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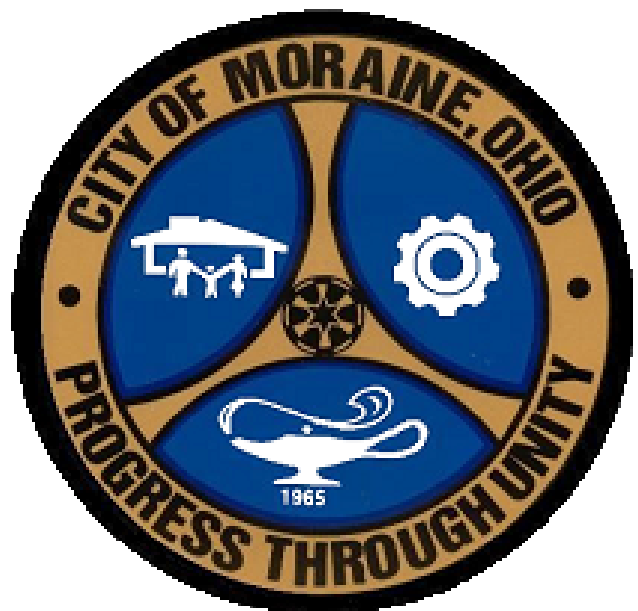
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OHIO



ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
YEAR ENDED  
DECEMBER 31, 2021



# OHIO AUDITOR OF STATE KEITH FABER

88 East Broad Street  
Columbus, Ohio 43215  
IPARepor@ohioauditor.gov  
(800) 282-0370

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

We have reviewed the *Independent Auditors' Report* of the City of Moraine, Montgomery County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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



Keith Faber  
Auditor of State  
Columbus, Ohio

August 15, 2022

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**CITY OF MORaine, OHIO**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

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

**Don Buczek**  
**Finance Director**

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CITY OF MORaine, OHIO  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2021

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## **INTRODUCTORY SECTION**



# City of Moraine

Finance Department



**June 29, 2022**

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

The Annual Comprehensive Financial Report of the City of Moraine, Ohio, for the fiscal year ended December 31, 2021, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Clark, Schaefer, Hackett & Co., under contract with 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 auditors' 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 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. On December 31, 2021, the City had one blended component unit, the Vance Darroch New Community Authority (see notes to the financial statements for discussion).

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 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 6,400 individuals based on the 2020 Census information.

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**

2021 welcomed another strong year of economic vitality for our community. Several of our corporate stalwarts continued to lead the way with investments by Fuyao, Winsupply, and Tyler Technologies to name a few. The industries contributing in over \$20 million of capital investment during 2021 and 2022 include manufacturing, distribution, and information technology. More specifically, Tyler is in the process of welcoming several new tenants in the coming year that support their technology-focused campus and Fuyao is investing in a new line to support customer growth from BMW.

The recently constructed WinSupply Richard Schwartz (RS) Innovation Center and the soon to open new middle school by the West Carrollton School District have reinvigorated the northeast quadrant of the City along the South Dixie and Kettering Boulevard thoroughfares. These two projects exceed \$10 million in real property improvements and bring with them the exciting opportunities of training our children as well as future corporate leaders at the RS Innovation Center. Further north we also experienced retail growth with the addition of a new Chipotle immediately adjacent to the first Tesla automotive service center in the Dayton region. We are proud to welcome such innovative technology to our City.

On the amenity front, we saw significant success along Alex-Bell Road with the addition of several service eateries including Chiapas, Hole in One Donuts, Story's Pizza, and in the first quarter of 2022 Jubee's Creamery. These businesses fully occupied an underperforming retail center and have helped enrich our amenity offerings to both existing and new businesses which exceed 600 citywide. This southern quadrant of the City has become a hotbed of activity with the neighboring Kroger Marketplace and Springboro Pike Plaza reinvestment. We were also fortunate to experience additional growth throughout the entire City. New businesses include Insignia on Dryden Road, the P413 sports complex on Arbor Drive, On Spot Techs on Dixie Drive, and the Miami Valley Liquidation Center on Kettering Boulevard. 2021 also saw investments by many of our existing businesses that have only enhanced our economic prowess and helped generate ongoing job growth locally.

### **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.

During 2021, the world was still in the middle of a global pandemic that affected the City's services and financial condition. The City continued to watch spending levels and monitor revenue streams very closely. While 2020 saw decreases in income tax collections compared to the year before, 2021 saw a rebound in collections and the City exceeded expectations. This rebound showed the resilience of the local economy and the diversity which the City has sought over the last 15 years of economic development efforts. The City also benefited from one-time funding from both the state and federal governments. Reductions in spending in some areas, some employment positions going unfilled for a long amount of time, and one-time funding streams, has led to notable improvements in the City's financial numbers and cash balances. City income tax collections (cash basis) for 2021 increased by 8% over the previous year and were 11% above the revenue budget. Resilient income tax receipts, reduced spending, and one-time funding resulted in the General Fund unencumbered cash balance reaching \$32 million at the end of 2021, continuing the recent trend of increased fund balances. These increased balances helped the City to obtain a Moody's bond rating increase to Aa3 during 2021. The City is appreciative of this increase as it is a product of the hard work and financial focus the City has had over the last number of years.

The City coordinates public improvements of all City related entities through adoption of a Capital Improvement Plan (CIP). The goal 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 consists of a five-year plan of capital expenditures for all City projects. The CIP is prepared each year during the budget planning process.

In 2020, the five-year plan was revised, and the needs and requirements of the City were again reviewed by the City Manager, Finance Director, and Department Heads, and incorporated into the 2021 budget where possible. The City's future revenues and how expenses should be allocated was also discussed and presented to Council for review.

## **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 a component 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 Annual Comprehensive Financial Report for the year ended December 31, 2020. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a governmental unit must publish an informative and efficiently organized Annual Comprehensive 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 35 consecutive years (fiscal years ended 1986-2020). 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 blue ink, appearing to read "Don B.", with a stylized flourish at the end.

Don Buczek  
Finance Director

# **CITY OF MORaine, OHIO**

## **CITY COUNCIL**

Elaine Allison, Mayor

Ora Allen, Council Member (At Large)

Don Burchett, 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**

Michael Davis, City Manager

Martina Dillon, Law Director

Don Buczek, Finance Director

Amy Brown, Clerk of Council

**CITY OF MORaine, OHIO**

**DEPARTMENT OF FINANCE STAFF**

Don Buczek, Finance Director

Lora Perry, Deputy Finance Director

Sheri Thatcher, Income Tax Administrator

Paula Cox, Financial Assistant

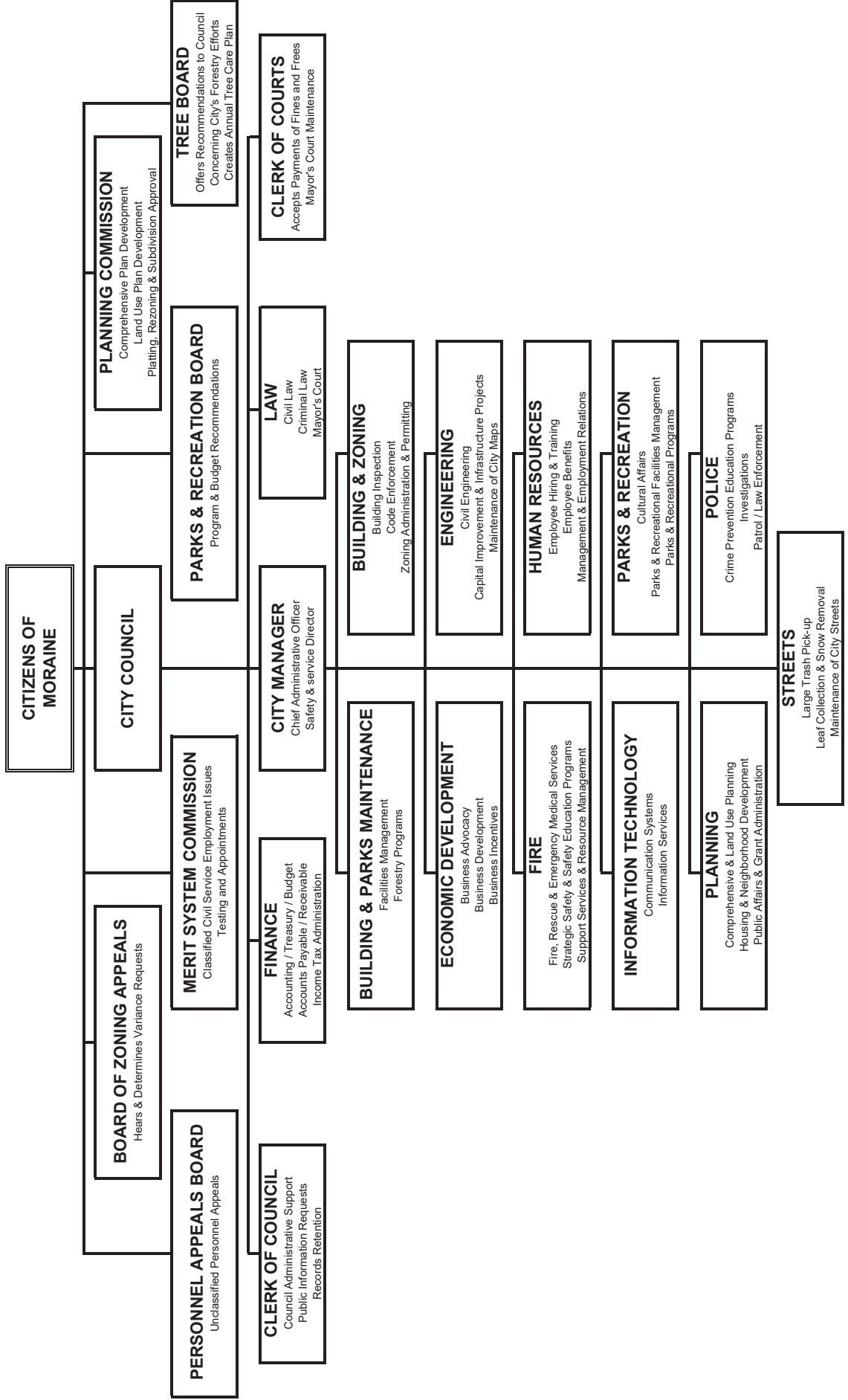
Penny Tinchler, Financial Assistant

Richard Hisey, Financial Assistant

Ann Marie Vanderburgh, Finance Clerk

Lorie Forsythe, Finance Clerk

# Organization of the City of Moraine





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Moraine  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morrell*

Executive Director/CEO

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## **FINANCIAL SECTION**





## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moraine, Ohio (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

### ***Required Supplementary Information***

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 29, 2022

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**CITY OF MORaine, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
(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, 2021. 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, 2021 are as follows:

- Total net position increased by \$9.6 million which represents a 34.7% increase from the beginning balance of 2021. An increase of \$9.4 million was reported in governmental activities and an increase of \$184,912 was reported in business-type activities.
- Total assets of governmental activities at December 31, 2021 increased by \$6.2 million from the 2020 total assets primarily due to the \$5.7 million increase in cash and investments reported at current year end as the City received significant cash inflows from an improving economy in the form of increased income tax, licenses and permits, and property taxes during the current year. Total liabilities of the governmental activities decreased by \$6.8 million due to the decrease in the net pension and OPEB liabilities reported by the City at the end of 2021 compared with one year prior.
- Overall, the net position of the City's business-type activities increased by \$184,912 or 24.0% over the ending balance reported one year prior. The increase during 2021 resulted from the Vance Darroch New Community Authority (a blended component unit) continuing to grow and add active properties to the development thereby increasing the development fees reported.
- The \$33.4 million unassigned ending fund balance reported in the General Fund represents 235.4% of the total expenditures, transfers excluded, reported in the General Fund for 2021 compared with 203.0% 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 2021?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

**CITY OF MORaine, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
(Unaudited)

---

These two statements report the City's net position and change in that position. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements should take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's 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, economic development, planning and zoning, and general administrative services.
- **Business-Type Activities** – The City has two activities that are reported as business-type activities, the Moraine Loan Program and the Vance Darroch New Community Authority. The intent of both of these activities is to have operating charges be sufficient to cover the operating cost of each program. The City has currently suspended issuing new loans under the Moraine Loan Program but anticipates restarting the program in future years. The Vance Darroch New Community Authority is a blended business-type component unit for the City and charges a development fee to properties to finance certain commonly used features, such as infrastructure and greenspace within the development area.

## **Reporting the City's Most Significant Funds**

### *Fund Financial Statements*

Fund financial reports provide detailed information about each major fund. 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. The major governmental funds of the City include the General, Capital Improvement, Street Construction and Maintenance, and General Debt Service funds. 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 enterprise funds. Internal service funds account for services provided various departments or agencies within the City. Both fund types, classified as 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, 2021**  
(Unaudited)

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. All of the City's fiduciary activities are reported in a separate set of fiduciary funds' statements following the proprietary fund statements.

**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 \$37.1 million at December 31, 2021.

Table 1 provides a summary of the City's net position for 2021 compared to 2020.

**Table 1**  
**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 44,305,416	37,212,208	953,844	768,932	45,259,260	37,981,140
Capital Assets	31,527,141	32,393,375	-	-	31,527,141	32,393,375
Total Assets	75,832,557	69,605,583	953,844	768,932	76,786,401	70,374,515
Deferred Outflows of Resources	4,241,671	5,659,099	-	-	4,241,671	5,659,099
Current and Other Liabilities	1,279,483	703,047	-	-	1,279,483	703,047
Long-Term Liabilities:						
Net Pension and OPEB Liabilities	18,454,166	25,251,771	-	-	18,454,166	25,251,771
Other Amounts	15,823,719	16,398,292	-	-	15,823,719	16,398,292
Total Liabilities	35,557,368	42,353,110	-	-	35,557,368	42,353,110
Deferred Inflows of Resources	8,396,463	6,165,279	-	-	8,396,463	6,165,279
Net Position:						
Net Investment in						
Capital Assets	20,524,636	22,659,209	-	-	20,524,636	22,659,209
Restricted	1,857,372	1,773,926	-	-	1,857,372	1,773,926
Unrestricted	13,738,389	2,313,158	953,844	768,932	14,692,233	3,082,090
Total Net Position	\$ 36,120,397	26,746,293	953,844	768,932	37,074,241	27,515,225

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2021 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27". In 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", which significantly revised accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the net OPEB asset and deferred outflows related to pension and OPEB.



**CITY OF MORaine, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
(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. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability or net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB 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.

GASB 68 and GASB 75 require the net pension and the net OPEB asset/liabilities to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. 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 these liabilities. 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 Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include adjustments to expense accounts, either increases or decreases, for annual pension and OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB asset/liability, not accounted for as deferred inflows or deferred outflows.



**CITY OF MORaine, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
(Unaudited)

As displayed in Table 1, total governmental net position of the City increased by \$9.4 million from 2020 to 2021. Equity in pooled cash and investments increased by \$5.7 million during the current year as the City received significant cash inflows from an improving economy in the form of increased income tax, licenses and permits, and property taxes revenues. Capital assets and deferred outflows of resources decreased by a total of \$2.3 million throughout the year. Net capital asset amounts decreased as current year depreciation exceeded capital outlay. Deferred outflows of resources associated with pension and OPEB amounts decreased based on information provided by the State-wide pension system for the year. Total liabilities decreased by \$6.8 million in 2021 almost exclusively to the City's proportionate share of the net pension and OPEB liabilities reported at the current year being \$6.8 million less than those reported one-year prior, with one retirement system ending the year with a net OPEB asset instead of the \$4.1 million liability reported at the end of the prior year. The increase in the deferred inflows of resources associated with the net pension and OPEB liabilities amounted to \$2.2 million for the year.

At December 31, 2021, the City reported a positive unrestricted net position amount totaling \$14.7 million compared to the \$3.1 million unrestricted deficit reported one year prior. However, it should be noted that if the components of the net pension and OPEB amounts are excluded, the City's unrestricted net position would be \$36.1 million. We feel this important to mention as the management of the City has no control over the management of the State-wide retirement systems or the benefits offered; both of which control the net pension and OPEB amounts, both of which significantly impact the City's financial statements.

Table 2 shows the changes in the governmental and business-type net position for the year ended December 31, 2021 compared with the prior year.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program Revenues:						
Charges for services	\$ 1,050,708	698,079	198,884	121,822	1,249,592	819,901
Operating grants and contributions	810,991	1,301,549	-	-	810,991	1,301,549
Capital grants and contributions	299,812	575,985	-	-	299,812	575,985
Total Program Revenues	<u>2,161,511</u>	<u>2,575,613</u>	<u>198,884</u>	<u>121,822</u>	<u>2,360,395</u>	<u>2,697,435</u>
General Revenues:						
Income taxes	21,060,368	18,845,105	-	-	21,060,368	18,845,105
Property and other taxes	706,088	674,742	-	-	706,088	674,742
Payment in lieu of taxes	330,646	384,593	-	-	330,646	384,593
Shared revenues	202,737	133,629	-	-	202,737	133,629
Investment earnings	(14,837)	300,775	342	9,170	(14,495)	309,945
Miscellaneous	1,897,519	3,044,114	-	-	1,897,519	3,044,114
Total General Revenues	<u>24,182,521</u>	<u>23,382,958</u>	<u>342</u>	<u>9,170</u>	<u>24,182,863</u>	<u>23,392,128</u>
Total Revenues	<u>26,344,032</u>	<u>25,958,571</u>	<u>199,226</u>	<u>130,992</u>	<u>26,543,258</u>	<u>26,089,563</u>

(continued)

**CITY OF MORaine, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
(Unaudited)

**Table 2**  
**Changes in Net Position**  
**(Continued)**

	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Expenses:						
General Government	3,010,336	4,513,626	-	-	3,010,336	4,513,626
Public Safety	8,776,765	9,944,845	-	-	8,776,765	9,944,845
Highways and Streets	3,262,088	5,038,683	-	-	3,262,088	5,038,683
Sanitation	355,042	315,002	-	-	355,042	315,002
Culture and Recreation	532,436	1,196,872	-	-	532,436	1,196,872
Economic Development	698,898	850,837	-	-	698,898	850,837
Interest and Fiscal Expense	334,363	267,212	-	-	334,363	267,212
New Community Authority	-	-	14,314	35	14,314	35
Total Expenses	<u>16,969,928</u>	<u>22,127,077</u>	<u>14,314</u>	<u>35</u>	<u>16,984,242</u>	<u>22,127,112</u>
Change in net position	9,374,104	3,831,494	184,912	130,957	9,559,016	3,962,451
Net Position - Beginning	<u>26,746,293</u>	<u>22,914,799</u>	<u>768,932</u>	<u>637,975</u>	<u>27,515,225</u>	<u>23,552,774</u>
Net Position - Ending	<u>\$ 36,120,397</u>	<u>26,746,293</u>	<u>953,844</u>	<u>768,932</u>	<u>37,074,241</u>	<u>27,515,225</u>

As noted above, the governmental activities reported an increase in revenues of \$385,461 and a decrease in expenses of \$5.2 million for the year ended December 31, 2021 compared with those reported for the prior year. These factors resulted in the \$9.4 million increase in net position during calendar year 2021 compared to the \$3.8 million increase in net position reported during 2020. Some of the more significant factors attributing to this change in the statement of net position included:

- Income tax revenue, which represents 79.9 percent of total revenue for governmental activities, increased \$2.2 million (11.8 percent) over those reported for the prior year as economic conditions improved over those seen in the prior year where revenue realized through employee withholdings as well as business net-profit returns were significantly affected by the global pandemic.
- Program revenues decreased by 16.1 percent compared with 2020 amounts as the City received less operating and capital grants in 2021 due to a major State Route reconstruction project being completed in the prior year. Charges for services revenues increased in the current year as the City saw significant increases in licenses and permits volume and court activity returned to near normal activity compared with the pandemic depressed activity seen in the prior year.
- Miscellaneous revenues decreased significantly as the City received \$1.2 million in workers' compensation rebate from the State during 2020 which did not reoccur for the current year. Property sales within the City's residential developments reported for 2021 (\$1.5 million) was slightly higher than the \$1.4 million reported in the prior year. The area being developed is land the City had previously purchased and recorded as a capital asset, therefore the sale of properties is reported as a gain on sale of asset by the City.
- Total governmental activities expenses decreased by \$5.2 million, or 23.3%, due to a reduction in the pension and OPEB expense recorded by the City as reported by the State-wide retirement systems. For 2020, the City pension and OPEB adjustments increased total expenses by \$1.8 million whereas adjustments for 2021 resulted in a \$3.6 million decrease to expenses. The \$5.4 million change in pension and OPEB adjustment more than offset the increased personnel costs realized by the City for 2021.

**CITY OF MORAIN, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
(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 2021 and 2020.

