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COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED
DECEMBER 31, 2001

O H I O



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398
www.auditor.state.oh.us

Honorable Mayor and
Members of City Council
City of Moraine
4200 Dryden Road
Moraine, Ohio 45439-1495

We have reviewed the Independent Auditor's Report of the City of Moraine, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2001 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 15, 2002

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CITY OF MORaine, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

Prepared by:
Department of Finance

Marty Brown
Finance Director

James Kimmel
Deputy Finance Director

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INTRODUCTORY SECTION

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CITY OF MORAINE, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2001

<u>TABLE OF CONTENTS</u>		<u>Page</u>
INTRODUCTORY SECTION		
Letter of Transmittal		6
City Officials		14
Organizational Chart		15
Certificate of Achievement		16
	<u>Exhibit</u>	
FINANCIAL SECTION		
Report of Independent Accountants		18
General Purpose Financial Statements:		
Combined Balance Sheet - All Fund types and Account Groups	I	20
Combined Statement of Revenue, Expenditures and Changes in Fund Balance - All Governmental Fund Types and Expendable Trust Funds	II	21
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budget)-All Governmental Fund Types	III	22
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types	IV	27
Combined Statement of Cash Flows - All Proprietary Fund Types	V	28
Notes to Combined Financial Statements		29

CITY OF MORaine, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2001

TABLE OF CONTENTS - (Continued)

	<u>Statement/ Schedule</u>	<u>Page</u>
Combining, Individual Fund, and Account Groups Financial Statements and Schedule:		
General Fund:		
Comparative Balance Sheet	A-1	50
Detailed Schedule of Expenditures - Budget and Actual (Non-GAAP Budget)	A-2	51
Special Revenue Funds:		
Combining Balance Sheets	B-1	55
Combining Statements of Revenues, Expenditures and Changes in Fund Balance	B-2	56
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budget)	B-3	57
Capital Projects Funds:		
Comparative Balance Sheets	C-1	68
Combining Statements of Revenues, Expenditures and Changes in Fund Balance	C-2	69
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budget)	C-3	70
Debt Service Fund:		
Comparative Balance Sheets	D-1	74
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budget)	D-2	75

CITY OF MORAINÉ, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2001

TABLE OF CONTENTS - (Continued)

	<u>Statement/ Schedule</u>	<u>Page</u>
Enterprise Funds:		
Comparative Balance Sheets	E-1	77
Statements of Revenues, Expenses and Changes in Retained Earnings	E-2	78
Statements of Cash Flows	E-3	79
Internal Service Funds:		
Comparative Balance Sheets	F-1	81
Statements of Revenues, Expenses and Changes in Retained Earnings	F-2	82
Statements of Cash Flows	F-3	83
Trust and Agency Funds:		
Combining Balance Sheets	G-1	85
Combining Statements of Revenues, Expenditures and Changes in Fund Balance - Expendable Trust Fund	G-2	86
Combining Statements of Changes in Assets an Liabilities	G-3	87
General Fixed Assets by Account Group:		
Schedule of General Fixed Assets by Source	II-1	89
Schedule of General Fixed Assets by Function and Activity	H-2	90
Schedule of Changes in General Fixed Assets by Function and Activity	H-3	91

CITY OF MORAIN, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2001

TABLE OF CONTENTS - (CONCLUDED)
STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
General Governmental Expenditures by Function Last Ten Fiscal years	1	93
General Governmental Revenue by Source Last Ten Fiscal years	2	94
Income Tax Revenues Last Ten Fiscal years	3	95
Property Taxes Levied and Collected Last Ten Years	4	96
Assessed Value and Current Market Value of all Taxable Property Last Ten Fiscal years	5	97
Property Tax Rates - Direct and Overlapping Governments Last Ten Fiscal Years	6	98
Special Assessment Collections Last Ten Fiscal years	7	99
Computation of Legal Debt Margin	8	100
Computation of Direct and Overlapping Debt	9	101
Demographic Statistics Last Ten Fiscal years	10	102
Construction Property Values Last Ten Fiscal years	11	103
Principal Taxpayers	12	104
Summary of Insurance Coverage	13	105
Miscellaneous Statistics	14	106

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4200 Dryden Road, Moraine, Ohio 45439 Administrative (937) 535-1000 Fax 535-1275 Police/Fire 298-7424

May 23, 2002

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

Dear Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Moraine, Ohio, for the fiscal year ended December 31, 2001, 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 various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The comprehensive annual report is presented in three sections:

1. The Introductory Section includes this transmittal letter, the City's organizational chart and a list of principal officials.
2. The Financial Section includes the general-purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules.
3. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

This report includes all the funds and account groups of the City of Moraine and all of its component units, which make up the financial reporting entity for the City. Component units are legally separate entities for which the City is financially responsible.

Six 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, Miami Valley Regional Transit Authority and Montgomery County Community College. 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.

Economic Conditions and Outlook

The local economy was slow during 2001. Income tax, the City's largest revenue source, decreased by more than 8.0 percent in 2001, and overall revenues decreased by over 6.0 percent. The majority of this decrease came through decreases in income tax collections and investment earnings. Although there were employment losses in some areas the City did have employment increases in other areas. Some of the highlights for the year are described below:

DMAX, a joint effort between ISUZU Motors and General Motors, which completed construction of a 650,000 square foot diesel engine manufacturing and testing facility late in 1999 is running ahead of schedule on operations and adding employees. A 200,000 square foot facility for R&N Management, a supplier for General Motors, was completed in 2001. Construction of a Wal-Mart store, which will have out lots available for restaurants and other commercial development, is to begin construction during the summer of 2002. These projects and several others will help create new jobs and retain current jobs in Moraine.

In early 2001, Delphi publicly announced that a significant number of jobs would be lost at their locations in the City of Moraine. The City is working closely with Delphi to retain as many jobs as possible. However, the loss of jobs with Delphi played a large part in the decrease in income tax collections during 2001. The City continues to be aggressive in economic activities to attract new businesses and maintain the businesses already located within the City.

There were nine new businesses, which moved into Moraine during the year. In addition to the new businesses, several of the existing businesses expanded during 2001.

During the year, there were eight new single-family home permits and no new multi-family apartment permits issued. In total, there were 229 building permits issued during the year with a total construction value of over \$12.3 million. Of the building permits issued there were 143 commercial permits and 86 residential permits.

Even though 2001 was a down year economically and there are still more job losses anticipated during 2002, the City does have a number of positive opportunities for the future and continues to work toward business and residential growth over the coming years.

Major Initiatives

In 2001, the City continued its efforts to maintain its buildings, infrastructure and operating equipment. The City also continued working toward increasing the residential areas within the City and promoting economic development. The highlights of these programs are described below:

Over \$275 thousand was spent on road repairs and improvements during 2001. This includes improvements to residential areas as well as main thoroughfares. The City spent over \$86,000 on storm drainage projects as well.

The City spent over \$230 thousand on upgrades to various parks and park equipment. This included the completion of a babysitting room in the Payne Recreation Center.

The City purchased new police cruisers and several new vehicles for other departments during 2001. Various computer system improvements were made during the year including the purchase of new point-of-sale software for the water park and recreation center. Several safety improvements were made to the City's buildings along with remodeling of part of City Hall.

The City is looking forward to continue its residential and business growth in the coming year.

The City continues to market the remaining lots in the City's residential development, Heritage Estates. There are approximately 10 lots remaining in this 60-lot development.

The City joined the Montgomery County Business First Retention and Expansion Program during 2001. This program is used to link businesses to the resources in the community to assist with retention and expansion. The City is working to implement the Economic Development Marketing Strategy developed over the last couple of years, this puts together the strategies the City will use to maintain current businesses and attract new ones.

The City will continue to concentrate on improving its infrastructure and operating equipment. The 2002 budget includes the purchase of new vehicles for several departments, including a new pick-up for the Street department. The budget also includes upgrades of equipment for the police, fire, building & parks maintenance and street divisions. There is \$830,000 included in the 2002 budget for road repairs and improvement projects.

Financial Information

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 control is maintained by a yearly appropriation and the encumbrance of appropriate balances with purchase orders before their release to vendors. Purchase orders that exceed appropriated balances are not released until additional appropriations are made available. Open encumbrances are reported as reservations of fund balance at year-end.

General Governmental Functions

Revenues for governmental functions, which include General and Special Revenue funds, totaled \$17,116,994 in 2001. Revenues from various sources are shown in the following tabulation (In Thousands):

<u>Revenue Source</u>	<u>2001</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) Over 2000</u>	<u>Percent Increase (Decrease)</u>
Municipal Income Taxes	\$12,780	74.67%	\$(1,269)	(9.03)%
Other Local Taxes	769	4.49	(35)	(4.35)
State Share Taxes and Permits	883	5.16	53	6.39
Intergovernmental	394	2.30	39	10.99
Charges for Services	945	5.52	333	54.41
Fines, Costs, Forfeitures, Licenses and Permits	256	1.50	(9)	(3.40)
Investment Earnings	771	4.50	(609)	(44.13)
Miscellaneous Receipts And Reimbursements	<u>318</u>	<u>1.86</u>	<u>196</u>	<u>160.66</u>
Totals	\$17,116	100.0%	\$(1,301)	(7.06)%

Revenues decreased by over \$1.3 million or 7.06% in 2001 compared to 2000.

Income Tax, which is the City's largest revenue source, decreased by 9.03%. This decrease was due to the significant job reductions by Delphi and the generally slow economy. Other Local Taxes were down by over 4.0%. State Shared Taxes and Permits increased approximately 6.0%. Intergovernmental receipts were up due to more economic development grants received in 2001 compared to 2000. Charges for Services are up because of membership and admission fees for the new water park and the recreation center, which completed its first full year of operation. Investment earnings were down by over 44.0% compared to 2000. This decrease is due primarily to adjustments for fair market value. Miscellaneous receipts and reimbursements increased over 160.0% due primarily to a large rebate received from the State Worker's Compensation program during 2001.

Expenditures for general governmental functions are shown in the following tabulation (In Thousands):

<u>Function</u>	<u>2001</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) Over 2000</u>	<u>Percent Increase (Dec)</u>
General Government	\$ 4,315	25.38%	\$ 803	22.86%
Public Safety	6,993	41.13	(122)	(1.71)
Health	535	3.15	11	2.10
Highways and Streets	1,777	10.46		
Community Development	655	3.85	(274)	(29.49)
Recreation	<u>2,726</u>	<u>16.03</u>	<u>509</u>	22.96
Totals	\$17,001	100.0%	\$927	5.77%

Expenditures increased by approximately \$927,000 or 5.77% in 2001. The majority of the increase occurred in general government and recreation. This increase was primarily due to the cost of additional personnel and increased programs. The Public Buildings division had increases in staff to maintain the additional facilities and 2001 was the first full year for human resource and information technology staffing. The majority of the increase in Recreation was due to the recreation center being open for the entire year. Community development decreased by over 29.0% due primarily to reduced economic development grant program activities. All other areas had moderate increases or decreases.

Enterprise Fund

The City administers the Moraine Improvement Loan Program. This program was established with general funds of the City, but is now funded by the payment of interest and principal from outstanding loans.

Under this program, low-interest loans are made for housing improvements and for various capital and operational needs of businesses in the City. Since this will be an ongoing program into future years, the Moraine Improvement Loan Fund was established to account for the activities of the program.

Below is a summary of 2001 results:

Operating Revenues	\$ 8,536
Operating Expenses	<u>(1,083)</u>
Operating Income	7,453
Non-operating Income	10,389
Net Income	<u>\$ 17,842</u>

During 2001, there was one new home improvement loan issued. The total of loan disbursements for 2001 were over \$4,373.

Fiduciary Funds

The City's fiduciary funds remained relatively stable during 2001.

Debt Administration

Outstanding long-term debt at December 31, 2001 consists of \$65,000 in Special Assessment bonds for street improvements and an interest free loan of \$401,800 for street improvements from the State of Ohio. The special assessment bonds will be paid by special assessment collections, carry an interest rate of 10% and mature in the year 2005. The interest free loan will be paid from general revenues and will be paid off in the year 2016.

The City does not have a bond rating.

Cash and Cash Equivalents

The City holds primarily investments in banks, government agencies and the State Treasurer's Asset Reserve Fund. The City also uses investments such as high-grade commercial paper, bankers' acceptances and treasuries. During 2001, the City earned \$880,639 in interest income. Interest rates for the year ranged from a high of 7.5% to a low of 2.22%.

Capital Projects Fund

The proceeds of general obligation bond issues are accounted for in the Capital Projects Fund until improvement projects are completed. At the end of the year, completed projects are transferred to general fixed assets. There were no such projects in 2001. Capital Projects Fund cash and investments are \$4,815,389 at December 31, 2001.

The Capital Improvement/Income Tax Fund was established in 1991 to account for the revenues and expenditures related to the .5% income tax increase approved by voters in May of 1991.

These funds will be used to pay for specific capital improvement projects, which will become a part of the general fixed assets upon completion. The tax was in effect from January 1, 1992, through December 31, 1994. During 1997 the last of the voter-approved projects was completed. The remainder of the money available in this fund can now be used for general capital improvement projects. During 1998, these funds were used to expand the Municipal Building, providing additional space for the Police department and Administration. The City completed construction of a water park during 2000. Part of the funding for this project came from this fund. The Capital Improvement/Income Tax Fund cash and investments are \$25,037 at December 31, 2001.

General Fixed Assets

The general fixed assets of the City are those fixed assets used in the performance of general government functions and exclude the fixed assets of Internal Service and Enterprise Funds. As of December 31, 2001, the general fixed assets of the City amounted to \$14,660,641. This amount represents the historical cost of the assets less the accumulated depreciation to date. Included in the General Fixed Assets is land donated in the amount of \$745,000.

Risk Management

The City continues to work with the Public Entities Pool of Ohio to control risk. Special training in the area of risk control was performed during 2001 and more training is scheduled for 2002.

Other Information.

Independent Audit

Plattenburg & Associates, Inc., Certified Public Accountants audited the financial statements of the City of Moraine. The auditor's unqualified opinion is included in the Financial Section of this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Moraine for its comprehensive annual financial report for the year ended December 31, 2000. In order to be awarded a Certificate of Achievement, a governmental unit must publish an informative and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

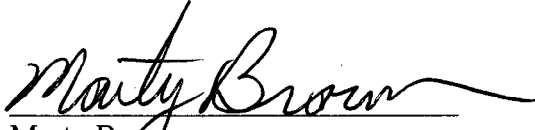
A Certificate of Achievement is applicable to one year only. We believe our current report will also conform to the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another Certificate.

Acknowledgments

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

I should also like to thank members of the City Council 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 black ink that reads "Marty Brown". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Marty Brown
Director of Finance

CITY OF MORaine, OHIO

CITY COUNCIL

Robert Rosencrans, Mayor

Elaine Allison, Council Member (At Large)

Mike Meyers, Council Member (At Large)

Jacqueline Cole, Council Member (Ward 1)

John Shady, Council Member (Ward 2)

Arthur Powers, Council Member (Ward 3)

Bryon Blake, Council Member (Ward 4)

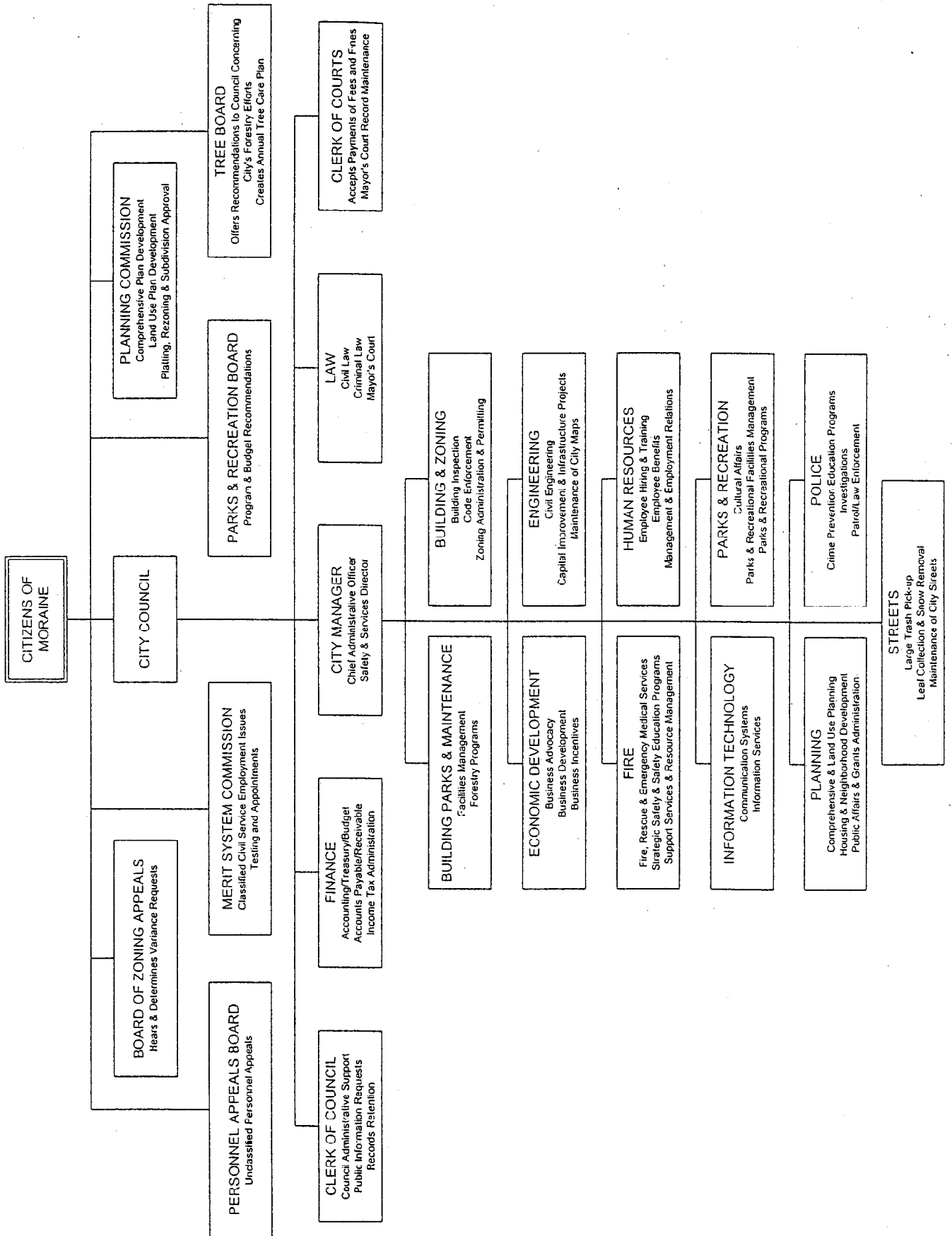
APPOINTED OFFICIALS

David Hicks, City Manager

Patrick G. Carney, Law Director

Marty Brown, Finance Director

Organization of the City of Moraine



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Moraine,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2000

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



Thomas A. Brewer
President

Jeffrey L. Esler
Executive Director

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FINANCIAL SECTION

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May 17, 2002

The Honorable Mayor and Members of the
City Council of the City of Moraine

REPORT OF INDEPENDENT ACCOUNTANTS

We have audited the accompanying general purpose financial statements of the City of Moraine, Ohio, (the City) as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City, as of December 31, 2001, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.

