

**CITY OF MORAINÉ, OHIO**

**Yellow Book Report**

**December 31, 2002**





**Auditor of State  
Betty Montgomery**

Mayor and Members of the City Council  
City of Moraine  
4200 Dryden Road  
Moraine, Ohio 45439

We have reviewed the Independent Auditor's Report of the City of Moraine, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2002 to December 31, 2002. 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.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

August 25, 2003

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**PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS**

8260 NORTHCREEK DRIVE, SUITE 330/ CINCINNATI, OH 45236 • (513) 891-2722 • FAX (513) 891-2760  
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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***

June 24, 2003

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, 2002, and have issued our report thereon dated June 24, 2003. 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.

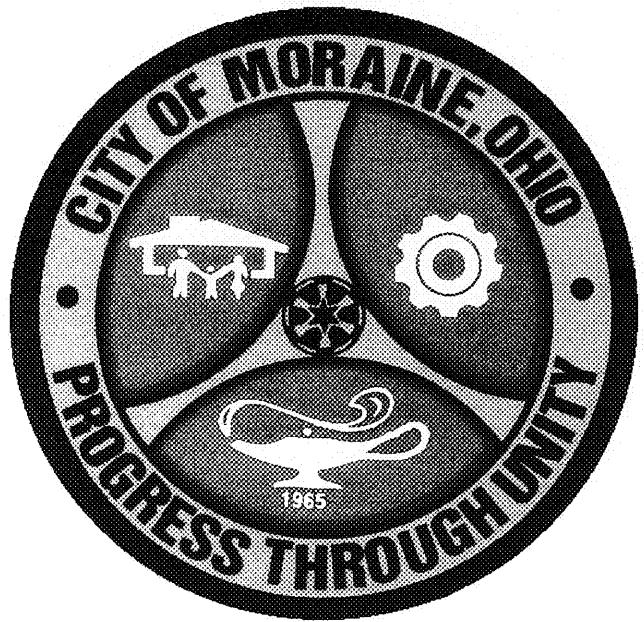
A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected 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.  
Certified Public Accountants

**CITY OF**  
**M**  
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**E**  
**OHIO**



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
YEAR ENDED  
DECEMBER 31, 2002





**CITY OF MORaine, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002**

Prepared by:  
Department of Finance

James V. Kimmel  
Deputy Finance Director



**INTRODUCTORY SECTION**

**2002**

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CITY OF MORAINE, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2002

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CITY OF MORAINE, OHIO

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CITY OF MORAINE, OHIO

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**2002**

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# City of Moraine

## Finance Department

June 24, 2003

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, 2002, 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 2002. Income tax, the City's largest revenue source, increased by 2.3 percent in 2002, and overall revenues decreased by 2.1 percent. The majority of this decrease came through decreases in intergovernmental revenues 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, increased their payroll in 2002 by over 45%. Construction of a Wal-Mart store began during the summer of 2002 and scheduled to open late summer of 2003. There are several projects in the beginning stages in 2002. Such Projects include the possible development of a new commerce park in the northern quadrant of the City, and the Southern Hill Crossing retail development along Dixie and Dorothy Lane. These projects and several others will help create new jobs and retain current jobs in Moraine.

There were seven new businesses, which moved into Moraine during the year. In addition to the new businesses, several of the existing businesses expanded during 2002.

During the year, there were thirteen new single-family home permits and no new multi-family apartment permits issued. In total, there were 257 building permits issued during the year with a total construction value of over \$23.7 million. Of the building permits issued there were 187 commercial permits and 78 residential permits.

Even with the anticipated job losses during 2002, the City's income tax collections increased. With a number of positive opportunities for the future the City will continue to work toward business and residential growth over the coming years.

## Major Initiatives

In 2002, 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 \$420 thousand was spent on road repairs and improvements during 2002. This includes improvements to residential areas as well as main thoroughfares. The City spent over \$129,000 of this on intersection upgrades.

The City spent over \$156 thousand on upgrades to various parks and park equipment. This included the completion of the remodeling of the civic center including the kitchen.

The City purchased new police cruisers and several new vehicles for other departments during 2002 including a fire safety house. Various computer system improvements were made during the year including the purchase of updated accounting software.

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 7 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 2003 budget includes the purchase of new vehicles for several departments, including a new medic for the fire department. The budget also includes upgrades of equipment for the police, fire, building & parks maintenance and street divisions. There is \$2.5 million included in the 2003 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 \$16,958,841 in 2002. Revenues from various sources are shown in the following tabulation (In Thousands):

<u>Revenue Source</u>	<u>2002</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) Over 2001</u>	<u>Percent Increase (Decrease)</u>
Municipal Income Taxes	\$13,273	77.24%	\$493	3.86%
Other Local Taxes	602	3.50	(167)	(21.72)
State Share Taxes and Permits	789	4.49	(94)	(10.65)
Intergovernmental	2	.01	(392)	(99.49)
Charges for Services	970	5.64	25	2.65
Fines, Costs, Forfeitures, Licenses and Permits	370	2.15	114	44.53
Investment Earnings	526	3.06	(245)	(31.78)
Miscellaneous Receipts And Reimbursements	<u>653</u>	<u>3.80</u>	<u>335</u>	<u>105.35</u>
Totals	\$16,989	100.0%	\$69	0.40%

Revenues increased by over \$69 Thousand or .40% in 2002 compared to 2001.

Income Tax, which is the City's largest revenue source, increased by 3.86%. This increase was due to the significant job increase by DMAX. Other Local Taxes were down by over 21.72 %. State Shared Taxes and Permits decreased approximately 10.6%. Intergovernmental receipts dropped off due to a lack of development grants received in 2002 compared to 2001, this will be back up in 2003. Charges for Services are up because of membership and admission fees for the water park and the recreation center. Investment earnings were down by over 31.7% for the second straight year. This decrease is due primarily to lower interest rates. Miscellaneous receipts and reimbursements increased 105% due primarily to a large rebate received from the State Worker's Compensation program during 2002.

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

<u>Function</u>	<u>2002</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) Over 2001</u>	<u>Percent Increase (Dec)</u>
General Government	\$ 4,154	24.34%	\$ (161)	(3.73)%
Public Safety	7,434	43.56	441	6.31
Health	611	3.58	76	14.21
Highways and Streets	1,912	11.20	135	7.60
Community Development	159	.93	(496)	(75.73)
Recreation	<u>2,796</u>	<u>16.38</u>	<u>70</u>	<u>2.57</u>
Totals	\$17,065	100.0%	\$65	.38%

Expenditures increased by approximately \$65,000 or .38% in 2002. The biggest increase occurred in Public Safety. This increase was primarily due to the cost of additional personnel and increased programs. The increase in Recreation was due to the cost of additional personnel and increased programs. Community development decreased by over 75.7% 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 2002 results:

Operating Revenues	\$ 6,647
Operating Expenses	<u>(574)</u>
Operating Income	6,073
Non-operating Income	14,036
Net Income	<u>\$ 20,109</u>

During 2002, there was one new home improvement loan issued. The total of loan disbursements for 2002 were over \$5,235.