Table 3  
Governmental Activities

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2021	2020	2021	2020	2021	2020
General Government	\$ 3,010,336	\$ 4,513,626	\$ 531,749	\$ 343,485	\$ 2,478,587	\$ 4,170,141
Public Safety	8,776,765	9,944,845	467,271	692,508	8,309,494	9,252,337
Highways and Streets	3,262,088	5,038,683	893,056	1,451,751	2,369,032	3,586,932
Sanitation	355,042	315,002	-	-	355,042	315,002
Culture and Recreation	532,436	1,196,872	119,435	85,615	413,001	1,111,257
Economic Development	698,898	850,837	150,000	2,254	548,898	848,583
All Others	334,363	267,212	-	-	334,363	267,212
	<u>\$ 16,969,928</u>	<u>\$ 22,127,077</u>	<u>\$ 2,161,511</u>	<u>\$ 2,575,613</u>	<u>\$ 14,808,417</u>	<u>\$ 19,551,464</u>

As indicated by Table 3, the City is spending the majority (88.7 percent) of its resources on public safety, highways and streets and general government activities. While the expenses of the police and fire departments total approximately \$8.8 million, only \$467,271 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 \$3.0 million of the total governmental expenses. Court costs and fees generated by licenses and permits financed \$531,749 of the general government functional expenses while the remaining \$2.5 million comes from general revenue sources. Despite the decrease in operating and capital grants received during 2021, program revenues covered approximately 27.4 percent of highways and streets maintenance expense report, which is comparable to the coverage provided in the prior year.

### 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 \$24.2 million and expenditures of \$28.8 million during 2021. The net change in fund balance of the governmental funds was an increase of \$5.4 million, due to the net \$10.0 million of other financing sources, resulting in an ending total fund balance of \$37.2 million. While capital assets are included in the Statement of Net Position, expenditures are recognized in the fund statements thereby reducing the amount of resources available for future spending. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's General Fund realized an increase of approximately \$6.6 million in fund balance during 2021. The General Fund is the primary fund that finances government services to citizens. The revenues of the General Fund for 2021 were \$251,065 more than those reported in the prior year. The \$1.2 million increase in income tax revenue, along with increases for licenses and permits, charges for services and fines, more than offset the decreases reported for investment earnings (fair value adjustment) and miscellaneous revenue (significant workers' compensation rebate received in prior year). Total expenditures reported for 2021 were \$1.5 million more than those reported for the prior year as all City departments returned to full-duty during 2021 after certain departments operated on a reduced schedule in 2020 due to the pandemic. The sale of the land for development (noted above) was recorded within the other financing sources of the general fund.

**CITY OF MORaine, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
(Unaudited)

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At December 31, 2021 the ending unassigned fund balance of the General Fund was \$33.4 million; a 30.1 percent increase from the unassigned fund balance reported at December 31, 2020 and represents 235.4 percent of total General Fund expenditures, excluding transfers, reported for 2021.

The City separately reports other governmental funds as major funds, one of which is a special revenue fund, one is a debt service fund, and other is a capital project fund. The Capital Improvement fund reported a decrease in fund balance of \$454,517 which was anticipated in the capital planning as the City increased the capital acquisition after a lower than normal 2020 level due to the pandemic. The revenues and expenditures of the Street Construction and Maintenance Fund reported for the current year were similar to those of the prior year, however an increase in the transfer from the General fund resulted in a \$32,761 increase in fund balance at the end of the year. In 2021, the General Debt Service fund accounted for the repayment of the 2020 bond anticipation note (BAN) and the issuance of the 2021 infrastructure improvement bonds, which were used to repay the 2020 BAN when it became due. The ending fund balance of \$402,856 will be utilized to make future principal and interest payments on the 2021 infrastructure improvement bonds in subsequent years along with development charges levied against the properties within the development area.

The City has two enterprise funds, both of which are reported as major funds. The Moraine Loan Program fund had no activity for the year except for interest earned. The Vance Darroch New Community Authority fund accounts for the financial activity of the New Community Authority established for the Vance Darroch housing development and is considered a blended component unit of the City. The increase during 2021 resulted from the Vance Darroch New Community Authority continuing to grow and add active properties to the development thereby increasing the development fees reported.

### **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 to the legal level must be approved by Council in advance.

General Fund revenues at the beginning of the year were estimated at \$20.1 million and increased only slightly during the year. Actual revenues for the year totaled \$22.6 million. Income tax receipts for 2021 were \$2.0 million, or 10.8 percent, more than those anticipated in the budget due to conservative budgeting that was employed due to the economic issues concerning the pandemic. On a budgetary basis, actual revenues received during 2021 were 3.9 percent more than those received in 2020.

The expenditures, excluding transfers, for the General Fund were estimated at \$16.4 million at the beginning of the year and decreased \$137,503 during the year. Actual budgetary expenditures for the year were nearly \$2.7 million less than final budgetary estimates due to management's continued efforts to control spending and lower than expected spending levels, especially the public safety and general government functions.

Actual ending budgetary fund balance at December 31, 2021 was \$31.9 million compared to the \$24.2 million anticipated in the final 2021 budget.

**CITY OF MORaine, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
(Unaudited)

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### Capital Assets

At the end of fiscal year 2021, the City had a total of \$75.4 million invested in capital assets less accumulated depreciation of \$43.9 million resulting in a net investment in capital assets of \$31.5 million. Major capital asset additions for 2021, included the acquisition of police cruisers, street maintenance vehicles, and various pieces of technology amounting to \$378,295. Depreciation expense for 2021 was \$1.2 million, resulting in the overall \$866,234 decrease in the net value of the City's capital assets reported at December 31, 2021.

Table 4 shows 2021 balances compared to those of 2020:

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

		Governmental Activities	
		2021	2020
Land	\$	10,622,373	10,787,595
Construction in progress		7,246,057	7,076,517
Building and improvements		3,016,649	3,110,390
Equipment		2,656,790	2,699,092
Infrastructure		7,985,272	8,719,781
Total	\$	<u>31,527,141</u>	<u>32,393,375</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, 2021, the City had the following outstanding long-term obligations: \$4.2 million of general obligation bonds; \$7.7 million of infrastructure improvement bonds; and \$852,467 associated with six Ohio Public Works Commission (OPWC) loans.

During 2021, the City issued \$7,700,000 of infrastructure improvement bonds, series 2021 through a negotiated direct placement. The bond proceeds, along with the associated premium, were used to retire the \$8,150,000 2020 bond anticipate note when it became due. Total principal payments made during the year amounted to \$8.5 million, including the retirement of the 2020 bond anticipation note previously mentioned. Another \$348,240 of principal payments is scheduled to be made within the next calendar year.

See Notes 11 through 13 of the notes to the basic financial statements for more detailed information on the debt and other long-term obligations of the City.

**CITY OF MORaine, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
(Unaudited)

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**Current Economic Factors**

The City seemingly has recovered from the economic conditions caused by the COVID-19 pandemic and related emergency orders issued by the federal and state governments. Additional funding through federal and State agencies provided necessary stopgap funding due to decreases realized during calendar year 2020. Income tax revenue and other economy driven revenues, such as licenses and permits, have recovered to pre-pandemic levels due to a robust local economy that has seen higher local wages and higher property values. However, the total effect the pandemic has had on the local economy might not be known for years to come.

**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 MORAINÉ, OHIO**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 38,088,087	\$ 647,487	\$ 38,735,574
Cash in Segregated Accounts	130,033	108,911	238,944
Receivables:			
Income Tax	3,348,502	-	3,348,502
Property Tax	678,465	-	678,465
Payment in Lieu of Taxes	378,750	-	378,750
Accounts	372,984	197,446	570,430
Intergovernmental	530,208	-	530,208
Loans	4,000	-	4,000
Inventories	229,402	-	229,402
Prepays	91,027	-	91,027
Net OPEB Asset	453,958	-	453,958
Non Depreciable Assets	17,868,430	-	17,868,430
Depreciable Capital Assets, Net of Accumulated Depreciation	13,658,711	-	13,658,711
<b>Total Assets</b>	<b>75,832,557</b>	<b>953,844</b>	<b>76,786,401</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	229,221	-	229,221
Pension and OPEB	4,012,450	-	4,012,450
<b>Total Deferred Outflows of Resources</b>	<b>4,241,671</b>	<b>-</b>	<b>4,241,671</b>
<b>LIABILITIES</b>			
Accounts Payable	331,961	-	331,961
Salaries and Benefits Payable	340,230	-	340,230
Accrued Interest Payable	32,358	-	32,358
Insurance Claims Payable	207,255	-	207,255
Unearned Revenue	338,870	-	338,870
Deposits Held Payable	28,809	-	28,809
Long-Term Liabilities:			
Due Within One Year	566,604	-	566,604
Due In More Than One Year:			
Other Long-Term Liabilities	15,257,115	-	15,257,115
Net OPEB Liability	1,949,633	-	1,949,633
Net Pension Liability	16,504,533	-	16,504,533
<b>Total Liabilities</b>	<b>35,557,368</b>	<b>-</b>	<b>35,557,368</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	638,344	-	638,344
Payments in Lieu of Property Taxes	378,750	-	378,750
Pension and OPEB	7,379,369	-	7,379,369
<b>Total Deferred Inflows of Resources</b>	<b>8,396,463</b>	<b>-</b>	<b>8,396,463</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	20,524,636	-	20,524,636
Restricted for:			
Streets and Highways	977,404	-	977,404
Judiciary Programs	160,197	-	160,197
Debt Service	370,498	-	370,498
Cemetery Operations	130,106	-	130,106
Law Enforcement Programs	209,614	-	209,614
Unclaimed Monies	9,553	-	9,553
Unrestricted	13,738,389	953,844	14,692,233
<b>Total Net Position</b>	<b>\$ 36,120,397</b>	<b>\$ 953,844</b>	<b>\$ 37,074,241</b>

See accompanying notes to the basic financial statements.

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**CITY OF MORAINE, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
<b>Governmental Activities:</b>						
General Government	\$ 3,010,336	\$ 531,749	\$ -	\$ -	\$ (2,478,587)	\$ -
Public Safety	8,776,765	458,606	8,665	-	(8,309,494)	-
Highways and Streets	3,262,088	-	743,244	149,812	(2,369,032)	-
Sanitation	355,042	-	-	-	(355,042)	-
Culture and Recreation	532,436	60,353	59,082	-	(413,001)	-
Economic Development	698,898	-	-	150,000	(548,898)	-
Debt Service						
Interest and Fiscal Expense	334,363	-	-	-	(334,363)	-
<b>Total Governmental Activities</b>	<b>16,969,928</b>	<b>1,050,708</b>	<b>810,991</b>	<b>299,812</b>	<b>(14,808,417)</b>	<b>-</b>
<b>Business Type Activities:</b>						
Loan Program	-	-	-	-	-	-
New Community Authority	14,314	198,884	-	-	-	184,570
<b>Total Business Type Activities</b>	<b>14,314</b>	<b>198,884</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>184,570</b>
<b>Total</b>	<b>\$ 16,984,242</b>	<b>\$ 1,249,592</b>	<b>\$ 810,991</b>	<b>\$ 299,812</b>	<b>(14,808,417)</b>	<b>(14,623,847)</b>
<b>General Revenues</b>						
Income Tax					21,060,368	-
Property Tax Levied for						21,060,368
General Purposes					493,920	-
Police Pensions					79,535	-
Fire Pensions					79,535	-
Other Taxes					53,098	-
Payments in Lieu of Taxes					330,646	-
Shared Revenues (unrestricted)					202,737	-
Miscellaneous Receipts					382,304	-
Gain on Sale of Property					1,515,215	-
Investment Earnings					(14,837)	342
<b>Total General Revenues</b>					<b>24,182,521</b>	<b>342</b>
Change in Net Position					9,374,104	184,912
<b>Net Position - Beginning</b>					<b>26,746,293</b>	<b>768,932</b>
<b>Net Position - Ending</b>					<b>\$ 36,120,397</b>	<b>\$ 953,844</b>

See accompanying notes to the basic financial statements.

**CITY OF MORaine, OHIO**  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	Major Governmental Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	Capital Improvement	Street Construction & Maintenance	General Debt Service		
<b>ASSETS</b>						
Equity in Pooled Cash and Investments	\$ 32,067,366	\$ 791,341	\$ 207,105	\$ 402,856	\$ 2,172,675	\$ 35,641,343
Cash in Segregated Accounts	129,231	-	-	-	802	130,033
Receivables:						
Income Tax	3,348,502	-	-	-	-	3,348,502
Property Tax	513,373	-	-	-	165,092	678,465
Payment in Lieu of Tax	-	-	-	-	378,750	378,750
Accounts	372,984	-	-	-	-	372,984
Intergovernmental	70,251	119,102	280,098	-	60,757	530,208
Loans	-	-	-	-	4,000	4,000
Inventories	11,076	-	113,068	-	-	124,144
Prepays	91,027	-	-	-	-	91,027
Restricted Asset:						
Equity in Pooled Cash and Investments	38,362	-	-	-	-	38,362
<b>Total Assets</b>	<u>\$ 36,642,172</u>	<u>\$ 910,443</u>	<u>\$ 600,271</u>	<u>\$ 402,856</u>	<u>\$ 2,782,076</u>	<u>\$ 41,337,818</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 141,049	\$ 163,000	\$ 519	\$ -	\$ 5,098	\$ 309,666
Salaries and Benefits Payable	215,219	-	30,291	-	89,366	334,876
Unearned Revenue	-	-	-	-	338,870	338,870
Deposits Held Payable	28,809	-	-	-	-	28,809
<b>Total Liabilities</b>	<u>385,077</u>	<u>163,000</u>	<u>30,810</u>	<u>-</u>	<u>433,334</u>	<u>1,012,221</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes	483,146	-	-	-	155,198	638,344
Payments in Lieu of Taxes	-	-	-	-	378,750	378,750
Unavailable for:						
Income Taxes	1,364,173	-	-	-	-	1,364,173
Delinquent Property Taxes	30,227	-	-	-	9,894	40,121
Intergovernmental	57,152	-	234,460	-	55,201	346,813
Other Sources	325,482	-	-	-	-	325,482
<b>Total Deferred Inflows of Resources</b>	<u>2,260,180</u>	<u>-</u>	<u>234,460</u>	<u>-</u>	<u>599,043</u>	<u>3,093,683</u>
<b>FUND BALANCE</b>						
Nonspendable for:						
Materials and Supplies Inventory	11,076	-	113,068	-	-	124,144
Prepaid Items	91,027	-	-	-	-	91,027
Unclaimed Monies	9,553	-	-	-	-	9,553
Restricted for:						
Law Enforcement	-	-	-	-	196,871	196,871
Judiciary Programs	-	-	-	-	160,197	160,197
Cemetery Services	-	-	-	-	130,106	130,106
Debt Service	-	-	-	402,856	-	402,856
Capital Projects	-	-	-	-	124,746	124,746
Street Repair and Maintenance	-	-	221,933	-	740,960	962,893
Economic Development	-	-	-	-	355,606	355,606
Committed for:						
Capital Projects	-	747,443	-	-	-	747,443
Economic Development	-	-	-	-	41,228	41,228
Assigned for:						
Unpaid Obligations	296,301	-	-	-	-	296,301
Recreation Services	196,630	-	-	-	-	196,630
Unassigned	33,392,328	-	-	-	(15)	33,392,313
<b>Total Fund Balance</b>	<u>33,996,915</u>	<u>747,443</u>	<u>335,001</u>	<u>402,856</u>	<u>1,749,699</u>	<u>37,231,914</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 36,642,172</u>	<u>\$ 910,443</u>	<u>\$ 600,271</u>	<u>\$ 402,856</u>	<u>\$ 2,782,076</u>	<u>\$ 41,337,818</u>

See accompanying notes to the basic financial statements

**CITY OF MORaine, OHIO**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO**  
**NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**DECEMBER 31, 2021**

Total Governmental Fund Balances	\$ 37,231,914
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*Amounts reported for governmental activities in the statement of net position are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	31,521,140
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Municipal income taxes	1,364,173	
Property and other taxes	40,121	
Shared revenues and grants	346,813	
Charges for services and other sources	325,482	
Total		2,076,589

Deferred outflows of resources from loss on refunding is amortized over the life of the bonds and are not reported in the funds.	229,221
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Internal service funds are used by management to charge the costs of providing insurance as well as central services to the individual funds. The assets, liabilities, and deferred outflows and inflows of resources of the internal service funds are included in governmental activities in the statement of net position.	1,920,879
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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	(32,358)	
Compensated absences payable	(2,116,423)	
General obligations bonds payable	(11,870,000)	
Premium on bonds	(931,489)	
OPWC loans payable	(852,467)	
Total		(15,802,737)

The net pension and OPEB assets/liabilities are not available or payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in the governmental funds:

Net OPEB asset	435,199	
Deferred outflows - pension and OPEB	3,929,382	
Net OPEB liability	(1,949,633)	
Net pension liability	(16,278,456)	
Deferred inflows - pension and OPEB	(7,193,101)	
Total		(21,056,609)

Governmental Activities' Net Position	\$ <u>36,120,397</u>
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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, 2021**

	Major Governmental Funds				Other	Total
	General	Capital	Street	General	Governmental	Governmental
	Fund	Improvement	Construction & Maintenance	Debt Service	Funds	Funds
<b>REVENUES</b>						
Taxes:						
Income	\$ 20,505,447	\$ -	\$ -	\$ -	\$ -	\$ 20,505,447
Property	494,805	-	-	-	159,266	654,071
Other	53,098	-	-	-	-	53,098
Payment in Lieu of Taxes	-	-	-	-	330,646	330,646
Shared Revenues	133,096	35,477	622,896	-	118,691	910,160
Intergovernmental Grants	62,234	302,197	-	-	-	364,431
Licenses and Permits	210,564	-	-	-	-	210,564
Charges for Services	503,484	-	-	-	6,550	510,034
Fines	254,763	-	-	-	11,049	265,812
Investment Earnings	(17,953)	-	70	(737)	3,783	(14,837)
Miscellaneous	397,690	11,532	31,831	-	3,065	444,118
<b>Total Revenues</b>	<u>22,597,228</u>	<u>349,206</u>	<u>654,797</u>	<u>(737)</u>	<u>633,050</u>	<u>24,233,544</u>
<b>EXPENDITURES</b>						
Current:						
General Government	3,866,675	-	-	-	48,357	3,915,032
Public Safety	8,355,840	-	-	-	1,212,567	9,568,407
Highways and Streets	220,579	-	1,942,036	-	187,893	2,350,508
Sanitation	355,042	-	-	-	-	355,042
Economic Development	533,363	-	-	-	249,982	783,345
Culture and Recreation	852,798	-	-	-	-	852,798
Debt service:						
Principal	-	68,241	-	8,150,000	255,000	8,473,241
Interest	-	-	-	189,777	161,200	350,977
Issuance costs	-	-	-	135,500	-	135,500
Capital Outlays:						
General Government	-	241,385	-	-	-	241,385
Public Safety	-	123,764	-	-	-	123,764
Highways and Streets	-	1,505,338	-	-	115,704	1,621,042
Culture and Recreation	-	24,995	-	-	-	24,995
<b>Total Expenditures</b>	<u>14,184,297</u>	<u>1,963,723</u>	<u>1,942,036</u>	<u>8,475,277</u>	<u>2,230,703</u>	<u>28,796,036</u>
<b>Excess (Deficiency) of Revenues</b>						
<b>Over (Under) Expenditures</b>	<u>8,412,931</u>	<u>(1,614,517)</u>	<u>(1,287,239)</u>	<u>(8,476,014)</u>	<u>(1,597,653)</u>	<u>(4,562,492)</u>
<b>OTHER FINANCING</b>						
<b>SOURCES (USES)</b>						
Bond Issuance	-	-	-	7,700,000	-	7,700,000
Premium on Bond Issuance	-	-	-	570,054	-	570,054
Sale of Capital Assets	1,680,437	-	-	-	-	1,680,437
Transfers In	-	1,160,000	1,320,000	377,697	975,000	3,832,697
Transfers Out	(3,455,000)	-	-	-	(377,697)	(3,832,697)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,774,563)</u>	<u>1,160,000</u>	<u>1,320,000</u>	<u>8,647,751</u>	<u>597,303</u>	<u>9,950,491</u>
<b>Net Change in Fund Balance</b>	6,638,368	(454,517)	32,761	171,737	(1,000,350)	5,387,999
<b>Fund Balance - Beginning</b>	27,358,547	1,201,960	302,240	231,119	2,750,049	31,843,915
<b>Fund Balance - Ending</b>	<u>\$ 33,996,915</u>	<u>\$ 747,443</u>	<u>\$ 335,001</u>	<u>\$ 402,856</u>	<u>\$ 1,749,699</u>	<u>\$ 37,231,914</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, 2021**

Net Change in Fund Balance - Total Governmental Funds \$ 5,387,999

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

Governmental funds report capital outlays as expenditures. However in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	547,835	
Depreciation	(1,245,391)	
Book value of disposed capital assets	(165,222)	
Total		(862,778)

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:

Bond issuance	(7,700,000)	
Premium on bond issuance	(570,054)	
Bond anticipation note payment	8,150,000	
General obligation bond payment	255,000	
OPWC loan payment	68,241	
Amortization of deferred charge on refunding	(17,632)	
Amortization of premium	43,150	
Total		228,705

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. 101,838

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. 595,273

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	(8,904)	
Decrease in compensated absences payable	331,788	
Total		322,884

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

Pensions	1,539,334	
OPEB	27,449	
Total		1,566,783

Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB assets and liabilities are reported as pension and OPEB expense in the statement of activities.

Pensions	(618,627)	
OPEB	2,652,027	
Total		2,033,400

Change in Net Position of Governmental Activities \$ 9,374,104

See accompanying notes to the basic financial statements.

