



**Comprehensive Annual  
Financial Report**

for the year ended  
December 31, 2013



**CITY OF MORAINÉ, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

**Issued by:**  
**Finance Department**

**Richard Sexton**  
**Finance Director**

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# **INTRODUCTORY SECTION**



CITY OF MORAINE, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2013

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# City of Moraine

Finance Department

August 25, 2014

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, 2013, 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, 2013 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**

During 2013 the City began to financially realize some of the recent economic development successes along our Dryden road corridor. The City experienced the first full relocation year of Tyler Technologies, a real estate software appraisal company employing over 100 high paying jobs. We also got to celebrate the complete revitalization of the former Cooper Tire building, which now houses Heidelberg Distributing. The \$21 million project allowed for a complete remodel of both warehouse and new office space to meet the needs of their 300 new employees to the City. The City additionally had the pleasure of finalizing the new Weiler Welding corporate facility, a 40,000 square foot consolidation that allowed Weiler to keep their existing 25 jobs in Moraine while adding another 25 executive positions. These projects along with several smaller efforts and new investment by existing businesses generated nearly \$35 million in investment along with over 500 new jobs to the City.

Within the next year, the City will also see substantial efforts underway for the Fuyao project – the world’s largest automotive glass manufacturer. This project will infuse over \$230 million and at least 800 jobs into the northeast quadrant of the former GM Moraine assembly plant; over 100 acres and 1.2 million square feet to be exact. With many state and regional partners, the City of Moraine secured the 8<sup>th</sup> largest direct foreign investment in the United States over the past 10 years.

The Oak Pointe neighborhood saw continued growth in 2013 as Ryan Homes continues to aggressively market the property. They offer a variety of home designs suited to the development. In 2013, Ryan built 23 additional homes within the development. With more homes under construction and more sales on the way, we look forward to future development opportunities within the City for 2014.

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 with earlier years, 2013 presented the possibility of deficit dollars, requiring us to work smarter to provide the many superior services to citizens while continuing to discover ways to increase revenues and reduce spending. Through the diligent efforts of all of our employees, we end the year with a positive cash flow 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 2014.

### **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 2013 were significantly higher than those of the prior few years. The current businesses located in the City continue 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 2013 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.

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 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**

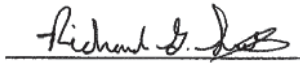
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Moraine for its comprehensive annual financial report for the year ended December 31, 2012. The Certificate of Achievement is a prestigious 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 27 consecutive years (fiscal years ended 1986-2012). 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, appearing to read "Richard G. Sexton", is written over a horizontal line.

Richard Sexton  
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

Brad Beachdell, Interim Finance Director

Diane C. Werbrich, Acting Clerk of Council



**CITY OF MORaine, OHIO**

**DEPARTMENT OF FINANCE STAFF**

Brad Beachdell, Interim Finance Director

Lora L. Marlett, Deputy Finance Director

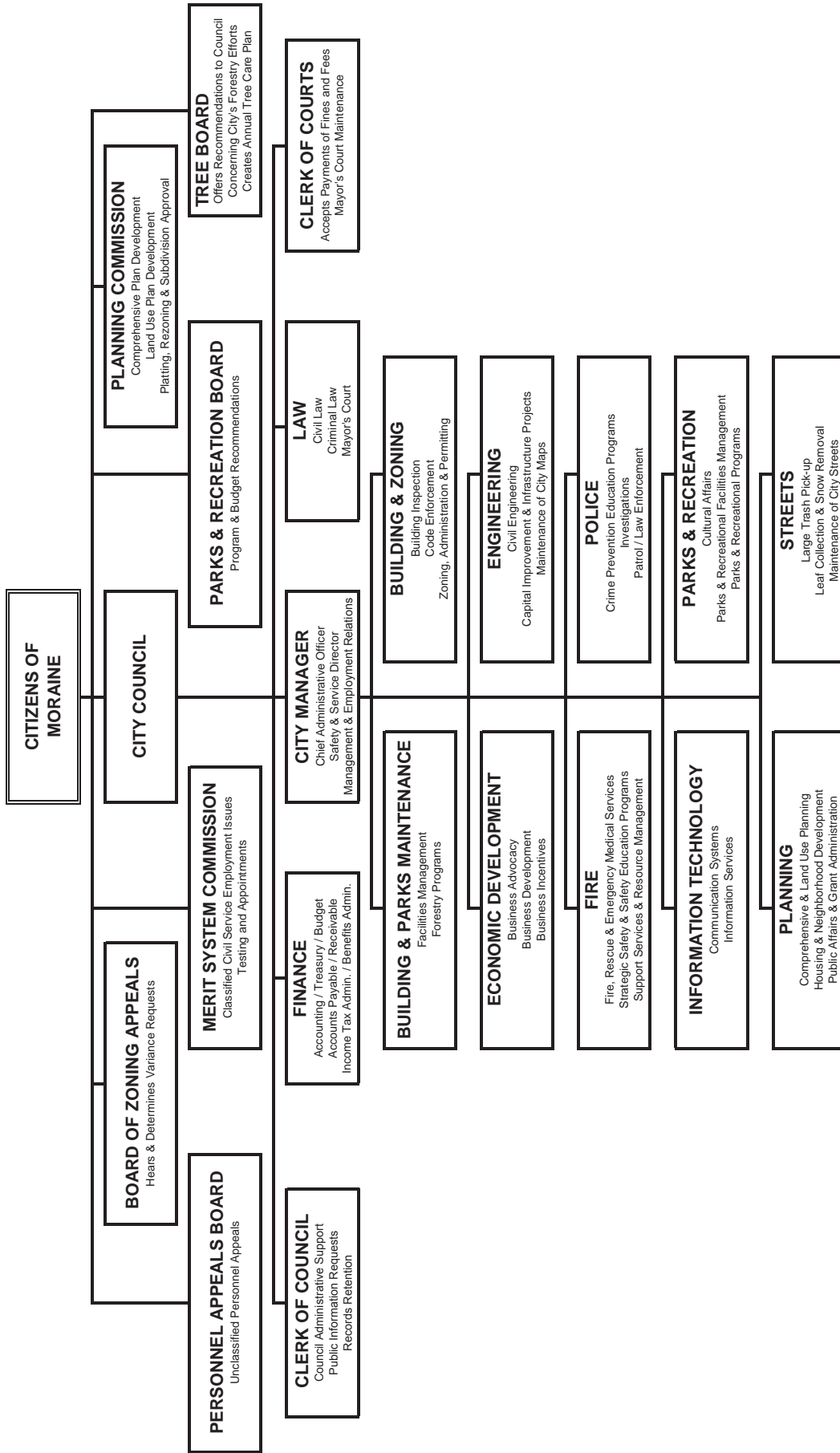
Stephanie L. Maury, Income Tax Administrator

Sherry L. Bosse, Financial Assistant

Paula G. Cox, Financial Assistant

Penny C. Tincher, Financial Assistant

# City of Moraine Organization Chart





Government Finance Officers Association

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, 2012**

Executive Director/CEO

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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, 2013, 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 auditors' 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, 2013, 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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## **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 August 25, 2014 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  
August 25, 2014



**CITY OF MORAINE, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
(Unaudited)

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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, 2013. 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, 2013 are as follows:

- Total net position decreased by \$348,662 which represents less than a 1.0% decrease from the beginning of 2013. A decrease of \$356,727 was reported in governmental activities and an increase of \$8,065 was reported in business-type activities.
- Total assets of governmental activities at December 31, 2013 decreased by \$367,922 from those reported one year prior due primarily to the decrease in capital assets (depreciation expense exceeding current year additions) being larger than the increases in equity in pooled cash and investments and income taxes receivables reported at the end of the year. Total liabilities of the governmental activities decreased by approximately \$147,600 due to decreases in accounts payable as well as outstanding debt obligations.
- Overall, the net position of the City's business-type activities increased by \$8,065. The increase was more than the increase reported for 2012 as investment earnings rebounded slightly during the year.
- The \$1.1 million unassigned ending fund balance reported in the General Fund represents 9.4% of the total expenditures reported in the General Fund for 2013.

### **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 2013?" 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, 2013  
(Unaudited)

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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, 2013**  
(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 \$36.2 million at December 31, 2013.

Table 1 provides a summary of the City's net position for 2013 compared to 2012:

Table 1  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 17,218,410	16,744,238	605,551	597,486	17,823,961	17,341,724
Capital Assets	<u>29,999,064</u>	<u>30,841,158</u>	-	-	<u>29,999,064</u>	<u>30,841,158</u>
Total Assets	<u>47,217,474</u>	<u>47,585,396</u>	<u>605,551</u>	<u>597,486</u>	<u>47,823,025</u>	<u>48,182,882</u>
Long-Term Liabilities	9,138,363	9,214,869	-	-	9,138,363	9,214,869
Other Liabilities	<u>1,349,679</u>	<u>1,420,802</u>	-	-	<u>1,349,679</u>	<u>1,420,802</u>
Total Liabilities	<u>10,488,042</u>	<u>10,635,671</u>	-	-	<u>10,488,042</u>	<u>10,635,671</u>
Total Deferred Inflows of Resources	<u>1,085,799</u>	<u>949,365</u>	-	-	<u>1,085,799</u>	<u>949,365</u>
Net Position:						
Net Investment in						
Capital Assets	26,822,047	27,606,601	-	-	26,822,047	27,606,601
Restricted	5,955,997	6,553,297	-	-	5,955,997	6,553,297
Unrestricted	<u>2,865,589</u>	<u>1,840,462</u>	<u>605,551</u>	<u>597,486</u>	<u>3,471,140</u>	<u>2,437,948</u>
Total Net Position	\$ <u>35,643,633</u>	<u>36,000,360</u>	<u>605,551</u>	<u>597,486</u>	<u>36,249,184</u>	<u>36,597,846</u>

As displayed in Table 1, total governmental net position of the City decreased by \$356,727 from 2012 to 2013. During 2013, the decrease in capital assets, net of accumulation exceeded the increase in current assets. Net capital assets decreased as current year depreciation expense exceeded current year additions. Current assets increased as the increase in income taxes receivable exceeded the decreases reported for land held for resale (due to sale of lots) and intergovernmental receivables (completion of capital grant recognized in 2012). The increase in income taxes receivable was due to a significant restructuring settlement not being received until March 2014. Liabilities reported at December 31, 2013 decreased from those reported for the prior year as scheduled debt service payments were made during the year and accounts payable and accrued wages were less than those reported for 2012 due to timing of the associated payments.

**CITY OF MORAIN, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
(Unaudited)

Table 2 shows the changes in the governmental and business-type net position for the year ended December 31, 2013 compared with the prior year.

Table 2  
Changes in Net Position

	Governmental Activities		Business- Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Program Revenues:						
Charges for services	\$ 1,017,099	1,118,942	-	-	1,017,099	1,118,942
Operating grants and contributions	599,852	451,451	-	-	599,852	451,451
Capital grants and contributions	756,659	382,185	-	-	756,659	382,185
Total Program Revenues	2,373,610	1,952,578	-	-	2,373,610	1,952,578
General Revenues:						
Income taxes	12,786,187	10,045,847	-	-	12,786,187	10,045,847
Property and other taxes	519,297	514,039	-	-	519,297	514,039
Payment in lieu of taxes	94,854	33,136	-	-	94,854	33,136
Shared revenues	279,426	222,897	-	-	279,426	222,897
Investment earnings	133,358	31,106	8,065	3,032	141,423	34,138
Miscellaneous	428,968	126,092	-	-	428,968	126,092
Total General Revenues	14,242,090	10,973,117	8,065	3,032	14,250,155	10,976,149
Total Revenues	16,615,700	12,925,695	8,065	3,032	16,623,765	12,928,727
Expenses:						
General government	3,356,335	3,662,881	-	-	3,356,335	3,662,881
Public Safety	8,425,952	8,146,485	-	-	8,425,952	8,146,485
Highways & Streets	3,232,816	3,415,159	-	-	3,232,816	3,415,159
Sanitation	326,057	307,931	-	-	326,057	307,931
Culture & Recreation	1,093,464	1,109,016	-	-	1,093,464	1,109,016
Economic Development	252,169	479,262	-	-	252,169	479,262
Health & Welfare	35,588	212,986	-	-	35,588	212,986
Interest Expense	250,046	294,491	-	-	250,046	294,491
Total Expenses	16,972,427	17,628,211	-	-	16,972,427	17,628,211
Change in net position	(356,727)	(4,702,516)	8,065	3,032	(348,662)	(4,699,484)
Net Position - Beginning	36,000,360	40,702,876	597,486	594,454	36,597,846	41,297,330
Net Position - Ending	\$ 35,643,633	36,000,360	605,551	597,486	36,249,184	36,597,846

As noted in the table above, the City's municipal income tax revenue reported for 2013 increased 27.3 percent over the amount reported for 2012. This increase in income taxes resulted from two large corporate settlements for tax year 2013 which resulted in revenues of approximately \$1.5 million. Outside these settlements, income tax revenue still increased a robust 12.3 percent as the City's economy continues to improve. 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 increased by \$0.4 million due to a large infrastructure project, the majority of which was completed in 2013. Overall, the total revenues for the governmental activities increased \$3.7 million compared with those reported for the prior year, or 28.5 percent.

**CITY OF MORAIN, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
(Unaudited)

Total expenses of the governmental activities reported for 2013 were \$655,784 (3.7%) less than those reported for 2012 due to the concerted efforts to limit 2013 spending with the overall goal to achieve a 3.0 to 5.0 percent reduction in discretionary spending. Only two functional areas reported increases in expenses, public safety and sanitation. Increases in public safety resulted directly from increases in personnel costs, wages and benefits, associated with the police and fire departments within the City. The increase reported in the sanitation function resulted from the increases in contractual solid waste collection passed onto the City by the private contractor. The City pays these solid waste collection costs without passing these onto the residents.

*Governmental Activities*

Table 3 shows the expenses of each functional area and the net cost of each functional area financed with general revenue for 2013 and 2012.

