
**City of Moraine
Montgomery County, Ohio**

Report on Internal Control Over
Financial Reporting and on Compliance

Year Ended December 31, 2012



Dave Yost • Auditor of State

Members of Council
City of Moraine
4200 Dryden Road
Moraine, Ohio 45439

We have reviewed the *Independent Auditor's Report* of the City of Moraine, Montgomery County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2012 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 29, 2013

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

To the City Council
City of Moraine, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Moraine, Ohio (the "City") as of and for the year ended December 31, 2012, 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 28, 2013, wherein we noted the City adopted GASB Statements No. 63 and No. 65 during the year.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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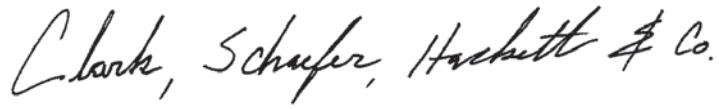
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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in cursive script: Clark, Schaefer, Hachett & Co.

Springfield, Ohio
June 28, 2013

NONE NOTED

FINDING 2011-001 – RECOGNITION OF LAND HELD FOR RESALE

Several years ago, the City purchased various tracts of land and recorded the land purchased as additions to general capital assets. In 2011, the City sold 19 lots of the land to various developers. Research on the issue revealed the resolution passed by the City Council authorizing the purchase of this land indicated it has always been the City's intention to sell the land for future development. As general capital assets are defined as assets that 1) are used in operations and 2) have an initial useful life in excess one year and the City never intended to utilize the land purchased in its operations, the land should have been initially recorded as land held for resale and reported as an asset in the appropriate fund on the governmental funds balance sheet. As a result, the beginning fund balance of the T.I.F. Fund required a restatement of beginning fund balance to recognize the asset (land held for resale). A restatement of fund balance is an indication of a deficiency in controls over financial reporting.

Status: No such adjustments were noted in the current audit.



At Clark Schaefer Hackett, we are the sum of our individuals. Each team member's training, experience and drive is well-suited to each client's needs and goals. We are committed to providing insightful and flexible service – from efficient compliance to sophisticated consulting – to help each client prosper today and plan for future success

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The City of Moraine

progress through unity

Comprehensive Annual Financial Report

**For the Year Ended
December 31, 2012**

CITY OF MORAINÉ, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012

Issued by:
Finance Department

Jennifer A. Arp
Finance Director

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INTRODUCTORY SECTION

CITY OF MORAINE, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2012

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City of Moraine

Finance Department

June 28, 2013

Honorable Mayor, Chairman of the Finance Committee, Council Members and Citizens of the City of Moraine, Ohio:

The Comprehensive Annual Financial Report of the City of Moraine, Ohio, for the fiscal year ended December 31, 2012, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Clark, Schaefer and Hackett, Certified Public Accountants, studies the City's system of internal control, conducts such tests that are necessary under the circumstances and renders an opinion based upon the statements when taken in whole. The City has again received an unmodified opinion from the independent auditor that the financial statements are presented fairly. The opinion letter is included in the Financial Section of this report.

This Comprehensive Annual Financial Report incorporates GASB Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Statement No. 34 was developed to make annual financial reports of state and local governments easier to understand and more useful to those who make decisions using governmental financial information. This report reflects our continuing effort to disseminate clear and useful financial information to our users with the implementation of Statement No. 34.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

City Profile

The City provides the following services: public safety (police and fire), highways and streets, sanitation (refuse collection on a contractual basis), parks and recreation, public improvements, planning and zoning, and general administrative services. This report includes all the funds of the City of Moraine and all of its component units, which make up the financial reporting entity for the City. Component units are legally separate entities for which the City is financially responsible. At December 31, 2012 the City had no component units.

Five other local governmental entities overlap the City's boundaries: Montgomery County, West Carrollton City School District, Kettering City School District, Jefferson Township Local School District, and Miami Valley Regional Transit Authority. These organizations do not meet the reporting entity criteria of governmental generally accepted accounting principles and, therefore, are not included in the City's financial report.

HISTORY AND BACKGROUND

Moraine is located in the heart of the Miami Valley, to the southwest of the Dayton, Ohio metropolitan area. Though the region has been predominantly dependent upon manufacturing, automobile manufacturing most recently, the area is now trending towards a diversification of industries. The City currently occupies a land area of approximately 9.5 square miles, maintains 54 miles of road and serves a population of 6,307.

In February 1953, residents voted to detach from the Village of Kettering and formed the Township of Moraine. The Township grew to Village status in July, 1957 and on May 12, 1965, had the distinction of attaining the status of a full-fledged City. The original City Charter was presented in 1966 and at that time a Home Rule Charter was adopted along with the Council-Manager form of city government. Under this form of government, policy-making and legislative authority are vested in an elected council consisting of the Mayor and six council members. Four of the council members are elected based upon geographic wards and the remaining two are elected on a non-partisan basis, meaning they represent the entire City rather than specific geographical areas within the City's boundaries. The Mayor is elected separately on a non-partisan basis. The Mayor and City Council are responsible for passing resolutions and ordinances, adopting and amending the capital and operating budgets and for appointing various committee members. The City Manager of Moraine is charged with carrying out the policies and ordinances of City Council, overseeing day-to-day operations of the City and for appointing the department heads, with general responsibilities for the Economic Development and Health, Safety and Culture components of the City's vision.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

The City's local economy is showing an improvement over the decline from the past several years. In 2012 the former General Motors Assembly plant was bought by the Industrial Realty Group (IRG). The City had been working diligently to ensure the building would be preserved to allow for more rapid repurposing of that entire site. The site currently has over 380 acres and over 4 million square feet of building space. During the year, there are several businesses that have moved into the facility. Heidelberg Distributing has relocated to the City and has renovated the former Cooper Tire facility. We are looking forward to continued positive news in 2012.

The opening of Exit 47 was a long awaited event. The reconstruction of the exit has been in the works for over 5 years, both on paper and actual infrastructure. The redevelopment allows for substantially easier access to both northbound and southbound I-75. This will be an advantage for those businesses in Moraine and an added incentive to draw more business into the City.

The Oak Pointe neighborhood saw continued growth in 2012 as Ryan Homes continues to aggressively market the property. They offer a variety of home designs suited to the development. In 2012, Ryan built an 25 additional homes, nearly tripling the size of the subdivision. With more homes under construction and more sales on the way, we look forward to working with Ryan Homes in 2013 and beyond.

Ryan Homes was founded in 1948 in Pittsburgh, Pennsylvania, to provide housing in the post World War II economy. In the 62 years since, Ryan has constructed more than 300,000 homes. With operations in 23 metropolitan areas spanning 13 states, Ryan Homes is one of the nation's most prolific home builders.

As we began 2012, the City faced a projected \$4.3 million dollar deficit and knew that we would need to work creatively to continue providing our many superior services to citizens while finding ways to reduce expenses. Through the diligent efforts of all of our employees, we ended the year significantly under that projection and remain one of the best places to live in the Miami Valley. Continued meetings with the Citizen's Budget Advisory committee offer direct feedback from citizens on the efforts we are making in our operations. Moraine employees are the best employees in the region, and with their efforts and Council support, we expect to see even more positives in 2013.

Long Term Financial Planning

Financial planning for Moraine is a dynamic interactive effort of the community, small and large business and industry, social and cultural service organizations, and municipal government. These dynamics are best demonstrated by the willingness of Moraine residents to involve themselves to support both City service and long-term capital investment. The Citizen's Budgetary Advisory Committee met several times during the year with the City's management to participate in reviews of the City's finances and to provide direction as to residents' needs. Management will continue to meet with this committee throughout the upcoming years.

The City's income tax collections for 2012 ended in a more positive figure than prior years. The current businesses located in the City are beginning to report more encouraging employment numbers. The City's management continues to develop stronger performance management methods for reducing the budget and will continue this financial stewardship philosophy even once the revenue stream can adequately sustain the budget. All City employees have participated in a ten percent decrease in compensation since 2009 and have continued this into the 2012 budget year. The Finance Committee continues to meet on a quarterly basis to review the City's finances and to insure that the budget remains on target.

In 2012, the City continued under 6 union contracts that were signed into effect in 2011 and will run through 2014. All 6 bargaining units agreed to forego wage increases for the duration of the contracts. This wage increase freeze will also impact all non-union employees and run through the same period. The City wishes to thank all of the dedicated employees who have recognized the financial condition of the City and have generously agreed to participate in this wage freeze.

The City coordinates public improvements of all City related entities through adoption of a Capital Improvement Plan (CIP). The goal of the City is to improve service to the community by adopting a CIP that is compatible with the City's financial condition and will fund capital improvements at a realistic level. The CIP consist of a five-year plan of capital expenditures for all City projects. The CIP is prepared fully every two years and amended, as necessary, in other years. The amendment process ensures continuity in projects and funding.

In addition to the annual budget preparations and the Capital Improvement Fund budget preparations, the City Manager and Finance Director met with all of the department heads and completed a Long Range Financial Plan for the City. This was in turn presented to and reviewed by the City Council. The plan includes financial strategies with multiple scenarios as to the City's future revenues and how expenses should be allocated should the finances increase, maintain or decrease.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

Budgetary control is maintained by a yearly appropriation and the encumbrance of appropriate balances with purchase orders before their release to vendors. Purchase orders that exceed appropriated balances are not released until additional appropriations are made available. Open encumbrances are reported as reservations of fund balance at year-end. Activities of the General Fund, Special Revenue Funds, the Debt Service Fund and the Capital Improvement Fund are included in the annual appropriated budget. For more detailed budget information, please see the Notes to the Required Supplementary Information included in this report.

Awards and Acknowledgements

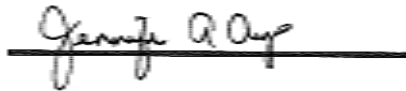
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Moraine for its comprehensive annual financial report for the year ended December 31, 2011. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an informative and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is applicable to one year only. The City of Moraine has received a Certificate of Achievement for the last 26 consecutive years (fiscal years ended 1986-2011). We believe our current report will also conform to the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another Certificate.

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the Finance Department.

I should also thank the Mayor, members of City Council, the City Manager and Department and Division heads for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script, reading "Jennifer A. Arp", is written over a solid black horizontal line.

Jennifer A. Arp
Finance Director

CITY OF MORAINE, OHIO

CITY COUNCIL

Elaine Allison, Mayor

Jim McGuire, Council Member (At Large)

Ora Allen, Council Member (At Large)

Randy Daugherty, Council Member (Ward 1)

Dana Bonfield, Council Member (Ward 2)

Kimberly Misner, Council Member (Ward 3)

Jeanette Marcus, Council Member (Ward 4)

APPOINTED OFFICIALS

David Hicks, City Manager

Robert Portune, Law Director

Jennifer Arp, Finance Director

Stephen French, Clerk of Council

CITY OF MORAINE, OHIO

DEPARTMENT OF FINANCE STAFF

Jennifer A. Arp, Finance Director

Lora L. Marlett, Deputy Finance Director

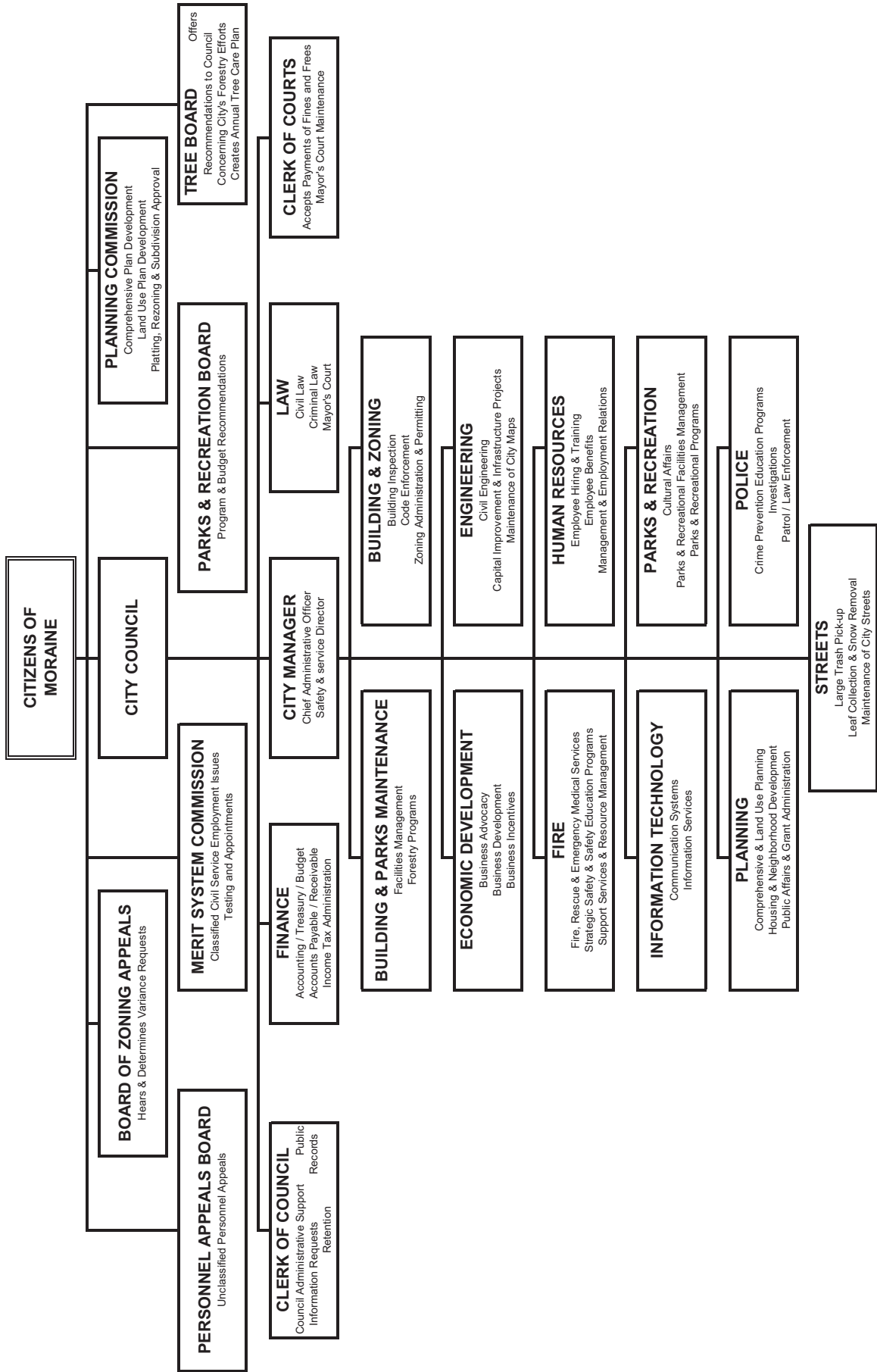
Stephanie L. Maury, Income Tax Administrator

Sherry L. Bosse, Financial Assistant

Paula G. Cox, Financial Assistant

Penny C. Tincher, Financial Assistant

Organization of the City of Moraine



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Moraine
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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



Christopher P. Morinell

President

Jeffrey R. Eimer

Executive Director

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To City Council
City of Moraine, Ohio:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moraine, Ohio (the "City") as of and for the year ended December 31, 2012, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moraine, Ohio, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

Change in Accounting Principles

As discussed in Note 18, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and Governmental Accounting Standards Board Statement No. 65 *Items Previously Reported as Assets and Liabilities*.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 through 9) and budgetary comparison information (pages 43 through 50) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

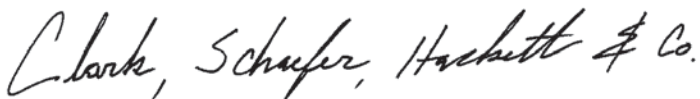
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City's internal control over financial reporting and compliance.



Springfield, Ohio
June 28, 2013

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Unaudited)

The discussion and analysis of the City of Moraine, Ohio's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2012. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for the year ended December 31, 2012 are as follows:

- Total net position decreased by \$4,699,484 which represents a 11.4% decrease from the beginning of 2012. A decrease of \$4,702,516 was reported in governmental activities and an increase of \$3,032 was reported in business-type activities.
- Total assets of governmental activities at December 31, 2012 decreased by \$5,041,414 from those reported one year prior due primarily to operating expenditures exceeding revenues which resulted in a decrease in cash. Long-term liabilities of the governmental activities decreased by approximately \$346,000 due to the debt service payment of general obligation bonds and capital leases.
- Overall, the net position of the City's business-type activities increased by \$3,032. The increase was less than the increase in 2011 due to fewer investment earnings.
- The \$978,029 unassigned ending fund balance reported in the General Fund represents 8.0% of the total expenditures reported in the General Fund for 2012.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of Moraine, Ohio as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole City, presenting both an aggregated view of the City's finances and a longer-term view of those statements. Major fund financial statements provide the next level of detail. For governmental funds, these financial statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Unaudited)

These two statements report the City's net position and change in that position. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements should take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's tax base and the condition of its capital assets. In the Statement of Net Position and the Statement of Activities, the financial information of the City is divided into two kinds of activities:

- Governmental Activities – Most of the City's services are reported here including public safety (police and fire), highways and streets, sanitation (refuse collection on a contractual basis), parks and recreation, public improvements, planning and zoning, and general administrative services.
- Business-Type Activities – These activities include the Moraine Loan Program. Interest on the principal loaned makes up the charges for this service. The intent of this operation is to have return of principal and interest to cover the cost of the program.

Reporting the City's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about each major fund. The major funds of the City include the General, Economic Development, Capital Improvement, Street Construction and Maintenance and T.I.F. The City uses many funds to account for a multitude of financial transactions. However, the focus of the fund financial statements is on the City's most significant funds, and therefore only the major funds are presented in separate columns. All other funds are combined into one column for reporting 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, 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 on services provided to our residents. 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.

Proprietary Funds

When the City charges citizens for the services it provides, with the intent of recouping operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Unaudited)

Fiduciary Funds

The financial activity of custodial funds, for which the City acts as the fiscal agent, is reported separately in the Statement of Assets and Liabilities. This financial activity is excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring the assets reported in these funds are used for their intended purposes.

The City as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. In the case of the City of Moraine, Ohio, assets exceeded liabilities and deferred inflows of resources by a total of \$36.0 million at December 31, 2012.