**CITY OF MORaine, OHIO**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2021**

	Enterprise Funds			Governmental Activities
	Moraine Loan Program	Vance Darroch New Community Authority	Total	Internal Service Funds
<b>ASSETS</b>				
<b>Current Assets</b>				
Equity in Pooled Cash and Investments	\$ 647,487	\$ -	\$ 647,487	\$ 2,408,382
Cash in Segregated Accounts	-	108,911	108,911	-
Receivables:				
Accounts	-	197,446	197,446	-
Inventories	-	-	-	105,258
<b>Total Current Assets</b>	<u>647,487</u>	<u>306,357</u>	<u>953,844</u>	<u>2,513,640</u>
<b>NON-CURRENT ASSETS</b>				
Net OPEB Asset	-	-	-	18,759
Capital Assets, Net	-	-	-	6,001
<b>Total Non-Current Assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,760</u>
<b>Total Assets</b>	<u>647,487</u>	<u>306,357</u>	<u>953,844</u>	<u>2,538,400</u>
<b>Deferred Outflows of Resources</b>				
Pension and OPEB	-	-	-	83,068
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,068</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	-	-	-	22,295
Salaries and Benefits Payable	-	-	-	5,354
Compensated Absences Payable	-	-	-	5,368
Insurance Claims Payable	-	-	-	207,255
<b>Total Current Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,272</u>
<b>Long-Term Liabilities</b>				
Compensated Absences Payable	-	-	-	47,972
Net Pension Liability	-	-	-	226,077
<b>Total Long-Term Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,049</u>
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>514,321</u>
<b>Deferred Inflows of Resources</b>				
Pension and OPEB	-	-	-	186,268
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,268</u>
<b>NET POSITION</b>				
Investment in Capital Assets	-	-	-	6,001
Unrestricted	647,487	306,357	953,844	1,914,878
<b>Total Net Position</b>	<u>\$ 647,487</u>	<u>\$ 306,357</u>	<u>\$ 953,844</u>	<u>\$ 1,920,879</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, 2021**

	Enterprise Funds			Governmental Activities
		Vance Darroch		
	Moraine Loan Program	New Community Authority	Total	Internal Service Funds
<b>Operating Revenues</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ 2,816,584
Development Charges	-	198,884	198,884	-
Miscellaneous	-	-	-	23,953
<b>Total Operating Revenues</b>	-	198,884	198,884	2,840,537
<b>Operating Expenses</b>				
Personal Services	-	-	-	55,904
Contractual Services	-	14,314	14,314	389,473
Supplies and Materials	-	-	-	204,851
Claims and Judgements	-	-	-	2,086,174
Depreciation	-	-	-	3,456
<b>Total Operating Expenses</b>	-	14,314	14,314	2,739,858
<b>Operating Income</b>	-	184,570	184,570	100,679
<b>Non-Operating Revenues</b>				
Investment earnings	342	-	342	1,159
<b>Total Non-Operating Revenues</b>	342	-	342	1,159
<b>Change in Net Position</b>	342	184,570	184,912	101,838
<b>Total Net Position - Beginning</b>	647,145	121,787	768,932	1,819,041
<b>Total Net Position - Ending</b>	<u>\$ 647,487</u>	<u>\$ 306,357</u>	<u>\$ 953,844</u>	<u>\$ 1,920,879</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, 2021**

	Enterprise Funds			Governmental Activities
	Moraine Loan Program	Vance Darroch New Community Authority	Total	Internal Service Funds
<b>Cash Flows From Operating Activities</b>				
Cash received for interfund services	\$ -	\$ -	\$ -	\$ 2,816,584
Cash received for development charges	-	107,428	107,428	0
Miscellaneous receipts & reimbursements	-	-	-	23,953
Cash paid to employees for services	-	-	-	(238,817)
Cash paid to suppliers for goods or services	-	(14,314)	(14,314)	(590,995)
Cash paid for insurance claims	-	-	-	(1,976,680)
Net cash provided by operating activities	-	93,114	93,114	34,045
<b>Cash Flows From Investing Activities</b>				
Investment earnings	342	-	342	1,159
Net cash provided by investing activities	342	-	342	1,159
<b>Net Change</b>	342	93,114	93,456	35,204
<b>Equity in Pooled Cash and Investments Beginning of Year</b>	647,145	15,797	662,942	2,373,178
<b>Equity in Pooled Cash and Investments End of Year</b>	<u>\$ 647,487</u>	<u>\$ 108,911</u>	<u>\$ 756,398</u>	<u>\$ 2,408,382</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating income	\$ -	\$ 184,570	\$ 184,570	\$ 100,679
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	-	-	-	3,456
Increase in accounts receivable	-	(91,456)	(91,456)	-
Increase in inventories	-	-	-	(18,969)
Increase in net OPEB asset	-	-	-	(18,759)
Decrease in deferred outflows of resources	-	-	-	52,319
Increase in accounts payable	-	-	-	22,158
Decrease in salaries and benefits payable	-	-	-	(1,196)
Increase in insurance claims payable	-	-	-	109,634
Increase in compensated absences payable	-	-	-	3,552
Decrease in net pension liabilities	-	-	-	(92,571)
Decrease in net OPEB liabilities	-	-	-	(207,058)
Increase in deferred inflows of resources	-	-	-	80,800
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ 93,114</u>	<u>\$ 93,114</u>	<u>\$ 34,045</u>

See accompanying notes to the basic financial statements.



**CITY OF MORaine, OHIO**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUND**  
**DECEMBER 31, 2021**

	<u>Custodial Fund</u>
<b>ASSETS</b>	
Cash in Segregated Accounts	<u>\$          8,952</u>
<b>Total Assets</b>	<u>8,952</u>
<b>LIABILITIES</b>	
Due to Other Jurisdictions	<u>6,222</u>
<b>Total Liabilities</b>	<u>6,222</u>
<b>FIDUCIARY NET POSITION</b>	
Restricted for Individuals, Organizations, and Other Governments	<u>2,730</u>
<b>Total Fiduciary Net Position</b>	<u><u>\$          2,730</u></u>

See accompanying notes to the basic financial statements.

**CITY OF MORaine, OHIO**  
**STATEMENT OF CHANGE IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Custodial Fund</u>
<b>ADDITIONS:</b>	
Fines and Forfeitures for Other Jurisdictions	\$ 69,739
Cash and Surety Bonds	<u>143,536</u>
<b>Total Additions</b>	<u>213,275</u>
<b>DEDUCTIONS:</b>	
Fines and Forfeitures Distributions to Other Governments	67,430
Cash and Surety Bonds Returned to Individuals	<u>144,473</u>
<b>Total Deductions</b>	<u>211,903</u>
<b>Change in Fiduciary Net Position</b>	1,372
<b>Total Fiduciary Net Position - Beginning</b>	<u>1,358</u>
<b>Total Fiduciary Net Position - Ending</b>	<u><u>\$ 2,730</u></u>

See accompanying notes to the basic financial statements.

**CITY OF MORaine, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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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 reports one component unit within its financial reporting entity, the Vance Darroch New Community Authority (the Authority), which is included as a blended component unit, as is described below.

In 2017, the City of Moraine (as the Developer) file a petition for the creation of the Authority with the Moraine City Council. By its Ordinance, the City Council established the Authority as a body corporate and politic to govern the new community district within the City and to provide oversight for architectural review, land acquisition and development activities, community facilities, and community activities, as well as determine methods of funding such activities. The Authority’s governing Board of Trustees consist of seven members, all of which are appointed by City Council or the City of Moraine and day-to-day management and operation of the Authority is the responsibility of the City of Moraine. Separately issued financial statements can be obtained from the Vance Darroch New Community Authority, 4200 Dryden Road, Moraine, OH 45439.

**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.

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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 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).

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Street Construction & 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.

General Debt Service Fund – This fund accounts the general debt service activity of the City, including the refinancing of the long-term bond anticipation note payable.

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

**Proprietary Fund Types**

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

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City has two enterprise funds; 1) the Moraine Loan Program Fund, which accounts for home improvement and business loans offered to residents and businesses located within the City and 2) the Vance Darroch New Community Authority which accounts for the financial activity of the blended component unit, the New Community Authority for the Vance Darroch housing development.

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 custodial funds. Custodial funds are used to account for assets held by the City for the benefit of and distributed to other governments or organizations. The City’s only custodial fund accounts for the fines and fees collected by the Moraine Mayor’s Court which are distributed to jurisdictions outside the City itself.

**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

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

#### Basis of Accounting

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

#### Revenues – Exchange and Non-exchange Transactions

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

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

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

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Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position may report a separate category for deferred outflows of resources. Deferred outflows of resources represent consumption of net assets that applies to a future period and will not be recognized as an outflow of resources until then. For the City, deferred outflows of resources are reported on the government-wide statement for deferred charges on refunding and for pension and other post-employment benefit (OPEB) plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its acquisition price. This amount is deferred and amortized over the shorter of the life of the debt refunded or the refunding debt issued. The deferred outflows of resources related to pension and OPEB plans are explained further in Notes 7 and 8.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of property taxes, pension and OPEB plans, and unavailable revenue. Property taxes and payments in lieu of property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which are levied to finance fiscal year 2022 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, shared 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 and OPEB plans are reported on the full accrual statements of net position and are further explained in Notes 7 and 8.

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 Vance Darroch New Community Authority and Mayor's Court activity (cash in segregated accounts), 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.

During 2021, the City invested in STAROhio. STAROhio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants". The City measures their investment in STAROhio at the net asset value (NAV) per share provided by STAROhio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.



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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. Investments are reported at fair value. For the City's investments in STAROhio and open-end mutual funds, fair value is determined by the share price. There are no limitations or restrictions on withdrawals from these investments due to redemption notice periods, liquidity fees, or redemption gates. STAROhio does require notice to be given 24 hours in advance for all deposits or withdrawals exceeding \$100 million. STAROhio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the STAROhio investors will be combined for these purposes.

Interest income is distributed to the funds according to ordinance and statutory requirements. Interest revenue reported in the statement of activities for 2021 amounted to \$(14,495) due to recording investments at fair value.

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.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, 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.

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 the acquisition value as of the date received. 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:

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



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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.
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. If any, 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 and OPEB

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

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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 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, if any.

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, 2021, 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.

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

Estimates

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

Budgetary Process

All funds anticipating expenditures during the year, are legally required to be budgeted and appropriated, except custodial funds. 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 – CHANGE IN ACCOUNTING PRINCIPLES:**

For 2021, the City implemented Government Accounting Standards Board (GASB) Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction*, which requires interest incurred during a construction period to be expensed in the current period rather than including such interest as part of the capitalized value of the capital asset. The implementation of this accounting standard had no impact on the City's financial statements.

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**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 thereof, banker's 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 through the Ohio Pooled Collateral System (OPCS), a centralized collateral system monitored by the Ohio Treasurer of State. Financial institutions participating in OPCS must pledge eligible securities equal to at least 102 percent of the carrying value of all public deposits held by each institution. Financial institutions choosing not to participate in OPCS must pledge eligible securities equal to at least 105 percent of the carrying value of the public deposits held by each institution. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

**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 or 102 percent for OPCS. Collateral is held by trustees including the Federal Reserve Bank and designated third parties of the financial institution.

At year end, the City reported total bank balances of \$27,575,245 of which \$9,986,339 was covered by federal deposit insurance and the remaining \$17,588,906 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:

Investment Type	Rating	Measurement Value	Less than One Year	Two to Three Years	Beyond Three Years
Federal Agency Securities	AA+	\$ 1,880,172	\$ -	\$ -	\$ 1,880,172
STAR Ohio	AAAm	345,415	345,415	-	-
Negotiable CD's	N/A	6,427,758	2,981,101	2,961,770	484,887
Mutual Funds	N/A	3,151,888	3,151,888	-	-
		<u>\$ 11,805,233</u>	<u>\$ 6,478,404</u>	<u>\$ 2,961,770</u>	<u>\$ 2,365,059</u>

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*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.

STAR Ohio is managed to maintain a weighted average maturity to reset of 60 days or less and a weighted average maturity to final of 90 days or less, to enhance liquidity and to limit market price exposure to volatile interest rate movements in the market. STAR Ohio had an average maturity of 51.3 days as of December 31, 2021.

*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 percent of the outstanding commercial paper of the issuing corporation. Bankers acceptances are restricted to those insured by the federal deposit insurance corporation, are eligible for purchase by the Federal Reserve System and the obligations mature not later than one hundred eighty days after purchase. All negotiable certificates of deposit are covered by FDIC.

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

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

<u>Diversification of Instrument</u>	<u>Maximum Percent Allowed</u>
U.S. Treasury Obligations	100%
Authorized U.S. Federal Agency Securities and U.S. Government-sponsored Corporations	100%
Nonnegotiable Certificates of Deposit	100%
Authorized Banker’s 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, 2021:

<u>Investment Type</u>	<u>Measurement Value</u>	<u>Percent of Total</u>
Federal Agency Securities	\$ 1,880,172	15.93%
STAR Ohio	345,415	2.92%
Negotiable CD's	6,427,758	54.45%
Mutual Funds	<u>3,151,888</u>	<u>26.70%</u>
	<u>\$ 11,805,233</u>	<u>100.00%</u>

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**Fair Value Measurement**

The City's investments measured and reported at fair value are classified according to the following hierarchy:

- Level 1 - Investments reflect prices quoted in active markets.
- Level 2 - Investments reflect prices that are based on a similar observable asset either directly, or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 - Investments reflect prices based upon unobservable sources.

The categorization of investments with the hierarchy is based upon the transparency of the instrument and should not be perceived as the particular investment's risk. The City had the following reoccurring fair value measurements as of December 31, 2021:

Investment Type	Measurement Value	Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Federal Agency Securities	\$ 1,880,172	\$ -	\$ 1,880,172	\$ -
Negotiable CD's	6,427,758	-	6,427,758	-
	<u>\$ 8,307,930</u>	<u>\$ -</u>	<u>\$ 8,307,930</u>	<u>\$ -</u>

Investments classified in Level 2 of the fair value hierarchy are valued using pricing sources as provided by the investment managers. The City's investments in STAROhio and mutual funds are measured at amortized cost and therefore are not classified based on the hierarchy above.

**NOTE 5 – RECEIVABLES:**

Receivables at December 31, 2021 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 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 real property taxes were levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of the appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

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. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2020, and are collected in 2021 with real property taxes.



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The full tax rate for all City operations for the year ended December 31, 2021 was \$2.50 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 155,764,000
Public Utility Real Property Assessed Valuation	349,340
Public Utility Personal Property Assessed Valuation	<u>120,182,240</u>
Total	<u>\$ 276,295,580</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, 2021, 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 2021 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 2021, 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

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, 2021 were as follows:

Loans Receivable, 12/31/2020	\$ 29,000
New Loans	-
Forgiven Loans	<u>(25,000)</u>
Loans Receivable, 12/31/2021	<u>\$ 4,000</u>

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**NOTE 6 – CAPITAL ASSETS:**

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance 12/31/20	Increases	Decreases	Balance 12/31/21
<i><u>Governmental Activities</u></i>				
Non-depreciable capital assets:				
Land	\$ 10,787,595	\$ -	\$ (165,222)	\$ 10,622,373
Construction in Progress	7,076,517	169,540	-	7,246,057
Non-depreciable capital assets:	<u>17,864,112</u>	<u>169,540</u>	<u>(165,222)</u>	<u>17,868,430</u>
Depreciable capital assets:				
Buildings and improvements	12,116,815	-	-	12,116,815
Equipment	11,432,519	378,295	(213,929)	11,596,885
Infrastructure	33,820,077	-	-	33,820,077
Depreciable capital assets:	<u>57,369,411</u>	<u>378,295</u>	<u>(213,929)</u>	<u>57,533,777</u>
Less: accumulated depreciation				
Buildings and improvements	(9,006,425)	(93,741)	-	(9,100,166)
Equipment	(8,733,427)	(420,597)	213,929	(8,940,095)
Infrastructure	(25,100,296)	(734,509)	-	(25,834,805)
Accumulated depreciation	<u>(42,840,148)</u>	<u>(1,248,847) *</u>	<u>213,929</u>	<u>(43,875,066)</u>
Depreciable capital assets, net	<u>14,529,263</u>	<u>(870,552)</u>	<u>-</u>	<u>13,658,711</u>
Governmental activities capital assets, net	<u>\$ 32,393,375</u>	<u>\$ (701,012)</u>	<u>\$ (165,222)</u>	<u>\$ 31,527,141</u>

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

General Government	\$ 64,176
Public Safety	218,589
Highways and Streets	874,822
Culture and Recreation	81,907
Economic Development	5,897
Total depreciation expense - general capital assets	1,245,391
Internal service fund depreciation	3,456
Total depreciation expense - governmental activities	<u>\$ 1,248,847</u>

Capital assets of the Internal Service City Garage Fund include machinery and equipment with a cost of \$150,154 and accumulated depreciation of \$144,153 (\$3,456 of current year depreciation).

During 2021, the City performed a complete reevaluation of the useful lives of its capital assets. As a result, the useful lives used to calculate depreciation on numerous capital items were extended to properly reflect the anticipated period of use for those items as well as consistency with the City's capital asset policy. The remaining book balance of these items will be depreciated over the new useful life established prospectively.



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**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 (ORC) limits the City’s obligation for this liability to annual 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 Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

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

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-share, 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 plan with defined contribution features. While members (e.g., City employees) may elect the member-directed plan and the combined plan, the majority of 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 ORC. OPERS issues a stand-alone financial report that includes financial statements, required supplementary

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information and detailed information about OPERS's fiduciary net position that may be obtained by visiting [www.opers.org/financial/reports.shtml](http://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' ACFR referenced above for additional information):

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 5 years 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

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% 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%.

**Funding Policy**—The ORC provides statutory authority for member and employer contributions. For 2021, member contribution rates were 10% of salary and employer contribution rates were 14%. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$534,733 for 2021. Of this amount, \$40,921 is reported as salaries and benefits payable.

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

City full-time police and firefighters participate in the Ohio Police & 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 (ORC). 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 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, OH 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% for each of the first 20 years of service credit, 2.0% for each of the next five years of service credit, and 1.5% for each year of service credit in excess of 25 years. The maximum pension of 72% 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 3% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30<sup>th</sup> 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 3% of their base pension or disability benefit.

Funding Policy—The ORC provides statutory authority for member and employer contributions as follows:

	<b><u>Police</u></b>	<b><u>Firefighters</u></b>
<b>2021 Statutory Maximum Contribution Rates</b>		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
<b>2021 Actual Contribution Rates</b>		
Employer		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	<u>0.50%</u>	<u>0.50%</u>
Total Employer	<u>19.50%</u>	<u>24.00%</u>
Employee	<u>12.25%</u>	<u>12.25%</u>

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Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,026,698 for 2021. Of this amount, \$87,316 is reported as salaries 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, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. 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 projected contributions of all participating entities. Following is information related to the proportionate share:

	OPERS	OP&F	Total
Proportionate share of the net pension liability	\$ 3,960,292	\$ 12,544,241	\$ 16,504,533
Proportion of the net pension liability			
Current measurement date	0.026745%	0.184012%	
Prior measurement date	0.031370%	0.192988%	
Change in proportionate share	<u>-0.004625%</u>	<u>-0.008976%</u>	
Pension expense/(negative expense)	\$ (149,504)	\$ 760,378	\$ 610,874

At December 31, 2021, 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>			
Differences between expected and actual experience	\$ -	\$ 524,392	\$ 524,392
Change in assumptions	-	210,374	210,374
Change in City's proportionate share and difference in employer contributions	192,749	57,353	250,102
City contributions subsequent to the measurement date	<u>534,733</u>	<u>1,026,698</u>	<u>1,561,431</u>
Total	<u>\$ 727,482</u>	<u>\$ 1,818,817</u>	<u>\$ 2,546,299</u>
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 165,662	\$ 488,687	\$ 654,349
Net difference between projected and actual earnings on pension plan investments	1,543,606	608,479	2,152,085
Change in City's proportionate share and difference in employer contributions	<u>636,900</u>	<u>1,054,250</u>	<u>1,691,150</u>
Total	<u>\$ 2,346,168</u>	<u>\$ 2,151,416</u>	<u>\$ 4,497,584</u>

\$1,561,431 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Fiscal Year Ending December 31:			
2022	\$ (881,334)	\$ (289,904)	\$ (1,171,238)
2023	(432,334)	(64,233)	(496,567)
2024	(629,226)	(763,589)	(1,392,815)
2025	(210,525)	(204,525)	(415,050)
2026	<u>-</u>	<u>(37,046)</u>	<u>(37,046)</u>
	<u>\$ (2,153,419)</u>	<u>\$ (1,359,297)</u>	<u>\$ (3,512,716)</u>

Actuarial Assumptions - OPERS

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

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, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75%
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3% simple Post 1/7/2013 retirees: 0.5% simple through 2021, then 2.15% simple
Investment rate of return	7.20%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively.

Post-retirement mortality rates are based on the RP-2014 Health Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

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.

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The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees 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 long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00%	1.32%
Domestic Equities	21.00%	5.64%
Real Estate	10.00%	5.39%
Private Equity	12.00%	10.42%
International Equities	23.00%	7.36%
Other Investments	<u>9.00%</u>	4.75%
Total	<u>100.00%</u>	5.43%

**Discount Rate.** The discount rate used to measure the total pension liability was 7.20% for the Traditional Pension Plan. 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 benefit 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 represents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.20%, 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 (6.20%) and one-percentage point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate of 7.20%	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$ 7,554,187	\$ 3,960,292	\$ 971,887

**Changes Subsequent to the Measurement Date.** In September 2021, the Board approved several changes to the pension plan based on the completed five-year experience study covering the period 2016-2020. In addition to other changes, the Board approved to decrease the assumed pension investment rate of return from 7.20% to 6.90%. These changes are not reflected in the current measurement period but are expected to increase the associated pension liability.