A handwritten signature in cursive script that reads "Plattenburg & Associates, Inc." The signature is written in black ink and is positioned above the printed name of the firm.

Plattenburg & Associates, Inc.
Certified Public Accountants

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS, DECEMBER 31, 2001 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2000

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		ACCOUNT GROUPS		TOTALS	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	LONG-TERM OBLIGATIONS	(MEMORANDUM ONLY)		
										2001	2000	
ASSETS AND OTHER DEBITS:												
Cash and investments	\$13,071,867	\$3,173,634	\$4,815,389	\$140,529	\$351,527	\$965,800	\$1,476,346			\$23,995,092	\$22,098,674	
Receivables:												
Income taxes	1,802,023		318,004							2,120,027	1,984,475	
Property taxes	487,355	154,970								642,325	824,884	
Accounts	40,354	42,608	1,445							84,407	81,772	
Intergovernmental	115,967	141,450								257,417		
Special assessments, including liens				19,636						19,636	44,886	
Loans		25,000			324,768					349,768	389,366	
Accrued interest					(253,832)					(253,832)	3,238	
Allowance for uncollectible loans											(253,832)	
Due from other funds	1,145,000	250,000								1,395,000	1,390,000	
Inventory		40,889				80,380				121,269	104,862	
Prepaid items	69,735	1,634				116				71,485	76,105	
Fixed assets (net of accumulated depreciation)									\$14,666,641	14,704,181	15,239,183	
Amount available in debt service fund						37,540				140,529	138,222	
Amount to be provided for retirement of general long-term obligations									2,123,682	2,123,682	1,905,262	
TOTAL ASSETS AND OTHER DEBITS	\$16,732,301	\$3,830,185	\$5,134,838	\$160,165	\$422,463	\$1,083,836	\$1,476,346	\$14,666,641	\$2,264,211	\$45,770,986	\$44,027,097	
LIABILITIES:												
Escrow bonds, deposits, health claims, due to other governments									\$401,800	\$488,949	\$477,883	
Accounts payable	\$56,793	\$77,294	\$46,092			\$62,971	\$24,178			188,796	319,610	
Due to other governments						8,617	\$4,570			4,570	\$2,749	
Accrued payroll and compensated absences	511,394	376,030				65,314			1,797,411	2,750,149	2,717,877	
Due to other funds	250,000	1,145,000								1,395,000	1,390,000	
Deferred revenue	1,381,295	264,676	139,763	\$19,636						1,805,370	868,770	
Special assessment bonds payable									65,000	65,000	85,000	
Total liabilities	2,199,482	1,863,000	185,855	19,636		136,902	28,748		2,264,211	6,697,834	5,862,889	
FUND EQUITY AND OTHER CREDITS:												
Investment in general fixed assets									\$14,666,641	14,666,641	15,206,472	
Retained earnings - unreserved					\$422,463	946,934				1,369,397	1,430,424	
Fund balance:												
Reserved for:												
Debt service				140,529						140,529	138,222	
Encumbrances	278,615	156,208	784,469							1,219,292	1,242,141	
Inventory		40,889								40,889	28,763	
Prepaid expenditures	69,734	1,634								71,368	75,990	
Unreserved and undesignated	14,184,470	1,768,454	4,164,514				1,447,598			21,565,036	20,042,196	
Total fund equity and other credits	14,532,819	1,967,185	4,948,983	140,529	422,463	946,934	1,447,598	14,666,641	39,073,152	38,164,208		
TOTAL LIABILITIES AND FUND EQUITY	\$16,732,301	\$3,830,185	\$5,134,838	\$160,165	\$422,463	\$1,083,836	\$1,476,346	\$14,666,641	\$2,264,211	\$45,770,986	\$44,027,097	

See notes to combined financial statements.

CITY OF MORAINE, OHIO

EXHIBIT II

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2000

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPES EXPENDABLE TRUST FUNDS	TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS		DEBT SERVICE	2001
REVENUES:						
Municipal income taxes	\$12,780,377		\$2,290,387		\$15,070,764	\$16,529,110
Other local taxes	583,535	\$185,482			769,017	803,300
State shared taxes and permits	549,293	333,675			882,968	1,029,820
Special assessments				\$25,250	25,250	31,374
Intergovernmental	5,296	388,705			394,001	1,055,729
Charges for services	2,319	943,078			945,397	612,055
Fines, costs, forfeitures, licenses and permits	256,057				256,057	264,769
Investment earnings	721,918	49,465	1,786	5,557	833,578	1,545,648
Miscellaneous receipts and reimbursements	262,198	55,596	448,317	27,488	793,599	470,498
Total revenues	15,160,993	1,956,001	2,740,490	30,807	19,970,631	22,342,803
EXPENDITURES:						
Current:						
General government	4,119,796	195,166			4,314,962	3,540,448
Public safety	6,190,478	802,357			6,992,835	7,139,551
Health	535,016				535,016	523,590
Highways and streets	263,909	1,513,512			1,777,421	1,777,436
Community development	98,534	556,464			654,998	928,859
Recreation		2,726,319	1,465,996		4,192,315	2,217,163
Capital outlay			27,710	20,000	47,710	15,000
Debt services:				8,500	8,500	10,000
Principal						
Interest				28,500	28,500	
Total expenditures	11,207,733	5,793,818	1,493,706	57,475	18,581,232	25,181,484
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,953,260	(3,837,817)	1,246,784	2,307	1,389,399	(2,838,681)
OTHER FINANCING SOURCES (USES)						
Sale of land and buildings	351,746		62,657		414,403	62,327
Operating transfers in		3,890,000			3,890,000	3,270,000
Operating transfers out	(4,184,000)				(4,184,000)	(3,520,000)
Total other financing sources (uses)	(3,832,254)	3,890,000	62,657		120,403	(187,673)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	121,006	52,163	1,309,441	2,307	1,509,802	(3,026,354)
FUND BALANCE, BEGINNING OF YEAR	14,411,813	1,915,002	3,639,542	138,222	21,527,312	24,553,666
FUND BALANCE, END OF YEAR	\$14,532,819	\$1,967,165	\$4,948,983	\$140,529	\$23,037,114	\$21,527,312

See notes to combined financial statements

CITY OF MORaine, OHIO

EXHIBIT III
(Continued 1 of 5)

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON GAAP BUDGET) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2000

	2001			2000		
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
GENERAL FUND						
REVENUES:						
Municipal income taxes	\$12,780,377	\$676,372	\$13,456,749	\$13,019,358	\$437,391	\$14,048,786
Other local taxes	583,535		583,535	615,845	(32,310)	610,022
State shared taxes and permits	549,293	14,012	563,305	481,691	81,614	508,164
Special assessments						
Intergovernmental	5,296		5,296		5,296	
Charges for services	2,319		2,319	858	1,461	841
Fines, costs, forfeitures, licenses and permits	256,057	(5,072)	250,985	275,547	(24,562)	264,769
Investment earnings	721,918	344,245	1,066,163	1,014,424	51,739	1,301,052
Miscellaneous receipts and reimbursements	262,198	(351)	261,847	205,281	56,566	91,041
Total revenues	15,160,993	1,029,207	16,190,200	15,613,004	577,196	16,824,675
EXPENDITURES:						
Current:						
General government	4,119,796	224,048	4,343,844	4,898,390	554,546	3,312,259
Public safety	6,190,478	246,389	6,436,867	6,985,630	548,763	6,270,874
Health	535,016	89,377	604,393	781,830	177,437	523,590
Highways and streets	263,909		263,909	280,000	16,091	256,271
Community development	98,534	21,846	120,380	240,140	119,760	207,321
Recreation						
Capital outlay						
Debt services:						
Principal						
Interest						
Total expenditures	11,207,733	561,660	11,769,393	13,185,990	1,416,597	10,570,315
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,953,260	467,547	4,420,807	2,427,014	1,993,792	6,254,360
OTHER FINANCING SOURCES (USES)						
Sale of land and buildings	351,746		351,746		351,746	
Operating transfers in						
Operating transfers out	(4,184,000)	5,000	(4,179,000)	(4,804,000)	625,000	(3,520,000)
Total other financing sources (uses)	(3,832,254)	5,000	(3,827,254)	(4,804,000)	976,746	(3,520,000)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	121,006	\$472,547	593,553	(2,376,986)	\$2,970,538	2,734,360
FUND BALANCE, BEGINNING OF YEAR	14,411,813		12,489,099	12,489,099		11,677,453
ENCUMBRANCES			278,615			
FUND BALANCE, END OF YEAR	\$14,532,819		\$13,361,267	\$10,112,113		\$14,411,813

CITY OF MORAINE, OHIO

EXHIBIT III
(Continued 2 of 5)

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON GAAP BUDGET) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2000

	2001			2000		
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
SPECIAL REVENUE FUNDS						
REVENUES:						
Municipal income taxes	\$185,482		\$185,482	\$195,628	(\$10,146)	\$193,778
Other local taxes	333,675	(\$31,253)	302,422	316,865	(14,443)	321,656
State shared taxes and permits						
Special assessments	388,705	(25,000)	363,705	463,705	(100,000)	355,398
Intergovernmental	943,078	443	943,521	726,327	217,194	611,214
Charges for services						
Fines, costs, forfeitures, licenses and permits	49,465	19,811	69,276	47,440	21,836	79,338
Investment earnings	55,596	433	56,029	5,023	51,006	31,079
Miscellaneous receipts and reimbursements						
Total revenues	1,956,001	(35,566)	1,920,435	1,754,988	165,447	1,592,463
EXPENDITURES:						
Current:						
General government	195,166	2,339	197,505	216,931	19,426	200,254
Public safety	802,357	8,887	811,244	848,550	37,306	843,889
Health						
Highways and streets	1,513,512	100,964	1,614,476	1,736,222	121,746	1,521,165
Community development	556,464	25,000	581,464	641,464	60,000	721,538
Recreation	2,726,319	88,447	2,814,766	3,371,719	556,953	2,217,163
Capital outlay						
Debt services:						
Principal						
Interest						
Total expenditures	5,793,818	225,637	6,019,455	6,814,886	795,431	5,504,009
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,837,817)	(261,203)	(4,099,020)	(5,059,898)	960,878	(3,911,546)
OTHER FINANCING SOURCES (USES)						
Sale of land and buildings						
Operating transfers in	3,890,000	(5,000)	3,885,000	4,510,000	(625,000)	3,270,000
Operating transfers out						
Total other financing sources (uses)	3,890,000	(5,000)	3,885,000	4,510,000	(625,000)	3,270,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	52,183	(\$266,203)	(214,020)	(549,898)	\$335,878	(641,546)
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES	1,915,002		3,247,939	3,247,939		2,556,548
FUND BALANCE, END OF YEAR	\$1,967,185		\$3,190,127	\$2,698,041		\$1,915,002

CITY OF MORAINE, OHIO

EXHIBIT III
(Continued 3 of 5)

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON GAAP BUDGET) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2000

	2001			2000		
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
CAPITAL PROJECTS FUND						
REVENUES:						
Municipal income taxes	\$2,290,387	\$119,431	\$2,409,818	\$2,346,733	\$63,085	\$2,480,324
Other local taxes						200,000
State shared taxes and permits						700,331
Special assessments	1,786	558	2,344	1,000	1,344	66,558
Intergovernmental	448,317	36,878	485,195	444,844	40,351	314,926
Charges for services						
Fines, costs, forfeitures, licenses and permits						
Investment earnings						
Miscellaneous receipts and reimbursements	2,740,490	156,667	2,897,357	2,792,577	104,780	3,762,139
Total revenues						
EXPENDITURES:						
Current:						
General government						
Public safety						
Health						
Highways and streets						
Community development						
Recreation						
Capital outlay	1,465,996	855,800	2,321,796	2,770,680	448,884	9,029,437
Debt services:						
Principal	27,710		27,710	27,710		
Interest						
Total expenditures	1,493,706	855,800	2,349,506	2,798,390	448,884	9,029,437
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,246,784	(698,933)	547,851	(5,813)	553,664	(5,267,298)
OTHER FINANCING SOURCES (USES)						
Sale of land and buildings	62,657	(37,657)	25,000	62,657	(37,657)	62,327
Proceeds from the sale of debt						
Operating transfers in						
Operating transfers out						
Total other financing sources (uses)	62,657	(37,657)	25,000	62,657	(37,657)	62,327
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	1,309,441	(\$736,590)	572,851	56,844	\$516,007	(5,204,971)
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES	3,639,542		3,458,416	3,458,416		8,844,513
FUND BALANCE, END OF YEAR	\$4,948,983		\$4,815,736	\$3,515,260		\$3,639,542

CITY OF MORAINE, OHIO

EXHIBIT III
(Continued 4 of 5)

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON GAAP BUDGET) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2000

	2001			2000		
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
DEBT SERVICE FUND						
REVENUES:						
Municipal income taxes						
Other local taxes						
State shared taxes and permits			\$25,250	\$30,000	(\$4,750)	\$31,374
Special assessments	\$25,250					
Intergovernmental						
Charges for services						
Fines, costs, forfeitures, licenses and permits	5,557	\$2,412	7,969	5,093	2,876	8,256
Investment earnings						
Miscellaneous receipts and reimbursements		2,412	33,219	35,093	(1,874)	39,630
Total revenues	30,807		33,219	35,093		39,630
EXPENDITURES:						
Current:						
General government						
Public safety						
Health						
Highways and streets						
Community development						
Recreation						
Capital outlay						
Debt services:						
Principal	20,000		20,000	20,000		15,000
Interest	8,500		8,500	8,500		10,000
Total expenditures	28,500		28,500	28,500		25,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,307	2,412	4,719	6,593	(1,874)	14,630
OTHER FINANCING SOURCES (USES)						
Sale of land and buildings						
Operating transfers in						
Operating transfers out						
Total other financing sources (uses)						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	2,307	\$2,412	4,719	6,593	(\$1,874)	14,630
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES	138,222		137,761	137,761		123,592
FUND BALANCE, END OF YEAR	\$140,529		\$142,480	\$144,354		\$138,222

See notes to combined financial statements.