#### Fiduciary Funds

The City's fiduciary funds remained relatively stable during 2002.

#### Debt Administration

Outstanding long-term debt at December 31, 2002 consists of \$50,000 in Special Assessment bonds for street improvements and an interest free loan of \$374,089 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 2002, the City earned \$954,546 in interest income.

#### 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 2002. Capital Projects Fund cash and investments are \$5,819,644 at December 31, 2002.

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 remaining funds were used 2002 to fund part of the council chambers remodeling. The Capital Improvement/Income Tax Fund cash and investments were zero at December 31, 2002 and the fund was eliminated at the end of 2002.

### 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, 2002, the general fixed assets of the City amounted to \$14,091,029. 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 2002 and more training is scheduled for 2003.

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, 2001. 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.

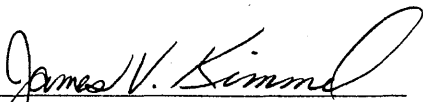
A Certificate of Achievement is applicable to one year only. We believe our current report will also conform to the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another Certificate.

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,

  
James V. Kimmel  
Deputy Finance Director

**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)

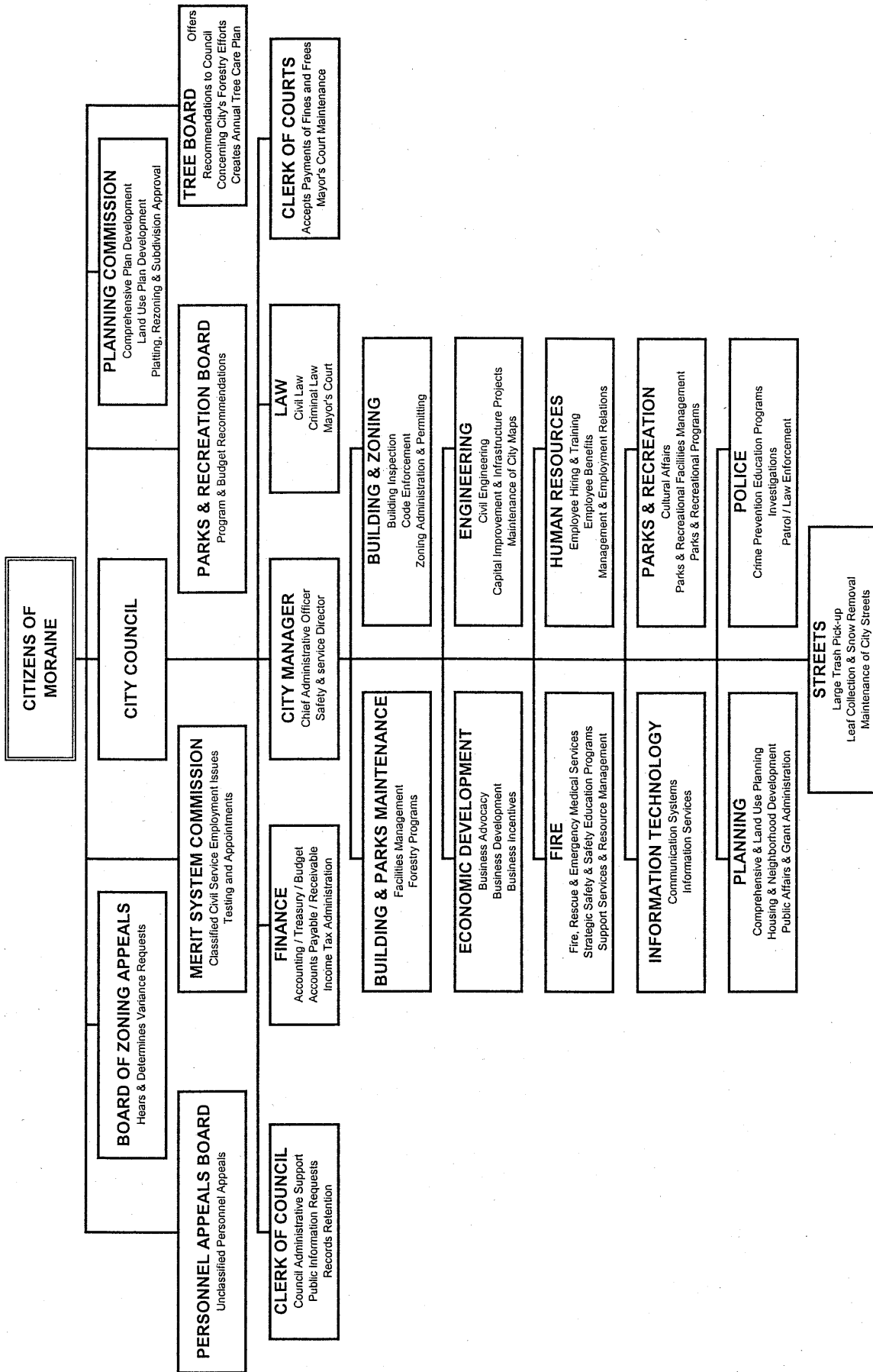
**APPOINTED OFFICIALS**

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, 2001

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.



President

Executive Director

**FINANCIAL SECTION**

**2002**



June 24, 2003

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, 2002, 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, 2002, 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 June 24, 2003 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.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
Certified Public Accountants



## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS, DECEMBER 31, 2002 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2001

