1-3	3-5
STAR Ohio	\$1,630	AAAm <sup>1</sup>	0.0110%	\$1,630	\$0	\$0
Marketable CD's	3,194,220	AAA <sup>3</sup>	21.5470%	1,719,231	1,227,758	247,231
Municipal Bonds	1,003,560	AA <sup>1</sup> / Aa3 <sup>2</sup>	6.7696%	0	1,003,560	0
US Money Market	1,482,345	AA+ <sup>1</sup> / Aaa <sup>2</sup>	9.9993%	1,482,345	0	0
FHLMC	981,890	AA+ <sup>1</sup> / Aaa <sup>2</sup>	6.6234%	0	0	981,890
FHLB	3,477,640	AA+ <sup>1</sup> / Aaa <sup>2</sup>	23.4588%	0	1,497,680	1,979,960
FNMA	3,703,058	AA+ <sup>1</sup> / Aaa <sup>2</sup>	24.9794%	0	984,360	2,718,698
FFCB	980,120	AA+ <sup>1</sup> / Aaa <sup>2</sup>	6.6115%	0	0	980,120
Total Investments	<u>\$14,824,463</u>		<u>100.0000%</u>	<u>\$3,203,206</u>	<u>\$4,713,358</u>	<u>\$6,907,899</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)**

**B. Investments** (Continued)

<sup>1</sup> Standard & Poor’s

<sup>2</sup> Moody’s Investor Service

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

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

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

*Concentration of Credit Risk* – The City places no limit on the amount 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.

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$18,246,849	\$15,822,833
Certificates of Deposit (with maturities of more than 3 months)	1,000,000	(1,000,000)
STAR Ohio	(1,630)	1,630
Per GASB Statement No. 3	<u>\$19,245,219</u>	<u>\$14,824,463</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**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 2016 were levied after October 1, 2015 on assessed values as of January 1, 2015, 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, 2016 was \$10.05 per \$1,000 of assessed value. The assessed value upon which the 2016 tax collections were based was \$521,032,070. This amount constitutes \$510,993,870 in real property assessed value and \$10,038,200 in public utility assessed value.

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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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, 2016 consisted of taxes, accounts receivable, special assessments, interfund receivables, interest receivables, and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full. Those receivables that relate to amounts not intended to finance the current fiscal year are offset by deferred inflows of resources.

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**CITY OF MONTGOMERY, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 8 - INTERFUND BALANCES**

Individual interfund balances at December 31, 2016 are as follows:

Fund	Interfund Loan Receivable	Interfund Loan Payable
Capital Improvement Fund	\$722,290	\$0
Other Governmental Funds	0	722,290
Totals	<u>\$722,290</u>	<u>\$722,290</u>

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

**NOTE 9 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2016:

Fund	Transfer In	Transfer Out
General Fund	\$10,770	\$540,000
Fire Protection/EMS Fund	0	10,770
Vintage Club Tax Increment Fund	818,452	0
Other Governmental Funds	540,000	818,452
Totals	<u>\$1,369,222</u>	<u>\$1,369,222</u>

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

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**CITY OF MONTGOMERY, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 10 - CAPITAL ASSETS**

Summary by category of changes in governmental activities capital assets at December 31, 2016:

**Historical Cost:**

Class	December 31, 2015	Additions	Deletions	December 31, 2016
<b>Capital assets not being depreciated:</b>				
Land	\$21,173,723	\$0	\$0	\$21,173,723
Construction in Progress	12,154,829	0	(12,154,829)	0
Subtotal	<u>33,328,552</u>	<u>0</u>	<u>(12,154,829)</u>	<u>21,173,723</u>
<b>Capital assets being depreciated:</b>				
Buildings	4,288,204	12,367,871	0	16,656,075
Improvements Other than Buildings	7,101,049	0	0	7,101,049
Infrastructure	28,157,832	1,134,778	(320,987)	28,971,623
Machinery and Equipment	5,570,163	277,184	(118,525)	5,728,822
Subtotal	<u>45,117,248</u>	<u>13,779,833</u>	<u>(439,512)</u>	<u>58,457,569</u>
Total Cost	<u>\$78,445,800</u>	<u>\$13,779,833</u>	<u>(\$12,594,341)</u>	<u>\$79,631,292</u>

**Accumulated Depreciation:**

Class	December 31, 2015	Additions	Deletions	December 31, 2016
Buildings	(\$2,014,857)	(\$262,771)	\$0	(\$2,277,628)
Improvements Other than Buildings	(5,727,216)	(307,398)	0	(6,034,614)
Infrastructure	(9,964,973)	(653,432)	255,137	(10,363,268)
Machinery and Equipment	(4,304,855)	(285,663)	111,485	(4,479,033)
Total Depreciation	<u>(\$22,011,901)</u>	<u>(\$1,509,264)*</u>	<u>\$366,622</u>	<u>(\$23,154,543)</u>
<b>Net Value:</b>	<u>\$56,433,899</u>			<u>\$56,476,749</u>

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

Public Safety	\$195,213
Parks and Recreation	172,806
Community Economic Development	95,518
Public Works	1,025,242
General Government	20,485
Total Depreciation Expense	<u>\$1,509,264</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**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.



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**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):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 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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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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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:

	<u>State and Local</u>
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$300,987 for 2016. Of this amount, \$40,424 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**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](http://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.

**CITY OF MONTGOMERY, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

	<u>Police</u>	<u>Firefighters</u>
<b>2016 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %
<b>2016 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$541,043 for 2016. Of this amount, \$76,100 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, 2015, 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, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. 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:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$3,253,093	\$7,831,504	\$11,084,597
Proportion of the Net Pension Liability-2016	0.018781%	0.121738%	
Proportion of the Net Pension Liability-2015	<u>0.019235%</u>	<u>0.120189%</u>	
Percentage Change	<u>(0.000454%)</u>	<u>0.001549%</u>	
Pension Expense	\$448,103	\$1,070,888	\$1,518,991

**CITY OF MONTGOMERY, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$956,206	\$1,274,669	\$2,230,875
Change in Proportionate Share	0	72,232	72,232
City contributions subsequent to the measurement date	<u>300,987</u>	<u>541,043</u>	<u>842,030</u>
Total Deferred Outflows of Resources	<u>\$1,257,193</u>	<u>\$1,887,944</u>	<u>\$3,145,137</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$62,856	\$21,991	\$84,847
Change in Proportionate Share	<u>36,134</u>	<u>0</u>	<u>36,134</u>
Total Deferred Inflows of Resources	<u>\$98,990</u>	<u>\$21,991</u>	<u>\$120,981</u>

\$842,030 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2017	\$192,460	\$345,335	\$537,795
2018	207,750	345,335	553,085
2019	240,617	345,335	585,952
2020	216,389	277,384	493,773
2021	0	9,681	9,681
2022	<u>0</u>	<u>1,840</u>	<u>1,840</u>
Total	<u>\$857,216</u>	<u>\$1,324,910</u>	<u>\$2,182,126</u>

**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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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, 2015 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

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 0.4 percent for 2015.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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 2015 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	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

**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	\$5,182,973	\$3,253,093	\$1,625,302

**Changes between Measurement Date and Report Date** - In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

***Actuarial Assumptions – OPF***

OPF's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, 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, 2015, are presented below:

Valuation Date	January 1, 2015
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

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.



## CITY OF MONTGOMERY, OHIO

### Notes to the Basic Financial Statements For the Year Ended December 31, 2016

#### NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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, 2015 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
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.

**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	\$10,328,706	\$7,831,504	\$5,716,130

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 12 - POSTEMPLOYMENT BENEFITS**

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

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

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

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 2015 CAFR for details.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/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 2016, 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)**

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

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 2016. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% 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 RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

The City's contributions for health care to the OPERS for the years ending December 31, 2016, 2015, and 2014 were \$51,461, \$48,192 and \$47,576, respectively, which were equal to the required contributions for each year.

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

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

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

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

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F’s website at [www.op-f.org](http://www.op-f.org).

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)**

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

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 2016, 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, 2016, 2015, and 2014 were \$8,847, \$8,955 and \$8,632 for police and \$4,290, \$3,817 and \$3,677 for firefighters, respectively, which were equal to the required contributions for each year.

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**CITY OF MONTGOMERY, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 13 - LONG-TERM OBLIGATIONS**

Detail of the changes in the long term obligations of the City for the year ended December 31, 2016 is as follows:

			Balance December 31, 2015	Issued	(Retired)	Balance December 31, 2016	Amount Due Within One Year
<b>Governmental Activities:</b>							
Special Obligation TIF Bonds:							
0.75-4.80%	Vintage Club Improvements	2013	\$13,165,000	\$0	(\$200,000)	\$12,965,000	\$300,000
Special Assessment Bonds							
With Governmental Commitment:							
6.00%	Montgomery Woods Sidewalk	1997	12,000	0	(6,000)	6,000	6,000
6.00%	Tanager Woods	1999	19,516	0	(4,883)	14,633	4,883
2.00-3.80%	Public Improvement Refunding	2003	840,000	0	(145,000)	695,000	155,000
Total Special Assessment Bonds							
With Governmental Commitment			871,516	0	(155,883)	715,633	165,883
Net Pension Liability:							
	Ohio Public Employees Retirement System		2,319,956	933,137	0	3,253,093	0
	Ohio Police and Fire Pension Fund		6,226,327	1,605,177	0	7,831,504	0
	Total Net Pension Liability		8,546,283	2,538,314	0	11,084,597	0
	Compensated Absences		836,202	406,637	(384,018)	858,821	398,706
	Total Governmental Activities		\$23,419,001	\$2,944,951	(\$739,901)	\$25,624,051	\$864,589

The principal amount of the City's special assessment debt outstanding at December 31, 2016 of \$715,633 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 \$164,946 in the Special Assessment Bond Retirement Fund and the balance of \$93,494 in the Reserve of Montgomery Bond Retirement Fund at December 31, 2016 are restricted for the retirement of outstanding special assessment bonds. The Tanager Woods special assessment bond payable is a self-funded debt obligation.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

**A. Principal and Interest Requirements**

Principal and interest requirements to retire long-term debt outstanding at December 31, 2016 are as follows:

Years	<u>Special Obligation Bonds</u>		<u>Special Assessment Bonds</u>	
	Principal	Interest	Principal	Interest
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	480,000	486,570	45,000	1,710
2022-2026	2,635,000	2,184,484	0	0
2027-2031	3,235,000	1,585,096	0	0
2032-2036	4,020,000	803,206	0	0
2037	920,000	44,160	0	0
Totals	<u>\$12,965,000</u>	<u>\$7,141,894</u>	<u>\$715,633</u>	<u>\$81,222</u>

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

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

The net proceeds of the 2004 Public Improvement General Obligation Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts, which including interest earned, was and will be used to pay the principal and interest on the refunded bonds. The refunded General Obligation Bonds, which have a balance of \$295,000 at December 31, 2016, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advanced refunding.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 14 – COMPENSATED ABSENCES**

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

As of December 31, 2016, the liability for unpaid compensated absences was \$858,821 for all funds of the City, a net increase of \$22,619 from the amount at December 31, 2015 of \$836,202.

**NOTE 15 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1992 the City entered into a joint insurance pool, Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) with other local cities. As of December 31, 2016, the pool has twenty members. The pool has been operational since December of 1988 and was formed in accordance with Section 2744 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, surety, general liability, boiler and machinery, employment practices liability, police professional and public official liability coverage up to the limits stated below. Membership in MVRMA is intended to provide broad based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate. MVRMA is a non-profit corporation governed by a twenty member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

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

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

Pollution Liability	\$1,000,000	per occurrence
Public Officials/Personal Injury	12,000,000	per occurrence
Property	1,000,000,000	per occurrence
Boiler and Machinery	100,000,000	per occurrence
Flood	25,000,000	per occurrence and aggregate
Cyber Liability	2,000,000	per occurrence and aggregate
Earthquake (Property)	25,000,000	per occurrence and 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.