CITY OF MORAINE, OHIO

EXHIBIT III
(Continued 5 of 5)

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON GAAP BUDGET) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2000

	2001			2000		
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
TOTAL GOVERNMENTAL FUND TYPES (Memorandum Only)						
REVENUES:						
Municipal income taxes	\$15,070,764	\$795,803	\$15,866,567	\$15,366,091	\$500,476	\$16,529,110
Other local taxes	769,017		769,017	811,473	(42,456)	803,800
State shared taxes and permits	882,968	(17,241)	865,727	798,556	67,171	1,029,820
Special assessments	25,250		25,250	30,000	(4,750)	31,374
Intergovernmental	394,001	(25,000)	369,001	463,705	(94,704)	1,055,729
Charges for services	945,397	443	945,840	727,185	218,655	612,055
Fines, costs, forfeitures, licenses and permits	256,057	(5,072)	250,985	275,547	(24,562)	264,769
Investment earnings	778,726	367,026	1,145,752	1,067,957	77,795	1,455,204
Miscellaneous receipts and reimbursements	766,111	36,960	803,071	655,148	147,923	437,046
Total revenues	19,888,291	1,152,920	21,041,211	20,195,662	845,549	22,218,907
EXPENDITURES:						
Current:						
General government	4,314,962	226,387	4,541,349	5,115,321	573,972	3,512,513
Public safety	6,992,835	255,276	7,248,111	7,834,180	586,069	7,114,763
Health	535,016	69,377	604,393	781,830	177,437	523,590
Highways and streets	1,777,421	100,964	1,878,385	2,016,222	137,837	1,777,436
Community development	654,998	46,846	701,844	881,604	179,760	928,859
Recreation	2,726,319	88,447	2,814,766	3,371,719	556,953	2,217,163
Capital outlay	1,465,996	855,800	2,321,796	2,770,680	448,884	9,029,437
Debt services:						
Principal	47,710		47,710	47,710		15,000
Interest	8,500		8,500	8,500		10,000
Total expenditures	18,523,757	1,643,097	20,166,854	22,827,766	2,660,912	25,128,761
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,364,534	(490,177)	874,357	(2,632,104)	3,506,460	(2,909,854)
OTHER FINANCING SOURCES (USES)						
Sale of land and buildings	414,403	(37,657)	376,746	62,657	314,089	62,327
Proceed from the sale of debt						
Operating transfers in	3,890,000	(5,000)	3,885,000	4,510,000	(625,000)	3,270,000
Operating transfers out	(4,184,000)	5,000	(4,179,000)	(4,804,000)	625,000	(3,520,000)
Total other financing sources (uses)	120,403	(37,657)	82,746	(231,343)	314,089	(187,673)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	1,484,937	(\$27,834)	957,103	(2,863,447)	\$3,820,549	(3,097,527)
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES	20,104,579		19,333,215	19,333,215		23,202,106
FUND BALANCE, END OF YEAR	\$21,589,516		\$21,509,610	\$16,469,768		\$20,104,579

CITY OF MORAINE, OHIO

EXHIBIT IV

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2000

	ENTERPRISE	INTERNAL SERVICE	TOTALS (MEMORANDUM ONLY)	
			2001	2000
OPERATING REVENUES				
Charges for services	\$8,536	\$1,212,330	\$1,220,866	\$971,264
Total Operating revenues	<u>8,536</u>	<u>1,212,330</u>	<u>1,220,866</u>	<u>971,264</u>
OPERATING EXPENSES:				
Personnel services		286,325	286,325	234,955
General operating	1,083	253,208	254,291	198,551
Provision for bad debts				250,000
Insurance claims		1,073,427	1,073,427	855,555
Depreciation		8,911	8,911	8,514
Total operating expenses	<u>1,083</u>	<u>1,621,871</u>	<u>1,622,954</u>	<u>1,547,575</u>
OPERATING INCOME (LOSS)	7,453	(409,541)	(402,088)	(576,311)
NONOPERATING INCOME				
Investment earnings	10,389	36,672	47,061	68,068
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>17,842</u>	<u>(372,869)</u>	<u>(355,027)</u>	<u>(508,243)</u>
OPERATING TRANSFERS IN		294,000	294,000	250,000
NET INCOME (LOSS)	<u>17,842</u>	<u>(78,869)</u>	<u>(61,027)</u>	<u>(258,243)</u>
RETAINED EARNINGS, BEGINNING OF YEAR	404,621	1,025,803	1,430,424	1,688,667
RETAINED EARNINGS, END OF YEAR	<u>\$422,463</u>	<u>\$946,934</u>	<u>\$1,369,397</u>	<u>\$1,430,424</u>

See notes to combined financial statements

CITY OF MORAINE, OHIO

EXHIBIT V

**COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2000**

	ENTERPRISE	INTERNAL SERVICE	TOTALS (MEMORANDUM ONLY)	
			2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$7,453	(\$409,541)	(\$402,088)	(\$576,311)
Adjustments to reconcile net operating income (loss) to net cash provided by (used for) operating activities operating activities:				
Depreciation		8,911	8,911	8,514
Provision for loan losses	41		41	154
(Increase) decrease in accrued interest		(4,281)	(4,281)	(6,837)
(Increase) decrease in inventory		(1)	(1)	
(Increase) decrease in prepaid expenditures		3,311	3,311	966
Increase (decrease) in accounts payable		29,799	29,799	1,122
Increase (decrease) in insurance claims payable		25,851	25,851	(12,554)
Increase in accrued payroll			(24,701)	281,568
(Increase) decrease in loan interest receivable	(24,701)		(4,373)	(360,804)
Loan disbursements	(4,373)		93,672	33,387
Loan repayments	93,672			
Net cash provided by (used for) operating activities	72,092	(345,951)	(273,859)	(630,795)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers, in		294,000	294,000	250,000
Net cash provided by noncapital financing activities		294,000	294,000	250,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of machinery and equipment		(13,740)	(13,740)	(14,040)
Net cash provided by (used for) capital and related financing activities		(13,740)	(13,740)	(14,040)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings	10,389	36,672	47,061	68,068
Net cash provided from investing activities	10,389	36,672	47,061	68,068
NET INCREASE (DECREASE) IN CASH	82,481	(29,019)	53,462	(326,767)
CASH AT BEGINNING OF YEAR	269,046	994,819	1,263,865	1,340,632
CASH AT END OF YEAR	\$351,527	\$965,800	\$1,317,327	\$1,013,865

See notes to combined financial statements

CITY OF MORAINE, OHIO

**NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Reporting Entity*

The City of Moraine, Ohio, which was incorporated in 1958, gained city status in 1965 and operates under a Council-Manager form of government.

In order to comply with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Reporting Entity," the financial statements of the City of Moraine include all organizations, activities and functions for which the City is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization and either the City's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, the City. Based on the foregoing, the reporting entity of the City includes the following services: public safety (police and fire), highways and streets, refuse collection (on a contractual basis), parks, recreation, public improvements, planning and zoning, and general administrative services.

B. *Basis of Presentation*

The accounting policies of the City conform to generally accepted accounting principles applicable to governments as prescribed by the GASB. The following is a summary of the more significant policies:

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the combined financial statements. The City uses the following fund types and account groups:

Governmental Fund Types

These funds (General, Special Revenue, Capital Projects and Debt Service) are those through which most governmental functions typically are financed. All governmental funds are accounted for using a current financial resources measurement focus.

General Fund: This is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds: These funds are used to account for revenues derived from specific taxes, grants or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by City Ordinances or Federal and State statutes or grant provisions.

Capital Projects Funds: The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment (other than those financed by proprietary funds).

Debt Service Fund: This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Proprietary Fund Types

Enterprise Fund: This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is for user charges to cover the costs (expenses, including depreciation) of providing the service. The City has one Enterprise fund, the Moraine Improvement Loan Fund.

Internal Service Funds: These funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost-reimbursement basis. The City has two Internal Service funds; they are the City Garage Fund and the Health Insurance Program Fund.

The proprietary fund measurement focus is upon determination of net income, financial position and cash flows.

In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the City applies all GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

Fiduciary Fund Types

These funds (Trust and Agency) are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Trust funds maintained by the City are classified as “Expendable Trust funds” which are accounted for in essentially the same manner as governmental funds. The City’s agency funds are purely “assets equal liabilities” and thus do not involve measurement of results of operations. The City has no Nonexpendable Trust funds.

Account Groups

Account groups are used to establish control and accountability for the City’s general fixed assets and general long-term obligations. Because these assets and obligations are long-term, they are neither available resources nor require current appropriation.

General Fixed Assets Account Group: This group is used to account for all fixed assets required for general City purposes, excluding fixed assets of the Internal Service fund.

General Long-term Obligations Account Group: This group is used to account for all long-term obligations of the City. This includes the long-term obligations of the City for certain employee benefits and contingent liabilities.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied. The measurement focus of governmental funds and expendable trust funds is upon the flow of current financial resources. Governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become available and measurable. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period which for City purposes is considered to be 30 days after year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property

taxes 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, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, 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.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The proprietary funds' and nonexpendable trust fund's measurement focus is upon the flow of economic resources. The proprietary funds and nonexpendable trust funds are accounted for using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

D. Budgets and Budgetary Accounting

An annual budget for all governmental fund types covering the period January 1 through December 31 of the following year showing estimated revenues and expenditures is submitted to the County Auditor as Secretary of the County Budget Commission. The budget is passed by City Council, after public hearings are held, by July 15 of each year, and submitted to the County Budget Commission by July 20 of each year.

The County Budget Commission certifies its actions relevant to the annual budget to the City by September 1. As part of this certification, the City receives an official certificate of estimated resources, which states the projected receipts by fund. On or about January 1, this certificate is amended to include any unencumbered fund balances from the preceding year. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations ordinance.

A temporary appropriations ordinance to control expenditures may be passed on or about January 1 of each year for the period of January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriations ordinance generally controls expenditures at the department level and may be amended or supplemented by Council during the year as

required. Amendments to the appropriations ordinance made during the year increased original appropriations by approximately 9.5%. Total expenditures in any fund do not exceed the estimated resources for that fund. Unencumbered appropriations lapse at year-end, while encumbered amounts are reappropriated in the following year's budget.

The City Manager acts as budget officer for the City and submits a proposed operating budget to the City Council on an annual basis. Public hearings are held to obtain taxpayer comments. The Council enacts the budget through passage of an ordinance. The City's expenditure budget and appropriations ordinance are the same document. The appropriations ordinance controls expenditures at the departmental level with a detail breakdown by personal services, operating and capital expenditures/expenses. Supplemental appropriations are made to the budget during the year by the passage of ordinances. These supplemental appropriations are recommended by management to the City Council, but can only be adopted by formal passage of an ordinance by City Council. The only authority that management has is to make transfers between accounts within the departmental appropriations. Any increase or decrease in appropriations for any department takes official Council action. During 2001, there were five supplemental appropriations made totaling \$2,507,794. Almost \$800,000 of these appropriations was for transfers between funds, the remainder was for capital projects.

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

Revenues are recorded when received in cash (budget) as opposed to when they are both measurable and available (GAAP).

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

E. Encumbrances

Encumbrances outstanding at year-end represent the estimated amount of expenditures that will ultimately result if unperformed contracts in process (for example, purchase orders and contracted services) are completed.

Encumbrances are reported as reservations of fund balances in the appropriate funds, since they do not constitute expenditures or liabilities.

F. Cash and investments

The City maintains a cash and investment pool that is available for use by all funds except the Health Insurance Fund. Each fund type's portion of the pool is displayed on the Combined Balance Sheet – All Fund Types and Account Groups as "Cash and investments." The deposits and investments of the Health Insurance Fund are held separately from those of other City funds and are displayed as "Cash and investments" as well.

Investments are stated at fair value. Fair value is based on the published market value.

Cash and cash equivalents in the proprietary funds consist of cash and liquid investments with an original maturity of less than three months.

G. Inventory

Inventory is valued at cost, which approximates market, using the first-in/first-out (FiFo) method. The proprietary fund inventories are recorded as expenses when used. Inventory in governmental funds consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are used.

H. Fixed Assets

Fixed assets used in governmental fund-type operations are recorded in the General Fixed Assets Account Group. Those used in proprietary fund-type operations are recorded in the applicable Proprietary fund. Public domain assets ("infrastructure") such as roads, bridges, curbs and gutters, streets and sidewalks are not capitalized.

Fixed assets are valued at historical cost, or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value at the date donated.

Depreciation of fixed assets is computed and recorded by the straight-line method over the estimated useful lives of the fixed assets in Proprietary funds. Depreciation expense on general fixed assets is not recorded in governmental fund-types. However, depreciation is computed and recorded by the straight-line method over the estimated useful lives of the general fixed assets in the General Fixed Assets Account Group.

The estimated useful lives of the various classes of fixed assets range as follows:

<u>Class</u>	<u>Estimated Useful Life</u>
Land improvements	20 to 25 years
Buildings and improvements	20 to 40 years
Equipment	2 to 25 years

I. Reserves and Designations

Reserves are portions of fund equity not appropriable for expenditures/expenses or are legally segregated for a specific future use, or both.

Designations are tentative plans for financial resources used in a future period. Such plans or intent are subject to change. They may never be legally authorized or result in expenditure/expenses.

J. Total Columns on Combined Statements

Total columns on the combined statements are captioned “memorandum only” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

K. Accumulated Unpaid Vacation and Sick Pay

Accumulated unpaid vacation and sick pay are accounted for using the modified accrual basis of accounting in all governmental fund types. Only those amounts estimated to normally be liquidated with expendable available financial resources are accrued at year end (included in Accrued Payroll) and the balance is placed in the General Long-term Obligations Account Group.

Accumulated unpaid vacation and sick pay in the proprietary fund are accounted for using the accrual basis of accounting.

2. **BUDGETARY TO GAAP RECONCILIATION**

The adjustments necessary to convert the results of operations for the year ended December 31, 2001 on the GAAP basis to the budget basis are as follows:

Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses					
Adjustments for					
	GAAP Actual	Accrued Revenues	Accrued Expenditures	Other Financing Sources (Uses)	Actual on Budgetary Basis
General	\$ 121,006	\$1,029,207	\$ (561,660)	\$5,000	\$593,553
Special revenue	52,183	(35,566)	(225,637)	(5,000)	(214,020)
Capital projects	1,309,441	156,867	(855,800)	(37,657)	572,851
Debt service	2,307	2,412			4,719

3. **DEPOSITS AND INVESTMENTS**

Deposits: At year-end, the carrying amount of the City's deposits was \$293,677 and the bank balance was \$566,277. Of the bank balance, \$283,114 was covered by Federal depository insurance. The remaining \$283,163 was covered by collateral held by third-party trustees pursuant to Section 135.181, *Ohio Revised Code*, in collateral pools securing all public funds on deposit with specific depository institutions. GASB Statement No. 3 defines this entire amount as being collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. The City also maintains \$1,305 of petty cash in the various departments.

Investments: The City's investment policy authorizes investment in fully collateralized repurchase agreements, United States Treasury Bonds and Notes, United States Treasury Bills, bankers' acceptances, commercial paper of the highest rating and such other investment instruments as permitted by the *Ohio Revised Code*. Financial institutions and agencies in which the City places its investments must be located within the United States. Funds invested by fiscal agents are maintained under the same criteria as those investments maintained by the City as stated above. Investments are carried at fair value.

The City's investments are categorized to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the City or its agent in the City's name holds the securities. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the

City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or safekeeping agency but not in the City's name.

Investments in the State Treasurer's pool are not normally subject to risk categorization pursuant to GASB Statement No. 3.

	1	2	3	Fair Value
Investments with fiscal agent – U. S. Government securities	\$21,113,565			\$ 21,113,565
Sub-totals	\$21,113,565			\$ 21,113,565
State Treasurer's Investment Pool				\$ 1,026,698
Money Market Mutual Funds				1,559,847
Total Investments				\$ 23,700,110

The City of Moraine has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2001. STAROhio 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2001.

4. **LOANS RECEIVABLE**

The City operates a long-term enterprise fund loan program. Loans receivable at December 31, 2001 were:

Loans Receivable	\$324,768
Less allowance for bad debts	<u>(253,832)</u>
Total Loans Receivable	<u>\$ 70,936</u>

There are no outstanding loan commitments at December 31, 2001.

During 2000 a \$250,000 allowance for bad debt has been set up on a business loan. This is a loan that was given to a new business in 1999 by City Council. The company has filed for bankruptcy and the City does not expect to be able to recover these funds.

During 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 at December 31, 2001 is as follows:

Loans Receivable	\$ 25,000
Less allowance for bad debts	<u>0</u>
Total Loans Receivable	<u>\$ 25,000</u>

5. FIXED ASSETS

A summary of changes in general fixed assets follows:

General Fixed Assets Account Group:	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
Land and land improvements	\$ 2,814,728	\$ 160,551	\$ 320,508	\$ 2,654,771
Buildings and improvements	12,054,664	161,464		12,216,128
Machinery and equipment	7,525,219	757,406	181,729	8,100,896
Construction in progress	116,682		116,682	
Total:	\$22,511,293	\$1,079,421	\$ 618,919	\$ 22,971,795
Less accumulated depreciation	7,304,821	1,135,254	134,921	8,305,154
Fixed Asscts, Nct	\$15,206,472	\$ (55,833)	\$ 483,998	\$ 14,666,641

Fixed assets of the Internal Service City Garage Fund include machinery and equipment with a cost of \$127,007 and accumulated depreciation of \$89,467.

6. PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. Property taxes are levied each January 1 on the assessed value listed as of the prior January. Assessed values are established for real and public utility property at 35% of true value, and for tangible property at 26% of true value (excluding the first \$10,000 of value). Property values are required to be updated every three years and revalued every six years. A revaluation was completed in 1996 and another is scheduled for January 2002.