Table 1 provides a summary of the City's net position for 2012 compared to 2011:

Table 1
Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>Restated 2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$ 16,744,238	20,080,373	597,486	594,454	17,341,724	20,674,827
Capital Assets	<u>30,841,158</u>	<u>32,546,437</u>	-	-	<u>30,841,158</u>	<u>32,546,437</u>
Total Assets	<u>47,585,396</u>	<u>52,626,810</u>	<u>597,486</u>	<u>594,454</u>	<u>48,182,882</u>	<u>53,221,264</u>
Long-Term Liabilities	9,214,869	9,560,611	-	-	9,214,869	9,560,611
Other Liabilities	<u>1,420,802</u>	<u>1,347,522</u>	-	-	<u>1,420,802</u>	<u>1,347,522</u>
Total Liabilities	<u>10,635,671</u>	<u>10,908,133</u>	-	-	<u>10,635,671</u>	<u>10,908,133</u>
Total Deferred Inflows of Resources	<u>949,365</u>	<u>1,015,801</u>	-	-	<u>949,365</u>	<u>1,015,801</u>
Net Position:						
Net Investment in						
Capital Assets	27,606,601	29,262,787	-	-	27,606,601	29,262,787
Restricted	6,553,297	6,422,555	-	-	6,553,297	6,422,555
Unrestricted	<u>1,840,462</u>	<u>5,017,534</u>	<u>597,486</u>	<u>594,454</u>	<u>2,437,948</u>	<u>5,611,988</u>
Total Net Position	\$ <u>36,000,360</u>	<u>40,702,876</u>	<u>597,486</u>	<u>594,454</u>	<u>36,597,846</u>	<u>41,297,330</u>

As displayed in Table 1, total governmental net position of the City decreased by \$4.7 million from 2011 to 2012. A significant decrease in cash (\$2.4 million) was attributable to operating expenses exceeding revenues. Capital assets reported at December 31, 2012 decreased by \$1.7 million as annual depreciation expense exceeded capital asset additions. Land held for resale decreased by \$725,000 as the City successfully sold 29 of the remaining lots at the Oak Pointe development during 2012.

CITY OF MORAIN, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Unaudited)

Table 2 shows the changes in the governmental and business-type net position for the year ended December 31, 2012 compared with the prior year.

Table 2
Changes in Net Position

	Governmental Activities		Business- Type Activities		Total	
	Restated		2012	2011	2012	2011
	2012	2011				
Program Revenues:						
Charges for services	\$ 1,118,942	1,261,842	-	-	1,118,942	1,261,842
Operating grants and contributions	451,451	72,393	-	-	451,451	72,393
Capital grants and contributions	382,185	1,950,048	-	-	382,185	1,950,048
Total Program Revenues	<u>1,952,578</u>	<u>3,284,283</u>	<u>-</u>	<u>-</u>	<u>1,952,578</u>	<u>3,284,283</u>
General Revenues:						
Income taxes	10,045,847	9,541,527	-	-	10,045,847	9,541,527
Property and other taxes	514,039	650,580	-	-	514,039	650,580
Payment in lieu of taxes	33,136	43,041	-	-	33,136	43,041
Shared revenues	222,897	657,429	-	-	222,897	657,429
Intergovernmental	-	90,731	-	-	-	90,731
Investment earnings	31,106	236,870	3,032	13,621	34,138	250,491
Miscellaneous	126,092	530,165	-	-	126,092	530,165
Total General Revenues	<u>10,973,117</u>	<u>11,750,343</u>	<u>3,032</u>	<u>13,621</u>	<u>10,976,149</u>	<u>11,763,964</u>
Total Revenues	<u>12,925,695</u>	<u>15,034,626</u>	<u>3,032</u>	<u>13,621</u>	<u>12,928,727</u>	<u>15,048,247</u>
Expenses:						
General government	3,662,881	3,277,192	-	-	3,662,881	3,277,192
Public Safety	8,146,485	8,852,361	-	-	8,146,485	8,852,361
Highways & Streets	3,415,159	3,638,054	-	-	3,415,159	3,638,054
Sanitation	307,931	284,131	-	-	307,931	284,131
Culture & Recreation	1,109,016	1,113,466	-	-	1,109,016	1,113,466
Economic Development	479,262	1,004,966	-	-	479,262	1,004,966
Health & Welfare	212,986	85,524	-	-	212,986	85,524
Interest Expense	294,491	302,231	-	-	294,491	302,231
Total Expenses	<u>17,628,211</u>	<u>18,557,925</u>	<u>-</u>	<u>-</u>	<u>17,628,211</u>	<u>18,557,925</u>
Change in net position	(4,702,516)	(3,523,299)	3,032	13,621	(4,699,484)	(3,509,678)
Net Position - Beginning	40,702,876	44,226,175	594,454	580,833	41,297,330	44,807,008
Net Position - Ending	<u>\$ 36,000,360</u>	<u>40,702,876</u>	<u>597,486</u>	<u>594,454</u>	<u>36,597,846</u>	<u>41,297,330</u>

As noted in the table above, the City's municipal income tax revenue reported for 2012 increased 5.3 percent over the amount reported for 2011. This increase in income taxes reverses a trend of decreases reported for the past several years. For the period of time covering 2007 to 2011, the municipal income tax revenues of the City decreased from \$19.6 million to \$9.5 million, a 51.4 percent decrease, due to the closings of several large industrial employers within the City. While this is an indication of positive economic progress during the year, the property taxes continue to decline due to the lower property values assessments (which is similar to most areas of Montgomery County) as well as the phase out of personal property taxes. Capital grants in the governmental activities decreased by \$1.6 million as several significant infrastructure projects were completed in 2011 and therefore the City did not receive similar construction grants in 2012. Overall, the total

CITY OF MORAIN, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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revenues for the governmental activities decreased \$2.1 million compared with those reported for the prior year, or 14.0 percent.

Total expenses of the governmental activities reported for 2012 were \$930,000 less than those reported for 2011 primarily due to the recording of the land held for resale in the TIF fund during 2011 which resulted in an increase in the economic development expense reported. The decrease in public safety represents the City managing personnel costs (public safety represents 46.2 percent of the total expenses of the City) to deal with the declining revenues being realized. The decrease in net position reported for 2012 was \$1.2 million more than the decrease reported in 2011 and will require management to continue making further budget adjustments in the near future.

Governmental Activities

Table 3 shows the percentage of total expenses each functional area comprises, the net cost of each functional area and the percentage of each functional area expenses financed with general revenue for 2012.

Table 3
Governmental Activities

	Total Cost of Services		Program Revenues		Net Cost of Services	
	Restated				Restated	
	2012	2011	2012	2011	2012	2011
General Government	\$ 3,662,881	\$ 3,277,192	\$ 504,229	\$ 671,401	\$ 3,158,652	\$ 2,605,791
Public Safety	8,146,485	8,852,361	481,230	662,834	7,665,255	8,189,527
Highways and Streets	3,415,159	3,638,054	692,514	1,950,048	2,722,645	1,688,006
Sanitation	307,931	284,131	6,256	-	301,675	284,131
Culture and Recreation	1,109,016	1,113,466	268,349	-	840,667	1,113,466
Economic Development	479,262	1,004,966	-	-	479,262	1,004,966
All Others	507,477	387,755	-	-	507,477	387,755
	<u>\$ 17,628,211</u>	<u>\$ 18,557,925</u>	<u>\$ 1,952,578</u>	<u>\$ 3,284,283</u>	<u>\$ 15,675,633</u>	<u>\$ 15,273,642</u>

As indicated by Table 3, the City is spending the majority of its resources on public safety, highways and streets and general government activities. While the operation of the police and fire departments is approximately \$8.1 million, approximately \$481,000 of program revenue is generated to cover department expenses. The remaining \$7.7 million of expenses must be covered by general revenues collected by the City, principally municipal income taxes and property taxes. General government functions, principally legislation and administration, comprise approximately \$3.7 million of the total governmental expenses. Court costs and fees generated by licenses and permits financed approximately \$504,000 of the general government functional expenses while the remaining \$3.2 million comes from general revenue sources. Operating and capital grants received from the State of Ohio and the federal government provided approximately \$693,000 of funding for expenses related to highways and streets.

The City's Funds

Information about the City's major governmental funds begins after the Statement of Activities. These funds are reported using the modified accrual basis of accounting. Governmental funds had total revenues of \$12.9 million and expenditures of \$16.1 million. During 2012, the net change in fund balance of the governmental funds decreased by \$3.2 million to an ending total fund balance of \$10.9 million. While capital assets are included in the statement of Net Position, expenditures are recognized in the fund statements thereby reducing the amount of resources available for future spending. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CITY OF MORAIN, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Unaudited)

The City's General Fund realized a decrease of \$3.3 million in fund balance during 2012. The General Fund is the primary fund that finances government services to citizens. The decrease in fund balance is a result of the operating expenditures exceeding revenues as the City continues to struggle realizing projected revenue levels upon which expenditures are based. Without significant increase in revenue sources, the City will be required to implement dramatic reductions in levels of services provided. In addition, Street Construction and Maintenance Fund and Other Governmental Funds required transfers from the General Fund of \$2.0 million during 2012. At December 31, 2012 the ending unassigned fund balance of the General Fund was \$980,000; an 81.5 percent decrease from the unassigned fund balance reported at December 31, 2011. The ending unassigned fund balance reported for the General Fund represents 8.0 percent of total General Fund expenditures for 2012.

The City's other four major funds, the Economic Development, Capital Improvement, Street Construction and Maintenance and T.I.F. funds reported net change in fund balances of \$(255,921), \$770,024, \$(245,884) and \$(295,288), respectively. The decrease in the Economic Development Fund was due to additional economic development expenditures incurred during 2012. The fund balance at December 31, 2012 was \$(431,762). This fund also has an outstanding interfund payable for a loan made in prior years. The increase in the Capital Improvement Fund is associated with a decrease in capital expenditures of the City for 2012 compared with 2011.

In 2011, the City had several significant infrastructure projects which were completed. The fund balance at December 31, 2012 is \$5.0 million. The Street Construction and Maintenance Fund's decrease in fund balance is due to lowered state shared taxes and transfers from the General Fund for the year. Despite expenditures decreasing 17.5 percent in 2012 compared with 2011, the larger decrease in inflows of resources resulted in the fund ending the year with a balance of \$177,000. The T.I.F fund decrease resulted from the loss reported on the sale of lots at the Oak Pointe development. All other governmental fund balances increased slightly by \$106,000 during 2012.

General Fund Budgeting Highlights

The City's budget is adopted on a fund basis. Before the budget is adopted, the City Manager and Finance Director review the budgets of each department within the General Fund with City Council. City Council then adopts the annual appropriations budget at the personal services, other operating expenditures, and capital expenditures level for each department within each fund (legal level of control). Management may reallocate appropriations below the legal level, but modifications must be approved by Council in advance.

General Fund revenues at the beginning of the year were estimated at \$14.2 million with insignificant modifications to estimates throughout the year. Actual revenues for the year totaled \$10.8 million with only one revenue source (licenses and permits) meeting the budgeted amounts at year-end. While actual income tax receipts received during 2012 were 4.7 percent higher than those received in 2011, those actual receipts were \$1.8 million less than the amount anticipated by the City as the effects of an improving economy were anticipated to have more of an effect on income tax receipts in 2012.

The expenditures including transfers for the General Fund were estimated at \$16.2 million at the beginning of the year and decreased to \$14.3 million at the close of the year; which approximated actual budgetary expenditures and transfers for the year. This is attributed to management's efforts to control spending and reduced transfers throughout the year.

Budgetary fund balance at December 31, 2012 was \$850,000 compared to the \$4.1 million anticipated in the final 2012 budget.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Unaudited)

Capital Assets

At the end of fiscal year 2012, the City had a total of \$62.2 million invested in capital assets less accumulated depreciation of \$31.4 million resulting in a net investment in capital assets of \$30.8 million.

Major capital asset additions for 2012, included the addition of the Northlawn Bridge construction project to infrastructure from construction in progress, where the project was reported at the end of 2011. Capital assets purchased or acquired during 2012 amount to approximately \$217,000 and were primarily for replacement of safety vehicles and equipment.

Table 4 shows 2012 balances compared to those of 2011:

Table 4
Capital Assets at Year-End
(Net of Depreciation)

	Governmental Activities	
	2012	2011
Land	\$ 10,865,745	10,865,745
Construction in progress	100,000	1,719,363
Building and improvements	4,908,453	5,251,573
Machinery and equipment	1,661,753	1,699,470
Infrastructure	13,305,207	13,010,286
Total	\$ 30,841,158	32,546,437

Additional information on the City's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration

At December 31, 2012, the City had the following outstanding long-term obligations: \$5,735,000 of general obligation bonds, \$504,595 for two OPWC loans and capital leases in the amount of \$144,060.

At December 31, 2012, the City's overall legal debt margin was \$16.2 million and the unvoted debt margin was \$5.8 million. See Notes 10, 11, 12 and 13 of the notes to the basic financial statements for more detailed information on the debt and other long-term obligations of the City.

Contacting the City's Finance Department

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 you have questions about this report or need additional financial information contact the Finance Director at City of Moraine, Ohio, 4200 Dryden Road, Moraine, Ohio 45439.

CITY OF MORAIN, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Investments	\$ 11,843,484	\$ 592,555	\$ 12,436,039
Receivables:			
Income Tax	1,589,430	-	1,589,430
Property Tax	542,392	-	542,392
Payment in Lieu of Taxes	454,800	-	454,800
Accounts	429,092	-	429,092
Intergovernmental	311,912	-	311,912
Loans	201,994	4,931	206,925
Inventories	190,260	-	190,260
Prepays	80,874	-	80,874
Land Held for Resale	1,100,000	-	1,100,000
Non Depreciable Assets	10,965,745	-	10,965,745
Depreciable Capital Assets, Net of Accumulated Depreciation	19,875,413	-	19,875,413
Total Assets	47,585,396	597,486	48,182,882
LIABILITIES			
Accounts Payable	406,789	-	406,789
Salaries and Benefits Payable	858,037	-	858,037
Matured Compensated Absences Payable	81,658	-	81,658
Accrued Interest Payable	22,516	-	22,516
Insurance Claims Payable	51,802	-	51,802
Long-Term Liabilities:			
Due Within One Year	818,183	-	818,183
Due In More Than One Year	8,396,686	-	8,396,686
Total Liabilities	10,635,671	-	10,635,671
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	494,565	-	494,565
Payments in Lieu of Property Taxes	454,800	-	454,800
Total Deferred Inflows of Resources	949,365	-	949,365
NET POSITION			
Net Investment in Capital Assets	27,606,601	-	27,606,601
Restricted for:			
Capital Projects	4,923,830	-	4,923,830
Streets and Highways	1,001,355	-	1,001,355
Debt Service	131,212	-	131,212
Law Enforcement Programs	365,000	-	365,000
Cemetery Operations	131,900	-	131,900
Unrestricted	1,840,462	597,486	2,437,948
Total Net Position	\$ 36,000,360	\$ 597,486	\$ 36,597,846

See accompanying notes to the basic financial statements.

CITY OF MORAIN, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 3,662,881	\$ 477,157	\$ 27,072	\$ -	\$ (3,158,652)	\$ -	\$ (3,158,652)
Public Safety	8,146,485	428,834	52,396	-	(7,665,255)	-	(7,665,255)
Highways and Streets	3,415,159	-	310,329	382,185	(2,722,645)	-	(2,722,645)
Sanitation	307,931	6,256	-	-	(301,675)	-	(301,675)
Culture and Recreation	1,109,016	206,695	61,654	-	(840,667)	-	(840,667)
Economic Development	479,262	-	-	-	(479,262)	-	(479,262)
Health and Welfare	212,986	-	-	-	(212,986)	-	(212,986)
Debt Service							
Interest and Fiscal Expense	294,491	-	-	-	(294,491)	-	(294,491)
Total Governmental Activities	<u>17,628,211</u>	<u>1,118,942</u>	<u>451,451</u>	<u>382,185</u>	<u>(15,675,633)</u>	<u>-</u>	<u>(15,675,633)</u>
Business Type Activities							
Loan Program	-	-	-	-	-	-	-
Total Business Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 17,628,211</u>	<u>\$ 1,118,942</u>	<u>\$ 451,451</u>	<u>\$ 382,185</u>	<u>(15,675,633)</u>	<u>-</u>	<u>(15,675,633)</u>
General Revenues							
Income Tax					10,045,847	-	10,045,847
Property Tax Levied for							
General Purposes					349,986	-	349,986
Police Pensions					70,116	-	70,116
Fire Pensions					70,115	-	70,115
Other Taxes					23,822	-	23,822
Payments in Lieu of Taxes					33,136	-	33,136
Shared Revenues (unrestricted)					222,897	-	222,897
Miscellaneous Receipts					126,092	-	126,092
Investment Earnings					31,106	3,032	34,138
Total General Revenues					<u>10,973,117</u>	<u>3,032</u>	<u>10,976,149</u>
Change in Net Position					(4,702,516)	3,032	(4,699,484)
Net Position - Beginning (Restated)					40,702,876	594,454	41,297,330
Net Position - Ending					<u>\$ 36,000,360</u>	<u>\$ 597,486</u>	<u>\$ 36,597,846</u>

See accompanying notes to the basic financial statements.