***CITY OF MONTGOMERY, OHIO***

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 16 – ACCOUNTABILITY**

The fund deficit at December 31, 2016 of \$696,585 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 17 – CONTINGENCIES**

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

**NOTE 18 – SIGNIFICANT COMMITMENTS**

At December 31, 2016 the City had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$266,923
Fire Protection/EMS Fund	99,282
Capital Improvement Fund	1,512,733
Other Governmental Funds	133,439
Total Governmental Funds	<u><u>\$2,012,377</u></u>

*REQUIRED SUPPLEMENTAL INFORMATION*

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**CITY OF MONTGOMERY, OHIO**

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

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**Ohio Public Employees Retirement System**

Fiscal Year	2013	2014	2015
City's proportion of the net pension liability (asset)	0.019235%	0.019235%	0.018781%
City's proportionate share of the net pension liability (asset)	\$2,267,556	\$2,319,956	\$3,253,093
City's covered-employee payroll	\$2,484,715	\$2,378,800	\$2,409,608
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	91.26%	97.53%	135.01%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

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

**Ohio Police and Fire Pension Fund**

Fiscal Year	2013	2014	2015
City's proportion of the net pension liability (asset)	0.120189%	0.120189%	0.121738%
City's proportionate share of the net pension liability (asset)	\$5,853,615	\$6,226,327	\$7,831,504
City's covered-employee payroll	\$2,416,973	\$2,468,266	\$2,599,662
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	242.19%	252.26%	301.25%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

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

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability.

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

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### ***Schedule of City Contributions Last Four Years***

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#### **Ohio Public Employees Retirement System**

Fiscal Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$323,013	\$285,456	\$289,153	\$300,987
Contributions in relation to the contractually required contribution	<u>323,013</u>	<u>285,456</u>	<u>289,153</u>	<u>300,987</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$2,484,715	\$2,378,800	\$2,409,608	\$2,508,225
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%

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

#### **Ohio Police and Fire Pension Fund**

Fiscal Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$412,819	\$502,539	\$522,272	\$541,043
Contributions in relation to the contractually required contribution	<u>412,819</u>	<u>502,539</u>	<u>522,272</u>	<u>541,043</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$2,416,973	\$2,468,266	\$2,599,662	\$2,644,822
Contributions as a percentage of covered-employee payroll	17.08%	20.36%	20.09%	20.46%

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

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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



***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**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***

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**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***

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

**Special Assessment Bond Retirement Fund**

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

**General Obligation Bond Retirement Fund**

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



***Capital Projects Funds***

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

**Triangle Tax Increment Fund**

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

**Urban Redevelopment Fund**

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

**Vintage Club Capital Improvement Fund**

To account for infrastructure improvements at the Vintage Club housing development to be financed by tax increment financing bonds. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

***Permanent Fund***

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

**Arts and Amenities Fund**

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

**CITY OF MONTGOMERY, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 1,363,100	\$ 501,441	\$ 377,116	\$ 321,098	\$ 2,562,755
Investments	551,908	320,521	334,726	305,857	1,513,012
Receivables:					
Taxes	0	0	236,116	0	236,116
Accounts	643	0	0	0	643
Intergovernmental	281,433	0	0	0	281,433
Special Assessments	0	16,650	0	0	16,650
Prepaid Items	13,431	0	0	389	13,820
<b>Total Assets</b>	<b>\$ 2,210,515</b>	<b>\$ 838,612</b>	<b>\$ 947,958</b>	<b>\$ 627,344</b>	<b>\$ 4,624,429</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 42,702	\$ 0	\$ 0	\$ 0	\$ 42,702
Accrued Wages and Benefits Payable	26,185	0	0	0	26,185
Interfund Loans Payable	0	0	722,290	0	722,290
<b>Total Liabilities</b>	<b>68,887</b>	<b>0</b>	<b>722,290</b>	<b>0</b>	<b>791,177</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Amounts	170,647	16,650	0	0	187,297
Property Tax Levy for Next Fiscal Year	0	0	236,116	0	236,116
<b>Total Deferred Inflows of Resources</b>	<b>170,647</b>	<b>16,650</b>	<b>236,116</b>	<b>0</b>	<b>423,413</b>
<b>Fund Balances:</b>					
Nonspendable	13,431	0	0	379,122	392,553
Restricted	1,957,550	821,962	686,137	248,222	3,713,871
Unassigned	0	0	(696,585)	0	(696,585)
<b>Total Fund Balances</b>	<b>1,970,981</b>	<b>821,962</b>	<b>(10,448)</b>	<b>627,344</b>	<b>3,409,839</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,210,515</b>	<b>\$ 838,612</b>	<b>\$ 947,958</b>	<b>\$ 627,344</b>	<b>\$ 4,624,429</b>

**CITY OF MONTGOMERY, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 0	\$ 314,381	\$ 236,116	\$ 0	\$ 550,497
Intergovernmental Revenues	612,334	0	0	0	612,334
Charges for Services	328,548	0	0	22,472	351,020
Licenses, Permits and Fees	46,500	0	0	0	46,500
Investment Earnings	6,521	9,526	3,100	3,111	22,258
Special Assessments	0	15,793	0	0	15,793
Fines and Forfeitures	18,041	0	0	0	18,041
All Other Revenue	6,653	0	13,593	12	20,258
<b>Total Revenues</b>	<b>1,018,597</b>	<b>339,700</b>	<b>252,809</b>	<b>25,595</b>	<b>1,636,701</b>
<b>Expenditures:</b>					
Current:					
Public Safety	163,954	0	0	0	163,954
Parks and Recreation	219,079	0	0	16,221	235,300
Community Economic Development	37,452	0	0	0	37,452
Public Works	1,022,891	0	0	0	1,022,891
General Government	0	8,229	77,904	0	86,133
Capital Outlay	0	0	8,750	0	8,750
Debt Service:					
Principal Retirement	0	10,883	0	0	10,883
Interest and Fiscal Charges	0	4,287	0	0	4,287
<b>Total Expenditures</b>	<b>1,443,376</b>	<b>23,399</b>	<b>86,654</b>	<b>16,221</b>	<b>1,569,650</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(424,779)	316,301	166,155	9,374	67,051
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	3,107	0	0	0	3,107
Transfers In	540,000	0	0	0	540,000
Transfers Out	0	0	(818,452)	0	(818,452)
<b>Total Other Financing Sources (Uses)</b>	<b>543,107</b>	<b>0</b>	<b>(818,452)</b>	<b>0</b>	<b>(275,345)</b>
Net Change in Fund Balances	118,328	316,301	(652,297)	9,374	(208,294)
<b>Fund Balances at Beginning of Year</b>	<b>1,852,653</b>	<b>505,661</b>	<b>641,849</b>	<b>617,970</b>	<b>3,618,133</b>
<b>Fund Balances End of Year</b>	<b>\$ 1,970,981</b>	<b>\$ 821,962</b>	<b>\$ (10,448)</b>	<b>\$ 627,344</b>	<b>\$ 3,409,839</b>

**CITY OF MONTGOMERY, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2016**

	Memorial	Parks and Recreation Fundraising	Law Enforcement	Drug Law Enforcement
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 31,668	\$ 10,335	\$ 44,341	\$ 5,169
Investments	0	0	0	0
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Prepaid Items	0	0	0	0
<b>Total Assets</b>	<b>\$ 31,668</b>	<b>\$ 10,335</b>	<b>\$ 44,341</b>	<b>\$ 5,169</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 982	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
<b>Total Liabilities</b>	<b>982</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	30,686	10,335	44,341	5,169
<b>Total Fund Balances</b>	<b>30,686</b>	<b>10,335</b>	<b>44,341</b>	<b>5,169</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 31,668</b>	<b>\$ 10,335</b>	<b>\$ 44,341</b>	<b>\$ 5,169</b>

**CITY OF MONTGOMERY, OHIO**

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DUI Enforcement and Education	Mayor's Court Technology	COPS Grant	Law Enforcement Assistance	Environmental Impact Tax	Street Construction Maintenance and Repair
\$ 14,865	\$ 45,827	\$ 5,668	\$ 3,120	\$ 116,000	\$ 353,679
0	0	0	0	0	336,890
0	643	0	0	0	0
0	0	21,062	4,400	0	200,970
0	335	2,228	0	0	10,868
<u>\$ 14,865</u>	<u>\$ 46,805</u>	<u>\$ 28,958</u>	<u>\$ 7,520</u>	<u>\$ 116,000</u>	<u>\$ 902,407</u>
\$ 192	\$ 25	\$ 0	\$ 0	\$ 0	\$ 29,142
0	0	2,360	0	0	23,825
192	25	2,360	0	0	52,967
0	0	0	0	0	133,980
0	0	0	0	0	133,980
0	335	2,228	0	0	10,868
14,673	46,445	24,370	7,520	116,000	704,592
14,673	46,780	26,598	7,520	116,000	715,460
<u>\$ 14,865</u>	<u>\$ 46,805</u>	<u>\$ 28,958</u>	<u>\$ 7,520</u>	<u>\$ 116,000</u>	<u>\$ 902,407</u>

(Continued)

**CITY OF MONTGOMERY, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2016**

	State Highway	Permissive Motor Vehicle License	Municipal Pool	Cemetery
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 41,755	\$ 110,094	\$ 210,877	\$ 183,977
Investments	39,775	0	0	175,243
Receivables:				
Accounts	0	0	0	0
Intergovernmental	16,295	38,706	0	0
Prepaid Items	0	0	0	0
<b>Total Assets</b>	<b>\$ 97,825</b>	<b>\$ 148,800</b>	<b>\$ 210,877</b>	<b>\$ 359,220</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 7,744	\$ 0	\$ 441	\$ 104
Accrued Wages and Benefits Payable	0	0	0	0
<b>Total Liabilities</b>	<b>7,744</b>	<b>0</b>	<b>441</b>	<b>104</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	10,863	25,804	0	0
<b>Total Deferred Inflows of Resources</b>	<b>10,863</b>	<b>25,804</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	79,218	122,996	210,436	359,116
<b>Total Fund Balances</b>	<b>79,218</b>	<b>122,996</b>	<b>210,436</b>	<b>359,116</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 97,825</b>	<b>\$ 148,800</b>	<b>\$ 210,877</b>	<b>\$ 359,220</b>

**CITY OF MONTGOMERY, OHIO**

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Montgomery CIC	Total Nonmajor Special Revenue Funds
\$ 185,725	\$ 1,363,100
0	551,908
0	643
0	281,433
0	13,431
\$ 185,725	\$ 2,210,515
\$ 4,072	\$ 42,702
0	26,185
4,072	68,887
0	170,647
0	170,647
0	13,431
181,653	1,957,550
181,653	1,970,981
\$ 185,725	\$ 2,210,515

**CITY OF MONTGOMERY, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

	Memorial	Parks and Recreation Fundraising	Law Enforcement	Drug Law Enforcement
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0	\$ 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	6,110	0	0	200
All Other Revenue	0	0	100	0
<b>Total Revenues</b>	<u>6,110</u>	<u>0</u>	<u>100</u>	<u>200</u>
<b>Expenditures:</b>				
Current:				
Public Safety	0	0	22,246	0
Parks and Recreation	4,091	0	0	0
Community Economic Development	0	0	0	0
Public Works	0	0	0	0
<b>Total Expenditures</b>	<u>4,091</u>	<u>0</u>	<u>22,246</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,019	0	(22,146)	200
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	2,019	0	(22,146)	200
<b>Fund Balances at Beginning of Year</b>	<u>28,667</u>	<u>10,335</u>	<u>66,487</u>	<u>4,969</u>
<b>Fund Balances End of Year</b>	<u>\$ 30,686</u>	<u>\$ 10,335</u>	<u>\$ 44,341</u>	<u>\$ 5,169</u>