Table 3  
Governmental Activities

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2013	2012	2013	2012	2013	2012
General Government	\$ 3,356,335	\$ 3,662,881	\$ 444,470	\$ 504,229	\$ 2,911,865	\$ 3,158,652
Public Safety	8,425,952	8,146,485	456,746	481,230	7,969,206	7,665,255
Highways and Streets	3,232,816	3,415,159	1,214,945	692,514	2,017,871	2,722,645
Sanitation	326,057	307,931	3,231	6,256	322,826	301,675
Culture and Recreation	1,093,464	1,109,016	247,218	268,349	846,246	840,667
Economic Development	252,169	479,262	7,000	-	245,169	479,262
All Others	285,634	507,477	-	-	285,634	507,477
	<u>\$ 16,972,427</u>	<u>\$ 17,628,211</u>	<u>\$ 2,373,610</u>	<u>\$ 1,952,578</u>	<u>\$ 14,598,817</u>	<u>\$ 15,675,633</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 \$8.4 million, approximately \$457,000 of program revenue is generated to cover department expenses. The remaining \$8.0 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 \$3.4 million of the total governmental expenses. Court costs and fees generated by licenses and permits financed approximately \$444,000 of the general government functional expenses while the remaining \$2.9 million comes from general revenue sources. Operating and capital grants received from the State of Ohio and the federal government provided approximately \$1.2 million 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 \$15.7 million and expenditures of \$16.9 million. During 2013, the net change in fund balance of the governmental funds decreased by approximately \$650,000 to an ending total fund balance of \$10.2 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, 2013**  
(Unaudited)

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The City's General Fund realized an increase of approximately \$150,000 in fund balance during 2013. The General Fund is the primary fund that finances government services to citizens. The increase in fund balance is a result of the City Council's decision to retain all income tax revenue within the general fund starting January 1, 2013. Prior to that date, 10 percent of income tax revenues were allocated, by Ordinance, to the Capital Improvement Fund. While total expenditures decreased slightly in the General Fund over those reported for the prior year, transfers out increased by approximately 10 percent. The majority of the transfers were made to the Street Construction and Maintenance Fund to provide funding for infrastructure improvement projects. At December 31, 2013 the ending unassigned fund balance of the General Fund was \$1.1 million; a 15.7 percent increase from the unassigned fund balance reported at December 31, 2012. The ending unassigned fund balance reported for the General Fund represents 9.4 percent of total General Fund expenditures for 2013.

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 \$213,992, \$(930,607), \$97,048 and \$(253,624), respectively. The increase in the Economic Development Fund was due to recording the proceeds from the sale of a parcel of land within that fund. The fund balance at December 31, 2013 was \$(271,770). This fund also has an outstanding interfund payable for a loan made in prior years. The decrease in the Capital Improvement Fund is associated with the loss of the allocation of income tax as a revenue source during 2013. The City will continue to utilize the carryover fund balance as a means to fund capital expenditures into the near future. The fund balance at December 31, 2013 is \$4.1 million compared with the \$5.0 million reported one year prior. The Street Construction and Maintenance Fund's increase in fund balance is due to slightly higher state shared taxes and transfers from the General Fund for the year. The ending fund balance was \$273,695. The T.I.F fund decrease resulted from the payment of principal and interest on general obligation bonds during the year. All other governmental fund balances increased slightly by \$78,061 during 2013.

### **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 \$14.1 million and were modified by approximately \$937,000 throughout the year. Actual revenues for the year totaled \$14.0 million compared with final anticipated revenues being \$15.1 million. While income tax receipts increased significantly during 2013, one significant taxpayer extended payment into 2014, which resulted in less than anticipated cash receipts during the year. Despite increased cash receipts during 2013, total budgetary revenue was \$1.1 million less than the final revenue estimates made by the City for 2013.

The expenditures including transfers for the General Fund were estimated at \$15.5 million at the beginning of the year and increased slightly during the year to \$15.7 million at the close of the year. Actual budgetary expenditures for the year were \$1.5 million less than final budgetary estimates due to management's efforts to control spending and reduced transfers throughout the year.

Budgetary fund balance at December 31, 2013 was \$1.2 million compared to the \$852,219 anticipated in the final 2013 budget.

**CITY OF MORAINE, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
(Unaudited)

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**Capital Assets**

At the end of fiscal year 2013, the City had a total of \$63.2 million invested in capital assets less accumulated depreciation of \$33.2 million resulting in a net investment in capital assets of \$30.0 million.

Major capital asset additions for 2013, included recording \$1.2 million of construction in progress related to the traffic signal system upgrade project and the purchase of a police cruiser and associated accessories. Depreciation expense for 2013 was \$1.9 million, resulting in the overall decrease in the value of the City's capital assets reported at December 31, 2013.

Table 4 shows 2013 balances compared to those of 2012:

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

	Governmental Activities	
	2013	2012
Land	\$ 10,785,745	10,865,745
Construction in progress	1,169,835	100,000
Building and improvements	4,582,009	4,908,453
Machinery and equipment	1,317,366	1,661,753
Infrastructure	12,144,109	13,305,207
Total	\$ 29,999,064	30,841,158

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

**Debt Administration**

At December 31, 2013, the City had the following outstanding long-term obligations: \$5,685,000 of general obligation bonds and \$644,905 associated with three Ohio Public Works Commission (OPWC) loans.

At December 31, 2013, the City's overall legal debt margin was \$8.9 million and the unvoted debt margin was \$2.0 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 MORAINÉ, OHIO**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2013**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 11,776,231	\$ 601,585	\$ 12,377,816
Cash in Segregated Accounts	70,997	-	70,997
Receivables:			
Income Tax	2,190,153	-	2,190,153
Property Tax	552,217	-	552,217
Payment in Lieu of Taxes	568,000	-	568,000
Accounts	424,113	-	424,113
Intergovernmental	633,128	-	633,128
Loans	138,400	3,966	142,366
Inventories	255,724	-	255,724
Prepays	84,447	-	84,447
Land Held for Resale	525,000	-	525,000
Non Depreciable Assets	11,955,580	-	11,955,580
Depreciable Capital Assets, Net of Accumulated Depreciation	18,043,484	-	18,043,484
<b>Total Assets</b>	<b>47,217,474</b>	<b>605,551</b>	<b>47,823,025</b>
<b>LIABILITIES</b>			
Accounts Payable	220,285	-	220,285
Salaries and Benefits Payable	676,706	-	676,706
Matured Compensated Absences Payable	322,074	-	322,074
Accrued Interest Payable	20,964	-	20,964
Insurance Claims Payable	109,650	-	109,650
Long-Term Liabilities:			
Due Within One Year	682,622	-	682,622
Due In More Than One Year	8,455,741	-	8,455,741
<b>Total Liabilities</b>	<b>10,488,042</b>	<b>-</b>	<b>10,488,042</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	517,799	-	517,799
Payments in Lieu of Property Taxes	568,000	-	568,000
<b>Total Deferred Inflows of Resources</b>	<b>1,085,799</b>	<b>-</b>	<b>1,085,799</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	26,822,047	-	26,822,047
Restricted for:			
Capital Projects	4,240,169	-	4,240,169
Streets and Highways	1,131,975	-	1,131,975
Debt Service	135,556	-	135,556
Law Enforcement Programs	306,997	-	306,997
Cemetery Operations	141,300	-	141,300
Unrestricted	2,865,589	605,551	3,471,140
<b>Total Net Position</b>	<b>\$ 35,643,633</b>	<b>\$ 605,551</b>	<b>\$ 36,249,184</b>

See accompanying notes to the basic financial statements.



**CITY OF MORAIN, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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
<b>Governmental Activities:</b>							
General Government	\$ 3,356,335	\$ 444,470	\$ -	\$ -	\$ (2,911,865)	\$ -	\$ (2,911,865)
Public Safety	8,425,952	354,189	102,557	-	(7,969,206)	-	(7,969,206)
Highways and Streets	3,232,816	-	458,286	756,659	(2,017,871)	-	(2,017,871)
Sanitation	326,057	3,231	-	-	(322,826)	-	(322,826)
Culture and Recreation	1,093,464	215,209	32,009	-	(846,246)	-	(846,246)
Economic Development	252,169	-	7,000	-	(245,169)	-	(245,169)
Health and Welfare	35,588	-	-	-	(35,588)	-	(35,588)
Debt Service							
Interest and Fiscal Expense	250,046	-	-	-	(250,046)	-	(250,046)
<b>Total Governmental Activities</b>	<u>16,972,427</u>	<u>1,017,099</u>	<u>599,852</u>	<u>756,659</u>	<u>(14,598,817)</u>	<u>-</u>	<u>(14,598,817)</u>
<b>Business Type Activities</b>							
Loan Program	-	-	-	-	-	-	-
<b>Total Business Type Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ 16,972,427</u>	<u>\$ 1,017,099</u>	<u>\$ 599,852</u>	<u>\$ 756,659</u>	<u>(14,598,817)</u>	<u>-</u>	<u>(14,598,817)</u>
<b>General Revenues</b>							
					12,786,187	-	12,786,187
					379,717	-	379,717
					60,762	-	60,762
					60,762	-	60,762
					18,056	-	18,056
					94,854	-	94,854
					279,426	-	279,426
					428,968	-	428,968
					133,358	8,065	141,423
					<u>14,242,090</u>	<u>8,065</u>	<u>14,250,155</u>
					(356,727)	8,065	(348,662)
					<u>36,000,360</u>	<u>597,486</u>	<u>36,597,846</u>
					<u>\$ 35,643,633</u>	<u>\$ 605,551</u>	<u>\$ 36,249,184</u>

See accompanying notes to the basic financial statements.

**CITY OF MORAINE, OHIO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2013**

	Major Governmental Funds					Other Governmental Funds	Total Governmental Funds
	General Fund	Economic Development	Capital Improvement	Street Construction and Maintenance	T.I.F.		
<b>ASSETS</b>							
Equity in Pooled Cash and Investments	\$ 1,923,966	\$ 488,830	\$ 4,011,771	\$ 282,594	\$ 973,158	\$ 1,700,200	\$ 9,380,519
Cash in Segregated Accounts	70,997	-	-	-	-	-	70,997
Receivables:							
Income Tax	2,190,153	-	-	-	-	-	2,190,153
Property Tax	418,577	-	-	-	-	133,640	552,217
Payment in Lieu of Tax	-	-	-	-	568,000	-	568,000
Accounts	423,158	-	-	-	-	955	424,113
Intergovernmental	110,860	-	309,297	184,398	-	28,573	633,128
Loans	-	138,400	-	-	-	-	138,400
Due from Other Funds	845,000	-	-	-	-	-	845,000
Inventories	5,404	-	-	44,116	-	-	49,520
Prepays	84,447	-	-	-	-	-	84,447
Land Held for Resale	-	-	-	-	525,000	-	525,000
<b>Total Assets</b>	<u>\$ 6,072,562</u>	<u>\$ 627,230</u>	<u>\$ 4,321,068</u>	<u>\$ 511,108</u>	<u>\$ 2,066,158</u>	<u>\$ 1,863,368</u>	<u>\$ 15,461,494</u>
<b>LIABILITIES</b>							
Accounts Payable	\$ 134,694	\$ -	\$ 80,899	\$ 1,164	\$ -	\$ -	\$ 216,757
Salaries and Benefits Payable	505,339	-	-	81,437	-	75,526	662,302
Matured Compensated Absences Payable	322,074	-	-	-	-	-	322,074
Due to Other Funds	-	845,000	-	-	-	-	845,000
<b>Total Liabilities</b>	<u>962,107</u>	<u>845,000</u>	<u>80,899</u>	<u>82,601</u>	<u>-</u>	<u>75,526</u>	<u>2,046,133</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Property Taxes	392,419	-	-	-	-	125,380	517,799
Payments in Lieu of Taxes	-	-	-	-	568,000	-	568,000
Unavailable for:							
Income Taxes	1,281,142	-	-	-	-	-	1,281,142
Delinquent Property Taxes	26,158	-	-	-	-	8,260	34,418
Intergovernmental	92,323	-	151,603	154,812	-	24,735	423,473
Other Sources	385,427	-	-	-	-	955	386,382
<b>Total Deferred Inflows of Resources</b>	<u>2,177,469</u>	<u>-</u>	<u>151,603</u>	<u>154,812</u>	<u>568,000</u>	<u>159,330</u>	<u>3,211,214</u>
<b>FUND BALANCE</b>							
Nonspendable for:							
Materials and Supplies Inventory	5,404	-	-	44,116	-	-	49,520
Prepaid Items	84,447	-	-	-	-	-	84,447
Long-term Receivable	845,000	-	-	-	-	-	845,000
Restricted for:							
Law Enforcement	-	-	-	-	-	306,997	306,997
Cemetery Services	-	-	-	-	-	140,345	140,345
Debt Service	-	-	-	-	-	156,520	156,520
Street Repair and Maintenance	-	-	-	229,579	-	1,047,621	1,277,200
Economic Development	-	-	-	-	1,498,158	-	1,498,158
Committed for:							
Capital Projects	-	-	4,088,566	-	-	-	4,088,566
Assigned for:							
Subsequent Appropriations	168,092	-	-	-	-	-	168,092
Unpaid Obligations	453,678	-	-	-	-	-	453,678
Recreation Services	244,301	-	-	-	-	-	244,301
Unassigned	1,132,064	(217,770)	-	-	-	(22,971)	891,323
<b>Total Fund Balance</b>	<u>2,932,986</u>	<u>(217,770)</u>	<u>4,088,566</u>	<u>273,695</u>	<u>1,498,158</u>	<u>1,628,512</u>	<u>10,204,147</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 6,072,562</u>	<u>\$ 627,230</u>	<u>\$ 4,321,068</u>	<u>\$ 511,108</u>	<u>\$ 2,066,158</u>	<u>\$ 1,863,368</u>	<u>\$ 15,461,494</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, 2013**

Total Governmental Fund Balances		\$ 10,204,147
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		29,999,064
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Municipal income taxes	1,281,142	
Property and other taxes	34,418	
Shared revenues and grants	423,473	
Charges for services and other sources	386,382	
Total		2,125,415
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.		2,418,817
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	(20,964)	
Compensated absences payable	(2,673,348)	
General obligations bonds payable	(5,685,000)	
Premium on bonds	(79,593)	
OPWC loans payable	(644,905)	
Total		(9,103,810)
Governmental Activities' Net Position		\$ 35,643,633

See accompanying notes to the basic financial statements.