The property tax calendar is as follows:

Levy date	January 1, 2000
Lien date	January 1, 2001
Tax bill mailed	January 20, 2001
First installment payment due	February 15, 2001
Second installment payment due	July 15, 2001

The assessed values for the City at the lien date of January 1, 2000, were as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$142,085,240
Public Utility Real	228,940
Tangible Personal	125,976,051
Public Utility Personal	76,334,550
\$10,000 Exemption	<u>3,024,429</u>
Total	<u>\$347,649,210</u>

The County Treasurer collects property taxes on behalf of all taxing districts, including the City of Moraine. The County Auditor periodically remits to the City its portion of taxes collected. Property taxes may be paid in full on either an annual or semiannual basis.

Ohio law prohibits taxation of property from all taxing authorities in excess of \$10.00 (10.0 mills) per \$1,000 of assessed value without a vote of the citizens. The City's share is currently \$2.50 (2.5 mills) of assessed value.

7. INCOME TAXES

The City levies a one and one-half percent income tax on substantially all income earned within the City. In addition, City residents pay City tax on income earned outside the City; however, a credit is allowed for income taxes paid to another municipality.

Employers with the City withhold income tax on employee compensation and remit at least quarterly. Corporations and individual taxpayers pay estimated taxes quarterly and file an annual declaration. The City's principal payer of municipal income taxes is General Motors Corporation, which, in 2001, paid approximately \$7.53 million constituting 49.4% of total municipal income taxes collected.

Council has designated that 15% of all income taxes are set-aside to the Capital Projects Fund to help fund annual capital improvements.

8. **GENERAL LONG-TERM OBLIGATIONS**

Long-term obligations in the General Long-Term Obligations Account Group are:

	Special Assessment Bonds Payable with Governmental Commitment	Accrued Vacation	Accrued Sick Leave
Balance January 1, 2001	\$ 85,000	\$ 402,562	\$1,090,575
Additions		535,332	593,254
Reductions	(20,000)	(451,689)	(416,976)
Balance December 31, 2001	\$ 65,000	\$ 486,205	\$1,266,853

	Accrued Compensatory Time	Dryden Road Loan	Total
Balance, January 1, 2001	\$ 35,837	\$429,510	\$2,043,484
Additions	71,087		1,199,673
Reductions	(62,571)	(27,710)	(978,946)
Balance, December 31, 2001	\$ 44,353	\$401,800	\$2,264,211

The current portion of the accrued vacation, sick leave and compensatory time payable is included with accrued payroll in the General and Special Revenue Funds balance sheets.

9. **LEASES AND COMMITMENTS**

The City has no capital lease liability as of December 31, 2001.

Equipment capitalized under lease agreements in prior years totaled \$964,343 at December 31, 2001 and is recorded in the General Fixed Assets Account Group. The current year depreciation recorded for capital leased assets in 2001 is \$51,833 with accumulated depreciation \$474,680.

In 2001 the City entered into a five year operating lease for a phone system. Total lease payments during 2001 equal \$15,270. The future minimum lease payments for this lease are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2002	\$ 46,882
2003	46,882
2004	46,882
2005	46,882
2006	<u>31,255</u>
Total	\$218,783

There are no other operating leases more than one year. Other operating lease payments in 2001 were \$10,293. Construction and other commitments at December 31, 2001 were approximately \$784,000.

10. SPECIAL ASSESSMENTS BONDS PAYABLE WITH GOVERNMENTAL COMMITMENT

The following is a summary of debt transactions for the year ended December 31, 2001:

Bonds payable, January 1, 2001	\$ 85,000
Bonds retired	<u>20,000</u>
Bonds payable, December 31, 2001	<u>\$ 65,000</u>

The bonds are 1984 El-Bee Road Improvement Special Assessment bonds, payable in installments to 2005 with interest at 10%. The City has a contingent liability against its full faith and credit for special assessment bonds. The general credit of the City is obligated only to the extent that liens against properties involved in the special assessment improvement are insufficient to retire outstanding bonds.

Annual principal and interest payments required on the Special Assessment debt are:

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>
2002	15,000	6,500
2003	15,000	5,000
2004	15,000	3,500
2005	<u>20,000</u>	<u>2,000</u>
Totals	<u>\$ 65,000</u>	<u>\$17,000</u>

11. PENSION PLAN OBLIGATIONS

Substantially all City employees are covered by one of the two cost-sharing, multiple-employer public employee retirement systems; namely, the Public Employees Retirement System of Ohio (PERS), or the Ohio Police and Fire Pension Fund (OP&F). The payroll for employees covered by PERS and OP&F was \$4,435,929, \$2,018,413, and \$1,980,690 respectively. The City's total payroll for 2001 was \$8,669,821.

Public Employees Retirement System

All employees, except those covered by the Ohio Police and Fire Pension Fund and part-time firefighters who contribute to Social Security are required to be members of PERS.

The Public Employees Retirement System of Ohio is a cost-sharing, multiple-employer defined benefit pension plan. The authority to establish and amend benefits for the PERS is provided by State statute per Chapter 145 of the *Ohio Revised Code*.

PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and their beneficiaries.

The Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The *Ohio Revised Code* provides statutory authority for employee and employer contributions. The employee contribution rate for all City employees who are members of PERS is 8.5%. The employer contribution rate for local government employer units was 13.55% of covered payroll. The employee and employer contributions for the last three years are as follows:

Year	Employee Contribution	Rate	Employer Contribution	Rate
2001	\$377,054	8.5%	\$601,068	13.55%
2000	\$332,369	8.5%	\$423,868	10.84%
1999	\$265,603	8.5%	\$423,402	13.55%

Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City of Moraine's contributions to OP&F covering the employee and employer contributions for the last three years are as follows:

Year	Police Employee Contribution	Rate	Police Employer Contribution	Rate
2001	\$201,841	10.0%	\$393,591	19.5%
2000	\$193,146	10.0%	\$376,635	19.5%
1999	\$209,661	10.0%	\$408,839	19.5%

Year	Fire Employee Contribution	Rate	Fire Employer Contribution	Rate
2001	\$198,069	10.0%	\$475,366	24.0%
2000	\$185,979	10.0%	\$446,350	24.0%
1999	\$176,143	10.0%	\$422,745	24.0%

12. **OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

In addition to the pension benefits described in Note 11, the City provides post retirement health care benefits in accordance with State statutes as follows:

Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The *Ohio Revised Code* provides the statutory authority for employer contributions. The City was required to contribute 13.55% of covered payroll during 2001. Of the total contribution, 4.3% was used to fund health care for the year.

	<u>Total Contribution</u>	<u>Health Care Contribution</u>
City contribution	\$601,068	\$190,745

The *Ohio Revised Code* provides the statutory authority requiring public employers to fund post retirement health care through their contributions to PERS.

Post retirement health care benefits are advance-funded on an actuarially determined basis. The most recent actuarial review was performed as of December 31, 2000.

The PERS uses an entry age normal actuarial cost method of valuation in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2000 was 7.75%.

An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of

active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

The number of active contributing participants was 411,076.

The actuarial value of the PERS net assets available for OPEB at December 31, 2000 was \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.60 million and \$2,628.7 million, respectively.

Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund provides post retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent of such person. An eligible dependent is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The *Ohio Revised Code* provides that health care cost paid from the funds of OP&F shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5% of covered payroll and the total firemen's employer contribution rate is 24% of covered payroll.

The *Ohio Revised Code* provides the statutory authority allowing the Fund's board of trustees to provide health care coverage to all eligible individuals.

Post retirement health care funding and accounting is on a pay-as-you-go basis. The number of participants eligible to receive health care benefits as of December 31, 2000 is 12,853 for police and 10,037 for firemen.

	<u>Total Contribution</u>	<u>Health Care Contribution</u>
City contribution:		
Police	\$393,591	\$151,533
Fire	\$475,366	\$148,790

The Fund's total health care expenses for the year ending December 31, 2000 were \$106,160,054.

13. **ENTERPRISE FUND SEGMENT INFORMATION**

The City has one Enterprise fund which provides loans to citizens and businesses of Moraine who qualify according to City regulations. Selected segment information for the year ended December 31, 2001 is as follows:

Operating revenues	\$ 8,536
Operating income	7,453
Operating grants	-0-
Net income	17,842
Property additions	-0-
Net working capital	351,527
Total assets	422,463
Long-term debt	-0-
Total equity	422,463

14. **INTERFUND TRANSACTIONS**

During the course of operations, the City has numerous transactions among funds, most of which are accounted for as transfers, with the exception of the Internal Service Funds. These funds are used to account for various supplies and services that are charged back to the appropriate fund on an "as used" basis. The Garage and Health Insurance Internal Service Funds record such charges as operating revenues. Payments to the Internal Service Funds are recorded as operating expenditures or expenses by the purchasing fund.

Interfund receivables and payables at December 31, 2001 were:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$1,145,000	\$ 250,000
Special Revenue Funds:		
Municipal Income Tax	10,000	
Street Const./Maint.	50,000	
Parks & Rec.	35,000	
Police Pension	60,000	
Fire Pension	95,000	
Economic Dev. Grant	_____	<u>1,145,000</u>
Total	<u>\$1,395,000</u>	<u>\$1,395,000</u>

15. **CONTINGENT LIABILITIES**

The City is a defendant in various lawsuits and subject to various claims over which litigation has not yet commenced. Although the outcome of these matters

is not presently determinable, in the opinion of management and the law director, the resolution of these matters will not have a materially adverse effect on the financial condition of the City.

16. RISK MANAGEMENT

Property and Liability Coverage

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; 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.

The following is a summary of insurance coverage through the pool at year-end:

General Liability	\$5,000,000 per occurrence
Automobile Liability	\$5,000,000 per occurrence
Property	\$9,700,635 per occurrence
Boiler & Machinery	\$3,000,000 per occurrence
Police Professional Liability	\$5,000,000 per occurrence
Public Officials Liability	\$5,000,000 per occurrence

During 1996 the City contracted to have a property inventory and appraisal performed. Based on this inventory and appraisal the amount of property insurance coverage was reduced by approximately \$6.5 million to the amount shown above.

Over the past three years the insurance coverages carried by the City have been substantially higher than the settlements made by our insurance carrier.

Health Insurance Coverage

The City provides health insurance coverage for its employees. This program is accounted for in the Internal Service Fund, 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 Zurich American Insurance Company. The stop loss carrier provides coverage as follows:

The City pays all claims up to \$50,000 per individual or \$1,125,524 in aggregate during the contract year, which runs from August 1 through July 31 of each year. The City received approximately \$9,578 in stop loss reimbursements for an individual claim during 2001. Claims did not reach a level to cause any payments by the stop loss carrier during the prior two years.

Below is a claim history for the past three years:

	<u>1999</u>	<u>2000</u>	<u>2001</u>
Claims liability at January 1	\$ 54,785	\$ 32,050	\$ 33,172
Claims incurred	762,277	856,677	1,073,427
Claims paid	785,012	855,555	1,043,628
Claims liability at December 31	32,050	33,172	62,971

17. 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 issuance. Neither 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.

18. CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2001, the City has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions". At December 31, 2000 there was no effect on fund balance as a result of implementing GASB 33.

CITY OF MORAINÉ, OHIO

COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP

FINANCIAL STATEMENTS AND SCHEDULES

2 0 0 1

GENERAL FUND

The purpose of this fund is to account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

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CITY OF MORAIN, OHIO

A-1

GENERAL FUND**COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2001 AND 2000**

	<u>2001</u>	<u>2000</u>
ASSETS:		
Cash and investments	\$13,071,867	\$12,541,037
Receivables:		
Income taxes	1,802,023	1,686,804
Property and other taxes	487,355	626,054
Accounts	40,354	62,563
Intergovernmental	115,967	
Accrued interest		2,788
Due from other funds	1,145,000	1,145,000
Prepaid expenditures	69,735	74,442
TOTAL ASSETS	<u><u>\$16,732,301</u></u>	<u><u>\$16,138,688</u></u>
LIABILITIES:		
Accounts payable	\$56,793	\$136,864
Accrued payroll and compensated absences	511,394	718,957
Due to other funds	250,000	245,000
Deferred revenue	1,381,295	626,054
Total liabilities	<u><u>2,199,482</u></u>	<u><u>1,726,875</u></u>
FUND EQUITY:		
Fund balance:		
Reserved for:		
Encumbrances	278,615	316,087
Prepaid expenditures	69,734	74,442
Unreserved and undesignated	14,184,470	14,021,284
Total fund equity	<u><u>14,532,819</u></u>	<u><u>14,411,813</u></u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$16,732,301</u></u>	<u><u>\$16,138,688</u></u>

CITY OF MORAINE, OHIO

GENERAL FUND

A-2

(Continued 1 of 3)

**DETAILED SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL (NON-GAAP BUDGET)
FOR THE YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000**

	2001				VARIANCE FAVORABLE (UNFAVORABLE)	2000
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET		GAAP ACTUAL
GENERAL GOVERNMENT:						
Council:						
Personnel services	\$18,505	\$343	\$18,848	\$19,474	\$626	\$18,213
General operating expenses	202,198	25,690	227,888	247,371	19,483	56,329
Total Council	220,703	26,033	246,736	266,845	20,109	74,542
Clerk of Council:						
Personnel services	47,172	(236)	46,936	62,430	15,494	30,143
General operating expenses	5,811	513	6,324	11,638	5,314	14,820
Total Clerk Council	52,983	277	53,260	74,068	20,808	44,963
City Manager's office:						
Personnel services	149,572	9,610	159,182	218,710	59,528	222,862
General operating expenses	22,233	6,458	28,691	45,849	17,158	23,147
Total City Manager's office	171,805	16,068	187,873	264,559	76,686	246,009
Clerk of Courts:						
Personnel services	80,809	144	80,953	88,354	7,401	74,067
General operating expenses	12,296	351	12,647	17,391	4,744	10,551
Total Clerk of Courts	93,105	495	93,600	105,745	12,145	84,618
Law Director:						
Personnel services	63,334	10,015	73,349	90,005	16,656	122,735
General operating expenses	168,185	13,985	182,170	188,398	6,228	125,108
Total Law Director	231,519	24,000	255,519	278,403	22,884	247,843
Public Defender:						
General operating expenses	4,148	1,852	6,000	6,000		4,800
Total Public Defender	4,148	1,852	6,000	6,000		4,800
Merit Service						
General operating expenses	17,772	5,495	23,267	33,223	9,956	11,982
Total Merit Service	17,772	5,495	23,267	33,223	9,956	11,982
Mayor:						
Personnel services	11,867	91	11,958	12,974	1,016	11,554
General operating expenses	7,964	1,153	9,117	14,044	4,927	4,326
Total Mayor	19,831	1,244	21,075	27,018	5,943	15,880
Finance:						
Personnel services	226,445	17,824	244,269	319,729	75,460	260,907
General operating expenses	34,900	500	35,400	46,001	10,601	22,961
Total Finance	261,345	18,324	279,669	365,730	86,061	283,868
Information Center:						
Personnel services	77,849	(54)	77,795	107,807	30,012	92,303
General operating expenses	8,233	315	8,548	8,950	402	9,292
Total Information Center	86,082	261	86,343	116,757	30,414	101,595

CITY OF MORAIN, OHIO

GENERAL FUND

A-2

(Continued 2 of 3)

**DETAILED SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL (NON-GAAP BUDGET)
FOR THE YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000**