**CITY OF MONTGOMERY, OHIO**

DUI Enforcement and Education	Mayor's Court Technology	COPS Grant	Law Enforcement Assistance	Environmental Impact Tax	Street Construction Maintenance and Repair
\$ 0	\$ 0	\$ 82,594	\$ 6,000	\$ 0	\$ 409,548
0	0	0	0	0	0
0	0	0	0	46,500	0
0	0	0	0	0	2,944
708	11,023	0	0	0	0
0	0	933	0	0	5,602
<u>708</u>	<u>11,023</u>	<u>83,527</u>	<u>6,000</u>	<u>46,500</u>	<u>418,094</u>
246	7,943	133,519	0	0	0
0	0	0	0	0	0
0	0	0	0	1,500	0
0	0	0	0	0	888,908
<u>246</u>	<u>7,943</u>	<u>133,519</u>	<u>0</u>	<u>1,500</u>	<u>888,908</u>
462	3,080	(49,992)	6,000	45,000	(470,814)
0	0	0	0	0	3,107
0	0	49,500	0	25,500	450,000
0	0	49,500	0	25,500	453,107
462	3,080	(492)	6,000	70,500	(17,707)
14,211	43,700	27,090	1,520	45,500	733,167
<u>\$ 14,673</u>	<u>\$ 46,780</u>	<u>\$ 26,598</u>	<u>\$ 7,520</u>	<u>\$ 116,000</u>	<u>\$ 715,460</u>

(Continued)

**CITY OF MONTGOMERY, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

	State Highway	Permissive Motor Vehicle License	Municipal Pool	Cemetery
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 33,207	\$ 80,985	\$ 0	\$ 0
Charges for Services	0	0	260,670	67,878
Licenses, Permits and Fees	0	0	0	0
Investment Earnings	355	396	0	1,747
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	18	0
<b>Total Revenues</b>	<b>33,562</b>	<b>81,381</b>	<b>260,688</b>	<b>69,625</b>
<b>Expenditures:</b>				
Current:				
Public Safety	0	0	0	0
Parks and Recreation	0	0	214,988	0
Community Economic Development	0	0	0	0
Public Works	41,016	51,384	0	41,583
<b>Total Expenditures</b>	<b>41,016</b>	<b>51,384</b>	<b>214,988</b>	<b>41,583</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,454)	29,997	45,700	28,042
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	15,000	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>15,000</b>	<b>0</b>
Net Change in Fund Balances	(7,454)	29,997	60,700	28,042
<b>Fund Balances at Beginning of Year</b>	<b>86,672</b>	<b>92,999</b>	<b>149,736</b>	<b>331,074</b>
<b>Fund Balances End of Year</b>	<b>\$ 79,218</b>	<b>\$ 122,996</b>	<b>\$ 210,436</b>	<b>\$ 359,116</b>

**CITY OF MONTGOMERY, OHIO**

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<u>Montgomery CIC</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 612,334
0	328,548
0	46,500
1,079	6,521
0	18,041
0	6,653
<u>1,079</u>	<u>1,018,597</u>
0	163,954
0	219,079
35,952	37,452
0	1,022,891
<u>35,952</u>	<u>1,443,376</u>
(34,873)	(424,779)
0	3,107
0	540,000
<u>0</u>	<u>543,107</u>
(34,873)	118,328
<u>216,526</u>	<u>1,852,653</u>
<u>\$ 181,653</u>	<u>\$ 1,970,981</u>

**CITY OF MONTGOMERY, OHIO**

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**Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2016**

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	Special Assessment Bond Retirement	General Obligation Bond Retirement	Total Nonmajor Debt Service Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 164,946	\$ 336,495	\$ 501,441
Investments	0	320,521	320,521
Receivables:			
Special Assessments	16,650	0	16,650
<b>Total Assets</b>	<u>\$ 181,596</u>	<u>\$ 657,016</u>	<u>\$ 838,612</u>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	16,650	0	16,650
<b>Total Deferred Inflows of Resources</b>	<u>16,650</u>	<u>0</u>	<u>16,650</u>
<b>Fund Balances:</b>			
Restricted	164,946	657,016	821,962
<b>Total Fund Balances</b>	<u>164,946</u>	<u>657,016</u>	<u>821,962</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 181,596</u>	<u>\$ 657,016</u>	<u>\$ 838,612</u>

**CITY OF MONTGOMERY, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2016**

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	Special Assessment Bond Retirement	General Obligation Bond Retirement	Total Nonmajor Debt Service Funds
<b>Revenues:</b>			
Taxes	\$ 0	\$ 314,381	\$ 314,381
Investment Earnings	7,134	2,392	9,526
Special Assessments	15,793	0	15,793
<b>Total Revenues</b>	<u>22,927</u>	<u>316,773</u>	<u>339,700</u>
<b>Expenditures:</b>			
Current:			
General Government	495	7,734	8,229
Debt Service:			
Principal Retirement	10,883	0	10,883
Interest and Fiscal Charges	4,287	0	4,287
<b>Total Expenditures</b>	<u>15,665</u>	<u>7,734</u>	<u>23,399</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,262	309,039	316,301
<b>Fund Balances at Beginning of Year</b>	<u>157,684</u>	<u>347,977</u>	<u>505,661</u>
<b>Fund Balances End of Year</b>	<u>\$ 164,946</u>	<u>\$ 657,016</u>	<u>\$ 821,962</u>

**CITY OF MONTGOMERY, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2016**

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	Triangle Tax Increment	Urban Redevelopment	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 25,705	\$ 351,411	\$ 377,116
Investments	0	334,726	334,726
Receivables:			
Taxes	144,775	91,341	236,116
<b>Total Assets</b>	<b>\$ 170,480</b>	<b>\$ 777,478</b>	<b>\$ 947,958</b>
<b>Liabilities:</b>			
Interfund Loans Payable	\$ 722,290	\$ 0	\$ 722,290
<b>Total Liabilities</b>	<b>722,290</b>	<b>0</b>	<b>722,290</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	144,775	91,341	236,116
<b>Total Deferred Inflows of Resources</b>	<b>144,775</b>	<b>91,341</b>	<b>236,116</b>
<b>Fund Balances:</b>			
Restricted	0	686,137	686,137
Unassigned	(696,585)	0	(696,585)
<b>Total Fund Balances</b>	<b>(696,585)</b>	<b>686,137</b>	<b>(10,448)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 170,480</b>	<b>\$ 777,478</b>	<b>\$ 947,958</b>

**CITY OF MONTGOMERY, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2016**

	Triangle Tax Increment	Urban Redevelopment	Vintage Club Capital Improvement	Total Nonmajor Capital Project Funds
<b>Revenues:</b>				
Taxes	\$ 144,775	\$ 91,341	\$ 0	\$ 236,116
Investment Earnings	0	3,100	0	3,100
All Other Revenue	9,393	4,200	0	13,593
<b>Total Revenues</b>	<b>154,168</b>	<b>98,641</b>	<b>0</b>	<b>252,809</b>
<b>Expenditures:</b>				
Current:				
General Government	73,235	4,669	0	77,904
Capital Outlay	0	8,750	0	8,750
<b>Total Expenditures</b>	<b>73,235</b>	<b>13,419</b>	<b>0</b>	<b>86,654</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	80,933	85,222	0	166,155
<b>Other Financing Sources (Uses):</b>				
Transfers Out	0	0	(818,452)	(818,452)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>(818,452)</b>	<b>(818,452)</b>
Net Change in Fund Balances	80,933	85,222	(818,452)	(652,297)
<b>Fund Balances at Beginning of Year</b>	<b>(777,518)</b>	<b>600,915</b>	<b>818,452</b>	<b>641,849</b>
<b>Fund Balances End of Year</b>	<b>\$ (696,585)</b>	<b>\$ 686,137</b>	<b>\$ 0</b>	<b>\$ (10,448)</b>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 8,309,018	\$ 8,309,018	\$ 8,796,171	\$ 487,153
Intergovernmental Revenues	435,132	435,132	454,319	19,187
Charges for Services	117,411	117,411	100,792	(16,619)
Rental Revenue	75,964	75,964	72,428	(3,536)
Licenses, Permits and Fees	546,300	546,300	494,103	(52,197)
Investment Earnings	85,000	85,000	97,046	12,046
Fines and Forfeitures	164,500	164,500	129,963	(34,537)
All Other Revenues	35,065	35,065	35,555	490
Total Revenues	<u>9,768,390</u>	<u>9,768,390</u>	<u>10,180,377</u>	<u>411,987</u>
<b>Expenditures:</b>				
Public Safety:				
Police:				
Personal Services	2,998,470	2,983,850	2,683,583	300,267
Nonpersonnel	413,586	413,586	385,706	27,880
Total Police	<u>3,412,056</u>	<u>3,397,436</u>	<u>3,069,289</u>	<u>328,147</u>
Disaster Service:				
Nonpersonnel	9,250	9,250	5,000	4,250
Total Disaster Service	<u>9,250</u>	<u>9,250</u>	<u>5,000</u>	<u>4,250</u>
Public Health and Welfare:				
Personal Services	57,900	57,900	49,165	8,735
Nonpersonnel	0	6,250	6,250	0
Total Public Health and Welfare	<u>57,900</u>	<u>64,150</u>	<u>55,415</u>	<u>8,735</u>
Civil Service:				
Nonpersonnel	3,100	3,100	1,900	1,200
Total Civil Service	<u>3,100</u>	<u>3,100</u>	<u>1,900</u>	<u>1,200</u>
Total Public Safety	<u>3,482,306</u>	<u>3,473,936</u>	<u>3,131,604</u>	<u>342,332</u>
Parks and Recreation:				
Recreation:				
Personal Services	206,180	206,180	196,742	9,438
Nonpersonnel	106,311	106,311	72,994	33,317
Total Recreation	<u>312,491</u>	<u>312,491</u>	<u>269,736</u>	<u>42,755</u>

(Continued)



**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
City Parks:				
Personal Services	290,487	290,487	287,947	2,540
Nonpersonnel	228,325	228,325	213,912	14,413
Total City Parks	<u>518,812</u>	<u>518,812</u>	<u>501,859</u>	<u>16,953</u>
Lodges:				
Nonpersonnel	39,461	39,461	32,859	6,602
Total Lodges	<u>39,461</u>	<u>39,461</u>	<u>32,859</u>	<u>6,602</u>
City Beautiful:				
Nonpersonnel	138,352	138,352	124,893	13,459
Total City Beautiful	<u>138,352</u>	<u>138,352</u>	<u>124,893</u>	<u>13,459</u>
Special Events:				
Nonpersonnel	106,165	106,165	91,889	14,276
Total Special Events	<u>106,165</u>	<u>106,165</u>	<u>91,889</u>	<u>14,276</u>
Total Parks and Recreation	<u>1,115,281</u>	<u>1,115,281</u>	<u>1,021,236</u>	<u>94,045</u>
Community Economic Development:				
Landmarks Commission:				
Nonpersonnel	13,750	13,750	5,788	7,962
Total Landmarks Commission	<u>13,750</u>	<u>13,750</u>	<u>5,788</u>	<u>7,962</u>
Historical Building Operations:				
Nonpersonnel	43,200	43,200	32,002	11,198
Total Historical Building Operations	<u>43,200</u>	<u>43,200</u>	<u>32,002</u>	<u>11,198</u>
Development:				
Personal Services	343,668	343,668	340,860	2,808
Nonpersonnel	492,887	492,887	359,237	133,650
Total Development	<u>836,555</u>	<u>836,555</u>	<u>700,097</u>	<u>136,458</u>
Planning Commission:				
Nonpersonnel	11,200	11,200	4,184	7,016
Total Planning Commission	<u>11,200</u>	<u>11,200</u>	<u>4,184</u>	<u>7,016</u>
Total Community Economic Development	<u>904,705</u>	<u>904,705</u>	<u>742,071</u>	<u>162,634</u>

(Continued)

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Works:				
Personal Services	503,218	503,218	500,277	2,941
Nonpersonnel	151,466	151,466	129,705	21,761
Total Public Works	<u>654,684</u>	<u>654,684</u>	<u>629,982</u>	<u>24,702</u>
General Government:				
Administration:				
Personal Services	421,782	421,782	297,740	124,042
Nonpersonnel	27,000	27,000	13,799	13,201
Total Administration	<u>448,782</u>	<u>448,782</u>	<u>311,539</u>	<u>137,243</u>
Finance Administration:				
Personal Services	542,098	542,098	462,858	79,240
Nonpersonnel	59,225	59,225	69,863	(10,638)
Total Finance Administration	<u>601,323</u>	<u>601,323</u>	<u>532,721</u>	<u>68,602</u>
Legal Administration:				
Nonpersonnel	228,000	228,000	202,405	25,595
Total Legal Administration	<u>228,000</u>	<u>228,000</u>	<u>202,405</u>	<u>25,595</u>
Council:				
Personal Services	16,553	16,553	14,653	1,900
Nonpersonnel	2,500	2,500	2,571	(71)
Total Council	<u>19,053</u>	<u>19,053</u>	<u>17,224</u>	<u>1,829</u>
Mayor's Court:				
Personal Services	83,376	83,376	82,327	1,049
Nonpersonnel	76,775	76,775	73,585	3,190
Total Mayor's Court	<u>160,151</u>	<u>160,151</u>	<u>155,912</u>	<u>4,239</u>
Citizen Engagement and Outreach:				
Personal Services	456,948	456,948	449,051	7,897
Nonpersonnel	126,510	126,510	93,006	33,504
Total Citizen Engagement and Outreach	<u>583,458</u>	<u>583,458</u>	<u>542,057</u>	<u>41,401</u>

