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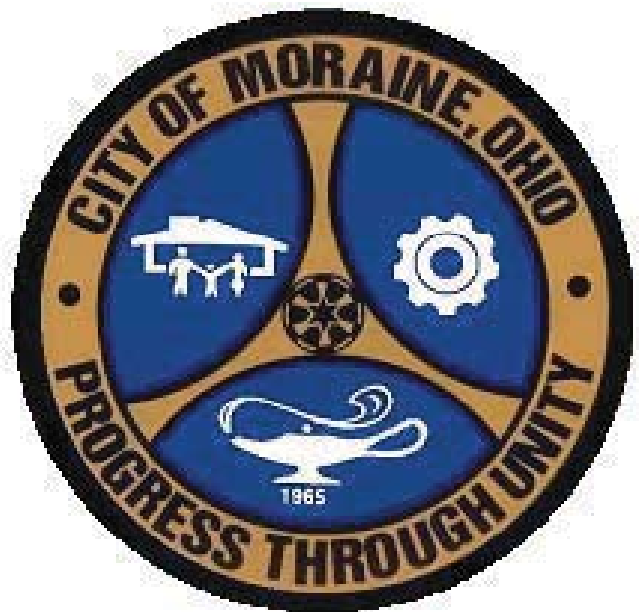
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OHIO



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
YEAR ENDED  
DECEMBER 31, 2015



**CITY OF MORAINÉ, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

**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, 2015

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The seal of the City of Moraine, Ohio, is circular with a blue and gold color scheme. It features a central emblem with a sun, a river, and a bridge, surrounded by the text "CITY OF MORAIN, OHIO" and "PROGRESS THROUGH KNOWLEDGE".

# City of Moraine

Finance Department

June 27, 2016

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, 2015, 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.

The Office of the Auditor of State of Ohio 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 auditors that the financial statements are presented fairly. The opinion letter is included in the Financial Section of this report.

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, 2015 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 approximately 6,300 individuals.

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**

After several years of diligent City development efforts to attract, expand and grow both existing and new businesses, the City saw much of that hard work come to fruition during 2015, where the City experienced aggressive economic growth that will ultimately lead to a more flexible and diverse business base. Significant investment by existing and new companies sent a positive message of momentum for the City and surrounding community. The City's manufacturing sector continued a robust rebound with Fuyao, Harco/SunSong, Dmax and Csafe all making substantial investments. On the Fuyao front, during the latter half of 2015, the City experienced the enthusiasm of Fuyao employees producing their first piece of glass, signaling a new vibrant beginning for a portion of the former GM Moraine assembly plant. Additionally, we saw the beginning efforts of the newly announced Fuyao aftermarket product investment which added over \$130 million and an additional 750 jobs, bringing Fuyao's commitment to the City and the region to 1,550 jobs and nearly \$400 million in investment. By the end of the year, employment at Fuyao reached over 1,000. In respect to Dmax, we learned of a future M&E and the pledge of additional jobs, increasing up to 150 in the coming years.

The City also experienced significant investment from our medical and technical industries. We welcomed Fidelity Health Care in early fall, bringing between 250 and 300 jobs to the recently vacated Berry campus. Fidelity is experiencing continued growth and we hope to work with them

and their owner Premier Health in the coming year. Tyler Technologies continues to prove their value from the City's site attraction efforts just over three years ago, continuing to consolidate and increase investment at their corporate headquarters along the Dryden road corridor. Current renovations planned for 2016 see them allocating space for upwards of 180 to 200 positions. The City also had the pleasure to see its first constructed facility on the vacant pad of the former Delphi site along Dryden Road. R&J Trucking is in the final stages of their 15,000 square foot building which will allow them to add 50 to 70 jobs during 2016. Seeing the facility sends a positive message that the Brownfield site is open and ready for continued development. The effort is a positive sign that resonates with those in the community who recall the closing, and over 10 years of vacancy.

As always, business retention played a key role in the City's continued success. Council's vision and traditional business resources allowed us to retain several businesses, including BWI and Debra-Kuempel, the latter of which expanded into a new facility in 2015. The year also allowed the City to provide recognition to both Fuyao and Tyler by dedicating new street names. Along the east entrance to Fuyao, Council changed Hole Avenue to Fuyao Avenue. Similarly, we changed Miller Valentine Court to Tyler Way to acknowledge the City's appreciation for their commitment and investments.

The City continues to play a vital and positive role on our community's economic base. The Dryden Road and Springboro Pike corridors have been two of the fastest growing revitalization quadrants in the entire Dayton Metropolitan area. The economic momentum of 2015, coinciding with the past couple of years, has fostered an economic resurgence and a diverse job growth in excess of 2,000. The continued investments by Fuyao, Dmax, Tyler, Fidelity, and WinSupply in the coming year will set the stage for further job and economic growth.

### **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.

In May 2014, Voters passed a temporary half percent municipal income tax rate increase which became effective July 1, 2014 through December 31, 2019. The positive impact of the rate increase was seen during 2015, as the first full year of additional income tax revenue. The City's income tax collections for the year were significantly higher than those of the prior few years. For the first time since 2008, the City exceeded \$15 million in annual income tax revenue. Businesses located in the City continue to report encouraging employment numbers, with plans to add to those numbers in the coming years. The City's management continues its financial stewardship philosophy and development of performance tools and management methods for monitoring, maintaining, and/or reducing the budget, ensuring the most efficient use of City funds and that the City 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 Funds 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**

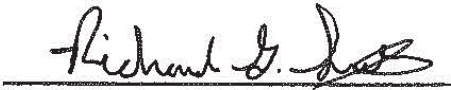
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Moraine for its comprehensive annual financial report for the year ended December 31, 2014. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a 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 29 consecutive years (fiscal years ended 1986-2014). We believe our current report will also conform to the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another Certificate.

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

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

Respectfully submitted,

A handwritten signature in cursive script, reading "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)

Teri Murphy, Council Member (Ward 2)

Shirley Whitt, Council Member (Ward 3)

Jeanette Marcus, Council Member (Ward 4)

## **APPOINTED OFFICIALS**

David Hicks, City Manager

Robert Portune, Law Director

Richard G. Sexton, Finance Director

Diane Werbrich, Clerk of Council



**CITY OF MORAINE, OHIO**

**DEPARTMENT OF FINANCE STAFF**

Richard G. Sexton, Finance Director

Lora L. Perry, Deputy Finance Director

Stephanie L. Violette, Income Tax Administrator

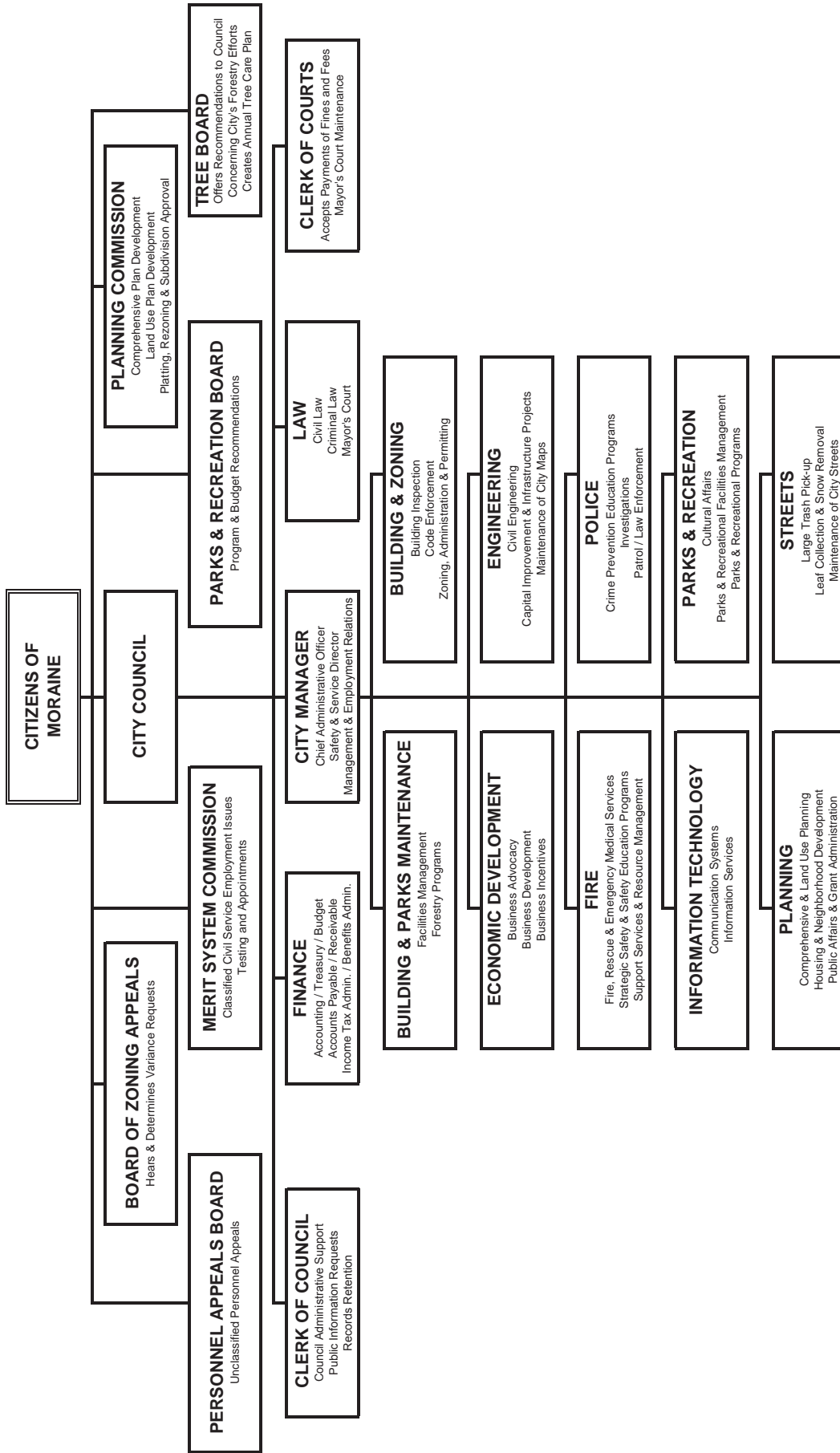
Sherry L. Bosse, Financial Assistant

Paula G. Cox, Financial Assistant

Penny C. Tincher, Financial Assistant

Molly A. Saunders, Finance Clerk

# 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, 2014**

Executive Director/CEO

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## **FINANCIAL SECTION**





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

City of Moraine  
Montgomery County  
4200 Dryden Road  
Moraine, Ohio 45439

To the City Council:

### ***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, Montgomery County, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moraine, Montgomery County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 3 to the financial statements, during the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Additionally, net position / fund balances have been restated as of January 1, 2015 to correct prior year misstatements. We did not modify our opinion regarding these matters.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, *Required budgetary comparison schedules*, and *schedules of net pension liabilities and pension contributions* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

#### *Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 27, 2016

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**CITY OF MORAINE, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
(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, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the 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, 2015 are as follows:

- Total net position increased by \$1.1 million which represents a 4.9% increase from the beginning of 2015. An increase of \$1.1 million was reported in governmental activities and an increase of \$4,528 was reported in business-type activities.
- Total assets of governmental activities at December 31, 2015 increased by \$1.6 million from those reported one year prior due primarily to the increases in equity in pooled cash and investments reported at the end of the year, income taxes receivable, and loans receivable were larger than the decrease in property taxes receivable and capital assets (depreciation expense exceeding current year additions) reported at the end of the year. Total liabilities of the governmental activities increased by \$1.1 million due to the reported increase in net pension liability at year end along with the additional debt issued during the year (OPWC loan and capital lease obligation).
- Overall, the net position of the City's business-type activities increased by \$4,528. The increase was more than the increase reported for 2014 as investment earnings rates increased slightly for 2015 compared with the prior year.
- The \$6.1 million unassigned ending fund balance reported in the General Fund represents 48.3% of the total expenditures, transfers excluded, reported in the General Fund for 2015 compared with 33.4% in the prior year.

### **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 2015?" 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

**CITY OF MORAINE, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
(Unaudited)

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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.

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 local economy, 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** – The City's only business-type activity is 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, Capital Improvement, and Street Construction and Maintenance. 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, 2015**  
(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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by a total of \$24.2 million at December 31, 2015.

Table 1 provides a summary of the City's net position for 2015 compared to 2014.

Table 1  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	Restated		2015	2014	Restated	
	2015	2014			2015	2014
Current and Other Assets	\$ 18,959,819	17,138,002	613,694	609,166	19,573,513	17,747,168
Capital Assets	28,079,510	28,283,092	-	-	28,079,510	28,283,092
Total Assets	47,039,329	45,421,094	613,694	609,166	47,653,023	46,030,260
Deferred Outflows of Resources	1,971,615	1,243,563	-	-	1,971,615	1,243,563
Current and Other Liabilities	1,335,717	1,061,007	-	-	1,335,717	1,061,007
Long-Term Liabilities:						
Net Pension Liability	13,788,700	13,079,516	-	-	13,788,700	13,079,516
Other Amounts	9,483,004	9,310,972	-	-	9,483,004	9,310,972
Total Liabilities	24,607,421	23,451,495	-	-	24,607,421	23,451,495
Deferred Inflows of Resources	827,625	767,960	-	-	827,625	767,960
Net Position:						
Net Investment in						
Capital Assets	24,835,502	25,033,209	-	-	24,835,502	25,033,209
Restricted	4,813,223	5,631,074	-	-	4,813,223	5,631,074
Unrestricted	(6,072,827)	(8,219,081)	613,694	609,166	(5,459,133)	(7,609,915)
Total Net Position	\$ 23,575,898	22,445,202	613,694	609,166	24,189,592	23,054,368

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

**CITY OF MORAIN, OHIO**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(Unaudited)

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

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

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

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

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

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

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from \$34,118,732 to \$22,282,779, with additional restatements leading to opening net position of \$22,445,202 for governmental activities but had no effect on the City's business-type activities.

**CITY OF MORAIN, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
(Unaudited)

As displayed in Table 1, total governmental net position of the City increased by \$1.1 million from 2014 to 2015. Despite the increases in total liabilities, due to increases in net pension liability and compensated absences as well as addition debt obligations for OPWC loans and capital leases, the net position increased as equity in pooled cash and investments reported at the end of the year, income taxes receivable, and loans receivable amounts were in amounts greater than the increase in liabilities. Cash balances increased as the City received additional income taxes due to the additional one-half percent rate approved by voters in May of 2014. Increases in income taxes receivable represent the additional rate and improving economic conditions within the City. Loans receivable increased over the prior year as additional loan amounts awarded for 2015 were greater than those forgiven.

Table 2 shows the changes in the governmental and business-type net position for the year ended December 31, 2015 compared with the prior year.

Table 2  
Changes in Net Position

	Governmental Activities		Business- Type Activities		Total	
	Restated				Restated	
	2015	2014	2015	2014	2015	2014
Program Revenues:						
Charges for services	\$ 1,168,151	911,492	-	-	1,168,151	911,492
Operating grants and contributions	822,724	764,277	-	-	822,724	764,277
Capital grants and contributions	1,809,949	128,226	-	-	1,809,949	128,226
Total Program Revenues	<u>3,800,824</u>	<u>1,803,995</u>	<u>-</u>	<u>-</u>	<u>3,800,824</u>	<u>1,803,995</u>
General Revenues:						
Income taxes	15,767,651	13,136,740	-	-	15,767,651	13,136,740
Property and other taxes	549,466	567,010	-	-	549,466	567,010
Payment in lieu of taxes	247,253	185,332	-	-	247,253	185,332
Shared revenues	178,221	261,322	-	-	178,221	261,322
Investment earnings	80,981	72,544	4,528	3,615	85,509	76,159
Miscellaneous	216,097	259,011	-	-	216,097	259,011
Total General Revenues	<u>17,039,669</u>	<u>14,481,959</u>	<u>4,528</u>	<u>3,615</u>	<u>17,044,197</u>	<u>14,485,574</u>
Total Revenues	<u>20,840,493</u>	<u>16,285,954</u>	<u>4,528</u>	<u>3,615</u>	<u>20,845,021</u>	<u>16,289,569</u>
Expenses:						
General government	3,734,963	3,634,269	-	-	3,734,963	3,634,269
Public Safety	8,900,857	8,014,374	-	-	8,900,857	8,014,374
Highways & Streets	4,643,773	3,611,591	-	-	4,643,773	3,611,591
Sanitation	287,688	303,240	-	-	287,688	303,240
Culture & Recreation	1,386,627	990,537	-	-	1,386,627	990,537
Economic Development	343,303	730,478	-	-	343,303	730,478
Health & Welfare	161,413	116,297	-	-	161,413	116,297
Interest Expense	251,173	247,646	-	-	251,173	247,646
Total Expenses	<u>19,709,797</u>	<u>17,648,432</u>	<u>-</u>	<u>-</u>	<u>19,709,797</u>	<u>17,648,432</u>
Change in net position	1,130,696	(1,362,478)	4,528	3,615	1,135,224	(1,358,863)
Net Position - Beginning	<u>22,445,202</u>	N/A	<u>609,166</u>	<u>605,551</u>	<u>23,054,368</u>	N/A
Net Position - Ending	<u>\$ 23,575,898</u>	<u>22,445,202</u>	<u>613,694</u>	<u>609,166</u>	<u>24,189,592</u>	<u>23,054,368</u>

**CITY OF MORAINE, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
(Unaudited)

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The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, the 2014 functional expenses still include pension expense of \$1,243,563 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the pension plans. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows and outflow of resources. The required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense totaling \$1,381,547. Consequently, in order to compare 2015 total program expenses to those of 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68		\$ 19,709,797
Pension expense under GASB 68		(1,381,547)
2015 contractually required contributions		<u>1,345,078</u>
Adjusted 2015 program expenses		19,673,328
Total 2014 program expenses under GASB 27		<u>17,648,432</u>
Increase in program expenses not related to pension		<u>\$ 2,024,896</u>

Total expenses of the governmental activities reported for 2015 were \$2.1 million (11.7 percent) more than those reported for 2014. When the effects of GASB 68 are eliminated (see table above) the increase in expenses is slightly less at \$2.0 million (11.5 percent). Overall salary increases for employees of 2.0 percent account were reported for all functions that have personnel services recorded. Additional public safety positions were filled in 2015 which were intentionally left vacant in prior years or to prepare for pending retirement of existing personnel. Significant work on the City's roadways took place in 2015 for normal repair and maintenance which did not meet the City's capitalization policy which was somewhat offset by lower fuel costs for the year compared to the prior year. Additional expenses were incurred to address the donated capital assets within the recreation function to get the building into usable condition for the various programs held there. Finally, within the economic development function, the City had expended a significant amount of resources in the prior year to attract a large manufacturing company to choose Moraine as the site for a new operational plant, which ultimately proved to be a successful effort. With these efforts completed, the functional expenses reported for 2015 were more in line with those reported in prior years.