	2001				VARIANCE FAVORABLE (UNFAVORABLE)	2000
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET		GAAP ACTUAL
Senior Citizens						
General operating expenses	\$6,649	\$1,805	\$8,454	\$8,489	\$35	\$4,298
Total senior citizens	<u>6,649</u>	<u>1,805</u>	<u>8,454</u>	<u>8,489</u>	<u>35</u>	<u>4,298</u>
Summer Jobs:						
Personnel services	92,714	1,327	94,041	104,952	10,911	60,860
General operating expenses	981		981	1,500	519	1,000
Total Summer Jobs	<u>93,695</u>	<u>1,327</u>	<u>95,022</u>	<u>106,452</u>	<u>11,430</u>	<u>61,860</u>
Public Buildings:						
Personnel services	1,145,488	14,870	1,160,358	1,200,481	40,123	948,116
General operating expenses	647,930	53,530	701,460	744,873	43,413	458,997
Nongovernmental expenses	25,000		25,000	25,000		24,000
Total Public Buildings	<u>1,818,418</u>	<u>68,400</u>	<u>1,886,818</u>	<u>1,970,354</u>	<u>83,536</u>	<u>1,431,113</u>
General Miscellaneous:						
Personnel services	310,555	680	311,235	409,794	98,559	16,797
General operating expenses	336,826	45,885	382,711	438,689	55,978	407,622
Contingencies	223,433		223,433	225,285	1,852	218,171
Total General Miscellaneous	<u>870,814</u>	<u>46,565</u>	<u>917,379</u>	<u>1,073,768</u>	<u>156,389</u>	<u>642,590</u>
Information Technology						
Personnel services	69,438	(1,059)	68,379	73,019	4,640	25,707
General operating expenses	5,793	12,945	18,738	22,975	4,237	267
Total Information Technology	<u>75,231</u>	<u>11,886</u>	<u>87,117</u>	<u>95,994</u>	<u>8,877</u>	<u>25,974</u>
Human Resources						
Personnel services	72,735	(1,787)	70,948	73,272	2,324	27,805
General operating expenses	22,961	1,803	24,764	31,713	6,949	2,519
Total Human Resources	<u>95,696</u>	<u>16</u>	<u>95,712</u>	<u>104,985</u>	<u>9,273</u>	<u>30,324</u>
TOTAL GENERAL GOVERNMENT	<u>\$4,119,796</u>	<u>\$224,048</u>	<u>\$4,343,844</u>	<u>\$4,898,390</u>	<u>\$554,546</u>	<u>\$3,312,259</u>
PUBLIC SAFETY:						
Police:						
Personnel services	\$2,846,219	\$56,573	\$2,902,792	\$3,203,242	\$300,450	\$2,951,143
General operating expenses	438,839	73,694	512,533	681,561	169,028	402,929
Total Police	<u>3,285,058</u>	<u>130,267</u>	<u>3,415,325</u>	<u>3,884,803</u>	<u>469,478</u>	<u>3,354,072</u>
Fire:						
Personnel services	2,684,914	95,173	2,780,087	2,831,125	51,038	2,754,310
General operating expenses	219,423	20,949	240,372	267,002	26,630	161,474
Total Fire	<u>2,904,337</u>	<u>116,122</u>	<u>3,020,459</u>	<u>3,098,127</u>	<u>77,668</u>	<u>2,915,784</u>
Civil Defense						
General operating expenses	1,083		1,083	2,700	1,617	1,018
Total Civil Defense	<u>1,083</u>	<u></u>	<u>1,083</u>	<u>2,700</u>	<u>1,617</u>	<u>1,018</u>
TOTAL PUBLIC SAFETY	<u>\$6,190,478</u>	<u>\$246,389</u>	<u>\$6,436,867</u>	<u>\$6,985,630</u>	<u>\$548,763</u>	<u>\$6,270,874</u>

CITY OF MORAIN, OHIO

GENERAL FUND

A-2

(Continued 3 of 3)

DETAILED SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL (NON-GAAP BUDGET)
FOR THE YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000

	2001				2000	
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
HEALTH:						
Health & Alcoholism:						
General operating expenses	\$904		\$904	\$1,500	\$596	\$1,385
Total Health & Alcoholism	904		904	1,500	596	1,385
Waste Collection:						
Personnel services						
General operating expenses	295,790	\$37,948	333,738	419,820	86,082	273,092
Total Waste Collection	295,790	37,948	333,738	419,820	86,082	273,092
Board of Zoning Appeals:						
General operating expenses	2,045		2,045	2,450	405	901
Total Board of Zoning Appeals	2,045		2,045	2,450	405	901
Building Inspection:						
Personnel services	60,787	420	61,207	118,494	57,287	54,609
General operating expenses	32,754	11,279	44,033	65,044	21,011	52,137
Total Building Inspection	93,541	11,699	105,240	183,538	78,298	106,746
Engineering:						
Personnel services	107,293	2,047	109,340	111,678	2,338	105,185
General operating expenses	35,443	17,683	53,126	62,844	9,718	36,281
Total Engineering	142,736	19,730	162,466	174,522	12,056	141,466
TOTAL HEALTH	\$535,016	\$69,377	\$604,393	\$781,830	\$177,437	\$523,590
HIGHWAYS AND STREETS:						
Street Lighting:						
General operating expenses	\$263,909		\$263,909	\$280,000	\$16,091	\$256,271
Total Street lighting	263,909		263,909	280,000	16,091	256,271
TOTAL HIGHWAYS AND STREETS	\$263,909		\$263,909	\$280,000	\$16,091	\$256,271
COMMUNITY DEVELOPMENT:						
Planning:						
Personnel services	\$60,586	\$2,504	\$63,090	\$123,868	\$60,778	\$109,642
General operating expenses	32,162	19,212	51,374	105,122	53,748	94,136
Total Planning	92,748	21,716	114,464	228,990	114,526	203,778
Planning Commission:						
General operating expenses	5,786	130	5,916	11,150	5,234	3,543
Total Planning Commission	5,786	130	5,916	11,150	5,234	3,543
TOTAL COMMUNITY DEVELOPMENT	\$98,534	\$21,846	\$120,380	\$240,140	\$119,760	\$207,321
TOTAL - ALL DEPARTMENTS	\$11,207,733	\$561,660	\$11,769,393	\$13,185,990	\$1,416,597	\$10,570,315

SPECIAL REVENUE FUNDS

These funds are to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Municipal Income Tax Fund - To account for the expenditures associated with the collection of the municipal income tax.

Parks and Recreation Fund - To account for specific recreation activities funded by fees.

Street Construction and Maintenance Fund - Required by State law to account for that portion of gasoline tax and motor vehicle license fees designated for maintenance of streets within the City.

State Highway Improvement Fund - Required by State law to account for that portion of gasoline tax and motor vehicle license fees designated for maintenance of State highways within the City.

Motor Vehicle License Tax Fund - Required by State law to account for that portion of County levied motor vehicle license tax designated for maintenance of streets within the City.

Education and Enforcement Fund - Required by State law to account for that portion of fines imposed by municipal courts for driving under the influence designated for use by the police department for enforcement and education in relation to driving under the influence.

Police Pension Fund - To account for property taxes levied and general fund transfers for the payment of Police Pension.

Fire Pension Fund - To account for property taxes levied and general fund transfers for the payment of Fire Pension.

Economic Development Grant Fund - To account for economic development grants received through the Economic Development/Government Equity program established within our county.

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SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEETS
DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	MUNICIPAL INCOME TAX	PARKS AND RECREATION	STREET CONSTRUCTION AND MAINTENANCE	STATE HIGHWAY IMPROVEMENT	MOTOR VEHICLE LICENSE TAX	EDUCATION AND ENFORCEMENT	POLICE PENSION	FIRE PENSION	ECONOMIC DEVELOPMENT GRANT	TOTALS	
										2001	2000
ASSETS:											
Cash and investments	\$97,649	\$487,728	\$282,234	\$312,056	\$25,021	\$8,062	\$100,279	\$28,288	\$1,832,317	\$3,173,634	\$3,251,533
Receivables:											
Property and other taxes											
Accounts			15,489	1,156	963		77,485	77,485	25,000	154,970	198,830
Intergovernmental			115,616	9,374	12,198		2,131	2,131		141,450	18,542
Loan									25,000	25,000	
Accrued interest											159
Due from other funds	10,000	35,000	50,000				60,000	95,000		250,000	245,000
Inventories	4,277		36,612							40,889	28,763
Prepaid expenditures	618	495	521							1,634	1,548
TOTAL ASSETS	\$112,544	\$523,223	\$500,472	\$322,586	\$38,182	\$8,062	\$239,895	\$202,904	\$1,882,317	\$3,830,185	\$3,744,375
LIABILITIES:											
Accounts payable	\$845	\$30,042	\$9,492	\$10,850	\$1,065				\$25,000	\$77,294	\$55,060
Accrued payroll and compensated absences	\$10,667	56,489	91,001				\$98,827	\$119,046		376,030	430,483
Deferred revenue			87,144	7,065	11,235		79,616	79,616		264,676	198,830
Due to other funds									1,145,000	1,145,000	1,145,000
Total liabilities	11,512	86,531	187,637	17,915	12,300		178,443	198,662	1,170,000	1,863,000	1,829,373
FUND EQUITY:											
Fund balance:											
Reserved for:											
Encumbrances	5,256	87,430	19,909	\$10,850	7,763				25,000	156,208	337,901
Inventory	4,277		36,612							40,889	28,763
Prepaid expenditures	618	495	521							1,634	1,548
Unreserved and unencumbered	90,881	348,767	255,793	293,821	18,119	\$8,062	61,452	4,242	687,317	1,768,454	1,546,790
Total fund equity	101,032	436,692	312,835	304,671	25,882	8,062	61,452	4,242	712,317	1,967,185	1,915,002
TOTAL LIABILITIES AND FUND EQUITY	\$112,544	\$523,223	\$500,472	\$322,586	\$38,182	\$8,062	\$239,895	\$202,904	\$1,882,317	\$3,830,185	\$3,744,375

CITY OF MORAINE, OHIO

SPECIAL REVENUE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	MUNICIPAL INCOME TAX	PARKS AND RECREATION	STREET CONSTRUCTION AND MAINTENANCE	STATE HIGHWAY IMPROVEMENT	MOTOR VEHICLE LICENSE TAX	EDUCATION AND ENFORCEMENT	POLICE PENSION	FIRE PENSION	ECONOMIC DEVELOPMENT GRANT	TOTALS	
										2001	2000
REVENUES:											
Other local taxes							\$92,741	\$92,741		\$185,482	\$193,778
State shared taxes and permits			\$289,546	\$23,377	\$20,752					333,675	321,656
Intergovernmental								\$388,705		388,705	355,398
Charges for services	\$943,078									943,078	611,214
Investment earnings	13,976	9,536		10,274	1,726	\$295	9,690	3,968		49,465	79,338
Miscellaneous receipts and reimbursements	55,475					121				55,596	31,079
Total revenues	1,012,529	299,082	33,651	22,478	416	102,431	96,709	388,705	1,956,001	1,592,463	
EXPENDITURES:											
Current:											
General government	\$195,166									195,166	200,254
Public Safety							364,653	437,704		802,357	843,889
Community development									556,464	556,464	721,538
Highways and streets			1,460,352	10,850	42,310					1,513,512	1,521,165
Recreation		2,726,319								2,726,319	2,217,163
Total expenditures	195,166	2,726,319	1,460,352	10,850	42,310	364,653	437,704	556,464	5,793,818	5,504,009	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(195,166)	(1,713,790)	(1,161,270)	22,801	(19,832)	416	(262,222)	(340,995)	(167,759)	(3,837,817)	(3,911,546)
OTHER FINANCING SOURCES - OPERATING											
Transfers in	125,000	1,850,000	1,300,000				275,000	340,000		3,890,000	3,270,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(70,166)	136,210	138,730	22,801	(19,832)	416	12,778	(995)	(167,759)	52,183	(641,546)
FUND BALANCE, BEGINNING OF YEAR	171,198	300,482	174,105	281,870	45,714	7,646	48,674	880,076	1,915,002	2,556,548	
FUND BALANCE, END OF YEAR	\$101,032	\$436,692	\$312,835	\$304,671	\$25,882	\$8,062	\$61,452	\$712,317	\$1,967,185	\$1,915,002	

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGET)
FOR THE YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000

	2001		2000			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
MUNICIPAL INCOME TAX						
REVENUES:						
Other local taxes						
State shared taxes and permits						
Intergovernmental						
Charges for services						
Investment earnings						
Miscellaneous receipts and reimbursements						
Total revenues						
EXPENDITURES:						
Current:						
General government:						
Personnel services	\$178,252	\$3,514	\$181,766	\$186,406	\$4,640	\$193,646
General operating expenses	16,914	(1,175)	15,739	30,525	14,786	6,608
Nongovernmental expenses						
Total general government expenditures	<u>195,166</u>	<u>2,339</u>	<u>197,505</u>	<u>216,931</u>	<u>19,426</u>	<u>200,254</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(195,166)	(2,339)	(197,505)	(216,931)	19,426	(200,254)
OTHER FINANCING SOURCES - OPERATING						
Transfers in	125,000		125,000	250,000	125,000	250,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(70,166)	(\$2,339)	(72,505)	33,069	\$144,426	49,746
FUND BALANCE, BEGINNING OF YEAR	171,198		164,899	164,899		121,452
ENCUMBRANCES			5,256			
FUND BALANCE, END OF YEAR	<u>\$101,032</u>		<u>\$97,650</u>	<u>\$197,968</u>		<u>\$171,198</u>

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGET)
FOR THE YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000

	2001		2000			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
PARKS AND RECREATION						
REVENUES:						
Other local taxes						
State shared taxes and permits						
Intergovernmental						
Charges for services	\$943,078	\$443	\$943,521	\$726,327	\$217,194	\$611,214
Investment earnings	13,976	7,385	21,361	13,816	7,545	20,087
Miscellaneous receipts and reimbursements	55,475		55,475	4,743	50,732	31,079
Total revenues	1,012,529	7,828	1,020,357	744,886	275,471	662,380
EXPENDITURES:						
Current: Recreation						
Civic Center						
Personnel services	336,685	7,667	344,352	404,373	60,021	485,638
General operating expenses	239,082	25,717	264,799	262,781	(2,018)	269,405
Total Civic Center	575,767	33,384	609,151	667,154	58,003	755,043
Natorium:						
Personnel services	67,174	(587)	66,587	103,479	36,892	12,417
General operating expenses	228,261	5,457	233,718	300,130	66,412	116,780
Total Natatorium	295,435	4,870	300,305	403,609	103,304	129,197
Water Park						
Personnel services	381,234	9,293	390,527	426,348	35,821	367,959
General operating expenses	789,527	10,274	799,801	834,008	34,207	815,819
Total Water Park	1,170,761	19,567	1,190,328	1,260,356	70,028	1,183,778
Recreation Center						
Personnel services	479,861	(8,152)	471,709	724,887	253,178	69,964
General operating expenses	204,495	38,778	243,273	315,713	72,440	79,181
Total Recreation Center	684,356	30,626	714,982	1,040,600	325,618	149,145
Total recreation expenditures	2,726,319	88,447	2,814,766	3,371,719	556,953	2,217,163
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,713,790)	(80,619)	(1,794,409)	(2,626,833)	832,424	(1,554,783)
OTHER FINANCING SOURCES - OPERATING						
Transfers in	1,850,000		1,850,000	2,350,000	(500,000)	1,600,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	136,210	(\$80,619)	55,591	(276,833)	\$332,424	45,217
FUND BALANCE, BEGINNING OF YEAR	300,482		350,706	350,706		255,265
ENCUMBRANCES			87,430			
FUND BALANCE, END OF YEAR	\$436,692		\$493,727	\$73,873		\$300,482

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL(NON-GAAP BUDGET)
FOR THE YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000

	2001			2000		
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
STREET CONSTRUCTION AND MAINTENANCE						
REVENUES:						
Other local taxes	\$289,546	(\$28,103)	\$261,443	\$284,513	(\$23,070)	\$278,818
State shared taxes and permits						
Intergovernmental						
Charges for services	9,536	4,737	14,273	13,048	1,225	24,091
Investment earnings						
Miscellaneous receipts and reimbursements						
Total revenues	<u>299,082</u>	<u>(23,366)</u>	<u>275,716</u>	<u>297,561</u>	<u>(21,845)</u>	<u>302,909</u>
EXPENDITURES:						
Current: Highways and streets:						
Street department:						
Personnel services	1,190,469	35,996	1,226,465	1,281,038	54,573	1,193,080
General operating expenses	269,893	58,270	328,153	340,184	12,031	273,708
Total street department	<u>1,460,352</u>	<u>94,266</u>	<u>1,554,618</u>	<u>1,621,222</u>	<u>66,604</u>	<u>1,466,788</u>
Traffic lights and signals:						
Personnel services						
General operating expenses						
Total traffic lights and signals						
Total highways and streets expenditures	<u>1,460,352</u>	<u>94,266</u>	<u>1,554,618</u>	<u>1,621,222</u>	<u>66,604</u>	<u>1,466,788</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,161,270)</u>	<u>(117,632)</u>	<u>(1,278,902)</u>	<u>(1,323,661)</u>	<u>44,759</u>	<u>(1,163,879)</u>
OTHER FINANCING SOURCES - OPERATING						
Transfers in	1,300,000		1,300,000	1,300,000		800,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>138,730</u>	<u>(\$117,632)</u>	<u>21,098</u>	<u>(23,661)</u>	<u>\$44,759</u>	<u>(363,879)</u>
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES	174,105		245,144	245,144		537,984
FUND BALANCE, END OF YEAR	<u>\$312,835</u>		<u>\$286,151</u>	<u>\$221,483</u>		<u>\$174,105</u>

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL(NON-GAAP BUDGET)
FOR THE YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000

	2001		2000			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
STATE HIGHWAY IMPROVEMENTS						
REVENUES:						
Other local taxes						
State shared taxes and permits	\$23,377	(\$2,179)	\$21,198	\$23,079	(\$1,881)	\$22,618
Intergovernmental						
Charges for services	10,274	5,267	15,541	9,818	5,723	16,702
Investment earnings						
Miscellaneous receipts and reimbursements						
Total revenues	<u>33,651</u>	<u>3,088</u>	<u>36,739</u>	<u>32,897</u>	<u>3,842</u>	<u>39,320</u>
EXPENDITURES:						
Capital outlay	10,850		10,850	65,000	54,150	7,750
Total highways and streets expenditures	<u>10,850</u>		<u>10,850</u>	<u>65,000</u>	<u>54,150</u>	<u>7,750</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	22,801	3,088	25,889	(32,103)	57,992	31,570
OTHER FINANCING SOURCES - OPERATING						
Transfers in						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>22,801</u>	<u>\$3,088</u>	<u>25,889</u>	<u>(32,103)</u>	<u>\$57,992</u>	<u>31,570</u>
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES	281,870		279,649	279,649		250,300
FUND BALANCE, END OF YEAR	<u>\$304,671</u>		<u>\$316,388</u>	<u>\$247,546</u>		<u>\$281,870</u>