CITY OF MORAINE, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Major Governmental Funds					Other Governmental Funds	Total Governmental Funds
	General Fund	Economic Development	Capital Improvement	Street Construction and Maintenance	T.I.F.		
ASSETS							
Equity in Pooled Cash and Investments	\$ 1,819,879	\$ 313,909	\$ 4,926,874	\$ 185,687	\$ 651,782	\$ 1,784,407	\$ 9,682,538
Receivables:							
Income Tax	1,430,487	-	158,943	-	-	-	1,589,430
Property Tax	411,250	-	-	-	-	131,142	542,392
Payment in Lieu of Tax	-	-	-	-	454,800	-	454,800
Accounts	427,902	-	-	-	-	1,190	429,092
Intergovernmental	108,834	-	3,815	173,309	-	25,954	311,912
Loans	-	201,994	-	-	-	-	201,994
Due from Other Funds	845,000	-	-	-	-	-	845,000
Inventories	7,279	-	-	56,260	-	-	63,539
Prepays	80,874	-	-	-	-	-	80,874
Land Held for Resale	-	-	-	-	1,100,000	-	1,100,000
Total Assets	<u>\$ 5,131,505</u>	<u>\$ 515,903</u>	<u>\$ 5,089,632</u>	<u>\$ 415,256</u>	<u>\$ 2,206,582</u>	<u>\$ 1,942,693</u>	<u>\$ 15,301,571</u>
LIABILITIES							
Accounts Payable	\$ 268,147	\$ 102,665	\$ 3,044	\$ 3,407	\$ -	\$ -	\$ 377,263
Salaries and Benefits Payable	513,258	-	-	90,962	-	237,635	841,855
Matured Compensated Absences Payable	81,658	-	-	-	-	-	81,658
Due to Other Funds	-	845,000	-	-	-	-	845,000
Total Liabilities	<u>863,063</u>	<u>947,665</u>	<u>3,044</u>	<u>94,369</u>	<u>-</u>	<u>237,635</u>	<u>2,145,776</u>
DEFERRED INFLOWS OF RESOURCES							
Property Taxes	374,901	-	-	-	-	119,664	494,565
Payments in Lieu of Taxes	-	-	-	-	454,800	-	454,800
Unavailable for:							
Income Taxes	572,404	-	63,600	-	-	-	636,004
Delinquent Property Taxes	36,349	-	-	-	-	11,478	47,827
Intergovernmental	91,772	-	3,815	144,240	-	22,275	262,102
Other Sources	407,209	-	-	-	-	1,190	408,399
Total Deferred Inflows of Resources	<u>1,482,635</u>	<u>-</u>	<u>67,415</u>	<u>144,240</u>	<u>454,800</u>	<u>154,607</u>	<u>2,303,697</u>
FUND BALANCE							
Nonspendable for:							
Materials and Supplies Inventory	7,279	-	-	56,260	-	-	63,539
Prepaid Items	80,874	-	-	-	-	-	80,874
Land Held for Resale	-	-	-	-	1,100,000	-	1,100,000
Restricted for:							
Law Enforcement	-	-	-	-	-	357,893	357,893
Cemetery Services	-	-	-	-	-	130,710	130,710
Debt Service	-	-	-	-	-	154,461	154,461
Street Repair and Maintenance	-	-	-	120,387	-	981,409	1,101,796
Economic Development	-	-	-	-	651,782	-	651,782
Committed for:							
Capital Projects	-	-	5,019,173	-	-	-	5,019,173
Assigned for:							
Subsequent Appropriations	809,852	-	-	-	-	-	809,852
Unpaid Obligations	566,469	-	-	-	-	-	566,469
Recreation Services	343,304	-	-	-	-	-	343,304
Unassigned	978,029	(431,762)	-	-	-	(74,022)	472,245
Total Fund Balance	<u>2,785,807</u>	<u>(431,762)</u>	<u>5,019,173</u>	<u>176,647</u>	<u>1,751,782</u>	<u>1,550,451</u>	<u>10,852,098</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,131,505</u>	<u>\$ 515,903</u>	<u>\$ 5,089,632</u>	<u>\$ 415,256</u>	<u>\$ 2,206,582</u>	<u>\$ 1,942,693</u>	<u>\$ 15,301,571</u>

See accompanying notes to the basic financial statements.

CITY OF MORAINE, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2012

Total Governmental Fund Balances \$ 10,852,098

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 30,841,158

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Municipal income taxes	636,004
Property and other taxes	47,827
Shared taxes and grants	262,102
Charges for services and other sources	408,399
	408,399

Total 1,354,332

Internal service fund is used by management to charge the costs of providing insurance as well as central services to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

2,148,593

Some liabilities, including long-term debt obligations and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds:

Accrued interest payable	(22,516)
Compensated absences payable	(2,706,267)
General obligations bonds payable	(5,735,000)
Premium on bonds	(83,383)
Capital lease obligation	(144,060)
OPWC loans payable	(504,595)
	(9,195,821)

(9,195,821)

Governmental Activities' Net Position \$ 36,000,360

See accompanying notes to the basic financial statements.

CITY OF MORAIN, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Major Governmental Funds					Other Governmental Funds	Total Governmental Funds
	General Fund	Economic Development	Capital Improvement	Street Construction and Maintenance	T.I.F.		
REVENUES							
Taxes:							
Income	\$ 9,074,952	\$ -	\$ 953,970	\$ -	\$ -	\$ -	\$ 10,028,922
Property	341,453	-	-	-	-	137,545	478,998
Other	23,822	-	-	-	-	-	23,822
Payment in Lieu of Taxes	-	-	-	-	33,136	-	33,136
Shared Revenues	284,923	-	-	386,939	-	52,953	724,815
Intergovernmental Grants	66,998	-	425,422	-	-	-	492,420
Licenses and Permits	106,120	-	-	-	-	-	106,120
Charges for Services	530,913	-	-	-	-	4,400	535,313
Fines	241,815	-	-	-	-	24,104	265,919
Investment Earnings	17,717	-	-	(3,078)	5,700	10,767	31,106
Miscellaneous	183,429	-	10,003	-	-	4,088	197,520
Total Revenues	<u>10,872,142</u>	<u>-</u>	<u>1,389,395</u>	<u>383,861</u>	<u>38,836</u>	<u>233,857</u>	<u>12,918,091</u>
EXPENDITURES							
Current:							
General Government	3,312,314	-	-	-	255	1,484	3,314,053
Public Safety	6,857,312	-	-	-	-	926,373	7,783,685
Highways and Streets	421,047	-	-	1,829,745	-	-	2,250,792
Sanitation	307,931	-	-	-	-	-	307,931
Economic Development	176,732	255,921	-	-	40,508	-	473,161
Health and Welfare	206,032	-	-	-	-	-	206,032
Culture and Recreation	870,458	-	-	-	-	-	870,458
Debt service:							
Principal	-	-	191,535	-	40,000	-	231,535
Interest	-	-	46,310	-	253,361	-	299,671
Capital Outlays:							
Highways and Streets	-	-	9,574	-	-	-	9,574
Public Safety	-	-	135,167	-	-	-	135,167
General Government	-	-	165,944	-	-	-	165,944
Culture and Recreation	-	-	70,841	-	-	-	70,841
Total Expenditures	<u>12,151,826</u>	<u>255,921</u>	<u>619,371</u>	<u>1,829,745</u>	<u>334,124</u>	<u>927,857</u>	<u>16,118,844</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,279,684)</u>	<u>(255,921)</u>	<u>770,024</u>	<u>(1,445,884)</u>	<u>(295,288)</u>	<u>(694,000)</u>	<u>(3,200,753)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	1,200,000	-	800,000	2,000,000
Transfers Out	(2,000,000)	-	-	-	-	-	(2,000,000)
Total Other Financing Sources (Uses)	<u>(2,000,000)</u>	<u>-</u>	<u>-</u>	<u>1,200,000</u>	<u>-</u>	<u>800,000</u>	<u>-</u>
Net Change in Fund Balance	<u>(3,279,684)</u>	<u>(255,921)</u>	<u>770,024</u>	<u>(245,884)</u>	<u>(295,288)</u>	<u>106,000</u>	<u>(3,200,753)</u>
Fund Balance - Beginning	6,065,491	(175,841)	4,249,149	422,531	2,047,070	1,444,451	14,052,851
Fund Balance - Ending	<u>\$ 2,785,807</u>	<u>\$ (431,762)</u>	<u>\$ 5,019,173</u>	<u>\$ 176,647</u>	<u>\$ 1,751,782</u>	<u>\$ 1,550,451</u>	<u>\$ 10,852,098</u>

See accompanying notes to the basic financial statements.

CITY OF MORAIN, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Net Change in Fund Balance - Total Governmental Funds \$ (3,200,753)

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 costs of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	216,613	
Depreciation	(1,921,892)	
Total		(1,705,279)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

General Obligation Bond payment	40,000	
Amortization of premium	3,790	
Capital lease payment	141,325	
OPWC loan payment	50,210	
Total		235,325

Internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. (151,792)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, rather these revenues are reported as as deferred inflow of resources. On the statement of activities, these amounts are revenues. 7,604

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

These activities consist of:

Decrease in accrued interest payable	1,390	
Decrease in compensated absences payable	110,989	
Total		112,379

Change in Net Position of Governmental Activities \$ (4,702,516)

See accompanying notes to the basic financial statements.

CITY OF MORAINE, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012

	<u>Enterprise Fund</u> <u>Moraine Loan</u> <u>Program</u>	<u>Internal</u> <u>Service Funds</u>
ASSETS		
CURRENT ASSETS		
Equity in Pooled Cash and Investments	\$ 592,555	\$ 2,160,946
Receivables:		
Loans (net of Allowance for uncollectible)	4,931	-
Inventories	-	126,721
Total Assets	<u>597,486</u>	<u>2,287,667</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	-	29,526
Salaries and Benefits Payable	-	16,182
Compensated Absences Payable	-	411
Insurance Claims Payable	-	51,802
Total Current Liabilities	<u>-</u>	<u>97,921</u>
LONG-TERM LIABILITIES		
Compensated Absences Payable	-	41,153
Total Liabilities	<u>-</u>	<u>139,074</u>
NET POSITION		
Unrestricted	597,486	2,148,593
Total Net Position	<u>\$ 597,486</u>	<u>\$ 2,148,593</u>

See accompanying notes to the basic financial statements.

CITY OF MORAINE, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Enterprise Fund</u>	
	Moraine Loan Program	Internal Service Funds
Operating Revenues		
Charges for Services	\$ -	\$ 2,190,140
Miscellaneous	-	6,654
Total Operating Revenues	<u>-</u>	<u>2,196,794</u>
Operating Expenses		
Cost of Services	-	2,355,739
Total Operating Expenses	<u>-</u>	<u>2,355,739</u>
Operating Loss	<u>-</u>	<u>(158,945)</u>
Non-Operating Revenues		
Investment earnings	<u>3,032</u>	<u>7,153</u>
Total Non-Operating Revenues	<u>3,032</u>	<u>7,153</u>
Change in Net Position	3,032	(151,792)
Total Net Position - Beginning	<u>594,454</u>	<u>2,300,385</u>
Total Net Position - Ending	<u>\$ 597,486</u>	<u>\$ 2,148,593</u>

See accompanying notes to the basic financial statements.

CITY OF MORaine, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Enterprise Fund	
	Moraine Loan Program	Internal Service Funds
Cash Flows From Operating Activities		
Cash received for services	\$ -	\$ 2,190,140
Miscellaneous receipts & reimbursements	-	6,654
Cash paid to suppliers for goods or services	-	(2,063,029)
Cash paid to employees for services	-	(243,721)
Net cash used in operating activities	-	(109,956)
Cash Flows From Non-Capital Financing Activities		
Repayment of loan principal	916	-
Net cash provided by non-capital financing activities	916	-
Cash Flows From Investing Activities		
Investment earnings	3,032	7,153
Net cash provided by investing activities	3,032	7,153
Net Change	3,948	(102,803)
Equity in Pooled Cash and Investments Beginning of Year	588,607	2,263,749
Equity in Pooled Cash and Investments End of Year	\$ 592,555	\$ 2,160,946
 Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ -	\$ (158,945)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Decrease in inventories	-	21,789
Increase in accounts payable	-	28,876
Decrease in salaries and benefits payable	-	(963)
Increase in compensated absences payable	-	572
Decrease in insurance claims payable	-	(1,285)
Net cash used in operating activities	\$ -	\$ (109,956)

See accompanying notes to the basic financial statements.

CITY OF MORAIN, OHIO
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2012

		Agency Funds
ASSETS		
Equity in Pooled Cash and Investments	\$	44,546
Cash in Segregated Accounts		21,199
Total Assets	\$	65,745
 LIABILITIES		
Deposits	\$	45,674
Due to Other Governments		18,516
Escrow Bonds and Deposits		1,555
Total Liabilities	\$	65,745

See accompanying notes to the basic financial statements.

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CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 – DESCRIPTION OF CITY AND REPORTING ENTITY:

The City of Moraine (the “City”) is a home rule municipal corporation organized under the laws of the State of Ohio, which operates under its own Charter. The current Charter was adopted in 1966 and has subsequently been amended. As provided in the Charter, the City operates under a Council/Manager form of government. The City was incorporated in 1958 and gained City status in 1965.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. The primary government consists of all funds and departments which provide the following services: public safety (police and fire), highways and streets, sanitation (refuse collection on a contractual basis), parks and recreation, public improvements, planning and zoning, and general administrative services.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing body and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt or the levying of taxes. The City currently has no component units.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the City of Moraine have been prepared in conformity with generally accepted accounting principles (GAAP) applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the City’s accounting policies are described below.

Basis of Presentation

The City’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

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. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City’s governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

therefore clearly identifiable to a particular function. Program revenues include charges paid by a recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues 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 or business-type activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets and deferred outflows of resources are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities and deferred inflows of resources are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources compared to liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

General Fund - This fund is the operating fund of the City and is used to account for all financial resources except those required to be 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 Charter of the City.

Economic Development Fund - This fund accounts for economic development projects that the City operates. These are funded with grant monies and general City funds.

Capital Improvement Fund - This fund is used to account for the financial resources to be used for the acquisition or construction of major capital facilities or equipment (other than those financed by proprietary funds).

Street Construction and Maintenance Fund - This fund is used to account for revenues and expenditures associated with construction and maintenance of the City's transportation infrastructure.

T.I.F. Fund - This fund is used to account for revenues and expenditures associated with a redevelopment of an area financed by tax increment financing and economic development of other areas within the City.

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

The other governmental funds of the City account for grants and other resources whose use is restricted, committed or assigned to a particular purpose.

Proprietary Fund Types

The proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City has one enterprise fund, the Moraine Loan Program fund, which accounts for home improvement and business loans offered to residents and businesses located within the City.

Internal Service Funds – An internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City has three internal service funds. They are the City Garage Fund used to account for the cost of servicing the vehicles and maintenance equipment of City departments, the Health Insurance Program Fund used to accumulate and account for monies for the payment of health insurance costs for the employees of City departments and the Insurance Reserve Fund used to account for monies to cover legal services related to lawsuits and other expenditures where reimbursement is received from the general insurance carrier.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The City's fiduciary funds include agency funds only and account for undistributed receipts of the Moraine Mayor's Court and miscellaneous deposits received by the City.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operations of the City are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources along with current liabilities and deferred inflows of resources are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances report the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources along with all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows or resources and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the City is thirty-one days after year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income tax, property tax, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the fiscal year in which the tax imposed takes place and revenue from property tax is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements and matching requirements. Timing requirements specify the year when the resources are required to be used or the fiscal year when use is first permitted. Matching requirements specify how the City must provide local resources and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: income tax, state-levied locally shared taxes (including local government assistance, gasoline tax and vehicle license tax), EMS charges for services, court fines and forfeitures, and investment earnings.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate category for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The City reported no amounts which are classified as deferred outflows of resources at December 31, 2012.

CITY OF MORAINE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then. For the City, deferred inflows of resources include property taxes, payment in lieu of taxes, and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is a legally enforceable claim as of December 31, 2012, but which were levied to finance subsequent year operations. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund balance sheet. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, intergovernmental grants, charges for services and other revenue sources. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related fund liability is incurred, if measurable. Allocation of costs, such as depreciation and amortization, are not recognized in governmental funds.

Equity in Pooled Cash and Investments

To improve cash management, cash received by the City is pooled. Money for all funds, except the Health Insurance Program Fund, is maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pooled bank account is presented as "equity in pooled cash and investments" on the financial statements.

Investments are reported at fair value, which is based on quoted market prices. For investments in open-end mutual funds, fair value is determined by the fund's share price.

During the year, the City's investments included STAROhio. STAROhio is an investment pool managed by the State of Ohio's Treasurer's Office, which allows governments within Ohio to pool their funds for investment purposes. STAROhio is not registered with the Securities and Exchange Commission (SEC) as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2012.

Investments with an original maturity of three months or less at the time of purchase, and investments of the cash management pool are reported as cash equivalents on the financial statements.

Interest income is distributed to the funds according to ordinance and statutory requirements. Interest revenue reported in the statement of activities for 2012 amounted to \$34,138.

Supplies Inventory

Inventory consists of expendable supplies held for consumption. Inventories are presented at cost on first-in, first-out basis and are expended/expensed when used.

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2012, 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.

Land Held for Resale

The City owns property that it has determined holds value to private developers. As a result, the City intends to sell the land and has classified the land as land held for resale in the T.I.F. fund at the net realizable value, which approximates fair market value as determined by the City at year end.

Capital Assets

Capital assets, which include property, infrastructure, plant and equipment, are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets utilized by governmental activities are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported in the respective fund financial statements with the enterprise funds capital assets being reported in the business-type activities column of the government-wide statement of net position.

The City defines capital assets as those with an individual cost of more than \$3,000 except for improvements to infrastructure, which is \$50,000. All capital assets are capitalized at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are recorded at their fair market values as of the date received. Interest on constructed capital assets within the business-type activities is capitalized. When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements. The City's infrastructure consists of bridges, culverts, curbs, storm sewers and streets. At December 31, 2012, the City had no proprietary capital assets.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historic records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Land Improvements	20-25 years
Building and Improvements	20-40 years
Machinery and Equipment	2-25 years
Infrastructure	20-50 years

Compensated Absences

Vacation leave accumulated by employees is accrued as a liability as the benefits are earned when both of these conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.

CITY OF MORAINE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave is accrued based on guidelines set forth in GASB Statement No. 16 "Accounting for Compensated Absences". The vesting method was implemented and states that the City will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the City's termination policy. The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee who have accumulated leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds the entire amount of compensated absences is reported as a fund liability.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, and compensated absences that will be paid from the governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment from current and available resources. Bonds, capital leases and long-term loans are recognized as a liability on the fund financial statements when due.

Fund Balance

The City reports classifications of fund equity based on the purpose for which resources were received and the level of constraint placed on the resources. Nonspendable fund balance indicates resources that cannot be spent because they are not in a spendable form. Resources that have purpose constraints placed upon them by laws, regulations, creditors, grantors, or other external parties are considered available only for the purpose for which they were received and are reported as a restricted fund balance. The City may limit the use of unreserved resources and they may be reported as committed or assigned fund balance depending on at what level of governance the constraints were placed. With an affirmative vote of its members, through ordinance, the City Council may create funds for which resources are committed to the established purpose of that fund. Once funds are committed, those resources may not be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts. Through the City's purchasing policy the Council has given the Finance Director the authority to constrain monies for intended purposes, which are reported as assigned fund balances. All other funds in spendable form not restricted, committed or assigned are reported as an unassigned fund balance.

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The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The City considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through 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. At December 31, 2012, none of the City's net position is restricted by enabling legislation.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Operating expenses are necessary costs incurred to provide goods or services that are the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

Interfund Activity

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

Interfund receivables and payables between governmental and business-type activities have been eliminated in the government-wide statement of net position. These eliminations minimize the duplicate effect on assets and liabilities within the governmental and business-type activities total column; however, the interfund services provided and used are not eliminated in the process of consolidation. Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Estimates

The preparation of the 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.