(Continued)

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
General Administration:				
Personal Services	10,000	10,000	0	10,000
Nonpersonnel	1,444,915	1,444,915	1,306,278	138,637
Total General Administration	<u>1,454,915</u>	<u>1,454,915</u>	<u>1,306,278</u>	<u>148,637</u>
Total General Government	<u>3,495,682</u>	<u>3,495,682</u>	<u>3,068,136</u>	<u>427,546</u>
Total Expenditures	<u>9,652,658</u>	<u>9,644,288</u>	<u>8,593,029</u>	<u>1,051,259</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	115,732	124,102	1,587,348	1,463,246
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	7,500	7,500	19,914	12,414
Transfers Out	(540,000)	(554,620)	(554,620)	0
Total Other Financing Sources (Uses)	<u>(532,500)</u>	<u>(547,120)</u>	<u>(534,706)</u>	<u>12,414</u>
Net Change in Fund Balance	(416,768)	(423,018)	1,052,642	1,475,660
Fund Balance at Beginning of Year	13,043,661	13,043,661	13,043,661	0
Prior Year Encumbrances	<u>180,487</u>	<u>180,487</u>	<u>180,487</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,807,380</u>	<u>\$ 12,801,130</u>	<u>\$ 14,276,790</u>	<u>\$ 1,475,660</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Special Revenue Fund  
For the Year Ended December 31, 2016**

<b>FIRE PROTECTION / EMS FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 1,769,000	\$ 1,769,000	\$ 1,752,971	\$ (16,029)
Intergovernmental Revenues	211,258	211,258	209,338	(1,920)
Charges for Services	128,678	128,678	174,024	45,346
Investment Earnings	25,000	25,000	19,688	(5,312)
All Other Revenues	6,051	6,051	8,536	2,485
Total Revenues	<u>2,139,987</u>	<u>2,139,987</u>	<u>2,164,557</u>	<u>24,570</u>
<b>Expenditures:</b>				
Public Safety:				
Personal Services	2,180,094	2,169,324	1,973,889	195,435
Nonpersonnel	451,304	510,804	458,841	51,963
Total Expenditures	<u>2,631,398</u>	<u>2,680,128</u>	<u>2,432,730</u>	<u>247,398</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(491,411)	(540,141)	(268,173)	271,968
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	2,000	2,000	0	(2,000)
Transfers Out	0	(10,770)	(10,770)	0
Total Other Financing Sources (Uses)	<u>2,000</u>	<u>(8,770)</u>	<u>(10,770)</u>	<u>(2,000)</u>
Net Change in Fund Balance	(489,411)	(548,911)	(278,943)	269,968
Fund Balance at Beginning of Year	4,278,668	4,278,668	4,278,668	0
Prior Year Encumbrances	48,924	48,924	48,924	0
Fund Balance at End of Year	<u>\$ 3,838,181</u>	<u>\$ 3,778,681</u>	<u>\$ 4,048,649</u>	<u>\$ 269,968</u>

**CITY OF MONTGOMERY, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund  
For the Year Ended December 31, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Special Assessments	\$ 177,188	\$ 177,188	\$ 182,703	\$ 5,515
Total Revenues	<u>177,188</u>	<u>177,188</u>	<u>182,703</u>	<u>5,515</u>
<b>Expenditures:</b>				
General Government:				
Nonpersonnel	6,000	6,000	5,579	421
Debt Service:				
Principal Retirement	145,000	145,000	145,000	0
Interest and Fiscal Charges	30,555	30,555	30,555	0
Total Expenditures	<u>181,555</u>	<u>181,555</u>	<u>181,134</u>	<u>421</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,367)	(4,367)	1,569	5,936
Fund Balance at Beginning of Year	<u>91,925</u>	<u>91,925</u>	<u>91,925</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 87,558</u>	<u>\$ 87,558</u>	<u>\$ 93,494</u>	<u>\$ 5,936</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund  
For the Year Ended December 31, 2016**

VINTAGE CLUB TAX INCREMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 1,785,760	\$ 1,785,760	\$ 1,593,666	\$ (192,094)
Intergovernmental Revenues	175,000	175,000	180,081	5,081
Investment Earnings	5,000	5,000	45	(4,955)
Total Revenues	<u>1,965,760</u>	<u>1,965,760</u>	<u>1,773,792</u>	<u>(191,968)</u>
<b>Expenditures:</b>				
General Government:				
Nonpersonnel	1,010,380	1,010,380	889,461	120,919
Total General Government	<u>1,010,380</u>	<u>1,010,380</u>	<u>889,461</u>	<u>120,919</u>
Debt Service:				
Principal Retirement	200,000	200,000	200,000	0
Interest and Fiscal Charges	523,353	523,353	523,053	300
Total Expenditures	<u>1,733,733</u>	<u>1,733,733</u>	<u>1,612,514</u>	<u>121,219</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	232,027	232,027	161,278	(70,749)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	818,452	818,452
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>818,452</u>	<u>818,452</u>
Net Change in Fund Balance	232,027	232,027	979,730	747,703
Fund Balance at Beginning of Year	<u>2,230,311</u>	<u>2,230,311</u>	<u>2,230,311</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,462,338</u>	<u>\$ 2,462,338</u>	<u>\$ 3,210,041</u>	<u>\$ 747,703</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Fund  
For the Year Ended December 31, 2016**

<b>CAPITAL IMPROVEMENT FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 1,652,360	\$ 1,652,360	\$ 1,768,165	\$ 115,805
Intergovernmental Revenues	1,347,202	1,347,202	69,184	(1,278,018)
Investment Earnings	10,000	10,000	22,886	12,886
All Other Revenues	0	0	950	950
Total Revenues	<u>3,009,562</u>	<u>3,009,562</u>	<u>1,861,185</u>	<u>(1,148,377)</u>
<b>Expenditures:</b>				
Capital Outlay:				
Nonpersonnel	<u>4,278,491</u>	<u>4,278,491</u>	<u>3,838,948</u>	<u>439,543</u>
Total Expenditures	<u>4,278,491</u>	<u>4,278,491</u>	<u>3,838,948</u>	<u>439,543</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(1,268,929)	(1,268,929)	(1,977,763)	(708,834)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	6,799	6,799
Advances In	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>75,000</u>	<u>81,799</u>	<u>6,799</u>
Net Change in Fund Balance	(1,193,929)	(1,193,929)	(1,895,964)	(702,035)
Fund Balance at Beginning of Year	3,551,238	3,551,238	3,551,238	0
Prior Year Encumbrances	<u>487,935</u>	<u>487,935</u>	<u>487,935</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,845,244</u>	<u>\$ 2,845,244</u>	<u>\$ 2,143,209</u>	<u>\$ (702,035)</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Fund  
For the Year Ended December 31, 2016**

<b>DOWNTOWN IMPROVEMENT FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Investment Earnings	\$ 10,000	\$ 10,000	\$ 20,080	\$ 10,080
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>20,080</u>	<u>10,080</u>
<b>Expenditures:</b>				
Capital Outlay:				
Nonpersonnel	<u>0</u>	<u>300</u>	<u>278</u>	<u>22</u>
Total Expenditures	<u>0</u>	<u>300</u>	<u>278</u>	<u>22</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,000	9,700	19,802	10,102
Fund Balance at Beginning of Year	<u>3,995,184</u>	<u>3,995,184</u>	<u>3,995,184</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,005,184</u>	<u>\$ 4,004,884</u>	<u>\$ 4,014,986</u>	<u>\$ 10,102</u>



**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

COMPENSATED ABSENCES FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Investment Earnings	\$ 500	\$ 500	\$ 0	\$ (500)
Total Revenues	500	500	0	(500)
<b>Expenditures:</b>				
General Government:				
Personal Services	35,000	35,000	10,707	24,293
Total Expenditures	35,000	35,000	10,707	24,293
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,500)	(34,500)	(10,707)	23,793
<b>Other Financing Sources (Uses):</b>				
Transfers In	45,331	45,331	25,390	(19,941)
Total Other Financing Sources (Uses)	45,331	45,331	25,390	(19,941)
Net Change in Fund Balance	10,831	10,831	14,683	3,852
Fund Balance at Beginning of Year	215,959	215,959	215,959	0
Fund Balance at End of Year	\$ 226,790	\$ 226,790	\$ 230,642	\$ 3,852

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

	MEMORIAL FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 3,000	\$ 3,000	\$ 6,110	\$ 3,110
Total Revenues	3,000	3,000	6,110	3,110
<b>Expenditures:</b>				
Parks and Recreation:				
Nonpersonnel	4,000	4,000	3,514	486
Total Expenditures	4,000	4,000	3,514	486
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000)	(1,000)	2,596	3,596
Fund Balance at Beginning of Year	29,072	29,072	29,072	0
Fund Balance at End of Year	\$ 28,072	\$ 28,072	\$ 31,668	\$ 3,596

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

**PARKS AND RECREATION FUNDRAISING FUND**

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

**CITY OF MONTGOMERY, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 800	\$ 800	\$ 0	\$ (800)
All Other Revenues	400	400	100	(300)
Total Revenues	<u>1,200</u>	<u>1,200</u>	<u>100</u>	<u>(1,100)</u>
<b>Expenditures:</b>				
Public Safety:				
Nonpersonnel	<u>15,600</u>	<u>23,200</u>	<u>22,246</u>	<u>954</u>
Total Expenditures	<u>15,600</u>	<u>23,200</u>	<u>22,246</u>	<u>954</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,400)	(22,000)	(22,146)	(146)
Fund Balance at Beginning of Year	58,987	58,987	58,987	0
Prior Year Encumbrances	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 52,087</u>	<u>\$ 44,487</u>	<u>\$ 44,341</u>	<u>\$ (146)</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

<b>DRUG LAW ENFORCEMENT FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 200	\$ (800)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>200</u>	<u>(800)</u>
<b>Expenditures:</b>				
Public Safety:				
Nonpersonnel	<u>400</u>	<u>400</u>	<u>0</u>	<u>400</u>
Total Expenditures	<u>400</u>	<u>400</u>	<u>0</u>	<u>400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	600	600	200	(400)
Fund Balance at Beginning of Year	<u>4,969</u>	<u>4,969</u>	<u>4,969</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,569</u>	<u>\$ 5,569</u>	<u>\$ 5,169</u>	<u>\$ (400)</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

**DUI ENFORCEMENT AND EDUCATION FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 708	\$ (292)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>708</u>	<u>(292)</u>
<b>Expenditures:</b>				
Public Safety:				
Nonpersonnel	<u>1,000</u>	<u>1,000</u>	<u>108</u>	<u>892</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>108</u>	<u>892</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	600	600
Fund Balance at Beginning of Year	<u>14,265</u>	<u>14,265</u>	<u>14,265</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,265</u>	<u>\$ 14,265</u>	<u>\$ 14,865</u>	<u>\$ 600</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

MAYOR'S COURT TECHNOLOGY FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 15,278	\$ 15,278	\$ 11,420	\$ (3,858)
Total Revenues	<u>15,278</u>	<u>15,278</u>	<u>11,420</u>	<u>(3,858)</u>
<b>Expenditures:</b>				
Public Safety:				
Nonpersonnel	12,851	12,851	8,141	4,710
Total Expenditures	<u>12,851</u>	<u>12,851</u>	<u>8,141</u>	<u>4,710</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,427	2,427	3,279	852
Fund Balance at Beginning of Year	42,548	42,548	42,548	0
Fund Balance at End of Year	<u>\$ 44,975</u>	<u>\$ 44,975</u>	<u>\$ 45,827</u>	<u>\$ 852</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