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGET)
FOR THE YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000

	2001		2000			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
MOTOR VEHICLE LICENSE TAX						
REVENUES:						
Other local taxes	\$20,752	(\$971)	\$19,781	\$9,273	\$10,508	\$20,220
State shared taxes and permits						
Intergovernmental	1,726	497	2,223	2,302	(79)	4,553
Charges for services						
Investment earnings						
Miscellaneous receipts and reimbursements						
Total revenues	<u>22,478</u>	<u>(474)</u>	<u>22,004</u>	<u>11,575</u>	<u>10,429</u>	<u>24,773</u>
EXPENDITURES:						
Current: Highways and streets:						
Street department:						
Personnel services	42,310	6,698	49,008	50,000	992	46,627
General operating expenses	42,310	6,698	49,008	50,000	992	46,627
Total street department						
Total highways and streets expenditures	<u>42,310</u>	<u>6,698</u>	<u>49,008</u>	<u>50,000</u>	<u>992</u>	<u>46,627</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(19,832)</u>	<u>(7,172)</u>	<u>(27,004)</u>	<u>(38,425)</u>	<u>11,421</u>	<u>(21,854)</u>
OTHER FINANCING SOURCES - OPERATING						
Transfers in						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(19,832)</u>	<u>(\$7,172)</u>	<u>(27,004)</u>	<u>(38,425)</u>	<u>\$11,421</u>	<u>(21,854)</u>
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES	45,714		44,609	44,609		67,568
FUND BALANCE, END OF YEAR	<u>\$25,882</u>		<u>\$25,368</u>	<u>\$6,184</u>		<u>\$45,714</u>

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL(NON-GAAP BUDGET)
FOR THE YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000

	2001		2000			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
EDUCATION AND ENFORCEMENT						
REVENUES:						
Other local taxes						
State shared taxes and permits						
Intergovernmental						
Charges for services						
Investment earnings	\$295	(\$295)				\$475
Miscellaneous receipts and reimbursements	121	433	\$554	\$280	\$274	
Total revenues	416	138	554	280	274	475
EXPENDITURES:						
Current:						
Public safety:						
Police Department:						
General operating expenses				6,050	6,050	
Total police department				6,050	6,050	
Total public safety				6,050	6,050	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	416	138	554	(5,770)	6,324	475
OTHER FINANCING SOURCES - OPERATING						
Transfers in						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	416	\$138	554	(5,770)	\$6,324	475
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES	7,646		7,620	7,620		7,171
FUND BALANCE, END OF YEAR	\$8,062		\$8,174	\$1,850		\$7,646

SPECIAL REVENUE FUNDS

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGET)
FOR THE YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000**

	2001		2000			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
POLICE PENSION						
REVENUES:						
Other local taxes	\$92,741		\$92,741	\$97,814	(\$5,073)	\$96,889
State shared taxes and permits						
Intergovernmental						
Charges for services	9,690	\$1,703	11,393	5,341	6,052	8,252
Investment earnings						
Miscellaneous receipts and reimbursements						
Total revenues	<u>102,431</u>	<u>1,703</u>	<u>104,134</u>	<u>103,155</u>	<u>979</u>	<u>105,141</u>
EXPENDITURES:						
Current:						
Public safety:						
Police Department:						
Personnel services	363,472	5,817	369,289	394,000	24,711	393,937
General operating expenses	1,181		1,181	3,500	2,319	1,914
Total police department	<u>364,653</u>	<u>5,817</u>	<u>370,470</u>	<u>397,500</u>	<u>27,030</u>	<u>395,851</u>
Total public safety	<u>364,653</u>	<u>5,817</u>	<u>370,470</u>	<u>397,500</u>	<u>27,030</u>	<u>395,851</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(262,222)</u>	<u>(4,114)</u>	<u>(266,336)</u>	<u>(294,345)</u>	<u>28,009</u>	<u>(290,710)</u>
OTHER FINANCING SOURCES - OPERATING						
Transfers in	275,000		275,000	275,000		275,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>12,778</u>	<u>(\$4,114)</u>	<u>8,664</u>	<u>(19,345)</u>	<u>\$28,009</u>	<u>(15,710)</u>
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES	48,674		93,007	93,007		64,384
FUND BALANCE, END OF YEAR	<u>\$61,452</u>		<u>\$101,671</u>	<u>\$73,662</u>		<u>\$48,674</u>

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGET)
 FOR THE YEAR ENDED DECEMBER 31, 2001
 WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000

	2001		2000			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
FIRE PENSION						
REVENUES:						
Other local taxes	\$92,741		\$92,741	\$97,814	(\$5,073)	\$96,889
State shared taxes and permits						
Intergovernmental						
Charges for services	3,988	\$517	4,485	3,115	1,370	5,178
Investment earnings						
Miscellaneous receipts and reimbursements						
Total revenues	<u>96,709</u>	<u>517</u>	<u>97,225</u>	<u>100,929</u>	<u>(3,703)</u>	<u>102,067</u>
EXPENDITURES:						
Current:						
Public safety:						
Fire Department:						
Personnel services	436,523	3,070	439,593	441,500	1,907	446,124
General operating expenses	1,181		1,181	3,500	2,319	1,914
Total fire department	<u>437,704</u>	<u>3,070</u>	<u>440,774</u>	<u>445,000</u>	<u>4,226</u>	<u>448,038</u>
Total public safety	<u>437,704</u>	<u>3,070</u>	<u>440,774</u>	<u>445,000</u>	<u>4,226</u>	<u>448,038</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(340,995)</u>	<u>(2,553)</u>	<u>(343,548)</u>	<u>(344,071)</u>	<u>523</u>	<u>(345,971)</u>
OTHER FINANCING SOURCES - OPERATING						
Transfers in	340,000	(5,000)	335,000	335,000		345,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(995)</u>	<u>(\$7,553)</u>	<u>(8,548)</u>	<u>(9,071)</u>	<u>\$523</u>	<u>(971)</u>
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES	5,237		37,229	37,229		6,208
FUND BALANCE, END OF YEAR	<u>\$4,242</u>		<u>\$28,681</u>	<u>\$28,158</u>		<u>\$5,237</u>

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGET)
FOR THE YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000

	2001		2000			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
ECONOMIC DEVELOPMENT GRANT FUND						
REVENUES:						
Other local taxes						
State shared taxes and permits						
Intergovernmental						
Charges for services	\$388,705	(\$25,000)	\$363,705	\$463,705	(\$100,000)	\$355,398
Investment earnings						
Miscellaneous receipts and reimbursements						
Total revenues	<u>388,705</u>	<u>(25,000)</u>	<u>363,705</u>	<u>463,705</u>	<u>(100,000)</u>	<u>355,398</u>
EXPENDITURES:						
Current:						
Community Development:						
Personnel services						
General operating expenses	368,705		368,705	428,705	60,000	
Nongovernmental expenses	556,464	(343,705)	212,759	212,759		721,538
Total Community Development	<u>556,464</u>	<u>25,000</u>	<u>581,464</u>	<u>641,464</u>	<u>60,000</u>	<u>721,538</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(167,759)</u>	<u>(50,000)</u>	<u>(217,759)</u>	<u>(177,759)</u>	<u>(160,000)</u>	<u>(366,140)</u>
OTHER FINANCING SOURCES - OPERATING						
Transfers in						
Transfers out						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(167,759)</u>	<u>(\$50,000)</u>	<u>(217,759)</u>	<u>(177,759)</u>	<u>(\$160,000)</u>	<u>(366,140)</u>
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES	<u>880,076</u>		<u>2,025,076</u>	<u>2,025,076</u>		<u>1,246,216</u>
FUND BALANCE, END OF YEAR	<u>\$712,317</u>		<u>\$1,832,317</u>	<u>\$1,847,317</u>		<u>\$880,076</u>

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGET)
FOR THE YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000

	2001		2000			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
TOTAL SPECIAL REVENUE FUNDS						
REVENUES:						
Other local taxes	\$185,482		\$185,482	\$195,628	(\$10,146)	\$193,778
State shared taxes and permits	333,675	(\$31,253)	302,422	316,865	(14,443)	321,656
Intergovernmental	388,705	(25,000)	363,705	463,705	(100,000)	355,398
Charges for services	943,078	443	943,521	726,327	217,194	611,214
Investment earnings	49,465	19,811	69,276	47,440	21,836	79,338
Miscellaneous receipts and reimbursements	55,596	433	56,029	5,023	51,006	31,079
Total revenues	1,956,001	(35,566)	1,920,435	1,754,988	165,447	1,592,463
EXPENDITURES:						
Current:						
General government	195,166	2,339	197,505	216,931	19,426	200,254
Public safety	802,357	8,887	811,244	848,550	37,306	843,889
Community development	556,464	25,000	581,464	641,464	60,000	721,538
Highways and streets	1,513,512	100,964	1,614,476	1,736,222	121,746	1,521,165
Recreation	2,726,319	88,447	2,814,766	3,371,719	556,953	2,217,163
Total expenditures	5,793,818	225,637	6,019,455	6,814,886	795,431	5,504,009
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,837,817)	(261,203)	(4,099,020)	(5,059,898)	960,878	(3,911,546)
OTHER FINANCING SOURCES - OPERATING						
Transfers in	3,890,000	(5,000)	3,885,000	4,510,000	(625,000)	3,270,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	52,183	(\$266,203)	(214,020)	(549,898)	\$335,878	(641,546)
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES	1,915,002		3,247,939	3,247,939		2,556,548
FUND BALANCE, END OF YEAR	\$1,967,185		\$3,190,127	\$2,698,041		\$1,915,002

CAPITAL PROJECTS FUNDS

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

Capital Improvement/Income Tax Fund - This fund is used to account for the expenditure of the funds collected from the .5% income tax increase approved in 1991, which was in effect through 1993. These funds are being used for specific capital improvement projects and should be complete by the end of 2001.

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CAPITAL PROJECTS FUNDS

**COMBINING BALANCE SHEETS
DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000**

	CAPITAL PROJECTS	CAPITAL IMPROVEMENT/ INCOME TAX	TOTALS	
			2001	2000
ASSETS:				
Cash and investments	\$4,790,352	\$25,037	\$4,815,389	\$3,458,618
Receivables:				
Income taxes	318,004		318,004	297,671
Accounts	1,445		1,445	667
Accrued interest				10
TOTAL ASSETS	\$5,109,801	\$25,037	\$5,134,838	\$3,756,966
LIABILITIES:				
Accounts payable	\$46,092		\$46,092	\$117,424
Deferred revenue	139,763		139,763	
Total liabilities	185,855		185,855	117,424
FUND EQUITY:				
Fund balance:				
Reserved for:				
Encumbrances	784,469		784,469	588,153
Unreserved and undesignated	4,139,477	\$25,037	4,164,514	3,051,389
Total fund equity	4,923,946	25,037	4,948,983	3,639,542
TOTAL LIABILITIES AND FUND EQUITY	\$5,109,801	\$25,037	\$5,134,838	\$3,756,966

CAPITAL PROJECTS FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	CAPITAL PROJECTS	CAPITAL IMPROVEMENT/ INCOME TAX	TOTALS
			2001 2000
REVENUES:			
Other local taxes	\$2,290,387		\$2,290,387 \$2,480,324
State shared taxes and permits			200,000
Intergovernmental			700,331
Investment earnings		\$1,786	1,786 66,558
Miscellaneous receipts and reimbursements	448,317		448,317 314,926
Total revenues	2,738,704	1,786	2,740,490 3,762,139
EXPENDITURES:			
Capital outlay	1,433,198	32,798	1,465,996 9,029,437
Debt services			
Principal	27,710		27,710
Total expenditures	1,460,908	32,798	1,493,706 9,029,437
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,277,796	(31,012)	1,246,784 (5,267,298)
OTHER FINANCING SOURCES (USES)			
Sale of land and buildings	62,657		62,657 62,327
Operating transfers in (out)			
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	1,340,453	(31,012)	1,309,441 (5,204,971)
FUND BALANCE, BEGINNING OF YEAR	3,583,493	56,049	3,639,542 8,844,513
FUND BALANCE, END OF YEAR	\$4,923,946	\$25,037	\$4,948,983 \$3,639,542

CITY OF MORAINE, OHIO

C-3
(Continued 1 of 3)**CAPITAL PROJECTS FUNDS**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL(NON-GAAP BUDGET)
FOR THE YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000

	2001		2000			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
CAPITAL PROJECTS FUND						
REVENUES:						
Municipal income tax	\$2,290,387	\$119,431	\$2,409,818	\$2,346,733	\$63,085	\$2,480,324
State shared taxes and permits						200,000
Intergovernmental						700,331
Investment earnings	448,317	36,878	485,195	444,844	40,351	314,926
Miscellaneous receipts and reimbursements	2,738,704	156,309	2,895,013	2,791,577	103,436	3,695,581
Total revenues						
	1,433,198	848,449	2,281,647	2,730,531	448,884	8,253,702
EXPENDITURES:						
Capital outlay	27,710		27,710	27,710		
Debt services						
Principal						
Total expenditures						
	1,460,908	848,449	2,309,357	2,758,241	448,884	8,253,702
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	1,277,796	(692,140)	585,656	33,336	552,320	(4,558,121)
OTHER FINANCING SOURCES (USES)						
Sale of land and buildings	62,657	(37,657)	25,000	62,657	(37,657)	62,327
Proceeds from sale of debt						
Operating transfers in (out)						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES						
	1,340,453	(\$729,797)	610,656	95,993	\$514,663	(4,495,794)
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES						
	3,583,493		3,395,227	3,395,227		8,079,287
	784,469		784,469			
FUND BALANCE, END OF YEAR						
	\$4,923,946		\$4,790,352	\$3,491,220		\$3,583,493

CAPITAL PROJECTS FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGET)
FOR THE YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000

	2001		2000			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
CAPITAL IMPROVEMENT / INCOME TAX FUND						
REVENUES:						
Municipal income tax						
State shared taxes and permits		\$558	\$2,344	\$1,000	\$1,344	\$66,558
Intergovernmental	\$1,786					
Investment earnings						
Miscellaneous receipts and reimbursements						
Total revenues	<u>1,786</u>	<u>558</u>	<u>2,344</u>	<u>1,000</u>	<u>1,344</u>	<u>66,558</u>
EXPENDITURES:						
Capital outlay	32,798	7,351	40,149	40,149		775,735
Total expenditures	<u>32,798</u>	<u>7,351</u>	<u>40,149</u>	<u>40,149</u>		<u>775,735</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(31,012)	(6,793)	(37,805)	(39,149)	1,344	(709,177)
OTHER FINANCING SOURCES (USES)						
Sale of land and buildings						
Operating transfers in (out)						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(31,012)	(\$6,793)	(37,805)	(39,149)	\$1,344	(709,177)
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES	56,049		63,189	63,189		765,226
FUND BALANCE, END OF YEAR	<u>\$25,037</u>		<u>\$25,384</u>	<u>\$24,040</u>		<u>\$56,049</u>

CITY OF MORAINE, OHIO

C-3
(Continued 3 of 3)**CAPITAL PROJECTS FUNDS**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL(NON-GAAP BUDGET)
FOR THE YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000

	2001		2000			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
TOTAL CAPITAL PROJECTS FUNDS						
REVENUES:						
Municipal income tax	\$2,290,387	\$119,431	\$2,409,818	\$2,346,733	\$63,085	\$2,480,324
State shared taxes and permits						200,000
Intergovernmental	1,786	558	2,344	1,000	1,344	700,331
Investment earnings	448,317	36,878	485,195	444,844	40,351	66,558
Miscellaneous receipts and reimbursements	2,740,490	156,867	2,897,357	2,792,577	104,780	314,926
Total revenues						3,762,139
EXPENDITURES:						
Capital outlay	1,465,996	855,800	2,321,796	2,770,680	448,884	9,029,437
Debt services:						
Principal	27,710		27,710	27,710		
Total expenditures	1,493,706	855,800	2,349,506	2,798,390	448,884	9,029,437
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,246,784	(698,933)	547,851	(5,813)	553,664	(5,267,298)
OTHER FINANCING SOURCES (USES)						
Sale of land and buildings						
Proceed from sale of debt	62,657	(37,657)	25,000	62,657	(37,657)	62,327
Operating transfers in (out)						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	1,309,441	(\$736,590)	572,851	56,844	\$516,007	(5,204,971)
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES	3,639,542		3,458,416	3,458,416		8,844,513
FUND BALANCE, END OF YEAR	\$4,948,983		\$4,815,736	\$3,515,260		\$3,639,542

DEBT SERVICE FUND

This fund is to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

2 0 0 1

CITY OF MORAIN, OHIO

D-1

DEBT SERVICE FUND**COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2001 AND 2000**

	<u>2001</u>	<u>2000</u>
ASSETS:		
Cash and investments	\$140,529	\$138,201
Receivables:		
Special assessments, including liens	19,636	44,886
Accrued interest		21
TOTAL ASSETS	<u>\$160,165</u>	<u>\$183,108</u>
LIABILITIES:		
Deferred revenue	<u>\$19,636</u>	<u>\$44,886</u>
Total liabilities	<u>19,636</u>	<u>44,886</u>
FUND EQUITY:		
Fund balance:		
Reserved for:		
Debt service	<u>140,529</u>	<u>138,222</u>
Total fund equity	<u>140,529</u>	<u>138,222</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$160,165</u>	<u>\$183,108</u>

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGET)
 FOR THE YEAR ENDED DECEMBER 31, 2001
 WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2000

	2001			2000		
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
REVENUES:						
Special assessments	\$25,250		\$25,250	\$30,000	(\$4,750)	\$31,374
Investment earnings	5,557	\$2,412	7,969	5,093	2,876	8,256
Total revenues	30,807	2,412	33,219	35,093	(1,874)	39,630
EXPENDITURES:						
Community Development						
Nongovernmental expense						
Total Community Development						
Debt services						
Principal	20,000		20,000	20,000		15,000
Interest	8,500		8,500	8,500		10,000
Total Debt Services	28,500		28,500	28,500		25,000
Total expenditures	28,500		28,500	28,500		25,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,307	\$2,412	4,719	6,593	(\$1,874)	14,630
FUND BALANCE, BEGINNING OF YEAR	138,222		137,761	137,761		123,592
FUND BALANCE, END OF YEAR	\$140,529		\$142,480	\$144,354		\$138,222

ENTERPRISE FUND

The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Moraine Improvement Loan Fund - The City established the Moraine Improvement Loan Program to make low interest rate loans to property owners for home improvements and businesses for various capital and operational needs.