**CITY OF MORaine, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Major Governmental Funds					Other Governmental Funds	Total Governmental Funds
	General Fund	Economic Development	Capital Improvement	Street Construction and Maintenance	T.I.F.		
<b>REVENUES</b>							
Taxes:							
Income	\$ 12,141,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,141,049
Property	389,908	-	-	-	-	124,742	514,650
Other	18,056	-	-	-	-	-	18,056
Payment in Lieu of Taxes	-	-	-	-	94,854	-	94,854
Shared Revenues	259,327	-	-	392,279	-	72,523	724,129
Intergovernmental Grants	134,566	7,000	608,871	-	-	-	750,437
Licenses and Permits	128,579	-	-	-	-	-	128,579
Charges for Services	618,918	-	-	-	-	8,267	627,185
Fines	220,718	-	-	-	-	6,458	227,176
Investment Earnings	97,206	-	-	1,401	11,739	23,012	133,358
Miscellaneous	327,215	-	9,325	2,572	-	1,071	340,183
<b>Total Revenues</b>	<b>14,335,542</b>	<b>7,000</b>	<b>618,196</b>	<b>396,252</b>	<b>106,593</b>	<b>236,073</b>	<b>15,699,656</b>
<b>EXPENDITURES</b>							
Current:							
General Government	2,974,047	-	-	-	1,929	1,475	2,977,451
Public Safety	7,227,700	-	-	-	-	916,537	8,144,237
Highways and Streets	346,927	-	-	1,774,204	-	-	2,121,131
Sanitation	326,057	-	-	-	-	-	326,057
Economic Development	178,028	67,858	-	-	55,727	-	301,613
Health and Welfare	28,095	-	-	-	-	-	28,095
Culture and Recreation	905,757	-	-	-	-	-	905,757
Debt service:							
Principal	-	-	219,376	-	50,000	-	269,376
Interest	-	-	2,827	-	252,561	-	255,388
Capital Outlays:							
Highways and Streets	-	-	1,225,941	-	-	-	1,225,941
Public Safety	-	-	35,703	-	-	-	35,703
General Government	-	-	280,582	-	-	-	280,582
<b>Total Expenditures</b>	<b>11,986,611</b>	<b>67,858</b>	<b>1,764,429</b>	<b>1,774,204</b>	<b>360,217</b>	<b>918,012</b>	<b>16,871,331</b>
<b>Excess (Deficiency) of Revenues</b>							
<b>Over (Under) Expenditures</b>	<b>2,348,931</b>	<b>(60,858)</b>	<b>(1,146,233)</b>	<b>(1,377,952)</b>	<b>(253,624)</b>	<b>(681,939)</b>	<b>(1,171,675)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	-	1,475,000	-	760,000	2,235,000
Transfers Out	(2,235,000)	-	-	-	-	-	(2,235,000)
Issuance of Loan	-	-	215,626	-	-	-	215,626
Proceeds from the sale of capital assets	33,248	274,850	-	-	-	-	308,098
<b>Total Other Financing Sources (Uses)</b>	<b>(2,201,752)</b>	<b>274,850</b>	<b>215,626</b>	<b>1,475,000</b>	<b>-</b>	<b>760,000</b>	<b>523,724</b>
<b>Net Change in Fund Balance</b>	<b>147,179</b>	<b>213,992</b>	<b>(930,607)</b>	<b>97,048</b>	<b>(253,624)</b>	<b>78,061</b>	<b>(647,951)</b>
<b>Fund Balance - Beginning</b>	<b>2,785,807</b>	<b>(431,762)</b>	<b>5,019,173</b>	<b>176,647</b>	<b>1,751,782</b>	<b>1,550,451</b>	<b>10,852,098</b>
<b>Fund Balance - Ending</b>	<b>\$ 2,932,986</b>	<b>\$ (217,770)</b>	<b>\$ 4,088,566</b>	<b>\$ 273,695</b>	<b>\$ 1,498,158</b>	<b>\$ 1,628,512</b>	<b>\$ 10,204,147</b>

See accompanying notes to the basic financial statements.

**CITY OF MORAINE, 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, 2013**

Net Change in Fund Balance - Total Governmental Funds \$ (647,951)

*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	1,193,121	
Depreciation	(1,872,078)	
Total		(678,957)

In the statement of activities, only the gain on the sale of city assets is reported, while in the governmental funds, the proceeds from the sale increase financial resources. (163,137)

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 premiums or discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Loan proceeds	(215,626)	
General Obligation Bond payment	50,000	
Amortization of premium	3,790	
Capital lease payment	144,060	
OPWC loan payment	75,316	
Total		57,540

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. 270,224

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. 771,083

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	1,552	
Decrease in compensated absences payable	32,919	
Total		34,471

Change in Net Position of Governmental Activities \$ (356,727)

See accompanying notes to the basic financial statements.

**CITY OF MORAINE, OHIO**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2013**

	<u>Enterprise Fund</u> <u>Moraine Loan</u> <u>Program</u>	<u>Internal</u> <u>Service Funds</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Equity in Pooled Cash and Investments	\$ 601,585	\$ 2,395,712
Receivables:		
Loans (net of Allowance for uncollectible)	3,966	-
Inventories	-	206,204
<b>Total Assets</b>	<u>605,551</u>	<u>2,601,916</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	-	3,528
Salaries and Benefits Payable	-	14,404
Compensated Absences Payable	-	9,247
Insurance Claims Payable	-	109,650
<b>Total Current Liabilities</b>	<u>-</u>	<u>136,829</u>
<b>LONG-TERM LIABILITIES</b>		
Compensated Absences Payable	-	46,270
<b>Total Liabilities</b>	<u>-</u>	<u>183,099</u>
<b>NET POSITION</b>		
Unrestricted	605,551	2,418,817
<b>Total Net Position</b>	<u>\$ 605,551</u>	<u>\$ 2,418,817</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, 2013**

	<u>Enterprise Fund</u>	
	<u>Moraine Loan</u>	<u>Internal</u>
	<u>Program</u>	<u>Service Funds</u>
<b>Operating Revenues</b>		
Charges for Services	\$ -	\$ 2,435,293
Miscellaneous	-	3,149
<b>Total Operating Revenues</b>	<u>-</u>	<u>2,438,442</u>
<b>Operating Expenses</b>		
Personal Services	-	271,484
Contractual Services	-	298,134
Supplies and Materials	-	170,666
Claims and Judgements	-	1,447,811
<b>Total Operating Expenses</b>	<u>-</u>	<u>2,188,095</u>
<b>Operating Income</b>	<u>-</u>	<u>250,347</u>
<b>Non-Operating Revenues</b>		
Investment earnings	8,065	19,877
<b>Total Non-Operating Revenues</b>	<u>8,065</u>	<u>19,877</u>
<b>Change in Net Position</b>	8,065	270,224
Total Net Position - Beginning	597,486	2,148,593
Total Net Position - Ending	<u>\$ 605,551</u>	<u>\$ 2,418,817</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, 2013**

	Enterprise Fund	
	Moraine Loan Program	Internal Service Funds
<b>Cash Flows From Operating Activities</b>		
Cash received for services	\$ -	\$ 2,435,293
Miscellaneous receipts & reimbursements	-	3,149
Cash paid to suppliers for goods or services	-	(1,964,234)
Cash paid to employees for services	-	(259,319)
Net cash provided by operating activities	-	214,889
<b>Cash Flows From Non-Capital Financing Activities</b>		
Repayment of loan principal	965	-
Net cash provided by non-capital financing activities	965	-
<b>Cash Flows From Investing Activities</b>		
Investment earnings	8,065	19,877
Net cash provided by investing activities	8,065	19,877
<b>Net Change</b>	9,030	234,766
<b>Equity in Pooled Cash and Investments Beginning of Year</b>	592,555	2,160,946
<b>Equity in Pooled Cash and Investments End of Year</b>	\$ 601,585	\$ 2,395,712
 <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
Operating income	\$ -	\$ 250,347
Adjustments to reconcile operating income to net cash provided by operating activities:		
Increase in inventories	-	(79,483)
Decrease in accounts payable	-	(25,998)
Decrease in salaries and benefits payable	-	(1,778)
Increase in compensated absences payable	-	13,953
Increase in insurance claims payable	-	57,848
Net cash provided by operating activities	\$ -	\$ 214,889

See accompanying notes to the basic financial statements.



**CITY OF MORAIN, OHIO**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2013**

		Agency Funds
<b>ASSETS</b>		
Equity in Pooled Cash and Investments	\$	45,609
Cash in Segregated Accounts		26,941
<b>Total Assets</b>	<b>\$</b>	<b>72,550</b>
<b>LIABILITIES</b>		
Deposits	\$	48,244
Due to Other Governments		20,670
Escrow Bonds and Deposits		3,636
<b>Total Liabilities</b>	<b>\$</b>	<b>72,550</b>

See accompanying notes to the basic financial statements.

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**CITY OF MORAINÉ, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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**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, 2013**

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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, 2013**

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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, 2013**

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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 and payments in lieu of taxes, 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 and other 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, 2013.

**CITY OF MORAIN, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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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, 2013, 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, 2013.

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 2013 amounted to \$141,423.

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 MORAINE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2013, 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.

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 MORAIN, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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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 the vesting method; which 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 the level of governance the constraints were placed upon the resources. 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.

**CITY OF MORAIN, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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The City applies restricted resources when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance 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, 2013, 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

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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.

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At year end, the City reported a bank balance of \$1,537,528 of which \$262,205 was covered by federal deposit insurance and the remaining \$1,275,323 was exposed to custodial credit risk because it was uninsured and collateralized by specific pledged securities held by the pledging financial institution's trust department or agent, but not in the City's name.

Investments

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

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Less than One Year</u>	<u>Two to Three Years</u>	<u>Beyond Three Years</u>
Federal Home Loan Mortgage	AA+	\$ 658,226	\$ 462,415	\$ 55,052	\$ 140,759
Federal National Mortgage	AA+	2,324,972	448,909	-	1,876,063
Federal Home Loan Bank	AA+	626,400	498,066	128,334	-
Federal Farm Credit Bank	AA+	447,400	412,314	35,086	-
Negotiable CD's	N/A	2,876,492	2,187,963	688,529	-
STAR Ohio	AAAm	322,721	322,721	-	-
Mutual Funds	N/A	4,053,265	4,053,265	-	-
US Treasury Notes	N/A	40,092	-	40,092	-
US Treasury Money Market	N/A	30,645	30,645	-	-
		<u>\$ 11,380,213</u>	<u>\$ 8,416,298</u>	<u>\$ 947,093</u>	<u>\$ 2,016,822</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%

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STAR Ohio	100%
Prime Commercial Paper	25%

The following table includes percentage of each investment type held by the City at December 31, 2013:

Investment Type	Fair Value	Percent of Total
Federal Home Loan Mortgage	\$ 658,226	5.78%
Federal National Mortgage	2,324,972	20.43%
Federal Home Loan Bank Notes	626,400	5.50%
Federal Farm Credit Bank	447,400	3.93%
Negotiable CD's	2,876,492	25.28%
STAR Ohio	322,721	2.84%
Mutual Funds	4,053,265	35.62%
US Treasury Notes	40,092	0.35%
US Treasury Money Market	30,645	0.27%
	\$ 11,380,213	100.00%

**NOTE 4 – RECEIVABLES:**

Receivables at December 31, 2013 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 and public utility property located in the City. Property tax revenue received during 2013 for real and public utility property taxes represents collections of 2012 taxes.

2013 real property taxes were levied after October 1, 2013, on the assessed value as of January 1, 2013, the lien date. Assessed values are established by State law at 35 percent of the appraised market value. 2013 real property taxes are collected in and intended to finance 2014.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes which became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2013 was \$2.50 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2013 property tax receipts were based are as follows:

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Real Property Tax Assessed Valuation	\$ 136,577,890
Public Utility Real Property Assessed Valuation	393,760
Public Utility Personal Property Assessed Valuation	<u>84,035,830</u>
Total	<u>\$ 221,007,480</u>

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, 2013, 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 2013 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. Prior to January 1, 2013, the City Council, by ordinance, had allocated 10 percent of all income tax revenue to the Capital Improvement Fund to finance annual capital improvements. Effective January 1, 2013, the City Council, again by ordinance, rescinded that allocation and directed that 100 percent of income tax revenue be maintained by the General Fund.

Loans Receivable

The City operates a long-term home improvement loan program as an enterprise fund. Loans receivable at December 31, 2013 were \$3,966.

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, 2013 were as follows:

Loans Receivable, 12/31/2012	\$ 201,994
New Loans	-
Forgiven Loans	<u>(63,594)</u>
Loans Receivable, 12/31/2013	<u>\$ 138,400</u>

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**NOTE 5 – CAPITAL ASSETS:**

Capital asset activity for the year ended December 31, 2013 was as follows:

	<u>Balance</u> <u>12/31/12</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/13</u>
<i>Governmental Activities</i>				
Non-depreciable capital assets:				
Land	\$ 10,865,745	\$ -	\$ (80,000)	\$ 10,785,745
Construction in Progress	100,000	1,169,835	(100,000)	1,169,835
Non-depreciable capital assets:	<u>10,965,745</u>	<u>1,169,835</u>	<u>(180,000)</u>	<u>11,955,580</u>
Depreciable capital assets:				
Buildings and improvements	12,554,571	-	-	12,554,571
Equipment	9,959,422	23,286	(110,867)	9,871,841
Infrastructure	28,687,338	100,000	-	28,787,338
Depreciable capital assets:	<u>51,201,331</u>	<u>123,286</u>	<u>(110,867)</u>	<u>51,213,750</u>
Less: accumulated depreciation				
Buildings and improvements	(7,646,118)	(326,444)	-	(7,972,562)
Equipment	(8,297,669)	(284,536)	27,730	(8,554,475)
Infrastructure	(15,382,131)	(1,261,098)	-	(16,643,229)
Accumulated depreciation	<u>(31,325,918)</u>	<u>(1,872,078) *</u>	<u>27,730</u>	<u>(33,170,266)</u>
Depreciable capital assets, net	<u>19,875,413</u>	<u>(1,748,792)</u>	<u>(83,137)</u>	<u>18,043,484</u>
Governmental activities capital assets, net	<u>\$ 30,841,158</u>	<u>\$ (578,957)</u>	<u>\$ (263,137)</u>	<u>\$ 29,999,064</u>

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

General Government	\$ 143,968
Public Safety	406,594
Highways and Streets	1,085,870
Culture and Recreation	217,153
Health and Welfare	6,064
Economic Development	12,429
Total depreciation expense - governmental activities	<u>\$ 1,872,078</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, 2013 is \$241,653, of which, \$236,394 and \$5,259 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.