	COPS GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 80,450	\$ 80,450	\$ 82,506	\$ 2,056
All Other Revenues	771	771	933	162
Total Revenues	81,221	81,221	83,439	2,218
<b>Expenditures:</b>				
Public Safety:				
Personal Services	127,338	134,838	134,359	479
Nonpersonnel	3,500	3,500	2,059	1,441
Total Expenditures	130,838	138,338	136,418	1,920
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,617)	(57,117)	(52,979)	4,138
<b>Other Financing Sources (Uses):</b>				
Transfers In	49,500	49,500	49,500	0
Total Other Financing Sources (Uses)	49,500	49,500	49,500	0
Net Change in Fund Balance	(117)	(7,617)	(3,479)	4,138
Fund Balance at Beginning of Year	9,147	9,147	9,147	0
Fund Balance at End of Year	\$ 9,030	\$ 1,530	\$ 5,668	\$ 4,138



**CITY OF MONTGOMERY, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 1,600	\$ 1,600	\$ 1,600	\$ 0
Total Revenues	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>0</u>
<b>Expenditures:</b>				
Public Safety:				
Nonpersonnel	<u>1,600</u>	<u>1,600</u>	<u>0</u>	<u>1,600</u>
Total Expenditures	<u>1,600</u>	<u>1,600</u>	<u>0</u>	<u>1,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	1,600	1,600
Fund Balance at Beginning of Year	<u>1,520</u>	<u>1,520</u>	<u>1,520</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,520</u>	<u>\$ 1,520</u>	<u>\$ 3,120</u>	<u>\$ 1,600</u>

**CITY OF MONTGOMERY, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

ENVIRONMENTAL IMPACT TAX FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Licenses, Permits and Fees	\$ 31,500	\$ 31,500	\$ 46,500	\$ 15,000
Total Revenues	<u>31,500</u>	<u>31,500</u>	<u>46,500</u>	<u>15,000</u>
<b>Expenditures:</b>				
Community Economic Development:				
Nonpersonnel	31,500	31,500	1,500	30,000
Total Expenditures	<u>31,500</u>	<u>31,500</u>	<u>1,500</u>	<u>30,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	45,000	45,000
<b>Other Financing Sources (Uses):</b>				
Transfers In	25,500	45,500	45,500	0
Transfers Out	0	(20,000)	(20,000)	0
Total Other Financing Sources (Uses)	<u>25,500</u>	<u>25,500</u>	<u>25,500</u>	<u>0</u>
Net Change in Fund Balance	25,500	25,500	70,500	45,000
Fund Balance at Beginning of Year	<u>45,500</u>	<u>45,500</u>	<u>45,500</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 71,000</u>	<u>\$ 71,000</u>	<u>\$ 116,000</u>	<u>\$ 45,000</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND</b>				
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 403,000	\$ 403,000	\$ 408,911	\$ 5,911
Investment Earnings	3,000	3,000	2,944	(56)
All Other Revenues	5,584	5,584	5,602	18
Total Revenues	<u>411,584</u>	<u>411,584</u>	<u>417,457</u>	<u>5,873</u>
<b>Expenditures:</b>				
Public Works:				
Personal Services	707,867	707,867	667,135	40,732
Nonpersonnel	323,677	323,677	299,845	23,832
Total Expenditures	<u>1,031,544</u>	<u>1,031,544</u>	<u>966,980</u>	<u>64,564</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(619,960)	(619,960)	(549,523)	70,437
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	1,000	1,000	3,107	2,107
Transfers In	450,000	450,000	450,000	0
Total Other Financing Sources (Uses)	<u>451,000</u>	<u>451,000</u>	<u>453,107</u>	<u>2,107</u>
Net Change in Fund Balance	(168,960)	(168,960)	(96,416)	72,544
Fund Balance at Beginning of Year	681,184	681,184	681,184	0
Prior Year Encumbrances	49,086	49,086	49,086	0
Fund Balance at End of Year	<u>\$ 561,310</u>	<u>\$ 561,310</u>	<u>\$ 633,854</u>	<u>\$ 72,544</u>

**CITY OF MONTGOMERY, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 32,650	\$ 32,650	\$ 33,155	\$ 505
Investment Earnings	0	0	355	355
Total Revenues	<u>32,650</u>	<u>32,650</u>	<u>33,510</u>	<u>860</u>
<b>Expenditures:</b>				
Public Works:				
Nonpersonnel	<u>55,096</u>	<u>55,096</u>	<u>47,122</u>	<u>7,974</u>
Total Expenditures	<u>55,096</u>	<u>55,096</u>	<u>47,122</u>	<u>7,974</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,446)	(22,446)	(13,612)	8,834
Fund Balance at Beginning of Year	81,046	81,046	81,046	0
Prior Year Encumbrances	<u>1,096</u>	<u>1,096</u>	<u>1,096</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 59,696</u>	<u>\$ 59,696</u>	<u>\$ 68,530</u>	<u>\$ 8,834</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

PERMISSIVE MOTOR VEHICLE LICENSE FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 81,000	\$ 81,000	\$ 81,104	\$ 104
Investment Earnings	0	0	396	396
Total Revenues	<u>81,000</u>	<u>81,000</u>	<u>81,500</u>	<u>500</u>
<b>Expenditures:</b>				
Public Works:				
Nonpersonnel	79,000	79,000	66,384	12,616
Total Expenditures	<u>79,000</u>	<u>79,000</u>	<u>66,384</u>	<u>12,616</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,000	2,000	15,116	13,116
Fund Balance at Beginning of Year	<u>79,978</u>	<u>79,978</u>	<u>79,978</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 81,978</u>	<u>\$ 81,978</u>	<u>\$ 95,094</u>	<u>\$ 13,116</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

<b>MUNICIPAL POOL FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for Services	\$ 214,200	\$ 214,200	\$ 260,670	\$ 46,470
All Other Revenues	500	500	18	(482)
Total Revenues	<u>214,700</u>	<u>214,700</u>	<u>260,688</u>	<u>45,988</u>
<b>Expenditures:</b>				
Parks and Recreation:				
Nonpersonnel	266,329	266,329	232,023	34,306
Total Expenditures	<u>266,329</u>	<u>266,329</u>	<u>232,023</u>	<u>34,306</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,629)	(51,629)	28,665	80,294
<b>Other Financing Sources (Uses):</b>				
Transfers In	15,000	15,000	15,000	0
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Net Change in Fund Balance	(36,629)	(36,629)	43,665	80,294
Fund Balance at Beginning of Year	145,331	145,331	145,331	0
Prior Year Encumbrances	4,667	4,667	4,667	0
Fund Balance at End of Year	<u>\$ 113,369</u>	<u>\$ 113,369</u>	<u>\$ 193,663</u>	<u>\$ 80,294</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

<b>CEMETERY FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Charges for Services	\$ 40,000	\$ 40,000	\$ 67,878	\$ 27,878
Investment Earnings	1,500	1,500	1,747	247
Total Revenues	<u>41,500</u>	<u>41,500</u>	<u>69,625</u>	<u>28,125</u>
<b>Expenditures:</b>				
Public Works:				
Nonpersonnel	47,759	47,759	46,029	1,730
Total Expenditures	<u>47,759</u>	<u>47,759</u>	<u>46,029</u>	<u>1,730</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,259)	(6,259)	23,596	29,855
Fund Balance at Beginning of Year	327,665	327,665	327,665	0
Prior Year Encumbrances	3,409	3,409	3,409	0
Fund Balance at End of Year	<u>\$ 324,815</u>	<u>\$ 324,815</u>	<u>\$ 354,670</u>	<u>\$ 29,855</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2016**

SPECIAL ASSESSMENT BOND RETIREMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Investment Earnings	\$ 0	\$ 0	\$ 7,134	\$ 7,134
Special Assessments	15,170	15,170	15,793	623
Total Revenues	<u>15,170</u>	<u>15,170</u>	<u>22,927</u>	<u>7,757</u>
<b>Expenditures:</b>				
General Government:				
Nonpersonnel	2,000	2,000	495	1,505
Debt Service:				
Principal Retirement	10,883	10,883	10,883	0
Interest and Fiscal Charges	4,287	4,287	4,287	0
Total Expenditures	<u>17,170</u>	<u>17,170</u>	<u>15,665</u>	<u>1,505</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,000)	(2,000)	7,262	9,262
Fund Balance at Beginning of Year	157,684	157,684	157,684	0
Fund Balance at End of Year	<u>\$ 155,684</u>	<u>\$ 155,684</u>	<u>\$ 164,946</u>	<u>\$ 9,262</u>



**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2016**

GENERAL OBLIGATION BOND RETIREMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 330,472	\$ 330,472	\$ 353,633	\$ 23,161
Investment Earnings	3,000	3,000	2,392	(608)
Total Revenues	<u>333,472</u>	<u>333,472</u>	<u>356,025</u>	<u>22,553</u>
<b>Expenditures:</b>				
General Government:				
Nonpersonnel	11,400	11,400	7,734	3,666
Debt Service:				
Interest and Fiscal Charges	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Total Expenditures	<u>11,900</u>	<u>11,900</u>	<u>7,734</u>	<u>4,166</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	321,572	321,572	348,291	26,719
Fund Balance at Beginning of Year	<u>308,725</u>	<u>308,725</u>	<u>308,725</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 630,297</u>	<u>\$ 630,297</u>	<u>\$ 657,016</u>	<u>\$ 26,719</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2016**

<b>TRIANGLE TAX INCREMENT FUND</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 137,000	\$ 137,000	\$ 144,775	\$ 7,775
All Other Revenues	18,800	18,800	9,393	(9,407)
Total Revenues	<u>155,800</u>	<u>155,800</u>	<u>154,168</u>	<u>(1,632)</u>
<b>Expenditures:</b>				
General Government:				
Nonpersonnel	78,900	78,900	73,235	5,665
Total Expenditures	<u>78,900</u>	<u>78,900</u>	<u>73,235</u>	<u>5,665</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	76,900	76,900	80,933	4,033
<b>Other Financing Sources (Uses):</b>				
Advances Out	(75,000)	(75,000)	(75,000)	0
Total Other Financing Sources (Uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>0</u>
Net Change in Fund Balance	1,900	1,900	5,933	4,033
Fund Balance at Beginning of Year	19,772	19,772	19,772	0
Fund Balance at End of Year	<u>\$ 21,672</u>	<u>\$ 21,672</u>	<u>\$ 25,705</u>	<u>\$ 4,033</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2016**

<b>URBAN REDEVELOPMENT FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 95,000	\$ 95,000	\$ 91,341	\$ (3,659)
Investment Earnings	0	0	3,100	3,100
All Other Revenues	3,600	3,600	4,200	600
Total Revenues	<u>98,600</u>	<u>98,600</u>	<u>98,641</u>	<u>41</u>
<b>Expenditures:</b>				
General Government:				
Nonpersonnel	6,532	6,532	4,669	1,863
Capital Outlay:				
Nonpersonnel	<u>286,500</u>	<u>286,500</u>	<u>41,210</u>	<u>245,290</u>
Total Expenditures	<u>293,032</u>	<u>293,032</u>	<u>45,879</u>	<u>247,153</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(194,432)	(194,432)	52,762	247,194
Fund Balance at Beginning of Year	600,915	600,915	600,915	0
Prior Year Encumbrances	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 411,983</u>	<u>\$ 411,983</u>	<u>\$ 659,177</u>	<u>\$ 247,194</u>

**CITY OF MONTGOMERY, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2016**

VINTAGE CLUB CAPITAL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
<b>Other Financing Sources (Uses):</b>				
Transfers Out	0	(818,452)	(818,452)	0
Total Other Financing Sources (Uses)	0	(818,452)	(818,452)	0
Net Change in Fund Balance	0	(818,452)	(818,452)	0
Fund Balance at Beginning of Year	818,452	818,452	818,452	0
Fund Balance at End of Year	\$ 818,452	\$ 0	\$ 0	\$ 0