Budgetary Process

All funds, except for agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriation ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount

CITY OF MORAIN, OHIO
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Council may appropriate. The appropriation ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by the Council at the department level with a detail breakdown by personal services, operating and capital expenditures/expenses. Budgetary control is maintained by not permitting expenditures to exceed appropriations at the department level within each fund. Administrative control is maintained through the establishment of more detailed line-item budgets.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate at the time final appropriations were adopted.

The appropriation ordinance is subject to amendment by Council throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covers the entire year plus amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

NOTE 3 – DEPOSITS AND INVESTMENTS:

Monies of substantially all funds of the City are maintained or invested in a common group of bank accounts and STAROhio. This is done in order to limit the risk associated with the investments while providing for a reasonable market rate of return. Interest income is distributed to the funds according to local ordinances and statutory requirements.

The provisions of the Charter and Codified Ordinances of the City and the Ohio Revised Code govern the investment and deposit of City monies. In accordance with these provisions, only financial institutions located in Ohio, as well as primary and regional securities dealers are eligible to hold public deposits. The provisions also permit the City to invest its monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (STAROhio), obligations of the United States government or certain agencies thereof, bankers acceptance notes, and commercial paper. The City may also enter into repurchase agreements with any eligible depository for a period not exceeding five years.

Public depositories must give security for all public funds on deposit. According to the City's Deposit and Investment Policy, these institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities, the face value of which is at least 105 percent of the total value of public monies on deposit at the institution.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned. Protection of the City's cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third parties of the financial institution.

CITY OF MORAIN, OHIO
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At year end, the City reported a bank balance of \$603,688 which was entirely covered by federal deposit insurance.

Investments

At year-end, the City had the following investments:

Investment Type	Rating	Fair Value	Maturity				
			6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Two to five years
Federal Home Loan Mortgage	AA+	\$ 774,462	\$ 190,758	\$ 220,596	\$ 147,540	\$ 55,333	\$ 160,235
Federal National Mortgage	AA+	3,803,266	231,343	206,195	51,432	-	3,314,296
Federal Home Loan Bank	AA+	947,947	451,900	268,368	147,615	80,064	-
Negotiable CD's	N/A	3,481,942	1,157,150	1,357,815	482,388	484,589	-
STAR Ohio	AAAm	322,595	322,595	-	-	-	-
Mutual Funds	N/A	2,754,509	2,754,509	-	-	-	-
US Treasury Money Market	N/A	58,637	58,637	-	-	-	-
		<u>\$ 12,143,358</u>	<u>\$ 5,166,892</u>	<u>\$ 2,052,974</u>	<u>\$ 828,975</u>	<u>\$ 619,986</u>	<u>\$ 3,474,531</u>

Interest Rate Risk – The City’s investment policy addresses interest rate risk by directing management to attempt to match the term to maturity of the investments with anticipated cash flow requirements and investing active deposits necessary for operating funds primarily in short term demand accounts and money market accounts or similar investments.

Credit Risk – The City’s investment policy restricts investments in obligations of the United States Treasury and Federal Agencies to direct obligations of the issuing entity. The City’s policy requires commercial paper to have a credit rating in the highest classification established by at least two nationally recognized standard rating services and the aggregate value of the notes cannot exceed ten per cent of the outstanding commercial paper of the issuing corporation. Bankers acceptances are restricted to those insured by the federal deposit insurance corporation, are eligible for purchase by the Federal Reserve System and the obligations mature not later than one hundred eighty days after purchase. All negotiable certificates of deposit are covered by FDIC.

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 investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with custodial credit risk beyond the requirements of State statute which prohibit payment for investments prior to the delivery of the securities representing the investments to the treasurer or qualified trustee.

Concentration of Credit Risk – The City’s investment policy addresses concentration of credit risk by limiting the portfolio holding of allowable investments to the following percentages:

<u>Diversification of Instrument</u>	<u>Maximum Percent Allowed</u>
U.S. Treasury Obligations	100%
Authorized U.S. Federal Agency Securities and U.S. Government-sponsored Corporations	100%
Nonnegotiable Certificates of Deposit	100%
Authorized Bankers Acceptance	25%
STAR Ohio	100%
Prime Commercial Paper	25%

CITY OF MORAINE, OHIO
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The following table includes percentage of each investment type held by the City at December 31, 2012:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Total</u>
Federal Home Loan Mortgage	\$ 774,462	6.38%
Federal National Mortgage	3,803,266	31.32%
Federal Home Loan Bank Notes	947,947	7.81%
Negotiable CD's	3,481,942	28.67%
STAR Ohio	322,595	2.66%
Mutual Fund	2,754,509	22.68%
US Treasury Money Market	<u>58,637</u>	<u>0.48%</u>
	<u>\$ 12,143,358</u>	<u>100.00%</u>

NOTE 4 – RECEIVABLES:

Receivables at December 31, 2012 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues and special assessments.

Property Taxes

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. Real property and public utility taxes collected during 2012 were levied on December 31, 2011 on assessed values listed as of January 1, 2011, the lien date. One-half of these taxes are due February 15, 2012 with the remaining balance due on July 15, 2012. Property tax payments received during 2012 for tangible personal property (other than public utility property) is for 2012 taxes.

Assessed values of real property are established by State law at 35% of appraised market value. A revaluation of all property is required to be completed no less than every six years with equalization adjustments in the third year following reappraisal. The most recent revaluation was completed in 2008.

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

The full tax rate for all City operations for the year ended December 31, 2012 was \$2.5 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2012 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 145,392,190
Public Utility Real Property Assessed Valuation	352,090
Public Utility Personal Property Assessed Valuation	<u>63,245,550</u>
Total	<u>\$ 208,989,830</u>

CITY OF MORAIN, OHIO
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The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Moraine. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represents real, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2012, and for which there is an enforceable legal claim. At the fund level, the entire receivable has been offset as a deferred inflow of resources since the current taxes were not levied to finance 2012 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the full accrual basis, collectible delinquent property taxes have been recorded as revenue.

Income Tax

The City levies a municipal income tax of two percent on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside the City; however, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current income tax rate.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City monthly. Corporation and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By ordinance, Council has allocated 10 percent of all income taxes to the Capital Improvement Fund to finance annual capital improvements.

Loans Receivable

The City operates a long-term home improvement loan program as an enterprise fund. Loans receivable at December 31, 2012 were \$4,931.

In 2001, as an economic development tool, the City began offering business loans that would be forgiven if the business met certain employment and financial conditions over the life of the loan. The first such loan was made during 2001. The loans receivable in the Economic Development Fund at December 31, 2012 were as follows:

Loans Receivable, 12/31/2011	\$ 233,471
New Loans	95,000
Forgiven Loans	<u>(126,477)</u>
Loans Receivable, 12/31/2012	<u>\$ 201,994</u>

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NOTE 5 – CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2012 was as follows:

	<u>Balance</u> <u>12/31/11</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/12</u>
<i>Governmental Activities</i>				
Non-depreciable capital assets:				
Land	\$ 10,865,745	\$ -	\$ -	\$ 10,865,745
Construction in Progress	1,719,363	-	(1,619,363)	100,000
Non-depreciable capital assets:	<u>12,585,108</u>	<u>-</u>	<u>(1,619,363)</u>	<u>10,965,745</u>
Depreciable capital assets:				
Buildings and improvements	12,554,571	-	-	12,554,571
Equipment	9,660,865	314,485	(15,928)	9,959,422
Infrastructure	27,165,847	1,521,491	-	28,687,338
Depreciable capital assets:	<u>49,381,283</u>	<u>1,835,976</u>	<u>(15,928)</u>	<u>51,201,331</u>
Less: accumulated depreciation				
Buildings and improvements	(7,302,998)	(343,120)	-	(7,646,118)
Equipment	(7,961,395)	(352,202)	15,928	(8,297,669)
Infrastructure	(14,155,561)	(1,226,570)	-	(15,382,131)
Accumulated depreciation	<u>(29,419,954)</u>	<u>(1,921,892) *</u>	<u>15,928</u>	<u>(31,325,918)</u>
Depreciable capital assets, net	<u>19,961,329</u>	<u>(85,916)</u>	<u>-</u>	<u>19,875,413</u>
Governmental activities capital assets, net	<u>\$ 32,546,437</u>	<u>\$ (85,916)</u>	<u>\$ (1,619,363)</u>	<u>\$ 30,841,158</u>

* - Depreciation expense was charged to governmental functions as follows:

General Government	\$ 147,799
Public Safety	417,413
Highways and Streets	1,114,764
Culture and Recreation	222,931
Health and Welfare	6,225
Economic Development	12,760
Total depreciation expense - governmental activities	<u>\$ 1,921,892</u>

Prior to the start of the 2010 season, the City decided not to open its water park, Splash! Moraine, due to budgetary constraints. While the City hopes to re-open the facility in the future, there is no current timetable to do so. No impairment loss is recognized since the City is still performing normal, routine maintenance to ensure the asset does not lose value, other than normal depreciation, over time. The carrying value of this asset as of December 31, 2012 is \$282,648, of which, \$272,762 and \$9,886 is related to buildings and equipment, respectively.

Capital assets of the Internal Service City Garage Fund include machinery and equipment with a cost of \$173,851 and accumulated depreciation of \$173,851.

CITY OF MORAINE, OHIO
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NOTE 6 – DEFINED BENEFIT PENSION PLANS:

Both the Ohio Police and Fire Pension Fund and the Ohio Public Employees Retirement System are reported using GASB Statement No. 27 “Accounting for Pensions by State and Local Governmental Employers”. Substantially all City employees are covered by one of the two cost-sharing multiple-employer defined benefit pension plans, namely, the Ohio Police and Fire Pension Fund or the Ohio Public Employees Retirement System of Ohio. Both funds provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and employer contribution rates were consistent across all three plans discussed above. Separate divisions for law enforcement and public safety divisions exist only within the Traditional Plan. The 2012 member contribution rates were 10% of their annual salary for members in state and local classifications. The 2012 employer contribution rate for state and local employers was 14% of covered payroll. The City's required contributions to OPERS for the years ended December 31, 2012, 2011, and 2010 were \$753,600, \$770,793, and \$758,793, respectively; 89% has been contributed for 2012 and 100% for 2011 and 2010. The balance of the 2012 required contribution is reported as a component of the salaries and benefits payable liability.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple- employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to Ohio Police & Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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Plan members are required to contribute 10% of their annual covered salary to fund pension obligations while the city is required to contribute 19.5% for police officers and 24% for firefighters. The City's contributions to the fund for police officers and firefighters for the years ending December 31, 2012, 2011 and 2010 were \$923,258, \$989,698 and \$995,255, respectively; 74% has been contributed for 2012 and 100% for 2011 and 2010. The balance of the 2012 required contribution is reported as a component of the salaries and benefits payable liability.

NOTE 7 – POSTEMPLOYMENT BENEFITS:

Statement 45 of the Governmental Accounting Standards Board (GASB), "Accounting and Financial Reporting by Employers for Post-employment benefits other than Pension," establishes standards for disclosure information for postemployment benefits other than pension benefits. Both OPERS and OP&F have post-employment benefits that meet the definition as described in GASB Statement 45.

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple employer defined benefit postemployment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage.

In order to qualify for postemployment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

The Ohio Revised Code 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 Ohio Revised Code. The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care 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 2012, state and local employers contributed at a rate of 14% of covered payroll, and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

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Actual employer contributions for 2012, 2011 and 2010 which were used to fund postemployment benefits were \$215,314, \$220,227 and \$275,534, respectively; 89% has been contributed for 2012 and 100% for 2011 and 2010. The balance of the 2012 required contribution is reported as a component of the salaries and benefits payable liability.

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

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare 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 dependent.

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 meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

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

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Service 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 the year ended December 31, 2012, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The City's actual contributions for 2012, 2011 and 2010 that were used to fund postemployment benefits were \$287,989, \$311,883, and \$312,784 for police and firefighters, respectively; 74% has been contributed for 2012 and 100% for 2011 and 2010. The balance of the 2012 required contribution is reported as a component of the salaries and benefits payable liability.

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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.

NOTE 8 – OTHER EMPLOYEE BENEFITS:

Compensated Absences

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 16, the City accrues a liability for sick leave and vacation 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.

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. At termination or retirement, employees are paid at their full rate for 100% of their unused vacation. The obligation for accrued unpaid vacation time for the City as a whole amounted to \$931,247 at December 31, 2012.

Accumulated Unpaid Sick Leave

City employees earn sick leave at varying rates based upon length of service and when the employee was hired. Employees who have completed ten to twenty years of service and were hired prior to April 11, 1993 and have a sick leave balance are able to receive payment upon retirement of one hour for each two hours accumulated. For service beyond twenty years an employee would receive payment for each hour accumulated in that time. Employees hired after April 11, 1993 that have completed ten to twenty years of service are able to receive payment upon retirement of one hour for each three hours up to a maximum of 720 hours. For service beyond twenty years an employee would receive payment upon retirement of one hour for every three accumulated up to a maximum of 960 hours. Individuals leaving the employment of the City prior to retirement or at retirement with less than ten years of service lose their accumulated sick leave. The obligation for accrued unpaid sick leave for the City as a whole amounted to \$1,816,583.

NOTE 9 – RISK MANAGEMENT:

The City is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. In 1995 the City joined the Public Entities Pool of Ohio (PEP) for coverage of these risks. The risk of loss is transferred to the Pool. PEP financial data as of December 31, 2012 and 2011 was as follows:

Casualty & Property Coverage

	<u>2012</u>	<u>2011</u>
Assets	\$ 34,389,569	\$ 33,362,404
Liabilities	<u>(14,208,353)</u>	<u>(14,187,273)</u>
Net Position - Unrestricted	<u>\$ 20,181,216</u>	<u>\$ 19,175,131</u>

Unpaid claims to be billed were approximately \$12.6 million in 2012 and \$12.1 million in 2011. The Pool's membership increased from 455 members in 2011 to 466 members in 2012.

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York Risk Pooling Services, Inc (YORK). APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2012 the Pool retained \$350,000 for casualty claims and \$150,000 for property claims). The Board of Directors and YORK periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain. Coverage has not changed and losses have not exceeded coverage the last three years.

Health Insurance Coverage

The City provides health insurance coverage for its employees. This program is accounted for in the Internal Service Health Insurance Program Fund. This coverage is provided by the City self-funding a portion of the program with the balance of coverage provided by stop loss coverage through Anthem Insurance Company. The stop loss carrier provides coverage as follows: the City paid all claims up to \$75,000 per individual or \$1,925,000 in aggregate during the contract year, which runs from August 1 through July 31 of each year. The City expects that all claims will be settled within one year.

Stop loss reimbursement for the past three years:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	17,790	\$ 11,247	\$ 29,072

Below is a claims history for the past three years:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Claims liability at January 1	\$ 53,087	\$ 77,379	\$ 90,380
Claims incurred	1,475,154	1,454,203	1,423,012
Claims paid	<u>(1,476,439)</u>	<u>(1,478,495)</u>	<u>(1,436,013)</u>
Claims liability at December 31	<u>\$ 51,802</u>	<u>\$ 53,087</u>	<u>\$ 77,379</u>

NOTE 10 - LONG-TERM OBLIGATIONS:

On January 7, 2010 the City issued \$5,805,000 in various purpose infrastructure and improvement general obligation bonds. These bonds were issued to retire outstanding notes of \$5,300,000 that were originally issued for the purpose of designing, engineering, constructing and improving new and existing infrastructure. The issue is made up of serial and term bonds with interest rates between 2% and 5%. The bonds will mature on December 1, 2034. A portion of the debt service on the bonds will be paid from service payments in lieu of taxes made by certain property owners in the area benefited by the project. In the event TIF payments are insufficient to cover debt service, the City is responsible for the debt service payments.

The City has received two separate loans from the Ohio Public Works Commission (OPWC) to finance various projects. In 1996, the City borrowed \$784,000 from OPWC for street improvements. During 2009, the City borrowed \$450,000 also for street improvements. Both loans are interest free.

CITY OF MORAINE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

The changes in the City's long-term liabilities for the year ended December 31, 2012, were as follows:

	Beginning			Ending	Due within
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>One Year</u>
<i>Governmental Activities:</i>					
Various Purpose Infrastructure & Improv bonds	\$ 5,775,000	\$ -	\$ 40,000	\$ 5,735,000	\$ 50,000
Premium on Bonds	87,173	-	3,790	83,383	-
Ohio Public Works Commission - 0%	554,805	-	50,210	504,595	50,210
Capital Lease Obligation	285,385	-	141,325	144,060	144,060
Compensated Absences	<u>2,858,248</u>	<u>21,241</u>	<u>131,658</u>	<u>2,747,831</u>	<u>573,913</u>
Total Governmental Activities	<u>\$ 9,560,611</u>	<u>\$ 21,241</u>	<u>\$ 366,983</u>	<u>\$ 9,214,869</u>	<u>\$ 818,183</u>

The compensated absences are liquidated from the General Fund, Parks and Recreation Fund, and the Street Construction and Maintenance Fund.

Principal and interest requirement to retire the City's future long-term debt funding requirements are as follows:

Calendar Year	<u>Governmental Activities</u>		
	<u>Various Purpose Infrastructure and Improvement Bonds</u>		<u>OPWC</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2013	\$ 50,000	\$ 253,361	\$ 50,210
2014	60,000	252,561	50,210
2015	185,000	251,561	50,210
2016	190,000	250,061	50,210
2017	195,000	239,273	50,210
2018-2022	1,105,000	1,072,793	112,500
2023-2027	1,400,000	781,317	112,500
2028-2032	1,740,000	439,847	28,545
2033-2034	<u>810,000</u>	<u>57,950</u>	-
Total	<u>\$ 5,735,000</u>	<u>\$ 3,598,724</u>	<u>\$ 504,595</u>

NOTE 11 – CONDUIT DEBT OBLIGATIONS:

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issue. The City, the State, nor any political subdivision, thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

CITY OF MORAINE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

As of December 31, 1997, there were eleven series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the eleven series issued prior to January 1, 1997 could not be determined; however, their original issue amounts totaled \$32.9 million. There were no series issued after January 1, 1997.

NOTE 12 – OTHER LONG-TERM OBLIGATION:

The City has agreed to make the Bond payments less all hook-up fees for a sewer trunk line that Montgomery County installed to benefit a new industrial park in the City limits. The bond payments are billed to the City each year less all hook-up fees. The 2012 payment was \$75,928 and included \$38,000 in principal and \$37,928 in interest. These payments are recorded as expenses in the year that they are paid and no asset or long term liability is being carried on the City's books. The sewer belongs to, and is maintained by, Montgomery County.

