

MONTGOMERY TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2008

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 9,706,529	\$ 10,186,629	\$ 9,695,572	\$ (490,957)
Licenses and permits	927,600	927,600	1,285,642	358,042
Fines and forfeits	146,000	146,000	158,616	12,616
Interest income, rents and royalties	270,000	270,000	147,728	(122,272)
Intergovernmental revenues	374,290	374,290	414,815	40,525
Charges for services	77,551	77,551	81,359	3,808
Contributions	-	-	10,367	10,367
TOTAL REVENUES	11,501,970	11,981,970	11,794,099	(187,871)
EXPENDITURES				
General government	2,108,783	1,899,198	1,978,750	(79,552)
Public safety	6,145,601	5,615,075	5,703,207	(88,132)
Highways and streets	1,837,837	1,622,737	1,672,106	(49,369)
Other, employee benefits not allocated	518,360	518,360	533,127	(14,767)
TOTAL EXPENDITURES	10,610,581	9,655,370	9,887,190	(231,820)
EXCESS OF REVENUES OVER EXPENDITURES	891,389	2,326,600	1,906,909	(419,691)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of fixed assets	-	-	23,880	23,880
Refund of prior year expenditures	45,000	45,000	127,577	82,577
Interfund transfers in	187,000	187,000	204,119	17,119
Interfund transfers out	(729,600)	(2,429,600)	(2,414,600)	15,000
TOTAL OTHER FINANCING SOURCES (USES)	(497,600)	(2,197,600)	(2,059,024)	138,576
NET CHANGE IN FUND BALANCE	393,789	129,000	(152,115)	(281,115)
FUND BALANCE AT BEGINNING OF YEAR	2,389,885	2,389,885	2,351,324	(38,561)
FUND BALANCE AT END OF YEAR	\$ 2,783,674	\$ 2,518,885	\$ 2,199,209	\$ (319,676)

MONTGOMERY TOWNSHIP
PENSION PLAN FUNDING PROGRESS
Year Ended December 31, 2008

POLICE PENSION PLAN

Schedule of Funding Progress

Dollar amounts in thousands.

Actuarial Valuation Date January 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	(Over) Under Funded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	Actuarial Accrued Liability as a Percentage of Payroll [(b)-(a)]/(c)
2003*	\$ 6,336	\$ 5,317	\$ (1,019)	119.2%	\$ 2,148	(47.4)%
2005	6,655	7,661	1,006	86.9	2,295	43.8
2007	7,980	9,094	1,114	87.8	2,458	45.3

*Change in asset valuation method. Prior to the valuation at January 1, 2005, the actuarial value of the assets was determined based on fair value.

Schedule of Employer and Other Entity Contributions

Calendar Year	Annual Required Contribution	Employer Contribution	Percentage	Commonwealth Contribution	Percentage
2003	\$ 79,537	\$ -	-%	\$ 79,537	100.0%
2004	89,498	-	-	144,324	161.3
2005	289,521	92,863	32.1	199,021	68.7
2006	309,098	92,901	30.1	216,197	69.9
2007	314,306	88,399	28.1	226,507	72.1
2008	325,257	98,121	30.1	227,136	69.9

MONTGOMERY TOWNSHIP
PENSION PLAN FUNDING PROGRESS
Year Ended December 31, 2008

POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

Schedule of Funding Progress

<u>Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Entry Age Actuarial Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b) - (a)</u>	<u>Funded Ratio (a)/(b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b)-(a)]/(c)</u>
1/1/2006	\$ <u>-</u>	\$ <u>2,139,647</u>	\$ <u>2,139,647</u>	<u>0.00%</u>	\$ <u>2,383,163</u>	<u>89.78%</u>

Schedule of Employer and Other Entity Contributions

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Contributions from Employer</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
2008	\$ <u>245,294</u>	\$ <u>49,199</u>	<u>20.06%</u>	\$ <u>196,095</u>

MONTGOMERY TOWNSHIP

TREND DATA ON INFRASTRUCTURE CONDITION

Year Ended December 31, 2008

The Township has adopted an alternative process for recording depreciation on certain infrastructure assets. Under this alternative method, referred to as the modified approach, the Township expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 70.73 lane miles of local roads, 765,956 linear feet of curbs and 3,042,651 square feet of sidewalks.

In order to utilize the modified approach, the Township is required to:

- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the Township.
- Document that the assets are being preserved approximately at or above the established condition level.

The Montgomery Township Department of Public Works uses a number of methods to determine the condition of roadway pavements; however, the Pavement Condition Index (PCI) serves as the Township's primary method to measure and monitor pavement condition of its local roads. The PCI is a visual analysis conducted by an engineer and Public Works Director. It includes a five point scale evaluating the conditions of roadway surfaces from Excellent to Failed with corresponding maintenance and repair work recommendations. During the annual assessment inspection of road surfaces, the Township Engineer and Public Works Director inspect the adjoining curb/sidewalk facilities to determine those needing repair or replacement.

The Township manages the conditions of its road pavements and curbs/sidewalks through its 14-Year Road Plan. This plan calculates the amount of funds needed to be budgeted on an annual basis to resurface all Township-owned roads every 14 years and replace all curbs/sidewalks every 25-30 years. It is based on the premise that road pavement surfaces will start to show signs of major distress after 14 years and that necessary curbs/sidewalk replacements need to occur a year in advance of the scheduled road resurfacing to maintain the pavement's integrity after resurfacing. Funding for the 14-Year Road Plan is included in annual General Fund and Liquid Fuel budgets.