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES			FIDUCIARY FUND TYPES		ACCOUNT GROUPS		TOTALS	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE SERVICE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	LONG-TERM OBLIGATIONS	(MEMORANDUM ONLY)			
										2002	2001		
<b>ASSETS AND OTHER DEBITS:</b>													
Cash and investments	\$12,901,243	\$2,954,839	\$5,819,664	\$143,790	\$378,302	\$1,084,313	\$1,477,940					\$24,760,091	\$23,995,092
Receivables:													
Income taxes	2,381,829		374,263									2,756,092	2,120,027
Property taxes	363,763	155,786										519,549	642,325
Accounts	35,434	28,234	64,460									128,128	84,407
Intergovernmental	119,320	131,169										250,489	257,417
Special assessments, including liens				19,636								19,636	19,636
Loans		245,000			318,102							563,102	349,768
Allowance for uncollectible loans					(253,832)							(253,832)	(253,832)
Due from other funds	1,145,000	270,000										1,415,000	1,395,000
Inventory	4,616	21,531				92,748						118,895	121,269
Prepaid items	80,277	851				85						81,213	71,485
Fixed assets (net of accumulated depreciation)						55,134				\$14,091,030		14,146,164	14,704,181
Amount available in debt service fund												143,790	140,529
Amount to be provided for retirement of general long-term obligations										2,257,793		2,257,793	2,123,682
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$17,031,482</b>	<b>\$3,807,410</b>	<b>\$6,258,387</b>	<b>\$163,426</b>	<b>\$442,572</b>	<b>\$1,232,280</b>	<b>\$1,477,940</b>	<b>\$2,401,583</b>	<b>\$14,091,030</b>	<b>\$2,401,583</b>	<b>\$46,906,110</b>	<b>\$45,770,986</b>	
<b>LIABILITIES:</b>													
Escrow bonds, deposits, health claims, due to other governments						\$50,963	\$35,344			\$374,090		\$460,397	\$488,949
Accounts payable	\$56,042	\$41,193	\$46,093			421						143,749	188,796
Due to other governments						72,750				1,977,493		4,500	\$4,570
Accrued payroll and compensated absences	632,653	410,631										3,093,527	2,750,149
Due to other funds	270,000	1,145,000										1,415,000	1,395,000
Deferred revenue	1,785,472	264,285	202,126	\$19,636								2,271,519	1,805,370
Special assessment bonds payable										50,000		50,000	65,000
<b>Total liabilities</b>	<b>2,744,167</b>	<b>1,861,109</b>	<b>248,219</b>	<b>19,636</b>	<b>124,134</b>	<b>39,844</b>	<b>2,401,583</b>	<b>7,438,692</b>	<b>6,697,834</b>	<b>14,091,030</b>	<b>14,666,641</b>	<b>1,550,718</b>	<b>1,369,397</b>
<b>FUND EQUITY AND OTHER CREDITS:</b>													
Investment in general fixed assets													
Retained earnings - unreserved					\$442,572	1,108,146						143,790	140,529
Fund balance:												2,037,995	1,219,292
Reserved for:												26,147	40,889
Debt service												81,128	71,368
Encumbrances	259,560	116,150	1,662,285	143,790								21,531	851
Inventory	4,616	21,531										1,807,769	4,347,883
Prepaid expenditures	80,277	851										6,010,168	143,790
Unreserved and undesignated	13,942,862	1,807,769	4,347,883	143,790	442,572	1,108,146	1,438,096					21,536,610	21,565,036
<b>Total fund equity and other credits</b>	<b>14,287,315</b>	<b>1,946,301</b>	<b>6,010,168</b>	<b>143,790</b>	<b>442,572</b>	<b>1,108,146</b>	<b>1,438,096</b>	<b>\$2,401,583</b>	<b>\$14,091,030</b>	<b>39,467,418</b>	<b>\$46,906,110</b>	<b>\$45,770,986</b>	
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$17,031,482</b>	<b>\$3,807,410</b>	<b>\$6,258,387</b>	<b>\$163,426</b>	<b>\$442,572</b>	<b>\$1,232,280</b>	<b>\$1,477,940</b>	<b>\$2,401,583</b>	<b>\$14,091,030</b>	<b>\$46,906,110</b>	<b>\$45,770,986</b>		

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, 2002 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2001

	GOVERNMENTAL FUND TYPES			DEBT SERVICE	FIDUCIARY FUND TYPES EXPENDABLE TRUST FUNDS	TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS			2002	2001
<b>REVENUES:</b>							
Municipal income taxes	\$13,272,808		\$2,339,135			\$15,611,943	\$15,070,764
Other local taxes	436,437	\$165,452				601,889	769,017
State shared taxes and permits	495,347	293,286				788,633	882,968
Special assessments	1,076			\$19,048		20,124	25,250
Intergovernmental	2,199		29,350			31,549	394,001
Charges for services	1,271	968,400				969,671	945,397
Fines, costs, forfeitures, licenses and permits	370,071	56,599	454	5,713	\$56,019	370,071	256,057
Investment earnings	469,368	31,558	83,107		26,828	588,153	833,578
Miscellaneous receipts and reimbursements	620,661	1,515,295	2,452,046	24,761	82,847	762,154	793,599
<b>Total revenues</b>	<b>15,669,238</b>					<b>19,744,187</b>	<b>19,970,631</b>
<b>EXPENDITURES:</b>							
Current:							
General government	3,964,128	189,255			57,896	4,211,279	4,363,938
Public safety	6,598,326	835,582			34,453	7,468,361	7,001,334
Health	611,342					611,342	535,016
Highways and streets	263,598	1,648,356				1,911,954	1,777,421
Community development	159,125	2,796,209	1,422,983			159,125	654,998
Recreation						2,796,209	2,726,319
Capital outlay						1,422,983	1,465,996
Debt services:							
Principal				15,000		42,710	47,710
Interest				6,500		6,500	8,500
<b>Total expenditures</b>	<b>11,596,519</b>	<b>5,469,402</b>	<b>1,450,693</b>	<b>21,500</b>	<b>92,349</b>	<b>18,630,463</b>	<b>18,581,232</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>4,072,719</b>	<b>(3,954,107)</b>	<b>1,001,353</b>	<b>3,261</b>	<b>(9,502)</b>	<b>1,113,724</b>	<b>1,389,399</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of land and buildings			59,832			59,832	414,403
Operating transfers in		3,933,223				3,933,223	3,890,000
Operating transfers out	(4,318,223)					(4,318,223)	(4,184,000)
<b>Total other financing sources (uses)</b>	<b>(4,318,223)</b>	<b>3,933,223</b>	<b>59,832</b>			<b>(325,168)</b>	<b>120,403</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(245,504)</b>	<b>(20,884)</b>	<b>1,061,185</b>	<b>3,261</b>	<b>(9,502)</b>	<b>788,556</b>	<b>1,509,802</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>14,532,819</b>	<b>1,967,185</b>	<b>4,948,983</b>	<b>140,529</b>	<b>1,447,598</b>	<b>23,037,114</b>	<b>21,527,312</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$14,287,315</b>	<b>\$1,946,301</b>	<b>\$6,010,168</b>	<b>\$143,790</b>	<b>\$1,438,096</b>	<b>\$23,825,670</b>	<b>\$23,037,114</b>

See notes to combined financial statements



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, 2002 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2001