**CITY OF MONTGOMERY, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Fund  
For the Year Ended December 31, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 21,800	\$ 21,800	\$ 22,472	\$ 672
Investment Earnings	2,500	2,500	3,111	611
All Other Revenues	<u>0</u>	<u>0</u>	<u>12</u>	<u>12</u>
Total Revenues	<u>24,300</u>	<u>24,300</u>	<u>25,595</u>	<u>1,295</u>
<b>Expenditures:</b>				
Parks and Recreation:				
Nonpersonnel	<u>75,950</u>	<u>75,950</u>	<u>16,195</u>	<u>59,755</u>
Total Expenditures	<u>75,950</u>	<u>75,950</u>	<u>16,195</u>	<u>59,755</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,650)	(51,650)	9,400	61,050
Fund Balance at Beginning of Year	<u>617,555</u>	<u>617,555</u>	<u>617,555</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 565,905</u>	<u>\$ 565,905</u>	<u>\$ 626,955</u>	<u>\$ 61,050</u>

***Fiduciary Funds***

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

***Agency Funds***

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**Mayor's Court Fund**

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

**Trust Reimbursement Fund**

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

**Unclaimed Monies Fund**

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

**CITY OF MONTGOMERY, OHIO**

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2016**

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
<b>Mayor's Court</b>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	\$18,335	\$185,021	(\$189,368)	\$13,988
Total Assets	<u>\$18,335</u>	<u>\$185,021</u>	<u>(\$189,368)</u>	<u>\$13,988</u>
Liabilities:				
Due to Others	\$18,335	\$185,021	(\$189,368)	\$13,988
Total Liabilities	<u>\$18,335</u>	<u>\$185,021</u>	<u>(\$189,368)</u>	<u>\$13,988</u>
<b>Trust Reimbursement</b>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	\$146,734	\$94,804	(\$68,568)	\$172,970
Total Assets	<u>\$146,734</u>	<u>\$94,804</u>	<u>(\$68,568)</u>	<u>\$172,970</u>
Liabilities:				
Accounts Payable	\$144,309	\$89,698	(\$65,480)	\$168,527
Intergovernmental Payable	2,425	5,106	(3,088)	4,443
Total Liabilities	<u>\$146,734</u>	<u>\$94,804</u>	<u>(\$68,568)</u>	<u>\$172,970</u>
<b>Unclaimed Monies</b>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$5,908	\$90	\$0	\$5,998
Total Assets	<u>\$5,908</u>	<u>\$90</u>	<u>\$0</u>	<u>\$5,998</u>
Liabilities:				
Due to Others	\$5,908	\$90	\$0	\$5,998
Total Liabilities	<u>\$5,908</u>	<u>\$90</u>	<u>\$0</u>	<u>\$5,998</u>
<b>Totals - All Agency Funds</b>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$5,908	\$90	\$0	\$5,998
Cash and Cash Equivalents with Fiscal Agent	165,069	279,825	(257,936)	186,958
Total Assets	<u>\$170,977</u>	<u>\$279,915</u>	<u>(\$257,936)</u>	<u>\$192,956</u>
Liabilities:				
Accounts Payable	\$144,309	\$89,698	(\$65,480)	\$168,527
Intergovernmental Payable	2,425	5,106	(3,088)	4,443
Due to Others	24,243	185,111	(189,368)	19,986
Total Liabilities	<u>\$170,977</u>	<u>\$279,915</u>	<u>(\$257,936)</u>	<u>\$192,956</u>





*STATISTICAL SECTION*

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## ***STATISTICAL TABLES***

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

### ***Contents***

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<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
<b>Revenue Capacity</b>	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue source, the income tax.	
<b>Debt Capacity</b>	S 18 – S 27
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
<b>Operating Information</b>	S 32 – S 37
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
<b>Sources Note:</b>	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

## *City of Montgomery*

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$29,267,743	\$32,640,506	\$34,123,582	\$34,953,112
Restricted	17,429,659	17,492,324	15,106,012	17,430,333
Unrestricted	12,803,968	13,134,935	15,583,740	14,809,621
Total Primary Government Net Position	<u>\$59,501,370</u>	<u>\$63,267,765</u>	<u>\$64,813,334</u>	<u>\$67,193,066</u>

Source: City Finance Director's Office  
\* As Restated

*City of Montgomery*

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*					
2011	2012	2013	2014	2015	2016
\$36,182,645	\$36,128,095	\$35,944,567	\$39,698,707	\$43,262,398	\$42,821,778
17,561,697	19,652,718	22,057,822	19,982,948	17,288,242	18,106,169
14,845,473	14,772,666	14,786,678	9,586,759	10,103,260	10,781,407
<u>\$68,589,815</u>	<u>\$70,553,479</u>	<u>\$72,789,067</u>	<u>\$69,268,414</u>	<u>\$70,653,900</u>	<u>\$71,709,354</u>

## City of Montgomery

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Expenses</b>			
Governmental Activities:			
Public Safety	\$4,963,698	\$5,080,065	\$5,875,326
Parks and Recreation	1,200,793	1,267,205	1,399,365
Community Economic Development	497,739	533,346	453,272
Public Works	2,748,023	2,594,464	2,883,791
General Government	3,349,254	3,503,099	4,123,097
Interest and Fiscal Charges	306,573	273,054	204,343
<i>Total Primary Government Expenses</i>	<u>\$13,066,080</u>	<u>\$13,251,233</u>	<u>\$14,939,194</u>
<b>Program Revenues</b>			
Governmental Activities:			
Charges for Services			
Public Safety	\$242,638	\$257,297	\$303,233
Parks and Recreation	242,400	246,394	231,247
Community Economic Development	258,821	300,079	202,502
Public Works	19,501	26,693	17,595
General Government	162,806	204,644	218,675
Operating Grants and Contributions	528,796	1,152,496	525,090
Capital Grants and Contributions	0	141,356	83,050
<i>Total Primary Government Program Revenues</i>	<u>1,454,962</u>	<u>2,328,959</u>	<u>1,581,392</u>

*City of Montgomery*

2010	2011	2012	2013	2014	2015	2016
\$5,625,518	\$6,016,951	\$5,938,453	\$5,526,566	\$5,525,153	\$5,686,783	\$6,155,810
1,384,928	1,375,420	1,350,375	1,323,018	1,207,002	1,321,303	1,423,495
447,491	483,968	515,765	660,502	683,325	681,284	833,598
2,700,671	2,322,822	2,368,658	2,457,093	2,528,383	2,494,890	3,037,588
3,916,652	4,396,020	4,435,686	4,797,717	4,535,252	4,953,073	4,318,323
187,006	173,463	148,817	421,583	646,377	602,800	582,929
<u>\$14,262,266</u>	<u>\$14,768,644</u>	<u>\$14,757,754</u>	<u>\$15,186,479</u>	<u>\$15,125,492</u>	<u>\$15,740,133</u>	<u>\$16,351,743</u>
\$341,109	\$327,909	\$389,783	\$379,782	\$330,344	\$346,258	\$334,220
239,140	256,030	262,896	279,176	316,669	303,576	329,497
212,544	217,495	389,531	357,126	338,339	310,367	383,667
28,401	38,212	50,612	44,463	44,718	42,864	67,878
306,876	263,899	239,153	276,725	879,472	275,305	267,180
533,729	637,823	503,370	594,658	602,689	710,112	657,398
117,265	0	0	0	361,417	488,849	106,742
<u>1,779,064</u>	<u>1,741,368</u>	<u>1,835,345</u>	<u>1,931,930</u>	<u>2,873,648</u>	<u>2,477,331</u>	<u>2,146,582</u>

(continued)

## City of Montgomery

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

	2007	2008	2009
<b>Net (Expense)/Revenue</b>			
Governmental Activities	(11,611,118)	(10,922,274)	(13,357,802)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(11,611,118)</u>	<u>(10,922,274)</u>	<u>(13,357,802)</u>
<b>General Revenues and Other Changes in Net Position</b>			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$4,675,342	\$4,744,451	\$4,822,909
Income Taxes	6,744,149	7,248,439	6,732,726
Other Local Taxes	614,607	703,870	2,208,468
Intergovernmental Revenue, Unrestricted	846,944	809,573	667,723
Investment Earnings	1,350,943	848,844	197,009
Miscellaneous	254,586	333,492	274,536
<i>Total Primary Government</i>	<u>\$14,486,571</u>	<u>\$14,688,669</u>	<u>\$14,903,371</u>
<b>Change in Net Position</b>			
Governmental Activities	\$2,875,453	\$3,766,395	\$1,545,569
<i>Total Primary Government Change in Net Position</i>	<u>\$2,875,453</u>	<u>\$3,766,395</u>	<u>\$1,545,569</u>

Source: City Finance Director's Office



*City of Montgomery*

2010	2011	2012	2013	2014	2015	2016
<u>(12,483,202)</u>	<u>(13,027,276)</u>	<u>(12,922,409)</u>	<u>(13,254,549)</u>	<u>(12,251,844)</u>	<u>(13,262,802)</u>	<u>(14,205,161)</u>
<u><u>(\$12,483,202)</u></u>	<u><u>(\$13,027,276)</u></u>	<u><u>(\$12,922,409)</u></u>	<u><u>(\$13,254,549)</u></u>	<u><u>(\$12,251,844)</u></u>	<u><u>(\$13,262,802)</u></u>	<u><u>(\$14,205,161)</u></u>
\$5,264,702	\$5,067,545	\$4,831,239	\$5,108,938	\$5,032,078	\$5,284,135	\$5,637,621
7,126,510	6,829,459	7,163,487	7,564,240	8,438,680	8,368,822	8,627,561
1,070,266	1,096,131	1,686,255	1,651,364	8,205	5,516	8
953,694	1,007,530	672,620	690,532	768,788	795,633	804,732
275,677	116,322	203,020	66,401	353,613	20,625	125,332
172,085	307,038	329,452	408,662	224,708	173,557	65,361
<u>\$14,862,934</u>	<u>\$14,424,025</u>	<u>\$14,886,073</u>	<u>\$15,490,137</u>	<u>\$14,826,072</u>	<u>\$14,648,288</u>	<u>\$15,260,615</u>
\$2,379,732	\$1,396,749	\$1,963,664	\$2,235,588	\$2,574,228	\$1,385,486	\$1,055,454
<u>\$2,379,732</u>	<u>\$1,396,749</u>	<u>\$1,963,664</u>	<u>\$2,235,588</u>	<u>\$2,574,228</u>	<u>\$1,385,486</u>	<u>\$1,055,454</u>

## *City of Montgomery*

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Fund</b>				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	411,288	279,644	405,963	317,113
Unreserved	<u>12,154,635</u>	<u>12,975,774</u>	<u>13,769,099</u>	<u>14,361,458</u>
<i>Total General Fund</i>	<u>12,565,923</u>	<u>13,255,418</u>	<u>14,175,062</u>	<u>14,678,571</u>
<b>All Other Governmental Funds</b>				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	4,342,424	3,882,125	3,499,102	4,032,014
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	6,149,504	5,983,229	6,862,144	7,183,676
Capital Projects Funds	<u>3,198,902</u>	<u>3,536,402</u>	<u>2,150,689</u>	<u>2,652,138</u>
<i>Total All Other Governmental Funds</i>	<u>13,690,830</u>	<u>13,401,756</u>	<u>12,511,935</u>	<u>13,867,828</u>
<i>Total Governmental Funds</i>	<u>\$26,256,753</u>	<u>\$26,657,174</u>	<u>\$26,686,997</u>	<u>\$28,546,399</u>