2 0 0 1

CITY OF MORAIN, OHIO

E-1

ENTERPRISE FUND

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
ASSETS		
CURRENT ASSETS:		
Cash and investments	\$351,527	\$269,046
Accrued interest		41
Total current assets	<u>351,527</u>	<u>269,087</u>
LOANS RECEIVABLE	324,768	389,366
ALLOWANCE FOR LOAN LOSS	<u>(253,832)</u>	<u>(253,832)</u>
TOTAL ASSETS	<u><u>\$422,463</u></u>	<u><u>\$404,621</u></u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable		
Total current liabilities		
RETAINED EARNINGS - UNRESERVED	\$422,463	\$404,621
TOTAL LIABILITIES AND EQUITY	<u><u>\$422,463</u></u>	<u><u>\$404,621</u></u>

CITY OF MORaine, OHIO

E-2

ENTERPRISE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
OPERATING REVENUES:		
Charges for services	<u>\$8,536</u>	<u>\$8,856</u>
Total operating revenues	<u>8,536</u>	<u>8,856</u>
OPERATING EXPENSES		
General operating	1,083	141
Provision for bad debts		<u>250,000</u>
Total operating expenses	<u>1,083</u>	<u>250,141</u>
OPERATING INCOME (LOSS)	7,453	(241,285)
NONOPERATING INCOME		
Investment earnings	<u>10,389</u>	<u>20,880</u>
NET INCOME (LOSS)	<u>17,842</u>	<u>(220,405)</u>
RETAINED EARNINGS, BEGINNING OF YEAR	404,621	625,026
RETAINED EARNINGS, END OF YEAR	<u><u>\$422,463</u></u>	<u><u>\$404,621</u></u>

CITY OF MORaine, OHIO

E-3

ENTERPRISE FUND

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income	\$7,453	(\$241,285)
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Provision for loan losses		250,000
(Increase) decrease in accrued interest	41	154
(Increase) decrease in loan interest receivable	(24,701)	281,568
Loan disbursements	(4,373)	(360,804)
Loan repayments	93,672	33,387
Net cash provided by operating activities	<u>72,092</u>	<u>(36,980)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment earnings	10,389	20,880
Net cash provided by (used for) investing activities	<u>10,389</u>	<u>20,880</u>
NET INCREASE (DECREASE) IN CASH	82,481	(16,100)
CASH AT BEGINNING OF YEAR	269,046	285,146
CASH AT END OF YEAR	<u><u>\$351,527</u></u>	<u><u>\$269,046</u></u>

INTERNAL SERVICE FUNDS

The internal service fund is used to account for the financing of goods or services provided by one department to other departments of the City, on a cost-reimbursement basis.

City Garage Fund - To account for the monies received from other departments to cover the cost of servicing the vehicles of the City departments.

Health Insurance Program Fund - To accumulate monies for the payment of health insurance costs. The City charges the departments for health insurance and pays actual claims from this fund.

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CITY OF MORAIN, OHIO

F-1

INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEETS
 DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	CITY GARAGE	HEALTH INSURANCE	TOTALS	
			2001	2000
ASSETS				
CURRENT ASSETS:				
Cash and investments	\$77,319	\$888,481	\$965,800	\$994,819
Accrued interest				
Inventory	80,380		80,380	76,099
Prepaid items	116		116	115
Total current assets	157,815	888,481	1,046,296	1,071,033
FIXED ASSETS				
Machinery and equipment	127,007		127,007	113,267
Less accumulated depreciation	(89,467)		(89,467)	(80,556)
Net fixed assets	37,540		37,540	32,711
TOTAL ASSETS	\$195,355	\$888,481	\$1,083,836	\$1,103,744
LIABILITIES AND EQUITY				
CURRENT LIABILITIES:				
Accounts payable	\$8,617		\$8,617	\$5,306
Insurance claims payable		\$62,971	62,971	33,172
Accrued payroll and compensated absences	65,314		65,314	39,463
Total current liabilities	73,931	62,971	136,902	77,941
RETAINED EARNINGS - UNRESERVED	121,424	825,510	946,934	1,025,803
TOTAL LIABILITIES AND EQUITY	\$195,355	\$888,481	\$1,083,836	\$1,103,744

INTERNAL SERVICE FUNDS**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR 2000**

	CITY GARAGE	HEALTH INSURANCE	TOTALS	
			2001	2000
OPERATING REVENUES:				
Charges for services	\$266,166	\$946,164	\$1,212,330	\$962,408
Total operating revenues	266,166	946,164	1,212,330	962,408
OPERATING EXPENSES				
Personnel services	286,325		286,325	234,955
General operating	253,208		253,208	198,410
Insurance claims		1,073,427	1,073,427	855,555
Depreciation	8,911		8,911	8,514
Total operating expenses	548,444	1,073,427	1,621,871	1,297,434
OPERATING INCOME (LOSS)	(282,278)	(127,263)	(409,541)	(335,026)
NONOPERATING INCOME				
Investment earnings		36,672	36,672	47,188
INCOME (LOSS) BEFORE OPERATING TRANSFER:	(282,278)	(90,591)	(372,869)	(287,838)
OPERATING TRANSFERS IN	294,000		294,000	250,000
NET INCOME (LOSS)	11,722	(90,591)	(78,869)	(37,838)
RETAINED EARNINGS, BEGINNING OF YEAR	109,702	916,101	1,025,803	1,063,641
RETAINED EARNINGS, END OF YEAR	\$121,424	\$825,510	\$946,934	\$1,025,803

INTERNAL SERVICE FUNDS**STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR 2000**

	CITY GARAGE	HEALTH INSURANCE	TOTALS	
			2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	(\$282,278)	(\$127,263)	(\$409,541)	(\$335,026)
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:				
Depreciation	8,911		8,911	8,514
(Increase) decrease in accrued interest				
(Increase) decrease in accrued inventory	(4,281)		(4,281)	(6,837)
(Increase) decrease in prepaid expenditures	(1)		(1)	
Increase (decrease) in accounts payable	3,311		3,311	966
Increase (decrease) in insurance claims payable		29,799	29,799	1,122
Increase (decrease) in accrued payroll	25,851		25,851	(12,554)
Net cash provided by operating activities	(248,487)	(97,464)	(345,951)	(343,815)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers, in	294,000		294,000	250,000
Net cash provided by noncapital financing activities:	294,000		294,000	250,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of machinery and equipment	(13,740)		(13,740)	(14,040)
Net cash provided by (used for) capital and related financing activities	(13,740)		(13,740)	(14,040)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings		36,672	36,672	47,188
Net cash provided from investing activities		36,672	36,672	47,188
NET INCREASE (DECREASE) IN CASH	31,773	(60,792)	(29,019)	(60,667)
CASH AT BEGINNING OF YEAR	45,546	949,273	994,819	1,055,486
CASH AT END OF YEAR	\$77,319	\$888,481	\$965,800	\$994,819

TRUST AND AGENCY FUNDS

These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The Agency Funds do not involve measurement of results of operations since they are custodial in nature (assets equal liabilities). The City does not have any nonexpendable trust funds.

EXPENDABLE TRUST FUNDS:

Reserve - To accumulate monies for unplanned expenditures, which arise.

State Law Enforcement Trust Fund - To account for the receipt and disbursement of money and proceeds from the sale of forfeited property under the provisions of State law.

Drug Law Enforcement Trust Fund - To account for the receipt and disbursement of mandatory drug fines, forfeited drug bails and the sale of forfeited property from drug related cases.

AGENCY FUNDS:

Moraine Mayor's Court - Under Ohio Law, the Moraine Mayor's Court is considered part of the City. The Court handles traffic and criminal cases for the City of Moraine. The Mayor appoints the Clerk of Courts who deposits and controls undistributed receipts (principally posted bonds). The City, however, controls the fiscal operations of the Court, reviews and approves budget requests and amendments, provides space and owns all property used by the Court. The General Fund includes Court operations; Agency funds include undistributed receipts.

Miscellaneous Trust - To account for miscellaneous deposits received by the City.

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TRUST AND AGENCY FUNDS

COMBINING BALANCE SHEETS
 DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

	EXPENDABLE TRUST FUNDS		AGENCY FUNDS		TOTALS	
	STATE LAW ENFORCEMENT TRUST	DRUG LAW ENFORCEMENT TRUST	MAYOR'S COURT	MISCELLANEOUS TRUST/AGENCY	2001	2000
ASSETS:						
Pooled cash and investments	\$1,398,716	\$388	\$48,494	\$26,087	\$1,476,346	\$1,445,420
Accrued interest				\$2,661		219
TOTAL ASSETS	<u>\$1,398,716</u>	<u>\$388</u>	<u>\$48,494</u>	<u>\$26,087</u>	<u>\$1,476,346</u>	<u>\$1,445,639</u>
LIABILITIES:						
Escrow bonds and deposits			\$21,517	\$2,661	\$24,178	\$15,201
Accounts payable			4,570		4,570	4,956
Due to other governments						2,749
Deferred compensation payable						
Total liabilities			<u>26,087</u>	<u>2,661</u>	<u>28,748</u>	<u>22,906</u>
FUND EQUITY:						
Fund balance, Unreserved and undesignated	1,398,716	\$388	\$48,494		1,447,598	1,422,733
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,398,716</u>	<u>\$388</u>	<u>\$48,494</u>	<u>\$26,087</u>	<u>\$1,476,346</u>	<u>\$1,445,639</u>

EXPENDABLE TRUST FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	RESERVE	STATE LAW	DRUG LAW	TOTALS	
		ENFORCEMENT TRUST	ENFORCEMENT TRUST	2001	2000
REVENUES:					
Investment earnings	\$53,086	\$14	\$1,752	\$54,852	\$90,444
Drug forfeitures	24,779		2,709	27,488	33,452
Total revenues	77,865	14	4,461	82,340	123,896
EXPENDITURES:					
Current:					
General government - insurance settlements	48,976			48,976	27,935
Public safety	8,499			8,499	24,788
TOTAL EXPENDITURES	57,475			57,475	52,723
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	20,390	14	4,461	24,865	71,173
FUND BALANCE, BEGINNING OF YEAR	1,378,326	374	44,033	1,422,733	1,351,560
FUND BALANCE, END OF YEAR	\$1,398,716	\$388	\$48,494	\$1,447,598	\$1,422,733

AGENCY FUNDS

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	AGENCY FUNDS		TOTALS	
	MAYOR'S COURT	MISCELLANEOUS TRUST/AGENCY	2001	2000
ASSETS				
CASH, JANUARY 1, 2001	\$15,652	\$2,298	\$17,950	\$24,701
ADDITIONS	328,777	11,960	340,737	326,286
REDUCTIONS	(318,342)	(11,597)	(329,939)	(333,037)
CASH, DECEMBER 31, 2001	26,087	2,661	28,748	17,950
TOTAL ASSETS	\$26,087	\$2,661	\$28,748	\$17,950
LIABILITIES				
ESCROW BONDS, DEPOSITS AND DEFERRED COMPENSATION PAYABLE, JANUARY 1, 2001	\$12,903	\$2,298	\$15,201	\$21,017
ADDITIONS	269,628	11,960	281,588	270,944
DELETIONS	(261,014)	(11,597)	(272,611)	(276,760)
ESCROW BONDS, DEPOSITS AND DEFERRED COMPENSATION PAYABLE, DECEMBER 31, 2001	21,517	2,661	24,178	15,201
PAYABLE TO OTHER GOVERNMENTS, JANUARY 1, 2001	2,749		2,749	3,684
ADDITIONS	59,149		59,149	55,342
DELETIONS	(57,328)		(57,328)	(56,277)
PAYABLE TO OTHER GOVERNMENTS, DECEMBER 31, 2001	4,570		4,570	2,749
TOTAL LIABILITIES	\$26,087	\$2,661	\$28,748	\$17,950

GENERAL FIXED ASSETS ACCOUNT GROUP

This account group is used to account for fixed assets not used in proprietary fund operations.

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CITY OF MORAINE, OHIO

H-1

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
DECEMBER 31, 2001 AND 2000

	2001	2000
GENERAL FIXED ASSETS:		
Land and land improvements	\$2,654,770	\$2,814,728
Buildings	12,216,128	12,054,664
Machinery and equipment	7,136,554	6,560,876
Assets acquired through capital leases	964,343	964,343
Construction in progress	-	116,682
Total general fixed assets	22,971,795	22,511,293
Accumulated depreciation	8,305,154	7,304,821
NET GENERAL FIXED ASSETS	\$14,666,641	\$15,206,472
INVESTMENTS IN GENERAL FIXED ASSETS FROM:		
Capital Projects Fund:		
Various revenue sources	\$3,777,954	\$4,075,535
General revenues	18,199,696	17,463,421
General fund revenues	249,145	227,337
Contributed assets	745,000	745,000
TOTAL INVESTMENTS IN GENERAL FIXED ASSETS	\$22,971,795	\$22,511,293

**SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
AS OF DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000**

FUNCTION AND ACTIVITY	LAND AND			MACHINERY		TOTALS	
	IMPROVEMENTS	BUILDINGS	EQUIPMENT	2001	2000		
GENERAL GOVERNMENT:							
Mayor's court			\$47,707	\$47,707	\$49,814		
City manager			56,341	56,341	56,778		
Finance			77,840	77,840	113,306		
General services			290,646	290,646	268,803		
Public buildings	\$92,680	\$3,295,758	352,893	3,741,331	3,579,867		
Clerk of council			9,723	9,723	14,822		
Total General Government	92,680	3,295,758	835,150	4,223,588	4,083,390		
PUBLIC SAFETY:							
Police			1,864,988	1,864,988	1,762,825		
Fire	140,020	1,688,423	2,548,174	4,376,617	4,240,736		
Total Public Safety	140,020	1,688,423	4,413,162	6,241,605	6,003,561		
OTHER:							
Health			78,859	78,859	78,859		
Highways and streets	406,027	911,181	1,987,044	3,304,252	3,032,851		
Community development	1,342,527	52,620	133,965	1,529,112	1,812,821		
Parks and recreation	673,516	6,268,146	652,717	7,594,379	7,383,129		
Total other	2,422,070	7,231,947	2,852,585	12,506,602	12,307,660		
Construction in progress					116,682		
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	2,654,770	12,216,128	8,100,897	22,971,795	22,511,293		
LESS ACCUMULATED DEPRECIATION							
		3,480,025	4,825,129	8,305,154	7,304,821		
TOTAL GENERAL FIXED ASSETS	\$2,654,770	\$8,736,103	\$3,275,768	\$14,666,641	\$15,206,472		

CITY OF MORAINÉ, OHIO

STATISTICAL SECTION

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CITY OF MORAINE, OHIO

TABLE 1

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT</u>	<u>PUBLIC SAFETY</u>	<u>HIGHWAYS AND STREETS</u>	<u>COMMUNITY DEVELOPMENT</u>
1992	\$1,484,066	\$3,432,052	\$1,248,908	\$68,849
1993	1,550,528	4,242,974	1,220,067	67,681
1994	1,607,947	4,738,388	1,338,851	105,380
1995	1,678,003	5,185,160	1,511,825	79,264
1996	1,784,891	5,715,983	1,630,266	128,315
1997	2,034,547	6,104,363	1,841,678	231,830
1998	2,239,371	6,352,935	1,904,070	1,100,914
1999	2,770,795	6,873,547	1,720,468	2,627,986
2000	3,512,513	7,114,763	1,777,436	928,859
2001	4,314,962	6,992,835	1,777,421	654,998

<u>FISCAL YEAR</u>	<u>HEALTH</u>	<u>RECREATION</u>	<u>TOTALS</u>
1992	\$423,942	\$498,664	\$8,003,856
1993	385,078	504,371	8,680,015
1994	411,789	488,289	9,354,330
1995	446,653	545,384	10,251,492
1996	450,413	557,664	11,220,495
1997	459,790	597,950	12,655,030
1998	533,278	723,524	15,249,598
1999	529,559	900,056	14,763,186
2000	523,590	2,217,163	16,480,969
2001	535,016	2,726,319	17,001,551

Source: City of Moraine, Department of Finance

(1) Includes General and Special Revenue Funds.