As noted in table 2, the City's municipal income tax revenue reported for 2015 increased \$2.6 million, 20.0 percent, over the revenue amount reported for 2014. This increase resulted from 2015 being the first full year the "voter approved" increase in the income tax rate was in place and collected as well as the overall improvement seen in employment within the City limits. Effective July 1, 2014, the City's income tax rate increased from 2.0 percent to 2.5 percent. Employment within the City continues to improvement. The addition of hundreds of new jobs associated with the opening of the aforementioned manufacturing firm in 2015, as well as the increased or stabilized workforce at other employers, boosted the tax withholdings submitted to the City during the year. Capital grants increased by nearly \$1.7 million for 2015 as the City recorded additional roadway improvement grants related to roadway construction and repaving, as well as a donation of property and buildings which will be used for recreational space and programs. Charges for services reported for 2015 increased over those reported in the prior year as emergency medical services and the recreational programs realized a higher level of revenue for the year.



**CITY OF MORAIN, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
(Unaudited)

*Governmental Activities*

Table 3 shows the expenses of each functional area and the net cost of each functional area financed with general revenue for 2015 and 2014.

Table 3  
Governmental Activities

	Total Cost of Services		Program Revenues		Net Cost of Services	
	Restated				Restated	
	2015	2014	2015	2014	2015	2014
General Government	\$ 3,734,963	\$ 3,634,269	\$ 420,877	\$ 408,128	\$ 3,314,086	\$ 3,226,141
Public Safety	8,900,857	8,014,374	575,129	299,235	8,325,728	7,715,139
Highways and Streets	4,643,773	3,611,591	2,053,646	588,466	2,590,127	3,023,125
Sanitation	287,688	303,240	329	13,863	287,359	289,377
Culture and Recreation	1,386,627	990,537	705,843	243,139	680,784	747,398
Economic Development	343,303	730,478	45,000	251,164	298,303	479,314
All Others	412,586	363,943	-	-	412,586	363,943
	<u>\$ 19,709,797</u>	<u>\$ 17,648,432</u>	<u>\$ 3,800,824</u>	<u>\$ 1,803,995</u>	<u>\$ 15,908,973</u>	<u>\$ 15,844,437</u>

As indicated by Table 3, the City is spending the vast majority (87.7 percent) of its resources on public safety, highways and streets and general government activities. While the operation of the police and fire departments is approximately \$8.9 million, approximately \$575,000 of program revenue is generated to cover department expenses. The remaining \$8.3 million of expenses must be covered by general revenues collected by the City, principally municipal income taxes. General government functions, principally legislation and administration, comprise approximately \$3.7 million of the total governmental expenses. Court costs and fees generated by licenses and permits financed approximately \$421,000 of the general government functional expenses while the remaining \$3.3 million comes from general revenue sources. Operating and capital grants received from the State of Ohio and the federal government provided approximately \$2.1 million of funding for expenses related to highways and streets for 2015.

**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 \$20.4 million and expenditures of \$18.9 million. During 2015, the net change in fund balance of the governmental funds was an increase of approximately \$2.0 million resulting in an ending total fund balance of \$13.5 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.

The City's General Fund realized an increase of approximately \$2.0 million in fund balance during 2015. The General Fund is the primary fund that finances government services to citizens. The increase in fund balance for the year was due to the \$2.3 million increase in income tax revenues over those reported for the prior year. This increase was the result of 2015 being the first full year of collections on the "voter approved" increase in the City's income tax rate from 2.0 percent to 2.5 percent on earned wages. Total expenditures increased in the General Fund over those reported for the prior year by 12.1 percent. Additional public safety positions were filled during 2015 which were left vacant in prior years due to budgetary constraints. Also, during the year employees were given a 2.0 percent pay increase and the cost of healthcare benefits for employees increased as well.

**CITY OF MORAIN, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
(Unaudited)

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At December 31, 2015 the ending unassigned fund balance of the General Fund was \$6.1 million; a 62.0 percent increase from the unassigned fund balance reported at December 31, 2014 and represents 48.3 percent of total General Fund expenditures, excluding transfers, reported for 2015.

The City separately reports two other governmental funds as major funds: the Capital Improvement and the Street Construction and Maintenance funds. The Capital Improvement fund reported a net decrease in fund balance of \$698,180 which was anticipated due to the planned capital purchases anticipated for the year. The City plans to continue utilizing the carryover fund balance as a means to fund capital expenditures into the future. The fund balance at December 31, 2015 is \$3.1 million compared with the \$3.8 million reported one year prior. The Street Construction and Maintenance Fund's increase in fund balance resulted from an increase in the operating transfer from the General Fund for the year. The ending fund balance was \$180,251.

### **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 \$15.3 million and were only modified by \$250 throughout the remainder of the year. Actual revenues for the year totaled \$17.0 million compared with final anticipated revenues being \$15.2 million. The increase in income tax revenues, for the reasons noted above, resulted in actual revenues being \$1.8 million higher than the final revenue estimates made by the City for 2015. On a budgetary basis, actual revenues received during 2015 were 15.6 percent higher than those received in 2014; due almost exclusively to the increase in income tax receipts for 2015.

The expenditures including transfers for the General Fund were estimated at \$15.7 million at the beginning of the year and increased to \$16.0 million at the close of the year. Actual budgetary expenditures for the year were \$926,040 million less than final budgetary estimates due to management's continued efforts to control spending and reduced transfers throughout the year.

Actual ending budgetary fund balance at December 31, 2015 was \$5.3 million compared to the \$2.6 million anticipated in the final 2015 budget.

### **Capital Assets**

At the end of fiscal year 2015, the City had a total of \$64.1 million invested in capital assets less accumulated depreciation of \$36.0 million resulting in a net investment in capital assets of \$28.1 million.

Major capital asset additions for 2015, included recording construction in progress of just over \$1.0 million related to the extension of Northlawn Road; donation of land and building to the City valued at \$154,000 and \$193,390, respectively; \$94,680 of vehicles purchased for the police and fire departments, a backhoe for the streets department costing \$83,241; and other various pieces of equipment costing \$81,308. Depreciation expense for 2015 was \$1.8 million, resulting in the overall decrease in the value of the City's capital assets reported at December 31, 2014.

**CITY OF MORaine, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
(Unaudited)

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Table 4 shows 2015 balances compared to those of 2014:

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

	Governmental Activities	
	Restated	
	<u>2015</u>	<u>2014</u>
Land	\$ 10,967,884	10,813,884
Construction in progress	1,032,733	-
Building and improvements	4,230,974	4,292,362
Machinery and equipment	1,206,317	1,226,394
Infrastructure	<u>10,641,602</u>	<u>11,950,452</u>
Total	<u>\$ 28,079,510</u>	<u>28,283,092</u>

Additional information on the City's capital assets can be found in Note 6 to the basic financial statements.

**Debt Administration**

At December 31, 2015, the City had the following outstanding long-term obligations: \$5,440,000 of general obligation bonds, \$964,476 associated with four Ohio Public Works Commission (OPWC) loans, and \$310,601 of capital lease obligations.

At December 31, 2015, the City's overall legal debt margin was \$9.2 million and the unvoted debt margin was \$2.3 million. See Notes 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, please contact the Finance Director at City of Moraine, Ohio, 4200 Dryden Road, Moraine, Ohio 45439.

**CITY OF MORAIN, OHIO**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2015**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 13,433,421	\$ 612,604	\$ 14,046,025
Cash in Segregated Accounts	127,983	-	127,983
Restricted Asset: Cash on Deposit	310,601	-	310,601
Receivables:			
Income Tax	2,778,951	-	2,778,951
Property Tax	564,695	-	564,695
Payment in Lieu of Taxes	250,000	-	250,000
Accounts	364,935	-	364,935
Intergovernmental	346,456	-	346,456
Loans	472,000	1,090	473,090
Inventories	225,242	-	225,242
Prepays	85,535	-	85,535
Non Depreciable Assets	12,000,617	-	12,000,617
Depreciable Capital Assets, Net of Accumulated Depreciation	16,078,893	-	16,078,893
<b>Total Assets</b>	<b>47,039,329</b>	<b>613,694</b>	<b>47,653,023</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	1,971,615	-	1,971,615
<b>Total Deferred Outflows of Resources</b>	<b>1,971,615</b>	<b>-</b>	<b>1,971,615</b>
<b>LIABILITIES</b>			
Accounts Payable	138,908	-	138,908
Salaries and Benefits Payable	601,665	-	601,665
Accrued Interest Payable	25,741	-	25,741
Insurance Claims Payable	85,338	-	85,338
Long-Term Liabilities:			
Due Within One Year	484,065	-	484,065
Due In More Than One Year:			
Net Pension Liability	13,788,700	-	13,788,700
Other Long-Term Liabilities	9,483,004	-	9,483,004
<b>Total Liabilities</b>	<b>24,607,421</b>	<b>-</b>	<b>24,607,421</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	522,288	-	522,288
Payments in Lieu of Property Taxes	250,000	-	250,000
Pension	55,337	-	55,337
<b>Total Deferred Inflows of Resources</b>	<b>827,625</b>	<b>-</b>	<b>827,625</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	24,835,502	-	24,835,502
Restricted for:			
Capital Projects	2,752,970	-	2,752,970
Streets and Highways	985,996	-	985,996
Debt Service	133,055	-	133,055
Economic Development	523,079	-	523,079
Law Enforcement Programs	272,953	-	272,953
Cemetery Operations	145,170	-	145,170
Unrestricted	(6,072,827)	613,694	(5,459,133)
<b>Total Net Position</b>	<b>\$ 23,575,898</b>	<b>\$ 613,694</b>	<b>\$ 24,189,592</b>

See accompanying notes to the basic financial statements.

**CITY OF MORAIN, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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	\$ 3,734,963	\$ 420,877	\$ -	\$ -	\$ (3,314,086)	\$ -	\$ (3,314,086)
Public Safety	8,900,857	487,657	50,094	37,378	(8,325,728)	-	(8,325,728)
Highways and Streets	4,643,773	-	628,465	1,425,181	(2,590,127)	-	(2,590,127)
Sanitation	287,688	329	-	-	(287,359)	-	(287,359)
Culture and Recreation	1,386,627	259,288	99,165	347,390	(680,784)	-	(680,784)
Economic Development	343,303	-	45,000	-	(298,303)	-	(298,303)
Health and Welfare	161,413	-	-	-	(161,413)	-	(161,413)
Debt Service							
Interest and Fiscal Expense	251,173	-	-	-	(251,173)	-	(251,173)
<b>Total Governmental Activities</b>	<u>19,709,797</u>	<u>1,168,151</u>	<u>822,724</u>	<u>1,809,949</u>	<u>(15,908,973)</u>	<u>-</u>	<u>(15,908,973)</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>\$ 19,709,797</u>	<u>\$ 1,168,151</u>	<u>\$ 822,724</u>	<u>\$ 1,809,949</u>	<u>(15,908,973)</u>	<u>-</u>	<u>(15,908,973)</u>
<b>General Revenues</b>							
Income Tax					15,767,651	-	15,767,651
Property Tax Levied for							
General Purposes					404,179	-	404,179
Police Pensions					64,710	-	64,710
Fire Pensions					64,710	-	64,710
Other Taxes					15,867	-	15,867
Payments in Lieu of Taxes					247,253	-	247,253
Shared Revenues (unrestricted)					178,221	-	178,221
Miscellaneous Receipts					216,097	-	216,097
Investment Earnings					80,981	4,528	85,509
<b>Total General Revenues</b>					<u>17,039,669</u>	<u>4,528</u>	<u>17,044,197</u>
Change in Net Position					1,130,696	4,528	1,135,224
Net Position - Beginning (restated)					22,445,202	609,166	23,054,368
Net Position - Ending					<u>\$ 23,575,898</u>	<u>\$ 613,694</u>	<u>\$ 24,189,592</u>

See accompanying notes to the basic financial statements.

**CITY OF MORAIN, OHIO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2015**

	Major Governmental Funds				Total Governmental Funds
	General Fund	Capital Improvement	Street Construction and Maintenance	Other Governmental Funds	
<b>ASSETS</b>					
Equity in Pooled Cash and Investments	\$ 5,748,369	\$ 2,744,166	\$ 115,786	\$ 2,696,081	\$ 11,304,402
Cash in Segregated Accounts	127,413	570	-	-	127,983
Receivables:					
Income Tax	2,778,951	-	-	-	2,778,951
Property Tax	428,241	-	-	136,454	564,695
Payment in Lieu of Tax	-	-	-	250,000	250,000
Accounts	364,485	-	-	450	364,935
Intergovernmental	104,838	8,234	203,702	29,682	346,456
Loans	-	-	-	472,000	472,000
Inventories	6,363	-	99,174	-	105,537
Prepays	85,535	-	-	-	85,535
Restricted Asset: Cash on Deposit	-	310,601	-	-	310,601
<b>Total Assets</b>	<b>\$ 9,644,195</b>	<b>\$ 3,063,571</b>	<b>\$ 418,662</b>	<b>\$ 3,584,667</b>	<b>\$ 16,711,095</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 109,088	\$ -	\$ 232	\$ 10,223	\$ 119,543
Salaries and Benefits Payable	438,751	-	71,690	78,381	588,822
<b>Total Liabilities</b>	<b>547,839</b>	<b>-</b>	<b>71,922</b>	<b>88,604</b>	<b>708,365</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	396,160	-	-	126,128	522,288
Payments in Lieu of Taxes	-	-	-	250,000	250,000
Unavailable for:					
Income Taxes	1,012,360	-	-	-	1,012,360
Delinquent Property Taxes	32,081	-	-	10,326	42,407
Intergovernmental	61,887	-	166,489	24,738	253,114
Other Sources	379,812	-	-	450	380,262
<b>Total Deferred Inflows of Resources</b>	<b>1,882,300</b>	<b>-</b>	<b>166,489</b>	<b>411,642</b>	<b>2,460,431</b>
<b>FUND BALANCE</b>					
Nonspendable for:					
Materials and Supplies Inventory	6,363	-	99,174	-	105,537
Prepaid Items	85,535	-	-	-	85,535
Long-term Receivable	-	-	-	435,000	435,000
Restricted for:					
Capital Projects	-	310,601	-	-	310,601
Law Enforcement	-	-	-	272,963	272,963
Cemetery Services	-	-	-	144,720	144,720
Debt Service	-	-	-	158,796	158,796
Street Repair and Maintenance	-	-	81,077	963,862	1,044,939
Economic Development	-	-	-	1,029,742	1,029,742
Committed for:					
Capital Projects	-	2,752,970	-	-	2,752,970
Economic Development	-	-	-	88,079	88,079
Assigned for:					
Subsequent Appropriations	486,863	-	-	-	486,863
Unpaid Obligations	330,015	-	-	-	330,015
Recreation Services	212,038	-	-	-	212,038
Unassigned	6,093,242	-	-	(8,741)	6,084,501
<b>Total Fund Balance</b>	<b>7,214,056</b>	<b>3,063,571</b>	<b>180,251</b>	<b>3,084,421</b>	<b>13,542,299</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 9,644,195</b>	<b>\$ 3,063,571</b>	<b>\$ 418,662</b>	<b>\$ 3,584,667</b>	<b>\$ 16,711,095</b>