Source: City Finance Director's Office

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

*City of Montgomery*

2011	2012	2013	2014	2015	2016
\$23,350	\$31,759	\$38,762	\$48,297	\$57,050	\$153,093
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	1,231,318
14,583,500	14,739,811	14,854,921	14,081,793	13,058,828	13,692,699
0	0	0	0	0	0
0	0	0	0	0	0
<u>14,987,727</u>	<u>14,984,811</u>	<u>15,149,115</u>	<u>14,852,550</u>	<u>13,748,607</u>	<u>15,077,110</u>
378,911	386,807	381,214	386,850	385,504	430,879
14,737,416	14,848,236	21,633,254	19,040,157	15,420,289	15,651,642
0	0	0	0	0	0
0	2,762,750	4,938,215	0	3,997,738	4,017,131
(1,028,831)	(1,002,569)	(935,888)	(1,607,986)	(777,518)	(696,585)
0	0	0	0	0	0
0	0	0	0	0	0
<u>14,087,496</u>	<u>16,995,224</u>	<u>26,016,795</u>	<u>17,819,021</u>	<u>19,026,013</u>	<u>19,403,067</u>
<u>\$29,075,223</u>	<u>\$31,980,035</u>	<u>\$41,165,910</u>	<u>\$32,671,571</u>	<u>\$32,774,620</u>	<u>\$34,480,177</u>

## *City of Montgomery*

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

	2007	2008	2009	2010
<b>Revenues:</b>				
Taxes	\$12,044,105	\$12,709,819	\$13,555,648	\$13,447,773
Intergovernmental Revenues	1,354,153	1,508,044	1,208,965	1,661,817
Charges for Services	454,890	476,130	445,636	567,008
Rental Revenue	56,519	47,040	55,791	49,725
Licenses, Permits and Fees	269,326	316,184	263,693	341,216
Investment Earnings	1,371,200	879,745	200,366	273,850
Special Assessments	268,786	262,668	251,871	267,745
Fines and Forfeitures	145,431	174,529	176,193	122,657
All Other Revenue	254,586	333,492	285,582	192,519
<b>Total Revenue</b>	<u>16,218,996</u>	<u>16,707,651</u>	<u>16,443,745</u>	<u>16,924,310</u>
<b>Expenditures:</b>				
Current:				
Public Safety	4,568,155	4,703,274	5,433,316	5,124,108
Parks and Recreation	977,049	1,049,966	1,184,945	1,188,511
Community Economic Development	441,412	436,377	341,707	338,006
Public Works	1,535,161	1,644,489	1,688,833	1,573,712
General Government	3,291,453	3,231,860	3,552,386	3,810,968
Capital Outlay	2,750,034	2,225,481	3,443,806	2,261,729
Debt Service:				
Principal Retirement	973,883	603,883	618,883	614,883
Interest and Fiscal Charges	282,666	227,057	179,768	162,428
<b>Total Expenditures</b>	<u>14,819,813</u>	<u>14,122,387</u>	<u>16,443,644</u>	<u>15,074,345</u>
Excess (Deficiency) of Revenues Over Expenditures	1,399,183	2,585,264	101	1,849,965

*City of Montgomery*

2011	2012	2013	2014	2015	2016
\$13,207,984	\$13,772,405	\$14,323,258	\$13,493,807	\$13,723,722	\$14,398,872
1,524,756	1,910,352	1,356,908	1,729,466	1,996,610	1,561,357
516,638	570,815	590,048	604,663	551,286	623,876
71,567	74,334	82,171	691,149	75,689	72,428
329,972	288,456	463,084	455,962	460,180	540,237
118,982	207,977	68,543	349,700	24,012	124,366
240,774	247,118	239,150	210,214	200,708	198,496
182,546	208,992	197,398	161,109	190,354	146,426
308,438	330,070	408,662	225,331	173,557	65,361
<u>16,501,657</u>	<u>17,610,519</u>	<u>17,729,222</u>	<u>17,921,401</u>	<u>17,396,118</u>	<u>17,731,419</u>
5,571,856	5,257,367	5,195,970	5,211,409	5,401,500	5,402,597
1,183,413	1,173,520	1,140,568	1,048,008	1,146,011	1,230,746
407,163	423,326	558,761	619,162	577,778	727,466
1,553,391	1,393,153	1,551,869	1,574,078	1,671,168	1,640,058
4,773,477	3,680,703	4,454,948	3,809,334	4,135,877	3,835,298
1,750,423	2,140,335	8,132,369	12,264,416	3,535,968	2,305,739
619,883	615,883	486,883	1,282,883	258,883	355,883
144,521	124,949	374,970	624,701	577,715	557,895
<u>16,004,127</u>	<u>14,809,236</u>	<u>21,896,338</u>	<u>26,433,991</u>	<u>17,304,900</u>	<u>16,055,682</u>
497,530	2,801,283	(4,167,116)	(8,512,590)	91,218	1,675,737

(continued)

## *City of Montgomery*

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

	2007	2008	2009	2010
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	11,656	15,130	29,722	9,437
Premium on Bond Issuance	0	0	0	0
Special Obligation Bonds Issued	0	0	0	0
Payment to Refunding Bond Escrow Agent	0	(2,199,973)	0	0
Transfers In	2,514,253	1,645,535	2,196,059	1,461,364
Transfers Out	(2,514,253)	(1,645,535)	(2,196,059)	(1,461,364)
<b>Total Other Financing Sources (Uses)</b>	<u>11,656</u>	<u>(2,184,843)</u>	<u>29,722</u>	<u>9,437</u>
<b>Net Change in Fund Balance</b>	<u>\$1,410,839</u>	<u>\$400,421</u>	<u>\$29,823</u>	<u>\$1,859,402</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	10.96%	7.22%	6.28%	6.05%

Source: City Finance Director's Office

*City of Montgomery*

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2011	2012	2013	2014	2015	2016
31,294	103,529	66,903	18,251	11,831	29,820
0	0	21,088	0	0	0
0	0	13,265,000	0	0	0
0	0	0	0	0	0
435,962	2,482,510	2,647,980	2,928,911	5,321,922	1,369,222
(435,962)	(2,482,510)	(2,647,980)	(2,928,911)	(5,321,922)	(1,369,222)
<u>31,294</u>	<u>103,529</u>	<u>13,352,991</u>	<u>18,251</u>	<u>11,831</u>	<u>29,820</u>
<u>\$528,824</u>	<u>\$2,904,812</u>	<u>\$9,185,875</u>	<u>(\$8,494,339)</u>	<u>\$103,049</u>	<u>\$1,705,557</u>
5.53%	5.31%	6.13%	12.84%	5.84%	6.33%

## *City of Montgomery*

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

<b>Tax year</b>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Income Tax Rate	1.00%	1.00%	1.00%	1.00%
Estimated Personal Income	\$462,437	\$477,559	\$446,339	\$458,743
Total Tax Collected	\$6,425,182	\$7,514,726	\$6,749,754	\$6,670,824
Income Tax Receipts				
Withholding	4,502,641	5,404,643	4,711,462	4,871,941
Percentage	70.1%	72.0%	69.8%	73.1%
Corporate	501,854	588,505	510,358	421,386
Percentage	7.8%	7.8%	7.6%	6.3%
Individuals	1,420,687	1,521,578	1,527,934	1,377,497
Percentage	22.1%	20.2%	22.6%	20.6%

Source: City Finance Department



*City of Montgomery*

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2011	2012	2013	2014	2015	2016
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
\$480,577	\$506,533	\$506,533	\$514,959	\$525,148	\$552,416
\$7,135,086	\$7,266,418	\$7,791,153	\$8,108,709	\$8,453,212	\$8,840,826
5,166,841	5,132,899	5,492,994	5,682,726	6,095,746	6,411,256
72.4%	70.7%	70.5%	70.1%	72.1%	72.5%
490,950	519,450	531,787	558,753	592,503	571,288
6.9%	7.1%	6.8%	6.9%	7.0%	6.5%
1,477,295	1,614,069	1,766,372	1,867,230	1,764,963	1,858,282
20.7%	22.2%	22.7%	23.0%	20.9%	21.0%



# City of Montgomery

## Income Tax Statistics Current Year and Nine Years Ago

### Calendar Year 2016

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,537	34.58%	\$65,231	1.08%
20,000 - 49,999	516	11.61%	174,526	2.89%
50,000 - 74,999	314	7.06%	195,344	3.23%
75,000 - 99,999	269	6.05%	235,256	3.89%
Over 100,000	1,809	40.70%	5,377,793	88.91%
Total	4,445	100.00%	\$6,048,150	100.00%

Local Taxes Paid by Residents

Taxes Credited to Other Municipalities

Tax Dollars

\$3,497,204

\$3,497,204

### Calendar Year 2007

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,412	33.44%	\$65,536	1.44%
20,000 - 49,999	564	13.36%	190,205	4.19%
50,000 - 74,999	365	8.65%	228,616	5.04%
75,000 - 99,999	372	8.81%	324,388	7.15%
Over 100,000	1,509	35.74%	3,728,934	82.18%
Total	4,222	100.00%	\$4,537,679	100.00%

Local Taxes Paid by Residents

Taxes Credited to Other Municipalities

Tax Dollars

\$3,225,389

\$3,225,389

Source: City Finance Director's Office

## *City of Montgomery*

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

	2007	2008	2009	2010
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$6,050,000	\$3,395,000	\$2,905,000	\$2,425,000
Special Assessment Bonds	1,998,580	1,874,697	1,745,814	1,610,931
Special Obligation TIF Bonds	0	0	0	0
Total Primary Government	<u>\$8,048,580</u>	<u>\$5,269,697</u>	<u>\$4,650,814</u>	<u>\$4,035,931</u>
<b>Population</b> <sup>(2)</sup>				
City of Montgomery	10,163	10,163	10,163	10,251
Outstanding Debt Per Capita	\$792	\$519	\$458	\$394
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	462,437	477,559	446,339	458,743
Percentage of Personal Income	1.74%	1.10%	1.04%	0.88%

**Sources:**

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

*City of Montgomery*

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2011	2012	2013	2014	2015	2016
\$1,890,000	\$1,450,000	\$1,130,000	\$0	\$0	\$0
1,526,048	1,350,165	1,183,282	1,030,399	871,516	715,633
0	0	13,265,000	13,265,000	13,165,000	12,965,000
<u>\$3,416,048</u>	<u>\$2,800,165</u>	<u>\$15,578,282</u>	<u>\$14,295,399</u>	<u>\$14,036,516</u>	<u>\$13,680,633</u>
10,251	10,251	10,251	10,251	10,251	10,251
\$333	\$273	\$1,520	\$1,395	\$1,369	\$1,335
480,577	506,533	506,533	514,959	525,148	552,416
0.71%	0.55%	3.08%	2.78%	2.67%	2.48%

## *City of Montgomery*

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

Year	2007	2008	2009	2010
<b>Population</b> <sup>(1)</sup>	10,163	10,163	10,163	10,251
<b>Personal Income</b> <sup>(2)</sup>	\$462,436,826	\$477,559,370	\$446,338,634	\$458,742,501
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	\$6,050,000	\$3,395,000	\$2,905,000	\$2,425,000
<b>Resources Available to Pay Principal</b>	\$1,195,610	\$1,243,975	\$1,213,067	\$1,236,599
<b>Net General Bonded Debt</b>	\$4,854,390	\$2,151,025	\$1,691,933	\$1,188,401
<b>Ratio of Net Bonded Debt to Personal Income</b>	1.05%	0.45%	0.38%	0.26%
<b>Net Bonded Debt per Capita</b>	\$477.65	\$211.65	\$166.48	\$115.93

**Source:**

(1) U.S. Bureau of Census of Population

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

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

(3) Includes all general obligation bonded debt supported by property taxes.