	2002			2001		
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
<b>SPECIAL REVENUE FUNDS</b>						
<b>REVENUES:</b>						
Municipal income taxes	\$165,452		\$165,452	\$165,150	\$302	\$185,482
Other local taxes	293,286	(\$330)	292,956	297,446	(4,490)	333,675
State shared taxes and permits		25,000	25,000		25,000	388,705
Intergovernmental	968,400	(967)	967,433	960,451	6,982	943,078
Charges for services	56,599	(9,854)	46,745	55,149	(8,404)	49,465
Investment earnings	31,558	(30,254)	1,304	123	1,181	55,596
Miscellaneous receipts and reimbursements	1,515,295	(16,405)	1,498,890	1,478,319	20,571	1,956,001
<b>Total revenues</b>						
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General government	189,255	6,618	195,873	217,163	21,290	195,166
Public safety	835,582	(4,801)	830,781	872,572	41,791	802,357
Highways and streets	1,648,356	15,078	1,663,434	1,816,382	152,948	1,513,512
Community development		215,000	215,000	365,000	150,000	556,464
Recreation	2,796,209	55,615	2,851,824	3,250,383	398,559	2,726,319
<b>Total expenditures</b>	<b>5,469,402</b>	<b>287,510</b>	<b>5,756,912</b>	<b>6,521,500</b>	<b>764,588</b>	<b>5,793,818</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(3,954,107)</b>	<b>(303,915)</b>	<b>(4,258,022)</b>	<b>(5,043,181)</b>	<b>785,159</b>	<b>(3,837,817)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	3,933,223	(20,000)	3,913,223	4,110,000	(196,777)	3,890,000
<b>Total other financing sources (uses)</b>	<b>3,933,223</b>	<b>(20,000)</b>	<b>3,913,223</b>	<b>4,110,000</b>	<b>(196,777)</b>	<b>3,890,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(20,884)</b>	<b>(\$323,915)</b>	<b>(344,799)</b>	<b>(933,181)</b>	<b>\$588,382</b>	<b>52,183</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>1,967,185</b>		<b>3,190,127</b>	<b>3,190,127</b>		<b>1,915,002</b>
<b>ENCUMBRANCES</b>			<b>116,150</b>			
<b>FUND BALANCE, END OF YEAR</b>	<b>\$1,946,301</b>		<b>\$2,961,478</b>	<b>\$2,256,946</b>		<b>\$1,967,185</b>

See notes to combined financial statements.

CITY OF MORAIN, 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, 2002 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2001

	2002		2001			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
<b>CAPITAL PROJECTS FUND</b>						
<b>REVENUES:</b>						
Municipal income taxes	\$2,339,135	\$6,104	\$2,345,239	\$2,255,713	\$89,526	\$2,290,387
Intergovernmental	29,350		29,350	350,000	(320,650)	
Investment earnings	454		454	1,000	(546)	1,786
Miscellaneous receipts and reimbursements	83,107	(63,014)	20,093	499,898	(479,805)	448,317
<b>Total revenues</b>	<b>2,452,046</b>	<b>(56,910)</b>	<b>2,395,136</b>	<b>3,106,611</b>	<b>(711,475)</b>	<b>2,740,490</b>
<b>EXPENDITURES:</b>						
Capital outlay	1,422,983	1,662,198	3,085,181	3,410,731	325,550	1,465,996
Debt services:						
Principal	27,710		27,710	27,711	1	27,710
<b>Total expenditures</b>	<b>1,450,693</b>	<b>1,662,198</b>	<b>3,112,891</b>	<b>3,438,442</b>	<b>325,551</b>	<b>1,493,706</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,001,353</b>	<b>(1,719,108)</b>	<b>(717,755)</b>	<b>(331,831)</b>	<b>(385,924)</b>	<b>1,246,784</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of land and buildings	59,832		59,832	600,000	59,832	62,657
Proceeds from the sale of debt				600,000		
<b>Total other financing sources (uses)</b>	<b>59,832</b>		<b>59,832</b>	<b>600,000</b>	<b>59,832</b>	<b>62,657</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>1,061,185</b>	<b>(\$1,719,108)</b>	<b>(657,923)</b>	<b>268,169</b>	<b>(\$326,092)</b>	<b>1,309,441</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>4,948,983</b>		<b>4,815,389</b>	<b>4,815,389</b>		<b>3,639,542</b>
<b>ENCUMBRANCES</b>			<b>1,662,285</b>			
<b>FUND BALANCE, END OF YEAR</b>	<b>\$6,010,168</b>		<b>\$5,819,751</b>	<b>\$5,083,558</b>		<b>\$4,948,983</b>

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, 2002 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2001

	2002			2001		
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
<b>DEBT SERVICE FUND</b>						
<b>REVENUES:</b>						
Special assessments	\$19,048		\$19,048	\$30,000	(\$10,952)	\$25,250
Investment earnings	5,713		5,713	5,093	620	5,557
<b>Total revenues</b>	<b>24,761</b>		<b>24,761</b>	<b>35,093</b>	<b>(10,332)</b>	<b>30,807</b>
<b>EXPENDITURES:</b>						
Debt services:						
Principal	15,000		15,000	20,000	5,000	20,000
Interest	6,500		6,500	8,500	2,000	8,500
<b>Total expenditures</b>	<b>21,500</b>		<b>21,500</b>	<b>28,500</b>	<b>7,000</b>	<b>28,500</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,261</b>		<b>3,261</b>	<b>6,593</b>	<b>(\$3,332)</b>	<b>2,307</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>140,529</b>		<b>140,529</b>	<b>140,529</b>		<b>138,222</b>
<b>ENCUMBRANCES</b>						
<b>FUND BALANCE, END OF YEAR</b>	<b>\$143,790</b>		<b>\$143,790</b>	<b>\$147,122</b>		<b>\$140,529</b>

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, 2002 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2001