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, 2015**

Total Governmental Fund Balances		\$ 13,542,299
<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.		28,079,510
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Municipal income taxes	1,012,360	
Property and other taxes	42,407	
Shared revenues and grants	253,114	
Charges for services and other sources	<u>380,262</u>	
Total		1,688,143
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.		1,934,743
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	(25,741)	
Compensated absences payable	(3,100,258)	
General obligations bonds payable	(5,440,000)	
Premium on bonds	(72,013)	
Capital lease obligation	(310,601)	
OPWC loans payable	<u>(964,476)</u>	
Total		(9,913,089)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:		
Deferred outflows - pension	1,940,615	
Net pension liability	(13,643,839)	
Deferred inflows - pension	<u>(52,484)</u>	
Total		<u>(11,755,708)</u>
Governmental Activities' Net Position		<u><u>\$ 23,575,898</u></u>

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, 2015**

	Major Governmental Funds				Total Governmental Funds
	General Fund	Capital Improvement	Street Construction and Maintenance	Other Governmental Funds	
<b>REVENUES</b>					
Taxes:					
Income	\$ 15,721,498	\$ -	\$ -	\$ -	\$ 15,721,498
Property	401,116	-	-	128,258	529,374
Other	15,867	-	-	-	15,867
Payment in Lieu of Taxes	-	-	-	247,253	247,253
Shared Revenues	198,997	128,170	428,189	69,194	824,550
Intergovernmental Grants	93,944	1,507,559	-	-	1,601,503
Licenses and Permits	112,513	-	-	-	112,513
Charges for Services	640,377	-	-	5,350	645,727
Fines	266,421	10,780	-	48,838	326,039
Investment Earnings	58,735	-	877	21,369	80,981
Miscellaneous	257,582	-	2,909	10,390	270,881
<b>Total Revenues</b>	<u>17,767,050</u>	<u>1,646,509</u>	<u>431,975</u>	<u>530,652</u>	<u>20,376,186</u>
<b>EXPENDITURES</b>					
Current:					
General Government	3,259,269	270,054	-	6,999	3,536,322
Public Safety	7,339,621	153,843	-	903,966	8,397,430
Highways and Streets	302,427	1,024,495	1,767,693	103,538	3,198,153
Sanitation	287,688	-	-	-	287,688
Economic Development	198,351	-	-	128,354	326,705
Health and Welfare	162,434	-	-	-	162,434
Culture and Recreation	1,078,216	97,851	-	-	1,176,067
Debt service:					
Principal	-	83,664	-	185,000	268,664
Interest	-	-	-	250,061	250,061
Capital Outlays:					
Public Safety	-	157,775	-	-	157,775
Highways and Streets	-	1,115,974	-	-	1,115,974
Culture and Recreation	-	18,213	-	-	18,213
<b>Total Expenditures</b>	<u>12,628,006</u>	<u>2,921,869</u>	<u>1,767,693</u>	<u>1,577,918</u>	<u>18,895,486</u>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<u>5,139,044</u>	<u>(1,275,360)</u>	<u>(1,335,718)</u>	<u>(1,047,266)</u>	<u>1,480,700</u>
<b>OTHER FINANCING</b>					
<b>SOURCES (USES)</b>					
Transfers In	-	-	1,410,000	1,725,000	3,135,000
Transfers Out	(3,175,000)	-	-	-	(3,175,000)
Issuance of Loan	-	266,579	-	-	266,579
Inception of Capital Lease	-	310,601	-	-	310,601
Proceeds from the Sale of Capital Assets	13,835	-	-	-	13,835
<b>Total Other Financing Sources (Uses)</b>	<u>(3,161,165)</u>	<u>577,180</u>	<u>1,410,000</u>	<u>1,725,000</u>	<u>551,015</u>
<b>Net Change in Fund Balance</b>	1,977,879	(698,180)	74,282	677,734	2,031,715
<b>Fund Balance - Beginning (restated)</b>	5,236,177	3,761,751	105,969	2,406,687	11,510,584
<b>Fund Balance - Ending</b>	<u>\$ 7,214,056</u>	<u>\$ 3,063,571</u>	<u>\$ 180,251</u>	<u>\$ 3,084,421</u>	<u>\$ 13,542,299</u>

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, 2015**

Net Change in Fund Balance - Total Governmental Funds		\$ 2,031,715
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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	1,291,962	
Donation of capital assets	347,390	
Depreciation	<u>(1,842,934)</u>	
Total		(203,582)
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	(266,579)	
Inception of capital lease	(310,601)	
General obligation bond payment	185,000	
Amortization of premium	3,790	
OPWC loan payment	<u>83,664</u>	
Total		(304,726)
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.		(112,541)
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.		103,082
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:		
Increase in accrued interest payable	(4,902)	
Increase in compensated absences payable	<u>(335,080)</u>	
Total		(339,982)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		1,322,743
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		<u>(1,366,013)</u>
Change in Net Position of Governmental Activities		<u>\$ 1,130,696</u>

See accompanying notes to the basic financial statements.

**CITY OF MORAINE, OHIO**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2015**

	<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	\$ 612,604	\$ 2,129,019
Receivables:		
Loans (net of Allowance for uncollectible)	1,090	-
Inventories	-	119,705
<b>Total Assets</b>	<u>613,694</u>	<u>2,248,724</u>
<b>Deferred Outflows of Resources</b>		
Pension	-	31,000
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>31,000</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	-	19,365
Salaries and Benefits Payable	-	12,843
Compensated Absences Payable	-	4,170
Insurance Claims Payable	-	85,338
<b>Total Current Liabilities</b>	<u>-</u>	<u>121,716</u>
<b>Long-Term Liabilities</b>		
Compensated Absences Payable	-	75,551
Net Pension Liability	-	144,861
<b>Total Long-Term Liabilities</b>	<u>-</u>	<u>220,412</u>
<b>Total Liabilities</b>	<u>-</u>	<u>342,128</u>
<b>Deferred Inflows of Resources</b>		
Pension	-	2,853
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>2,853</u>
<b>NET POSITION</b>		
Unrestricted	613,694	1,934,743
<b>Total Net Position</b>	<u>\$ 613,694</u>	<u>\$ 1,934,743</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, 2015**

	<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	\$ -	\$ 2,213,568
Miscellaneous	-	60,362
<b>Total Operating Revenues</b>	<u>-</u>	<u>2,273,930</u>
<b>Operating Expenses</b>		
Personal Services	-	298,354
Contractual Services	-	319,309
Supplies and Materials	-	288,614
Claims and Judgements	-	1,531,248
<b>Total Operating Expenses</b>	<u>-</u>	<u>2,437,525</u>
<b>Operating Income</b>	<u>-</u>	<u>(163,595)</u>
<b>Non-Operating Revenues</b>		
Investment earnings	4,528	11,054
<b>Total Non-Operating Revenues</b>	<u>4,528</u>	<u>11,054</u>
<b>Income Before Transfers</b>	4,528	(152,541)
Transfers in	<u>-</u>	<u>40,000</u>
<b>Change in Net Position</b>	4,528	(112,541)
Total Net Position - Beginning (restated)	609,166	2,047,284
Total Net Position - Ending	<u>\$ 613,694</u>	<u>\$ 1,934,743</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, 2015**

	Enterprise Fund	
	Moraine Loan Program	Internal Service Funds
<b>Cash Flows From Operating Activities</b>		
Cash received for interfund services	\$ -	\$ 2,213,568
Miscellaneous receipts & reimbursements	-	60,362
Cash paid to employees for services	-	(292,164)
Cash paid to suppliers for goods or services	-	(552,592)
Cash paid for insurance claims	-	(1,506,623)
Net cash used by operating activities	-	(77,449)
 <b>Cash Flows From Non-Capital Financing Activities</b>		
Repayment of loan principal	1,054	-
Transfers in	-	40,000
Net cash provided by non-capital financing activities	1,054	40,000
 <b>Cash Flows From Investing Activities</b>		
Investment earnings	4,528	11,054
Net cash provided by investing activities	4,528	11,054
 <b>Net Change</b>	5,582	(26,395)
<b>Equity in Pooled Cash and Investments Beginning of Year</b>	607,022	2,155,414
<b>Equity in Pooled Cash and Investments End of Year</b>	\$ 612,604	\$ 2,129,019
 <b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>		
Operating loss	\$ -	\$ (163,595)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Decrease in inventories	-	44,244
Increase in deferred outflows of resources	-	(13,387)
Increase in accounts payable	-	11,087
Decrease in salaries and benefits payable	-	(3,300)
Increase in insurance claims payable	-	24,625
Increase in compensated absences payable	-	16,291
Increase in net pension liabilities	-	3,733
Increase in deferred inflows of resources	-	2,853
Net cash used by operating activities	\$ -	\$ (77,449)

See accompanying notes to the basic financial statements.

**CITY OF MORAIN, OHIO**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2015**

		Agency Funds
<b>ASSETS</b>		
Equity in Pooled Cash and Investments	\$	46,616
Cash in Segregated Accounts		21,996
Accounts Receivable		12,015
<b>Total Assets</b>	<b>\$</b>	<b>80,627</b>
<b>LIABILITIES</b>		
Accounts Payable	\$	290
Deposits		58,341
Due to Other Governments		3,881
Escrow Bonds and Deposits		18,115
<b>Total Liabilities</b>	<b>\$</b>	<b>80,627</b>

See accompanying notes to the basic financial statements.

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**CITY OF MORAINE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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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 MORAINE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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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.

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 the City's share of the gasoline and motor vehicle gasoline taxes which is restricted to the construction and maintenance of the City's transportation infrastructure.

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



**CITY OF MORAINE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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**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.

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

**CITY OF MORAINE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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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, and intergovernmental grants.

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. For the City, deferred outflows of resources are reported on the government-wide statement of net position related to pension amounts, which are explained further in Note 7.

In addition to liabilities, the statements of financial position 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 that time. For the City, deferred inflows of resources include property taxes, payments in lieu of property taxes, pension, and unavailable revenue. Property

**CITY OF MORAINE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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taxes and payments in lieu of property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which are levied to finance fiscal year 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes income taxes, delinquent property taxes, intergovernmental grants, and various charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position and are further explained in Note 7.

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, 2015.

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 2015 amounted to \$85,509.

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.

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Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Restricted Asset

In 2015, the City entered into a capital lease agreement to acquire certain specialized capital equipment. Since the lease agreement was entered into during 2015 but the City had not received the equipment by December 31, 2015, the proceeds from the inception of the capital lease agreement are considered to be on deposit for the equipment at year end. The amount recorded as on deposit is equal to the present value of the lease agreement at its inception.

Capital Assets

Capital assets, which include land, construction in progress, infrastructure, buildings and improvements, 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.

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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.

#### Pensions

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

#### 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 unrestricted 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

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

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, 2015, 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.

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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 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 – PRIOR PERIOD ADJUSTMENTS:**

Change in Accounting Principle

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this new principle required the restatement of the ending net position reported at December 31, 2014 for the governmental activities and the city garage internal service fund.

Correction of Amounts

In 2015, the City made corrections to certain amounts reported in prior periods. In the prior year, the City offset a certain economic loan receivable with deferred inflows of resources instead of reporting those economic resources as a component of fund balance. As a result, the ending net position of governmental activities and fund balance of the economic development special revenue fund reported at December 31, 2014 were under

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stated by \$200,000 each. Furthermore, in 2015 the City implemented a new capital asset inventory system and determined the carrying values of capital assets previous reported were incorrect. The historical cost of \$63.4 million and accumulated depreciation of \$35.1 million previously reported were adjusted to \$62.6 million and \$34.3 million, respectively; resulting in a decrease of net position for governmental activities amounting to \$37,577. The historical cost and accumulated depreciation amounts previously reported for the internal service fund were decreased by \$23,260 each; however this adjustment did not change the net position previously reported for this internal service fund.

**Restatement of Net Position/Fund Balance**

The change in accounting principles and corrections of the issues noted above, have the following effect on the net position of the governmental activities and internal service funds and the governmental fund balance as reported December 31, 2014:

	Governmental Activities	Internal Service Funds
Net Position at December 31, 2014, previously reported	\$ 34,118,732	\$ 2,170,799
Adjustments:		
Net Pension Liability at December 31, 2014	(13,079,516)	(141,128)
Deferred Outflows - Payments Subsequent to Measurement Date	1,243,563	17,613
Correction of Loan Receivable	200,000	-
Correction of Capital Asset Values	(37,577)	-
Net Position at December 31, 2014, restated	\$ 22,445,202	\$ 2,047,284
	Economic Development	Total Governmental Funds
Fund Balance at December 31, 2014, previously reported	\$ (575,471)	\$ 11,310,584
Adjustment:		
Correction of Loan Receivable	200,000	200,000
Fund Balance at December 31, 2014 as restated	\$ (375,471)	\$ 11,510,584

**NOTE 4 – 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



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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.

At year end, the City reported a bank balance of \$3,734,673 of which \$262,209 was covered by federal deposit insurance and the remaining \$3,472,464 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+	\$ 1,188,199	\$ 55,157	\$ -	\$ 1,133,042
Federal National Mortgage	AA+	1,364,809	95,239	-	1,269,570
Federal Home Loan Bank	AA+	843,989	285,618	29,935	528,436
STAR Ohio	AAAm	323,170	323,170	-	-
Negotiable CD's	N/A	2,106,340	445,415	1,461,533	199,392
Mutual Funds	N/A	4,133,425	4,133,425	-	-
US Treasury Notes	N/A	754,572	754,572	-	-
		<u>\$ 10,714,504</u>	<u>\$ 6,092,596</u>	<u>\$ 1,491,468</u>	<u>\$ 3,130,440</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.

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*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with custodial credit risk beyond the requirements of State statute which prohibit payment for investments prior to the delivery of the securities representing the investments to the treasurer or qualified trustee.

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

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

The following table includes percentage of each investment type held by the City at December 31, 2015:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Total</u>
Federal Home Loan Mortgage	\$ 1,188,199	11.09%
Federal National Mortgage	1,364,809	12.74%
Federal Home Loan Bank Notes	843,989	7.88%
STAR Ohio	323,170	3.01%
Negotiable CD's	2,106,340	19.66%
Mutual Funds	4,133,425	38.58%
US Treasury Notes	<u>754,572</u>	<u>7.04%</u>
	<u>\$ 10,714,504</u>	<u>100.00%</u>

**NOTE 5 – RECEIVABLES:**

Receivables at December 31, 2015 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, and loans.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes were levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of the appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

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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. 2015 public utility property taxes which became a lien December 31, 2014, are levied after October 1, 2014, and are collected in 2015 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2015 was \$2.50 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2015 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 129,354,790
Public Utility Real Property Assessed Valuation	442,150
Public Utility Personal Property Assessed Valuation	<u>92,858,570</u>
Total	<u>\$ 222,655,510</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, 2015, 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 2015 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 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.

During 2015, the income tax rate was two and a half percent of earned income. In accordance with the ordinance adopted by the City Council, 100 percent of income tax revenue is allocated to and 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, 2015 were \$1,090.

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, 2015 were as follows:

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Loans Receivable, 12/31/2014	\$ 297,200
New Loans	215,000
Forgiven Loans	(40,200)
Loans Receivable, 12/31/2015	<u>\$ 472,000</u>

In 2014, the City entered into a business loan agreement with a company with an original loan amount of \$1 million, which will be disbursed in five installments of \$200,000 based on certain benchmarks. The second of these disbursements occurred during 2015. In addition, the City entered into an additional loan agreement during 2015 with a loan amount of \$15,000 with a separate company. As is the policy of the City under this program, the repayment of these loans will be forgiven 100 percent of the loan if the companies satisfy the conditions contained within the agreements.

**NOTE 6 – CAPITAL ASSETS:**

Capital asset activity for the year ended December 31, 2015 was as follows:

	Restated Balance 12/31/14	Increases	Decreases	Balance 12/31/15
<i><u>Governmental Activities</u></i>				
Non-depreciable capital assets:				
Land	\$ 10,813,884	\$ 154,000	\$ -	\$ 10,967,884
Construction in Progress	-	1,032,733	-	1,032,733
Non-depreciable capital assets:	<u>10,813,884</u>	<u>1,186,733</u>	<u>-</u>	<u>12,000,617</u>
Depreciable capital assets:				
Buildings and improvements	12,548,314	193,390	-	12,741,704
Equipment	9,360,598	259,229	(107,872)	9,511,955
Infrastructure	29,837,741	-	-	29,837,741
Depreciable capital assets:	<u>51,746,653</u>	<u>452,619</u>	<u>(107,872)</u>	<u>52,091,400</u>
Less: accumulated depreciation				
Buildings and improvements	(8,255,952)	(254,778)	-	(8,510,730)
Equipment	(8,134,204)	(279,306)	107,872	(8,305,638)
Infrastructure	(17,887,289)	(1,308,850)	-	(19,196,139)
Accumulated depreciation	<u>(34,277,445)</u>	<u>(1,842,934)*</u>	<u>107,872</u>	<u>(36,012,507)</u>
Depreciable capital assets, net	<u>17,469,208</u>	<u>(1,390,315)</u>	<u>-</u>	<u>16,078,893</u>
Governmental activities				
capital assets, net	<u>\$ 28,283,092</u>	<u>\$ (203,582)</u>	<u>\$ -</u>	<u>\$ 28,079,510</u>

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

General Government	\$ 103,961
Public Safety	187,144
Highways and Streets	1,346,877
Culture and Recreation	198,329
Economic Development	<u>6,623</u>
Total depreciation expense - governmental activities	<u>\$ 1,842,934</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 there are no plans to reopen Splash! Moraine at this time, the City will look at reutilization of the grounds and facility to better fit the needs of the City and residents. 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, 2015 is \$166,126, of which, \$163,658 and \$2,468 is related to buildings and equipment, respectively.