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Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, 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 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, 2020, are presented below:

Valuation date	January 1, 2020 with actuarial liabilities rolled forward to December 31, 2020
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% to 10.50%
Payroll growth	2.75% plus productivity increase rate of 0.5%
Inflation assumptions	2.75%
Cost of living adjustments	2.20% simple per year

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

The long-term expected rate of return on pension plan investments was determine using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. 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 average of expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

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Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	0.00%	0.00%
Domestic equity	21.00%	4.10%
Non-U.S. equity	14.00%	4.80%
Private markets	8.00%	6.40%
Core fixed income*	23.00%	0.90%
High yield fixed income	7.00%	3.00%
Private credit	5.00%	4.50%
U.S. inflation linked bonds*	17.00%	0.70%
Midstream energy infrastructure	5.00%	5.60%
Real assets	8.00%	5.80%
Gold	5.00%	1.90%
Private real estate	<u>12.00%</u>	5.30%
Total	<u>125.00%</u>	

*Note: Assumptions are geometric. \* Levered 2.5x*

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 1.25 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 8.0%. 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 earnings were calculated using the longer-term assumed investment rate of return of 8.0%. 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 8.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (7.0%) or one-percentage point higher (9.0%) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate of 8.00%	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 17,463,191	\$ 12,544,241	\$ 8,427,577



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**NOTE 8 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS:**

Net OPEB Liability/(Asset)

The net OPEB liability/(asset) represents the City's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability/(asset) 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 these estimates annually.

ORC limits the City's obligation for this liability to annual required payments. The City cannot control benefit terms or the manner in which OPEB are financed; however, the City's does receive the benefit of employees' services in exchange for compensation, including OPEB.

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The ORC permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/(asset). Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's funded or unfunded benefits are presented as either a long-term *net OPEB asset* or *net OPEB liability* on the accrual basis of accounting. Any liability for contractually-required OPEB contributions 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)

The OPERS administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' ACFR referenced below for additional information.

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The ORC permits but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the ORC.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting [www.opers.org/financial/reports.shtml](http://www.opers.org/financial/reports.shtml), by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The ORC provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0% of earnable salary and public safety and law enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the ORC. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of Traditional Pension and Combined plans' employer contributions allocated to health care was zero in 2021. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0%.

The City's contractually required contribution to OPERS for OPEB was \$3,486 for 2021.

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

The City contributes to the OP&F sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The ORC 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 ORC.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report 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.

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Funding Policy—The ORC 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 the payroll of active pension plan members, currently 19.5% and 24.0% of covered payroll for police and fire employer units. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2021, the portion of the employer contributions allocated to health care was 0.5% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

The OP&F Board of Trustees is also 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 contractually required contribution to OP&F was \$24,108 for 2021; \$2,050 is reported as accrued salaries and benefits payable.

OPEB Assets and Liabilities, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability/(asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS	OP&F	Total
Proportionate share of the:			
OPEB Asset	\$ 453,958	\$ -	\$ 453,958
OPEB Liability	-	1,949,633	1,949,633
Proportion of the net OPEB asset/liability			
Current measurement date	0.025481%	0.184012%	
Prior measurement date	0.030004%	0.192988%	
Change in proportionate share	-0.004523%	-0.008976%	
OPEB expense/(negative expense)	\$ (2,890,795)	\$ 83,494	\$ (2,807,301)

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At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
<u>Deferred Outflows of Resources:</u>			
Change in assumptions	223,170	1,077,068	1,300,238
Change in City's proportionate share and difference in employer contributions	138,319	-	138,319
City contributions subsequent to the measurement date	3,486	24,108	27,594
Total	<u>\$ 364,975</u>	<u>\$ 1,101,176</u>	<u>\$ 1,466,151</u>
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 409,693	\$ 321,584	\$ 731,277
Net difference between projected and actual earnings on OPEB plan investments	241,784	72,453	314,237
Change in assumptions	735,546	310,809	1,046,355
Change in City's proportionate share and difference in employer contributions	384,604	405,312	789,916
Total	<u>\$ 1,771,627</u>	<u>\$ 1,110,158</u>	<u>\$ 2,881,785</u>

\$27,594 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase of the net OPEB asset in the year ending December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Fiscal Year Ending December 31:			
2022	\$ (705,870)	\$ (19,400)	\$ (725,270)
2023	(570,709)	(2,243)	(572,952)
2024	(105,069)	(29,292)	(134,361)
2025	(28,490)	(10,138)	(38,628)
2026	-	16,416	16,416
Thereafter	-	11,567	11,567
	<u>\$ (1,410,138)</u>	<u>\$ (33,090)</u>	<u>\$ (1,443,228)</u>

Actuarial Assumptions—OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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.

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Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

Wage inflation	3.25%
Projected salary increase	3.25% to 10.75%, including wage inflation
Single discount rate:	
Current measurement period	6.00%
Prior measurement period	3.16%
Investment rate of return:	6.00%
Municipal bond rate:	
Current measurement period	2.00%
Prior measurement period	2.75%
Health care cost trend rate:	
Current measurement period	8.5% initial, 3.50% ultimate in 2035
Prior measurement period	10.5% initial, 3.50% ultimate in 2030
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table.

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	1.07%
Domestic Equities	25.00%	5.64%
REITs	7.00%	6.48%
International Equities	25.00%	7.36%
Other Investments	<u>9.00%</u>	4.02%
Total	<u>100.00%</u>	4.43%

**Discount Rate.** A single discount rate of 6.00% was used to measure the OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

**Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate.** The following table presents the City's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the City's proportionate share of the net OPEB asset if it were calculated using a discount rate that is 1.0% point lower (5.00%) or 1.0% point higher (7.00%) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate of 6.00%	1% Increase (7.00%)
City's proportionate share of the net OPEB asset	\$ 112,916	\$ 453,958	\$ 734,591

**Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate.** Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.



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	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	\$ 465,173	\$ 453,958	\$ 441,723

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020 and rolled forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefit for financial 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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key Methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

Actuarial valuation date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% to 10.50%
Payroll growth	3.25%
Single discount rate:	
Current measurement rate	2.96%
Prior measurement rate	3.56%
Municipal bond rate:	
Current measurement rate	2.12%
Prior measurement rate	2.75%
Cost of living adjustments	2.2% simple per year

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

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Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. 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 average 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 real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	0.00%	0.00%
Domestic equity	21.00%	4.10%
Non-U.S. equity	14.00%	4.80%
Private markets	8.00%	6.40%
Core fixed income*	23.00%	0.90%
High yield fixed income	7.00%	3.00%
Private credit	5.00%	4.50%
U.S. inflation linked bonds*	17.00%	0.70%
Midstream energy infrastructure	5.00%	5.60%
Real assets	8.00%	5.80%
Gold	5.00%	1.90%
Private real estate	12.00%	5.30%
Total	<u>125.00%</u>	

*Note: Assumptions are geometric. \* Levered 2.5x*

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 1.25 times due to the application of leverage in certain fixed income asset classes.



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**Discount Rate.** Total OPEB liability was calculated using the discount rate of 2.96%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.0%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 2.12% at December 31, 2020 was blended with the long-term rate of 8.0%, which resulted in a blended discount rate of 2.96%.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate.** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 2.96%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower (1.96%) and 1% point higher (3.96%) than the current discount rate.

	1% Decrease (1.96%)	Current Discount Rate of 2.96%	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$ 2,431,081	\$ 1,949,633	\$ 1,552,495

**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 \$933,485 at December 31, 2021.

**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 \$1,236,278 at December 31, 2021.

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**NOTE 10 – RISK MANAGEMENT:**

**Casualty & Property Coverage**

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, 2020 and 2019 follows (2021 information not available as of yet):

	<u>2020</u>	<u>2019</u>
Assets	\$ 57,336,499	\$ 54,973,597
Liabilities	(16,156,805)	(16,440,940)
Net Position - Unrestricted	<u>\$ 41,179,694</u>	<u>\$ 38,532,657</u>

The Pool's membership increased from 553 members in 2019 to 571 members in 2020.

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to large specific and aggregate losses. 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 Sedgwick. APEEP provides the Pool, and all member pools, with reinsurance and excess risk-sharing programs. The Pool does not report reinsured risks as liabilities unless it is probable those risks will not be covered by reinsurers or excess risk sharing agreements.

Unpaid claims of the Pool that will be billed in the future were approximately \$14.1 million and \$14.7 million at December 31, 2020 and 2019, respectively. 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 \$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.

Individual specific stop loss coverage is set at \$100,000 in the aggregate. During calendar year 2021 specific stop loss insurance coverage covered \$250,629 of claims incurred.

Below is a claims history for the past three years:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Claims liability at January 1	\$ 96,621	\$ 91,604	\$ 112,509
Claims incurred	2,051,090	1,532,749	1,786,479
Claims paid	(1,941,616)	(1,527,732)	(1,807,384)
Claims liability at December 31	<u>\$ 206,095</u>	<u>\$ 96,621</u>	<u>\$ 91,604</u>

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

Long-term obligations activity for the year ended December 31, 2021, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
<i>Governmental Activities:</i>					
<b>General Obligation Bonds</b>	\$ 4,425,000	\$ -	\$ 255,000	\$ 4,170,000	\$ 255,000
Premium on Bonds	404,585	-	28,899	375,686	-
Total General Obligation Bonds	4,829,585	-	283,899	4,545,686	255,000
<b>Direct Borrowings:</b>					
Loans Payable - OPWC	920,708	-	68,241	852,467	68,240
<b>Direct Placement:</b>					
2021 Infrastructure Improvement Bonds	-	7,700,000	-	7,700,000	25,000
Premium on Bonds	-	570,054	14,251	555,803	-
Total Direct Placement Bonds	-	8,270,054	14,251	8,255,803	25,000
2020 Bond Anticipation Note	8,150,000	-	8,150,000	-	-
<b>Other Long-Term Obligations:</b>					
Compensated Absences	2,497,999	56,839	385,075	2,169,763	218,364
Net Pension Liability:					
OPERS	6,200,508	-	2,240,216	3,960,292	-
OP&F	13,000,718	-	456,477	12,544,241	-
Total Net Pension Liability	19,201,226	-	2,696,693	16,504,533	-
Net OPEB Liability:					
OPERS	4,144,259	-	4,144,259	-	-
OP&F	1,906,286	43,347	-	1,949,633	-
Total Net OPEB Liability	6,050,545	43,347	4,144,259	1,949,633	-
Total Governmental Activities	\$ 41,650,063	\$ 8,370,240	\$ 15,742,418	\$ 34,277,885	\$ 566,604

**General Obligation Bonds**

During 2017, the City issued \$4,425,000 of general obligation various purpose infrastructure and improvement refunding bonds, series 2017. The proceeds were used to refund \$4,420,000 of the 2010 various infrastructure and improvement general obligation bonds. Interest rates on the series 2017 bonds range from 2.00% to 4.00% and the bonds mature on December 1, 2034.

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

Year	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2022	\$ 255,000	\$ 156,100
2023	265,000	151,000
2024	275,000	140,400
2025	285,000	129,400
2026	295,000	118,000
2027-2031	1,650,000	420,200
2032-2034	1,145,000	92,400
Total	\$ 4,170,000	\$ 1,207,500

**CITY OF MORaine, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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A portion of the debt service on the general obligation 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.

Loans Payable

At December 31, 2021, the City has six outstanding loans, all of which are direct borrowings, from the Ohio Public Works Commission (OPWC) to finance various projects; \$450,000 for improvements to Springboro Pike West during 2009; \$402,492 for improvements to the traffic signals throughout the City during 2015; \$266,579 for roadway improvements to Stroop Road during 2016; \$86,891 for resurfacing of Northlawn Avenue during 2017; \$62,407 for improvements to East River Road in 2018; and \$96,441 for improvements to Dorothy Lane in 2020. All six of these loans carried interest rates of zero percent and have maturities of 20 years. At December 31, 2021 the outstanding balance on these loans totaled \$852,467. Principal and interest requirement to retire the City's long-term loans payable are as follows:

Governmental Activities	
	OPWC Loans
Year	Principal
2022	\$ 68,240
2023	68,242
2024	68,240
2025	68,240
2026	68,240
2027-2031	307,451
2032-2035	178,522
2037-2040	25,292
Total	<u>\$ 852,467</u>

Infrastructure Improvement Bonds

During 2021, the City issued \$7,700,000 of infrastructure improvement bonds, series 2021 through a negotiated direct placement. The bond proceeds, along with the associated premium, were used to retire the \$8,150,000 2020 bond anticipate note when it became due. Interest rates on the series 2021 bonds range from 2.00% to 3.00% and the bonds mature on December 1, 2041. Principal and interest requirement to retire the City's 2021 bonds are as follows:

Governmental Activities		
Year	Direct Placement Bonds	
	Principal	Interest
2022	\$ 25,000	\$ 227,100
2023	35,000	226,600
2024	330,000	225,900
2025	335,000	219,300
2026	345,000	209,250
2027-2031	1,890,000	884,550
2032-2035	2,195,000	583,050
2037-2041	2,545,000	233,550
Total	<u>\$ 7,700,000</u>	<u>\$ 2,809,300</u>

**CITY OF MORaine, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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2021 Bonds maturing on or after December 1, 2026 are subject to prior redemption, by and at the sole option of the City, in whole or in part as selected by the City (in whole multiples of \$5,000), on any date on or after June 1, 2026, at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date.

A portion of the debt service on the general obligation 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 the new community development charges are insufficient to cover debt service, the City is responsible for the debt service payments.

**Bond Anticipation Notes Payable**

A summary of the City's bond anticipation notes transactions for the year ended December 31, 2021 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<i><u>Governmental Activities:</u></i>				
2020 Infrastructure Improvement BAN - 1.0%	\$ 8,150,000	\$ -	\$ 8,150,000	\$ -

In 2020, the City issued \$8,150,000 of bond anticipate notes to provide financing for infrastructure improvements within the Vance Darroch development area. The 2020 notes were sold through a negotiated sale (direct placement) at a stated coupon rate of 1.0 percent. The 2020 notes matured on June 17, 2021 and were retired in part through the issuance of the 2021 infrastructure improvement bonds which was reported within the General Debt Service fund of the City.

**Other Long-Term Obligations**

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

**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 MORaine, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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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 2021 payment was \$76,844 and included \$57,000 in principal and \$19,844 in interest. These payments are recorded as expenses in the year 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, 2021, consisted of the following:

<u>Transfer to Fund</u>	<u>Transfer from Fund</u>	<u>Amount</u>
Street Construction and Maintenance	General	\$ 1,320,000
Capital Improvement	General	1,160,000
General Debt Service	Nonmajor - VD Capital	377,697
Nonmajor - Economic Development	General	80,000
Nonmajor - Police Pension	General	385,000
Nonmajor - Fire Pension	General	510,000
		<u>\$ 3,832,697</u>

Transfers are used to move unrestricted general fund revenues to finance various programs and projects that the City must account for in other funds in accordance with budgetary authorization. The transfer from the Vance Darroch capital fund to the general debt service fund represented unspent note proceeds transferred to make schedule debt service payments when due.

**NOTE 15 – COMMITMENTS:**

**Encumbrances**

Outstanding encumbrances at year-end include:

<u>Fund</u>	<u>Encumbrance</u> <u>Outstanding</u>
General	\$ 325,467
Capital Improvement	261,789
Street Construction & Maintenance	8,520
Other Governmental Funds	210,387
	<u>\$ 806,163</u>

**CITY OF MORaine, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**NOTE 16 – 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 cannot currently be determined, 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, 2021 to December 31, 2021, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

**NOTE 17 – DEFICIT FUND BALANCE:**

At December 31, 2021, the Fire Pension fund reported a fund balance deficit of \$15. The deficit occurred as a result of recognizing accrued liabilities associated with the fund. The General Fund will transfer funds to cover an individual fund's deficit balance, however this is done on a cash basis rather than a GAAP basis.

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**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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Income	\$ 18,506,112	\$ 18,526,540	\$ 20,526,113	\$ 1,999,573
Property	488,915	488,915	494,805	5,890
Other	25,000	25,000	59,560	34,560
Shared Revenues	103,912	103,912	131,786	27,874
Intergovernmental	8,000	8,000	5,411	(2,589)
License and Permits	96,700	96,700	210,564	113,864
Charges for Services	342,200	342,200	420,137	77,937
Fines	217,200	217,200	247,566	30,366
Investment Earnings	176,820	176,820	135,585	(41,235)
Rents and Royalties	30,000	30,000	37,855	7,855
Miscellaneous	115,750	115,750	335,387	219,637
<b>Total Revenues</b>	<u>20,110,609</u>	<u>20,131,037</u>	<u>22,604,769</u>	<u>2,473,732</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Council</b>				
Personnel services	15,508	15,508	14,021	1,487
General operating expenses	39,650	39,650	6,612	33,038
<b>Total Council</b>	<u>55,158</u>	<u>55,158</u>	<u>20,633</u>	<u>34,525</u>
<b>Clerk of Council</b>				
Personnel services	97,442	97,442	79,158	18,284
General operating expenses	20,865	20,443	7,954	12,489
<b>Total Clerk of Council</b>	<u>118,307</u>	<u>117,885</u>	<u>87,112</u>	<u>30,773</u>
<b>City Manager</b>				
Personnel services	357,916	357,916	295,119	62,797
General operating expenses	55,225	55,225	8,164	47,061
<b>Total City Manager</b>	<u>413,141</u>	<u>413,141</u>	<u>303,283</u>	<u>109,858</u>
<b>Clerk of Courts</b>				
Personnel services	195,900	195,900	177,103	18,797
General operating expenses	23,418	18,329	14,274	4,055
<b>Total Clerk of Courts</b>	<u>219,318</u>	<u>214,229</u>	<u>191,377</u>	<u>22,852</u>
<b>Law Director</b>				
General operating expenses	221,300	202,343	107,935	94,408
<b>Total Law Director</b>	<u>221,300</u>	<u>202,343</u>	<u>107,935</u>	<u>94,408</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, 2021  
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Merit Service</b>				
General operating expenses	12,000	12,000	8,345	3,655
<b>Total Merit Service</b>	12,000	12,000	8,345	3,655
<b>Mayor</b>				
Personnel services	6,940	6,940	4,908	2,032
General operating expenses	1,150	1,150	380	770
<b>Total Mayor</b>	8,090	8,090	5,288	2,802
<b>Finance</b>				
Personnel services	675,197	675,197	640,721	34,476
General operating expenses	94,025	90,823	76,181	14,642
<b>Total Finance</b>	769,222	766,020	716,902	49,118
<b>Information Center</b>				
Personnel services	482	482	382	100
<b>Total Information Center</b>	482	482	382	100
<b>Public Buildings</b>				
Personnel services	558,942	558,942	443,988	114,954
General operating expenses	751,412	725,619	507,663	217,956
<b>Total Public Buildings</b>	1,310,354	1,284,561	951,651	332,910
<b>General Miscellaneous</b>				
Personnel services	849,928	822,289	413,985	408,304
General operating expenses	596,533	595,266	540,895	54,371
<b>Total General Miscellaneous</b>	1,446,461	1,417,555	954,880	462,675
<b>Information Technology</b>				
Personnel services	338,565	338,565	326,677	11,888
General operating expenses	375,325	368,673	302,102	66,571
<b>Total Information Technology</b>	713,890	707,238	628,779	78,459
<b>Human Resources</b>				
General operating expenses	92,276	83,437	67,502	15,935
<b>Total Human Resources</b>	92,276	83,437	67,502	15,935
<b>TOTAL GENERAL GOVERNMENT</b>	5,379,999	5,282,139	4,044,069	1,238,070

(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, 2021  
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
Personnel services	4,375,641	4,375,641	3,941,536	434,105
General operating expenses	745,904	733,958	541,392	192,566
<b>Total Police</b>	<u>5,121,545</u>	<u>5,109,599</u>	<u>4,482,928</u>	<u>626,671</u>
<b>Fire</b>				
Personnel services	4,019,161	4,019,161	3,675,871	343,290
General operating expenses	393,992	381,819	215,157	166,662
<b>Total Fire</b>	<u>4,413,153</u>	<u>4,400,980</u>	<u>3,891,028</u>	<u>509,952</u>
<b>Civil Defense</b>				
General operating expenses	12,380	12,380	5,643	6,737
<b>Total Civil Defense</b>	<u>12,380</u>	<u>12,380</u>	<u>5,643</u>	<u>6,737</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>9,547,078</u>	<u>9,522,959</u>	<u>8,379,599</u>	<u>1,143,360</u>
<b>HIGHWAYS AND STREETS</b>				
<b>Street Lighting</b>				
General operating expenses	257,000	256,104	235,022	21,082
<b>Total Street Lighting</b>	<u>257,000</u>	<u>256,104</u>	<u>235,022</u>	<u>21,082</u>
<b>TOTAL HIGHWAYS AND STREETS</b>	<u>257,000</u>	<u>256,104</u>	<u>235,022</u>	<u>21,082</u>
<b>SANITATION</b>				
<b>Waste Collection</b>				
General operating expenses	372,000	370,251	359,294	10,957
<b>Total Waste Collection</b>	<u>372,000</u>	<u>370,251</u>	<u>359,294</u>	<u>10,957</u>
<b>TOTAL SANITATION</b>	<u>372,000</u>	<u>370,251</u>	<u>359,294</u>	<u>10,957</u>
<b>HEALTH AND WELFARE</b>				
<b>Health &amp; Alcoholism</b>				
General operating expenses	2,000	2,000	262	1,738
<b>Total Health &amp; Alcoholism</b>	<u>2,000</u>	<u>2,000</u>	<u>262</u>	<u>1,738</u>
<b>TOTAL HEALTH AND WELFARE</b>	<u>2,000</u>	<u>2,000</u>	<u>262</u>	<u>1,738</u>

(continued)

**CITY OF MORaine, OHIO**  
**GENERAL FUND**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP Basis)  
For Year Ended December 31, 2021  
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>ECONOMIC DEVELOPMENT AND ASSISTANCE</b>				
<b>Community Development</b>				
Personnel services	613,433	613,433	422,447	190,986
General operating expenses	243,429	230,550	140,292	90,258
<b>Total Community Development</b>	856,862	843,983	562,739	281,244
<b>TOTAL ECONOMIC DEVELOPMENT AND ASSISTANCE</b>	856,862	843,983	562,739	281,244
<b>TOTAL EXPENDITURES</b>	16,414,939	16,277,436	13,580,985	2,696,451
<b>Excess (deficiency) of revenues over (under) expenditures</b>	3,695,670	3,853,601	9,023,784	5,170,183
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(6,061,000)	(6,061,000)	(4,160,000)	1,901,000
Proceeds from the sale of capital assets	976,000	976,000	1,680,437	704,437
<b>Total Other Financing Sources (Uses)</b>	(5,085,000)	(5,085,000)	(2,479,563)	2,605,437
<b>Net Change in Fund Balance</b>	(1,389,330)	(1,231,399)	6,544,221	7,775,620
Fund Balance - Beginning	25,058,225	25,058,225	25,058,225	-
Prior Year Encumbrances Appropriated	327,174	327,174	327,174	-
Fund Balance - Ending	<u>\$ 23,996,069</u>	<u>\$ 24,154,000</u>	<u>\$ 31,929,620</u>	<u>\$ 7,775,620</u>

See accompanying notes to the required supplementary information.