	2002		2001		VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET		
<b>TOTAL GOVERNMENTAL FUND TYPES</b> (Memorandum Only)						
<b>REVENUES:</b>						
Municipal income taxes	\$15,611,943	(\$155,001)	\$15,456,942	\$14,856,808	\$600,134	\$15,070,764
Other local taxes	601,889	118,016	719,905	666,302	53,603	769,017
State shared taxes and permits	788,633	1,379	790,012	804,330	(14,318)	882,968
Special assessments	20,124	(1,076)	19,048	30,000	(10,952)	25,250
Intergovernmental	31,549	23,877	55,426	350,000	(294,574)	394,001
Charges for services	969,671	(966)	968,705	961,426	7,279	945,397
Fines, costs, forfeitures, licenses and permits	370,071	(8,861)	361,190	246,666	114,524	256,057
Investment earnings	532,134	143,427	675,561	936,376	(260,815)	778,726
Miscellaneous receipts and reimbursements	735,326	(244,561)	490,765	560,982	(70,217)	766,111
<b>Total revenues</b>	<b>19,661,340</b>	<b>(123,766)</b>	<b>19,537,554</b>	<b>19,412,890</b>	<b>124,664</b>	<b>19,886,291</b>
<b>EXPENDITURES:</b>						
Current:						
General government	4,153,383	79,732	4,233,115	4,925,113	691,998	4,314,962
Public safety	7,433,908	10,316	7,444,224	7,780,660	336,436	6,992,835
Health	611,342	53,772	665,114	733,599	68,485	535,016
Highways and streets	1,911,954	15,078	1,927,032	2,096,382	169,350	1,777,421
Community development	159,125	227,294	386,419	619,071	232,652	654,998
Recreation	2,796,209	55,615	2,851,824	3,250,383	398,559	2,726,319
Capital outlay	1,422,983	1,662,198	3,085,181	3,410,731	325,550	1,465,986
Debt services:						
Principal	42,710		42,710	47,711	5,001	47,710
Interest	6,500		6,500	8,500	2,000	8,500
<b>Total expenditures</b>	<b>18,538,114</b>	<b>2,104,005</b>	<b>20,642,119</b>	<b>22,872,150</b>	<b>2,230,031</b>	<b>18,523,757</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,123,226</b>	<b>(2,227,791)</b>	<b>(1,104,565)</b>	<b>(3,459,260)</b>	<b>2,354,695</b>	<b>1,364,534</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of land and buildings	59,832		59,832		59,832	414,403
Proceed from the sale of debt				600,000		
Operating transfers in	3,933,223	(20,000)	3,913,223	4,110,000	(196,777)	3,890,000
Operating transfers out	(4,318,223)	139,223	(4,179,000)	(4,804,000)	625,000	(4,184,000)
<b>Total other financing sources (uses)</b>	<b>(325,168)</b>	<b>119,223</b>	<b>(205,945)</b>	<b>(94,000)</b>	<b>488,055</b>	<b>120,403</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>798,058</b>	<b>(\$2,108,568)</b>	<b>(1,310,510)</b>	<b>(3,553,260)</b>	<b>\$2,842,750</b>	<b>1,484,937</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>21,589,516</b>		<b>21,507,312</b>	<b>21,507,312</b>		<b>20,104,579</b>
<b>ENCUMBRANCES</b>			<b>2,037,995</b>			
<b>FUND BALANCE, END OF YEAR</b>	<b>\$22,367,574</b>		<b>\$22,234,797</b>	<b>\$17,954,052</b>		<b>\$21,589,516</b>

See notes to combined financial statements.

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, 2002 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2001

	ENTERPRISE	INTERNAL SERVICE	TOTALS (MEMORANDUM ONLY)	
			2002	2001
<b>OPERATING REVENUES</b>				
Charges for services	\$6,647	\$1,195,387	\$1,202,034	\$1,220,866
<b>Total Operating revenues</b>	<u>6,647</u>	<u>1,195,387</u>	<u>1,202,034</u>	<u>1,220,866</u>
<b>OPERATING EXPENSES:</b>				
Personnel services		279,096	279,096	286,325
General operating	574	258,434	259,008	254,291
Insurance claims		884,105	884,105	1,073,427
Depreciation		12,406	12,406	8,911
<b>Total operating expenses</b>	<u>574</u>	<u>1,434,041</u>	<u>1,434,615</u>	<u>1,622,954</u>
<b>OPERATING INCOME (LOSS)</b>	6,073	(238,654)	(232,581)	(402,088)
<b>NONOPERATING INCOME</b>				
Investment earnings	14,036	14,866	28,902	47,061
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<u>20,109</u>	<u>(223,788)</u>	<u>(203,679)</u>	<u>(355,027)</u>
<b>OPERATING TRANSFERS IN</b>				
		385,000	385,000	294,000
<b>NET INCOME (LOSS)</b>	<u>20,109</u>	<u>161,212</u>	<u>181,321</u>	<u>(61,027)</u>
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	422,463	946,934	1,369,397	1,430,424
<b>RETAINED EARNINGS, END OF YEAR</b>	<u>\$442,572</u>	<u>\$1,108,146</u>	<u>\$1,550,718</u>	<u>\$1,369,397</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, 2002 WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2001**

	ENTERPRISE	INTERNAL SERVICE	TOTALS (MEMORANDUM ONLY)	
			2002	2001
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$6,073	(\$238,654)	(\$232,581)	(\$402,088)
<b>Adjustments to reconcile net operating income (loss) to net cash provided by (used for) operating activities operating activities:</b>				
Depreciation		12,406	12,406	8,911
(Increase) decrease in accrued interest				41
(Increase) decrease in inventory		(12,368)	(12,368)	(4,281)
(Increase) decrease in prepaid expenditures		31	31	(1)
Increase (decrease) in accounts payable		(8,196)	(8,196)	3,311
Increase (decrease) in insurance claims payable		(12,008)	(12,008)	29,799
Increase in accrued payroll		7,436	7,436	25,851
(Increase) decrease in loan interest receivable	(338)		(338)	(24,701)
Loan disbursements	(5,235)		(5,235)	(4,373)
Loan repayments	12,239		12,239	93,672
<b>Net cash provided by (used for) operating activities</b>	<u>12,739</u>	<u>(251,353)</u>	<u>(238,614)</u>	<u>(273,859)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating transfers, in		385,000	385,000	294,000
<b>Net cash provided by noncapital financing activities</b>		<u>385,000</u>	<u>385,000</u>	<u>294,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of machinery and equipment		(30,000)	(30,000)	(13,740)
<b>Net cash provided by (used for) capital and related financing activities</b>		<u>(30,000)</u>	<u>(30,000)</u>	<u>(13,740)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment earnings	14,036	14,866	28,902	47,061
<b>Net cash provided from investing activities</b>	<u>14,036</u>	<u>14,866</u>	<u>28,902</u>	<u>47,061</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<u>26,775</u>	<u>118,513</u>	<u>145,288</u>	<u>53,462</u>
<b>CASH AT BEGINNING OF YEAR</b>	<u>351,527</u>	<u>965,800</u>	<u>1,317,327</u>	<u>1,263,865</u>
<b>CASH AT END OF YEAR</b>	<u>\$378,302</u>	<u>\$1,084,313</u>	<u>\$1,462,615</u>	<u>\$1,317,327</u>

See notes to combined financial statements

**CITY OF MORAINE, OHIO**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002**

**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' measurement focus is upon the flow of economic resources. The proprietary 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 2.3%. 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 2002, there were five supplemental appropriations made totaling \$635,490.