Capital assets of the Internal Service City Garage Fund include machinery and equipment with a cost of \$150,591 and accumulated depreciation of \$150,591.

**NOTE 7 – DEFINED BENEFIT PENSION PLANS:**

Net Pension Liability

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

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

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

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

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

**Plan Description – Ohio Public Employees Retirement System (OPERS)**

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

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

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

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required pension contribution was \$433,205 for 2015; \$72,054 is reported within accrued wages and benefits payable.

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***Plan Description - Ohio Police & Fire Pension Fund (OP&F)***

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

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

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

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

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

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

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

<b>2015 Statutory Maximum Contribution Rates:</b>	<u>Police</u>	<u>Firefighters</u>
Employer	19.50%	24.00%
Employee:		
January 1, 2015 through July 1, 2015	11.50%	11.50%
July 2, 2015 through December 31, 2015	12.25%	12.25%



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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$911,873 for 2015; \$117,939 is reported within accrued wages and benefits payable.

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

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

	OPERS	OP&F	Total
Proportionate share of the net pension liability	\$ 3,151,149	\$ 10,637,551	\$ 13,788,700
Proportion of the net pension liability	0.026116%	0.205342%	
Pension expense	\$ 343,904	\$ 1,037,643	\$ 1,381,547

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

	OPERS	OP&F	Total
<u>Deferred Outflows of Resources:</u>			
Net difference between projected and actual earnings on pension plan investments	\$ 168,068	\$ 458,469	\$ 626,537
City contributions subsequent to the measurement date	433,205	911,873	1,345,078
Total	\$ 601,273	\$ 1,370,342	\$ 1,971,615
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 55,337	\$ -	\$ 55,337

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\$1,345,078 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F	Total
Fiscal Year Ending December 31:			
2016	\$ 16,484	\$ 114,617	\$ 131,101
2017	16,484	114,617	131,101
2018	37,746	114,617	152,363
2019	42,017	114,618	156,635
	\$ 112,731	\$ 458,469	\$ 571,200

Actuarial Assumptions - OPERS

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

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

Wage inflation	3.75 percent
Future salary increases, including inflation	4.25% to 10.05% including wage inflation
COLA or Ad Hoc COLA	3.00%, simple
Investment rate of return	8.00%
Actuarial cost method	Individual Entry Age

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the

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Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	23.00%	2.31%
Domestic Equities	19.90%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	19.10%	7.40%
Other Investments	<u>18.00%</u>	4.59%
Total	<u>100.00%</u>	

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

***Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 5,794,879	\$ 3,151,149	\$ 922,156

**Actuarial Assumptions - OP&F**

OP&F’s total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment

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mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25%
Projected Salary Increases	4.25% to 11.00%
Payroll Increases	3.75%
Inflation Assumptions	3.25%
Cost of Living Adjustments	2.60% and 3.00%

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

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

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

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

\* - levered 2x

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

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 14,713,371	\$ 10,637,551	\$ 7,186,609

**NOTE 8 – 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. OPERS’ eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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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 2015, state and local employers contributed at a rate of 14% of covered payroll. This is 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 2.0% during calendar year 2015. Effective January 1, 2016, the portion of employer contributions allocated to healthcare remains at 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.

Actual employer contributions for 2015, 2014 and 2013 which were used to fund postemployment benefits were \$73,158, \$94,209 and \$50,854, respectively; 90.3% has been contributed for 2015 and 100% for 2014 and 2013. The balance of the 2015 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, 2013, 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 is 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% and 24% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% and 24% of covered payroll for police and fire employer units, respectively. Active members do not make contributions to the OPEB Plan.

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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 0.5% of covered payroll from January 1, 2015 thru December 31, 2015. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's actual contributions for 2015, 2014 and 2013 that were used to fund postemployment benefits were \$21,060, \$31,100 and \$166,055 for police and firefighters, respectively; 91.2% has been contributed for 2015 and 100% for 2014 and 2013. The balance of the 2015 required contribution is reported as a component of the salaries and benefits liability.

**NOTE 9 – 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 \$1,021,946 at December 31, 2015.

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 who 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 \$2,158,033 at December 31, 2015.

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**NOTE 10 – 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, 2015 and 2014 follows:

Casualty & Property Coverage

	<u>2015</u>	<u>2014</u>
Assets	\$ 38,307,677	\$ 35,402,177
Liabilities	<u>(12,759,127)</u>	<u>(12,363,257)</u>
Net Position - Unrestricted	<u>\$ 25,548,550</u>	<u>\$ 23,038,920</u>

The Pool's membership increased from 488 members in 2014 to 499 members in 2015.

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, 2015 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 \$100,000 per subscriber or \$1,000,000 in aggregate during the contract year, which runs from January 1 through December 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>2015</u>		<u>2014</u>		<u>2013</u>
\$	-	\$	-	\$	72,655

Below is a claims history for the past three years:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Claims liability at January 1	\$ 60,713	\$ 109,650	\$ 51,802
Claims incurred	1,468,778	1,331,617	1,483,738
Claims paid	<u>(1,444,153)</u>	<u>(1,380,554)</u>	<u>(1,425,890)</u>
Claims liability at December 31	<u>\$ 85,338</u>	<u>\$ 60,713</u>	<u>\$ 109,650</u>



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**NOTE 11 - LONG-TERM OBLIGATIONS:**

Long-term obligations activity for the year ended December 31, 2015, is as follows:

	Restated				
	Beginning			Ending	Due within
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>One Year</u>
<i><u>Governmental Activities:</u></i>					
General Obligation Bonds	\$ 5,625,000	\$ -	\$ 185,000	\$ 5,440,000	\$ 190,000
Premium on Bonds	75,803	-	3,790	72,013	-
Ohio Public Works Commission	781,561	266,579	83,664	964,476	69,813
Capital Lease Obligation	-	310,601	-	310,601	58,002
Compensated Absences	2,828,608	471,190	119,819	3,179,979	166,250
Net Pension Liability:					
OPERS	3,078,736	72,413	-	3,151,149	-
OP&F	<u>10,000,780</u>	<u>636,771</u>	<u>-</u>	<u>10,637,551</u>	<u>-</u>
Total Net Pension Liability	<u>13,079,516</u>	<u>709,184</u>	<u>-</u>	<u>13,788,700</u>	<u>-</u>
Total Governmental Activities	<u>\$ 22,390,488</u>	<u>\$ 1,757,554</u>	<u>\$ 392,273</u>	<u>\$ 23,755,769</u>	<u>\$ 484,065</u>

The City pays obligations related to employee compensation (compensated absences and pension contributions) from the funds benefitting from their employment, including the General, Parks and Recreation, Street Construction and Maintenance, and City Garage Funds.

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.

At December 31, 2015, the City has four 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; \$402,492 for improvements to the traffic signals throughout the City during 2014; and \$266,579 for roadway improvements to Stroop Road during 2015. All four of these loans carried an interest rate of zero percent and have maturities of 20 years. At December 31, 2015 the outstanding balance on these four loans totaled \$964,476.

During 2015, the City entered into a lease agreement for the purpose of providing financing for the acquisition of specific public safety equipment (police consoles). The terms of this agreement provides a purchase option at the end of the lease where ownership of the equipment will revert to the City. This agreement meets the definition of a capital lease in which the lease agreement transfers benefits and risk of ownership to the City. Lease payments will begin in 2016 and will be repaid from the Capital Improvement Fund when required. As of December 31, 2015, this equipment has not yet been constructed or installed at the City. Therefore, the City has recorded a restricted asset, cash on deposit, within the Capital Improvement Fund which is equal to the present value of the minimum lease payments at the inception of the lease agreement amount to \$310,601. Annual payments of \$68,656 will be made starting June 1, 2016 and ending on June 1, 2020.

**CITY OF MORAIN, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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Debt Service Requirements

Principal and interest requirement to retire the City's long-term bonds and loans payable are as follows:

Calendar Year	Governmental Activities		
	General Obligation Bonds		OPWC Loans
	Principal	Interest	Principal
2016	\$ 190,000	\$ 244,974	\$ 69,813
2017	195,000	239,274	55,954
2018	205,000	232,448	55,954
2019	210,000	224,761	55,954
2020	220,000	216,361	55,953
2021-2025	1,275,000	905,805	279,769
2026-2030	1,590,000	584,925	257,269
2031-2034	1,555,000	187,610	133,810
Total	<u>\$ 5,440,000</u>	<u>\$ 2,836,158</u>	<u>\$ 964,476</u>

Annual debt service requirements to maturity for the capital lease obligation are as follows:

Calendar Year	Amount
2016	\$ 68,656
2017	68,656
2018	68,656
2019	68,656
2020	68,656
Total minimum lease payments	343,280
Less: amount representing interest	(32,679)
Present value of minimum lease payments	<u>\$ 310,601</u>

**NOTE 12 – 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.

**CITY OF MORAIN, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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**NOTE 13 – 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 2015 payment was \$75,648 and included \$43,000 in principal and \$32,648 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 14 – INTERFUND ACTIVITY:**

Interfund transfers for the year ended December 31, 2015, consisted of the following:

Transfer to Fund	Transfer from Fund	Amount
Street Construction and Maintenance	General	\$ 1,410,000
Nonmajor - Economic Development	General	945,000
Nonmajor - Police Pension	General	350,000
Nonmajor - Fire Pension	General	430,000
Internal Service - City Garage	General	40,000
		\$ 3,175,000

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.

Within the transfer from the General Fund to the Economic Development Fund, \$845,000 represents the decision by the City Council to reclassify an interfund loan to a permanent transfer of funds. As such, the City has eliminated the due from other fund asset within the General Fund and the due to other fund liability in the Economic Development Fund.

**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, 2015 to December 31, 2015, 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.

**CITY OF MORAIN, OHIO**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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**NOTE 16 – ACCOUNTABILITY:**

At December 31, 2015, the Police Pension and Fire Pension Funds, non-major special revenue funds, reported deficit fund balances of \$3,285 and \$5,456, 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	\$ 360,509
Capital Improvement	1,366,499
Street Construction & Maintenance	8,478
Other Governmental Funds	52,895
	<u>\$ 1,788,381</u>

**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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes:				
Income	\$ 13,213,365	\$ 13,213,365	\$ 15,329,306	\$ 2,115,941
Property	414,974	414,724	416,507	1,783
Other	40,000	40,000	24,314	(15,686)
Shared Revenues	318,678	318,678	189,792	(128,886)
Intergovernmental	2,500	2,500	35,977	33,477
License and Permits	106,165	106,165	112,513	6,348
Charges for Services	356,000	356,000	383,072	27,072
Fines	256,000	256,000	254,478	(1,522)
Investment Earnings	150,000	150,000	76,494	(73,506)
Rents and Royalties	12,200	12,200	25,319	13,119
Miscellaneous	388,160	388,160	168,766	(219,394)
<b>Total Revenues</b>	<u>15,258,042</u>	<u>15,257,792</u>	<u>17,016,538</u>	<u>1,758,746</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Council</b>				
Personnel services	16,829	16,829	15,463	1,366
General operating expenses	33,575	33,575	26,286	7,289
<b>Total Council</b>	<u>50,404</u>	<u>50,404</u>	<u>41,749</u>	<u>8,655</u>
<b>Clerk of Council</b>				
Personnel services	62,494	64,374	63,750	624
General operating expenses	30,131	29,331	19,933	9,398
<b>Total Clerk of Council</b>	<u>92,625</u>	<u>93,705</u>	<u>83,683</u>	<u>10,022</u>
<b>City Manager</b>				
Personnel services	357,733	354,916	353,268	1,648
General operating expenses	44,263	44,263	28,077	16,186
<b>Total City Manager</b>	<u>401,996</u>	<u>399,179</u>	<u>381,345</u>	<u>17,834</u>
<b>Clerk of Courts</b>				
Personnel services	139,962	138,577	135,177	3,400
General operating expenses	28,587	33,587	22,196	11,391
<b>Total Clerk of Courts</b>	<u>168,549</u>	<u>172,164</u>	<u>157,373</u>	<u>14,791</u>
<b>Law Director</b>				
General operating expenses	151,143	151,143	120,675	30,468
<b>Total Law Director</b>	<u>151,143</u>	<u>151,143</u>	<u>120,675</u>	<u>30,468</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, 2015  
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Merit Service</b>				
General operating expenses	8,250	8,250	7,993	257
<b>Total Merit Service</b>	8,250	8,250	7,993	257
<b>Mayor</b>				
Personnel services	29,630	29,630	28,719	911
General operating expenses	5,900	5,900	3,011	2,889
<b>Total Mayor</b>	35,530	35,530	31,730	3,800
<b>Finance</b>				
Personnel services	527,335	526,693	526,565	128
General operating expenses	71,703	71,703	55,683	16,020
<b>Total Finance</b>	599,038	598,396	582,248	16,148
<b>Information Center</b>				
Personnel services	130,095	130,995	129,032	1,963
<b>Total Information Center</b>	130,095	130,995	129,032	1,963
<b>Public Buildings</b>				
Personnel services	564,639	503,319	487,167	16,152
General operating expenses	606,167	595,967	471,050	124,917
<b>Total Public Buildings</b>	1,170,806	1,099,286	958,217	141,069
<b>General Miscellaneous</b>				
Personnel services	228,897	228,897	121,963	106,934
General operating expenses	536,451	561,551	492,893	68,658
<b>Total General Miscellaneous</b>	765,348	790,448	614,856	175,592
<b>Information Technology</b>				
Personnel services	119,006	120,083	117,522	2,561
General operating expenses	263,451	263,451	202,876	60,575
<b>Total Information Technology</b>	382,457	383,534	320,398	63,136
<b>Human Resources</b>				
General operating expenses	75,822	75,822	41,536	34,286
<b>Total Human Resources</b>	75,822	75,822	41,536	34,286
<b>TOTAL GENERAL GOVERNMENT</b>	4,032,063	3,988,856	3,470,835	518,021

(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, 2015  
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
Personnel services	3,473,840	3,511,860	3,483,619	28,241
General operating expenses	587,386	587,386	467,683	119,703
<b>Total Police</b>	<b>4,061,226</b>	<b>4,099,246</b>	<b>3,951,302</b>	<b>147,944</b>
<b>Fire</b>				
Personnel services	3,258,311	3,276,386	3,224,924	51,462
General operating expenses	355,218	390,418	329,950	60,468
<b>Total Fire</b>	<b>3,613,529</b>	<b>3,666,804</b>	<b>3,554,874</b>	<b>111,930</b>
<b>Civil Defense</b>				
General operating expenses	8,225	9,975	8,133	1,842
<b>Total Civil Defense</b>	<b>8,225</b>	<b>9,975</b>	<b>8,133</b>	<b>1,842</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>7,682,980</b>	<b>7,776,025</b>	<b>7,514,309</b>	<b>261,716</b>
<b>HIGHWAYS AND STREETS</b>				
<b>Engineering</b>				
Personnel services	71,536	61,337	57,407	3,930
General operating expenses	56,656	56,656	43,225	13,431
<b>Total Engineering</b>	<b>128,192</b>	<b>117,993</b>	<b>100,632</b>	<b>17,361</b>
<b>Street Lighting</b>				
General operating expenses	266,568	266,568	247,585	18,983
<b>Total Street Lighting</b>	<b>266,568</b>	<b>266,568</b>	<b>247,585</b>	<b>18,983</b>
<b>TOTAL HIGHWAYS AND STREETS</b>	<b>394,760</b>	<b>384,561</b>	<b>348,217</b>	<b>36,344</b>
<b>SANITATION</b>				
<b>Waste Collection</b>				
General operating expenses	307,000	307,000	301,640	5,360
<b>Total Waste Collection</b>	<b>307,000</b>	<b>307,000</b>	<b>301,640</b>	<b>5,360</b>
<b>TOTAL SANITATION</b>	<b>307,000</b>	<b>307,000</b>	<b>301,640</b>	<b>5,360</b>
<b>HEALTH AND WELFARE</b>				
<b>Health &amp; Alcoholism</b>				
General operating expenses	3,160	3,160	1,142	2,018
<b>Total Health &amp; Alcoholism</b>	<b>3,160</b>	<b>3,160</b>	<b>1,142</b>	<b>2,018</b>
<b>Board of Zoning Appeals</b>				
General operating expenses	450	450	-	450
<b>Total Board of Zoning Appeals</b>	<b>450</b>	<b>450</b>	<b>-</b>	<b>450</b>

(continued)