**CITY OF MORaine, 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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Shared Revenues	\$ 561,604	\$ 561,604	\$ 622,610	\$ 61,006
Investment Earnings	1,485	1,485	908	(577)
Miscellaneous	2,500	2,500	31,831	29,331
<b>Total Revenues</b>	<u>565,589</u>	<u>565,589</u>	<u>655,349</u>	<u>89,760</u>
<b>EXPENDITURES</b>				
<b>HIGHWAY AND STREETS</b>				
<b>Streets Department</b>				
Personnel Services	1,948,581	1,948,581	1,634,240	314,341
General Operating Expenses	480,649	500,462	339,274	161,188
<b>Total Expenditures</b>	<u>2,429,230</u>	<u>2,449,043</u>	<u>1,973,514</u>	<u>475,529</u>
<b>Excess (deficiency) of revenues over (under)</b>	<u>(1,863,641)</u>	<u>(1,883,454)</u>	<u>(1,318,165)</u>	<u>565,289</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,890,000	1,890,000	1,320,000	(570,000)
<b>Total Other Financing Sources (Uses)</b>	<u>1,890,000</u>	<u>1,890,000</u>	<u>1,320,000</u>	<u>(570,000)</u>
<b>Net Change in Fund Balance</b>	26,359	6,546	1,835	(4,711)
Fund Balance - Beginning	196,141	196,141	196,141	-
Prior Year Encumbrances Appropriated	2,264	2,264	2,264	-
Fund Balance - Ending	<u>\$ 224,764</u>	<u>\$ 204,951</u>	<u>\$ 200,240</u>	<u>\$ (4,711)</u>

See accompanying notes to the required supplementary information.

**CITY OF MORaine, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - TRADITIONAL PENSION PLAN**  
**LAST EIGHT YEARS (1) (2)**

	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.026116%	\$ 3,078,736	\$ 2,932,369	104.99%	86.36%
2015	0.026116%	3,151,149	3,201,850	98.42%	86.45%
2016	0.028964%	5,016,862	3,610,042	138.97%	81.08%
2017	0.031272%	7,101,268	4,038,675	175.83%	77.25%
2018	0.030042%	4,712,950	3,976,331	118.53%	84.66%
2019	0.026983%	7,390,147	4,093,286	180.54%	74.70%
2020	0.031370%	6,200,508	3,965,007	156.38%	82.17%
2021	0.026745%	3,960,292	3,766,829	105.14%	86.88%

(1) Information prior to 2014 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

(2) Amounts presented for each year were determined as of the City's measurement date, which is the prior year-end.

**Notes to Schedule:**

*Change in assumptions.* In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

In 2019, a reduction of the discount rate was made from 7.5% to 7.2%.



**CITY OF MORaine, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**OHIO POLICE AND FIRE PENSION FUND**  
**LAST EIGHT YEARS (1) (2)**

	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.205342%	\$ 10,000,780	\$ 4,471,557	223.65%	73.00%
2015	0.205342%	10,637,551	4,220,732	252.03%	71.71%
2016	0.205708%	13,233,339	4,538,940	291.55%	66.77%
2017	0.211297%	13,383,401	4,721,005	283.49%	68.36%
2018	0.202243%	12,412,541	4,662,051	266.25%	70.91%
2019	0.198997%	16,243,444	4,464,941	363.80%	63.07%
2020	0.192988%	13,000,718	4,986,735	260.71%	69.89%
2021	0.184012%	12,544,241	4,755,635	263.78%	70.65%

(1) Information prior to 2014 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

(2) Amounts presented for each year were determined as of the City's measurement date, which is the prior year-end.

**Notes to Schedule:**

*Change in assumptions.* In 2018, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2016. Significant changes included a reduction of the discount rate from 8.25% to 8.0%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

**CITY OF MORaine, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY PENSION CONTRIBUTIONS**  
**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - TRADITIONAL PENSION PLAN**  
**LAST NINE YEARS (1)**

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	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013	\$ 381,208	\$ (381,208)	\$ -	\$ 2,932,369	13.00%
2014	384,222	(384,222)	-	3,201,850	12.00%
2015	433,205	(433,205)	-	3,610,042	12.00%
2016	484,641	(484,641)	-	4,038,675	12.00%
2017	516,923	(516,923)	-	3,976,331	13.00%
2018	573,060	(573,060)	-	4,093,286	14.00%
2019	555,101	(555,101)	-	3,965,007	14.00%
2020	527,356	(527,356)	-	3,766,829	14.00%
2021	534,733	(534,733)	-	3,819,521	14.00%

(1) Information prior to 2013 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

**CITY OF MORAIN, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY PENSION CONTRIBUTIONS**  
**OHIO POLICE AND FIRE PENSION FUND**  
**LAST NINE YEARS (1)**

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	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013	\$ 763,742	\$ (763,742)	\$ -	\$ 4,471,557	17.08%
2014	859,341	(859,341)	-	4,220,732	20.36%
2015	911,873	(911,873)	-	4,538,940	20.09%
2016	948,450	(948,450)	-	4,721,005	20.09%
2017	936,606	(936,606)	-	4,662,051	20.09%
2018	944,982	(944,982)	-	4,464,941	21.16%
2019	1,001,835	(1,001,835)	-	4,986,735	20.09%
2020	955,407	(955,407)	-	4,755,635	20.09%
2021	1,026,698	(1,026,698)	-	5,110,493	20.09%

(1) Information prior to 2013 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

**CITY OF MORAINE, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET OPEB ASSET/LIABILITY**  
**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**LAST FIVE YEARS (1) (2)**

	City's Proportion of the Net OPEB Asset/ Liability	City's Proportionate Share of the Net OPEB (Asset)/ Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB (Asset)/ Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.029640%	\$ 2,993,762	\$ 4,038,675	74.13%	54.05%
2018	0.028416%	3,085,782	3,976,331	77.60%	54.14%
2019	0.025501%	3,324,662	4,093,286	81.22%	46.33%
2020	0.030004%	4,144,259	3,965,007	104.52%	47.80%
2021	0.025481%	(453,958)	3,766,829	-12.05%	115.57%

(1) Information prior to 2017 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

(2) Amounts presented for each year were determined as of the City's measurement date, which is the prior year-end.

**Notes to Schedule:**

*Change in assumptions.* In 2018, the single discount rate changed from 4.23% to 3.85%.

In 2019, the single discount rate changed from 3.85% to 3.96%, the investment rate of return changed from 6.50% to 6.00%, and the health care cost trend rate changed from 7.5% initial to 10.0% initial.

In 2020, the single discount rate changed from 3.96% to 3.16% and the health care cost trend rate changed from 10.0% initial, 3.25% ultimate in 2029 to 10.5% initial, 3.50% ultimate in 2030.

In 2021, the single discount rate changed from 3.16% to 6.00% and the health care cost trend rate changed from 10.5% initial, 3.50% ultimate in 2030 to 8.5% initial, 3.50% ultimate in 2035.

**CITY OF MORaine, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**OHIO POLICE AND FIRE PENSION FUND**  
**LAST FIVE YEARS (1) (2)**

	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.211298%	\$ 10,029,839	\$ 4,721,005	212.45%	15.96%
2018	0.202243%	11,458,781	4,662,051	245.79%	14.13%
2019	0.198997%	1,812,177	4,464,941	40.59%	46.57%
2020	0.192988%	1,906,286	4,986,735	38.23%	47.08%
2021	0.184012%	1,949,633	4,755,635	41.00%	45.42%

(1) Information prior to 2017 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

(2) Amounts presented for each year were determined as of the City's measurement date, which is the prior year-end.

**Notes to Schedule:**

*Change in assumptions.* In 2018, the single discount rate changed from 3.79% to 3.24%.

In 2019, the single discount rate changed from 3.24% to 4.66%.

In 2020, the single discount rate changed from 4.66% to 3.56%.

In 2021, the single discount rate changed from 3.56% to 2.96%.

*Change in benefits.* Starting January 1, 2019, OP&F changed its retire health care model from the previous self-insured health care plan offered to a stipend-based health care model. The stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result from changing from the self-insured health care plan to the stipend-based health care model, OP&F expects that it will be able to provide stipends to eligible participants for the next 15 years.

**CITY OF MORAIN, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY OPEB CONTRIBUTIONS**  
**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**LAST SEVEN YEARS (1)**

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	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 73,158	\$ (73,158)	\$ -	\$ 3,610,042	2.00%
2016	81,881	(81,881)	-	4,038,675	2.00%
2017	40,250	(40,250)	-	3,976,331	1.00%
2018	-	-	-	4,093,286	0.00%
2019	400	(400)	-	3,965,007	0.01%
2020	3,392	(3,392)	-	3,766,829	0.09%
2021	3,486	(3,486)	-	3,819,521	0.09%

(1) Information prior to 2015 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

**CITY OF MORaine, OHIO**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY OPEB CONTRIBUTIONS**  
**OHIO POLICE AND FIRE PENSION FUND**  
**LAST SEVEN YEARS (1)**

---

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 21,060	\$ (21,060)	\$ -	\$ 4,538,940	0.46%
2016	35,887	(35,887)	-	4,721,005	0.76%
2017	22,036	(22,036)	-	4,662,051	0.47%
2018	22,325	(22,325)	-	4,464,941	0.50%
2019	23,571	(23,571)	-	4,986,735	0.47%
2020	22,471	(22,471)	-	4,755,635	0.47%
2021	24,108	(24,108)	-	5,110,493	0.47%

(1) Information prior to 2015 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

**CITY OF MORaine, OHIO**  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2021

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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 General Fund and major special revenue funds.

	Net Change in Fund Balance	
	General	Street Construction and Maintenance
GAAP Basis	\$ 6,638,368	\$ 32,761
Revenue Accruals	157,250	552
Expenditure Accruals	46,815	(22,958)
Encumbrances	(296,301)	(8,520)
Funds Budgeted Elsewhere	(1,911)	-
Budget Basis	\$ 6,544,221	\$ 1,835

Note: For reporting purposes, the Parks and Recreation fund and the City Deposits fund are combined with the General fund; however, those funds are legally budgeted separately from the General fund. As such, separate budgetary comparison schedules are 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, 2021

	Nonmajor Special Revenue Funds	Vance Darroch Capital - Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 2,047,929	\$ 124,746	\$ 2,172,675
Cash in Segregated Accounts	802	-	802
Receivables:			
Property Tax	165,092	-	165,092
Payment in Lieu of Taxes	378,750	-	378,750
Intergovernmental	60,757	-	60,757
Loans	4,000	-	4,000
<b>Total Assets</b>	<u>\$ 2,657,330</u>	<u>\$ 124,746</u>	<u>\$ 2,782,076</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 5,098	\$ -	\$ 5,098
Salaries and Benefits Payable	89,366	-	89,366
Unearned Revenue	338,870	-	338,870
<b>Total Liabilities</b>	<u>433,334</u>	<u>-</u>	<u>433,334</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Property Taxes	155,198	-	155,198
Payment in Lieu of Taxes	378,750	-	378,750
Unavailable for:			
Delinquent Property Taxes	9,894	-	9,894
Intergovernmental	55,201	-	55,201
<b>Total Deferred Inflows of Resources</b>	<u>599,043</u>	<u>-</u>	<u>599,043</u>
<b>FUND BALANCES</b>			
Restricted for:			
Law Enforcement	196,871	-	196,871
Judiciary Programs	160,197	-	160,197
Cemetery Services	130,106	-	130,106
Capital Projects	-	124,746	124,746
Street Repair and Maintenance	740,960	-	740,960
Economic Development	355,606	-	355,606
Committed for:			
Economic Development	41,228	-	41,228
Unassigned	(15)	-	(15)
<b>Total Fund Balances</b>	<u>1,624,953</u>	<u>124,746</u>	<u>1,749,699</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 2,657,330</u>	<u>\$ 124,746</u>	<u>\$ 2,782,076</u>

**CITY OF MORAIN, OHIO**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2021

	State Highway Improvement	Cemetery	Motor Vehicle License Tax	Enforcement and Education	Mayor's Court Computer
<b>ASSETS</b>					
Equity in Pooled Cash and Investments	\$ 667,380	\$ 130,306	\$ 69,119	\$ 64,821	\$ 95,635
Cash in Segregated Accounts	-	-	-	-	481
Receivables:					
Property Tax	-	-	-	-	-
Payment in Lieu of Taxes	-	-	-	-	-
Intergovernmental	22,710	-	9,974	95	-
Loans	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 690,090</u>	<u>\$ 130,306</u>	<u>\$ 79,093</u>	<u>\$ 64,916</u>	<u>\$ 96,116</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 621	\$ 200	\$ 155	\$ -	\$ -
Salaries and Benefits Payable	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
<b>Total Liabilities</b>	<u>621</u>	<u>200</u>	<u>155</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	-	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-	-
Unavailable for:					
Delinquent Property Taxes	-	-	-	-	-
Intergovernmental	19,010	-	8,437	-	-
<b>Total Deferred Inflows of Resources</b>	<u>19,010</u>	<u>-</u>	<u>8,437</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>					
Restricted for:					
Law Enforcement	-	-	-	64,916	-
Judiciary Programs	-	-	-	-	96,116
Cemetery Services	-	130,106	-	-	-
Street Repair and Maintenance	670,459	-	70,501	-	-
Economic Development	-	-	-	-	-
Committed for:					
Economic Development	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balance</b>	<u>670,459</u>	<u>130,106</u>	<u>70,501</u>	<u>64,916</u>	<u>96,116</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 690,090</u>	<u>\$ 130,306</u>	<u>\$ 79,093</u>	<u>\$ 64,916</u>	<u>\$ 96,116</u>

(continued)

**CITY OF MORaine, OHIO**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2021  
(continued)

	Clerk of Court Computer	Economic Development	T.I.F.	Police Pension	Fire Pension
<b>ASSETS</b>					
Equity in Pooled Cash and Investments	\$ 63,760	\$ 37,228	\$ 355,606	\$ 47,250	\$ 52,967
Cash in Segregated Accounts	321	-	-	-	-
Receivables:					
Property Tax	-	-	-	82,546	82,546
Payment in Lieu of Taxes	-	-	378,750	-	-
Intergovernmental	-	-	24,890	1,432	1,432
Loans	-	4,000	-	-	-
<b>Total Assets</b>	<u>\$ 64,081</u>	<u>\$ 41,228</u>	<u>\$ 759,246</u>	<u>\$ 131,228</u>	<u>\$ 136,945</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and Benefits Payable	-	-	-	36,384	52,982
Unearned Revenue	-	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,384</u>	<u>52,982</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	-	-	-	77,599	77,599
Payments in Lieu of Taxes	-	-	378,750	-	-
Unavailable for:					
Delinquent Property Taxes	-	-	-	4,947	4,947
Intergovernmental	-	-	24,890	1,432	1,432
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>403,640</u>	<u>83,978</u>	<u>83,978</u>
<b>FUND BALANCE</b>					
Restricted for:					
Law Enforcement	-	-	-	10,866	-
Judiciary Programs	64,081	-	-	-	-
Cemetery Services	-	-	-	-	-
Street Repair and Maintenance	-	-	-	-	-
Economic Development	-	-	355,606	-	-
Committed for:					
Economic Development	-	41,228	-	-	-
Unassigned	-	-	-	-	(15)
<b>Total Fund Balance</b>	<u>64,081</u>	<u>41,228</u>	<u>355,606</u>	<u>10,866</u>	<u>(15)</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 64,081</u>	<u>\$ 41,228</u>	<u>\$ 759,246</u>	<u>\$ 131,228</u>	<u>\$ 136,945</u>

(continued)

**CITY OF MORaine, OHIO**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2021  
(continued)

	Federal Law Enforcement	State Law Enforcement	Drug Law Enforcement	Local Fiscal Recovery COVID Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>					
Equity in Pooled Cash and Investments	\$ 46,094	\$ 38,286	\$ 40,607	\$ 338,870	\$ 2,047,929
Cash in Segregated Accounts	-	-	-	-	802
Receivables:					
Property Tax	-	-	-	-	165,092
Payment in Lieu of Taxes	-	-	-	-	378,750
Intergovernmental	-	224	-	-	60,757
Loans	-	-	-	-	4,000
<b>Total Assets</b>	<u>\$ 46,094</u>	<u>\$ 38,510</u>	<u>\$ 40,607</u>	<u>\$ 338,870</u>	<u>\$ 2,657,330</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 4,122	\$ -	\$ -	\$ -	\$ 5,098
Salaries and Benefits Payable	-	-	-	-	89,366
Unearned Revenue	-	-	-	338,870	338,870
<b>Total Liabilities</b>	<u>4,122</u>	<u>-</u>	<u>-</u>	<u>338,870</u>	<u>433,334</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	-	-	-	-	155,198
Payments in Lieu of Taxes	-	-	-	-	378,750
Unavailable for:					
Delinquent Property Taxes	-	-	-	-	9,894
Intergovernmental	-	-	-	-	55,201
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>599,043</u>
<b>FUND BALANCE</b>					
Restricted for:					
Law Enforcement	41,972	38,510	40,607	-	196,871
Judiciary Programs	-	-	-	-	160,197
Cemetery Services	-	-	-	-	130,106
Street Repair and Maintenance	-	-	-	-	740,960
Economic Development	-	-	-	-	355,606
Committed for:					
Economic Development	-	-	-	-	41,228
Unassigned	-	-	-	-	(15)
<b>Total Fund Balance</b>	<u>41,972</u>	<u>38,510</u>	<u>40,607</u>	<u>-</u>	<u>1,624,953</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 46,094</u>	<u>\$ 38,510</u>	<u>\$ 40,607</u>	<u>\$ 338,870</u>	<u>\$ 2,657,330</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, 2021

	Nonmajor Special Revenue Funds	Vance Darroch Capital - Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Taxes:			
Property	\$ 159,266	\$ -	\$ 159,266
Payment in Lieu of Taxes	330,646	-	330,646
Shared Revenues	118,691	-	118,691
Charges for Services	6,550	-	6,550
Fines	11,049	-	11,049
Investment Earnings	3,783	-	3,783
Miscellaneous	3,065	-	3,065
<b>Total Revenues</b>	<u>633,050</u>	<u>-</u>	<u>633,050</u>
<b>EXPENDITURES</b>			
Current:			
General government	48,357	-	48,357
Public Safety	1,212,567	-	1,212,567
Highways and streets	187,893	-	187,893
Economic development	249,982	-	249,982
Debt service:			
Principal	255,000	-	255,000
Interest	161,200	-	161,200
Capital Outlays:			
Highways and streets	-	115,704	115,704
<b>Total Expenditures</b>	<u>2,114,999</u>	<u>115,704</u>	<u>2,230,703</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,481,949)</u>	<u>(115,704)</u>	<u>(1,597,653)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	975,000	-	975,000
Transfers out	-	(377,697)	(377,697)
<b>Total Other Financing Sources (Uses)</b>	<u>975,000</u>	<u>(377,697)</u>	<u>597,303</u>
<b>Net Change in Fund Balance</b>	(506,949)	(493,401)	(1,000,350)
Fund Balance - Beginning	2,131,902	618,147	2,750,049
Fund Balance - Ending	<u>\$ 1,624,953</u>	<u>\$ 124,746</u>	<u>\$ 1,749,699</u>