NOTE 13 – CAPITAL LEASE:

The City previously entered into a lease agreement as lessee with Kansas State Bank for a new fire truck for \$693,399. The accumulated depreciation on the fire truck as of December 31, 2012 is \$208,019 resulting in a book value of \$485,380. The lease will be repaid over five years and qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term) and, therefore has been recorded at the present value of the future minimum lease payments as of the date of inception.

This lease obligation meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the governmental fund.

The following is a schedule of the future minimum lease payments for the capital leases, and the present value of the future minimum lease payments at December 31, 2012:

Year Ending December 31,	
2013	\$ 146,888
Total Minimum Lease Payments	146,888
Less: Amount representing interest	(2,828)
Present value of minimum lease payments	<u>\$ 144,060</u>

NOTE 14 – INTERFUND ACTIVITY:

Interfund transfers for the year ended December 31, 2012, consisted of the following:

Transfer to Fund	Transfer from Fund	Amount
Street Construction and Maintenance	General	\$ 1,200,000
Nonmajor - Police Pension	General	425,000
Nonmajor - Fire Pension	General	<u>375,000</u>
		<u>\$ 2,000,000</u>

Transfers are used to move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorization.

CITY OF MORAINE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Due From/To Other Funds is recorded in the General Fund and Economic Development Fund for \$845,000. The outstanding balance between funds is the result of a working capital loan to the Economic Development Fund. None of the balance is scheduled to be collected in the subsequent year.

NOTE 15 – CONTINGENT LIABILITIES:

Litigation

The City is a defendant in various lawsuits and subject to various claims over which litigation has not yet commenced. Although the outcomes of these matters is not presently determinable, in the opinion of management and the law director, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Federal and State Grants

For the period January 1, 2012 to December 31, 2012, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 16 – COMPLIANCE AND ACCOUNTABILITY:

At December 31, 2012, the Economic Development Fund had a deficit fund balance of \$431,762 and the Fire Pension Fund had a deficit fund balance of \$74,022. The deficits occurred as a result of current year accruals being recognized and deficits do not exist on a cash basis. The General Fund provides transfers to cover fund deficit balances; however, this is done when cash is needed and not when accruals occur.

NOTE 17 – COMMITMENTS:

Encumbrances

Outstanding encumbrances at year-end include:

Fund	Encumbrance Outstanding
General	\$ 599,512
Economic Development	-
Capital Improvement	1,974,282
Street Construction & Maintenance	27,243
T.I.F.	-
Other Governmental Funds	1,714
	<u>\$ 2,602,751</u>

CITY OF MORAINE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENT:

Change in Accounting Principles

During the year ended December 31, 2012, the City implemented several GASB Statements which had an impact on its accounting and financial reporting and are described below.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, incorporates into GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements which do not conflict with or contradict GASB pronouncements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The Statement also identified net position as the residual of all other elements presented in a balance sheet, amending the net asset reporting requirements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure of the balance sheet and by renaming that measure as net position.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, reclassifies as deferred outflows of resources or deferred inflows of resources items that were previously reported as assets and liabilities. Items which are currently reported by the City affected by this implementation include deferred/unearned revenues, and unamortized debt issuance costs.

Prior Period Adjustments

In prior periods, the City reported assets related to unamortized debt issuance costs in the government-wide financial statements. GASB Statement No. 65 has reclassified debt issuance costs as an expense of the period when the debt is issued rather than amortizing the cost over the life of the debt. The implementation of GASB Statement No. 65 requires the following restatement of prior period’s net position amounts:

	Governmental Activities
Net Position, 12/31/2011	\$ 40,870,603
Elimination of Unamortized Debt	
Issuance Cost per GASB 65	(167,727)
Restated Net Position, 1/1/2012	\$ 40,702,876

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF MORAIN, OHIO
GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Income	\$ 11,048,843	\$ 10,912,500	\$ 9,090,299	\$ (1,822,201)
Property	421,750	421,750	360,598	(61,152)
Other	55,000	55,000	23,822	(31,178)
Shared Revenues	325,000	325,000	174,001	(150,999)
License and Permits	13,150	13,150	60,931	47,781
Charges for Services	466,900	466,900	334,084	(132,816)
Fines	360,975	360,975	287,454	(73,521)
Investment Earnings	400,000	400,000	167,952	(232,048)
Rents and Royalties	15,200	15,200	13,759	(1,441)
Intergovernmental	181,295	181,295	125,202	(56,093)
Miscellaneous	870,735	870,735	125,724	(745,011)
Total Revenues	<u>14,158,848</u>	<u>14,022,505</u>	<u>10,763,826</u>	<u>(3,258,679)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Council				
Personnel services	16,723	12,709	12,709	-
General operating expenses	18,987	17,029	17,029	-
Total Council	<u>35,710</u>	<u>29,738</u>	<u>29,738</u>	<u>-</u>
Clerk of Council				
Personnel services	65,088	63,519	63,519	-
General operating expenses	12,542	11,985	11,985	-
Total Clerk of Council	<u>77,630</u>	<u>75,504</u>	<u>75,504</u>	<u>-</u>
City Manager				
Personnel services	304,686	295,717	295,717	-
General operating expenses	39,132	24,305	24,305	-
Total City Manager	<u>343,818</u>	<u>320,022</u>	<u>320,022</u>	<u>-</u>
Clerk of Courts				
Personnel services	132,237	122,266	122,266	-
General operating expenses	28,683	24,923	24,923	-
Total Clerk of Courts	<u>160,920</u>	<u>147,189</u>	<u>147,189</u>	<u>-</u>
Law Director				
General operating expenses	216,229	109,784	109,784	-
Total Law Director	<u>216,229</u>	<u>109,784</u>	<u>109,784</u>	<u>-</u>

(continued)

CITY OF MORAIN, OHIO
GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Merit Service				
General operating expenses	25,000	3,494	3,494	-
Total Merit Service	<u>25,000</u>	<u>3,494</u>	<u>3,494</u>	<u>-</u>
Mayor				
Personnel services	12,742	11,955	11,955	-
General operating expenses	6,786	4,345	4,344	1
Total Mayor	<u>19,528</u>	<u>16,300</u>	<u>16,299</u>	<u>1</u>
Finance				
Personnel services	502,266	449,381	449,381	-
General operating expenses	75,850	54,279	54,278	1
Total Finance	<u>578,116</u>	<u>503,660</u>	<u>503,659</u>	<u>1</u>
Information Center				
Personnel services	111,138	107,537	107,536	1
Total Information Center	<u>111,138</u>	<u>107,537</u>	<u>107,536</u>	<u>1</u>
Public Buildings				
Personnel services	700,501	592,661	592,661	-
General operating expenses	663,026	388,768	388,768	-
Total Public Buildings	<u>1,363,527</u>	<u>981,429</u>	<u>981,429</u>	<u>-</u>
General Miscellaneous				
Personnel services	395,000	299,772	299,772	-
General operating expenses	550,098	458,457	458,457	-
Total General Miscellaneous	<u>945,098</u>	<u>758,229</u>	<u>758,229</u>	<u>-</u>
Information Technology				
Personnel services	116,020	105,420	105,420	-
General operating expenses	234,240	221,972	221,972	-
Total Information Technology	<u>350,260</u>	<u>327,392</u>	<u>327,392</u>	<u>-</u>
Human Resources				
General operating expenses	71,374	43,044	43,044	-
Total Human Resources	<u>71,374</u>	<u>43,044</u>	<u>43,044</u>	<u>-</u>
TOTAL GENERAL GOVERNMENT	<u>4,298,348</u>	<u>3,423,322</u>	<u>3,423,319</u>	<u>3</u>

(continued)

CITY OF MORAIN, OHIO
GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PUBLIC SAFETY				
Police				
Personnel services	3,480,061	3,350,736	3,350,736	-
General operating expenses	574,263	593,105	593,105	-
Total Police	<u>4,054,324</u>	<u>3,943,841</u>	<u>3,943,841</u>	<u>-</u>
Fire				
Personnel services	3,336,414	2,984,962	2,984,962	-
General operating expenses	348,655	214,030	214,029	1
Total Fire	<u>3,685,069</u>	<u>3,198,992</u>	<u>3,198,991</u>	<u>1</u>
Civil Defense				
General operating expenses	11,650	10,578	10,578	-
Total Civil Defense	<u>11,650</u>	<u>10,578</u>	<u>10,578</u>	<u>-</u>
TOTAL PUBLIC SAFETY	<u>7,751,043</u>	<u>7,153,411</u>	<u>7,153,410</u>	<u>1</u>
HIGHWAYS AND STREETS				
Engineering				
Personnel services	155,900	134,267	134,267	-
General operating expenses	121,652	101,594	101,594	-
Total Engineering	<u>277,552</u>	<u>235,861</u>	<u>235,861</u>	<u>-</u>
Street Lighting				
General operating expenses	270,000	270,000	270,000	-
Total Street Lighting	<u>270,000</u>	<u>270,000</u>	<u>270,000</u>	<u>-</u>
TOTAL HIGHWAYS AND STREETS	<u>547,552</u>	<u>505,861</u>	<u>505,861</u>	<u>-</u>
SANITATION				
Waste Collection				
General operating expenses	372,195	363,526	363,526	-
Total Waste Collection	<u>372,195</u>	<u>363,526</u>	<u>363,526</u>	<u>-</u>
TOTAL SANITATION	<u>372,195</u>	<u>363,526</u>	<u>363,526</u>	<u>-</u>
HEALTH AND WELFARE				
Health & Alcoholism				
General operating expenses	2,000	1,042	1,042	-
Total Health & Alcoholism	<u>2,000</u>	<u>1,042</u>	<u>1,042</u>	<u>-</u>
Board of Zoning Appeals				
General operating expenses	450	300	300	-
Total Board of Zoning Appeals	<u>450</u>	<u>300</u>	<u>300</u>	<u>-</u>

(continued)

CITY OF MORAIN, OHIO
GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Building Inspection				
Personnel services	69,385	66,493	66,493	-
General operating expenses	45,472	79,821	79,821	-
Total Building Inspection	114,857	146,314	146,314	-
TOTAL HEALTH AND WELFARE	117,307	147,656	147,656	-
CULTURE-RECREATION				
Senior Citizens				
General operating expenses	5,000	5,000	5,000	-
Total Senior Citizens	5,000	5,000	5,000	-
TOTAL CULTURE-RECREATION	5,000	5,000	5,000	-
ECONOMIC DEVELOPMENT AND ASSISTANCE				
Planning				
Personnel services	172,532	162,228	162,228	-
General operating expenses	31,294	13,741	13,741	-
Total Planning	203,826	175,969	175,969	-
Planning Commission				
General operating expenses	4,140	3,573	3,573	-
Total Planning Commission	4,140	3,573	3,573	-
TOTAL ECONOMIC DEVELOPMENT AND ASSISTANCE	207,966	179,542	179,542	-
TOTAL EXPENDITURES	13,299,411	11,778,318	11,778,314	4
Excess (deficiency) of revenues over (under) expenditures	859,437	2,244,187	(1,014,488)	(3,258,675)
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,950,000)	(2,500,000)	(2,500,000)	-
Proceeds from the sale of capital assets	25,000	25,000	7,017	(17,983)
Total Other Financing Sources (Uses)	(2,925,000)	(2,475,000)	(2,492,983)	(17,983)
Net Change in Fund Balance	(2,065,563)	(230,813)	(3,507,471)	(3,276,658)
Fund Balance - Beginning	4,089,732	4,089,732	4,089,732	-
Encumbrances	267,884	267,884	267,884	-
Fund Balance - Ending	\$ 2,292,053	\$ 4,126,803	\$ 850,145	\$ (3,276,658)

See accompanying notes to the required supplementary information.

CITY OF MORAIN, OHIO
ECONOMIC DEVELOPMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 460,000	\$ 460,000	\$ -	\$ (460,000)
Total Revenues	<u>460,000</u>	<u>460,000</u>	<u>-</u>	<u>(460,000)</u>
EXPENDITURES				
Economic Development	565,000	121,779	121,779	-
Total Expenditures	<u>565,000</u>	<u>121,779</u>	<u>121,779</u>	<u>-</u>
Net Change in Fund Balance	(105,000)	338,221	(121,779)	(460,000)
Fund Balance - Beginning	408,188	408,188	408,188	-
Encumbrances	27,500	27,500	27,500	-
Fund Balance - Ending	<u>\$ 330,688</u>	<u>\$ 773,909</u>	<u>\$ 313,909</u>	<u>\$ (460,000)</u>

See accompanying notes to the required supplementary information.

CITY OF MORAIN, OHIO
STREET CONSTRUCTION AND MAINTENANCE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 497,777	\$ 497,776	\$ 386,657	\$ (111,119)
Investment Earnings	22,166	22,166	4,092	(18,074)
Total Revenues	<u>519,943</u>	<u>519,943</u>	<u>390,749</u>	<u>(129,194)</u>
EXPENDITURES				
Highways and Streets				
Personnel Services	1,713,339	1,553,071	1,550,686	2,385
General Operating Expenses	494,154	323,348	322,851	497
Total Highways and Streets	<u>2,207,493</u>	<u>1,876,419</u>	<u>1,873,537</u>	<u>2,882</u>
Total Expenditures	<u>2,207,493</u>	<u>1,876,419</u>	<u>1,873,537</u>	<u>2,882</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,687,550)</u>	<u>(1,356,476)</u>	<u>(1,482,788)</u>	<u>(126,312)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>1,596,757</u>	<u>1,596,757</u>	<u>1,200,000</u>	<u>(396,757)</u>
Total Other Financing Sources (Uses)	<u>1,596,757</u>	<u>1,596,757</u>	<u>1,200,000</u>	<u>(396,757)</u>
Net Change in Fund Balance	(90,793)	240,281	(282,788)	(523,069)
Fund Balance - Beginning	438,937	438,937	438,937	-
Encumbrances	2,104	2,104	2,104	-
Fund Balance - Ending	<u>\$ 350,248</u>	<u>\$ 681,322</u>	<u>\$ 158,253</u>	<u>\$ (523,069)</u>

See accompanying notes to the required supplementary information.

CITY OF MORAIN, OHIO
T. I. F. FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Payments in lieu of taxes	\$ 75,000	\$ 75,000	\$ 33,136	\$ (41,864)
Investment Earnings	2,500	2,500	8,676	6,176
Total Revenues	<u>77,500</u>	<u>77,500</u>	<u>41,812</u>	<u>(35,688)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Engineer				
General operating expenses	-	10,846	10,845	1
Debt Service				
Principal Retirement	50,000	40,000	40,000	-
Interest	287,861	253,361	253,361	-
Total Expenditures	<u>337,861</u>	<u>304,207</u>	<u>304,206</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(260,361)</u>	<u>(226,707)</u>	<u>(262,394)</u>	<u>(35,687)</u>
OTHER FINANCING SOURCES				
Proceeds from the sale of capital assets	350,000	350,000	695,082	345,082
Total Other Financing Sources	<u>350,000</u>	<u>350,000</u>	<u>695,082</u>	<u>345,082</u>
Net Change in Fund Balance	89,639	123,293	432,688	309,395
Fund Balance - Beginning	218,425	218,425	218,425	-
Fund Balance - Ending	<u>\$ 308,064</u>	<u>\$ 341,718</u>	<u>\$ 651,113</u>	<u>\$ 309,395</u>

See accompanying notes to the required supplementary information.

CITY OF MORaine, OHIO
Notes to Required Supplementary Information
For the Year Ended December 31, 2012

NOTE A-BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and GAAP basis are as follows:

Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP Basis).

Expenditures are recorded when paid in cash (budgetary basis) as opposed to when the liability is incurred (GAAP basis).

Encumbrances are treated as expenditures for all funds (budgetary basis) rather than as restricted, committed or assigned fund balance (GAAP basis).

Some funds are included in the General fund (GAAP basis), but have separate legally adopted budgets (budgetary basis).

The following summarizes the adjustments necessary to reconcile the GAAP statements and the budgetary basis schedule for the City’s major funds.