**CITY OF MORAINÉ, OHIO**  
**GENERAL FUND**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP Basis)  
For Year Ended December 31, 2015  
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Building Inspection</b>				
Personnel services	86,973	89,308	88,430	878
General operating expenses	95,498	115,498	81,565	33,933
<b>Total Building Inspection</b>	<u>182,471</u>	<u>204,806</u>	<u>169,995</u>	<u>34,811</u>
<b>TOTAL HEALTH AND WELFARE</b>	<u>186,081</u>	<u>208,416</u>	<u>171,137</u>	<u>37,279</u>
<b>ECONOMIC DEVELOPMENT AND ASSISTANCE</b>				
<b>Planning</b>				
Personnel services	177,410	182,589	182,858	(269)
General operating expenses	25,976	25,976	17,280	8,696
<b>Total Planning</b>	<u>203,386</u>	<u>208,565</u>	<u>200,138</u>	<u>8,427</u>
<b>Planning Commission</b>				
General operating expenses	3,940	3,940	3,249	691
<b>Total Planning Commission</b>	<u>3,940</u>	<u>3,940</u>	<u>3,249</u>	<u>691</u>
<b>TOTAL ECONOMIC DEVELOPMENT AND ASSISTANCE</b>	<u>207,326</u>	<u>212,505</u>	<u>203,387</u>	<u>9,118</u>
<b>TOTAL EXPENDITURES</b>	<u>12,810,210</u>	<u>12,877,363</u>	<u>12,009,525</u>	<u>867,838</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>2,447,832</u>	<u>2,380,429</u>	<u>5,007,013</u>	<u>2,626,584</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,840,000)	(3,123,202)	(3,065,000)	58,202
Proceeds from the sale of assets	25,000	25,000	13,835	(11,165)
<b>Total Other Financing Sources (Uses)</b>	<u>(2,815,000)</u>	<u>(3,098,202)</u>	<u>(3,051,165)</u>	<u>47,037</u>
<b>Net Change in Fund Balance</b>	(367,168)	(717,773)	1,955,848	2,673,621
Fund Balance - Beginning	3,035,672	3,035,672	3,035,672	-
Prior Year Encumbrances Appropriated	320,079	320,079	320,079	-
Fund Balance - Ending	<u>\$ 2,988,583</u>	<u>\$ 2,637,978</u>	<u>\$ 5,311,599</u>	<u>\$ 2,673,621</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Shared Revenues	\$ 400,000	\$ 400,000	\$ 421,004	\$ 21,004
Investment Earnings	1,750	1,750	1,072	(678)
Miscellaneous	3,000	3,000	2,909	(91)
<b>Total Revenues</b>	<u>404,750</u>	<u>404,750</u>	<u>424,985</u>	<u>20,235</u>
<b>EXPENDITURES</b>				
<b>HIGHWAY AND STREETS</b>				
<b>Streets Department</b>				
Personnel Services	1,511,437	1,545,152	1,539,767	5,385
General Operating Expenses	359,058	359,058	305,022	54,036
<b>Total Expenditures</b>	<u>1,870,495</u>	<u>1,904,210</u>	<u>1,844,789</u>	<u>59,421</u>
<b>Excess (deficiency) of revenues over (under)</b>	<u>(1,465,745)</u>	<u>(1,499,460)</u>	<u>(1,419,804)</u>	<u>79,656</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,380,000	1,480,000	1,410,000	(70,000)
<b>Total Other Financing Sources (Uses)</b>	<u>1,380,000</u>	<u>1,480,000</u>	<u>1,410,000</u>	<u>(70,000)</u>
<b>Net Change in Fund Balance</b>	(85,745)	(19,460)	(9,804)	9,656
Fund Balance - Beginning	102,933	102,933	102,933	-
Prior Year Encumbrances Appropriated	14,758	14,758	14,758	-
Fund Balance - Ending	<u>\$ 31,946</u>	<u>\$ 98,231</u>	<u>\$ 107,887</u>	<u>\$ 9,656</u>

See accompanying notes to the required supplementary information.

**CITY OF MORAIN, OHIO**

Schedule of the City's Proportionate Share  
of the Net Pension Liability  
Last Two Years (1)

	<u>2014</u>	<u>2013</u>
<b><u>Ohio Public Employees Retirement System - Traditional Plan:</u></b>		
City's Proportion of the Net Pension Liability	0.026116%	0.026116%
City's Proportionate Share of the Net Pension Liability	\$ 3,151,149	\$ 3,078,736
City's Covered-Employee Payroll	\$ 3,201,850	\$ 2,932,369
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	98.42%	104.99%
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	86.45%	86.36%
<b><u>Ohio Police and Fire Pension Fund:</u></b>		
City's Proportion of the Net Pension Liability	0.205342%	0.205342%
City's Proportionate Share of the Net Pension Liability	\$ 10,637,551	\$ 10,000,780
City's Covered-Employee Payroll	\$ 4,220,732	\$ 4,471,557
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	252.03%	223.65%
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	72.20%	73.00%

Note: Information prior to 2013 is not available. The City will continue to present information for years available until a full ten-year trend is presented.

(1) Amount presented as of the City's measurement date which is the prior fiscal year.

See accompanying notes to the required supplementary information.

**CITY OF MORaine, OHIO**

Schedule of the City's Contributions  
Last Three Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b><u>Ohio Public Employees Retirement System - Traditional Plan:</u></b>			
Contractually Required Contribution	\$ 433,205	\$ 384,222	\$ 381,208
Contributions in Relation to the Contractually Required Contributions	<u>(433,205)</u>	<u>(384,222)</u>	<u>(381,208)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	\$ 3,610,042	\$ 3,201,850	\$ 2,932,369
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	13.00%
<b><u>Ohio Police and Fire Pension Fund:</u></b>			
Contractually Required Contribution	\$ 911,873	\$ 859,341	\$ 763,742
Contributions in Relation to the Contractually Required Contributions	<u>(911,873)</u>	<u>(859,341)</u>	<u>(763,742)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	\$ 4,538,940	\$ 4,220,732	\$ 4,471,557
Contributions as a Percentage of Covered-Employee Payroll	20.09%	20.36%	17.08%

Note: Information prior to 2013 is not available. The City will continue to present information for years available until a full ten-year trend is presented.

See accompanying notes to the required supplementary information.

**CITY OF MORaine, OHIO**  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2015

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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	Street Construction and Maintenance
GAAP Basis	\$ 1,977,879	\$ 74,282
Revenue Accruals	(355,781)	(6,990)
Expenditure Accruals	(129,720)	(68,618)
Encumbrances	(330,015)	(8,478)
Other Financing Sources	845,000	-
Funds Budgeted Elsewhere	(51,515)	-
Budget Basis	\$ 1,955,848	\$ (9,804)

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, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 2,537,285	\$ 158,796	\$ 2,696,081
Receivables:			
Property Tax	136,454	-	136,454
Payment in Lieu of Taxes	250,000	-	250,000
Accounts	450	-	450
Intergovernmental	29,682	-	29,682
Loans	472,000	-	472,000
<b>Total Assets</b>	<u>\$ 3,425,871</u>	<u>\$ 158,796</u>	<u>\$ 3,584,667</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 10,223	\$ -	\$ 10,223
Salaries and Benefits Payable	78,381	-	78,381
<b>Total Liabilities</b>	<u>88,604</u>	<u>-</u>	<u>88,604</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Property Taxes	126,128	-	126,128
Payment in Lieu of Taxes	250,000	-	250,000
Unavailable for:			
Delinquent Property Taxes	10,326	-	10,326
Intergovernmental	24,738	-	24,738
Other Sources	450	-	450
<b>Total Deferred Inflows of Resources</b>	<u>411,642</u>	<u>-</u>	<u>411,642</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Long-term Receivables	435,000	-	435,000
Restricted for:			
Law Enforcement	272,963	-	272,963
Cemetery Services	144,720	-	144,720
Debt Service	-	158,796	158,796
Street Repair and Maintenance	963,862	-	963,862
Economic Development	1,029,742	-	1,029,742
Committed for:			
Economic Development	88,079	-	88,079
Unassigned	(8,741)	-	(8,741)
<b>Total Fund Balances</b>	<u>2,925,625</u>	<u>158,796</u>	<u>3,084,421</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 3,425,871</u>	<u>\$ 158,796</u>	<u>\$ 3,584,667</u>

**CITY OF MORAINE, OHIO**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015

	State Highway Improvement	Cemetery	Motor Vehicle License Tax
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 860,550	\$ 144,720	\$ 102,341
Receivables:			
Property Tax	-	-	-
Payment in Lieu of Taxes	-	-	-
Accounts	-	450	-
Intergovernmental	16,516	-	10,562
Loans	-	-	-
<b>Total Assets</b>	<u>\$ 877,066</u>	<u>\$ 145,170</u>	<u>\$ 112,903</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 479	\$ -	\$ 3,494
Salaries and Benefits Payable	-	-	-
<b>Total Liabilities</b>	<u>479</u>	<u>-</u>	<u>3,494</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Property Taxes	-	-	-
Payments in Lieu of Taxes	-	-	-
Unavailable for:			
Delinquent Property Taxes	-	-	-
Intergovernmental	13,499	-	8,635
Other Sources	-	450	-
<b>Total Deferred Inflows of Resources</b>	<u>13,499</u>	<u>450</u>	<u>8,635</u>
<b>FUND BALANCE</b>			
Nonspendable			
Long-term Receivable	-	-	-
Restricted for:			
Law Enforcement	-	-	-
Cemetery Services	-	144,720	-
Street Repair and Maintenance	863,088	-	100,774
Economic Development	-	-	-
Committed for:			
Economic Development	-	-	-
Unassigned	-	-	-
<b>Total Fund Balance</b>	<u>863,088</u>	<u>144,720</u>	<u>100,774</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 877,066</u>	<u>\$ 145,170</u>	<u>\$ 112,903</u>

Enforcement and Education	Economic Development	T.I.F.	Police Pension	Fire Pension	Federal Law Enforcement
\$ 56,856	\$ 57,329	\$ 1,029,742	\$ 32,751	\$ 36,889	\$ 48,332
-	-	-	68,227	68,227	-
-	-	250,000	-	-	-
-	-	-	-	-	-
-	-	-	1,302	1,302	-
-	472,000	-	-	-	-
<u>\$ 56,856</u>	<u>\$ 529,329</u>	<u>\$ 1,279,742</u>	<u>\$ 102,280</u>	<u>\$ 106,418</u>	<u>\$ 48,332</u>
\$ -	\$ 6,250	\$ -	\$ -	\$ -	\$ -
-	-	-	36,036	42,345	-
-	6,250	-	36,036	42,345	-
-	-	-	63,064	63,064	-
-	-	250,000	-	-	-
-	-	-	5,163	5,163	-
-	-	-	1,302	1,302	-
-	-	-	-	-	-
-	-	250,000	69,529	69,529	-
-	435,000	-	-	-	-
56,856	-	-	-	-	48,332
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,029,742	-	-	-
-	88,079	-	-	-	-
-	-	-	(3,285)	(5,456)	-
<u>56,856</u>	<u>523,079</u>	<u>1,029,742</u>	<u>(3,285)</u>	<u>(5,456)</u>	<u>48,332</u>
<u>\$ 56,856</u>	<u>\$ 529,329</u>	<u>\$ 1,279,742</u>	<u>\$ 102,280</u>	<u>\$ 106,418</u>	<u>\$ 48,332</u>

(continued)

**CITY OF MORAIN, OHIO**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015  
(continued)

	State Law Enforcement	Drug Law Enforcement	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 129,289	\$ 38,486	\$ 2,537,285
Receivables:			
Property Tax	-	-	136,454
Payment in Lieu of Taxes	-	-	250,000
Accounts	-	-	450
Intergovernmental	-	-	29,682
Loans	-	-	472,000
<b>Total Assets</b>	<u>\$ 129,289</u>	<u>\$ 38,486</u>	<u>\$ 3,425,871</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ 10,223
Salaries and Benefits Payable	-	-	78,381
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>88,604</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Property Taxes	-	-	126,128
Payments in Lieu of Taxes	-	-	250,000
Unavailable for:			
Delinquent Property Taxes	-	-	10,326
Intergovernmental	-	-	24,738
Other Sources	-	-	450
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>411,642</u>
<b>FUND BALANCE</b>			
Nonspendable			
Long-term Receivable	-	-	435,000
Restricted for:			
Law Enforcement	129,289	38,486	272,963
Cemetery Services	-	-	144,720
Street Repair and Maintenance	-	-	963,862
Economic Development	-	-	1,029,742
Committed for:			
Economic Development	-	-	88,079
Unassigned	-	-	(8,741)
<b>Total Fund Balance</b>	<u>129,289</u>	<u>38,486</u>	<u>2,925,625</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 129,289</u>	<u>\$ 38,486</u>	<u>\$ 3,425,871</u>

(concluded)

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

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 128,258	\$ -	\$ 128,258
Payment in Lieu of Taxes	247,253	-	247,253
Shared Revenues	69,194	-	69,194
Charges for Services	5,350	-	5,350
Fines	48,838	-	48,838
Investment Earnings	20,213	1,156	21,369
Miscellaneous	10,390	-	10,390
<b>Total Revenues</b>	<u>529,496</u>	<u>1,156</u>	<u>530,652</u>
<b>EXPENDITURES</b>			
Current:			
General government	6,999	-	6,999
Public Safety	903,966	-	903,966
Highways and streets	103,538	-	103,538
Economic Development	128,354	-	128,354
Debt service			
Principal	185,000	-	185,000
Interest	250,061	-	250,061
<b>Total Expenditures</b>	<u>1,577,918</u>	<u>-</u>	<u>1,577,918</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,048,422)</u>	<u>1,156</u>	<u>(1,047,266)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,725,000	-	1,725,000
<b>Total Other Financing Sources (Uses)</b>	<u>1,725,000</u>	<u>-</u>	<u>1,725,000</u>
<b>Net Change in Fund Balance</b>	676,578	1,156	677,734
Fund Balance - Beginning (restated)	2,249,047	157,640	2,406,687
Fund Balance - Ending	<u>\$ 2,925,625</u>	<u>\$ 158,796</u>	<u>\$ 3,084,421</u>

**CITY OF MORAIN, OHIO**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2015

	<u>State Highway Improvement</u>	<u>Cemetery</u>	<u>Motor Vehicle License Tax</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ -	\$ -	\$ -
Payment in Lieu of Taxes	-	-	-
Shared Revenues	34,037	-	23,053
Charges for Services	-	5,350	-
Fines	-	-	-
Investment Earnings	6,197	1,038	1,149
Miscellaneous	1,427	3,254	5,709
<b>Total Revenues</b>	<u>41,661</u>	<u>9,642</u>	<u>29,911</u>
<b>EXPENDITURES</b>			
Current:			
General Government	-	4,780	-
Public Safety	-	-	-
Highways and Streets	24,915	-	78,623
Economic Development	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>24,915</u>	<u>4,780</u>	<u>78,623</u>
<b>Excess (deficiency) of Revenues</b>			
<b>Over (under) Expenditures</b>	<u>16,746</u>	<u>4,862</u>	<u>(48,712)</u>
<b>OTHER FINANCING</b>			
<b>SOURCES (USES)</b>			
Transfers in	-	-	-
<b>Total Other Financing</b>			
<b>Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	16,746	4,862	(48,712)
Fund Balance - Beginning (restated)	846,342	139,858	149,486
Fund Balance - Ending	<u>\$ 863,088</u>	<u>\$ 144,720</u>	<u>\$ 100,774</u>

<u>Enforcement and Education</u>	<u>Economic Development</u>	<u>T.I.F.</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Federal Law Enforcement</u>
\$ -	\$ -	\$ -	\$ 64,129	\$ 64,129	\$ -
-	-	247,253	-	-	-
-	-	-	6,052	6,052	-
-	-	-	-	-	-
626	-	-	-	-	5,824
440	-	9,567	337	264	323
-	-	-	-	-	-
<u>1,066</u>	<u>-</u>	<u>256,820</u>	<u>70,518</u>	<u>70,445</u>	<u>6,147</u>
-	-	2,219	-	-	-
2,191	-	-	402,240	499,535	-
-	-	-	-	-	-
-	46,450	81,904	-	-	-
-	-	185,000	-	-	-
-	-	250,061	-	-	-
<u>2,191</u>	<u>46,450</u>	<u>519,184</u>	<u>402,240</u>	<u>499,535</u>	<u>-</u>
<u>(1,125)</u>	<u>(46,450)</u>	<u>(262,364)</u>	<u>(331,722)</u>	<u>(429,090)</u>	<u>6,147</u>
-	945,000	-	350,000	430,000	-
-	945,000	-	350,000	430,000	-
(1,125)	898,550	(262,364)	18,278	910	6,147
57,981	(375,471)	1,292,106	(21,563)	(6,366)	42,185
<u>\$ 56,856</u>	<u>\$ 523,079</u>	<u>\$ 1,029,742</u>	<u>\$ (3,285)</u>	<u>\$ (5,456)</u>	<u>\$ 48,332</u>

(continued)

**CITY OF MORAIN, OHIO**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2015

(Continued)