**CITY OF MORaine, OHIO**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021

	<u>State Highway Improvement</u>	<u>Cemetery</u>	<u>Motor Vehicle License Tax</u>	<u>Enforcement and Education</u>	<u>Mayors' Court Computer</u>
<b>REVENUES</b>					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Payment in Lieu of Taxes	-	-	-	-	-
Shared Revenues	50,504	-	24,934	-	-
Charges for Services	-	6,550	-	-	-
Fines	-	-	-	1,140	5,990
Investment Earnings	965	238	109	28	-
Miscellaneous	-	1,623	-	-	-
<b>Total Revenues</b>	<u>51,469</u>	<u>8,411</u>	<u>25,043</u>	<u>1,168</u>	<u>5,990</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	39,284	-	-	5,444
Public Safety	-	-	-	-	-
Highways and Streets	150,314	-	37,579	-	-
Economic Development	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<u>150,314</u>	<u>39,284</u>	<u>37,579</u>	<u>-</u>	<u>5,444</u>
<b>Excess (deficiency) of Revenues Over (under) Expenditures</b>	<u>(98,845)</u>	<u>(30,873)</u>	<u>(12,536)</u>	<u>1,168</u>	<u>546</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers in	-	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(98,845)	(30,873)	(12,536)	1,168	546
Fund Balance - Beginning	769,304	160,979	83,037	63,748	95,570
Fund Balance - Ending	<u>\$ 670,459</u>	<u>\$ 130,106</u>	<u>\$ 70,501</u>	<u>\$ 64,916</u>	<u>\$ 96,116</u>

(continued)



**CITY OF MORaine, OHIO**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021  
(Continued)

	Clerk of Court Computer	Economic Development	T.I.F.	Police Pension	Fire Pension
<b>REVENUES</b>					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ 79,633	\$ 79,633
Payment in Lieu of Taxes	-	1,291	329,355	-	-
Shared Revenues	-	-	37,535	2,859	2,859
Charges for Services	-	-	-	-	-
Fines	3,691	-	-	-	-
Investment Earnings	-	-	1,593	-	-
Miscellaneous	-	-	-	714	728
<b>Total Revenues</b>	<u>3,691</u>	<u>1,291</u>	<u>368,483</u>	<u>83,206</u>	<u>83,220</u>
<b>EXPENDITURES</b>					
Current:					
General Government	3,629	-	-	-	-
Public Safety	-	-	-	463,069	602,464
Highways and Streets	-	-	-	-	-
Economic Development	-	126,784	123,198	-	-
Debt service					
Principal	-	-	255,000	-	-
Interest	-	-	161,200	-	-
<b>Total Expenditures</b>	<u>3,629</u>	<u>126,784</u>	<u>539,398</u>	<u>463,069</u>	<u>602,464</u>
<b>Excess (deficiency) of Revenues Over (under) Expenditures</b>	<u>62</u>	<u>(125,493)</u>	<u>(170,915)</u>	<u>(379,863)</u>	<u>(519,244)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers in	-	80,000	-	385,000	510,000
<b>Total Other Financing Sources</b>	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>385,000</u>	<u>510,000</u>
<b>Net Change in Fund Balance</b>	<u>62</u>	<u>(45,493)</u>	<u>(170,915)</u>	<u>5,137</u>	<u>(9,244)</u>
Fund Balance - Beginning	64,019	86,721	526,521	5,729	9,229
Fund Balance - Ending	<u>\$ 64,081</u>	<u>\$ 41,228</u>	<u>\$ 355,606</u>	<u>\$ 10,866</u>	<u>\$ (15)</u>

(continued)

**CITY OF MORaine, OHIO**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021  
(Continued)

	Federal Law Enforcement	State Law Enforcement	Drug Law Enforcement	Local Fiscal Recovery COVID Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ 159,266
Payment in Lieu of Taxes	-	-	-	-	330,646
Shared Revenues	-	-	-	-	118,691
Charges for Services	-	-	-	-	6,550
Fines	-	228	-	-	11,049
Investment Earnings	69	759	22	-	3,783
Miscellaneous	-	-	-	-	3,065
<b>Total Revenues</b>	<u>69</u>	<u>987</u>	<u>22</u>	<u>-</u>	<u>633,050</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	48,357
Public Safety	9,991	137,043	-	-	1,212,567
Highways and Streets	-	-	-	-	187,893
Economic Development	-	-	-	-	249,982
Debt service					
Principal	-	-	-	-	255,000
Interest	-	-	-	-	161,200
<b>Total Expenditures</b>	<u>9,991</u>	<u>137,043</u>	<u>-</u>	<u>-</u>	<u>2,114,999</u>
<b>Excess (deficiency) of Revenues Over (under) Expenditures</b>	<u>(9,922)</u>	<u>(136,056)</u>	<u>22</u>	<u>-</u>	<u>(1,481,949)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers in	-	-	-	-	975,000
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>975,000</u>
<b>Net Change in Fund Balance</b>	<u>(9,922)</u>	<u>(136,056)</u>	<u>22</u>	<u>-</u>	<u>(506,949)</u>
Fund Balance - Beginning	51,894	174,566	40,585	-	2,131,902
Fund Balance - Ending	<u>\$ 41,972</u>	<u>\$ 38,510</u>	<u>\$ 40,607</u>	<u>\$ -</u>	<u>\$ 1,624,953</u>

(concluded)

**CITY OF MORAINÉ, OHIO**  
**CAPITAL IMPROVEMENT FUND**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP Basis)  
For Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Shared Revenues	\$ 50,000	\$ 50,000	\$ 35,477	\$ (14,523)
Grants	841,460	841,460	183,095	(658,365)
Miscellaneous	-	-	11,537	11,537
<b>Total Revenues</b>	<u>891,460</u>	<u>891,460</u>	<u>230,109</u>	<u>(661,351)</u>
<b>EXPENDITURES</b>				
<b>CAPITAL OUTLAY</b>				
General Government	650,071	635,750	237,469	398,281
Public Safety	678,618	699,392	153,069	546,323
Highways and Streets	1,963,195	1,975,821	1,538,203	437,618
Culture-Recreation	40,500	40,500	34,664	5,836
Economic Development	23,000	23,000	-	23,000
<b>DEBT SERVICE</b>				
Principal	134,925	134,925	125,240	9,685
Interest	19,845	19,845	19,844	1
<b>Total Expenditures</b>	<u>3,510,154</u>	<u>3,529,233</u>	<u>2,108,489</u>	<u>1,420,744</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,618,694)</u>	<u>(2,637,773)</u>	<u>(1,878,380)</u>	<u>759,393</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,815,000	1,815,000	1,160,000	(655,000)
<b>Total Other Financing Sources</b>	<u>1,815,000</u>	<u>1,815,000</u>	<u>1,160,000</u>	<u>(655,000)</u>
<b>Net Change in Fund Balance</b>	<u>(803,694)</u>	<u>(822,773)</u>	<u>(718,380)</u>	<u>104,393</u>
Fund Balance - Beginning	1,102,369	1,102,369	1,102,369	-
Prior Year Encumbrances Appropriated	145,564	145,564	145,564	-
Fund Balance - Ending	<u>\$ 444,239</u>	<u>\$ 425,160</u>	<u>\$ 529,553</u>	<u>\$ 104,393</u>

**CITY OF MORaine, OHIO**  
**GENERAL DEBT SERVICE FUND**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP Basis)  
For Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$ 1,720	\$ 1,720	\$ 1,527	\$ (193)
<b>Total Revenues</b>	<u>1,720</u>	<u>1,720</u>	<u>1,527</u>	<u>(193)</u>
<b>EXPENDITURES</b>				
<b>DEBT SERVICE</b>				
Principal	8,150,000	8,150,000	8,150,000	-
Interest	81,275	190,275	189,777	498
Issuance Costs	55,000	145,000	135,500	9,500
<b>Total Expenditures</b>	<u>8,286,275</u>	<u>8,485,275</u>	<u>8,475,277</u>	<u>9,998</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(8,284,555)</u>	<u>(8,483,555)</u>	<u>(8,473,750)</u>	<u>9,805</u>
<b>OTHER FINANCING SOURCES</b>				
Bond Issuance	8,300,000	8,300,000	8,270,054	(29,946)
Transfers in	-	377,697	377,697	-
<b>Total Other Financing Sources</b>	<u>8,300,000</u>	<u>8,677,697</u>	<u>8,647,751</u>	<u>(29,946)</u>
<b>Net Change in Fund Balance</b>	15,445	194,142	174,001	(20,141)
Fund Balance - Beginning	232,075	232,075	232,075	-
Fund Balance - Ending	<u>\$ 247,520</u>	<u>\$ 426,217</u>	<u>\$ 406,076</u>	<u>\$ (20,141)</u>

**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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Shared Revenues	\$ 45,427	\$ 45,427	\$ 50,482	\$ 5,055
Investment Earnings	5,655	5,655	3,114	(2,541)
<b>Total Revenues</b>	<u>51,082</u>	<u>51,082</u>	<u>53,596</u>	<u>2,514</u>
<b>EXPENDITURES</b>				
<b>HIGHWAY AND STREETS</b>				
<b>Street Department</b>				
General Operating Expenses	191,180	177,738	162,484	15,254
<b>Total Expenditures</b>	<u>191,180</u>	<u>177,738</u>	<u>162,484</u>	<u>15,254</u>
<b>Net Change in Fund Balance</b>	(140,098)	(126,656)	(108,888)	17,768
Fund Balance - Beginning	755,367	755,367	755,367	-
Prior Year Encumbrances Appropriated	17,580	17,580	17,580	-
Fund Balance - Ending	<u>\$ 632,849</u>	<u>\$ 646,291</u>	<u>\$ 664,059</u>	<u>\$ 17,768</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 3,500	\$ 3,500	\$ 6,550	\$ 3,050
Investment Earnings	1,205	1,205	614	(591)
Miscellaneous	1,000	1,000	1,623	623
<b>Total Revenues</b>	<u>5,705</u>	<u>5,705</u>	<u>8,787</u>	<u>3,082</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Building and Park Maintenance</b>				
General Operating Expenses	59,600	58,650	40,385	18,265
<b>Total Expenditures</b>	<u>59,600</u>	<u>58,650</u>	<u>40,385</u>	<u>18,265</u>
<b>Net Change in Fund Balance</b>	(53,895)	(52,945)	(31,598)	21,347
Fund Balance - Beginning	160,446	160,446	160,446	-
Prior Year Encumbrances Appropriated	1,200	1,200	1,200	-
Fund Balance - Ending	<u>\$ 107,751</u>	<u>\$ 108,701</u>	<u>\$ 130,048</u>	<u>\$ 21,347</u>

**CITY OF MORaine, 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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Shared Revenues	\$ 21,000	\$ 21,000	\$ 24,887	\$ 3,887
Investment Earnings	585	585	319	(266)
<b>Total Revenues</b>	<u>21,585</u>	<u>21,585</u>	<u>25,206</u>	<u>3,621</u>
<b>EXPENDITURES</b>				
<b>HIGHWAY AND STREETS</b>				
<b>Street Department</b>				
General Operating Expenses	48,320	44,434	40,646	3,788
<b>Total Expenditures</b>	<u>48,320</u>	<u>44,434</u>	<u>40,646</u>	<u>3,788</u>
<b>Net Change in Fund Balance</b>	(26,735)	(22,849)	(15,440)	7,409
Fund Balance - Beginning	78,002	78,002	78,002	-
Prior Year Encumbrances Appropriated	4,920	4,920	4,920	
Fund Balance - Ending	<u>\$ 56,187</u>	<u>\$ 60,073</u>	<u>\$ 67,482</u>	<u>\$ 7,409</u>

**CITY OF MORaine, 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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Fines	\$ 500	\$ 500	\$ 1,045	\$ 545
Investment Earnings	475	475	282	(193)
<b>Total Revenues</b>	<u>975</u>	<u>975</u>	<u>1,327</u>	<u>352</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
General Operating Expenses	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
<b>Total Expenditures</b>	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
<b>Net Change in Fund Balance</b>	(3,025)	(3,025)	1,327	4,352
Fund Balance - Beginning	<u>64,013</u>	<u>64,013</u>	<u>64,013</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 60,988</u>	<u>\$ 60,988</u>	<u>\$ 65,340</u>	<u>\$ 4,352</u>



**CITY OF MORaine, OHIO**  
**MAYOR'S COURT COMPUTER FUND**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP Basis)  
For Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Fines	\$ 6,000	\$ 6,000	\$ 5,865	\$ (135)
<b>Total Revenues</b>	<u>6,000</u>	<u>6,000</u>	<u>5,865</u>	<u>(135)</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Mayor's Court</b>				
General Operating Expenses	13,050	13,050	6,704	6,346
<b>Total Expenditures</b>	<u>13,050</u>	<u>13,050</u>	<u>6,704</u>	<u>6,346</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(7,050)</u>	<u>(7,050)</u>	<u>(839)</u>	<u>6,211</u>
<b>Net Change in Fund Balance</b>	<u>(7,050)</u>	<u>(7,050)</u>	<u>(839)</u>	<u>6,211</u>
Fund Balance - Beginning	93,954	93,954	93,954	-
Encumbrances	1,260	1,260	1,260	
Fund Balance - Ending	<u>\$ 88,164</u>	<u>\$ 88,164</u>	<u>\$ 94,375</u>	<u>\$ 6,211</u>

**CITY OF MORaine, OHIO**  
**CLERK OF COURT COMPUTER FUND**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP Basis)  
For Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Fines	\$ 4,000	\$ 4,000	\$ 3,909	\$ (91)
<b>Total Revenues</b>	<u>4,000</u>	<u>4,000</u>	<u>3,909</u>	<u>(91)</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Clerk of Courts</b>				
General Operating Expenses	8,700	8,700	4,470	4,230
<b>Total Expenditures</b>	<u>8,700</u>	<u>8,700</u>	<u>4,470</u>	<u>4,230</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(4,700)</u>	<u>(4,700)</u>	<u>(561)</u>	<u>4,139</u>
<b>Net Change in Fund Balance</b>	(4,700)	(4,700)	(561)	4,139
Fund Balance - Beginning	62,640	62,640	62,640	-
Encumbrances	840	840	840	
<b>Fund Balance - Ending</b>	<u>\$ 58,780</u>	<u>\$ 58,780</u>	<u>\$ 62,919</u>	<u>\$ 4,139</u>

**CITY OF MORaine, OHIO**  
**ECONOMIC DEVELOPMENT FUND**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP Basis)  
For Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Payment in lieu of taxes	\$ -	\$ -	\$ 1,291	\$ 1,291
Intergovernmental	250,000	250,000	-	(250,000)
<b>Total Revenues</b>	<u>250,000</u>	<u>250,000</u>	<u>1,291</u>	<u>(248,709)</u>
<b>EXPENDITURES</b>				
<b>ECONOMIC DEVELOPMENT</b>				
<b>Economic Development</b>				
General operating expenses	484,000	484,000	101,784	382,216
<b>Total Expenditures</b>	<u>484,000</u>	<u>484,000</u>	<u>101,784</u>	<u>382,216</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(234,000)</u>	<u>(234,000)</u>	<u>(100,493)</u>	<u>133,507</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	240,000	240,000	80,000	(160,000)
<b>Total Other Financing Sources</b>	<u>240,000</u>	<u>240,000</u>	<u>80,000</u>	<u>(160,000)</u>
<b>Net Change in Fund Balance</b>	6,000	6,000	(20,493)	(26,493)
Fund Balance - Beginning	57,723	57,723	57,723	-
Fund Balance - Ending	<u>\$ 63,723</u>	<u>\$ 63,723</u>	<u>\$ 37,230</u>	<u>\$ (26,493)</u>

**CITY OF MORaine, 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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Payments in lieu of taxes	\$ 390,743	\$ 390,743	\$ 329,355	\$ (61,388)
Shared Revenues	49,851	49,851	37,535	(12,316)
Investment Earnings	5,140	5,140	2,256	(2,884)
<b>Total Revenues</b>	<u>445,734</u>	<u>445,734</u>	<u>369,146</u>	<u>(76,588)</u>
<b>EXPENDITURES</b>				
<b>ECONOMIC DEVELOPMENT</b>				
<b>Engineer</b>				
General operating expenses	151,000	151,000	123,198	27,802
<b>DEBT SERVICE</b>				
Principal Retirement	255,000	255,000	255,000	-
Interest	161,200	161,200	161,200	-
<b>Total Expenditures</b>	<u>567,200</u>	<u>567,200</u>	<u>539,398</u>	<u>27,802</u>
<b>Net Change in Fund Balance</b>	(121,466)	(121,466)	(170,252)	(48,786)
Fund Balance - Beginning	528,700	528,700	528,700	-
Fund Balance - Ending	<u>\$ 407,234</u>	<u>\$ 407,234</u>	<u>\$ 358,448</u>	<u>\$ (48,786)</u>

**CITY OF MORaine, OHIO**  
**POLICE PENSION FUND**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP Basis)  
For Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property	\$ 78,774	\$ 78,774	\$ 79,633	\$ 859
Intergovernmental	2,635	2,635	2,859	224
Investment Earnings	390	390	201	(189)
Miscellaneous	-	-	720	720
<b>Total Revenues</b>	<u>81,799</u>	<u>81,799</u>	<u>83,413</u>	<u>1,614</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
Personnel	508,817	508,817	461,058	47,759
General operating expense	2,000	2,000	1,137	863
<b>Total Expenditures</b>	<u>510,817</u>	<u>510,817</u>	<u>462,195</u>	<u>48,622</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(429,018)</u>	<u>(429,018)</u>	<u>(378,782)</u>	<u>50,236</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	440,000	440,000	385,000	(55,000)
<b>Total Other Financing Sources (Uses)</b>	<u>440,000</u>	<u>440,000</u>	<u>385,000</u>	<u>(55,000)</u>
<b>Net Change in Fund Balance</b>	10,982	10,982	6,218	(4,764)
Fund Balance - Beginning	41,410	41,410	41,410	-
Fund Balance - Ending	<u>\$ 52,392</u>	<u>\$ 52,392</u>	<u>\$ 47,628</u>	<u>\$ (4,764)</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property	\$ 78,774	\$ 78,774	\$ 79,633	\$ 859
Intergovernmental	2,635	2,635	2,859	224
Investment Earnings	390	390	223	(167)
Miscellaneous	-	-	720	720
<b>Total Revenues</b>	<u>81,799</u>	<u>81,799</u>	<u>83,435</u>	<u>1,636</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Fire</b>				
Personnel	602,357	602,357	589,748	12,609
General operating expense	2,000	2,000	1,137	863
<b>Total Expenditures</b>	<u>604,357</u>	<u>604,357</u>	<u>590,885</u>	<u>13,472</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(522,558)</u>	<u>(522,558)</u>	<u>(507,450)</u>	<u>15,108</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	530,000	530,000	510,000	(20,000)
<b>Total Other Financing Sources (Uses)</b>	<u>530,000</u>	<u>530,000</u>	<u>510,000</u>	<u>(20,000)</u>
<b>Net Change in Fund Balance</b>	7,442	7,442	2,550	(4,892)
Fund Balance - Beginning	50,842	50,842	50,842	-
Fund Balance - Ending	<u>\$ 58,284</u>	<u>\$ 58,284</u>	<u>\$ 53,392</u>	<u>\$ (4,892)</u>

**CITY OF MORAINÉ, 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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Fines	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Investment Earnings	390	390	223	(167)
<b>Total Revenues</b>	<u>5,390</u>	<u>5,390</u>	<u>223</u>	<u>(5,167)</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
General operating expense	16,200	16,200	13,000	3,200
<b>Total Expenditures</b>	<u>16,200</u>	<u>16,200</u>	<u>13,000</u>	<u>3,200</u>
<b>Net Change in Fund Balance</b>	(10,810)	(10,810)	(12,777)	(1,967)
Fund Balance - Beginning	52,109	52,109	52,109	-
Fund Balance - Ending	<u>\$ 41,299</u>	<u>\$ 41,299</u>	<u>\$ 39,332</u>	<u>\$ (1,967)</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Fines	\$ 5,000	\$ 5,000	\$ 4	\$ (4,996)
Investment Earnings	1,290	1,290	343	(947)
<b>Total Revenues</b>	<u>6,290</u>	<u>6,290</u>	<u>347</u>	<u>(5,943)</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
General operating expense	160,500	160,500	137,043	23,457
<b>Total Expenditures</b>	<u>160,500</u>	<u>160,500</u>	<u>137,043</u>	<u>23,457</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(154,210)</u>	<u>(154,210)</u>	<u>(136,696)</u>	<u>17,514</u>
<b>Net Change in Fund Balance</b>	(154,210)	(154,210)	(136,696)	17,514
Fund Balance - Beginning	175,287	175,287	175,287	-
Fund Balance - Ending	<u>\$ 21,077</u>	<u>\$ 21,077</u>	<u>\$ 38,591</u>	<u>\$ 17,514</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$ 305	\$ 305	\$ 176	\$ (129)
<b>Total Revenues</b>	<u>305</u>	<u>305</u>	<u>176</u>	<u>(129)</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
General operating expense	8,000	8,000	-	8,000
<b>Total Expenditures</b>	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
<b>Net Change in Fund Balance</b>	(7,695)	(7,695)	176	7,871
Fund Balance - Beginning	40,753	40,753	40,753	-
Fund Balance - Ending	<u>\$ 33,058</u>	<u>\$ 33,058</u>	<u>\$ 40,929</u>	<u>\$ 7,871</u>

**CITY OF MORAIN, OHIO**  
**LOCAL FISCAL RECOVERY COVID FUND**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP Basis)  
For Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 338,870	\$ 338,870	\$ 338,870	\$ -
<b>Total Revenues</b>	<u>338,870</u>	<u>338,870</u>	<u>338,870</u>	<u>-</u>
<b>EXPENDITURES</b>				
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	338,870	338,870	338,870	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ 338,870</u>	<u>\$ 338,870</u>	<u>\$ 338,870</u>	<u>\$ -</u>