	Net Change in Fund Balance			
	General	Economic Development	Street Construction and Maintenance	T.I.F.
GAAP Basis	\$ (3,279,684)	\$ (255,921)	\$ (245,884)	\$ (295,288)
Revenue Accruals	185,889	-	6,888	2,976
Expenditure Accruals	69,523	134,142	(16,549)	29,918
Encumbrances	(566,469)	-	(27,243)	-
Other Financing Sources	-	-	-	695,082
Funds Budgeted Elsewhere	83,270	-	-	-
Budget Basis	<u>\$ (3,507,471)</u>	<u>\$ (121,779)</u>	<u>\$ (282,788)</u>	<u>\$ 432,688</u>

**COMBINING FINANCIAL STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

CITY OF MORAIN, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Equity in Pooled Cash and Investments	\$ 1,629,946	\$ 154,461	\$ 1,784,407
Receivables:			
Property Tax	131,142	-	131,142
Accounts	1,190	-	1,190
Intergovernmental	25,954	-	25,954
Total Assets	<u>\$ 1,788,232</u>	<u>\$ 154,461</u>	<u>\$ 1,942,693</u>
LIABILITIES			
Salaries and Benefits Payable	\$ 237,635	\$ -	\$ 237,635
Total Liabilities	<u>237,635</u>	<u>-</u>	<u>237,635</u>
DEFERRED INFLOWS OF RESOURCES:			
Property Taxes	119,664	-	119,664
Unavailable for:			
Delinquent Property Taxes	11,478	-	11,478
Intergovernmental	22,275	-	22,275
Other Sources	1,190	-	1,190
Total Deferred Inflows of Resources	<u>154,607</u>	<u>-</u>	<u>154,607</u>
FUND BALANCES			
Restricted for:			
Law Enforcement	357,893	-	357,893
Cemetery Services	130,710	-	130,710
Debt Service	-	154,461	154,461
Street Repair and Maintenance	981,409	-	981,409
Unassigned	(74,022)	-	(74,022)
Total Fund Balance	<u>1,395,990</u>	<u>154,461</u>	<u>1,550,451</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,788,232</u>	<u>\$ 154,461</u>	<u>\$ 1,942,693</u>

CITY OF MORAIN, OHIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Ended December 31, 2012

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Taxes:			
Property	\$ 137,545	\$ -	\$ 137,545
Shared Revenues	52,953	-	52,953
Charges for Services	4,400	-	4,400
Fines	24,104	-	24,104
Investment Earnings	10,034	733	10,767
Miscellaneous	4,088	-	4,088
Total Revenues	<u>233,124</u>	<u>733</u>	<u>233,857</u>
EXPENDITURES			
General government	1,484	-	1,484
Public Safety	926,373	-	926,373
Total Expenditures	<u>927,857</u>	<u>-</u>	<u>927,857</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(694,733)</u>	<u>733</u>	<u>(694,000)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	800,000	-	800,000
Total Other Financing Sources (Uses)	<u>800,000</u>	<u>-</u>	<u>800,000</u>
Net Change in Fund Balance	105,267	733	106,000
Fund Balance - Beginning	1,290,723	153,728	1,444,451
Fund Balance - Ending	<u>\$ 1,395,990</u>	<u>\$ 154,461</u>	<u>\$ 1,550,451</u>

CITY OF MORAINE, OHIO
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2012

	State Highway Improvement	Cemetery	Motor Vehicle License Tax	Enforcement and Education	Police Pension	Fire Pension	Federal Law Enforcement	State Law Enforcement	Drug Law Enforcement	Total Nonmajor Special Revenue Funds
ASSETS										
Equity in Pooled Cash and Investments	\$ 787,051	\$ 130,710	\$ 190,679	\$ 59,561	\$ 170,558	\$ 51,118	\$ 76,889	\$ 121,054	\$ 42,326	\$ 1,629,946
Receivables:										
Property Tax	-	-	-	-	65,571	65,571	-	-	-	131,142
Accounts	-	1,190	-	-	-	-	-	-	-	1,190
Intergovernmental	14,052	-	9,166	-	1,368	1,368	-	-	-	25,954
Total Assets	\$ 801,103	\$ 131,900	\$ 199,845	\$ 59,561	\$ 237,497	\$ 118,057	\$ 76,889	\$ 121,054	\$ 42,326	\$ 1,788,232
LIABILITIES										
Salaries and Benefits Payable	\$ -	\$ -	\$ -	\$ -	\$ 112,495	\$ 125,140	\$ -	\$ -	\$ -	\$ 237,635
Total Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 112,495	\$ 125,140	\$ -	\$ -	\$ -	\$ 237,635
DEFERRED INFLOWS OF RESOURCES:										
Property Taxes	-	-	-	-	59,832	59,832	-	-	-	119,664
Unavailable for:										
Delinquent Property Taxes	-	-	-	-	5,739	5,739	-	-	-	11,478
Intergovernmental	11,695	-	7,844	-	1,368	1,368	-	-	-	22,275
Other Sources	-	1,190	-	-	-	-	-	-	-	1,190
Total Deferred Inflows of Resources	11,695	1,190	7,844	-	66,939	66,939	-	-	-	154,607
FUND BALANCE										
Restricted for:										
Law Enforcement	-	-	-	59,561	58,063	-	76,889	121,054	42,326	357,893
Cemetery Services	-	130,710	-	-	-	-	-	-	-	130,710
Street Repair and Maintenance	789,408	-	192,001	-	-	-	-	-	-	981,409
Unassigned	-	-	-	-	-	(74,022)	-	-	-	(74,022)
Total Fund Balance	789,408	130,710	192,001	59,561	58,063	(74,022)	76,889	121,054	42,326	1,395,990
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 801,103	\$ 131,900	\$ 199,845	\$ 59,561	\$ 237,497	\$ 118,057	\$ 76,889	\$ 121,054	\$ 42,326	\$ 1,788,232

CITY OF MORAINE, OHIO
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2012

	State Highway Improvement	Cemetery	Motor Vehicle License Tax	Enforcement and Education	Police Pension	Fire Pension	Federal Law Enforcement	State Law Enforcement	Drug Law Enforcement	Total Nonmajor Special Revenue Funds
REVENUES										
Taxes:										
Property	\$ -	\$ -	\$ -	\$ -	\$ 68,773	\$ 68,772	\$ -	\$ -	\$ -	\$ 137,545
Payment in Lieu of Taxes										
Shared Revenues	31,374	-	21,579	-	-	-	-	-	-	52,953
Charges for Services	-	4,400	-	-	-	-	-	-	-	4,400
Fines	-	-	-	749	-	-	3,029	20,326	-	24,104
Investment Earnings	3,873	134	1,006	178	1,879	1,676	409	678	201	10,034
Miscellaneous	-	4,088	-	-	-	-	-	-	-	4,088
Total Revenues	35,247	8,622	22,585	927	70,652	70,448	3,438	21,004	201	233,124
EXPENDITURES										
General government	-	1,484	-	-	-	-	-	-	-	1,484
Public Safety	-	-	-	1,286	440,197	484,890	-	-	-	926,373
Total Expenditures	-	1,484	-	1,286	440,197	484,890	-	-	-	927,857
Excess (deficiency) of Revenues Over (under) Expenditures	35,247	7,138	22,585	(359)	(369,545)	(414,442)	3,438	21,004	201	(694,733)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	425,000	375,000	-	-	-	800,000
Total Other Financing Sources (Uses)	-	-	-	-	425,000	375,000	-	-	-	800,000
Net Change in Fund Balance	35,247	7,138	22,585	(359)	55,455	(39,442)	3,438	21,004	201	105,267
Fund Balance - Beginning	754,161	123,572	169,416	59,920	2,608	(34,580)	73,451	100,050	42,125	1,290,723
Fund Balance - Ending	\$ 789,408	\$ 130,710	\$ 192,001	\$ 59,561	\$ 58,063	\$ (74,022)	\$ 76,889	\$ 121,054	\$ 42,326	\$ 1,395,990

CITY OF MORAIN, OHIO
STATE HIGHWAY IMPROVEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 34,195	\$ 34,195	\$ 31,351	\$ (2,844)
Investment Earnings	16,805	16,805	15,407	(1,398)
Total Revenues	<u>51,000</u>	<u>51,000</u>	<u>46,758</u>	<u>(4,242)</u>
 Net Change in Fund Balance	 51,000	 51,000	 46,758	 (4,242)
 Fund Balance - Beginning	 <u>739,485</u>	 <u>739,485</u>	 <u>739,485</u>	 <u>-</u>
Fund Balance - Ending	<u>\$ 790,485</u>	<u>\$ 790,485</u>	<u>\$ 786,243</u>	<u>\$ (4,242)</u>

CITY OF MORAIN, OHIO
CEMETERY FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 2,929	\$ 2,929	\$ 4,400	\$ 1,471
Investment Earnings	1,687	1,687	2,535	848
Miscellaneous	2,384	2,384	3,581	1,197
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>10,516</u>	<u>3,516</u>
EXPENDITURES				
General Government	9,750	1,484	1,484	-
Total Expenditures	<u>9,750</u>	<u>1,484</u>	<u>1,484</u>	<u>-</u>
Net Change in Fund Balance	(2,750)	5,516	9,032	3,516
Fund Balance - Beginning	123,544	123,544	123,544	-
Fund Balance - Ending	<u>\$ 120,794</u>	<u>\$ 129,060</u>	<u>\$ 132,576</u>	<u>\$ 3,516</u>

CITY OF MORAIN, OHIO
MOTOR VEHICLE LICENSE TAX FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 21,000	\$ 21,000	\$ 21,764	\$ 764
Investment Earnings	4,500	4,500	3,567	(933)
Total Revenues	<u>25,500</u>	<u>25,500</u>	<u>25,331</u>	<u>(169)</u>
EXPENDITURES				
Highways and Streets	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	25,500	25,500	25,331	(169)
Fund Balance - Beginning	165,153	165,153	165,153	-
Fund Balance - Ending	<u>\$ 190,653</u>	<u>\$ 190,653</u>	<u>\$ 190,484</u>	<u>\$ (169)</u>

CITY OF MORAIN, OHIO
ENFORCEMENT AND EDUCATION FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
License and Permits	\$ 1,134	\$ 1,134	\$ 749	\$ (385)
Investment Earnings	1,666	1,666	1,101	(565)
Total Revenues	<u>2,800</u>	<u>2,800</u>	<u>1,850</u>	<u>(950)</u>
EXPENDITURES				
Public Safety	1,048	3,000	3,000	-
Total Expenditures	<u>1,048</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Net Change in Fund Balance	1,752	(200)	(1,150)	(950)
Fund Balance - Beginning	58,888	58,888	58,888	-
Encumbrances	48	48	48	
Fund Balance - Ending	<u>\$ 60,688</u>	<u>\$ 58,736</u>	<u>\$ 57,786</u>	<u>\$ (950)</u>

CITY OF MORAIN, OHIO

POLICE PENSION FUND

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual (Non-GAAP Basis)

For Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 71,500	\$ 71,500	\$ 71,739	\$ 239
Intergovernmental	2,700	2,700	2,797	97
Investment Earnings	14,986	4,237	5,652	1,415
Total Revenues	<u>89,186</u>	<u>78,437</u>	<u>80,188</u>	<u>1,751</u>
EXPENDITURES				
Public Safety				
Personnel	450,000	460,000	459,742	258
General operating expense	1,500	1,242	914	328
Total Public Safety	<u>451,500</u>	<u>461,242</u>	<u>460,656</u>	<u>586</u>
Total Expenditures	<u>451,500</u>	<u>461,242</u>	<u>460,656</u>	<u>586</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(362,314)</u>	<u>(382,805)</u>	<u>(380,468)</u>	<u>2,337</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	525,000	425,000	425,000	-
Total Other Financing Sources (Uses)	<u>525,000</u>	<u>425,000</u>	<u>425,000</u>	<u>-</u>
Net Change in Fund Balance	162,686	42,195	44,532	2,337
Fund Balance - Beginning	125,851	125,851	125,851	-
Fund Balance - Ending	<u>\$ 288,537</u>	<u>\$ 168,046</u>	<u>\$ 170,383</u>	<u>\$ 2,337</u>

CITY OF MORAIN, OHIO
FIRE PENSION FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 71,500	\$ 71,500	\$ 71,739	\$ 239
Intergovernmental	2,700	2,700	2,797	97
Investment Earnings	3,876	4,237	5,345	1,108
Total Revenues	<u>78,076</u>	<u>78,437</u>	<u>79,881</u>	<u>1,444</u>
EXPENDITURES				
Public Safety:				
Personnel	530,000	530,000	501,252	28,748
General operating expense	1,500	1,500	914	586
Total Public Safety	<u>531,500</u>	<u>531,500</u>	<u>502,166</u>	<u>29,334</u>
Total Expenditures	<u>531,500</u>	<u>531,500</u>	<u>502,166</u>	<u>29,334</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(453,424)</u>	<u>(453,063)</u>	<u>(422,285)</u>	<u>30,778</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	550,000	425,000	375,000	(50,000)
Total Other Financing Sources (Uses)	<u>550,000</u>	<u>425,000</u>	<u>375,000</u>	<u>(50,000)</u>
Net Change in Fund Balance	96,576	(28,063)	(47,285)	(19,222)
Fund Balance - Beginning	98,351	98,351	98,351	-
Fund Balance - Ending	<u>\$ 194,927</u>	<u>\$ 70,288</u>	<u>\$ 51,066</u>	<u>\$ (19,222)</u>

CITY OF MORAIN, OHIO
FEDERAL LAW ENFORCEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 673	\$ 673	\$ 1,536	\$ 863
Fines	1,327	1,327	3,029	3,029
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>4,565</u>	<u>3,892</u>
EXPENDITURES				
Public Safety:	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	2,000	2,000	4,565	3,892
Fund Balance - Beginning	72,245	72,245	72,245	-
Fund Balance - Ending	<u>\$ 74,245</u>	<u>\$ 74,245</u>	<u>\$ 76,810</u>	<u>\$ 2,565</u>

CITY OF MORAIN, OHIO
STATE LAW ENFORCEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 292	\$ 292	\$ 2,195	\$ 1,903
Fines	2,708	2,708	20,326	17,618
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>22,521</u>	<u>19,521</u>
EXPENDITURES				
Public Safety	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	3,000	3,000	22,521	19,521
Fund Balance - Beginning	98,408	98,408	98,408	-
Fund Balance - Ending	<u>\$ 101,408</u>	<u>\$ 101,408</u>	<u>\$ 120,929</u>	<u>\$ 19,521</u>

CITY OF MORAIN, OHIO
DRUG LAW ENFORCEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 1,250	\$ 1,250	\$ 849	\$ (401)
Total Revenues	<u>1,250</u>	<u>1,250</u>	<u>849</u>	<u>(401)</u>
EXPENDITURES				
Public Safety	5,000	-	-	-
Total Expenditures	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(3,750)	1,250	849	(401)
Fund Balance - Beginning	41,434	41,434	41,434	-
Fund Balance - Ending	<u>\$ 37,684</u>	<u>\$ 42,684</u>	<u>\$ 42,283</u>	<u>\$ (401)</u>

CITY OF MORAIN, OHIO
PARKS AND RECREATION FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Charges for Services	\$ 223,050	\$ 223,050	\$ 205,577	\$ (17,473)
Investment Earnings	9,000	9,000	5,027	(3,973)
Intergovernmental	25,000	25,000	61,654	36,654
Miscellaneous	16,000	16,000	22,046	-
Total Revenues	<u>273,050</u>	<u>273,050</u>	<u>294,304</u>	<u>21,254</u>
EXPENDITURES				
Culture-Recreation				
Civic Center				
Personnel services	231,412	204,350	204,350	-
General operating expenses	62,865	47,344	46,798	546
Total Civic Center	<u>294,277</u>	<u>251,694</u>	<u>251,148</u>	<u>546</u>
Parks & Recreation Programs				
General operating expenses	40,000	35,135	34,000	1,135
Total Parks & Recreation Programs	<u>40,000</u>	<u>35,135</u>	<u>34,000</u>	<u>1,135</u>
Recreational Center				
Personnel services	483,640	466,868	466,868	-
General operating expenses	199,048	144,544	144,479	65
Total Recreational Center	<u>682,688</u>	<u>611,412</u>	<u>611,347</u>	<u>65</u>
Total Culture-Recreation	<u>1,016,965</u>	<u>898,241</u>	<u>896,495</u>	<u>1,746</u>
Total Expenditures	<u>1,016,965</u>	<u>898,241</u>	<u>896,495</u>	<u>1,746</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(743,915)</u>	<u>(625,191)</u>	<u>(602,191)</u>	<u>23,000</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	750,000	750,000	500,000	(250,000)
Total Other Financing Sources (Uses)	<u>750,000</u>	<u>750,000</u>	<u>500,000</u>	<u>(250,000)</u>
Net Change in Fund Balance	6,085	124,809	(102,191)	(227,000)
Fund Balance - Beginning	341,935	341,935	341,935	-
Encumbrances	39,147	39,147	39,147	-
Fund Balance - Ending	<u>\$ 387,167</u>	<u>\$ 505,891</u>	<u>\$ 278,891</u>	<u>\$ (227,000)</u>

CITY OF MORAIN, OHIO
DEBT SERVICE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 4,500	\$ 4,500	\$ 3,098	\$ (1,402)
Total Revenues	<u>4,500</u>	<u>4,500</u>	<u>3,098</u>	<u>(1,402)</u>
EXPENDITURES				
Debt Service	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	4,500	4,500	3,098	(1,402)
Fund Balance - Beginning	151,204	151,204	151,204	-
Fund Balance - Ending	<u>\$ 155,704</u>	<u>\$ 155,704</u>	<u>\$ 154,302</u>	<u>\$ (1,402)</u>

CITY OF MORAIN, OHIO
CAPITAL IMPROVEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Income	\$ 1,112,500	\$ 1,112,500	\$ 955,676	\$ (156,824)
Intergovernmental	675,000	675,000	425,422	(249,578)
Miscellaneous	10,000	10,000	10,001	1
Total Revenues	<u>1,797,500</u>	<u>1,797,500</u>	<u>1,391,099</u>	<u>(406,401)</u>
EXPENDITURES				
Capital Outlays:				
General Government	434,140	298,093	274,517	23,576
Public Safety	156,833	168,249	168,065	184
Highways and Streets	29,000	1,939,189	1,879,041	60,148
Debt Service:				
Principal	204,445	204,445	254,641	(50,196)
Interest	109,580	34,198	46,310	(12,112)
Total Expenditures	<u>933,998</u>	<u>2,644,174</u>	<u>2,622,574</u>	<u>21,600</u>
Net Change in Fund Balance	863,502	(846,674)	(1,231,475)	(384,801)
Fund Balance - Beginning	4,059,530	4,059,530	4,059,530	-
Encumbrances	124,538	124,538	124,538	-
Fund Balance - Ending	<u>\$ 5,047,570</u>	<u>\$ 3,337,394</u>	<u>\$ 2,952,593</u>	<u>\$ (384,801)</u>

CITY OF MORAIN, OHIO
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2012

	<u>City Garage</u>	<u>Insurance Reserve</u>	<u>Health Insurance</u>	<u>Total Internal Service Funds</u>
ASSETS				
CURRENT ASSETS				
Equity in Pooled Cash and Investments	\$ 283,373	\$ 1,490,220	\$ 387,353	\$ 2,160,946
Inventories	126,721	-	-	126,721
Total Current Assets	<u>410,094</u>	<u>1,490,220</u>	<u>387,353</u>	<u>2,287,667</u>
Total Assets	<u>410,094</u>	<u>1,490,220</u>	<u>387,353</u>	<u>2,287,667</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	28,385	1,141	-	29,526
Salaries and Benefits Payable	16,182	-	-	16,182
Compensated Absences Payable	411	-	-	411
Insurance Claims Payable	-	-	51,802	51,802
Total Current Liabilities	<u>44,978</u>	<u>-</u>	<u>51,802</u>	<u>97,921</u>
LONG-TERM LIABILITIES				
Compensated Absences Payable	41,153	-	-	41,153
Total Liabilities	<u>86,131</u>	<u>1,141</u>	<u>51,802</u>	<u>139,074</u>
NET POSITION				
Unreserved	323,963	1,489,079	335,551	2,148,593
Total Net Position	<u>\$ 323,963</u>	<u>\$ 1,489,079</u>	<u>\$ 335,551</u>	<u>\$ 2,148,593</u>

CITY OF MORAIN, OHIO

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2012

	City Garage	Insurance Reserve	Health Insurance	Total Internal Service Funds
Operating Revenues				
Charges for Services	544,740	-	1,645,400	2,190,140
Miscellaneous	-	6,654	-	6,654
Total Operating Revenues	<u>544,740</u>	<u>6,654</u>	<u>1,645,400</u>	<u>2,196,794</u>
Operating Expenses				
Current:				
Cost of Services	594,628	37,931	1,723,180	2,355,739
Total Operating Expenses	<u>594,628</u>	<u>37,931</u>	<u>1,723,180</u>	<u>2,355,739</u>
Operating Loss	<u>(49,888)</u>	<u>(31,277)</u>	<u>(77,780)</u>	<u>(158,945)</u>
Non-operating Revenues				
Investment Earnings	-	6,960	193	7,153
Total Non-operating Revenues	<u>-</u>	<u>6,960</u>	<u>193</u>	<u>7,153</u>
Change in Net Position	(49,888)	(24,317)	(77,587)	(151,792)
Total Net Position - Beginning	<u>373,851</u>	<u>1,513,396</u>	<u>413,138</u>	<u>2,300,385</u>
Total Net Position - Ending	<u><u>323,963</u></u>	<u><u>1,489,079</u></u>	<u><u>335,551</u></u>	<u><u>2,148,593</u></u>