	<u>State Law Enforcement</u>	<u>Drug Law Enforcement</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ -	\$ -	\$ 128,258
Payment in Lieu of Taxes	-	-	247,253
Shared Revenues	-	-	69,194
Charges for Services	-	-	5,350
Fines	42,388	-	48,838
Investment Earnings	618	280	20,213
Miscellaneous	-	-	10,390
<b>Total Revenues</b>	<u>43,006</u>	<u>280</u>	<u>529,496</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	6,999
Public Safety	-	-	903,966
Highways and streets	-	-	103,538
Economic development	-	-	128,354
Debt service			
Principal	-	-	185,000
Interest	-	-	250,061
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>1,577,918</u>
<b>Excess (deficiency) of Revenues Over (under) Expenditures</b>	<u>43,006</u>	<u>280</u>	<u>(1,048,422)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	1,725,000
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>1,725,000</u>
<b>Net Change in Fund Balance</b>	43,006	280	676,578
Fund Balance - Beginning (restated)	86,283	38,206	2,249,047
Fund Balance - Ending	<u>\$ 129,289</u>	<u>\$ 38,486</u>	<u>\$ 2,925,625</u>

(concluded)



**CITY OF MORAIN, OHIO**  
**STATE HIGHWAY IMPROVEMENT FUND**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP Basis)  
For Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Shared Revenues	\$ 31,000	\$ 31,000	\$ 33,455	\$ 2,455
Investment Earnings	10,000	10,000	7,738	(2,262)
Miscellaneous	-	-	1,427	1,427
<b>Total Revenues</b>	<u>41,000</u>	<u>41,000</u>	<u>42,620</u>	<u>1,620</u>
<b>EXPENDITURES</b>				
<b>HIGHWAY AND STREETS</b>				
<b>Street Department</b>				
General Operating Expenses	56,366	56,366	32,142	24,224
<b>Total Expenditures</b>	<u>56,366</u>	<u>56,366</u>	<u>32,142</u>	<u>24,224</u>
<b>Net Change in Fund Balance</b>	(15,366)	(15,366)	10,478	25,844
Fund Balance - Beginning	840,200	840,200	840,200	-
Prior Year Encumbrances Appropriated	6,566	6,566	6,566	-
Fund Balance - Ending	<u>\$ 831,400</u>	<u>\$ 831,400</u>	<u>\$ 857,244</u>	<u>\$ 25,844</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 6,000	\$ 6,000	\$ 5,350	\$ (650)
Investment Earnings	2,000	2,000	1,304	(696)
Miscellaneous	500	500	3,254	2,754
<b>Total Revenues</b>	<u>8,500</u>	<u>8,500</u>	<u>9,908</u>	<u>1,408</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Building and Park Maintenance</b>				
General Operating Expenses	15,650	15,650	6,680	8,970
<b>Total Expenditures</b>	<u>15,650</u>	<u>15,650</u>	<u>6,680</u>	<u>8,970</u>
<b>Net Change in Fund Balance</b>	(7,150)	(7,150)	3,228	10,378
Fund Balance - Beginning	139,116	139,116	139,116	-
Prior Year Encumbrances Appropriated	1,200	1,200	1,200	-
Fund Balance - Ending	<u>\$ 133,166</u>	<u>\$ 133,166</u>	<u>\$ 143,544</u>	<u>\$ 10,378</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Shared Revenues	\$ 22,000	\$ 22,000	\$ 22,556	\$ 556
Investment Earnings	2,500	2,500	1,175	(1,325)
Miscellaneous	-	-	5,709	5,709
<b>Total Revenues</b>	<u>24,500</u>	<u>24,500</u>	<u>29,440</u>	<u>4,940</u>
<b>EXPENDITURES</b>				
<b>HIGHWAY AND STREETS</b>				
<b>Street Department</b>				
General Operating Expenses	132,233	132,233	93,884	38,349
<b>Total Expenditures</b>	<u>132,233</u>	<u>132,233</u>	<u>93,884</u>	<u>38,349</u>
<b>Net Change in Fund Balance</b>	(107,733)	(107,733)	(64,444)	43,289
Fund Balance - Beginning	139,886	139,886	139,886	-
Prior Year Encumbrances Appropriated	9,033	9,033	9,033	
Fund Balance - Ending	<u>\$ 41,186</u>	<u>\$ 41,186</u>	<u>\$ 84,475</u>	<u>\$ 43,289</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
License and Permits	\$ 600	\$ 600	\$ 626	\$ 26
Investment Earnings	700	700	528	(172)
<b>Total Revenues</b>	<u>1,300</u>	<u>1,300</u>	<u>1,154</u>	<u>(146)</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
General Operating Expenses	2,000	4,500	4,158	342
<b>Total Expenditures</b>	<u>2,000</u>	<u>4,500</u>	<u>4,158</u>	<u>342</u>
<b>Net Change in Fund Balance</b>	(700)	(3,200)	(3,004)	196
Fund Balance - Beginning	60,146	60,146	60,146	-
Fund Balance - Ending	<u>\$ 59,446</u>	<u>\$ 56,946</u>	<u>\$ 57,142</u>	<u>\$ 196</u>

**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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 700,000	\$ 700,000	\$ -	\$ (700,000)
<b>Total Revenues</b>	<u>700,000</u>	<u>700,000</u>	<u>-</u>	<u>(700,000)</u>
<b>EXPENDITURES</b>				
<b>ECONOMIC DEVELOPMENT</b>				
<b>Economic Development</b>				
General operating expenses	967,000	1,022,000	306,155	715,845
<b>Total Expenditures</b>	<u>967,000</u>	<u>1,022,000</u>	<u>306,155</u>	<u>715,845</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(267,000)</u>	<u>(322,000)</u>	<u>(306,155)</u>	<u>15,845</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	100,000	100,000
Proceeds from the sale of capital assets	100,000	100,000	-	(100,000)
<b>Total Other Financing Sources (Uses)</b>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(167,000)	(222,000)	(206,155)	15,845
Fund Balance - Beginning	238,483	238,483	238,483	-
Fund Balance - Ending	<u>\$ 71,483</u>	<u>\$ 16,483</u>	<u>\$ 32,328</u>	<u>\$ 15,845</u>

**CITY OF MORAINÉ, 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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Payments in lieu of taxes	\$ 240,000	\$ 240,000	\$ 247,253	\$ 7,253
Investment Earnings	15,000	15,000	10,859	(4,141)
<b>Total Revenues</b>	<u>255,000</u>	<u>255,000</u>	<u>258,112</u>	<u>3,112</u>
<b>EXPENDITURES</b>				
<b>ECONOMIC DEVELOPMENT</b>				
<b>Engineer</b>				
General operating expenses	85,300	85,300	82,484	2,816
<b>DEBT SERVICE</b>				
Principal Retirement	50,000	185,000	185,000	-
Interest	252,265	252,265	250,061	2,204
<b>Total Expenditures</b>	<u>387,565</u>	<u>522,565</u>	<u>517,545</u>	<u>5,020</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(132,565)</u>	<u>(267,565)</u>	<u>(259,433)</u>	<u>8,132</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from the sale of assets	176,000	176,000	112,861	(63,139)
<b>Total Other Financing Sources</b>	<u>176,000</u>	<u>176,000</u>	<u>112,861</u>	<u>(63,139)</u>
<b>Net Change in Fund Balance</b>	43,435	(91,565)	(146,572)	(55,007)
Fund Balance - Beginning	1,181,472	1,181,472	1,181,472	-
Fund Balance - Ending	<u>\$ 1,224,907</u>	<u>\$ 1,089,907</u>	<u>\$ 1,034,900</u>	<u>\$ (55,007)</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property	\$ 63,657	\$ 63,657	\$ 64,130	\$ 473
Intergovernmental	3,500	3,500	6,051	2,551
Investment Earnings	2,500	2,500	406	(2,094)
<b>Total Revenues</b>	<u>69,657</u>	<u>69,657</u>	<u>70,587</u>	<u>930</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
Personnel	436,500	436,500	415,459	21,041
General operating expense	1,200	1,200	1,129	71
<b>Total Expenditures</b>	<u>437,700</u>	<u>437,700</u>	<u>416,588</u>	<u>21,112</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(368,043)</u>	<u>(368,043)</u>	<u>(346,001)</u>	<u>22,042</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	360,000	360,000	350,000	(10,000)
<b>Total Other Financing Sources (Uses)</b>	<u>360,000</u>	<u>360,000</u>	<u>350,000</u>	<u>(10,000)</u>
<b>Net Change in Fund Balance</b>	(8,043)	(8,043)	3,999	12,042
Fund Balance - Beginning	28,916	28,916	28,916	-
Fund Balance - Ending	<u>\$ 20,873</u>	<u>\$ 20,873</u>	<u>\$ 32,915</u>	<u>\$ 12,042</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property	\$ 63,657	\$ 63,657	\$ 64,130	\$ 473
Intergovernmental	3,500	3,500	6,051	2,551
Investment Earnings	2,500	2,500	329	(2,171)
<b>Total Revenues</b>	<u>69,657</u>	<u>69,657</u>	<u>70,510</u>	<u>853</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Fire</b>				
Personnel	505,908	517,908	498,917	18,991
General operating expense	1,500	1,500	1,129	371
<b>Total Expenditures</b>	<u>507,408</u>	<u>519,408</u>	<u>500,046</u>	<u>19,362</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(437,751)</u>	<u>(449,751)</u>	<u>(429,536)</u>	<u>20,215</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	410,650	430,950	430,000	(950)
<b>Total Other Financing Sources (Uses)</b>	<u>410,650</u>	<u>430,950</u>	<u>430,000</u>	<u>(950)</u>
<b>Net Change in Fund Balance</b>	(27,101)	(18,801)	464	19,265
Fund Balance - Beginning	36,612	36,612	36,612	-
Fund Balance - Ending	<u>\$ 9,511</u>	<u>\$ 17,811</u>	<u>\$ 37,076</u>	<u>\$ 19,265</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$ 1,200	\$ 1,200	\$ 426	\$ (774)
Fines	5,000	5,000	5,824	824
<b>Total Revenues</b>	<u>6,200</u>	<u>6,200</u>	<u>6,250</u>	<u>50</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
General operating expense	13,510	13,510	163	13,347
<b>Total Expenditures</b>	<u>13,510</u>	<u>13,510</u>	<u>163</u>	<u>13,347</u>
<b>Net Change in Fund Balance</b>	(7,310)	(7,310)	6,087	13,397
Fund Balance - Beginning	40,976	40,976	40,976	-
Prior Year Encumbrances Appropriated	1,510	1,510	1,510	-
Fund Balance - Ending	<u>\$ 35,176</u>	<u>\$ 35,176</u>	<u>\$ 48,573</u>	<u>\$ 13,397</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$ 1,500	\$ 1,500	\$ 984	\$ (516)
Fines	-	-	6,231	6,231
Miscellaneous	-	-	5,000	5,000
<b>Total Revenues</b>	<u>1,500</u>	<u>1,500</u>	<u>12,215</u>	<u>10,715</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
General operating expense	61,000	61,000	5,000	56,000
<b>Total Expenditures</b>	<u>61,000</u>	<u>61,000</u>	<u>5,000</u>	<u>56,000</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(59,500)</u>	<u>(59,500)</u>	<u>7,215</u>	<u>66,715</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Forfeited Property	-	-	36,156	36,156
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>36,156</u>	<u>36,156</u>
<b>Net Change in Fund Balance</b>	(59,500)	(59,500)	43,371	102,871
Fund Balance - Beginning	86,566	86,566	86,566	-
Fund Balance - Ending	<u>\$ 27,066</u>	<u>\$ 27,066</u>	<u>\$ 129,937</u>	<u>\$ 102,871</u>

**CITY OF MORaine, 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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$ 750	\$ 750	\$ 348	\$ (402)
Fines	-	-	5,000	5,000
<b>Total Revenues</b>	<u>750</u>	<u>750</u>	<u>5,348</u>	<u>4,598</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
General operating expense	5,000	5,000	5,000	-
<b>Total Expenditures</b>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(4,250)	(4,250)	348	4,598
Fund Balance - Beginning	38,331	38,331	38,331	-
Fund Balance - Ending	<u>\$ 34,081</u>	<u>\$ 34,081</u>	<u>\$ 38,679</u>	<u>\$ 4,598</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 220,100	\$ 220,100	\$ 172,091	\$ (48,009)
Investment Earnings	3,000	3,000	1,508	(1,492)
Grants	45,000	45,000	64,303	19,303
Miscellaneous	38,000	38,000	35,493	(2,507)
<b>Total Revenues</b>	<u>306,100</u>	<u>306,100</u>	<u>273,395</u>	<u>(32,705)</u>
<b>EXPENDITURES</b>				
<b>CULTURE AND RECREATION</b>				
<b>Civic Center</b>				
Personnel services	258,944	248,194	234,760	13,434
General operating expenses	41,088	45,088	40,906	4,182
<b>Total Civic Center</b>	<u>300,032</u>	<u>293,282</u>	<u>275,666</u>	<u>17,616</u>
<b>Recreational Center</b>				
Personnel services	524,397	553,334	535,774	17,560
General operating expenses	154,133	171,738	162,942	8,796
<b>Total Recreational Center</b>	<u>678,530</u>	<u>725,072</u>	<u>698,716</u>	<u>26,356</u>
<b>Parks &amp; Recreation Programs</b>				
General operating expenses	47,205	69,605	58,065	11,540
<b>Total Parks &amp; Recreation Programs</b>	<u>47,205</u>	<u>69,605</u>	<u>58,065</u>	<u>11,540</u>
<b>Total Expenditures</b>	<u>1,025,767</u>	<u>1,087,959</u>	<u>1,032,447</u>	<u>55,512</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(719,667)</u>	<u>(781,859)</u>	<u>(759,052)</u>	<u>22,807</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	660,000	760,000	735,000	(25,000)
<b>Total Other Financing Sources (Uses)</b>	<u>660,000</u>	<u>760,000</u>	<u>735,000</u>	<u>(25,000)</u>
<b>Net Change in Fund Balance</b>	(59,667)	(21,859)	(24,052)	(2,193)
Fund Balance - Beginning	132,049	132,049	132,049	-
Prior Year Encumbrances Appropriated	12,930	12,930	12,930	-
Fund Balance - Ending	<u>\$ 85,312</u>	<u>\$ 123,120</u>	<u>\$ 120,927</u>	<u>\$ (2,193)</u>

**CITY OF MORaine, OHIO**  
**DEBT SERVICE FUND**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP Basis)  
For Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$ 2,000	\$ 2,000	\$ 1,434	\$ (566)
<b>Total Revenues</b>	<u>2,000</u>	<u>2,000</u>	<u>1,434</u>	<u>(566)</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>	2,000	2,000	1,434	(566)
Fund Balance - Beginning	158,156	158,156	158,156	-
Fund Balance - Ending	<u>\$ 160,156</u>	<u>\$ 160,156</u>	<u>\$ 159,590</u>	<u>\$ (566)</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Shared Revenues	\$ 100,000	\$ 100,000	\$ 128,170	\$ 28,170
Grants	1,333,000	1,456,510	1,599,325	142,815
Miscellaneous	10,000	10,000	10,210	210
<b>Total Revenues</b>	<u>1,443,000</u>	<u>1,566,510</u>	<u>1,737,705</u>	<u>171,195</u>
<b>EXPENDITURES</b>				
<b>CAPITAL OUTLAY</b>				
General Government	329,669	329,669	209,074	120,595
Public Safety	428,856	482,136	473,395	8,741
Highways and Streets	3,869,096	3,869,096	3,341,430	527,666
Culture-Recreation	134,981	134,981	116,064	18,917
Economic Development	-	23,510	23,510	-
<b>DEBT SERVICE</b>				
Principal	173,517	202,507	126,664	75,843
Interest	39,371	32,648	32,648	-
<b>Total Expenditures</b>	<u>4,975,490</u>	<u>5,074,547</u>	<u>4,322,785</u>	<u>751,762</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(3,532,490)</u>	<u>(3,508,037)</u>	<u>(2,585,080)</u>	<u>922,957</u>
<b>OTHER FINANCING SOURCES</b>				
Loan Proceeds	-	-	266,579	266,579
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>266,579</u>	<u>266,579</u>
<b>Net Change in Fund Balance</b>	<u>(3,532,490)</u>	<u>(3,508,037)</u>	<u>(2,318,501)</u>	<u>1,189,536</u>
Fund Balance - Beginning	1,650,057	1,650,057	1,650,057	-
Prior Year Encumbrances Appropriated	2,046,111	2,046,111	2,046,111	-
Fund Balance - Ending	<u>\$ 163,678</u>	<u>\$ 188,131</u>	<u>\$ 1,377,667</u>	<u>\$ 1,189,536</u>