**CITY OF MORaine, OHIO**  
**VANCE DARROCH CAPITAL PROJECTS FUND**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP Basis)  
For Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
<b>CAPITAL OUTLAY</b>				
Highways and Streets	307,780	300,200	225,650	74,550
<b>Total Expenditures</b>	307,780	300,200	225,650	74,550
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(307,780)	(300,200)	(225,650)	74,550
<b>OTHER FINANCING USES</b>				
Transfers out	-	(377,697)	(377,697)	-
<b>Total Other Financing Uses</b>	-	(377,697)	(377,697)	-
<b>Net Change in Fund Balance</b>	(307,780)	(677,897)	(603,347)	74,550
Fund Balance - Beginning	454,013	454,013	454,013	-
Prior Year Encumbrances Appropriated	232,780	232,780	232,780	-
Fund Balance - Ending	\$ 379,013	\$ 8,896	\$ 83,446	\$ 74,550

**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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 87,000	\$ 87,000	\$ 65,057	\$ (21,943)
Investment Earnings	860	860	477	(383)
Grants	30,000	30,000	44,819	14,819
Miscellaneous	2,000	2,000	17,079	15,079
<b>Total Revenues</b>	<u>119,860</u>	<u>119,860</u>	<u>127,432</u>	<u>7,572</u>
<b>EXPENDITURES</b>				
<b>CULTURE AND RECREATION</b>				
<b>Civic Center</b>				
Personnel services	308,791	308,791	201,605	107,186
General operating expenses	56,099	48,258	32,101	16,157
<b>Total Civic Center</b>	<u>364,890</u>	<u>357,049</u>	<u>233,706</u>	<u>123,343</u>
<b>Recreational Center</b>				
Personnel services	613,493	613,493	451,625	161,868
General operating expenses	207,981	195,411	149,364	46,047
<b>Total Recreational Center</b>	<u>821,474</u>	<u>808,904</u>	<u>600,989</u>	<u>207,915</u>
<b>Parks &amp; Recreation Programs</b>				
General operating expenses	82,050	82,050	34,208	47,842
<b>Total Parks &amp; Recreation Programs</b>	<u>82,050</u>	<u>82,050</u>	<u>34,208</u>	<u>47,842</u>
<b>Total Expenditures</b>	<u>1,268,414</u>	<u>1,248,003</u>	<u>868,903</u>	<u>379,100</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,148,554)</u>	<u>(1,128,143)</u>	<u>(741,471)</u>	<u>386,672</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,146,000	1,146,000	705,000	(441,000)
<b>Total Other Financing Sources (Uses)</b>	<u>1,146,000</u>	<u>1,146,000</u>	<u>705,000</u>	<u>(441,000)</u>
<b>Net Change in Fund Balance</b>	(2,554)	17,857	(36,471)	(54,328)
Fund Balance - Beginning	86,555	86,555	86,555	-
Prior Year Encumbrances Appropriated	28,290	28,290	28,290	-
<b>Fund Balance - Ending</b>	<u>\$ 112,291</u>	<u>\$ 132,702</u>	<u>\$ 78,374</u>	<u>\$ (54,328)</u>

**CITY OF MORaine, OHIO**  
**CITY DEPOSITS FUND**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP Basis)  
For Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Miscellaneous	\$ 11,500	\$ 11,500	\$ 4,940	\$ (6,560)
<b>Total Revenues</b>	<u>11,500</u>	<u>11,500</u>	<u>4,940</u>	<u>(6,560)</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
General operating expenses	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
<b>Total General Government</b>	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
<b>CULTURE AND RECREATION</b>				
General operating expenses	<u>25,000</u>	<u>25,000</u>	<u>3,550</u>	<u>21,450</u>
<b>Total Culture and Recreation</b>	<u>25,000</u>	<u>25,000</u>	<u>3,550</u>	<u>21,450</u>
<b>Total Expenditures</b>	<u>25,500</u>	<u>25,500</u>	<u>3,550</u>	<u>21,950</u>
<b>Net Change in Fund Balance</b>	(14,000)	(14,000)	1,390	15,390
Fund Balance - Beginning	<u>36,972</u>	<u>36,972</u>	<u>36,972</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 22,972</u>	<u>\$ 22,972</u>	<u>\$ 38,362</u>	<u>\$ 15,390</u>

**CITY OF MORaine, OHIO**  
Combining Statement of Fund Net Position  
Internal Service Funds  
December 31, 2021

	<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	\$ 358,697	\$ 1,403,169	\$ 646,516	\$ 2,408,382
Inventories	105,258	-	-	105,258
<b>Total Current Assets</b>	<u>463,955</u>	<u>1,403,169</u>	<u>646,516</u>	<u>2,513,640</u>
<b>NON-CURRENT ASSETS</b>				
Net OPEB Asset	18,759	-	-	18,759
Capital Assets, Net	6,001	-	-	6,001
<b>Total Non-Current Assets</b>	<u>24,760</u>	<u>-</u>	<u>-</u>	<u>24,760</u>
<b>Total Assets</b>	<u>488,715</u>	<u>1,403,169</u>	<u>646,516</u>	<u>2,538,400</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Pensions and OPEB	83,068	-	-	83,068
<b>Total Deferred Outflows of Resources</b>	<u>83,068</u>	<u>-</u>	<u>-</u>	<u>83,068</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	22,295	-	-	22,295
Salaries and Benefits Payable	5,354	-	-	5,354
Compensated Absences Payable	5,368	-	-	5,368
Insurance Claims Payable	-	1,160	206,095	207,255
<b>Total Current Liabilities</b>	<u>33,017</u>	<u>1,160</u>	<u>206,095</u>	<u>240,272</u>
<b>LONG-TERM LIABILITIES</b>				
Compensated Absences Payable	47,972	-	-	47,972
Net Pension Liability	226,077	-	-	226,077
<b>Total Long-Term Liabilities</b>	<u>274,049</u>	<u>-</u>	<u>-</u>	<u>274,049</u>
<b>Total Liabilities</b>	<u>307,066</u>	<u>1,160</u>	<u>206,095</u>	<u>514,321</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Pensions and OPEB	186,268	-	-	186,268
<b>Total Deferred Inflows of Resources</b>	<u>186,268</u>	<u>-</u>	<u>-</u>	<u>186,268</u>
<b>NET POSITION</b>				
Investment in Capital Assets	6,001	-	-	6,001
Unrestricted	72,448	1,402,009	440,421	1,914,878
<b>Total Net Position</b>	<u>\$ 78,449</u>	<u>\$ 1,402,009</u>	<u>\$ 440,421</u>	<u>\$ 1,920,879</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, 2021

	City Garage	Insurance Reserve	Health Insurance	Total Internal Service Funds
<b>Operating Revenues</b>				
Charges for Services	\$ 447,885	\$ -	\$ 2,368,699	\$ 2,816,584
Miscellaneous	4,883	19,070	-	23,953
<b>Total Operating Revenues</b>	<u>452,768</u>	<u>19,070</u>	<u>2,368,699</u>	<u>2,840,537</u>
<b>Operating Expenses</b>				
Personal Services	55,904	-	-	55,904
Contractual Services	12,214	2,117	375,142	389,473
Supplies and Materials	204,851	-	-	204,851
Claims and Judgements	-	35,084	2,051,090	2,086,174
Depreciation Expense	3,456	-	-	3,456
<b>Total Operating Expenses</b>	<u>276,425</u>	<u>37,201</u>	<u>2,426,232</u>	<u>2,739,858</u>
<b>Operating Income (Loss)</b>	<u>176,343</u>	<u>(18,131)</u>	<u>(57,533)</u>	<u>100,679</u>
<b>Non-operating Revenues</b>				
Investment Earnings	-	888	271	1,159
<b>Total Non-operating Revenues</b>	<u>-</u>	<u>888</u>	<u>271</u>	<u>1,159</u>
<b>Change in Net Position</b>	176,343	(17,243)	(57,262)	101,838
Total Net Position - Beginning	(97,894)	1,419,252	497,683	1,819,041
Total Net Position - Ending	<u>\$ 78,449</u>	<u>\$ 1,402,009</u>	<u>\$ 440,421</u>	<u>\$ 1,920,879</u>

**CITY OF MORaine, OHIO**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2021

	City Garage	Insurance Reserve	Health Insurance	Total Internal Service Funds
<b>Cash Flows From Operating Activities</b>				
Cash received for interfund services	\$ 447,885	\$ -	\$ 2,368,699	\$ 2,816,584
Miscellaneous receipts & reimbursements	4,883	19,070	-	23,953
Cash paid to employees for services	(238,817)	-	-	(238,817)
Cash paid to suppliers for goods or services	(213,876)	(1,977)	(375,142)	(590,995)
Cash paid for insurance claims	-	(35,064)	(1,941,616)	(1,976,680)
Net cash provided (used) by operating activities	<u>75</u>	<u>(17,971)</u>	<u>51,941</u>	<u>34,045</u>
<b>Cash Flows From Investing Activities</b>				
Investment earnings	-	888	271	1,159
Net cash provided by investing activities	<u>-</u>	<u>888</u>	<u>271</u>	<u>1,159</u>
<b>Net Change</b>	75	(17,083)	52,212	35,204
<b>Equity in Pooled Cash and Investments Beginning of Year</b>	358,622	1,420,252	594,304	2,373,178
<b>Equity in Pooled Cash and Investments End of Year</b>	<u>\$ 358,697</u>	<u>\$ 1,403,169</u>	<u>\$ 646,516</u>	<u>\$ 2,408,382</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ 176,343	\$ (18,131)	\$ (57,533)	\$ 100,679
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	3,456	-	-	3,456
Increase in inventories	(18,969)	-	-	(18,969)
Increase in net OPEB Asset	(18,759)	-	-	(18,759)
Decrease in deferred outflows of resources	52,319	-	-	52,319
Increase in accounts payable	22,158	-	-	22,158
Decrease in salaries and benefits payable	(1,196)	-	-	(1,196)
Increase in insurance claims payable	-	160	109,474	109,634
Increase in compensated absences payable	3,552	-	-	3,552
Decrease in net pension liabilities	(92,571)	-	-	(92,571)
Decrease in net OPEB liabilities	(207,058)	-	-	(207,058)
Increase in deferred inflows of resources	80,800	-	-	80,800
Net cash provided (used) by operating activities	<u>\$ 75</u>	<u>\$ (17,971)</u>	<u>\$ 51,941</u>	<u>\$ 34,045</u>



## STATISTICAL SECTION



## STATISTICAL SECTION

This part of the City's annual comprehensive 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 111 to 115.

#### **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 116 to 121.

#### **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 122 to 124.

#### **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 125 and 126.

#### **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 127 to 129.

*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 MORAIN, OHIO**  
**Net Position by Component**  
**Last Ten Years**  
**(accrual basis of accounting)**  
**(reported in thousands)**

TABLE 1

	<u>2012</u>	<u>2013</u>	<u>2014<sup>(1)</sup></u>	<u>2015</u>	<u>2016</u>	<u>2017<sup>(2)</sup></u>	<u>2018<sup>(3)</sup></u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities										
Net Investment in Capital Assets	\$ 27,607	\$ 26,822	\$ 25,033	\$ 24,836	\$ 24,221	\$ 23,229	\$ 23,477	\$ 24,170	\$ 22,659	\$ 20,525
Restricted for:										
Debt service	131	136	137	133	136	144	145	199	208	370
Special revenue	1,498	1,580	1,581	1,927	2,146	2,363	1,543	1,507	1,566	1,487
Capital projects	4,924	4,240	3,913	2,753	2,109	2,140	-	112	-	-
Unrestricted	1,840	2,866	(8,219)	(6,073)	(4,096)	(16,813)	(14,538)	(3,073)	2,313	13,738
Total government activities net position	36,000	35,644	22,445	23,576	24,516	11,063	10,627	22,915	26,746	36,120
Business-type activities										
Unrestricted	598	605	609	614	619	623	627	638	769	954
Total business-type activities net position	598	605	609	614	619	623	627	638	769	954
Primary government										
Net Investment in Capital Assets	27,607	26,822	25,033	24,836	24,221	23,229	23,477	24,170	22,659	20,525
Restricted	6,553	5,956	5,631	4,813	4,391	4,647	1,688	1,818	1,774	1,857
Unrestricted	2,438	3,471	(7,610)	(5,459)	(3,477)	(16,190)	(13,911)	(2,435)	3,082	14,692
Total primary government net position	\$ 36,598	\$ 36,249	\$ 23,054	\$ 24,190	\$ 25,135	\$ 11,686	\$ 11,254	\$ 23,553	\$ 27,515	\$ 37,074

**Note:**

- (1) - restated for implementation of GASB 68 and certain other corrections.
- (2) - restated for implementation of GASB 75.
- (3) - restated for implementation of GASB 84 and correction of misclassification.

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

TABLE 2

	<u>2012</u>	<u>2013</u>	<u>2014<sup>(1)</sup></u>	<u>2015<sup>(2)</sup></u>	<u>2016</u>	<u>2017<sup>(3)</sup></u>	<u>2018<sup>(4)</sup></u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 3,663	\$ 3,356	\$ 3,634	\$ 3,735	\$ 4,248	\$ 4,443	\$ 4,696	\$ 4,948	\$ 4,513	\$ 3,010
Public safety	8,147	8,426	8,014	8,901	9,601	9,586	10,536	1,800	9,945	8,777
Highways and streets	3,415	3,233	3,612	4,644	5,599	5,018	5,233	3,978	5,039	3,262
Sanitation	308	326	303	288	287	549	306	380	315	355
Culture and recreation	1,109	1,093	991	1,387	1,171	1,426	1,256	1,362	1,197	533
Economic development	479	252	730	343	1,534	553	629	2,193	851	699
Health and welfare	213	36	116	161	152	179	178	-	-	-
Interest and fiscal charges	294	250	248	251	250	384	285	327	267	334
Total governmental activities expenses	<u>17,628</u>	<u>16,972</u>	<u>17,648</u>	<u>19,710</u>	<u>22,842</u>	<u>22,138</u>	<u>23,119</u>	<u>14,988</u>	<u>22,127</u>	<u>16,970</u>
Business-type activities:										
New community authority	-	-	-	-	-	-	-	-	-	14
Total business-type activities expenses	<u>17,628</u>	<u>16,972</u>	<u>17,648</u>	<u>19,710</u>	<u>22,842</u>	<u>22,138</u>	<u>23,119</u>	<u>14,988</u>	<u>22,127</u>	<u>16,984</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	477	444	408	421	498	438	301	505	344	532
Public safety	429	354	295	488	529	392	387	350	321	459
Sanitation	6	3	14	-	-	1	-	-	-	-
Culture and recreation	207	215	195	259	188	187	177	231	33	60
Operating grants and contributions	451	600	764	823	1,399	785	660	1,016	1,302	811
Capital grants and contributions	382	757	128	1,810	1,374	-	853	1,669	576	300
Total governmental activities program revenues	<u>1,952</u>	<u>2,373</u>	<u>1,804</u>	<u>3,801</u>	<u>3,988</u>	<u>1,803</u>	<u>2,378</u>	<u>3,771</u>	<u>2,576</u>	<u>2,162</u>
Business-type activities:										
Charges for services:										
New community authority	-	-	-	-	-	-	-	-	122	199
Total business-type activities program revenues	<u>1,952</u>	<u>2,373</u>	<u>1,804</u>	<u>3,801</u>	<u>3,988</u>	<u>1,803</u>	<u>2,378</u>	<u>3,771</u>	<u>2,698</u>	<u>2,361</u>

**Note:**

- (1) - restated for correction of errors. Information necessary to restate the 2014 beginning balance and 2014 pension expense amounts for he effects of the initial implementation of GASB 68 was not available.
- (2) - implementation of GASB 68.
- (3) - information necessary to restate the 2017 beginning balance and 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 was not available.
- (4) - implementation of GASB 75.

CITY OF MORaine, OHIO

Changes in Net Position

Last Ten Years

(accrual basis of accounting)  
(reported in thousands)

TABLE 2 (continued)

	<u>2012</u>	<u>2013</u>	<u>2014</u> <sup>(1)</sup>	<u>2015</u> <sup>(2)</sup>	<u>2016</u>	<u>2017</u> <sup>(3)</sup>	<u>2018</u> <sup>(4)</sup>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	(15,676)	(14,599)	(15,844)	(15,909)	(18,854)	(20,335)	(20,741)	(11,217)	(19,551)	(14,808)
Business-type activities	-	-	-	-	-	-	-	-	122	185
Total net expense	<u>(15,673)</u>	<u>(14,599)</u>	<u>(15,844)</u>	<u>(15,909)</u>	<u>(18,854)</u>	<u>(20,335)</u>	<u>(20,741)</u>	<u>(11,217)</u>	<u>(19,429)</u>	<u>(14,623)</u>
<b>General Revenues</b>										
Governmental activities:										
Taxes										
Income tax	10,046	12,786	13,137	15,768	18,314	18,308	18,523	20,833	18,845	21,060
Property taxes, levied for										
Property taxes, levied for										
General purposes	350	380	415	404	419	406	473	445	480	494
Police pensions	70	61	66	65	66	65	76	72	77	80
Fire pensions	70	61	66	65	67	65	76	72	77	80
Other taxes	24	18	20	16	23	21	32	23	40	53
Payments in lieu of taxes	33	95	185	247	292	345	362	366	385	331
Shared revenues (unrestricted)	223	279	261	178	130	98	113	141	134	203
Miscellaneous	126	429	259	216	384	448	498	1,243	3,044	1,896
Investment earnings	31	133	73	81	99	87	145	310	301	(15)
Total governmental activities general revenues	<u>10,973</u>	<u>14,242</u>	<u>14,482</u>	<u>17,040</u>	<u>19,794</u>	<u>19,843</u>	<u>20,298</u>	<u>23,505</u>	<u>23,383</u>	<u>24,182</u>
Business-type activities:										
Investment earnings	3	8	4	5	5	5	4	11	9	-
Total business-type activities general revenues	<u>3</u>	<u>8</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>11</u>	<u>9</u>	<u>-</u>
Total primary government general revenues	<u>10,976</u>	<u>14,250</u>	<u>14,486</u>	<u>17,045</u>	<u>19,799</u>	<u>19,848</u>	<u>20,302</u>	<u>23,516</u>	<u>23,392</u>	<u>24,182</u>
<b>Change in Net Position</b>										
Governmental activities	(4,703)	(357)	(1,362)	1,131	940	(492)	(443)	12,288	3,832	9,374
Business-type activities	3	8	4	5	5	5	4	11	131	185
Total primary government	<u>\$ (4,700)</u>	<u>\$ (349)</u>	<u>\$ (1,358)</u>	<u>\$ 1,136</u>	<u>\$ 945</u>	<u>\$ (487)</u>	<u>\$ (439)</u>	<u>\$ 12,299</u>	<u>\$ 3,963</u>	<u>\$ 9,559</u>

**Note:**

- (1) - 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.
- (2) - implementation of GASB 68.
- (3) - information necessary to restate the 2017 beginning balance and 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 was not available.
- (4) - implementation of GASB 75.

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

	<u>2012</u>	<u>2013</u>	<u>2014</u> <sup>(1)</sup>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Nonspendable	\$ 88	\$ 935	\$ 933	\$ 92	\$ 91	\$ 90	\$ 90	\$ 103	\$ 110	\$ 112
Assigned	1,720	866	541	1,029	663	1,797	2,141	718	1,589	493
Unassigned	978	1,132	3,762	6,093	9,353	10,782	11,707	18,187	25,659	33,392
Total general fund	2,786	2,933	5,236	7,214	10,107	12,669	13,938	19,008	27,358	33,997
All Other Governmental Funds										
Nonspendable	1,156	44	245	534	791	954	134	143	103	113
Restricted	2,397	3,379	2,871	2,962	2,606	2,493	2,560	5,183	3,098	2,333
Committed	5,019	4,089	3,762	2,841	2,044	2,097	2,872	1,123	1,285	789
Unassigned	(506)	(241)	(603)	(9)	(40)	(492)	(2,415)	(27)	-	-
Total all other governmental funds	\$ 8,066	\$ 7,271	\$ 6,275	\$ 6,328	\$ 5,401	\$ 5,052	\$ 3,151	\$ 6,422	\$ 4,486	\$ 3,235

(1) - restated for correction of errors.