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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, 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 2013, 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 2013 member contribution rates were 10% of their annual salary for members in state and local classifications. Public safety and law enforcement members contributed 12.0% and 12.6%, respectively. The City was required to contribute 14.00% of covered payroll for employees and 18.10% for employees engaged in law enforcement and public safety. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2013, 2012, and 2011 were \$711,953, \$753,600 and \$770,793, respectively; 90.9% has been contributed for 2013 and 100% for 2012 and 2011. The balance of the 2013 required contribution is reported as a component of the salaries and benefits 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



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plan. That report may be obtained by writing to Ohio Police & Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

From January 1, 2013 thru July 1, 2013, plan members were required to contribute 10% of their annual covered salary. From July 2, 2013 thru December 31, 2013, plan members were required to contribute 10.75% of their annual covered salary. Throughout 2013, employers were required to contribute 19.5% and 24% respectively for police officers and firefighters. The City's contributions OP&F for police officers for the years ending December 31, 2013, 2012 and 2011 were \$1,014,618, \$923,258 and \$989,698, respectively; 91.2% has been contributed for 2013 and 100% for 2012 and 2011. The balance of the 2013 required contribution is reported as a component of the salaries and benefits 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 coverage. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, 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 was 1.0% during calendar year 2013. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2.0%, as recommended by the OPERS Actuary. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

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Actual employer contributions for 2013, 2012 and 2011 which were used to fund postemployment benefits were \$50,854, \$215,314 and \$220,227, respectively; 90.9% has been contributed for 2013 and 100% for 2012 and 2011. The balance of the 2013 required contribution is reported as a component of the salaries and benefits 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 by GASB Statement 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](http://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% of covered payroll for police employers. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police 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. The portion of employer contributions allocated to health care was 4.69% of covered payroll from January 1, 2013 thru May 31, 2013 and 2.85% of covered payroll from June 1, 2013 thru December 31, 2013. 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).

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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.

The City's actual contributions for 2013, 2012 and 2011 that were used to fund postemployment benefits were \$166,055, \$287,989 and \$311,883 for police and firefighters, respectively; 91.2% has been contributed for 2013 and 100% for 2012 and 2011. The balance of the 2013 required contribution is reported as a component of the salaries and benefits liability.

**NOTE 8 – 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 \$924,924 at December 31, 2013.

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 \$2,126,015 at December 31, 2013.

**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, 2013 and 2012 was as follows:

Casualty & Property Coverage

	<u>2013</u>	<u>2012</u>
Assets	\$ 34,411,883	\$ 34,389,569
Liabilities	<u>(12,760,194)</u>	<u>(14,208,353)</u>
Net Position - Unrestricted	<u>\$ 21,651,689</u>	<u>\$ 20,181,216</u>

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Unpaid claims to be billed were approximately \$11.1 million in 2013 and \$12.6 million in 2012. The Pool's membership increased from 466 members in 2012 to 475 members in 2013.

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, 2013 the Pool retained \$350,000 for casualty claims and \$100,000 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 that coverage over 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 \$2,056,500 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>2013</u>	<u>2012</u>	<u>2011</u>
\$ 72,655	\$ 17,790	\$ 11,247

Below is a claims history for the past three years:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Claims liability at January 1	\$ 51,802	\$ 53,087	\$ 77,379
Claims incurred	1,483,738	1,475,154	1,454,203
Claims paid	<u>(1,425,890)</u>	<u>(1,476,439)</u>	<u>(1,478,495)</u>
Claims liability at December 31	<u>\$ 109,650</u>	<u>\$ 51,802</u>	<u>\$ 53,087</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.

**CITY OF MORAINE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

At December 31, 2013, the City has three outstanding loans from the Ohio Public Works Commission (OPWC) to finance various projects; \$784,000 for Dryden Road improvements in 1996, \$450,000 for improvements to Springboro Pike West during 2009, and \$215,626 was borrowed (total loan authorized up to \$569,797) in 2013 to finance improvements to the traffic signals throughout the City. All three of these loans carried an interest rate of zero percent and will mature over a 30 year period.

The changes in the City's long-term liabilities for the year ended December 31, 2013, were as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>Balance</u>	Due within <u>One Year</u>
<i>Governmental Activities:</i>					
General Obligation Bonds	\$ 5,735,000	\$ -	\$ 50,000	\$ 5,685,000	\$ 60,000
Premium on Bonds	83,383	-	3,790	79,593	-
Ohio Public Works Commission	504,595	215,626	75,316	644,905	25,105
Capital Lease Obligation	144,060	-	144,060	-	-
Compensated Absences	<u>2,747,831</u>	<u>554,947</u>	<u>573,913</u>	<u>2,728,865</u>	<u>597,517</u>
Total Governmental Activities	<u>\$ 9,214,869</u>	<u>\$ 770,573</u>	<u>\$ 847,079</u>	<u>\$ 9,138,363</u>	<u>\$ 682,622</u>

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

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

Calendar Year	Governmental Activities		
	<u>General Obligation Bonds</u>		<u>OPWC</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2014	\$ 60,000	\$ 252,561	\$ 25,105
2015	185,000	251,561	50,211
2016	190,000	250,061	50,210
2017	195,000	239,273	22,501
2018	205,000	232,449	22,500
2019-2023	1,155,000	1,022,205	112,501
2024-2028	1,465,000	717,136	112,501
2029-2033	1,820,000	360,642	33,750
2034	<u>410,000</u>	<u>19,475</u>	<u>-</u>
Total	<u>\$ 5,685,000</u>	<u>\$ 3,345,363</u>	<u>\$ 429,279</u>

As noted above, the 2013 OPWC loan amount was authorized at an amount not to exceed \$569,797, of which \$215,626 was drawn during 2013. The amortization schedule for OPWC loans are not formalized until the project is closed and the loan is finalized. Therefore, the \$215,626 of OPWC loans borrowed during 2013 are not included in the principal and interest repayment table shown above.

**CITY OF MORAIN, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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**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.

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 2013 payment was \$76,256 and included \$40,000 in principal and \$36,256 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, 2013 is \$254,246 resulting in a book value of \$439,153. The lease was for five years and qualified 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 in that the lease agreement transfers benefits and risks of ownership to the lessee (the City). Capital lease payments are reflected as debt service expenditures in the governmental fund and totaled \$144,060 for 2013. As of December 31, 2013, the capital lease was paid in full.

**NOTE 14 – INTERFUND ACTIVITY:**

Interfund transfers for the year ended December 31, 2013, consisted of the following:

Transfer to Fund	Transfer from Fund	Amount
Street Construction and Maintenance	General	\$ 1,475,000
Nonmajor - Police Pension	General	280,000
Nonmajor - Fire Pension	General	480,000
		\$ 2,235,000

**CITY OF MORAIN, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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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.

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, 2013 to December 31, 2013, 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, 2013, the Economic Development, Police Pension, and Fire Pension Funds reported deficit fund balances of \$217,770, \$11,812, and \$11,159 respectively. 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:

<u>Fund</u>	<u>Encumbrance Outstanding</u>
General	\$ 503,312
Capital Improvement	763,960
Street Construction & Maintenance	31,128
Other Governmental Funds	2,525
	<u>\$ 1,300,925</u>

**CITY OF MORAINE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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**NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLES:**

During the year ended December 31, 2013, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 66, *Technical Corrections – 2012*. GASB Statement No. 61 modifies the criteria to be used in determining the reporting entity, including component units. GASB Statement No. 66 changes the requirement to account for risk financing (self-insurance) within the general or internal service funds, eliminates guidance on accounting for operating lease payments that vary from a straight-line basis, changes the determination of the carrying value of purchased loans or group of loans, and modifies the manner in which service fees should be reported on mortgage loans sold. Neither of these statements required the City to restate any prior year balances.

In addition, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, has been issued by the GASB but is not required to be implemented by the City until calendar year 2015. Management has not yet determined the impact these new GASB Standards will have on the City's financial statements.

**NOTE 19 – SUBSEQUENT EVENTS:**

In May 2014, voters within the City approved a 0.50% increase to the City's income tax rate. As a result, effective July 1, 2014 the City's income tax rate will increase from the current 2.0% to 2.5% and is expected to generate approximately \$2.5 to \$3.0 million in additional income tax revenue for the City when the rate is fully implemented. All additional proceeds will be recorded within the General Fund and be used to provide for operating expenses of the City.



**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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Income	\$ 11,735,962	\$ 12,672,940	\$ 12,090,121	\$ (582,819)
Property	480,200	480,200	406,824	(73,376)
Other	55,000	55,000	18,056	(36,944)
Shared Revenues	337,214	337,214	343,493	6,279
License and Permits	103,675	103,675	111,900	8,225
Charges for Services	368,550	368,550	361,592	(6,958)
Fines	309,000	309,000	229,587	(79,413)
Investment Earnings	250,000	250,000	109,418	(140,582)
Rents and Royalties	15,200	15,200	12,765	(2,435)
Miscellaneous	490,385	490,385	282,706	(207,679)
<b>Total Revenues</b>	<u>14,145,186</u>	<u>15,082,164</u>	<u>13,966,462</u>	<u>(1,115,702)</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Council</b>				
Personnel services	19,756	19,756	14,098	5,658
General operating expenses	20,498	20,274	16,454	3,820
<b>Total Council</b>	<u>40,254</u>	<u>40,030</u>	<u>30,552</u>	<u>9,478</u>
<b>Clerk of Council</b>				
Personnel services	69,553	68,538	65,474	3,064
General operating expenses	14,051	13,866	11,876	1,990
<b>Total Clerk of Council</b>	<u>83,604</u>	<u>82,404</u>	<u>77,350</u>	<u>5,054</u>
<b>City Manager</b>				
Personnel services	308,083	305,494	296,089	9,405
General operating expenses	34,985	34,945	20,555	14,390
<b>Total City Manager</b>	<u>343,068</u>	<u>340,439</u>	<u>316,644</u>	<u>23,795</u>
<b>Clerk of Courts</b>				
Personnel services	133,782	132,257	125,728	6,529
General operating expenses	31,127	28,766	26,400	2,366
<b>Total Clerk of Courts</b>	<u>164,909</u>	<u>161,023</u>	<u>152,128</u>	<u>8,895</u>
<b>Law Director</b>				
General operating expenses	200,857	193,524	85,887	107,637
<b>Total Law Director</b>	<u>200,857</u>	<u>193,524</u>	<u>85,887</u>	<u>107,637</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, 2013

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Merit Service</b>				
General operating expenses	5,000	15,000	8,701	6,299
<b>Total Merit Service</b>	<u>5,000</u>	<u>15,000</u>	<u>8,701</u>	<u>6,299</u>
<b>Mayor</b>				
Personnel services	12,742	12,742	11,937	805
General operating expenses	6,900	6,900	3,827	3,073
<b>Total Mayor</b>	<u>19,642</u>	<u>19,642</u>	<u>15,764</u>	<u>3,878</u>
<b>Finance</b>				
Personnel services	512,000	504,509	475,061	29,448
General operating expenses	65,983	61,551	52,698	8,853
<b>Total Finance</b>	<u>577,983</u>	<u>566,060</u>	<u>527,759</u>	<u>38,301</u>
<b>Information Center</b>				
Personnel services	123,354	121,828	118,441	3,387
<b>Total Information Center</b>	<u>123,354</u>	<u>121,828</u>	<u>118,441</u>	<u>3,387</u>
<b>Public Buildings</b>				
Personnel services	521,003	510,501	503,525	6,976
General operating expenses	522,409	489,954	393,051	96,903
<b>Total Public Buildings</b>	<u>1,043,412</u>	<u>1,000,455</u>	<u>896,576</u>	<u>103,879</u>
<b>General Miscellaneous</b>				
Personnel services	362,856	345,024	221,994	123,030
General operating expenses	531,321	492,827	464,130	28,697
<b>Total General Miscellaneous</b>	<u>894,177</u>	<u>837,851</u>	<u>686,124</u>	<u>151,727</u>
<b>Information Technology</b>				
Personnel services	117,045	116,030	106,731	9,299
General operating expenses	231,443	213,329	181,387	31,942
<b>Total Information Technology</b>	<u>348,488</u>	<u>329,359</u>	<u>288,118</u>	<u>41,241</u>
<b>Human Resources</b>				
General operating expenses	68,668	61,487	56,698	4,789
<b>Total Human Resources</b>	<u>68,668</u>	<u>61,487</u>	<u>56,698</u>	<u>4,789</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>3,913,416</u>	<u>3,769,102</u>	<u>3,260,742</u>	<u>508,360</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, 2013  
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
Personnel services	3,470,418	3,721,840	3,405,112	316,728
General operating expenses	596,180	583,764	552,051	31,713
<b>Total Police</b>	<u>4,066,598</u>	<u>4,305,604</u>	<u>3,957,163</u>	<u>348,441</u>
<b>Fire</b>				
Personnel services	3,135,953	3,169,624	2,888,122	281,502
General operating expenses	430,874	417,005	236,248	180,757
<b>Total Fire</b>	<u>3,566,827</u>	<u>3,586,629</u>	<u>3,124,370</u>	<u>462,259</u>
<b>Civil Defense</b>				
General operating expenses	12,150	12,150	11,283	867
<b>Total Civil Defense</b>	<u>12,150</u>	<u>12,150</u>	<u>11,283</u>	<u>867</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>7,645,575</u>	<u>7,904,383</u>	<u>7,092,816</u>	<u>811,567</u>
<b>HIGHWAYS AND STREETS</b>				
<b>Engineering</b>				
Personnel services	100,007	98,993	71,318	27,675
General operating expenses	126,078	113,837	88,876	24,961
<b>Total Engineering</b>	<u>226,085</u>	<u>212,830</u>	<u>160,194</u>	<u>52,636</u>
<b>Street Lighting</b>				
General operating expenses	320,349	268,152	268,152	-
<b>Total Street Lighting</b>	<u>320,349</u>	<u>268,152</u>	<u>268,152</u>	<u>-</u>
<b>TOTAL HIGHWAYS AND STREETS</b>	<u>546,434</u>	<u>480,982</u>	<u>428,346</u>	<u>52,636</u>
<b>SANITATION</b>				
<b>Waste Collection</b>				
General operating expenses	403,742	369,638	359,534	10,104
<b>Total Waste Collection</b>	<u>403,742</u>	<u>369,638</u>	<u>359,534</u>	<u>10,104</u>
<b>TOTAL SANITATION</b>	<u>403,742</u>	<u>369,638</u>	<u>359,534</u>	<u>10,104</u>
<b>HEALTH AND WELFARE</b>				
<b>Health &amp; Alcoholism</b>				
General operating expenses	2,000	2,000	2,000	-
<b>Total Health &amp; Alcoholism</b>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
<b>Board of Zoning Appeals</b>				
General operating expenses	450	450	-	450
<b>Total Board of Zoning Appeals</b>	<u>450</u>	<u>450</u>	<u>-</u>	<u>450</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, 2013  
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Building Inspection</b>				
Personnel services	86,035	86,011	72,909	13,102
General operating expenses	96,805	82,776	72,155	10,621
<b>Total Building Inspection</b>	<u>182,840</u>	<u>168,787</u>	<u>145,064</u>	<u>23,723</u>
<b>TOTAL HEALTH AND WELFARE</b>	<u>185,290</u>	<u>171,237</u>	<u>147,064</u>	<u>24,173</u>
<b>ECONOMIC DEVELOPMENT AND ASSISTANCE</b>				
<b>Planning</b>				
Personnel services	166,238	166,149	164,635	1,514
General operating expenses	26,925	26,128	12,474	13,654
<b>Total Planning</b>	<u>193,163</u>	<u>192,277</u>	<u>177,109</u>	<u>15,168</u>
<b>Planning Commission</b>				
General operating expenses	3,940	3,940	3,001	939
<b>Total Planning Commission</b>	<u>3,940</u>	<u>3,940</u>	<u>3,001</u>	<u>939</u>
<b>TOTAL ECONOMIC DEVELOPMENT AND ASSISTANCE</b>	<u>197,103</u>	<u>196,217</u>	<u>180,110</u>	<u>16,107</u>
<b>TOTAL EXPENDITURES</b>	<u>12,891,560</u>	<u>12,891,559</u>	<u>11,468,612</u>	<u>1,422,947</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,253,626</u>	<u>2,190,605</u>	<u>2,497,850</u>	<u>307,245</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,650,000)	(2,775,000)	(2,750,000)	25,000
Proceeds from the sale of capital assets	20,000	20,000	33,248	13,248
<b>Total Other Financing Sources (Uses)</b>	<u>(2,630,000)</u>	<u>(2,755,000)</u>	<u>(2,716,752)</u>	<u>38,248</u>
<b>Net Change in Fund Balance</b>	(1,376,374)	(564,395)	(218,902)	345,493
Fund Balance - Beginning	850,145	850,145	850,145	-
Encumbrances	566,469	566,469	566,469	-
Fund Balance - Ending	<u>\$ 40,240</u>	<u>\$ 852,219</u>	<u>\$ 1,197,712</u>	<u>\$ 345,493</u>