CITY OF MORAINE, OHIO

TABLE 2

**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>MUNICIPAL INCOME TAXES</u>	<u>OTHER LOCAL TAXES</u>	<u>STATE SHARED TAXES AND PERMITS</u>	<u>INTER-GOVERNMENTAL AID, GRANTS</u>
1992	\$5,942,970	\$472,820	\$509,168	
1993	6,715,832	595,876	536,889	
1994	7,799,435	500,774	728,373	
1995	11,570,170 (2)	601,513	715,214	\$11,050
1996	11,829,176	640,384	692,154	35
1997	12,236,361	660,163	742,996	81,918
1998	12,730,609	749,579	770,457	1,055,367
1999	13,474,430	726,875	793,608	1,320,552
2000	14,048,786	803,800	829,820	355,398
2001	12,780,377	769,017	882,968	394,001

<u>FISCAL YEAR (2)</u>	<u>CHARGES FOR SERVICES</u>	<u>FINES, COSTS, FORFEITURES, LICENSE AND PERMITS</u>	<u>INVESTMENT EARNINGS AND MISCELLANEOUS RECEIPTS</u>	<u>TOTAL</u>
1992	\$55,192	\$134,267	\$483,402	\$7,597,819
1993	64,857	128,267	628,119	8,669,840
1994	58,228	193,396	516,012	9,796,218
1995	68,667	259,384	339,346	13,565,344
1996	71,301	288,180	879,427	14,400,657
1997	77,573	353,701	1,072,098	15,224,810
1998	90,380	347,444	1,343,166	17,087,002
1999	90,121	318,176	715,586	17,439,348
2000	612,055	264,769	1,502,510	18,417,138
2001	945,397	256,057	1,089,177	17,116,994

Source: City of Moraine, Department of Finance

(1) Includes General and Special Revenue Funds.

(2) The income tax rate was increased by voters to 1.5% beginning in 1995 with 85% going to operations and 15% going to capital.

CITY OF MORaine, OHIO
INCOME TAX REVENUES (1)
LAST TEN FISCAL YEARS

TABLE 3

FISCAL YEAR	AMOUNT
1992	\$9,742,061
1993	11,194,943
1994	12,939,603
1995	13,947,788
1996	13,915,566
1997	14,397,808
1998	14,996,458
1999	15,857,815
2000	16,529,110
2001	15,070,764

Source: City of Moraine, Department of Finance

(1) Includes all governmental fund types.

CITY OF MORAIN, OHIO

TABLE 4

**PROPERTY TAXES LEVIED AND COLLECTED
LAST TEN FISCAL YEARS**

<u>TAX YEAR</u>	<u>COLLECTION YEAR</u>	<u>TOTAL TAX LEVIED</u>	<u>TOTAL TAX COLLECTED</u>	<u>PERCENTAGE OF LEVIED COLLECTED</u>	<u>DELINQUENT TAX COLLECTIONS</u>
1991/1992	1992	\$584,637	\$540,894	93%	\$73,464
1992/1993	1993	587,826	568,924	97%	33,323
1993/1994	1994	581,695	581,340	99%	11,043
1994/1995	1995	593,995	583,105	98%	18,383
1995/1996	1996	599,520	598,310	99%	22,934
1996/1997	1997	649,289	605,711	93%	51,589
1997/1998	1998	643,999	725,085	112%	22,983
1998/1999	1999	761,096	712,028	94%	22,549
1999/2000	2000	785,637	774,640	99%	21,396
2000/2001	2001	865,439	772,975	89%	4,861

<u>TAX YEAR</u>	<u>COLLECTION YEAR</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>TOTAL COLLECTIONS AS PERCENTAGE OF CURRENT LEVIED</u>	<u>OUTSTANDING DELINQUENT TAXES</u>	<u>OUTSTANDING DELINQUENT TAXES AS PERCENTAGE OF CURRENT LEVIED</u>
1991/1992	1992	\$614,358	105%	\$69,225	12%
1992/1993	1993	602,247	104%	82,149	14%
1993/1994	1994	593,650	100%	72,405	12%
1994/1995	1995	601,488	100%	75,820	13%
1995/1996	1996	621,244	96%	70,620	11%
1996/1997	1997	657,300	102%	32,983	5%
1997/1998	1998	748,068	98%	37,786	5%
1998/1999	1999	734,577	94%	44,027	6%
1999/2000	2000	796,036	92%	58,536	7%
2000/2001	2001	777,836	90%	41,851	5%

Source: Montgomery County Auditor's Office

CITY OF MORaine, OHIO

TABLE 5

ASSESSED VALUE AND CURRENT MARKET VALUE OF ALL TAXABLE PROPERTY
LAST TEN YEARS

TAX YEAR	COLLECTION YEAR	REAL PROPERTY VALUES		PERSONAL PROPERTY VALUES		TOTAL VALUES	
		ASSESSED	CURRENT MARKET	ASSESSED	CURRENT MARKET	ASSESSED	CURRENT MARKET
1991	1992	\$105,575,050	\$301,643,000	\$122,560,851	\$471,387,888	\$228,135,901	\$773,030,888
1992	1993	110,320,350	315,201,000	124,908,051	499,632,204	235,228,401	814,833,204
1993	1994	113,003,040	322,865,828	121,223,799	484,895,196	234,226,839	807,761,024
1994	1995	111,801,640	319,433,257	126,929,923	428,871,125	238,731,563	748,304,382
1995	1996	112,596,340	321,316,457	128,377,545	441,395,211	240,973,885	762,711,668
1996	1997	119,721,830	342,062,371	141,511,099	467,405,754	261,232,929	809,468,125
1997	1998	118,468,210	338,480,600	140,486,427	437,030,368	258,954,637	775,510,968
1998	1999	121,605,300	347,443,714	182,833,188	609,174,463	304,438,488	956,618,177
1999	2000	133,092,460	380,264,171	181,162,506	605,991,774	314,254,966	986,255,945
2000	2001	142,314,180	406,611,943	205,335,030	657,394,322	347,649,210	1,064,006,265

Source: Montgomery County Auditor's Office

CITY OF MORAINE, OHIO

TABLE 6

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
MUNICIPAL UNITS:										
General Fund	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Police Pension Fund	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Fire Pension Fund	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total Municipal Rates	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>
COUNTY UNITS:										
General Fund	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Mental Retardation D & D	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Conservancy Tax										
Human Services Levy A	1.4	1.4	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21
Human Services Levy B	1.32	1.32			5.03	5.03	5.03	5.03	5.03	5.03
Human Services Levy III	2.36	2.36	2.36	2.36						
Human Services Levy IV	2.67	2.67	2.67	2.67						
Total County Rates	<u>10.45</u>	<u>10.45</u>	<u>12.94</u>	<u>12.94</u>	<u>12.94</u>	<u>12.94</u>	<u>12.94</u>	<u>12.94</u>	<u>12.94</u>	<u>12.94</u>
OTHER UNITS:										
Montgomery County Community College	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Montgomery County Park District	0.7	0.7	0.7	1.2	1.2	1.2	1.2	1.2	1.2	1.8
Dayton - Montgomery Library					0.72	0.72	0.72	0.26	0.26	0.26
SCHOOL DISTRICT:										
Kettering / Moraine Community	48.9	48.9	49.81	49.8	53.1	53.1	53.1	53.1	53.1	56.3
West Carrollton Community	43.44	50.84	50.84	50.76	50.76	53.26	53.26	53.26	53.26	60.66
Jefferson Local School	50.9	56.4	56.4	56.4	56.4	56.4	56.4	61.9	61.9	61.9
Miamisburg Community	38.95	38.74	38.95	38.95	44.7					(1)
Joint Vocational School	1.98	1.98	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58

Source: Montgomery County Auditor's Office

(1) As of 1997 the City has no property in the school district

CITY OF MORAINE, OHIO
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS

TABLE 7

FISCAL YEAR	ASSESSMENTS BILLED	PENALTIES AND INTEREST ASSESSED	ASSESSMENTS DUE (1)	ASSESSMENTS COLLECTED	RATIO OF COLLECTIONS TO AMOUNT DUE	TOTAL DELINQUENT OUTSTANDING ASSESSMENTS
1992	\$39,900		\$39,900	\$39,900	100%	
1993	43,764		43,764	43,764	100%	
1994	36,225		36,225	36,225	100%	
1995	34,650		34,650	34,650	100%	
1996	33,075		33,075	14,223	43%	\$18,852
1997	36,750	\$8,186	63,788	50,309	79%	13,479
1998	29,400	1,934	44,813	33,982	79%	10,831
1999	27,825	22,297	60,953	52,717	86%	8,236
2000	22,149	12,023	34,172	31,374	92%	2,798
2001	19,148	25	19,173	25,250	132%	122

Source: Montgomery County Auditor's Office

(1) Includes penalties and interest assessed and prior year delinquent outstanding assessments

CITY OF MORaine, OHIO

TABLE 9

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
December 31, 2001

JURISDICTION	NET OUTSTANDING DEBT	PERCENTAGE APPLICABLE TO CITY OF MORaine, OHIO	AMOUNT APPLICABLE TO CITY OF MORaine, OHIO
CITY OF MORaine		100.00%	
MONTGOMERY COUNTY	\$40,614,870	4.12%	\$1,673,333
WEST CARROLLTON CITY SCHOOL DISTRICT	3,004,617	78.68%	2,364,033
KETTERING CITY SCHOOL DISTRICT	14,795,802	18.14%	2,683,958
JEFFERSON TOWNSHIP LOCAL SCHOOL DISTRICT	100,000	0.65%	650
MIAMI VALLEY REGIONAL TRANSIT AUTHORITY		4.12%	
MONTGOMERY COUNTY COMMUNITY COLLEGE		4.12%	
TOTAL			<u><u>\$6,721,974</u></u>

CITY OF MORAIN, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

TABLE 10

YEAR	(1) POPULATION	(1) PER CAPITA INCOME	(1) MEDIAN AGE	(2) UNEMPLOYMENT RATE	(3) BANK DEPOSITS IN THOUSANDS
1992	6,195	\$6,161	32.5	6.1%	\$4,068,798
1993	6,147	11,156	32.5	5.0%	3,834,335
1994	6,147	11,156	32.5	4.9%	4,034,766
1995	6,087	11,166	32.5	3.8%	3,995,114
1996	6,250	11,166	32.5	3.9%	3,899,145
1997	6,758	11,166	32.5	3.8%	3,530,314
1998	6,854	11,792	32.9	4.1%	3,264,705
1999	7,568	11,792	32.9	3.1%	2,994,378
2000	6,897	11,792	32.9	3.7%	191,473
2001	6,897	11,792	32.9	4.4%	224,099

Sources:

(1) Miami Valley Regional Planning Commission; Information is updated every ten years in conjunction with the Census. The population figure shown is estimated using the most recent census plus the estimated population from the most recent annexation.

(2) Bureau of Unemployment - rates are for Montgomery County

(3) Federal Reserve Bank of Cleveland - amounts are for Montgomery County.

CITY OF MORAINE, OHIO
CONSTRUCTION PROPERTY VALUES
LAST TEN FISCAL YEARS

TABLE 11

FISCAL YEAR	(1) COMMERCIAL CONSTRUCTION		(1) RESIDENTIAL CONSTRUCTION		(2) PROPERTY VALUE				PUBLIC UTILITY REAL
	NUMBER OF UNITS	VALUE	NUMBER OF UNITS	VALUE	AGRICULTURAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	
1992	165	\$3,453,946	76	\$482,364	\$2,774,428	\$76,940,029	\$89,279,914	\$132,315,086	\$247,829
1993	193	5,901,636	82	804,578	1,993,343	77,766,829	89,092,086	146,068,714	280,029
1994	199	10,482,403	48	510,803	1,937,657	83,934,571	88,213,428	148,436,971	343,200
1995	169	9,245,514	143	10,215,180	1,820,971	85,520,943	83,136,114	148,593,086	362,143
1996	153	4,603,145	123	1,115,128	1,900,143	86,137,800	85,049,114	148,229,400	387,371
1997	172	25,234,977	65	483,776	2,306,885	97,035,943	93,975,143	148,287,286	457,114
1998	102	48,761,033	56	1,089,758	2,235,800	97,887,457	94,903,429	142,958,257	495,657
1999	186	13,756,130	103	1,023,922	2,246,629	98,519,200	101,585,086	144,595,229	497,571
2000	146	14,239,220	75	869,527	2,692,600	107,704,571	102,491,514	166,750,057	625,428
2001	143	11,000,615	86	1,270,225	2,435,886	107,727,685	110,395,600	185,398,657	654,114

Sources:

(1) City of Moraine, Building Inspection Department

(2) Current market values as of January 1 for each year obtained from Montgomery County Auditor's Office.

CITY OF MORaine, OHIO

TABLE 12

PRINCIPAL TAXPAYERS
December 31, 2001

COMPANY	TAXES	ASSESSED VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUATION
Dayton Power & Light Company	\$2,891,548	\$74,801,700	21.52%
General Motors Corporation	1,024,042	20,396,620	5.87%
Cooper Tire Company	139,273	2,683,270	0.77%
Moraine Village	89,004	1,569,040	0.45%
Ohio Bell Telephone Company	84,341	1,067,610	0.31%
Barbara Benz Trust	79,318	1,600,280	0.46%
S & G Investments	71,350	1,257,830	0.36%
Nursing Home Purchasing, Inc.	69,651	1,227,870	0.35%
Lance Shaner Hotel	64,641	1,304,150	0.38%
Elder-Beerman Stores Cop.	64,353	1,298,340	0.37%
TOTAL REAL AND PERSONAL PROPERTY VALUATION		107,206,710	30.84%
ALL OTHERS		240,442,500	69.16%
TOTAL ASSESSED VALUATION		<u>\$347,649,210</u>	<u>100.00%</u>

Source: Montgomery County Auditor's Office

CITY OF MORaine, OHIO
SUMMARY OF INSURANCE COVERAGE
DECEMBER 31, 2001

TABLE 13

Public Entities Pool of Ohio (Pottinger & Company) - Coverage as Follows:

Property -

\$17,790,285	-	Blanket building and contents (\$1,000 deductible)
\$1,113,337	-	Miscellaneous property (\$500 deductible)
\$3,000,000	-	Boiler and machinery (\$1,000 deductible)
\$775,754	-	EDP - hardware & software (\$250 deductible)
\$100,000	-	Valuable papers and records

Liability -

\$5,000,000	-	Bodily injury, property damage, personal injury & advertising - per occurrence
\$5,000,000	-	Public officials and employees (\$2,500 deductible)
\$5,000,000	-	Police professional (\$2,500 deductible)
\$5,000,000	-	Ambulance and attendants
\$1,000,000	-	Employee benefit liability (\$1,000 deductible)
\$10,000	-	Comprehensive crime

Vehicles -

\$5,000,000	-	Bodily injury and property damage
\$1,000,000	-	Uninsured motorists

Surety Bonds

\$100,000	-	Marty Brown - Finance Director
\$100,000	-	Diane Harville - Deputy Finance Director
\$100,000	-	James Kimmel - Deputy Finance Director

Source: City of Moraine, Department of Finance

CITY OF MORaine, OHIO
MISCELLANEOUS STATISTICS
December 31, 2001

TABLE 14

Date of incorporation	1965
Form of government	Council/Manager
Area	9.4 square miles
Miles of streets (Center Line Miles)	275.65
Number of street lights (Non-special assessment)	1,314
 Fire protection:	
Number of stations	3
Number of firemen and officers (full-time)	34
(exclusive of volunteer firemen - part-time)	17
 Police protection:	
Number of stations	1
Number of policemen and officers	32
 Building permits issued	
	Residential - 86
	Commercial - 143
 Recreation and culture:	
Parks	13
Civic center	1
Recreation Center	1
Swimming pools	1
Water Park	1

Source: City of Moraine, Department of Finance

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CITY OF MORaine, OHIO

Yellow Book Report

December 31, 2001

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**Report on compliance and on internal control over financial reporting
based on an audit of financial statements performed in accordance with
*Government Auditing Standards***

May 17, 2002

Honorable City Council
City of Moraine, Ohio

We have audited the general purpose financial statements of the City of Moraine, Ohio (the City), as of and for the year ended December 31, 2001, and have issued our report thereon dated May 17, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be

material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Auditor of State and the Honorable City Council of the City of Moraine, Ohio and is not intended to be and should not be used by anyone other than these specified parties.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Certified Public Accountants



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

CITY OF MORaine
MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 6, 2002**