**CITY OF MORaine, OHIO**  
**Changes in Governmental Fund Balances**  
**Last Ten Years**

TABLE 4

(modified accrual basis of accounting)  
(amounts expressed in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014(1)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>REVENUES</b>										
Income Taxes	\$ 10,029	\$ 12,141	\$ 13,452	\$ 15,721	\$ 18,104	\$ 18,486	\$ 18,495	\$ 20,600	\$ 19,342	\$ 20,505
Property Taxes	479	514	544	529	540	561	628	594	616	654
Other Taxes	24	18	19	16	23	21	32	24	40	53
Payment in lieu of taxes	33	95	185	247	292	343	363	366	385	331
Shared Revenues	725	724	715	825	630	689	611	768	842	910
License and Permits	106	129	148	113	198	112	79	166	124	211
Charges for Services	535	627	516	646	621	606	527	617	450	510
Fines	266	227	275	326	232	264	245	304	203	266
Investment Earnings	31	133	72	81	99	86	146	310	301	(15)
Intergovernmental	492	751	592	1,601	2,087	177	1,127	1,070	2,023	365
Miscellaneous	198	340	306	271	474	501	423	549	1,710	444
Total Revenues	<u>12,918</u>	<u>15,699</u>	<u>16,824</u>	<u>20,376</u>	<u>23,300</u>	<u>21,846</u>	<u>22,676</u>	<u>25,368</u>	<u>26,036</u>	<u>24,234</u>
<b>EXPENDITURES</b>										
Current:										
General government	3,314	2,978	3,343	3,536	3,562	3,495	4,188	3,681	3,683	3,915
Public Safety	7,784	8,144	7,519	8,397	8,398	8,535	8,797	9,147	8,510	9,568
Highways & Streets	2,251	2,121	2,558	3,198	2,310	2,304	2,484	2,439	2,149	2,351
Sanitation	308	326	303	288	287	275	306	380	314	355
Economic Development	473	302	684	327	1,151	509	557	2,151	774	783
Health and Welfare	206	28	112	162	144	153	158	1	-	-
Culture and Recreation	870	906	760	1,176	1,097	1,097	1,034	1,016	811	853
Capital Improvements	381	1,542	66	1,292	3,858	2,849	5,357	6,529	4,418	2,011
Debt Service:										
Principal	232	269	110	269	318	315	329	357	8,324	8,473
Interest & Fiscal Charges	300	255	252	250	256	399	301	242	377	487
Total Expenditures	<u>16,119</u>	<u>16,871</u>	<u>15,707</u>	<u>18,895</u>	<u>21,381</u>	<u>19,931</u>	<u>23,511</u>	<u>25,943</u>	<u>29,360</u>	<u>28,796</u>
Excess (deficiency) of revenues over expenditures	(3,201)	(1,172)	1,117	1,481	1,919	1,915	(835)	(575)	(3,324)	(4,562)
<b>OTHER FINANCIAL SOURCES (USES)</b>										
Long-term bonds/notes issued	-	216	187	267	-	4,961	-	7,950	8,150	8,270
Loans issued	-	-	-	-	-	87	63	-	96	-
Payments to Refunding Escrow Agent	-	-	-	-	-	(4,782)	-	-	-	-
Transfers In	2,000	2,235	1,860	3,135	4,310	4,825	5,305	4,763	2,845	3,833
Transfers Out	(2,000)	(2,235)	(1,860)	(3,175)	(4,310)	(4,825)	(5,305)	(4,763)	(2,845)	(3,833)
Inception of capital leases	-	-	-	310	-	-	-	72	-	-
Other financing sources	-	308	2	14	47	32	140	886	1,492	1,680
Total Other Financing Sources (Uses)	-	524	189	551	47	298	203	8,908	9,738	9,950
Net Change in Fund Balance	<u>\$ (3,201)</u>	<u>\$ (648)</u>	<u>\$ 1,306</u>	<u>\$ 2,032</u>	<u>\$ 1,966</u>	<u>\$ 2,213</u>	<u>\$ (632)</u>	<u>\$ 8,333</u>	<u>\$ 6,414</u>	<u>\$ 5,388</u>
Debt service as a percentage of noncapital expenditures	3.02%	3.35%	2.49%	2.78%	2.86%	3.77%	3.17%	2.91%	32.31%	31.72%

(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
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 (1)	752,342	261,322	14,150,404
2015	15,767,651	796,719	178,221	16,742,591
2016	18,313,736	867,766	129,356	19,310,858
2017	18,308,167	902,163	98,415	19,308,745
2018	18,523,503	1,018,300	112,795	19,654,598
2019	20,832,783	978,111	140,896	21,951,790
2020	18,845,105 (2)	1,059,335	133,629	20,038,069
2021	21,060,368	1,036,734	202,737	22,299,839

Source: City of Moraine, Department of Finance

(1) 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.

(2) Decrease in income taxes due to COVID-19 pandemic.

**CITY OF MORaine, OHIO**

TABLE 6

**Income Tax Revenues (1)**

**Last Ten Years**

**(modified accrual basis of accounting)**

<u>Year</u>	<u>Amount</u>
2012	\$ 10,028,922
2013	12,141,049
2014	13,451,675 <sup>(2)</sup>
2015	15,721,498
2016	18,103,691
2017	18,485,982
2018	18,495,136
2019	20,599,987
2020	19,341,606 <sup>(3)</sup>
2021	20,505,447

Source: City of Moraine, Department of Finance

(1) Includes all governmental fund types.

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

(3) Decrease due to COVID-19 pandemic.

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

2012			2021		
<u>Rank</u>	<u>Name</u>	<u>2020 Rank</u>	<u>Rank</u>	<u>Name</u>	
1	Dmax	2	1	Fuyao Glass America	
2	Dayton Power and Light	4	2	Dmax	
3	Winsupply Inc.	3	3	WinSupply	
4	Lastar Inc.	-	4	Dayton Power and Light	
5	Compunet Clinical Laboratories	7	5	Heidelberg Distributing	
6	Berry Network Inc.	-	6	Fidelity Healthcare	
7	The Berry Company	-	7	Compunet Clinical Laboratories	
8	City of Moraine	10	8	Tyler Technologies	
9	BWI North America Inc.	-	9	South Community	
10	Walmart Associates Inc.	-	10	City of Moraine	

Source: City of Moraine, Department of Finance

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>
2012	\$ 1,485,130	\$ 49,529,340	\$ 53,772,660	\$ 40,605,060	\$ 145,392,190	2.50	\$ 415,406,257	35%
2013	1,440,480	49,394,930	53,135,260	32,607,220	136,577,890	2.50	390,222,543	35%
2014	1,451,150	49,545,830	53,776,430	33,006,830	137,780,240	2.50	393,657,829	35%
2015	1,915,020	43,571,810	51,698,110	32,169,850	129,354,790	2.50	369,585,114	35%
2016	1,915,580	44,220,900	51,301,380	38,018,300	135,456,160	2.50	387,017,600	35%
2017	1,915,580	43,492,750	56,009,460	35,779,990	137,197,780	2.50	391,993,657	35%
2018	1,794,650	47,964,760	57,288,890	36,338,140	143,386,440	2.50	409,675,543	35%
2019	1,794,650	48,008,700	58,636,580	37,473,170	145,913,100	2.50	416,894,571	35%
2020	1,794,650	48,604,170	57,286,800	38,062,750	145,748,370	2.50	416,423,914	35%
2021	1,686,510	55,047,990	59,001,910	40,027,590	155,764,000	2.50	445,040,000	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**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>MUNICIPAL UNITS:</b>										
General Fund	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90
Police Pension Fund	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Fire Pension Fund	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Total Municipal Rates	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
<b>COUNTY UNITS:</b>										
General Fund	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Developmental Disabilities Conservancy Tax	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Human Services Levy A	7.21	7.21	8.21	8.21	8.21	8.21	8.21	8.21	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	15.94	15.94	16.94	16.94	16.94	16.94	16.94	16.94	16.94	16.94
<b>OTHER UNITS:</b>										
Montgomery County Community College	3.20	3.20	3.20	3.20	4.20	4.20	4.20	4.20	4.20	4.20
Montgomery County Park District	1.80	1.80	1.80	1.80	1.80	1.80	1.80	2.00	2.00	2.00
Dayton - Montgomery Library	1.75	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.15	3.15
<b>SCHOOL DISTRICT:</b>										
Kettering / Moraine Community	78.00	78.00	82.99	82.99	82.99	85.39	85.26	91.03	91.03	90.50
West Carrollton Community	72.05	72.05	72.05	72.05	72.05	77.55	77.55	83.15	83.15	82.15
Jefferson Local School	66.90	66.90	61.40	61.40	61.40	61.40	61.40	61.40	61.40	61.40
Joint Vocational School	2.58	2.58	2.58	2.58	2.58	2.58	4.01	4.01	4.01	3.96

Source: Montgomery County Auditor's Office

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

TABLE 9

		<b>Calendar Year 2021</b>		
		<b>Taxable</b>		<b>Percentage</b>
<b><u>Taxpayer</u></b>	<b><u>Nature of Business</u></b>	<b><u>Valuation</u></b>	<b><u>Rank</u></b>	<b><u>of Total City</u></b>
				<b><u>Taxable</u></b>
				<b><u>Valuation</u></b>
Dayton Power & Light Company	Gas and Electric Utility	\$ 77,978,650	1	50.06%
Tait Electric Generation Station	Utility	25,796,610	2	16.56%
Vectren Energy	Utility	23,241,800	3	14.92%
General Motors Company	Manufacturing	3,289,280	3	2.11%
Dovetree Apartments	Real Estate	3,222,640	3	2.07%
Premier Creekside Ohio LLC	Real Estate/Development	3,023,550	6	1.94%
Kroger Limited Partnership	Retail Sales	2,866,670	7	1.84%
Premier Highland Park LLC	Apartments	2,863,120	8	1.84%
VonMil Realty LLC	Real Estate	2,493,480	9	1.60%
WMSSMDOM LLC	Publisher/Marketing	2,467,070	10	1.58%
	Subtotal	147,242,870		94.52%
	All Others	8,521,130		5.48%
	Total Taxable Assessed	\$ 155,764,000		100.00%

		<b>Calendar Year 2012</b>		
		<b>Taxable</b>		<b>Percentage</b>
<b><u>Taxpayer</u></b>	<b><u>Nature of Business</u></b>	<b><u>Assessed</u></b>	<b><u>Rank</u></b>	<b><u>of Total City</u></b>
		<b><u>Valuation</u></b>		<b><u>Taxable</u></b>
				<b><u>Assessed</u></b>
				<b><u>Valuation</u></b>
Dayton Power & Light Company	Gas and Electric Utility	\$59,517,960	1	40.94%
General Motors Corporation	Automotive Manufacturer	9,594,710	2	6.60%
Vectren Energy	Utility	6,145,950	3	4.23%
Dovetree Apartments	Real Estate	3,801,440	4	2.61%
Walmart Stores	Retail Sales	3,279,060	5	2.26%
3601 Dryden LLC	Retail Sales	2,485,220	6	1.71%
Berry LM Services Inc.	Publisher/Marketing	2,142,750	7	1.47%
Dryden Service Center Dayton LLC	Real Estate	1,835,030	8	1.26%
PDQ Bell Plaza LLC	Retail Sales	1,822,210	9	1.25%
Woodbine Partners LTD	Retail Sales	1,748,930	10	1.20%
	Subtotal	92,373,260		63.53%
	All Others	53,018,930		36.47%
	Total	\$ 145,392,190		100.00%

Source: Montgomery County Auditor's Office

TABLE 10

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

<b>TAX YEAR</b>	<b>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 PERCENTAGE LEVIED</b>	<b>OUTSTANDING TAXES</b>	<b>OUTSTANDING DELINQUENT TAXES AS PERCENTAGE LEVIED</b>
2011/2012	2012	\$ 516,689	\$ 478,482	93%	\$ 19,005	\$ 497,487	96%	\$ 39,553	8%
2012/2013	2013	546,775	531,633	97%	5,424	537,057	98%	26,503	5%
2013/2014	2014	570,034	549,675	96%	16,493	566,168	99%	30,368	5%
2014/2015	2015	550,881	528,894	96%	20,970	549,864	100%	34,676	6%
2015/2016	2016	572,820	534,548	93%	25,574	560,122	98%	47,511	8%
2016/2017	2017	574,992	558,261	97%	22,813	581,074	101% <sup>(1)</sup>	23,067	4%
2017/2018	2018	608,664	593,664	98%	55,847	649,511	107% <sup>(1)</sup>	20,606	3%
2018/2019	2019	614,324	600,067	98%	15,803	615,870	100% <sup>(1)</sup>	15,126	2%
2019/2020	2020	646,757	630,792	98%	6,220	637,012	98% <sup>(1)</sup>	33,961	5%
2020/2021	2021	680,786	713,915	105%	14,129	713,915	105% <sup>(1)</sup>	32,880	5%

Source: Montgomery County Auditor's Office

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

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

TABLE 11

<b>Year</b>	<b>BAN (3) and OPWC Note</b>	<b>Various Purpose Bonds (1)</b>	<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Personal Income (2) (thousands of dollars)</b>	<b>Percentage Personal Income</b>	<b>Total Debt Per Capita (2)</b>
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
2016	894,663	5,318,223	252,599	6,465,485	106,462,435	6.07%	1,025.13
2017	921,255	5,562,652	192,607	6,676,514	106,462,435	6.27%	1,058.59
2018	921,803	5,324,963	130,557	6,377,323	106,462,435	5.99%	1,011.15
2019	8,808,386	5,082,274	118,335	14,008,995	106,462,435	13.16%	2,221.18
2020	9,070,708	4,829,585	-	13,900,293	135,793,713	10.24%	2,174.30
2021	852,467	12,801,489	-	13,653,956	135,793,713	10.05%	2,135.77

(1) Bond amounts include unamortized premiums

(2) See Table 14 for demographic data

(3) Long-term notes only presented in amounts. 2019 and 2020 bond anticipation notes were classified as long-term due to subsequent refinancing.



**CITY OF MORaine, OHIO**  
**Computation of Direct and Overlapping Debt**  
**December 31, 2021**

<b>Jurisdiction</b>	<b>Total GO Debt Outstanding</b>	<b>Percentage Applicable to City (1)</b>	<b>Amount Applicable to City of Moraine, Ohio</b>
<b><i>DIRECT DEBT</i></b>			
CITY OF MORaine	\$ 13,653,956	100.00%	\$ 13,653,956
<b><i>OVERLAPPING</i></b>			
DAYTON METRO LIBRARY	130,309,986	3.26%	4,248,106
MIAMI TOWNSHIP	21,860,000	0.13%	28,418
WEST CARROLLTON CITY SCHOOL DISTRICT	41,110,000	15.84%	6,511,824
KETTERING CITY SCHOOL DISTRICT	45,860,000	12.55%	5,755,430
MIAMI VALLEY CAREER CENTER - JT. VOC. SCHOOL DISTRICT	122,885,340	1.06%	1,302,585
<b><i>TOTAL OVERLAPPING DEBT</i></b>	<b>362,025,326</b>		<b>17,846,363</b>
<b>TOTAL</b>	<b>\$ 375,679,282</b>		<b>\$ 31,500,319</b>

Source: City's records and Ohio Municipal Advisory Council (OMAC)

(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)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$14,341	\$14,341	\$13,582	\$14,467	\$13,582	\$14,223	\$15,056	\$15,321	\$15,304	\$16,355
Legal Debt Margin	<u>8,760</u>	<u>8,939</u>	<u>8,115</u>	<u>9,160</u>	<u>8,468</u>	<u>9,306</u>	<u>10,056</u>	<u>2,925</u>	<u>2,960</u>	<u>12,588</u>
Total net debt applicable to the limit as a percentage of debt limit	39.99%	39.64%	41.42%	36.68%	37.65%	34.57%	33.21%	19.09%	19.11%	17.88%
<b>Legal Debt Margin Calculation for Calendar Year 2021</b>										
Total Assessed Value (tax year 2020)	155,764									
Debt limit (10.5% of total assessed value)	16,355									
Debt applicable to limit:										
Total Bonded Obligations	11,870									
Less: Self-Supported Bonded Debt	7,700									
Less: Amount restricted for repayment of general obligation debt	403									
Total net debt applicable to limit	<u>3,767</u>									
Legal debt margin	<u>\$12,588</u>									

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

TABLE 14

<b>Calendar Year</b>	<b>(1) Population</b>	<b>(1) Personal Income</b> (thousands of dollars)	<b>(1) Per Capita Personal Income</b>	<b>(1) Median Age</b>	<b>(2) Unemployment Rate</b>
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%
2016	6,307	106,462	16,880	37.0	4.6%
2017	6,307	106,462	16,880	37.0	4.4%
2018	6,307	106,462	16,880	37.0	4.7%
2019	6,307	106,462	16,880	37.0	3.8%
2020	6,393	135,794	21,241	35.7	5.4%
2021	6,393	135,794	21,241	35.7	3.6%

(3)

Sources:

(1) 2010 United States Census Bureau for 2019 and prior; 2020 United States Census Bureau of 2020 and later.

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

(3) Increase in 2020 unemployment rate due to COVID-19 pandemic.

**CITY OF MORaine, OHIO**  
Principal Employers

**Current Year and Nine Years Ago**

<u>2021</u>		<u>2012</u>			
	<u>Number of Employees</u>		<u>Number of Employees</u>		
Fuyao Glass America	2,646	1	Dayton Power and Light	505	1
Dmax Ltd.	1,114	2	Walmart Associates Inc.	400	2
Fidelity Healthcare Inc.	882	3	Compunet Clinical Laboratories	377	3
Compunet Clinical Laboratories	545	4	Lastar	213	4
Dayton Power and Light	523	5	Dmax Ltd.	209	5
Heidelberg Distributing	463	6	City of Moraine	195	6
WinSupply Inc.	374	7	WinSupply	189	7
South Community	298	8	Berry Network Inc.	178	8
City of Moraine	173	9	BWI North American Inc	116	9
Tyler Technology	146	10	The Berry Co.	111	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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government										
Clerk of Council	1	1	1	1	1	1	1	1	1	1
City Manager	6	6	6	6	6	7	7	6	6	6
Clerk of Courts	2	2	2	2	2	2	2	2	2	2
Finance	6	6	6	6	6	7	7	7	7	7
Public Buildings	5	6	6	6	6	6	6	6	6	6
Public Safety										
Police	38	37	32	34	34	35	34	30	30	32
Fire	32	33	25	27	24	30	27	28	28	27
Other										
Highways and Streets	15	16	18	18	16	15	15	17	17	16
Community Development	3	3	3	3	3	3	4	4	4	4
Recreation and Culture	19	18	18	20	21	21	19	19	13	15
Garage	3	3	3	3	3	3	3	3	3	3
<b>Total</b>	<b>130</b>	<b>131</b>	<b>120</b>	<b>126</b>	<b>122</b>	<b>130</b>	<b>125</b>	<b>123</b>	<b>117</b>	<b>119</b>

Source: City of Moraine, Department of Finance  
 Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation, holiday, sick leave and comp time). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080. However, 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.

**CITY OF MORaine, OHIO**  
**Operating Indicators by Function**  
**Last Ten Calendar Years**

<b>Function</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020 (1)</b>	<b>2021 (1)</b>
<b>Police</b>										
Warrants served	905	822	899	1,041	872	977	628	724	675	933
Felony arrests	177	157	252	293	273	261	169	197	160	214
Arrests made	1,753	1,535	1,771	1,800	1,700	1,839	1,347	1,403	1,020	1,146
Traffic citations issued	2,653	1,944	2,537	2,523	2,799	3,329	2,581	2,981	1,615	3,635
Miles Patrolled	260,804	253,927	224,694	233,288	207,661	216,938	188,208	195,008	153,059	222,702
<b>Fire</b>										
Fire calls	566	637	80	722	801	797	815	826	889	497
EMS calls	1,689	1,565	1,705	2,069	2,152	2,188	2,008	2,307	2,034	2,300
Fire Inspections	1,012	1,032	920	749	799	663	833	759	747	764
Child Safety Seat Inspections	25	25	26	16	52	71	87	56	26	32
<b>Highways and Streets</b>										
Gallons of street paint used	1,353	1,045	1,050	1,115	1,040	1,540	1,435	1,300	1,145	685
Tons of snow melting salt used	338	332	854	657	578	322	700	757	392	900
<b>Community Development</b>										
Building Inspections	787	965	797	737	686	561	637	691	801	929
Residential Building Permits Issued	196	208	129	118	106	129	107	310	380	470
Commercial Building Permits Issued	174	199	190	206	308	192	216	198	112	232
<b>Culture and Recreation</b>										
Payne Recreation Center Attendance	136,512	141,620	175,386	185,276	192,765	195,151	30,416	20,325	11,679	17,628
Civic Center Attendance (estimated)	77,935	106,260	112,868	108,215	110,013	107,144	25,289	15,656	4,505	7,667
Youth and Day Camps Attendance	342	203	210	340	481	766	965	1,253	588	578

(1) - 2020 and 2021 operations were affected by the COVID-19 pandemic and associated closures, especially those reported by the Recreation Department.

Source - Various City of Moraine departments

**CITY OF MORaine, OHIO**  
**Capital Assets by Function**  
**Last Ten Calendar Years**

<b>Function</b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
Public Safety										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	22	21	21	19	18	18	18	19	19	21
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Emergency Response Vehicles	12 (1)	12	12	13	13	13	12	13	12	13
Highways and Streets										
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)	1,356	1,356	1,356	1,356	1,357	1,316	1,316	1,316	1,377	1,377
Culture and Recreation										
Parks (2)	13	13	12	12	12	12	12	12	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	- (3)	-	-	-
Water Parks	1	1	1	1	1	1	- (3)	-	-	-

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.

(3) The former water park was demolished in 2017

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CLARK SCHAEFER HACKETT  
BUSINESS ADVISORS

**CITY OF MORAINÉ  
MONTGOMERY COUNTY, OHIO**

REGULAR AUDIT

FOR YEAR ENDED DECEMBER 31, 2021

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moraine, Ohio (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 29, 2022.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 29, 2022



City of Moraine, Ohio  
Schedule of Prior Year Findings  
December 31, 2021

**Finding 2020-001:**      Material Weakness – Financial Reporting

*Condition:* It was determined that the City did not appropriately present the Debt Service Fund as a major fund. A major fund is defined as those funds whose revenues, expenditures/expenses, assets and deferred outflows of resources or liabilities and deferred inflows of resources, are at least 10 percent of the total for their fund category (governmental or enterprise) and 5 percent of the aggregate of all governmental and enterprise funds in total.

*Recommendation:* The City should ensure financial reporting procedures are implemented to detect errors and omissions in the financial statements prior to presenting them for audit.

*Current Status:* Corrected. No similar findings were noted in the 2021 audit.

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# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF MORaine**

**MONTGOMERY COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 8/25/2022**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)