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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 460,000	\$ 460,000	\$ 7,000	\$ (453,000)
<b>Total Revenues</b>	<u>460,000</u>	<u>460,000</u>	<u>7,000</u>	<u>(453,000)</u>
<b>EXPENDITURES</b>				
Economic Development	225,000	460,000	106,930	353,070
<b>Total Expenditures</b>	<u>225,000</u>	<u>460,000</u>	<u>106,930</u>	<u>353,070</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>235,000</u>	<u>-</u>	<u>(99,930)</u>	<u>(99,930)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the sale of capital assets	-	-	274,850	274,850
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>274,850</u>	<u>274,850</u>
<b>Net Change in Fund Balance</b>	235,000	-	174,920	174,920
Fund Balance - Beginning	313,909	313,909	313,909	-
Fund Balance - Ending	<u>\$ 548,909</u>	<u>\$ 313,909</u>	<u>\$ 488,829</u>	<u>\$ 174,920</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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Shared Revenues	\$ 375,000	\$ 375,000	\$ 391,762	\$ 16,762
Investment Earnings	4,000	4,000	1,922	(2,078)
Miscellaneous	-	-	2,572	2,572
<b>Total Revenues</b>	<u>379,000</u>	<u>379,000</u>	<u>396,256</u>	<u>17,256</u>
<b>EXPENDITURES</b>				
Highways and Streets				
Personnel Services	1,541,265	1,541,265	1,416,407	124,858
General Operating Expenses	465,405	465,405	383,735	81,670
Total Highways and Streets	<u>2,006,670</u>	<u>2,006,670</u>	<u>1,800,142</u>	<u>206,528</u>
<b>Total Expenditures</b>	<u>2,006,670</u>	<u>2,006,670</u>	<u>1,800,142</u>	<u>206,528</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,627,670)</u>	<u>(1,627,670)</u>	<u>(1,403,886)</u>	<u>223,784</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,500,000	1,500,000	1,475,000	(25,000)
<b>Total Other Financing Sources (Uses)</b>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,475,000</u>	<u>(25,000)</u>
<b>Net Change in Fund Balance</b>	(127,670)	(127,670)	71,114	198,784
Fund Balance - Beginning	158,253	158,253	158,253	-
Encumbrances	27,243	27,243	27,243	-
Fund Balance - Ending	<u>\$ 57,826</u>	<u>\$ 57,826</u>	<u>\$ 256,610</u>	<u>\$ 198,784</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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Payments in lieu of taxes	\$ 50,000	\$ 50,000	\$ 94,854	\$ 44,854
Investment Earnings	4,800	4,800	13,529	8,729
<b>Total Revenues</b>	<u>54,800</u>	<u>54,800</u>	<u>108,383</u>	<u>53,583</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Economic Development</b>				
General operating expenses	46,500	46,500	31,711	14,789
Debt Service				
Principal Retirement	50,000	50,000	50,000	-
Interest	252,565	252,565	252,562	3
<b>Total Expenditures</b>	<u>349,065</u>	<u>349,065</u>	<u>334,273</u>	<u>14,792</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(294,265)</u>	<u>(294,265)</u>	<u>(225,890)</u>	<u>68,375</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from the sale of assets	400,000	400,000	549,057	149,057
<b>Total Other Financing Sources</b>	<u>400,000</u>	<u>400,000</u>	<u>549,057</u>	<u>149,057</u>
<b>Net Change in Fund Balance</b>	105,735	105,735	323,167	217,432
Fund Balance - Beginning	651,113	651,113	651,113	-
Fund Balance - Ending	<u>\$ 756,848</u>	<u>\$ 756,848</u>	<u>\$ 974,280</u>	<u>\$ 217,432</u>

See accompanying notes to the required supplementary information.

**CITY OF MORaine, OHIO**  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2013

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**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	\$ 147,179	\$ 213,992	\$ 97,048	\$ (253,624)
Revenue Accruals	(77,326)	-	4	1,790
Expenditure Accruals	65,920	(39,072)	5,190	25,944
Encumbrances	(453,678)	-	(31,128)	-
Other Financing Sources	-	-	-	549,057
Funds Budgeted Elsewhere	99,003	-	-	-
Budget Basis	\$ (218,902)	\$ 174,920	\$ 71,114	\$ 323,167

Note: For reporting purposes, the Parks and Recreation fund is combined with the General fund; however that fund is legally budgeted separately from the General fund. As such, a separate budgetary comparison schedule is presented along with those of the non-major special revenue funds within the combining financial statements and individual fund schedules section of this report.

**COMBINING FINANCIAL STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**



**CITY OF MORAIN, OHIO**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2013

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 1,543,680	\$ 156,520	\$ 1,700,200
Receivables:			
Property Tax	133,640	-	133,640
Accounts	955	-	955
Intergovernmental	28,573	-	28,573
<b>Total Assets</b>	<u>\$ 1,706,848</u>	<u>\$ 156,520</u>	<u>\$ 1,863,368</u>
<b>LIABILITIES</b>			
Salaries and Benefits Payable	\$ 75,526	\$ -	\$ 75,526
<b>Total Liabilities</b>	<u>75,526</u>	<u>-</u>	<u>75,526</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Property Taxes	125,380	-	125,380
Unavailable for:			
Delinquent Property Taxes	8,260	-	8,260
Intergovernmental	24,735	-	24,735
Other Sources	955	-	955
<b>Total Deferred Inflows of Resources</b>	<u>159,330</u>	<u>-</u>	<u>159,330</u>
<b>FUND BALANCES</b>			
Restricted for:			
Law Enforcement	306,997	-	306,997
Cemetery Services	140,345	-	140,345
Debt Service	-	156,520	156,520
Street Repair and Maintenance	1,047,621	-	1,047,621
Unassigned	(22,971)	-	(22,971)
<b>Total Fund Balances</b>	<u>1,471,992</u>	<u>156,520</u>	<u>1,628,512</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 1,706,848</u>	<u>\$ 156,520</u>	<u>\$ 1,863,368</u>

**CITY OF MORAIN, OHIO**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2013

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 124,742	\$ -	\$ 124,742
Shared Revenues	72,523	-	72,523
Charges for Services	8,267	-	8,267
Fines	6,458	-	6,458
Investment Earnings	20,953	2,059	23,012
Miscellaneous	1,071	-	1,071
<b>Total Revenues</b>	<u>234,014</u>	<u>2,059</u>	<u>236,073</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,475	-	1,475
Public Safety	916,537	-	916,537
<b>Total Expenditures</b>	<u>918,012</u>	<u>-</u>	<u>918,012</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(683,998)</u>	<u>2,059</u>	<u>(681,939)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	760,000	-	760,000
<b>Total Other Financing Sources (Uses)</b>	<u>760,000</u>	<u>-</u>	<u>760,000</u>
<b>Net Change in Fund Balance</b>	76,002	2,059	78,061
Fund Balance - Beginning	1,395,990	154,461	1,550,451
Fund Balance - Ending	<u>\$ 1,471,992</u>	<u>\$ 156,520</u>	<u>\$ 1,628,512</u>

**CITY OF MORAINE, OHIO**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2013

	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
<b>ASSETS</b>										
Equity in Pooled Cash and Investments	\$ 828,788	\$ 140,345	\$ 214,995	\$ 61,043	\$ 23,304	\$ 29,251	\$ 83,716	\$ 119,347	\$ 42,891	\$ 1,543,680
Receivables:										
Property Tax	-	-	-	-	66,820	66,820	-	-	-	133,640
Accounts	-	955	-	-	-	-	-	-	-	955
Intergovernmental	14,951	-	10,870	-	1,376	1,376	-	-	-	28,573
<b>Total Assets</b>	<b>\$ 843,739</b>	<b>\$ 141,300</b>	<b>\$ 225,865</b>	<b>\$ 61,043</b>	<b>\$ 91,500</b>	<b>\$ 97,447</b>	<b>\$ 83,716</b>	<b>\$ 119,347</b>	<b>\$ 42,891</b>	<b>\$ 1,706,848</b>
<b>LIABILITIES</b>										
Salaries and Benefits Payable	\$ -	\$ -	\$ -	\$ -	\$ 35,116	\$ 40,410	\$ -	\$ -	\$ -	\$ 75,526
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,116</b>	<b>\$ 40,410</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,526</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>										
Property Taxes	-	-	-	-	62,690	62,690	-	-	-	125,380
Unavailable for:										
Delinquent Property Taxes	-	-	-	-	4,130	4,130	-	-	-	8,260
Intergovernmental	12,552	-	9,431	-	1,376	1,376	-	-	-	24,735
Other Sources	-	955	-	-	-	-	-	-	-	955
<b>Total Deferred Inflows of Resources</b>	<b>12,552</b>	<b>955</b>	<b>9,431</b>	<b>-</b>	<b>68,196</b>	<b>68,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159,330</b>
<b>FUND BALANCE</b>										
Restricted for:										
Law Enforcement	-	-	-	61,043	-	-	83,716	119,347	42,891	306,997
Cemetery Services	-	140,345	-	-	-	-	-	-	-	140,345
Street Repair and Maintenance	831,187	-	216,434	-	-	-	-	-	-	1,047,621
Unassigned	-	-	-	-	(11,812)	(11,159)	-	-	-	(22,971)
<b>Total Fund Balance</b>	<b>831,187</b>	<b>140,345</b>	<b>216,434</b>	<b>61,043</b>	<b>(11,812)</b>	<b>(11,159)</b>	<b>83,716</b>	<b>119,347</b>	<b>42,891</b>	<b>1,471,992</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 843,739</b>	<b>\$ 141,300</b>	<b>\$ 225,865</b>	<b>\$ 61,043</b>	<b>\$ 91,500</b>	<b>\$ 97,447</b>	<b>\$ 83,716</b>	<b>\$ 119,347</b>	<b>\$ 42,891</b>	<b>\$ 1,706,848</b>

**CITY OF MORAINE, OHIO**  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2013

	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
<b>REVENUES</b>										
Taxes:										
Property	\$ -	\$ -	\$ -	\$ -	\$ 62,371	\$ 62,371	\$ -	\$ -	\$ -	\$ 124,742
Shared Revenues	31,152	-	21,793	-	9,789	9,789	-	-	-	72,523
Charges for Services	-	8,267	-	-	-	-	-	-	-	8,267
Fines	-	-	-	685	-	-	5,773	-	-	6,458
Investment Earnings	10,627	1,772	2,640	797	1,306	601	1,054	1,591	565	20,953
Miscellaneous	-	1,071	-	-	-	-	-	-	-	1,071
<b>Total Revenues</b>	<b>41,779</b>	<b>11,110</b>	<b>24,433</b>	<b>1,482</b>	<b>73,466</b>	<b>72,761</b>	<b>6,827</b>	<b>1,591</b>	<b>565</b>	<b>234,014</b>
<b>EXPENDITURES</b>										
Current:										
General government	-	1,475	-	-	-	-	-	-	-	1,475
Public Safety	-	-	-	-	423,341	489,898	-	3,298	-	916,537
<b>Total Expenditures</b>	<b>-</b>	<b>1,475</b>	<b>-</b>	<b>-</b>	<b>423,341</b>	<b>489,898</b>	<b>-</b>	<b>3,298</b>	<b>-</b>	<b>918,012</b>
<b>Excess (deficiency) of Revenues Over (under) Expenditures</b>	<b>41,779</b>	<b>9,635</b>	<b>24,433</b>	<b>1,482</b>	<b>(349,875)</b>	<b>(417,137)</b>	<b>6,827</b>	<b>(1,707)</b>	<b>565</b>	<b>(683,998)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	-	-	-	-	280,000	480,000	-	-	-	760,000
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>280,000</b>	<b>480,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>760,000</b>
<b>Net Change in Fund Balance</b>	<b>41,779</b>	<b>9,635</b>	<b>24,433</b>	<b>1,482</b>	<b>(69,875)</b>	<b>62,863</b>	<b>6,827</b>	<b>(1,707)</b>	<b>565</b>	<b>76,002</b>
Fund Balance - Beginning	789,408	130,710	192,001	59,561	58,063	(74,022)	76,889	121,054	42,326	1,395,990
Fund Balance - Ending	\$ 831,187	\$ 140,345	\$ 216,434	\$ 61,043	\$ (11,812)	\$ (11,159)	\$ 83,716	\$ 119,347	\$ 42,891	\$ 1,471,992