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, 2002 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	(\$245,504)	(\$50,471)	(\$154,297)	\$139,223	(\$311,049)
Special Revenue	(20,884)	(16,405)	(287,510)	(20,000)	(344,799)
Capital Projects	1,061,185	(56,910)	(1,719,108)		(657,923)
Debt Service	3,261				3,261

3. **DEPOSITS AND INVESTMENTS**

**Deposits:** At year-end, the carrying amount of the City's deposits was \$1,272,610 and the bank balance was \$1,725,267. Of the bank balance, \$328,965 was covered by Federal depository insurance. The remaining \$1,396,302 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 \$6,605 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	\$21,732,549			\$21,732,549
Sub-totals	\$21,732,549			\$21,732,549
State Treasurer's Investment Pool				\$ 1,486,675
Money Market Mutual Funds				\$ 268,257
Total Investments				\$ 23,487,481

The City of Moraine has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2002. 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, 2002.

#### 4. LOANS RECEIVABLE

The City operates a long-term enterprise fund loan program. Loans receivable at December 31, 2002 were:

Loans Receivable	\$318,102
Less allowance for bad debts	<u>(253,832)</u>
Total Loans Receivable	<u>\$ 64,270</u>

There are no outstanding loan commitments at December 31, 2002.

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, 2002 is as follows:

Loans Receivable	\$ 245,000
Less allowance for bad debts	<u>0</u>
Total Loans Receivable	<u>\$ 245,000</u>

5. **FIXED ASSETS**

A summary of changes in general fixed assets follows:

General Fixed Assets Account Group:	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2001
Land and land improvements	\$ 2,654,771	\$ 268,826	\$ 11,571	\$ 2,912,026
Buildings and improvements	12,216,128			12,216,128
Machinery and equipment	8,100,896	335,147	323,683	8,112,360
Construction in progress				
Total:	\$ 22,971,795	\$603,973	\$ 335,254	\$ 23,240,514
Less accumulated depreciation	8,305,154	1,167,279	322,949	9,149,484
Fixed Assets, Net	\$ 14,666,641	\$ (563,306)	\$ 12,305	\$ 14,091,030

Fixed assets of the Internal Service City Garage Fund include machinery and equipment with a cost of \$157,007 and accumulated depreciation of \$101,873.

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 2002 and another is scheduled for January 2008.

The property tax calendar is as follows:

Levy date	January 1, 2001
Lien date	January 1, 2002
Tax bill mailed	January 20, 2002
First installment payment due	February 15, 2002
Second installment payment due	July 15, 2002

The assessed values for the City at the lien date of January 1, 2001, were as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$126,727,600
Public Utility Real	205,470
Tangible Personal	111,093,463
Public Utility Personal	39,757,050
\$10,000 Exemption	<u>3,083,571</u>
<b>Total</b>	<b><u>\$280,867,154</u></b>

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 2002, paid approximately \$7.05 million constituting 45.7% 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, 2002	\$ 65,000	\$ 486,205	\$1,266,853
Additions		570,657	298,601
Reductions	(15,000)	(512,952)	(155,234)
Balance December 31, 2002	\$ 50,000	\$ 543,910	\$1,410,220

	Accrued Compensatory Time	Dryden Road Loan	Total
Balance, January 1, 2002	\$ 44,353	\$401,800	\$2,264,211
Additions	65,745		935,003
Reductions	(86,735)	(27,710)	(797,631)
Balance, December 31, 2002	\$ 23,363	\$374,090	\$2,401,583

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, 2002.

Equipment capitalized under lease agreements in prior years totaled \$964,343 at December 31, 2002 and is recorded in the General Fixed Assets Account Group. The current year depreciation recorded for capital leased assets in 2002 is \$48,869 with accumulated depreciation \$523,550.

In 2001 the City entered into a five year operating lease for a phone system. Total lease payments during 2002 equal \$48,005. The future minimum lease payments for this lease are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2003	46,882
2004	46,882
2005	46,882
2006	<u>31,255</u>
Total	<u>\$171,901</u>

There are no other operating leases more than one year. Other operating lease payments in 2003 will be \$8,763. Construction and other commitments at December 31, 2002 were approximately \$1,662,300.

**10. SPECIAL ASSESSMENTS BONDS PAYABLE WITH GOVERNMENTAL COMMITMENT**

The following is a summary of debt transactions for the year ended December 31, 2002:

Bonds payable, January 1, 2002	\$ 65,000
Bonds retired	<u>15,000</u>
Bonds payable, December 31, 2002	<u>\$ 50,000</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:

<b>Year Ending December 31</b>	<b>Principal</b>	<b>Interest</b>
2003	15,000	5,000
2004	15,000	3,500
2005	<u>20,000</u>	<u>2,000</u>
<b>Totals</b>	<b><u>\$ 50,000</u></b>	<b><u>\$10,500</u></b>

**11. DRYDEN ROAD LOAN**

The following is a summary of debt transactions for the year ended December 31, 2002:

Loans payable, January 1, 2002	\$401,800
Loan payments	<u>27,710</u>
Loans payable December 31, 2002	<u>\$374,090</u>

The loan was an interest free loan for street improvements from the Ohio Public Works Commission issued in 1996 with the first payment due July 1, 1996. Semi-annual payments are due January 1<sup>st</sup> and July 1<sup>st</sup> each year.

Annual principal payments required on the Dryden Road Loan are:

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>
2003	\$27,710	2010	\$27,710
2004	27,710	2011	27,710
2005	27,710	2012	27,710
2006	27,710	2013	27,710
2007	27,710	2014	27,710
2008	27,710	2015	27,710
2009	27,710	2016	13,860
			<u>\$374,090</u>

## 12. PENSION PLAN OBLIGATIONS

Substantially all City employees are covered by one of the two cost-sharing, multiple-employer public employee retirement systems; namely, the Ohio Public Employees Retirement System of Ohio (OPERS), or the Ohio Police and Fire Pension Fund (OP&F). The payroll for employees covered by PERS and OP&F was \$4,714,953, \$1,987,327, and \$1,856,722 respectively. The City's total payroll for 2002 was \$8,881,308.

### Ohio 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 OPERS.

The Ohio 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 OPERS is provided by State statute per Chapter 145 of the *Ohio Revised Code*.