The Township's policy is that no more than 20% of the local road pavements and curbs/sidewalks will have a condition rating as "poor" or "very poor." The Township assesses conditions of its road and curbs/sidewalks on an annual basis and makes necessary adjustments to the pavement resurfacing and curb/sidewalk replacement schedule based on that assessment. The following table reports the percentage of road pavements and curbs/sidewalks that met this rating as of December 31, 2008:

<u>Condition</u>	<u>% of Streets</u>
Excellent/Good - Rating of III - V	100.00%
Fair/Poor - Rating of II	0.00
Very Poor/Failed - Rating of I	0.00

MONTGOMERY TOWNSHIP

TREND DATA ON INFRASTRUCTURE CONDITION

Year Ended December 31, 2008

Upon completion of the 2008 pavement resurfacing program, 100% of the Township-owned road surfaces and curbs/sidewalks meet the Excellent/Good Condition and further resurfacing will be postponed until 2010. Curb and sidewalk replacement work will still be performed in 2009, which will allow the Township to perform curb/sidewalk replacement along a road a year in advance of scheduled pavement resurfacing work.

The following chart presents the actual amount spent on road resurfacing and curb/sidewalk replacement work during the past five fiscal years (in thousands) to maintain and preserve the assets at the condition level established by the Township:

<u>Fiscal Year Ended</u>	<u>Road Resurfacing and Curb/Sidewalk Replacement</u>
2008	\$ 973,964
2007	807,772
2006	731,764
2005	597,055
2004	675,500

MONTGOMERY TOWNSHIP
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
December 31, 2008

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,336,669	\$ 623,013	\$ 367,127	\$ 4,326,809
Taxes receivable	11,719	-	7,813	19,532
Accounts receivable	27,072	897	2,940	30,909
TOTAL ASSETS	<u>\$ 3,375,460</u>	<u>\$ 623,910</u>	<u>\$ 377,880</u>	<u>\$ 4,377,250</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	\$ 24,621	-	-	\$ 24,621
Accrued payroll	12,449	-	-	12,449
Compensated absences	17,223	-	-	17,223
Deferred revenue	8,563	-	5,709	14,272
TOTAL LIABILITIES	<u>\$ 62,856</u>	<u>-</u>	<u>\$ 5,709</u>	<u>\$ 68,565</u>
FUND BALANCES				
Reserved for				
Basin maintenance	446,887	-	-	446,887
Tree replacement	745,148	-	-	745,148
Restoration	-	234,246	-	234,246
Liquid fuels	470,048	-	-	470,048
Unreserved	571,246	-	372,171	943,417
Designated	1,079,275	389,664	-	1,468,939
Undesignated	3,312,604	623,910	372,171	4,308,685
TOTAL FUND BALANCES	<u>\$ 3,375,460</u>	<u>\$ 623,910</u>	<u>\$ 377,880</u>	<u>\$ 4,377,250</u>
TOTAL LIABILITIES AND FUND BALANCES				
	<u>\$ 3,375,460</u>	<u>\$ 623,910</u>	<u>\$ 377,880</u>	<u>\$ 4,377,250</u>

MONTGOMERY TOWNSHIP
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
Year Ended December 31, 2008

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total Other Governmental Funds
REVENUES				
Taxes	\$ 1,197,433	-	\$ 494,426	\$ 1,691,859
Licenses and permits	71,259	-	-	71,259
Interest income, rents and royalties	100,248	16,343	11,425	128,016
Intergovernmental revenues	769,524	-	-	769,524
Charges for services	221,456	-	-	221,456
Contributions	23,537	87,569	-	111,106
	<u>2,383,457</u>	<u>103,912</u>	<u>505,851</u>	<u>2,993,220</u>
TOTAL REVENUES				
EXPENDITURES				
Current				
General government	119,322	87,350	-	206,672
Public safety	763,268	-	-	763,268
Highways and streets	200,041	-	-	200,041
Parks and recreation	583,865	3,721	-	587,586
Other, employee benefits not allocated	18,645	-	-	18,645
Debt service	-	-	379,446	379,446
Principal retirement	-	-	68,704	68,704
Interest	1,683,141	91,071	448,150	2,222,362
	<u>700,316</u>	<u>12,841</u>	<u>57,701</u>	<u>770,858</u>
TOTAL EXPENDITURES				
EXCESS OF REVENUES OVER EXPENDITURES				
OTHER FINANCING SOURCES (USES)				
Operating transfers in	36,853	-	-	36,853
Operating transfers out	(180,000)	-	-	(180,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(143,147)</u>	<u>-</u>	<u>-</u>	<u>(143,147)</u>
NET CHANGE IN FUND BALANCES	557,169	12,841	57,701	627,711
FUND BALANCES AT BEGINNING OF YEAR	2,755,435	611,069	314,470	3,680,974
FUND BALANCES AT END OF YEAR	<u>\$ 3,312,604</u>	<u>\$ 623,910</u>	<u>\$ 372,171</u>	<u>\$ 4,308,685</u>