**CITY OF MORaine, OHIO**  
Combining Statement of Fund Net Position  
Internal Service Funds  
December 31, 2015

	<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	\$ 321,615	\$ 1,450,432	\$ 356,972	\$ 2,129,019
Inventories	119,705	-	-	119,705
<b>Total Current Assets</b>	<u>441,320</u>	<u>1,450,432</u>	<u>356,972</u>	<u>2,248,724</u>
<b>Total Assets</b>	<u>441,320</u>	<u>1,450,432</u>	<u>356,972</u>	<u>2,248,724</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Pensions	31,000	-	-	31,000
<b>Total Deferred Outflows of Resources</b>	<u>31,000</u>	<u>-</u>	<u>-</u>	<u>31,000</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	10,477	8,888	-	19,365
Salaries and Benefits Payable	12,843	-	-	12,843
Compensated Absences Payable	4,170	-	-	4,170
Insurance Claims Payable	-	-	85,338	85,338
<b>Total Current Liabilities</b>	<u>27,490</u>	<u>8,888</u>	<u>85,338</u>	<u>121,716</u>
<b>LONG-TERM LIABILITIES</b>				
Compensated Absences Payable	75,551	-	-	75,551
Net Pension Liability	144,861	-	-	144,861
<b>Total Long-Term Liabilities</b>	<u>220,412</u>	<u>-</u>	<u>-</u>	<u>220,412</u>
<b>Total Liabilities</b>	<u>247,902</u>	<u>8,888</u>	<u>85,338</u>	<u>342,128</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Pensions	2,853	-	-	2,853
<b>Total Deferred Inflows of Resources</b>	<u>2,853</u>	<u>-</u>	<u>-</u>	<u>2,853</u>
<b>NET POSITION</b>				
Unrestricted	221,565	1,441,544	271,634	1,934,743
<b>Total Net Position</b>	<u>\$ 221,565</u>	<u>\$ 1,441,544</u>	<u>\$ 271,634</u>	<u>\$ 1,934,743</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, 2015

	City Garage	Insurance Reserve	Health Insurance	Total Internal Service Funds
<b>Operating Revenues</b>				
Charges for Services	\$ 549,299	\$ -	\$ 1,664,269	\$ 2,213,568
Miscellaneous	547	59,815	-	60,362
<b>Total Operating Revenues</b>	<u>549,846</u>	<u>59,815</u>	<u>1,664,269</u>	<u>2,273,930</u>
<b>Operating Expenses</b>				
Personal Services	298,354	-	-	298,354
Contractual Services	26,067	25,801	267,441	319,309
Supplies and Materials	288,614	-	-	288,614
Claims and Judgements	-	62,470	1,468,778	1,531,248
<b>Total Operating Expenses</b>	<u>613,035</u>	<u>88,271</u>	<u>1,736,219</u>	<u>2,437,525</u>
<b>Operating Income (Loss)</b>	<u>(63,189)</u>	<u>(28,456)</u>	<u>(71,950)</u>	<u>(163,595)</u>
<b>Non-operating Revenues</b>				
Investment Earnings	-	10,806	248	11,054
<b>Total Non-operating Revenues</b>	<u>-</u>	<u>10,806</u>	<u>248</u>	<u>11,054</u>
<b>Income Before Transfers</b>	<u>(63,189)</u>	<u>(17,650)</u>	<u>(71,702)</u>	<u>(152,541)</u>
Transfers in	40,000	0	0	40,000
<b>Change in Net Position</b>	<u>(23,189)</u>	<u>(17,650)</u>	<u>(71,702)</u>	<u>(112,541)</u>
Total Net Position - Beginning (restated)	244,754	1,459,194	343,336	2,047,284
Total Net Position - Ending	<u>\$ 221,565</u>	<u>\$ 1,441,544</u>	<u>\$ 271,634</u>	<u>\$ 1,934,743</u>



**CITY OF MORaine, OHIO**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2015

	City Garage	Insurance Reserve	Health Insurance	Total Internal Service Funds
<b>Cash Flows From Operating Activities</b>				
Cash received for interfund services	\$ 549,299	\$ -	\$ 1,664,269	\$ 2,213,568
Miscellaneous receipts & reimbursements	547	59,815	-	60,362
Cash paid to employees for services	(292,164)	-	-	(292,164)
Cash paid to suppliers for goods or services	(259,960)	(25,191)	(267,441)	(552,592)
Cash paid for insurance claims	-	(62,470)	(1,444,153)	(1,506,623)
Net cash used by operating activities	<u>(2,278)</u>	<u>(27,846)</u>	<u>(47,325)</u>	<u>(77,449)</u>
<b>Cash Flows From Non-Capital Financing Activities</b>				
Transfers in	40,000	-	-	40,000
Net cash provided by non-capital financing activities	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
<b>Cash Flows From Investing Activities</b>				
Investment earnings	-	10,806	248	11,054
Net cash provided by investing activities	<u>-</u>	<u>10,806</u>	<u>248</u>	<u>11,054</u>
<b>Net Change</b>	37,722	(17,040)	(47,077)	(26,395)
<b>Equity in Pooled Cash and Investments Beginning of Year</b>	283,893	1,467,472	404,049	2,155,414
<b>Equity in Pooled Cash and Investments End of Year</b>	<u>\$ 321,615</u>	<u>\$ 1,450,432</u>	<u>\$ 356,972</u>	<u>\$ 2,129,019</u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>				
Operating loss	\$ (63,189)	\$ (28,456)	\$ (71,950)	\$ (163,595)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Decrease in inventories	44,244	-	-	44,244
Increase in deferred outflows of resources	(13,387)	-	-	(13,387)
Increase in accounts payable	10,477	610	-	11,087
Decrease in salaries and benefits payable	(3,300)	-	-	(3,300)
Increase in insurance claims payable	-	-	24,625	24,625
Increase in compensated absences payable	16,291	-	-	16,291
Increase in net pension liabilities	3,733	-	-	3,733
Increase in deferred inflows of resources	2,853	-	-	2,853
Net cash used by operating activities	<u>\$ (2,278)</u>	<u>\$ (27,846)</u>	<u>\$ (47,325)</u>	<u>\$ (77,449)</u>

**CITY OF MORAIN, OHIO**  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2015

	Balance December 31, 2014	Additions	Deductions	Balance December 31, 2015
<b>Miscellaneous Agency Fund</b>				
Assets				
Equity in Pooled Cash and Investments	\$ 46,163	\$ 11,033	\$ (10,580)	\$ 46,616
Accounts Receivable	-	12,015	-	12,015
Total Assets	<u>46,163</u>	<u>23,048</u>	<u>(10,580)</u>	<u>58,631</u>
Liabilities				
Accounts Payable	-	290	-	290
Deposits	46,163	22,758	(10,580)	58,341
Total Liabilities	<u>46,163</u>	<u>23,048</u>	<u>(10,580)</u>	<u>58,631</u>
<b>Mayor's Court</b>				
Assets				
Cash in Segregated Accounts	47,976	502,384	(528,364)	21,996
Total Assets	<u>47,976</u>	<u>502,384</u>	<u>(528,364)</u>	<u>21,996</u>
Liabilities				
Due to Other Governments	26,685	64,445	(87,249)	3,881
Deposits	17,333	240,896	(258,229)	-
Escrow Bonds	3,958	197,043	(182,886)	18,115
Total Liabilities	<u>47,976</u>	<u>502,384</u>	<u>(528,364)</u>	<u>21,996</u>
<b>Totals - All Agency Funds</b>				
Assets				
Equity in Pooled Cash and Investments	46,163	11,033	(10,580)	46,616
Cash in Segregated Accounts	47,976	502,384	(528,364)	21,996
Accounts Receivable	-	12,015	-	12,015
Total Assets	<u>94,139</u>	<u>525,432</u>	<u>(538,944)</u>	<u>80,627</u>
Liabilities				
Accounts Payable	-	290	-	290
Deposits	63,496	263,654	(268,809)	58,341
Due to Other Governments	26,685	64,445	(87,249)	3,881
Escrow Bonds	3,958	197,043	(182,886)	18,115
Total Liabilities	<u>\$ 94,139</u>	<u>\$ 525,432</u>	<u>\$ (538,944)</u>	<u>\$ 80,627</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 91 to 95.

#### **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 96 to 101.

#### **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 102 to 104.

#### **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 105 and 106.

#### **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 107 to 109.

*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 Years**  
**(accrual basis of accounting)**  
**(reported in thousands)**

TABLE 1

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010<sup>(1)</sup></u>	<u>2011<sup>(1)</sup></u>	<u>2012</u>	<u>2013</u>	<u>2014<sup>(2)</sup></u>	<u>2015</u>
<b>Governmental activities</b>										
Net Investment in Capital Assets	\$ 23,020	\$ 26,274	\$ 27,966	\$ 30,033	\$ 29,438	\$ 29,263	\$ 27,607	\$ 26,822	\$ 25,033	\$ 24,836
Restricted for:										
Debt service	124	131	138	147	0	0	131	136	137	133
Special revenue	1,976	2,188	1,765	1,999	2,382	1,947	1,498	1,580	1,581	1,927
Capital projects	4,054	3,756	3,048	2,848	3,464	4,475	4,924	4,240	3,913	2,753
Unrestricted	17,862	17,780	15,422	13,129	8,942	5,018	1,840	2,866	(8,219)	(6,073)
Total government activities net position	<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>	<u>22,445</u>	<u>23,576</u>
<b>Business-type activities</b>										
Unrestricted	475	500	529	563	581	594	598	605	609	614
Total business-type activities net position	<u>475</u>	<u>500</u>	<u>529</u>	<u>563</u>	<u>581</u>	<u>594</u>	<u>598</u>	<u>605</u>	<u>609</u>	<u>614</u>
<b>Primary government</b>										
Net Investment in Capital Assets	23,020	26,274	27,966	30,033	29,438	29,263	27,607	26,822	25,033	24,836
Restricted	6,154	6,075	4,951	4,994	5,846	6,422	6,553	5,956	5,631	4,813
Unrestricted	18,337	18,280	15,951	13,692	9,523	5,612	2,438	3,471	(7,610)	(5,459)
Total primary government net position	<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>	<u>\$ 23,054</u>	<u>\$ 24,190</u>

**Note:**

- (1) - restated for implementation of GASB 65.
- (2) - restated for implementation of GASB 68 and certain other corrections.

TABLE 2

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010<sup>(1)</sup></u>	<u>2011<sup>(1)</sup></u>	<u>2012</u>	<u>2013</u>	<u>2014<sup>(2)</sup></u>	<u>2015<sup>(3)</sup></u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,953	\$ 5,112	\$ 5,230	\$ 4,523	\$ 4,079	\$ 3,277	\$ 3,663	\$ 3,356	\$ 3,634	\$ 3,735
Public safety	9,460	9,513	9,689	9,456	8,731	8,852	8,147	8,426	8,014	8,901
Highways and streets	3,345	3,761	2,790	879	3,658	3,638	3,415	3,233	3,612	4,644
Sanitation	305	339	347	419	346	284	308	326	303	288
Culture and recreation	2,882	2,745	2,935	2,312	1,249	1,113	1,109	1,093	991	1,387
Economic development	998	283	677	935	326	1,005	479	252	730	343
Health and welfare	133	144	95	93	83	86	213	36	116	161
Interest and fiscal charges	165	268	321	221	265	302	294	250	248	251
Total governmental activities expenses	<u>22,241</u>	<u>22,165</u>	<u>22,084</u>	<u>18,838</u>	<u>18,737</u>	<u>18,557</u>	<u>17,628</u>	<u>16,972</u>	<u>17,648</u>	<u>19,710</u>
Total primary government expenses	<u>22,241</u>	<u>22,165</u>	<u>22,084</u>	<u>18,838</u>	<u>18,737</u>	<u>18,557</u>	<u>17,628</u>	<u>16,972</u>	<u>17,648</u>	<u>19,710</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	328	285	248	452	410	650	477	444	408	421
Public safety	18	46	39	31	372	612	429	354	295	488
Highways and streets	-	33	1	194	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	6	3	14	-
Culture and recreation	790	813	794	723	-	-	207	215	195	259
Health and welfare	71	39	58	56	-	-	-	-	-	-
Operating grants and contributions	233	382	286	200	351	72	451	600	764	823
Capital grants and contributions	1,487	809	337	784	1,044	1,950	382	757	128	1,810
Total governmental activities program revenues	<u>2,927</u>	<u>2,407</u>	<u>1,763</u>	<u>2,440</u>	<u>2,177</u>	<u>3,284</u>	<u>1,952</u>	<u>2,373</u>	<u>1,804</u>	<u>3,801</u>
Business-type activities:										
Loan program charges for services	1	1	1	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government revenues	<u>2,928</u>	<u>2,408</u>	<u>1,764</u>	<u>2,440</u>	<u>2,177</u>	<u>3,284</u>	<u>1,952</u>	<u>2,373</u>	<u>1,804</u>	<u>3,801</u>

**Note:**

- (1) - restated for implementation of GASB 65.
- (2) - restated for correction of errors. Information necessary to restate the 2014 beginning balance and 2014 pension expense amounts for the effects of the initial implementation of GASB 68 was not available.
- (3) - implementation of GASB 68.



TABLE 2 (continued)

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010<sup>(1)</sup></u>	<u>2011<sup>(1)</sup></u>	<u>2012</u>	<u>2013</u>	<u>2014<sup>(2)</sup></u>	<u>2015<sup>(3)</sup></u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	(19,314)	(19,758)	(20,321)	(16,398)	(16,560)	(15,273)	(15,676)	(14,599)	(15,844)	(15,909)
Business-type activities	1	1	1	-	-	-	-	-	-	-
Total primary government net expense	<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>(14,599)</u>	<u>(15,844)</u>	<u>(15,909)</u>
<b>General Revenues</b>										
Governmental activities:										
Taxes	19,867	19,618	15,333	11,817	9,853	9,542	10,046	12,786	13,137	15,768
Income tax										
Property taxes, levied for										
General purposes	545	619	567	345	388	421	350	380	415	404
Police pensions	81	70	65	64	90	89	70	61	66	65
Fire pensions	81	70	65	64	90	89	70	61	66	65
Other taxes	103	82	66	11	18	50	24	18	20	16
Payments in lieu of taxes	-	-	-	-	41	43	33	95	185	247
Shared revenues	775	871	1,078	713	719	657	223	279	261	178
Intergovernmental	-	-	-	260	444	92	-	-	-	-
Miscellaneous	232	233	105	1,967	577	530	126	429	259	216
Investment earnings	494	1,221	1,255	961	410	237	31	133	73	81
Gain on the sale of capital assets	137	67	(2)	13	-	-	-	-	-	-
Total governmental activities general revenues	<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>	<u>14,482</u>	<u>17,040</u>
Business-type activities:										
Investment earnings	13	24	28	33	18	14	3	8	4	5
Total business-type activities general revenues	<u>13</u>	<u>24</u>	<u>28</u>	<u>33</u>	<u>18</u>	<u>14</u>	<u>3</u>	<u>8</u>	<u>4</u>	<u>5</u>
Total primary government general revenues	<u>22,328</u>	<u>22,875</u>	<u>18,560</u>	<u>16,248</u>	<u>12,648</u>	<u>11,764</u>	<u>10,976</u>	<u>14,250</u>	<u>14,486</u>	<u>17,045</u>
<b>Change in Net Position</b>										
Governmental activities	3,001	3,093	(1,789)	(183)	(3,930)	(3,523)	(4,703)	(357)	(1,362)	1,131
Business-type activities	14	25	29	33	18	14	3	8	4	5
Total primary government	<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>	<u>\$ (1,358)</u>	<u>\$ 1,136</u>

**Note:**

- (1) - restated for implementation of GASB 65.
- (2) - restated for correction of errors. Information necessary to restate the 2014 beginning balance and 2014 pension expense amounts for the effects of the initial implementation of GASB 68 was not available.
- (3) - implementation of GASB 68.

**CITY OF MORAINE, OHIO**  
**Governmental Fund Balances**  
**Last Ten Years**

(modified accrual basis of accounting)  
 (reported in thousands)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u> <sup>(1)</sup>	<u>2015</u>
General Fund										
Reserved	\$ 375	\$ 393	\$ 1,321	\$ 1,230	\$ 1,120	\$ 88	\$ 88	\$ 935	\$ 933	\$ 92
Unreserved	17,139	16,495	13,045	11,551	7,608	694	1,720	866	541	1,029
Nonspendable						5,283	978	1,132	3,762	6,093
Assigned						6,065	2,786	2,933	5,236	7,214
Unassigned										
Total general fund	<u>17,514</u>	<u>16,888</u>	<u>14,366</u>	<u>12,781</u>	<u>8,728</u>	<u>6,065</u>	<u>2,786</u>	<u>2,933</u>	<u>5,236</u>	<u>7,214</u>
All Other Governmental Funds										
Reserved	2,832	1,825	2,418	6,465	2,725					
Unreserved, reported in:										
Special revenue funds	1,976	2,188	(3,268)	(4,022)	2,016					
Capital projects fund	2,103	2,620	1,435	2,642	1,128					
Debt service fund	125	131	138	147	150					
Nonspendable						1,928	1,156	44	245	534
Restricted						2,020	2,397	3,379	2,871	2,962
Committed						4,249	5,019	4,089	3,762	2,841
Unassigned						(210)	(506)	(241)	(603)	(9)
Total all other governmental funds	<u>\$ 7,036</u>	<u>\$ 6,764</u>	<u>\$ 723</u>	<u>\$ 5,232</u>	<u>\$ 6,019</u>	<u>\$ 7,987</u>	<u>\$ 8,066</u>	<u>\$ 7,271</u>	<u>\$ 6,275</u>	<u>\$ 6,328</u>

**Note:**

The City implemented the provisions of GASB Statement No. 54 for 2011 which changed the manner in which governmental funds were reported.

(1) - restated for correction of errors.