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

The Ohio 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) 222-6705 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 OPERS 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
2002	\$400,771	8.5%	\$638,876	13.55%
2001	\$377,054	8.5%	\$601,068	13.55%
2000	\$332,369	8.5%	\$423,868	10.84%

#### 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
2002	\$198,733	10.0%	\$387,529	19.5%
2001	\$201,841	10.0%	\$393,591	19.5%
2000	\$193,146	10.0%	\$376,635	19.5%

Year	Fire Employee Contribution	Rate	Fire Employer Contribution	Rate
2002	\$185,672	10.0%	\$445,613	24.0%
2001	\$198,069	10.0%	\$475,366	24.0%
2000	\$185,979	10.0%	\$446,350	24.0%

### 13. **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:

#### Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System of Ohio (OPERS) 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 2002. Of the total contribution, 5.0% was used to fund health care for the year.

	<u>Total Contribution</u>	<u>Health Care Contribution</u>
City contribution	\$638,876	\$235,748

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

Post retirement health care benefits are advance-funded on an actuarially determined basis. The most recent actuarial review was performed as of December 31, 2001.

The OPERS 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 2001 was 8.00%.

An annual increase of 4.00% 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 4.00% base increase, were assumed to range from 0.50% to 6.3%. Health care costs were assumed to increase 4.00% annually.

The number of active contributing participants was 402,041.

The actuarial value of the OPERS net assets available for OPEB at December 31, 2001 was \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion, 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, 2001 is 13,174 for police and 10,239 for firemen.

	<u>Total Contribution</u>	<u>Health Care Contribution</u>
City contribution:		
Police	\$387,529	\$153,849
Fire	\$446,350	\$144,171

The Fund's total health care expenses for the year ending December 31, 2001 were \$122,298,771, which was net of member contributions of \$6,874,699.

#### 14. 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, 2002 is as follows:

Operating revenues	\$ 6,647
Operating income	6,073
Operating grants	-0-
Net income	20,109
Property additions	-0-
Net working capital	378,302
Total assets	422,572
Long-term debt	-0-
Total equity	422,572

#### 15. 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, 2002 were:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$1,145,000	\$ 270,000
Special Revenue Funds:		
Street Const./Maint.	50,000	
Parks & Rec.	35,000	
Police Pension	60,000	
Fire Pension	125,000	
Economic Dev. Grant	_____	<u>1,145,000</u>
<b>Total</b>	<u>\$1,415,000</u>	<u>\$1,415,000</u>

16. **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.

17. **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.

Stop loss reimbursements for the past three years:

<u>2000</u>	<u>2001</u>	<u>2002</u>
\$ 0	\$9,578	\$37,654

Below is a claim history for the past three years:

	<u>2000</u>	<u>2001</u>	<u>2002</u>
Claims liability at January 1	\$ 32,050	\$ 33,172	\$ 62,971
Claims incurred	856,677	1,073,427	872,097
Claims paid	855,555	1,043,628	884,105
Claims liability at December 31	33,172	62,971	50,963

18. **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.

**CITY OF MORaine, OHIO**

**COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP  
FINANCIAL STATEMENTS AND SCHEDULES**

**2002**

## **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.

# **2002**

## CITY OF MORaine, OHIO

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**GENERAL FUND****COMPARATIVE BALANCE SHEETS  
DECEMBER 31, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
<b>ASSETS:</b>		
Cash and investments	\$12,901,243	\$13,071,867
Receivables:		
Income taxes	2,381,829	1,802,023
Property and other taxes	363,763	487,355
Accounts	35,434	40,354
Intergovernmental	119,320	115,967
Due from other funds	1,145,000	1,145,000
Inventory	4,616	
Prepaid expenditures	<u>80,277</u>	<u>69,735</u>
<b>TOTAL ASSETS</b>	<u><u>\$17,031,482</u></u>	<u><u>\$16,732,301</u></u>
<b>LIABILITIES:</b>		
Accounts payable	\$56,042	\$56,793
Accrued payroll and compensated absences	632,653	511,394
Due to other funds	270,000	250,000
Deferred revenue	<u>1,785,472</u>	<u>1,381,295</u>
<b>Total liabilities</b>	<u><u>2,744,167</u></u>	<u><u>2,199,482</u></u>
<b>FUND EQUITY:</b>		
Fund balance:		
Reserved for:		
Encumbrances	259,560	278,615
Inventory	4,616	
Prepaid expenditures	80,277	69,734
Unreserved and undesignated	<u>13,942,862</u>	<u>14,184,470</u>
<b>Total fund equity</b>	<u><u>14,287,315</u></u>	<u><u>14,532,819</u></u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><u>\$17,031,482</u></u>	<u><u>\$16,732,301</u></u>

## CITY OF MORaine, OHIO

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## GENERAL FUND

(Continued 1 of 3)

**DETAILED SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL (NON-GAAP BUDGET)  
FOR THE YEAR ENDED DECEMBER 31, 2002  
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001**

	2002				2001	
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
<b>GENERAL GOVERNMENT:</b>						
<b>Council:</b>						
Personnel services	\$15,681	(\$266)	\$15,415	\$20,008	\$4,593	\$18,505
General operating expenses	68,671	26,960	95,631	104,596	8,965	202,198
<b>Total Council</b>	<b>84,352</b>	<b>26,694</b>	<b>111,046</b>	<b>124,604</b>	<b>13,558</b>	<b>220,703</b>
<b>Clerk of Council:</b>						
Personnel services	56,462	181	56,643	67,534	10,891	47,172
General operating expenses	6,841	294	7,135	10,021	2,886	5,811
<b>Total Clerk Council</b>	<b>63,303</b>	<b>475</b>	<b>63,778</b>	<b>77,555</b>	<b>13,777</b>	<b>52,983</b>
<b>City Manager's office:</b>						
Personnel services	192,177	(15,677)	176,500	193,003	16,503	149,572
General operating expenses	26,605	1,465	28,070	45,615	17,545	22,233
<b>Total City Manager's office</b>	<b>218,782</b>	<b>(14,212)</b>	<b>204,570</b>	<b>238,618</b>	<b>34,048</b>	<b>171,805</b>
<b>Clerk of Courts:</b>						
Personnel services	88,405	(1,764)	86,641	88,946	2,305	80,809
General operating expenses	13,476	352	13,828	14,057	229	12,296
<b>Total Clerk of Courts</b>	<b>101,881</b>	<b>(1,412)</b>	<b>100,469</b>	<b>103,003</b>	<b>2,534</b>	<b>93,105</b>
<b>Law Director:</b>						
Personnel services	87,538	(226)	87,312	129,389	42,077	63,334
General operating expenses	121,060	23,571	144,631	150,422	5,791	168,185
<b>Total Law Director</b>	<b>208,598</b>	<b>23,345</b>	<b>231,943</b>	<b>279,811</b>	<b>47,868</b>	<b>231,519</b>
<b>Public Defender:</b>						
General operating expenses	2,867	1,443	4,310	7,810	3,500	4,148
<b>Total Public Defender</b>	<b>2,867</b>	<b>1,443</b>	<b>4,310</b>	<b>7,810</b>	<b>3,500</b>	<b>4,148</b>
<b>Merit Service</b>						
General operating expenses	10,249	5,932	16,181	32,700	16,519	17,772
<b>Total Merit Service</b>	<b>10,249</b>	<b>5,932</b>	<b>16,181</b>	<b>32,700</b>	<b>16,519</b>	<b>17,772</b>
<b>Mayor:</b>						
Personnel services	11,612	55	11,667	13,308	1,641	11,867
General operating expenses	6,664	2,584	9,248	14,527	5,279	7,964
<b>Total Mayor</b>	<b>18,276</b>	<b>2,639</b>	<b>20,915</b>	<b>27,835</b>	<b>6,920</b>	<b>19,831</b>
<b>Finance:</b>						
Personnel services	301,610	(18,809)	282,801	286,102	3,301	226,445
General operating expenses	18,189	7,283	25,472	32,071	6,599	34,900
<b>Total Finance</b>	<b>319,799</b>	<b>(11,526)</b>	<b>308,273</b>	<b>318,173</b>	<b>9,900</b>	<b>261,345</b>
<b>Information Center:</b>						
Personnel services	83,071	(88)	82,983	124,156	41,173	77,849
General operating expenses	16	(16)		8,000	8,000	8,233
<b>Total Information Center</b>	<b>83,087</b>	<b>(104)</b>	<b>82,983</b>	<b>132,156</b>	<b>49,173</b>	<b>86,082</b>