**CITY OF MORaine, 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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Shared Revenues	\$ 30,000	\$ 30,000	\$ 31,110	\$ 1,110
Investment Earnings	15,000	15,000	12,391	(2,609)
<b>Total Revenues</b>	<u>45,000</u>	<u>45,000</u>	<u>43,501</u>	<u>(1,499)</u>
 <b>Net Change in Fund Balance</b>	 45,000	 45,000	 43,501	 (1,499)
 Fund Balance - Beginning	 <u>786,243</u>	 <u>786,243</u>	 <u>786,243</u>	 <u>-</u>
Fund Balance - Ending	<u>\$ 831,243</u>	<u>\$ 831,243</u>	<u>\$ 829,744</u>	<u>\$ (1,499)</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Charges for Services	\$ 3,000	\$ 3,000	\$ 8,267	\$ 5,267
Investment Earnings	2,700	2,700	2,068	(632)
Miscellaneous	500	500	1,071	571
<b>Total Revenues</b>	<u>6,200</u>	<u>6,200</u>	<u>11,406</u>	<u>5,206</u>
<b>EXPENDITURES</b>				
General Government	<u>7,450</u>	<u>7,450</u>	<u>4,001</u>	<u>3,449</u>
<b>Total Expenditures</b>	<u>7,450</u>	<u>7,450</u>	<u>4,001</u>	<u>3,449</u>
<b>Net Change in Fund Balance</b>	(1,250)	(1,250)	7,405	8,655
Fund Balance - Beginning	<u>132,576</u>	<u>132,576</u>	<u>132,576</u>	-
Fund Balance - Ending	<u>\$ 131,326</u>	<u>\$ 131,326</u>	<u>\$ 139,981</u>	<u>\$ 8,655</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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Shared Revenues	\$ 21,000	\$ 21,000	\$ 21,676	\$ 676
Investment Earnings	3,800	3,800	3,082	(718)
<b>Total Revenues</b>	<u>24,800</u>	<u>24,800</u>	<u>24,758</u>	<u>(42)</u>
<b>EXPENDITURES</b>				
Highways and Streets	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	24,800	24,800	24,758	(42)
Fund Balance - Beginning	190,484	190,484	190,484	-
Fund Balance - Ending	<u>\$ 215,284</u>	<u>\$ 215,284</u>	<u>\$ 215,242</u>	<u>\$ (42)</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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
License and Permits	\$ 1,000	\$ 1,000	\$ 685	\$ (315)
Investment Earnings	1,200	1,200	928	(272)
<b>Total Revenues</b>	<u>2,200</u>	<u>2,200</u>	<u>1,613</u>	<u>(587)</u>
<b>EXPENDITURES</b>				
Public Safety	3,714	3,714	2,000	1,714
<b>Total Expenditures</b>	<u>3,714</u>	<u>3,714</u>	<u>2,000</u>	<u>1,714</u>
<b>Net Change in Fund Balance</b>	(1,514)	(1,514)	(387)	1,127
Fund Balance - Beginning	57,786	57,786	57,786	-
Encumbrances	1,714	1,714	1,714	
Fund Balance - Ending	<u>\$ 57,986</u>	<u>\$ 57,986</u>	<u>\$ 59,113</u>	<u>\$ 1,127</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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property	\$ 148,113	\$ 148,113	\$ 68,870	\$ (79,243)
Intergovernmental	3,750	3,750	3,290	(460)
Investment Earnings	4,800	4,800	1,519	(3,281)
<b>Total Revenues</b>	<u>156,663</u>	<u>156,663</u>	<u>73,679</u>	<u>(82,984)</u>
<b>EXPENDITURES</b>				
Public Safety				
Personnel	475,000	545,000	490,148	54,852
General operating expense	1,500	1,500	986	514
Total Public Safety	<u>476,500</u>	<u>546,500</u>	<u>491,134</u>	<u>55,366</u>
<b>Total Expenditures</b>	<u>476,500</u>	<u>546,500</u>	<u>491,134</u>	<u>55,366</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(319,837)</u>	<u>(389,837)</u>	<u>(417,455)</u>	<u>(27,618)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	325,000	325,000	280,000	(45,000)
<b>Total Other Financing Sources (Uses)</b>	<u>325,000</u>	<u>325,000</u>	<u>280,000</u>	<u>(45,000)</u>
<b>Net Change in Fund Balance</b>	5,163	(64,837)	(137,455)	(72,618)
Fund Balance - Beginning	170,383	170,383	170,383	-
Fund Balance - Ending	<u>\$ 175,546</u>	<u>\$ 105,546</u>	<u>\$ 32,928</u>	<u>\$ (72,618)</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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property	\$ 73,112	\$ 148,112	\$ 68,869	\$ (79,243)
Intergovernmental	3,750	3,750	3,291	(459)
Investment Earnings	4,800	4,800	699	(4,101)
<b>Total Revenues</b>	<u>81,662</u>	<u>156,662</u>	<u>72,859</u>	<u>(83,803)</u>
<b>EXPENDITURES</b>				
Public Safety:				
Personnel	530,000	610,000	563,305	46,695
General operating expense	1,500	1,500	986	514
Total Public Safety	<u>531,500</u>	<u>611,500</u>	<u>564,291</u>	<u>47,209</u>
<b>Total Expenditures</b>	<u>531,500</u>	<u>611,500</u>	<u>564,291</u>	<u>47,209</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(449,838)</u>	<u>(454,838)</u>	<u>(491,432)</u>	<u>(36,594)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	400,000	450,000	480,000	30,000
<b>Total Other Financing Sources (Uses)</b>	<u>400,000</u>	<u>450,000</u>	<u>480,000</u>	<u>30,000</u>
<b>Net Change in Fund Balance</b>	(49,838)	(4,838)	(11,432)	(6,594)
Fund Balance - Beginning	51,066	51,066	51,066	-
Fund Balance - Ending	<u>\$ 1,228</u>	<u>\$ 46,228</u>	<u>\$ 39,634</u>	<u>\$ (6,594)</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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$ 1,800	\$ 1,800	\$ 1,229	\$ (571)
Fines	-	-	5,773	5,773
<b>Total Revenues</b>	<u>1,800</u>	<u>1,800</u>	<u>7,002</u>	<u>5,202</u>
<b>EXPENDITURES</b>				
Public Safety:	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	1,800	1,800	7,002	5,202
Fund Balance - Beginning	76,810	76,810	76,810	-
Fund Balance - Ending	<u>\$ 78,610</u>	<u>\$ 78,610</u>	<u>\$ 83,812</u>	<u>\$ 5,202</u>

**CITY OF MORaine, 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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$ 1,800	\$ 1,800	\$ 1,854	\$ 54
<b>Total Revenues</b>	<u>1,800</u>	<u>1,800</u>	<u>1,854</u>	<u>54</u>
<b>EXPENDITURES</b>				
Public Safety	-	4,000	3,298	702
<b>Total Expenditures</b>	<u>-</u>	<u>4,000</u>	<u>3,298</u>	<u>702</u>
<b>Net Change in Fund Balance</b>	1,800	(2,200)	(1,444)	756
Fund Balance - Beginning	120,929	120,929	120,929	-
Fund Balance - Ending	<u>\$ 122,729</u>	<u>\$ 118,729</u>	<u>\$ 119,485</u>	<u>\$ 756</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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$ 1,250	\$ 1,250	\$ 657	\$ (593)
<b>Total Revenues</b>	<u>1,250</u>	<u>1,250</u>	<u>657</u>	<u>(593)</u>
<b>EXPENDITURES</b>				
Public Safety	1,000	1,000	-	1,000
<b>Total Expenditures</b>	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<b>Net Change in Fund Balance</b>	250	250	657	407
Fund Balance - Beginning	42,283	42,283	42,283	-
Fund Balance - Ending	<u>\$ 42,533</u>	<u>\$ 42,533</u>	<u>\$ 42,940</u>	<u>\$ 407</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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 195,050	\$ 195,050	\$ 216,135	\$ 21,085
Investment Earnings	6,000	6,000	3,042	(2,958)
Intergovernmental	25,000	25,000	32,009	7,009
Miscellaneous	16,000	16,000	37,935	-
<b>Total Revenues</b>	<u>242,050</u>	<u>242,050</u>	<u>289,121</u>	<u>47,071</u>
<b>EXPENDITURES</b>				
Culture-Recreation				
Civic Center				
Personnel services	240,226	240,226	222,854	17,372
General operating expenses	55,645	55,645	44,533	11,112
Total Civic Center	<u>295,871</u>	<u>295,871</u>	<u>267,387</u>	<u>28,484</u>
Parks & Recreation Programs				
General operating expenses	48,847	48,847	34,938	13,909
Total Parks & Recreation Programs	<u>48,847</u>	<u>48,847</u>	<u>34,938</u>	<u>13,909</u>
Recreational Center				
Personnel services	480,283	480,283	440,523	39,760
General operating expenses	182,023	182,023	159,795	22,228
Total Recreational Center	<u>662,306</u>	<u>662,306</u>	<u>600,318</u>	<u>61,988</u>
Total Culture-Recreation	<u>1,007,024</u>	<u>1,007,024</u>	<u>902,643</u>	<u>104,381</u>
<b>Total Expenditures</b>	<u>1,007,024</u>	<u>1,007,024</u>	<u>902,643</u>	<u>104,381</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(764,974)</u>	<u>(764,974)</u>	<u>(613,522)</u>	<u>151,452</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	500,000	500,000	515,000	15,000
<b>Total Other Financing Sources (Uses)</b>	<u>500,000</u>	<u>500,000</u>	<u>515,000</u>	<u>15,000</u>
<b>Net Change in Fund Balance</b>	(264,974)	(264,974)	(98,522)	166,452
Fund Balance - Beginning	278,891	278,891	278,891	-
Encumbrances	33,046	33,046	33,046	-
Fund Balance - Ending	<u>\$ 46,963</u>	<u>\$ 46,963</u>	<u>\$ 213,415</u>	<u>\$ 166,452</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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$ 3,700	\$ 3,700	\$ 2,397	\$ (1,303)
<b>Total Revenues</b>	<u>3,700</u>	<u>3,700</u>	<u>2,397</u>	<u>(1,303)</u>
<b>EXPENDITURES</b>				
Debt Service	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	3,700	3,700	2,397	(1,303)
Fund Balance - Beginning	154,302	154,302	154,302	-
Fund Balance - Ending	<u>\$ 158,002</u>	<u>\$ 158,002</u>	<u>\$ 156,699</u>	<u>\$ (1,303)</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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 1,449,350	\$ 1,449,350	\$ 451,178	\$ (998,172)
Miscellaneous	10,000	10,000	9,325	(675)
<b>Total Revenues</b>	<u>1,459,350</u>	<u>1,459,350</u>	<u>460,503</u>	<u>(998,847)</u>
<b>EXPENDITURES</b>				
Capital Outlays:				
General Government	163,328	163,328	156,780	6,548
Public Safety	47,898	47,898	35,703	12,195
Highways and Streets	1,864,000	1,885,100	1,864,249	20,851
Debt Service:				
Principal	259,402	259,402	259,398	4
Interest	53,566	53,566	39,061	14,505
<b>Total Expenditures</b>	<u>2,388,194</u>	<u>2,409,294</u>	<u>2,355,191</u>	<u>54,103</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(928,844)</u>	<u>(949,944)</u>	<u>(1,894,688)</u>	<u>(944,744)</u>
<b>OTHER FINANCING SOURCES</b>				
Loan Proceeds	975,000	975,000	215,626	(759,374)
<b>Total Other Financing Sources</b>	<u>975,000</u>	<u>975,000</u>	<u>215,626</u>	<u>(759,374)</u>
<b>Net Change in Fund Balance</b>	46,156	25,056	(1,679,062)	(1,704,118)
Fund Balance - Beginning	2,952,593	2,952,593	2,952,593	-
Encumbrances	1,974,280	1,974,280	1,974,280	-
Fund Balance - Ending	<u>\$ 4,973,029</u>	<u>\$ 4,951,929</u>	<u>\$ 3,247,811</u>	<u>\$ (1,704,118)</u>

**CITY OF MORAINE, OHIO**  
Combining Statement of Fund Net Position  
Internal Service Funds  
December 31, 2013

	<u>City Garage</u>	<u>Insurance Reserve</u>	<u>Health Insurance</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 283,373	\$ 1,488,917	\$ 623,422	\$ 2,395,712
Inventories	206,204	-	-	206,204
<b>Total Current Assets</b>	<u>489,577</u>	<u>1,488,917</u>	<u>623,422</u>	<u>2,601,916</u>
<b>Total Assets</b>	<u>489,577</u>	<u>1,488,917</u>	<u>623,422</u>	<u>2,601,916</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	560	2,968	-	3,528
Salaries and Benefits Payable	14,404	-	-	14,404
Compensated Absences Payable	9,247	-	-	9,247
Insurance Claims Payable	-	-	109,650	109,650
<b>Total Current Liabilities</b>	<u>24,211</u>	<u>-</u>	<u>109,650</u>	<u>136,829</u>
<b>LONG-TERM LIABILITIES</b>				
Compensated Absences Payable	46,270	-	-	46,270
<b>Total Liabilities</b>	<u>70,481</u>	<u>2,968</u>	<u>109,650</u>	<u>183,099</u>
<b>NET POSITION</b>				
Unrestricted	419,096	1,485,949	513,772	2,418,817
<b>Total Net Position</b>	<u>\$ 419,096</u>	<u>\$ 1,485,949</u>	<u>\$ 513,772</u>	<u>\$ 2,418,817</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, 2013