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

TABLE 4

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014(1)</u>	<u>2015</u>
<b>REVENUES</b>										
Income Taxes	\$ 20,328	\$ 19,244	\$ 15,382	\$ 11,657	\$ 9,760	\$ 9,699	\$ 10,029	\$ 12,141	\$ 13,452	\$ 15,721
Property Taxes	723	772	697	474	526	596	479	514	544	529
Other Taxes	86	69	66	11	2	43	24	18	19	16
Payment in lieu of taxes	-	-	-	-	41	43	33	95	185	247
Shared Revenues	929	1,022	1,270	852	708	656	725	724	715	825
License and Permits	35	98	41	232	15	11	106	129	148	113
Charges for Services	855	842	866	948	575	782	535	627	516	646
Fines	279	240	214	257	75	343	266	227	275	326
Investment Earnings	494	1,221	1,255	960	410	237	31	133	72	81
Contributions and Donations	26	32	22	9	23	-	-	-	-	-
Rents and Royalties	38	36	19	18	20	12	-	-	-	-
Intergovernmental	1,561	1,024	451	1,107	1,565	2,219	492	751	592	1,601
Miscellaneous	232	233	105	1,966	509	500	198	340	306	271
Total Revenues	<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>	<u>16,824</u>	<u>20,376</u>
<b>EXPENDITURES</b>										
Current:										
General government	4,565	4,859	4,893	4,290	3,868	3,154	3,314	2,978	3,343	3,536
Public Safety	9,064	9,509	9,092	8,860	8,311	8,433	7,784	8,144	7,519	8,397
Highways & Streets	2,748	2,399	2,559	2,371	2,319	2,637	2,251	2,121	2,558	3,198
Sanitation	305	340	347	419	346	284	308	326	303	288
Economic Development	511	3,132	639	944	299	990	473	302	684	327
Health and Welfare	133	133	85	86	76	79	206	28	112	162
Culture and Recreation	2,389	2,593	2,567	2,108	1,000	886	870	906	760	1,176
Capital Improvements	2,144	2,645	4,315	1,890	1,712	1,688	381	1,542	66	1,292
Debt Service:										
Principal	4,249	169	5,068	161	5,475	205	232	269	110	269
Interest & Fiscal Charges	165	205	301	227	248	307	300	255	252	250
Total Expenditures	<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>	<u>15,707</u>	<u>18,895</u>
Excess (deficiency) of revenues over expenditures	(687)	(1,151)	(9,478)	(2,865)	(9,425)	(3,515)	(3,201)	(1,172)	1,117	1,481
<b>OTHER FINANCIAL SOURCES (USES)</b>										
General long-term debt issued	5,000			5,300	5,805	-	-	216	187	267
Transfers In	4,462	6,025	5,125	3,150	2,805	2,100	2,000	2,235	1,860	3,135
Transfers Out	(4,462)	(6,025)	(5,125)	(3,150)	(2,805)	(2,200)	(2,000)	(2,235)	(1,860)	(3,175)
Inception of capital leases	80		693	450	94	-	-	-	-	310
Proceeds from the sale of assets	146	253	220	41	260	18	-	308	2	14
Total Other Financing Sources (Uses)	<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>	<u>189</u>	<u>551</u>
Net Change in Fund Balance	<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>	<u>\$ 1,306</u>	<u>\$ 2,032</u>
Debt service as a percentage of noncapital expenditures	17.82%	1.77%	21.14%	2.28%	25.09%	3.02%	3.35%	3.34%	2.34%	2.95%

(1) - restated for correction of errors.

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

TABLE 5

Year	Municipal Income Taxes	Property and Other Local Taxes	State Shared Taxes and Permits	Total
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 (1)	696,967	1,077,507	17,107,072
2009	11,817,442 (1)	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
2014	13,136,740 (2)	752,342	261,322	14,150,404
2015	15,767,651	796,719	178,221	16,742,591

Source: City of Moraine, Department of Finance

- (1) City's largest employer ceased operations during 2008 and 2009
- (2) Income tax rate increased 1/2% to 2.5% effective July 1, 2014, with 2015 being the first full year of collection using new rate.

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

TABLE 6

<u>Year</u>	<u>Amount</u>
2006	\$ 20,328,322
2007	19,244,218
2008	15,382,323 (2)
2009	11,657,120 (2)
2010	9,760,045
2011	9,699,479
2012	10,028,922
2013	12,141,049
2014	13,451,675 (3)
2015	15,721,498

Source: City of Moraine, Department of Finance

(1) Includes all governmental fund types.

(2) City's largest employer ceased operations during 2008 and 2009.

(3) Income tax rate increased 1/2% to 2.5% effective July 1, 2014. 2015 is first full year of collection using new rate.

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

<u>2006</u>			<u>2015</u>		
<u>Rank</u>	<u>Name</u>	<u>2015 Rank</u>	<u>Rank</u>	<u>Name</u>	
1	General Motors Corporation	-	1	Dmax	
2 (1)	Delphi Automotive	-	2	WinSupply	
3	Dmax	1	3	Dayton Power and Light	
4	A T & T Resources	-	4	Heidelberg Distributing	
5	Dayton Power and Light	3	5	Compunet Clinical Laboratories	
6	City of Moraine	9	6	Lastar	
7	WinSupply	2	7	Tyler Technologies	
8	Compunet Clinical Laboratories	5	8	BWI North America	
9	Walmart	-	9	City of Moraine	
10	Elder Beerman	-	10	YP Advertising	

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 Years**

<u>Year</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>
2006	\$ 1,011,590	\$ 48,710,040	\$ 53,443,470	\$ 43,938,250	\$ 147,103,350	2.50	\$ 420,295,286	0.35
2007	1,047,510	48,894,860	55,008,990	44,009,840	148,961,200	2.50	425,603,429	0.35
2008	1,040,330	49,019,710	55,504,680	43,628,350	149,193,070	2.50	426,265,914	0.35
2009	1,237,860	52,743,290	53,981,150	42,698,100	151,250,300	2.50	432,143,714	0.35
2010	1,207,550	52,349,240	55,915,630	42,568,540	152,040,960	2.50	434,402,743	0.35
2011	1,334,070	52,112,240	59,096,180	42,410,040	154,952,530	2.50	442,721,514	0.35
2012	1,485,130	49,529,340	53,772,660	40,605,060	145,392,190	2.50	415,406,257	0.35
2013	1,440,480	49,394,930	53,135,260	32,607,220	136,577,890	2.50	390,222,543	0.35
2014	1,451,150	49,545,830	53,776,430	33,006,830	137,780,240	2.50	393,657,829	0.35
2015	1,915,020	43,571,810	51,698,110	32,169,850	129,354,790	2.50	369,585,114	0.35

Source: Montgomery County Auditor's Office

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<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	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>
<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
Developmental Disabilities	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	7.21	7.21	7.21	7.21	7.21	7.21	8.21	8.21
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	<u>13.94</u>	<u>13.94</u>	<u>15.94</u>	<u>15.94</u>	<u>15.94</u>	<u>15.94</u>	<u>15.94</u>	<u>15.94</u>	<u>16.94</u>	<u>16.94</u>
<b>OTHER UNITS:</b>										
Montgomery County Community College	2.5	2.5	2.5	3.2	3.2	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	1.75	1.75	1.75	1.75	3.31	3.31	3.31
<b>SCHOOL DISTRICT:</b>										
Kettering / Moraine Community	67.8	67.8	71.3	73.1	78	78	78	78	82.99	82.99
West Carrollton Community	65.55	65.55	72.05	72.05	72.05	72.05	72.05	72.05	72.05	72.05
Jefferson Local School	61.9	61.9	61.9	66.9	66.9	66.9	66.9	66.9	61.4	61.4
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 2015</u>		
		<u>Taxable Valuation</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Valuation</u>
Dayton Power & Light Company	Gas and Electric Utility	86,934,650	1	39.04%
Vectren Energy	Utility	8,339,190	2	3.75%
Dovetree Apartments	Real Estate	3,371,130	3	1.51%
WMSSMDOM LLC	Retail Sales	2,658,590	4	1.19%
VonMil Realty LLC	Real Estate	2,493,380	5	1.12%
Berry L M Services Inc	Publisher & Marketing	2,013,620	6	0.90%
Woodbine Partners LTD	Retail Sales	1,759,080	7	0.79%
Dryden Service Center Dayton LLC	Real Estate	1,562,720	8	0.70%
IRG Moraine LLC	Retail Sales	1,251,300	9	0.56%
Univest Dayton Ohio, LLC	Real Estate	1,243,040	10	0.56%
	Subtotal	111,626,700		50.12%
	All Others	111,028,810		49.88%
	Total	\$ 222,655,510		100.00%

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Calendar Year 2006</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	\$38,374,090	1	15.11%
General Motors Corporation	Automotive Manufacturer	29,400,620	2	11.58%
Dmax	Automotive Parts Manufacturer	8,847,520	3	3.48%
Vectren Energy	Utility	5,092,040	4	2.00%
Walmart	Retail Sales	5,132,510	5	2.02%
Delphi Automotive Systems, Inc.	Automotive Parts Manufacturer	4,140,160	6	1.63%
Capco	Real Estate Holding Company	3,966,360	7	1.56%
Cooper Tire Company	Tire Manufacturer	3,310,230	8	1.30%
L.M. Berry Company	Printing	1,586,520	9	0.62%
Setech Inc.	Real Estate Holding Company	1,142,680	10	0.45%
	Subtotal	100,992,730		39.76%
	All Others	152,998,008		60.24%
	Total	\$ 253,990,738		100.00%

Source: Montgomery County Auditor's Office



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

TABLE 10

<b>TAX YEAR</b>	<b>TOTAL LEVIED</b>	<b>TOTAL COLLECTED</b>	<b>PERCENTAGE COLLECTED</b>	<b>DELINQUENT COLLECTIONS</b>	<b>TOTAL COLLECTIONS</b>	<b>TOTAL COLLECTIONS AS LEVIED</b>	<b>OUTSTANDING TAXES</b>	<b>OUTSTANDING DELINQUENT TAXES AS PERCENTAGE LEVIED</b>
2005/2006	\$ 634,977	\$ 601,054	95%	\$ 34,215	\$ 635,269	100%	\$ 96,769	15%
2006/2007	588,657	567,763	96%	69,988	637,751	108% (1)	39,375	7%
2007/2008	551,362	512,629	93%	13,459	526,088	95%	41,536	8%
2008/2009	502,096	481,108	96%	18,004	499,112	99%	49,320	10%
2009/2010	515,207	516,538	100%	17,152	533,690	104% (1)	53,901	10%
2010/2011	536,361	503,251	94%	23,254	526,505	98%	47,609	9%
2011/2012	516,689	478,482	93%	19,005	497,487	96%	39,553	8%
2012/2013	546,775	531,633	97%	5,424	537,057	98%	26,503	5%
2013/2014	570,034	549,675	96%	16,493	566,168	99%	30,368	5%
2014/2015	550,881	528,894	96%	20,970	549,864	100%	34,676	6%

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.

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

TABLE 11

Year	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)
	\$							
2006	\$ 2,700,000	\$ -	\$ 26,594	\$ 2,726,594	\$ 116,421,360	2.34%	\$ 395	
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	
2014	781,561	5,700,803	-	6,482,364	106,462,435	6.09%	1,027.80	
2015	964,476	5,512,013	310,601	6,787,090	106,462,435	6.38%	1,076.12	

(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, 2015**

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	\$ 6,787,090	100.00%	\$ 6,787,090
<i><b>OVERLAPPING</b></i>			
MONTGOMERY COUNTY	39,001,338	2.47%	963,333
DAYTON METRO LIBRARY	169,280,000	2.47%	4,181,216
WEST CARROLLTON CITY SCHOOL DISTRICT	1,400,000	57.90%	810,600
KETTERING CITY SCHOOL DISTRICT	81,257,364	18.19%	14,780,715
<i><b>TOTAL OVERLAPPING DEBT</b></i>	<u>290,938,702</u>		<u>20,735,864</u>
TOTAL	<u>\$ 297,725,792</u>		<u>\$ 27,522,954</u>

Source: Individual Jurisdictions

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$26,669	\$24,936	\$23,370	\$21,885	\$16,270	\$15,266	\$14,341	\$14,341	\$13,582	\$14,467
Legal Debt Margin	<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>	<u>8,115</u>	<u>9,160</u>
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	35.68%	37.83%	39.99%	39.64%	41.42%	36.68%

**Legal Debt Margin Calculation for Calendar Year 2015**

Total Assessed Value (tax year 2015)	137,780
Debt limit (10.5% of total assessed value)	14,467
Debt applicable to limit:	
General Obligation Bonds	5,440
Less: Amount reserved for repayment of general obligation debt	(133)
Total net debt applicable to limit	<u>5,307</u>
Legal debt margin	<u>\$9,160</u>

**CITY OF MORAINÉ, 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>
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%
2014	6,307	106,462	16,880	37.0	4.8%
2015	6,307	106,462	16,880	37.0	4.7%

Sources:

(1) 2000 and 2010 United States Census Bureau.

(2) Bureau of Labor Statistics - 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>2015</u>	<u>2006</u>	
	<u>Number of Employees</u>		<u>Number of Employees</u>
Dmax Ltd.	587		5,281
Dayton Power and Light	441		1,431
Heidelberg Distributing	421		1,289
Compunet Labs	366		695
WinSupply	245		587
Tyler Tech	232		518
City of Moraine	229		496
South Community	229		358
Lastart	146		152
BWI North America	114		119
			10
			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 Calendar Years**

<u>Function/Program</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>	<u>2014</u>	<u>2015</u>
General government										
Clerk of Council	1	1	1	1	1	1	1	1	1	1
City Manager	8	8	8	8	7	7	6	6	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	8	8	8	7	6	6	6	6	6	6
Public Buildings	21	23	22	21	21	12 (1)	5	6	6	6
Public Safety										
Police	64	48	48	45	44	49	38	37	32	34
Fire	50	52	51	46	45	36	32	33	25	27
Other										
Highways and Streets	18	18	19	18	18	26 (1)	15	16	18	18
Community Development	6	6	6	6	6	5	3	3	3	3
Recreation and Culture	58	57	54	42	39	22	19	18	18	20
Garage	4	4	4	4	4	4	3	3	3	3
<b>Total</b>	<u>240</u>	<u>227</u>	<u>223</u>	<u>200</u>	<u>193</u>	<u>170</u>	<u>130</u>	<u>131</u>	<u>120</u>	<u>126</u>

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, 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 Calendar Years**

TABLE 17

<b>Function</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Police</b>										
Warrants served	1,594	1,345	1,347	N/A	1,128	1,266	905	822	899	1,041
Felony arrests	N/A	N/A	120	N/A	92	131	177	157	252	293
Arrests made	1,593	1,292	1,198	N/A	1,702	778	1,753	1,535	1,771	1,800
Traffic citations issued	3,314	2,808	2,398	N/A	1,568	3,205	2,653	1,944	2,537	2,523
Miles Patrolled	364,544	375,637	294,281	N/A	237,841	272,940	260,804	253,927	224,694	233,288
<b>Fire</b>										
Fire calls	117	118	133	100	112	92	566	637	80	722
EMS calls	1,769	1,708	1,755	1,357	1,567	1,619	1,689	1,565	1,705	2,069
Fire Inspections	955	929	909	976	961	1,043	1,012	1,032	920	749
Child Safety Seat Inspections	59	51	48	60	31	20	25	25	26	16
<b>Highways and Streets</b>										
Gallons of street paint used	1,880	1,880	1,456	1,750	1,040	865	1,353	1,045	1,050	1,115
Tons of snow melting salt used	797	797	1,000	1,200	1,200	953	338	332	854	657
<b>Community Development</b>										
Building Inspections	360	236	245	328	177	481	787	965	797	737
Residential Building Permits Issued	57	84	74	65	75	103	196	208	129	118
Commercial Building Permits Issued	126	105	96	108	95	105	174	199	190	206
<b>Culture and Recreation</b>										
Payne Recreation Center Attendance	100,000	90,605	89,590	82,467	138,939	175,000	136,512	141,620	175,386	185,276
Splash! Moraine Attendance	65,685	64,333	62,703	56,092	- (1)	-	-	-	-	-
Civic Center Attendance (estimated)	20,000	25,979	43,686	40,992	31,061	55,000	77,935	106,260	112,868	108,215
Natorium Attendance	-	-	-	-	-	-	-	-	-	-
Youth and Day Camps Attendance	1,606	1,013	1,098	885	752	824	342	203	210	340

(1) 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 Calendar Years**

<b>Function</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Public Safety										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	28	28	28	28	28	24	22	21	21	19
Fire:										
Stations	3	3	3	3	3	2	2	2	2	2
Emergency Response Vehicles	10	10	10	10	10	12	12	12	12	13
Highways and Streets						(1)				
Miles of Streets (Center Line Miles)	276.65	276.65	276.65	276.65	276.65	276.65	276.65	276.65	276.65	276.65
Number of Streetlights (Non-special assessment)	1,313	1,313	1,313	1,226	1,226	1,356	1,356	1,356	1,356	1,356
Culture and Recreation										
Parks	(2)	14	13	13	13	13	13	13	12	12
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.

(2) Represents the number of City owned and maintained parks.

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