CITY OF MORaine, OHIO
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2012

	City Garage	Insurance Reserve	Health Insurance Program	Totals
Cash Flows From Operating Activities				
Cash received for inter fund services	\$ 544,740	\$ -	\$ 1,645,400	\$ 2,190,140
Miscellaneous	-	6,654	-	6,654
Cash paid to suppliers for goods or services/claims paid	(301,124)	(37,440)	(1,724,465)	(2,063,029)
Cash paid to employees for services	(243,721)	-	-	(243,721)
Net cash used by operating activities	<u>(105)</u>	<u>(30,786)</u>	<u>(79,065)</u>	<u>(109,956)</u>
Cash Flows From Investing Activities				
Investment earnings	-	6,960	193	7,153
Net Cash provided by investing activities	<u>-</u>	<u>6,960</u>	<u>193</u>	<u>7,153</u>
Net Change	(105)	(23,826)	(78,872)	(102,803)
Equity in Pooled Cash and Investments Beginning of Year	283,478	1,514,046	466,225	2,263,749
Equity in Pooled Cash and Investments End of Year	<u>\$ 283,373</u>	<u>\$ 1,490,220</u>	<u>\$ 387,353</u>	<u>\$ 2,160,946</u>
Reconciliation of Operating Loss to Net Cash				
Used by Operating Activities				
Operating loss	\$ (49,888)	\$ (31,277)	\$ (77,780)	\$ (158,945)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Decrease in inventories	21,789	-	-	21,789
Increase in accounts payable	28,385	491	-	28,876
(Decrease) in salaries and benefits payable	(963)	-	-	(963)
Increase in compensated absences payable	572	-	-	572
(Decrease) in insurance claims payable	-	-	(1,285)	(1,285)
Net cash used by operating activities	<u>\$ (105)</u>	<u>\$ (30,786)</u>	<u>\$ (79,065)</u>	<u>\$ (109,956)</u>

CITY OF MORAIN, OHIO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2012

	Balance December 31, 2011	Additions	Deductions	Balance December 31, 2012
Miscellaneous Agency Fund				
Assets				
Equity in Pooled Cash and Investments	\$ 44,217	\$ 6,074	\$ (5,745)	\$ 44,546
Total Assets	<u>44,217</u>	<u>6,074</u>	<u>(5,745)</u>	<u>44,546</u>
Liabilities				
Deposits	44,217	6,074	(5,745)	44,546
Total Liabilities	<u>44,217</u>	<u>6,074</u>	<u>(5,745)</u>	<u>44,546</u>
Mayor's Court				
Assets				
Cash in Segregated Accounts	27,437	247,292	(253,530)	21,199
Total Assets	<u>27,437</u>	<u>247,292</u>	<u>(253,530)</u>	<u>21,199</u>
Liabilities				
Due to Other Governments	23,951	215,883	(221,318)	18,516
Deposits	1,465	13,200	(13,537)	1,128
Escrow Bonds	2,021	18,209	(18,675)	1,555
Total Liabilities	<u>27,437</u>	<u>247,292</u>	<u>(253,530)</u>	<u>21,199</u>
Totals - All Agency Funds				
Assets				
Equity in Pooled Cash and Investments	44,217	6,074	(5,745)	44,546
Cash in Segregated Accounts	27,437	247,292	(253,530)	21,199
Total Assets	<u>71,654</u>	<u>253,366</u>	<u>(259,275)</u>	<u>65,745</u>
Liabilities				
Deposits	45,682	19,274	(19,282)	45,674
Due to Other Governments	23,951	215,883	(221,318)	18,516
Escrow Bonds	2,021	18,209	(18,675)	1,555
Total Liabilities	<u>\$ 71,654</u>	<u>\$ 253,366</u>	<u>\$ (259,275)</u>	<u>\$ 65,745</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents:

Financial Trends (Tables 1-4)

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules can be found on pages 73 to 77.

Revenue Capacity (Tables 5-10)

These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, income and property taxes. These schedules can be found on pages 78 to 83.

Debt Capacity (Tables 11-13)

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt as well as the City's ability to issue additional debt in the future. These schedules can be found on pages 84 to 86.

Demographic and Economic Information (Tables 14-15)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. These schedules can be found on pages 87 and 88.

Operating Information (Tables 16-18)

These schedules contain information about the City's operation and resources to help the reader understand how the City's financial information relates to the services proved and activities performed. These schedules can be found on pages 89 to 91.

Sources: Unless otherwise noted, the information in these schedules is derived from the City's annual financial reports for the relevant year.

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CITY OF MORAINE, OHIO
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(reported in thousands)

TABLE 1

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010(1)</u>	<u>2011(1)</u>	<u>2012</u>
Governmental activities										
Net Investment in Capital Assets	\$ 15,469	\$ 16,173	\$ 23,959	\$ 23,020	\$ 26,274	\$ 27,966	\$ 30,033	\$ 29,438	\$ 29,263	\$ 27,607
Restricted for:										
Debt service	141	141	121	124	131	138	147	0	0	131
Special revenue	2,056	1,094	764	1,976	2,188	1,765	1,999	2,382	1,947	1,498
Capital projects	5,713	6,026	3,491	4,054	3,756	3,048	2,848	3,464	4,475	4,924
Unrestricted	14,413	14,454	15,701	17,862	17,780	15,422	13,129	8,942	5,018	1,840
Total government activities net position	<u>37,792</u>	<u>37,888</u>	<u>44,036</u>	<u>47,036</u>	<u>50,129</u>	<u>48,339</u>	<u>48,156</u>	<u>44,226</u>	<u>40,703</u>	<u>36,000</u>
Business-type activities										
Unrestricted	446	456	460	475	500	529	563	581	594	598
Total business-type activities net position	<u>446</u>	<u>456</u>	<u>460</u>	<u>475</u>	<u>500</u>	<u>529</u>	<u>563</u>	<u>581</u>	<u>594</u>	<u>598</u>
Primary government										
Net Investment in Capital Assets	15,469	16,173	23,959	23,020	26,274	27,966	30,033	29,438	29,263	27,607
Restricted	7,910	7,261	4,376	6,154	6,075	4,951	4,994	5,846	6,422	6,553
Unrestricted	14,859	14,910	16,161	18,337	18,280	15,951	13,692	9,523	5,612	2,438
Total primary government net position	<u>\$ 38,238</u>	<u>\$ 38,344</u>	<u>\$ 44,496</u>	<u>\$ 47,511</u>	<u>\$ 50,629</u>	<u>\$ 48,868</u>	<u>\$ 48,719</u>	<u>\$ 44,807</u>	<u>\$ 41,297</u>	<u>\$ 36,598</u>

Note:

(1) - restated for implementation of GASB 65

CITY OF MORAINE, OHIO
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(reported in thousands)

TABLE 2

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u> (1)	<u>2011</u> (1)	<u>2012</u>
Expenses										
Governmental activities:										
General government	\$ 5,189	\$ 4,658	\$ 4,845	\$ 4,953	\$ 5,112	\$ 5,230	\$ 4,523	\$ 4,079	\$ 3,277	\$ 3,663
Public safety	8,338	8,836	9,521	9,460	9,513	9,689	9,456	8,731	8,852	8,147
Highways and streets	2,337	2,956	3,391	3,345	3,761	2,790	879	3,658	3,638	3,415
Sanitation	327	266	256	305	339	347	419	346	284	308
Culture and recreation	3,004	2,892	3,188	2,882	2,745	2,935	2,312	1,249	1,113	1,109
Economic development	175	316	541	998	283	677	935	326	1,005	479
Health and welfare	157	163	159	133	144	95	93	83	86	213
Interest and fiscal charges	5	4	2	165	268	321	221	265	302	294
Total governmental activities expenses	19,532	20,091	21,903	22,241	22,165	22,084	18,838	18,737	18,557	17,628
Total primary government expenses	19,532	20,091	21,903	22,241	22,165	22,084	18,838	18,737	18,557	17,628
Program Revenues										
Governmental activities:										
Charges for services:										
General government	336	299	263	328	285	248	452	410	650	477
Public safety	3	5	9	18	46	39	31	372	612	429
Highways and streets	1		41		33	1	194	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	6
Culture and recreation	755	721	868	790	813	794	723	-	-	207
Health and welfare	79	87	112	71	39	58	56	-	-	-
Operating grants and contributions	81	607	247	233	382	286	200	351	72	451
Capital grants and contributions	647	234	449	1,487	809	337	784	1,044	1,950	382
Total governmental activities program revenues	1,902	1,953	1,989	2,927	2,407	1,763	2,440	2,177	3,284	1,952
Business-type activities:										
Loan program charges for services	5	3	2	1	1	1	-	-	-	-
Investment earnings	(2)	7	3	13	24	28	33	18	14	3
Total business-type activities program revenues	3	10	5	14	25	29	33	18	14	3
Total primary government program revenues	1,905	1,963	1,994	2,941	2,432	1,792	2,473	2,195	3,298	1,955

Note:

(1) - restated for implementation of GASB 65

CITY OF MORAINE, OHIO
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(reported in thousands)

TABLE 2 (continued)

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010(1)</u>	<u>2011(1)</u>	<u>2012</u>
Net (Expense)/Revenue										
Governmental activities	(17,630)	(18,138)	(19,914)	(19,314)	(19,758)	(20,321)	(16,398)	(16,560)	(15,281)	(15,676)
Business-type activities	3	10	5	14	25	29	33	18	-	3
Total primary government net expense	<u>(17,627)</u>	<u>(18,128)</u>	<u>(19,909)</u>	<u>(19,300)</u>	<u>(19,733)</u>	<u>(20,292)</u>	<u>(16,365)</u>	<u>(16,542)</u>	<u>(15,281)</u>	<u>(15,673)</u>
General Revenues										
Taxes										
Income tax	15,424	14,509	18,712	19,867	19,618	15,333	11,817	9,853	9,542	10,046
Property taxes, levied for										
Property taxes, levied for										
General purposes	526	446	512	545	619	567	345	388	421	350
Police pensions	87	93	85	81	70	65	64	90	89	70
Fire pensions	87	93	85	81	70	65	64	90	89	70
Other taxes	104	92	98	103	82	66	11	18	50	24
Payments in lieu of taxes	-	-	-	-	-	-	-	41	43	33
Shared revenues	737	830	774	775	871	1,078	713	719	657	223
Intergovernmental	-	-	-	-	-	-	260	444	92	-
Special assessments	18	16	-	-	-	-	-	-	-	-
Rents and royalties	12	65	35	-	-	-	-	-	-	-
Miscellaneous	105	127	261	232	233	105	1,967	577	530	126
Investment earnings	(55)	352	188	494	1,221	1,255	961	410	237	31
Gain on the sale of capital assets	65	25	29	137	67	(2)	13	-	-	-
	<u>17,110</u>	<u>16,648</u>	<u>20,779</u>	<u>22,315</u>	<u>22,851</u>	<u>18,532</u>	<u>16,215</u>	<u>12,630</u>	<u>11,750</u>	<u>10,973</u>
Change in Net Position										
Governmental activities	(520)	(1,490)	865	3,001	3,093	(1,789)	(183)	(3,930)	(3,531)	(4,703)
Business-type activities	3	10	5	14	25	29	33	18	14	3
Total primary government	<u>\$ (517)</u>	<u>\$ (1,480)</u>	<u>\$ 870</u>	<u>\$ 3,015</u>	<u>\$ 3,118</u>	<u>\$ (1,760)</u>	<u>\$ (150)</u>	<u>\$ (3,912)</u>	<u>\$ (3,517)</u>	<u>\$ (4,700)</u>

Note:

(1) - restated for implementation of GASB 65

TABLE 3

CITY OF MORAIN, OHIO
Governmental Fund Balances
Last Ten Fiscal Years
(modified accrual basis of accounting)
(reported in thousands)

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund										
Reserved	\$ 272	\$ 316	\$ 428	\$ 375	\$ 393	\$ 1,321	\$ 1,230	\$ 1,120	\$ 88	\$ 88
Unreserved	12,301	11,959	14,749	17,139	16,495	13,045	11,551	7,608	694	1,720
Nonspendable										
Assigned									5,283	978
Unassigned										
Total general fund	12,573	12,275	15,177	17,514	16,888	14,366	12,781	8,728	6,065	2,786
All Other Governmental Funds										
Reserved	1,374	915	1,650	2,832	1,825	2,418	6,465	2,725		
Unreserved, reported in:										
Special revenue funds	1,801	1,330	764	1,976	2,188	(3,268)	(4,022)	2,016		
Capital projects fund	4,632	6,026	2,419	2,103	2,620	1,435	2,642	1,128		
Debt service fund	141	141	121	125	131	138	147	150		
Nonspendable									1,928	1,156
Restricted									2,020	2,397
Committed									4,249	5,019
Unassigned									(210)	(506)
Total all other governmental funds	\$ 7,948	\$ 8,412	\$ 4,954	\$ 7,036	\$ 6,764	\$ 723	\$ 5,232	\$ 6,019	\$ 7,987	\$ 8,066

CITY OF MORAINE, OHIO
Changes in Governmental Fund Balances
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

TABLE 4

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUES										
Income Taxes	\$ 15,610	\$ 14,614	\$ 19,129	\$ 20,328	\$ 19,244	\$ 15,382	\$ 11,657	\$ 9,760	\$ 9,699	\$ 10,029
Property Taxes	699	632	682	723	772	697	474	526	596	479
Other Taxes	104	92	98	86	69	66	11	2	50	24
Payment in lieu of taxes	-	-	-	-	-	-	-	41	43	33
Shared Revenues	775	973	875	929	1,022	1,270	852	708	656	725
Special Assessments	18	16	-	-	-	-	-	-	-	-
License and Permits	42	61	97	35	98	41	232	15	11	106
Charges for Services	800	757	945	855	842	866	948	575	782	535
Fines	333	286	251	279	240	214	257	75	343	266
Investment Earnings	(55)	352	188	494	1,221	1,255	960	410	237	31
Contributions and Donations	2	2	3	26	32	22	9	23	-	-
Rents and Royalties	12	65	35	38	36	19	18	20	12	-
Intergovernmental	728	701	557	1,561	1,024	451	1,107	1,565	2,219	492
Miscellaneous	103	136	261	232	233	105	1,966	509	500	198
Total Revenues	19,171	18,687	23,121	25,586	24,833	20,388	18,491	14,229	15,148	12,918
EXPENDITURES										
Current:										
General government	4,132	4,148	4,322	4,565	4,859	4,893	4,290	3,868	3,154	3,314
Public Safety	7,746	8,081	8,610	9,064	9,509	9,092	8,860	8,311	8,433	7,784
Highways & Streets	2,132	2,077	2,238	2,748	2,399	2,559	2,371	2,319	2,637	2,251
Sanitation	327	266	256	305	340	347	419	346	284	308
Economic Development	158	284	400	511	3,132	639	944	299	990	473
Health and Welfare	151	162	159	133	133	85	86	76	79	206
Culture and Recreation	2,672	2,601	2,706	2,389	2,593	2,567	2,108	1,000	886	870
Capital Improvements	3,888	5,634	3,882	2,144	2,645	4,315	1,890	1,712	1,688	381
Debt Service:										
Principal	103	837	4,691	4,249	169	5,068	161	5,475	205	232
Interest & Fiscal Charges	5	3	121	165	205	301	227	248	307	300
Total Expenditures	21,314	24,093	27,385	26,273	25,984	29,866	21,356	23,654	18,663	16,119
Excess (deficiency) of revenues over expenditures	(2,143)	(5,406)	(4,264)	(687)	(1,151)	(9,478)	(2,865)	(9,425)	(3,515)	(3,201)
OTHER FINANCIAL SOURCES (USES)										
General long-term debt issued	323	5,550	3,700	5,000	6,025	5,125	5,300	5,805	-	-
Transfers In	4,050	3,300	3,699	4,462	6,025	(5,125)	3,150	2,805	2,100	2,000
Transfers Out	(4,435)	(3,450)	(3,699)	(4,462)	(6,025)	(5,125)	(3,150)	(2,805)	(2,200)	(2,000)
Proceeds from capital leases	193	-	80	80	693	693	450	94	-	-
Proceeds from the sale of assets	75	31	29	146	253	220	41	260	18	-
Total Other Financing Sources (Uses)	206	5,431	3,729	5,226	253	913	5,791	6,159	(82)	-
Net Change in Fund Balance	\$ (1,937)	\$ 25	\$ (535)	\$ 4,539	\$ (898)	\$ (8,565)	\$ 2,926	\$ (3,266)	\$ (3,597)	\$ (3,201)
Debt service as a percentage of noncapital expenditures	0.60%	4.67%	19.95%	17.82%	1.77%	21.14%	2.28%	25.09%	3.02%	3.35%

CITY OF MORaine, OHIO
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)

TABLE 5

Fiscal Year	Municipal Income Taxes	Property and Other Local Taxes	State Shared Taxes and Permits	Total
2003	\$ 15,424,540	\$ 803,868	\$ 737,456	\$ 16,965,864
2004	14,508,566	723,595	829,436	16,061,597
2005	18,711,202 (1)	779,864	774,274	20,265,340
2006	19,866,552	810,408	775,190	21,452,150
2007	19,617,652	840,936	870,654	21,329,242
2008	15,332,598	696,967	1,077,507	17,107,072
2009	11,817,442	473,697	712,879	13,004,018
2010	9,852,558	568,599	718,455	11,139,612
2011	9,541,527	600,521	657,429	10,799,477
2012	10,045,847	547,175	222,897	10,815,919

Source: City of Moraine, Department of Finance

(1) Income tax rate increased 1/2% to 2% in 2005

CITY OF MORAINE, OHIO
Income Tax Revenues (1)
Last Ten Fiscal Years
(modified accrual basis of accounting)

TABLE 6

<u>Fiscal Year</u>	<u>Amount</u>
2003	\$ 15,610,407
2004	14,614,100
2005	19,128,239 (2)
2006	20,328,322
2007	19,244,218
2008	15,382,323
2009	11,657,120
2010	9,760,045
2011	9,699,479
2012	10,028,922

Source: City of Moraine, Department of Finance

(1) Includes all governmental fund types.