	City Garage	Insurance Reserve	Health Insurance	Total Internal Service Funds
<b>Operating Revenues</b>				
Charges for Services	\$ 550,276	\$ -	\$ 1,885,017	\$ 2,435,293
Miscellaneous	1,359	1,790	-	3,149
<b>Total Operating Revenues</b>	<u>551,635</u>	<u>1,790</u>	<u>1,885,017</u>	<u>2,438,442</u>
<b>Operating Expenses</b>				
Personal Services	271,484	-	-	271,484
Contractual Services	14,352	17,912	265,870	298,134
Supplies and Materials	170,666	-	-	170,666
Claims and Judgements	-	6,762	1,441,049	1,447,811
<b>Total Operating Expenses</b>	<u>456,502</u>	<u>24,674</u>	<u>1,706,919</u>	<u>2,188,095</u>
<b>Operating Income (Loss)</b>	<u>95,133</u>	<u>(22,884)</u>	<u>178,098</u>	<u>250,347</u>
<b>Non-operating Revenues</b>				
Investment Earnings	-	19,754	123	19,877
<b>Total Non-operating Revenues</b>	<u>-</u>	<u>19,754</u>	<u>123</u>	<u>19,877</u>
<b>Change in Net Position</b>	95,133	(3,130)	178,221	270,224
Total Net Position - Beginning	323,963	1,489,079	335,551	2,148,593
Total Net Position - Ending	<u>\$ 419,096</u>	<u>\$ 1,485,949</u>	<u>\$ 513,772</u>	<u>\$ 2,418,817</u>

**CITY OF MORAIN, OHIO**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2013

	City Garage	Insurance Reserve	Health Insurance	Total Internal Service Funds
<b>Cash Flows From Operating Activities</b>				
Cash received for inter fund services	\$ 550,276	\$ -	\$ 1,885,017	\$ 2,435,293
Miscellaneous	1,359	1,790	-	3,149
Cash paid to suppliers for goods or services/claims paid	(292,316)	(22,847)	(1,649,071)	(1,964,234)
Cash paid to employees for services	(259,319)	-	-	(259,319)
Net cash from operating activities	<u>-</u>	<u>(21,057)</u>	<u>235,946</u>	<u>214,889</u>
<b>Cash Flows From Investing Activities</b>				
Investment earnings	-	19,754	123	19,877
Net cash from investing activities	<u>-</u>	<u>19,754</u>	<u>123</u>	<u>19,877</u>
<b>Net Change</b>	-	(1,303)	236,069	234,766
<b>Equity in Pooled Cash and Investments Beginning of Year</b>	283,373	1,490,220	387,353	2,160,946
<b>Equity in Pooled Cash and Investments End of Year</b>	<u>\$ 283,373</u>	<u>\$ 1,488,917</u>	<u>\$ 623,422</u>	<u>\$ 2,395,712</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>				
<b>From Operating Activities</b>				
Operating income (loss)	\$ 95,133	\$ (22,884)	\$ 178,098	\$ 250,347
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Increase in inventories	(79,483)	-	-	(79,483)
Increase (decrease) in accounts payable	(27,825)	1,827	-	(25,998)
(Decrease) in salaries and benefits payable	(1,778)	-	-	(1,778)
Increase in compensated absences payable	13,953	-	-	13,953
Increase in insurance claims payable	-	-	57,848	57,848
Net cash provided (used) by operating activities	<u>\$ -</u>	<u>\$ (21,057)</u>	<u>\$ 235,946</u>	<u>\$ 214,889</u>

**CITY OF MORAIN, OHIO**  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2013

	Balance December 31, 2012	Additions	Deductions	Balance December 31, 2013
<b>Miscellaneous Agency Fund</b>				
Assets				
Equity in Pooled Cash and Investments	\$ 44,546	\$ 5,923	\$ (4,860)	\$ 45,609
Total Assets	<u>44,546</u>	<u>5,923</u>	<u>(4,860)</u>	<u>45,609</u>
Liabilities				
Deposits	44,546	5,923	(4,860)	45,609
Total Liabilities	<u>44,546</u>	<u>5,923</u>	<u>(4,860)</u>	<u>45,609</u>
<b>Mayor's Court</b>				
Assets				
Cash in Segregated Accounts	21,199	299,220	(293,478)	26,941
Total Assets	<u>21,199</u>	<u>299,220</u>	<u>(293,478)</u>	<u>26,941</u>
Liabilities				
Due to Other Governments	18,516	245,352	(243,198)	20,670
Deposits	1,128	22,625	(21,118)	2,635
Escrow Bonds	1,555	31,243	(29,162)	3,636
Total Liabilities	<u>21,199</u>	<u>299,220</u>	<u>(293,478)</u>	<u>26,941</u>
<b>Totals - All Agency Funds</b>				
Assets				
Equity in Pooled Cash and Investments	44,546	5,923	(4,860)	45,609
Cash in Segregated Accounts	21,199	299,220	(293,478)	26,941
Total Assets	<u>65,745</u>	<u>305,143</u>	<u>(298,338)</u>	<u>72,550</u>
Liabilities				
Deposits	45,674	28,548	(25,978)	48,244
Due to Other Governments	18,516	245,352	(243,198)	20,670
Escrow Bonds	1,555	31,243	(29,162)	3,636
Total Liabilities	<u>\$ 65,745</u>	<u>\$ 305,143</u>	<u>\$ (298,338)</u>	<u>\$ 72,550</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 provided 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>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>	<u>2013</u>
Governmental activities										
Net Investment in Capital Assets	\$ 16,173	\$ 23,959	\$ 23,020	\$ 26,274	\$ 27,966	\$ 30,033	\$ 29,438	\$ 29,263	\$ 27,607	\$ 26,822
Restricted for:										
Debt service	141	121	124	131	138	147	0	0	131	136
Special revenue	1,094	764	1,976	2,188	1,765	1,999	2,382	1,947	1,498	1,580
Capital projects	6,026	3,491	4,054	3,756	3,048	2,848	3,464	4,475	4,924	4,240
Unrestricted	14,454	15,701	17,862	17,780	15,422	13,129	8,942	5,018	1,840	2,866
Total government activities net position	<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>	<u>35,644</u>
Business-type activities										
Unrestricted	456	460	475	500	529	563	581	594	598	605
Total business-type activities net position	<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>	<u>605</u>
Primary government										
Net Investment in Capital Assets	16,173	23,959	23,020	26,274	27,966	30,033	29,438	29,263	27,607	26,822
Restricted	7,261	4,376	6,154	6,075	4,951	4,994	5,846	6,422	6,553	5,956
Unrestricted	14,910	16,161	18,337	18,280	15,951	13,692	9,523	5,612	2,438	3,471
Total primary government net position	<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>	<u>\$ 36,249</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>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>	<u>2013</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,658	\$ 4,845	\$ 4,953	\$ 5,112	\$ 5,230	\$ 4,523	\$ 4,079	\$ 3,277	\$ 3,663	\$ 3,356
Public safety	8,836	9,521	9,460	9,513	9,689	9,456	8,731	8,852	8,147	8,426
Highways and streets	2,956	3,391	3,345	3,761	2,790	879	3,658	3,638	3,415	3,233
Sanitation	266	256	305	339	347	419	346	284	308	326
Culture and recreation	2,892	3,188	2,882	2,745	2,935	2,312	1,249	1,113	1,109	1,093
Economic development	316	541	998	283	677	935	326	1,005	479	252
Health and welfare	163	159	133	144	95	93	83	86	213	36
Interest and fiscal charges	4	2	165	268	321	221	265	302	294	250
Total governmental activities expenses	20,091	21,903	22,241	22,165	22,084	18,838	18,737	18,557	17,628	16,972
Total primary government expenses	20,091	21,903	22,241	22,165	22,084	18,838	18,737	18,557	17,628	16,972
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	299	263	328	285	248	452	410	650	477	444
Public safety	5	9	18	46	39	31	372	612	429	354
Highways and streets	-	41	-	33	1	194	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	6	3
Culture and recreation	721	868	790	813	794	723	-	-	207	215
Health and welfare	87	112	71	39	58	56	-	-	-	-
Operating grants and contributions	607	247	233	382	286	200	351	72	451	600
Capital grants and contributions	234	449	1,487	809	337	784	1,044	1,950	382	757
Total governmental activities program revenues	1,953	1,989	2,927	2,407	1,763	2,440	2,177	3,284	1,952	2,373
Business-type activities:										
Loan program charges for services	3	2	1	1	1	-	-	-	-	-
Investment earnings	7	3	13	24	28	33	18	14	3	8
Total business-type activities program revenues	10	5	14	25	29	33	18	14	3	8
Total primary government program revenues	1,963	1,994	2,941	2,432	1,792	2,473	2,195	3,298	1,955	2,381

**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									
	2004	2005	2006	2007	2008	2009	2010(1)	2011(1)	2012	2013
<b>Net (Expense)/Revenue</b>										
Governmental activities	(18,138)	(19,914)	(19,314)	(19,758)	(20,321)	(16,398)	(16,560)	(15,281)	(15,676)	(14,599)
Business-type activities	10	5	14	25	29	33	18	-	3	8
Total primary government net expense	<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>	<u>(14,591)</u>
<b>General Revenues</b>										
Taxes										
Income tax	14,509	18,712	19,867	19,618	15,333	11,817	9,853	9,542	10,046	12,786
Property taxes, levied for										
Property taxes, levied for										
General purposes	446	512	545	619	567	345	388	421	350	380
Police pensions	93	85	81	70	65	64	90	89	70	61
Fire pensions	93	85	81	70	65	64	90	89	70	61
Other taxes	92	98	103	82	66	11	18	50	24	18
Payments in lieu of taxes	-	-	-	-	-	-	41	43	33	95
Shared revenues	830	774	775	871	1,078	713	719	657	223	279
Intergovernmental	-	-	-	-	-	260	444	92	-	-
Special assessments	16	-	-	-	-	-	-	-	-	-
Rents and royalties	65	35	-	-	-	-	-	-	-	-
Miscellaneous	127	261	232	233	105	1,967	577	530	126	429
Investment earnings	352	188	494	1,221	1,255	961	410	237	31	133
Gain on the sale of capital assets	25	29	137	67	(2)	13	-	-	-	-
	<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>	<u>14,242</u>
<b>Change in Net Position</b>										
Governmental activities	(1,490)	865	3,001	3,093	(1,789)	(183)	(3,930)	(3,531)	(4,703)	(357)
Business-type activities	10	5	14	25	29	33	18	14	3	8
Total primary government	<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>	<u>\$ (349)</u>

**Note:**

(1) - restated for implementation of GASB 65

TABLE 3

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

	Fiscal Year									
	<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>	<u>2013</u>
General Fund										
Reserved	\$ 316	\$ 428	\$ 375	\$ 393	\$ 1,321	\$ 1,230	\$ 1,120			
Unreserved	11,959	14,749	17,139	16,495	13,045	11,551	7,608			
Nonspendable								88	\$ 88	\$ 935
Assigned								694	1,720	866
Unassigned								5,283	978	1,132
Total general fund	12,275	15,177	17,514	16,888	14,366	12,781	8,728	6,065	2,786	2,933
All Other Governmental Funds										
Reserved	915	1,650	2,832	1,825	2,418	6,465	2,725			
Unreserved, reported in:										
Special revenue funds	1,330	764	1,976	2,188	(3,268)	(4,022)	2,016			
Capital projects fund	6,026	2,419	2,103	2,620	1,435	2,642	1,128			
Debt service fund	141	121	125	131	138	147	150			
Nonspendable								1,928	1,156	44
Restricted								2,020	2,397	3,379
Committed								4,249	5,019	4,089
Unassigned								(210)	(506)	(241)
Total all other governmental funds	\$ 8,412	\$ 4,954	\$ 7,036	\$ 6,764	\$ 723	\$ 5,232	\$ 6,019	\$ 7,987	\$ 8,066	\$ 7,271