*City of Montgomery*

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2011	2012	2013	2014	2015	2016
10,251	10,251	10,251	10,251	10,251	10,251
\$480,577,131	\$506,532,663	\$506,532,663	\$514,958,985	\$525,148,479	\$552,416,139
\$1,890,000	\$1,450,000	\$1,130,000	\$0	\$0	\$0
\$1,267,621	\$1,289,798	\$1,215,803	\$2,845,453	\$347,977	\$657,016
\$622,379	\$160,202	(\$85,803)	NA	NA	NA
0.13%	0.03%	-0.02%	NA	NA	NA
\$60.71	\$15.63	(\$8.37)	NA	NA	NA





## *City of Montgomery*

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2016*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Montgomery</u>	<u>Amount Applicable to the City of Montgomery</u>
<b>Direct:</b>			
City of Montgomery	\$13,680,633	100.00%	\$13,680,633
<b>Overlapping:</b>			
Sycamore Community School District	39,655,000	30.90%	12,253,395
Great Oaks Joint Vocational School District	8,630,000	2.80%	241,640
Hamilton County	71,750,000	2.85%	2,044,875
		Subtotal	<u>14,539,910</u>
		Total	<u><u>\$28,220,543</u></u>

**Source:** Ohio Municipal Advisory Council

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

## *City of Montgomery*

### *Debt Limitations Last Ten Years*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$488,255,500	\$520,027,750	\$522,227,380	\$523,512,940
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	51,266,828	54,602,914	54,833,875	54,968,859
City Debt Outstanding (2)	6,050,000	3,395,000	2,905,000	2,425,000
Less: Applicable Debt Service Fund Amounts	<u>(1,195,610)</u>	<u>(1,243,975)</u>	<u>(1,213,067)</u>	<u>(1,236,599)</u>
Net Indebtedness Subject to Limitation	<u>4,854,390</u>	<u>2,151,025</u>	<u>1,691,933</u>	<u>1,188,401</u>
Overall Legal Debt Margin	<u>\$46,412,438</u>	<u>\$52,451,889</u>	<u>\$53,141,942</u>	<u>\$53,780,458</u>
Debt Margin as a Percentage of Debt Limit	90.53%	96.06%	96.91%	97.84%
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$488,255,500	\$520,027,750	\$522,227,380	\$523,512,940
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	26,854,053	28,601,526	28,722,506	28,793,212
City Debt Outstanding (2)	6,050,000	3,395,000	2,905,000	2,425,000
Less: Applicable Debt Service Fund Amounts	<u>(1,195,610)</u>	<u>(1,243,975)</u>	<u>(1,213,067)</u>	<u>(1,236,599)</u>
Net Indebtedness Subject to Limitation	<u>4,854,390</u>	<u>2,151,025</u>	<u>1,691,933</u>	<u>1,188,401</u>
Overall Legal Debt Margin	<u>\$21,999,663</u>	<u>\$26,450,501</u>	<u>\$27,030,573</u>	<u>\$27,604,811</u>

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

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

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

*City of Montgomery*

2011	2012	2013	2014	2015	2016
\$481,043,250	\$481,049,290	\$484,129,440	\$516,228,830	\$521,032,070	\$525,380,800
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
50,509,541	50,510,175	50,833,591	54,204,027	54,708,367	55,164,984
1,890,000	1,450,000	1,130,000	2,800,000	0	0
(1,267,621)	(1,289,798)	(1,215,803)	(2,845,453)	(347,977)	(657,016)
622,379	160,202	(85,803)	(45,453)	(347,977)	(657,016)
<u>\$49,887,162</u>	<u>\$50,349,973</u>	<u>\$50,919,394</u>	<u>\$54,249,480</u>	<u>\$55,056,344</u>	<u>\$55,822,000</u>
98.77%	99.68%	100.17%	100.08%	100.64%	101.19%
\$481,043,250	\$481,049,290	\$484,129,440	\$516,228,830	\$521,032,070	\$525,380,800
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
26,457,379	26,457,711	26,627,119	28,392,586	28,656,764	28,895,944
1,890,000	1,450,000	1,130,000	2,800,000	0	0
(1,267,621)	(1,289,798)	(1,215,803)	(2,845,453)	(347,977)	(657,016)
622,379	160,202	(85,803)	(45,453)	(347,977)	(657,016)
<u>\$25,835,000</u>	<u>\$26,297,509</u>	<u>\$26,712,922</u>	<u>\$28,438,039</u>	<u>\$29,004,741</u>	<u>\$29,552,960</u>

**City of Montgomery**

*Pledged Revenue Coverage  
Last Ten Years*

	2007	2008	2009	2010	2011
<b>Special Assessment Bonds</b>					
Special Assessment Collections	\$268,786	\$262,668	\$251,871	\$267,745	\$240,774
Debt Service					
Principal	123,883	123,883	128,883	134,883	139,883
Interest	78,780	76,395	70,830	66,839	59,282
Coverage	1.33	1.31	1.26	1.33	1.21

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

*City of Montgomery*

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2012	2013	2014	2015	2016
\$247,118	\$239,150	\$210,214	\$200,708	\$198,496
175,883	166,883	152,883	158,883	155,883
56,710	50,840	45,230	40,182	34,842
1.06	1.10	1.06	1.01	1.04

# City of Montgomery

## Demographic and Economic Statistics Last Ten Years

Calendar Year	2007	2008	2009	2010
<b>Population</b> (1)				
City of Montgomery	10,163	10,163	10,163	10,251
Hamilton County	845,303	845,303	845,303	802,374
<b>Income</b> (2) (a)				
Total Personal (in thousands)	462,437	477,559	446,339	458,743
Hamilton County Per Capita	45,502	46,990	43,918	44,751
<b>Unemployment Rate</b> (3)				
Federal	4.6%	5.8%	9.3%	9.6%
State	5.6%	6.6%	10.2%	10.0%
Hamilton County	5.0%	5.6%	8.8%	9.5%
<b>Civilian Work Force Estimates</b> (3)				
State	5,961,000	5,940,000	5,923,000	5,858,000
Hamilton County	433,100	435,900	433,200	411,000

### Sources:

(1) US Bureau of Census of Population

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

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

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

*City of Montgomery*

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2011	2012	2013	2014	2015	2016
10,251	10,251	10,251	10,251	10,251	10,251
802,374	802,374	802,374	802,374	802,374	807,598
480,577	506,533	506,533	514,959	525,148	552,416
46,881	49,413	49,413	50,235	51,229	53,889
8.9%	8.1%	7.4%	5.4%	5.3%	4.9%
8.6%	7.2%	7.4%	4.7%	4.9%	4.9%
8.6%	7.0%	7.1%	4.3%	4.4%	4.4%
5,805,000	5,748,000	5,704,000	5,704,300	5,719,500	5,663,000
405,100	400,000	399,800	400,500	404,100	403,900





## *City of Montgomery*

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

Employer	Nature of Business	2016		
		Number of Employees	Rank	Percentage of Total Employment
Bethesda Hospital	Medical	3,090	1	21%
Ohio National Financial Institution	Financial	1,107	2	7%
Sycamore School District	Educational	932	3	6%
TriHealth G LLC.	Medical	567	4	4%
Montgomery Inn	Restaurant	299	5	2%
Twin Lakes	Senior Community	279	6	2%
Montgomery Care Center	Medical	253	7	2%
Kroger	Retail	232	8	2%
TriHealth, Inc.	Medical	201	9	1%
Bethesda Health Care	Medical	187	10	1%
Total		<u>7,147</u>		
Total Employment within the City		<u><u>14,998</u></u>		

Employer	Nature of Business	2007		
		Number of Employees	Rank	Percentage of Total Employment
Bethesda North Hospital	Medical	3,149	1	19%
Sycamore Schools	Education	879	2	5%
Ohio National Financial Services	Financial	758	3	4%
Montgomery Inn	Restaurant	374	4	2%
Tri-Health, Inc.	Medical	294	5	2%
Meadowbrook Care Center	Medical	257	6	2%
Twin Lakes	Medical	232	7	1%
Kroger	Retail	229	8	1%
Montgomery Care Center	Medical	193	9	1%
Camargo Cadillac Company	Retail	125	10	1%
Total		<u>6,490</u>		
Total Employment within the City		<u><u>16,912</u></u>		

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

## *City of Montgomery*

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Governmental Activities</b>					
General Government					
Finance	5.50	5.50	5.50	5.50	5.00
Legal/Court	1.50	1.50	1.50	1.50	1.50
Administration	7.50	7.50	7.50	7.50	7.00
Maintenance	1.50	1.50	1.00	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	13.50	13.50	13.50	11.50	11.50
Parks and Recreation					
Parks and Recreation	4.50	4.50	5.50	7.00	7.50
Community Environment					
Service	2.00	2.00	2.00	2.00	2.00
Total Employees	<u>85.00</u>	<u>85.00</u>	<u>85.50</u>	<u>85.00</u>	<u>84.50</u>

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

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

*City of Montgomery*

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<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
5.50	5.50	5.50	5.50	5.50
1.50	1.50	1.00	1.00	1.00
6.50	6.50	6.50	6.50	6.50
0.00	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
7.00	7.00	7.00	7.00	7.25
<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.50</u>
<u>83.00</u>	<u>83.00</u>	<u>82.50</u>	<u>82.50</u>	<u>83.25</u>

# City of Montgomery

## Operating Indicators by Function Last Ten Years

	2007	2008	2009	2010
<b>Governmental Activities</b>				
General Government				
Court				
Number of Traffic Cases	1,695	1,757	1,741	1,262
Licenses and Permits				
Number of Building Permits	335	241	160	218
Number of Building Inspections	1,362	1,181	538	649
Information Technology				
Number of Website Visitors	165,455	181,978	204,887	293,593
Number of Online Transactions	1,909	4,152	2,618	2,873
Average Cost per Online Transactions	\$3.72	\$1.71	\$2.71	\$1.00
Public Safety				
Police				
Number of Moving Citations Issued	1,772	1,674	1,479	1,517
Number of Non-moving Citations Issued	392	258	376	246
Number of Felony Arrests	27	35	38	31
Number of Misdemeanor Arrests	177	251	208	193
Number of Juvenile Arrests	77	67	85	53
Number of DUI/OVI Arrests	75	18	31	23
Number of Auto Accident Reports	612	534	564	629
Fire				
Number of Fire Calls	609	626	483	510
Number of EMS Runs	991	1,032	1,029	1,047
Number of Car Seat Inspections	166	178	148	170
Number of Inspections	742	996	983	1,031
Public Works				
Street				
Centerline Miles of Streets Resurfaced	1.35	4.39	3.67	7.50
Number of Public Trees Trimmed	575	383	405	317
Number of Households Receiving Curbside Brush Chipping	2,000	2,500	1,100	677
Number of Sidewalk Locations Required	150	210	160	85
Parks and Recreation				
Parks and Recreation				
Number of Classes / Events	139	178	101	97
Number of Pool Passes Sold	518	449	490	453
Number of Pool Daily Patrons	5,445	8,614	11,000	13,585

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

*City of Montgomery*

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2011	2012	2013	2014	2015	2016
1,529	1,742	2,066	1,829	1,496	1,219
253	250	337	423	384	427
733	1,195	1,186	1,603	1,711	1,583
220,001	269,439	292,845	309,065	334,014	308,981
2,972	2,914	2,883	2,024	2,796	3,152
\$0.97	\$0.99	\$1.08	\$1.54	\$1.12	\$0.99
1,883	1,929	1,765	1,549	1,589	1,353
271	261	301	280	148	66
38	59	39	42	32	49
233	326	541	371	384	334
83	105	97	104	49	62
38	88	91	49	80	76
766	609	727	516	546	567
490	467	490	577	471	437
1,005	998	972	949	1,125	1,091
151	151	191	214	217	157
1,103	1,008	613	906	894	590
3.70	2.43	2.27	2.34	2.05	2.17
135	65	154	48	33	61
825	803	669	785	796	722
65	71	82	77	127	78
82	60	61	73	73	94
518	546	587	666	652	684
11,237	9,873	10,382	19,763	20,573	23,070

## *City of Montgomery*

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

	2007	2008	2009	2010	2011
<b>Governmental Activities</b>					
General Government					
Public Land and Buildings					
Land (acres)	23	23	23	23	23
Buildings	8	8	8	8	8
Public Safety					
Police					
Stations	1	1	1	1	1
Vehicles	12	12	12	16	16
Fire					
Stations	1	1	1	1	1
Vehicles	9	9	9	8	10
Public Works					
Street					
Streets (lane miles)	46	46	46	46	46
Street Lights	247	247	246	206	316
Vehicles	16	17	18	16	17
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	12	11	9
Municipal Pool Land (acres)	2	2	2	2	2
Municipal Pool Buildings	2	2	2	2	2

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

*City of Montgomery*

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2012	2013	2014	2015	2016
23	23	32	32	32
8	8	8	8	8
1	1	1	1	1
13	14	14	15	11
1	1	1	1	1
11	10	10	9	11
46	46	46	46	46
246	246	246	246	246
16	16	16	15	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







# Dave Yost • Auditor of State

**CITY OF MONTGOMERY**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 6, 2017**