(2) Income tax rate increased 1/2% to 2% in 2005

Principal Income Tax Payers
Current Year and Nine Years Ago
(cash basis of accounting)

<u>2003</u>			<u>2012</u>	
<u>Rank</u>	<u>Name</u>	<u>2012 Rank</u>	<u>Rank</u>	<u>Name</u>
1	General Motors Corporation	-	1	Dmax
2 (1)	Delphi Automotive	-	2	Dayton Power and Light
3	Dmax	1	3	Win Wholesale
4	Elder Beerman	-	4	Lastar Inc
5	A T & T Resources	-	5	Compunet Clinical Laboratories
6 (1)	Delphi Automotive Systems HR	-	6	BWI North America
7	Dayton Power and Light	2	7	City of Moraine
8	City of Moraine	7	8	Berry Network
9	Compunet Clinical Laboratories	5	9	Walmart
10	Jamestown Moraine	-	10	South Community

Source: City of Moraine, Department of Finance

(1) Delphi is a spinoff of General Motors Corporation

Note: Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of the withholding by taxpayer. The City chose not to disclose percentages and number of filers by income level because the City does not require all taxpayers to file a return, therefore it does not have, or can it obtain, this type of information.

CITY OF MORAIN, OHIO
Assessed Value and Estimated Actual Value of Property
Last Ten Fiscal Years

<u>Fiscal</u>	<u>Agricultural</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Total Taxable Assessed</u>	<u>Total Direct Tax</u>	<u>Estimated Actual Taxable</u>	<u>Taxable Assessed Value as a Percentage of</u>
2003	\$ 1,005,570	\$ 42,919,710	\$ 46,188,040	\$ 45,961,020	\$ 136,074,340	2.50	\$ 388,783,829	0.35
2004	1,090,890	42,924,680	51,816,170	47,588,840	143,420,580	2.50	409,773,086	0.35
2005	1,011,590	48,710,040	53,443,470	43,938,250	147,103,350	2.50	420,295,286	0.35
2006	1,047,510	48,894,860	55,008,990	44,009,840	148,961,200	2.50	425,603,429	0.35
2007	1,040,330	49,019,710	55,504,680	43,628,350	149,193,070	2.50	426,265,914	0.35
2008	1,237,860	52,743,290	53,981,150	42,698,100	151,250,300	2.50	432,143,714	0.35
2009	1,207,550	52,349,240	55,915,630	42,568,540	152,040,960	2.50	434,402,743	0.35
2010	1,334,070	52,112,240	59,096,180	42,410,040	154,952,530	2.50	442,721,514	0.35
2011	1,485,130	49,529,340	53,772,660	40,605,060	145,392,190	2.50	415,406,257	0.35
2012	1,440,480	49,394,930	53,135,260	32,607,220	136,577,890	2.50	390,222,543	0.35

Source: Montgomery County Auditor's Office

TABLE 8

CITY OF MORAINE, OHIO
Property Tax Rates- Direct and Overlapping Governments (Per \$1,000 of Assessed Value)
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
MUNICIPAL UNITS:										
General Fund	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Police Pension Fund	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Fire Pension Fund	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total Municipal Rates	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>
COUNTY UNITS:										
General Fund	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Mental Retardation D & D	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Conservancy Tax										
Human Services Levy A	5.21	5.21	5.21	5.21	5.21	7.21	7.21	7.21	7.21	7.21
Human Services Levy B	5.03	6.03	6.03	6.03	6.03	6.03	6.03	6.03	6.03	6.03
Total County Rates	<u>12.94</u>	<u>13.94</u>	<u>13.94</u>	<u>13.94</u>	<u>13.94</u>	<u>15.94</u>	<u>15.94</u>	<u>15.94</u>	<u>15.94</u>	<u>15.94</u>
OTHER UNITS:										
Montgomery County Community College	2.5	2.5	2.5	2.5	2.5	2.5	3.2	3.2	3.2	3.2
Montgomery County Park District	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Dayton - Montgomery Library	0.26	1.25	1.25	1.25	1.25	1.25	1.75	1.75	1.75	1.75
SCHOOL DISTRICT:										
Kettering / Moraine Community	60.9	67.8	67.8	67.8	67.8	71.3	73.1	78	78	78
West Carrollton Community	65.55	65.55	65.55	65.55	65.55	72.05	72.05	72.05	72.05	72.05
Jefferson Local School	61.9	61.9	61.9	61.9	61.9	61.9	66.9	66.9	66.9	66.9
Joint Vocational School	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58

Source: Montgomery County Auditor's Office

CITY OF MORAIN, OHIO
Principal Property Tax Payers
Current Year and Nine Years Ago

TABLE 9

		<u>Calendar Year 2012</u>		
<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Taxable Valuation</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Valuation</u>
Dayton Power & Light Company	Gas and Electric Utility	59,517,960	1	28.48%
IRG Moraine LLC	Real Estate/Development	9,594,710	2	4.59%
Vectren Energy	Utility	6,145,950	3	2.94%
Dovetree Apartments	Real Estate	3,801,440	4	1.82%
Walmart Stores	Retail Sales	3,279,060	5	1.57%
3601 Dryden LLC	Retail Sales	2,485,220	6	1.19%
Berry L M Services Inc	Publisher & Marketing	2,142,750	7	1.03%
Dryden Service Center Dayton LLC	Real Estate	1,835,030	8	0.88%
PDQ Bell Plaza LLC	Retail Sales	1,822,210	9	0.87%
Woodbine Partners LTD	Retail Sales	1,748,930	10	0.84%
	Subtotal	<u>92,373,260</u>		<u>44.21%</u>
	All Others	<u>116,616,570</u>		<u>55.79%</u>
	Total	<u><u>\$ 208,989,830</u></u>		<u><u>100.00%</u></u>

		<u>Calendar Year 2003</u>		
<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Valuation</u>
Dayton Power & Light Company	Gas and Electric Utility	\$39,236,100	1	13.84%
General Motors Corporation	Automotive Manufacturer	15,479,130	2	5.46%
Kettering Dayton Operations	Automotive Parts	3,966,360	3	1.40%
Cooper Tire Company	Tires	2,790,930	4	0.98%
L M Berry Services	Publisher & Marketing	2,155,750	5	0.76%
Ohio Bell Telephone Company	Telephone Utility	1,129,800	6	0.40%
Barbara Benz Trust	Automotive Parts Plant	1,773,680	7	0.63%
Nursing Home Purchasing, Inc.	Health Care	1,488,190	8	0.52%
S & G Investments	Real Estate	1,346,340	9	0.47%
Lance Shaner Hotel	Hotel	1,488,480	10	0.52%
	Subtotal	<u>70,854,760</u>		<u>24.99%</u>
	All Others	<u>212,679,129</u>		<u>75.01%</u>
	Total	<u><u>\$ 283,533,889</u></u>		<u><u>100.00%</u></u>

Source: Montgomery County Auditor's Office

TABLE 10

CITY OF MORAINE, OHIO
Property Taxes Levied and Collected
Last Ten Fiscal Years

<u>TAX YEAR</u>	<u>YEAR</u>	<u>TOTAL LEVIED</u>	<u>TOTAL COLLECTED</u>	<u>PERCENTAGE COLLECTED</u>	<u>DELINQUENT COLLECTIONS</u>	<u>TOTAL COLLECTIONS</u>	<u>TOTAL COLLECTIONS AS LEVIED</u>	<u>PERCENTAGE LEVIED</u>	<u>OUTSTANDING TAXES</u>	<u>OUTSTANDING DELINQUENT TAXES AS PERCENTAGE LEVIED</u>
2002/2003	2003	\$ 704,496	\$ 667,730	95%	\$ 20,189	\$ 687,919	98%	98%	\$ 44,630	6%
2003/2004	2004	676,191	656,554	97%	7,553	664,107	98%	98%	94,508	14%
2004/2005	2005	688,522	643,426	93%	32,657	676,083	98%	98%	85,108	12%
2005/2006	2006	634,977	601,054	95%	34,215	635,269	100%	100%	96,769	15%
2006/2007	2007	588,657	567,763	96%	69,988	637,751	108% ⁽¹⁾	108% ⁽¹⁾	39,375	7%
2007/2008	2008	551,362	512,629	93%	13,459	526,088	95%	95%	41,536	8%
2008/2009	2009	502,096	481,108	96%	18,004	499,112	99%	99%	49,320	10%
2009/2010	2010	515,207	516,538	100%	17,152	533,690	104% ⁽¹⁾	104% ⁽¹⁾	53,901	10%
2010/2011	2011	536,361	503,251	94%	23,254	526,505	98%	98%	47,609	9%
2011/2012	2012	516,689	478,482	93%	19,005	497,487	96%	96%	39,553	8%

Source: Montgomery County Auditor's Office

(1) Total property tax collections exceed 100% of amount levied due to payment of delinquent taxes. This amount does not include penalties and interest.

TABLE 11

City of Moraine, Ohio
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Special Assessment Bonds	BAN and OPWC Note	Various Purpose Bonds	Capital Leases	Total Primary Government	Personal Income (thousands of dollars)	Percentage Personal Income	Per Capita
	\$	\$	\$	\$	\$	\$	%	\$
2003	50,000	-	-	193,109	243,109	116,421,360	0.21%	508
2004	35,000	-	-	228,421	263,421	116,421,360	0.23%	596
2005	20,000	-	-	127,507	147,507	116,421,360	0.13%	187
2006	-	2,700,000	-	26,594	2,726,594	116,421,360	2.34%	63,857
2007	-	5,000,000	-	-	5,000,000	116,421,360	4.29%	214,737
2008	-	5,300,000	-	693,399	5,993,399	110,327,680	5.43%	325,583
2009	-	5,300,000	-	560,008	5,860,008	110,327,680	5.31%	311,252
2010	-	591,160	5,805,000	424,020	6,820,180	110,327,680	6.18%	421,606
2011	-	554,805	5,775,000	285,385	6,615,190	110,327,680	6.00%	396,643
2012	-	504,595	5,735,000	144,060	6,383,655	110,327,680	5.79%	369,364

CITY OF MORaine, OHIO
Computation of Direct and Overlapping Debt
December 31, 2012

Jurisdiction	Net Outstanding Debt	Percentage Applicable to City (1)	Amount Applicable to City of Moraine, Ohio
<i>DIRECT DEBT</i>			
CITY OF MORaine	\$ 6,467,038	100.00%	\$ 6,467,038
<i>OVERLAPPING</i>			
MONTGOMERY COUNTY	54,269,980	2.37%	1,286,199
WEST CARROLLTON CITY SCHOOL DISTRICT	1,820,000	57.85%	1,052,870
KETTERING CITY SCHOOL DISTRICT	91,982,438	21.43%	19,711,836
<i>TOTAL OVERLAPPING DEBT</i>	<u>148,072,418</u>		<u>22,050,905</u>
TOTAL	<u>\$ 154,539,456</u>		<u>\$ 28,517,943</u>

Source: Individual Jurisdictions

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

CITY OF MORAINE, OHIO
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$29,771	\$27,366	\$29,105	\$26,669	\$24,936	\$23,370	\$21,885	\$16,270	\$15,266	\$14,341
Legal Debt Margin	<u>29,771</u>	<u>27,366</u>	<u>29,105</u>	<u>26,669</u>	<u>24,936</u>	<u>23,370</u>	<u>21,885</u>	<u>10,465</u>	<u>9,491</u>	<u>8,760</u>
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	5,805	5,775	5,735

Legal Debt Margin Calculation for Fiscal Year 2012

Total Assessed Value	136,578
Debt limit (10.5% of total assessed value)	14,341
Debt applicable to limit:	
General Obligation Bonds	5,735
Less: Amount reserved for repayment of general obligation debt	(154)
Total net debt applicable to limit	<u>5,581</u>
Legal debt margin	<u><u>\$8,760</u></u>

CITY OF MORAINÉ, OHIO
Demographic and Economic Statistics
Last Ten Calendar Years

TABLE 14

Calendar Year	(1) Population	(1) Personal Income <small>(thousands of dollars)</small>	(1) Per Capita Personal Income	(1) Median Age	(2) Unemployment Rate
2003	6,897	116,421	16,880	32.5	6.3%
2004	6,897	116,421	16,880	32.5	6.2%
2005	6,897	116,421	16,880	32.5	5.8%
2006	6,897	116,421	16,880	32.5	5.9%
2007	6,897	116,421	16,880	32.5	6.2%
2008	6,536	110,328	16,880	32.5	8.5%
2009	6,536	110,328	16,880	32.5	11.8%
2010	6,307	106,462	16,880	37.0	9.8%
2011	6,307	106,462	16,880	37.0	8.2%
2012	6,307	106,462	16,880	37.0	7.0%

Sources:

(1) 2000 and 2010 United States Census Bureau.

(2) Bureau of Unemployment - rates are not available for the City of Moraine. The rates shown are for Montgomery County

CITY OF MORAINE, OHIO
Principal Employers

TABLE 15

Current Year and Nine Years Ago

	<u>2012</u>	<u>2003</u>
	Number of	Number of
Dmax Ltd.	509	5,666
Dayton Power and Light	505	1,921
Walmart	400	1,242
Compunet Clinical Laboratories	377	889
Time Warner Cable Services	256	669
Lastar	213	652
City of Moraine	195	539
Win Wholesale	193	533
South Community	180	447
Berry Network	178	395
		1
		2
		3
		4
		5
		6
		7
		8
		9
		10
		NAO Compensation Operations - GM
		Delphi Automotive
		Dmax
		Metropolitan Life Insurance
		AT & T Resources
		Extrahelp
		Dayton Power and Light
		City of Moraine
		Elder Beerman Operations
		Jamestown Moraine

Source: City of Moraine, Department of Finance

Note: Total employment within the City is not available.

CITY OF MORaine, OHIO
Full-time-Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General government										
Clerk of Council	1	2	4	1	1	1	1	1	1	1
City Manager	8	8	6	8	8	8	8	7	7	6
Clerk of Courts	2	2	2	2	2	2	2	2	2	2
Law	0	0	0	0	0	0	0	0	0	0
Finance	9	9	7	8	8	8	7	6	6	6
Public Buildings	27	26	22	21	23	22	21	21	12 (1)	5
Public Safety										
Police	65	44	44	64	48	48	45	44	49	38
Fire	56	47	49	50	52	51	46	45	36	32
Other										
Highways and Streets	19	18	18	18	18	19	18	18	26 (1)	15
Community Development	8	7	6	6	6	6	6	6	5	3
Recreation and Culture	64	63	61	58	57	54	42	39	22	19
Garage	4	4	4	4	4	4	4	4	4	3
Total	263	230	223	240	227	223	200	193	170	130

Source: City of Moraine, Department of Finance

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation, holiday, sick leave and comp time). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080. However, due to the calendar in Fiscal Year 2004, full-time employees worked 2,120. Therefore, full-time equivalent employment is calculated for 2004 by dividing total labor hours by 2,120. In Fiscal Year 2010, full-time employees worked 1,872 hours annually. Therefore, full-time employment for 2010 is calculated by dividing total labor hours by 1,872.

(1) During 2011, 6 public buildings employees were transferred to the highways and streets department

CITY OF MORAINE, OHIO
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Warrants served	N/A	975	1,653	1,594	1,345	1,347	N/A	1,128	1,266	905
Felony arrests	239	236	249	N/A	N/A	120	N/A	92	131	177
Arrests made	1,842	907	1,184	1,593	1,292	1,198	N/A	1,702	778	1,753
Traffic citations issued	4,665	3,645	3,323	3,314	2,808	2,398	N/A	1,568	3,205	2,653
Miles Patrolled	350,265	N/A	426,785	364,544	375,637	294,281	N/A	237,841	272,940	260,804
Fire										
Fire calls	159	209	115	117	118	133	100	112	92	566
EMS calls	1,664	1,764	1,875	1,769	1,708	1,755	1,357	1,567	1,619	1,689
Fire Inspections	809	1,314	950	955	929	909	976	961	1,043	1,012
Child Safety Seat Inspections	347	129	75	59	51	48	60	31	20	25
Highways and Streets										
Gallons of street paint used	2,750	1,830	10,080	1,880	1,880	1,456	1,750	1,040	865	1,353
Tons of snow melting salt used	N/A	1,071	451	797	797	1,000	1,200	1,200	953	338
Community Development										
Building Inspections	808	476	344	360	236	245	328	177	481	787
Residential Building Permits Issued	67	84	49	57	84	74	65	75	103	196
Commercial Building Permits Issued	171	175	138	126	105	96	108	95	105	174
Culture and Recreation										
Payne Recreation Center Attendance	170,000	150,000	110,000	100,000	90,605	89,590	82,467	138,939	175,000	136,512
Splash! Moraine Attendance	64,605	61,166	79,718	65,685	64,333	62,703	56,092	- (4)	-	-
Civic Center Attendance (estimated)	48,207	33,150	29,000	20,000	25,979	43,686	40,992	31,061	55,000	77,935
Natorium Attendance	23,950	26,095	14,732 (3)	-	-	-	-	-	-	-
Youth and Day Camps Attendance	1,234	1,068	1,454	1,606	1,013	1,098	885	752	824	342

(1) Payne Recreation Center opened on October 16, 2000.

(2) Due to construction of the Payne Recreation Center and Splash! Moraine, the Natatorium was only open during late November through December.

(3) The Natatorium ceased operation September 2005.

(4) Splash! Moraine ceased operation September 2009.

(N/A) Not Available

Source - Various City of Moraine departments

CITY OF MORAINE, OHIO
Capital Assets by Function
Last Ten Fiscal Years

TABLE 18

Function	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Public Safety										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	31	31	23	28	28	28	28	28	24	22
Fire:										
Stations	3	3	3	3	3	3	3	3	2	2
Emergency Response Vehicles	11	11	10	10	10	10	10	10	12 (1)	12
Highways and Streets										
Miles of Streets (Center Line Miles)	275.65	275.65	276.65	276.65	276.65	276.65	276.65	276.65	276.65	276.65
Number of Streetlights (Non-special assessment)	1,315	1,315	1,313	1,313	1,313	1,313	1,226	1,226	1,356	1,356
Culture and Recreation										
Parks	14	14	14	14	13	13	13	13	13	13
Civic Centers	1	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Water Parks	1	1	1	1	1	1	1	1	1	1

Source - Various City of Moraine Departments

(1) 2 Deputy Chief vehicles have been reclassified as emergency response vehicles due to manning reductions. No new vehicles have been acquired.

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Dave Yost • Auditor of State

CITY OF MORaine

MONTGOMERY 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
SEPTEMBER 10, 2013**