**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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>REVENUES</b>										
Income Taxes	\$ 14,614	\$ 19,129	\$ 20,328	\$ 19,244	\$ 15,382	\$ 11,657	\$ 9,760	\$ 9,699	\$ 10,029	\$ 12,141
Property Taxes	632	682	723	772	697	474	526	596	479	514
Other Taxes	92	98	86	69	66	11	2	50	24	18
Payment in lieu of taxes	-	-	-	-	-	-	41	43	33	95
Shared Revenues	973	875	929	1,022	1,270	852	708	656	725	724
Special Assessments	16	-	-	-	-	-	-	-	-	-
License and Permits	61	97	35	98	41	232	15	11	106	129
Charges for Services	757	945	855	842	866	948	575	782	535	627
Fines	286	251	279	240	214	257	75	343	266	227
Investment Earnings	352	188	494	1,221	1,255	960	410	237	31	133
Contributions and Donations	2	3	26	32	22	9	23	-	-	-
Rents and Royalties	65	35	38	36	19	18	20	12	-	-
Intergovernmental	701	557	1,561	1,024	451	1,107	1,565	2,219	492	751
Miscellaneous	136	261	232	233	105	1,966	509	500	198	340
Total Revenues	<u>18,687</u>	<u>23,121</u>	<u>25,586</u>	<u>24,833</u>	<u>20,388</u>	<u>18,491</u>	<u>14,229</u>	<u>15,148</u>	<u>12,918</u>	<u>15,699</u>
<b>EXPENDITURES</b>										
Current:										
General government	4,148	4,322	4,565	4,859	4,893	4,290	3,868	3,154	3,314	2,978
Public Safety	8,081	8,610	9,064	9,509	9,092	8,860	8,311	8,433	7,784	8,144
Highways & Streets	2,077	2,238	2,748	2,399	2,559	2,371	2,319	2,637	2,251	2,121
Sanitation	266	256	305	340	347	419	346	284	308	326
Economic Development	284	400	511	3,132	639	944	299	990	473	302
Health and Welfare	162	159	133	133	85	86	76	79	206	28
Culture and Recreation	2,601	2,706	2,389	2,593	2,567	2,108	1,000	886	870	906
Capital Improvements	5,634	3,882	2,144	2,645	4,315	1,890	1,712	1,688	381	1,542
Debt Service:										
Principal	837	4,691	4,249	169	5,068	161	5,475	205	232	269
Interest & Fiscal Charges	3	121	165	205	301	227	248	307	300	255
Total Expenditures	<u>24,093</u>	<u>27,385</u>	<u>26,273</u>	<u>25,984</u>	<u>29,866</u>	<u>21,356</u>	<u>23,654</u>	<u>18,663</u>	<u>16,119</u>	<u>16,871</u>
Excess (deficiency) of revenues over expenditures	(5,406)	(4,264)	(687)	(1,151)	(9,478)	(2,865)	(9,425)	(3,515)	(3,201)	(1,172)
<b>OTHER FINANCIAL SOURCES (USES)</b>										
General long-term debt issued	5,550	3,700	5,000		5,125	5,300	5,805	-	-	216
Transfers In	3,300	3,699	4,462	6,025	(5,125)	3,150	2,805	2,100	2,000	2,235
Transfers Out	(3,450)	(3,699)	(4,462)	(6,025)	(5,125)	(3,150)	(2,805)	(2,200)	(2,000)	(2,235)
Proceeds from capital leases			80		693	450	94	-	-	-
Proceeds from the sale of assets	31	29	146	253	220	41	260	18	-	308
Total Other Financing Sources (Uses)	<u>5,431</u>	<u>3,729</u>	<u>5,226</u>	<u>253</u>	<u>913</u>	<u>5,791</u>	<u>6,159</u>	<u>(82)</u>	<u>-</u>	<u>524</u>
Net Change in Fund Balance	<u>\$ 25</u>	<u>\$ (535)</u>	<u>\$ 4,539</u>	<u>\$ (898)</u>	<u>\$ (8,565)</u>	<u>\$ 2,926</u>	<u>\$ (3,266)</u>	<u>\$ (3,597)</u>	<u>\$ (3,201)</u>	<u>\$ (648)</u>
Debt service as a percentage of noncapital expenditures	4.67%	19.95%	17.82%	1.77%	21.14%	2.28%	25.09%	3.02%	3.35%	3.34%

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

TABLE 5

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Fiscal Year	Municipal Income Taxes	Property and Other Local Taxes	State Shared Taxes and Permits	Total
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
2013	12,786,187	614,151	279,426	13,679,764

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>
2004	\$ 14,614,100
2005	19,128,239 <sup>(2)</sup>
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
2013	12,141,049

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>2004</u>		<u>2013 Rank</u>	<u>2013</u>	
<u>Rank</u>	<u>Name</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	A T & T Resources	-	4	Berry 1 Company
5	Dayton Power and Light	2	5	Lastar Inc
6	Elder Beerman	-	6	Compunet Clinical Laboratories
7	Renolds and Reynolds	-	7	BWI North America
8	City of Moraine	9	8	Heidelberg Distributing
9	Compunet Clinical Laboratories	6	9	City of Moraine
10	Walmart	-	10	Berry Network

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 MORAINE, 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>
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
2013	1,451,150	49,545,830	53,776,430	33,006,830	137,780,240	2.50	393,657,829	0.35

Source: Montgomery County Auditor's Office

CITY OF MORAINE, OHIO

TABLE 8

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>MUNICIPAL UNITS:</b>										
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	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
<b>COUNTY UNITS:</b>										
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	7.21	7.21	7.21	7.21	7.21	7.21
Human Services Levy B	6.03	6.03	6.03	6.03	6.03	6.03	6.03	6.03	6.03	6.03
Total County Rates	13.94	13.94	13.94	13.94	15.94	15.94	15.94	15.94	15.94	15.94
<b>OTHER UNITS:</b>										
Montgomery County Community College	2.5	2.5	2.5	2.5	2.5	3.2	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	1.25	1.25	1.25	1.25	1.25	1.75	1.75	1.75	1.75	3.31
<b>SCHOOL DISTRICT:</b>										
Kettering / Moraine Community	67.8	67.8	67.8	67.8	71.3	73.1	78	78	78	78
West Carrollton Community	65.55	65.55	65.55	65.55	72.05	72.05	72.05	72.05	72.05	72.05
Jefferson Local School	61.9	61.9	61.9	61.9	61.9	66.9	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 MORAINE, OHIO**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

TABLE 9

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Calendar Year 2013</u>		
		<u>Taxable Valuation</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Valuation</u>
Dayton Power & Light Company	Gas and Electric Utility	79,662,590	1	36.05%
Vectren Energy	Utility	6,819,950	2	3.09%
Dovetree Apartments	Real Estate	3,397,120	3	1.54%
Walmart Stores	Retail Sales	3,279,060	4	1.48%
3601 Dryden LLC	Retail Sales	2,485,220	5	1.12%
Berry L M Services Inc	Publisher & Marketing	2,142,750	6	0.97%
IRG Moraine LLC	Real Estate/Development	2,107,640	7	0.95%
Dryden Service Center Dayton LLC	Real Estate	1,835,030	8	0.83%
PDQ Bell Plaza LLC	Retail Sales	1,603,710	9	0.73%
Woodbine Partners LTD	Retail Sales	1,748,930	10	0.79%
	Subtotal	<u>105,082,000</u>		<u>47.55%</u>
	All Others	<u>115,925,480</u>		<u>52.45%</u>
	Total	<u><u>\$ 221,007,480</u></u>		<u><u>100.00%</u></u>

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Calendar Year 2004</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	\$37,869,810	1	14.53%
General Motors Corporation	Automotive Manufacturer	15,479,130	2	5.94%
Vectren Energy	Utility	4,984,330	3	1.91%
Kettering Dayton Operations	Automotive Parts	3,854,660	4	1.48%
IRG Moraine LLC	Real Estate/Development	3,478,130	5	
Cooper Tire Company	Tires	2,790,930	6	1.07%
L M Berry Services	Publisher & Marketing	2,155,750	7	0.83%
Barbara Benz Trust	Automotive Parts Plant	1,773,680	8	0.68%
Ohio Bell Telephone Company	Telephone Utility	1,132,300	9	0.43%
Nursing Home Purchasing, Inc.	Health Care	1,488,190	10	0.57%
	Subtotal	<u>75,006,910</u>		<u>28.78%</u>
	All Others	<u>185,617,037</u>		<u>71.22%</u>
	Total	<u><u>\$ 260,623,947</u></u>		<u><u>100.00%</u></u>

Source: Montgomery County Auditor's Office

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

TABLE 10

<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>
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% <sup>(1)</sup>	108% <sup>(1)</sup>	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% <sup>(1)</sup>	104% <sup>(1)</sup>	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%
2012/2013	2013	546,775	531,633	97%	5,424	537,057	98%	98%	26,503	5%

Source: Montgomery County Auditor's Office

(1) The County does not identify delinquent collections by the year for which the tax was levied. The City continues to work in conjunction with the County to resolve this issue, however, the information needed will not likely be available until a new computer system is implemented at the County. The cost of such a system currently makes this option impractical.

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 (1)	Capital Leases	Total Primary Government	Personal Income (2) <small>(thousands of dollars)</small>	Percentage Personal Income	Total Debt Per Capita (2)
	\$	\$	\$	\$	\$	\$	%	\$
2004	35,000	-	-	228,421	263,421	116,421,360	0.23%	38.19
2005	20,000	-	-	127,507	147,507	116,421,360	0.13%	21.39
2006	-	2,700,000	-	26,594	2,726,594	116,421,360	2.34%	395.33
2007	-	5,000,000	-	-	5,000,000	116,421,360	4.29%	724.95
2008	-	5,300,000	-	693,399	5,993,399	110,327,680	5.43%	916.98
2009	-	5,300,000	-	560,008	5,860,008	110,327,680	5.31%	896.57
2010	-	591,160	5,895,963	424,020	6,911,143	106,462,435	6.49%	1,095.79
2011	-	554,805	5,862,173	285,385	6,702,363	106,462,435	6.30%	1,062.69
2012	-	504,595	5,818,383	144,060	6,467,038	106,462,435	6.07%	1,025.37
2013	-	644,905	5,764,593	-	6,409,498	106,462,435	6.02%	1,016.25

(1) Bond amounts include unamortized premiums

(2) See Table 14 for demographic data



**CITY OF MORaine, OHIO**  
**Computation of Direct and Overlapping Debt**  
**December 31, 2013**

Jurisdiction	Net Outstanding Debt	Percentage Applicable to City (1)	Amount Applicable to City of Moraine, Ohio
<i><b>DIRECT DEBT</b></i>			
CITY OF MORaine	\$ 6,409,501	100.00%	\$ 6,409,501
<i><b>OVERLAPPING</b></i>			
MONTGOMERY COUNTY	48,340,049	4.12%	1,991,610
DAYTON METRO LIBRARY	179,650,000	4.12%	7,401,580
WEST CARROLLTON CITY SCHOOL DISTRICT	1,680,000	57.85%	971,880
KETTERING CITY SCHOOL DISTRICT	90,714,795	17.33%	15,720,874
<i><b>TOTAL OVERLAPPING DEBT</b></i>	320,384,844		26,085,944
TOTAL	\$ 326,794,345		\$ 32,495,445

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$27,366	\$29,105	\$26,669	\$24,936	\$23,370	\$21,885	\$16,270	\$15,266	\$14,341	\$14,341
Legal Debt Margin	<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>	<u>8,939</u>
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	5,805	5,775	5,735	5,685

**Legal Debt Margin Calculation for Fiscal Year 2013**

Total Assessed Value	137,780
Debt limit (10.5% of total assessed value)	14,467
Debt applicable to limit:	
General Obligation Bonds	5,685
Less: Amount reserved for repayment of general obligation debt	(157)
Total net debt applicable to limit	<u>5,528</u>
Legal debt margin	<u>\$8,939</u>

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

TABLE 14

<b>Calendar Year</b>	<b>(1) Population</b>	<b>(1) Personal Income</b> <small>(thousands of dollars)</small>	<b>(1) Per Capita Personal Income</b>	<b>(1) Median Age</b>	<b>(2) Unemployment Rate</b>
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%
2013	6,307	106,462	16,880	37.0	7.1%

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>2013</u>	<u>2004</u>	
	<b>Number of</b>		<b>Number of</b>
Dmax Ltd.	522	1	5,564
Dayton Power and Light	470	2	1,632
Walmart	384	3	1,292
Heidelberg Distributing	367	4	675
Berry 1 Company	341	5	618
Compunet Labs	336	6	509
Provider Services	206	7	484
Win Wholesale	201	8	385
South Community	198	9	365
Lastart	194	10	341
			1
			2
			3
			4
			5
			6
			7
			8
			9
			10

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>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>	<u>2013</u>
General government										
Clerk of Council	2	4	1	1	1	1	1	1	1	1
City Manager	8	6	8	8	8	8	7	7	6	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	7	8	8	8	7	6	6	6	6
Public Buildings	26	22	21	23	22	21	21	12 (1)	5	6
Public Safety										
Police	44	44	64	48	48	45	44	49	38	37
Fire	47	49	50	52	51	46	45	36	32	33
Other										
Highways and Streets	18	18	18	18	19	18	18	26 (1)	15	16
Community Development	7	6	6	6	6	6	6	5	3	3
Recreation and Culture	63	61	58	57	54	42	39	22	19	18
Garage	4	4	4	4	4	4	4	4	3	3
<b>Total</b>	<b>230</b>	<b>223</b>	<b>240</b>	<b>227</b>	<b>223</b>	<b>200</b>	<b>193</b>	<b>170</b>	<b>130</b>	<b>131</b>

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Police</b>										
Warrants served	975	1,653	1,594	1,345	1,347	N/A	1,128	1,266	905	822
Felony arrests	236	249	N/A	N/A	120	N/A	92	131	177	157
Arrests made	907	1,184	1,593	1,292	1,198	N/A	1,702	778	1,753	1,535
Traffic citations issued	3,645	3,323	3,314	2,808	2,398	N/A	1,568	3,205	2,653	1,944
Miles Patrolled	N/A	426,785	364,544	375,637	294,281	N/A	237,841	272,940	260,804	253,927
<b>Fire</b>										
Fire calls	209	115	117	118	133	100	112	92	566	637
EMS calls	1,764	1,875	1,769	1,708	1,755	1,357	1,567	1,619	1,689	1,565
Fire Inspections	1,314	950	955	929	909	976	961	1,043	1,012	1,032
Child Safety Seat Inspections	129	75	59	51	48	60	31	20	25	25
<b>Highways and Streets</b>										
Gallons of street paint used	1,830	10,080	1,880	1,880	1,456	1,750	1,040	865	1,353	1,045
Tons of snow melting salt used	1,071	451	797	797	1,000	1,200	1,200	953	338	332
<b>Community Development</b>										
Building Inspections	476	344	360	236	245	328	177	481	787	965
Residential Building Permits Issued	84	49	57	84	74	65	75	103	196	208
Commercial Building Permits Issued	175	138	126	105	96	108	95	105	174	199
<b>Culture and Recreation</b>										
Payne Recreation Center Attendance	150,000	110,000	100,000	90,605	89,590	82,467	138,939	175,000	136,512	141,620
Splash! Moraine Attendance	61,166	79,718	65,685	64,333	62,703	56,092	- (4)	-	-	-
Civic Center Attendance (estimated)	33,150	29,000	20,000	25,979	43,686	40,992	31,061	55,000	77,935	106,260
Natorium Attendance	26,095	14,732 (3)	-	-	-	-	-	-	-	-
Youth and Day Camps Attendance	1,068	1,454	1,606	1,013	1,098	885	752	824	342	203

(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>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>	<u>2013</u>
Public Safety										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	31	23	28	28	28	28	28	24	22	21
Fire:										
Stations	3	3	3	3	3	3	3	2	2	2
Emergency Response Vehicles	11	10	10	10	10	10	10	12 (1)	12	12
Highways and Streets										
Miles of Streets (Center Line Miles)	275.65	276.65	276.65	276.65	276.65	276.65	276.65	276.65	276.65	276.65
Number of Streetlights (Non-special assessment)	1,315	1,313	1,313	1,313	1,313	1,226	1,226	1,356	1,356	1,356
Culture and Recreation										
Parks	14	14	14	13	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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