## CITY OF MORaine, OHIO

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## GENERAL FUND

(Continued 2 of 3)

**DETAILED SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL (NON-GAAP BUDGET)  
FOR THE YEAR ENDED DECEMBER 31, 2002  
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001**

	2002				VARIANCE FAVORABLE (UNFAVORABLE)	2001
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET		GAAP ACTUAL
<b>Senior Citizens</b>						
General operating expenses	\$12,533	\$2,225	\$14,758	\$14,758		\$6,649
<b>Total senior citizens</b>	<u>12,533</u>	<u>2,225</u>	<u>14,758</u>	<u>14,758</u>		<u>6,649</u>
<b>Summer Jobs:</b>						
Personnel services	82,467	(278)	82,189	96,781	14,592	92,714
General operating expenses	1,559	(1)	1,558	2,250	692	981
<b>Total Summer Jobs</b>	<u>84,026</u>	<u>(279)</u>	<u>83,747</u>	<u>99,031</u>	<u>15,284</u>	<u>93,695</u>
<b>Public Buildings:</b>						
Personnel services	1,288,930	(22,375)	1,266,555	1,444,178	177,623	1,145,488
General operating expenses	479,986	28,973	508,959	653,678	144,719	647,930
Nongovernmental expenses	26,000		26,000	26,000		25,000
<b>Total Public Buildings</b>	<u>1,794,916</u>	<u>6,598</u>	<u>1,801,514</u>	<u>2,123,856</u>	<u>322,342</u>	<u>1,818,418</u>
<b>General Miscellaneous:</b>						
Personnel services	35,101		35,101	93,443	58,342	310,555
General operating expenses	360,571	23,750	384,321	407,797	23,476	336,826
Contingencies	220,812		220,812	251,600	30,788	223,433
<b>Total General Miscellaneous</b>	<u>616,484</u>	<u>23,750</u>	<u>640,234</u>	<u>752,840</u>	<u>112,606</u>	<u>870,814</u>
<b>Information Technology</b>						
Personnel services	72,707	(1,957)	70,750	75,993	5,243	69,438
General operating expenses	179,622	7,116	186,738	198,617	11,879	5,793
<b>Total Information Technology</b>	<u>252,329</u>	<u>5,159</u>	<u>257,488</u>	<u>274,610</u>	<u>17,122</u>	<u>75,231</u>
<b>Human Resources</b>						
Personnel services	74,203	(291)	73,912	78,692	4,780	72,735
General operating expenses	18,443	2,678	21,121	21,898	777	22,961
<b>Total Human Resources</b>	<u>92,646</u>	<u>2,387</u>	<u>95,033</u>	<u>100,590</u>	<u>5,557</u>	<u>95,696</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>\$3,964,128</u>	<u>\$73,114</u>	<u>\$4,037,242</u>	<u>\$4,707,950</u>	<u>\$670,708</u>	<u>\$4,119,796</u>
<b>PUBLIC SAFETY:</b>						
<b>Police:</b>						
Personnel services	\$3,027,273	(\$24,471)	\$3,002,802	\$3,157,249	\$154,447	\$2,846,219
General operating expenses	393,526	53,014	446,540	528,881	82,341	438,839
<b>Total Police</b>	<u>3,420,799</u>	<u>28,543</u>	<u>3,449,342</u>	<u>3,686,130</u>	<u>236,788</u>	<u>3,285,058</u>
<b>Fire:</b>						
Personnel services	2,858,054	(25,936)	2,832,118	2,873,953	41,835	2,684,914
General operating expenses	317,542	12,510	330,052	345,305	15,253	219,423
<b>Total Fire</b>	<u>3,175,596</u>	<u>(13,426)</u>	<u>3,162,170</u>	<u>3,219,258</u>	<u>57,088</u>	<u>2,904,337</u>
<b>Civil Defense</b>						
General operating expenses	1,931		1,931	2,700	769	1,083
<b>Total Civil Defense</b>	<u>1,931</u>		<u>1,931</u>	<u>2,700</u>	<u>769</u>	<u>1,083</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>\$6,598,326</u>	<u>\$15,117</u>	<u>\$6,613,443</u>	<u>\$6,908,088</u>	<u>\$294,645</u>	<u>\$6,190,478</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, 2002  
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001**

	2002				VARIANCE FAVORABLE (UNFAVORABLE)	2001
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET		GAAP ACTUAL
<b>HEALTH:</b>						
<b>Health &amp; Alcoholism:</b>						
General operating expenses	\$1,533		\$1,533	\$1,533		\$904
<b>Total Health &amp; Alcoholism</b>	<u>1,533</u>		<u>1,533</u>	<u>1,533</u>		<u>904</u>
<b>Waste Collection:</b>						
Personnel services						
General operating expenses	309,794	\$38,395	348,189	377,481	29,292	295,790
<b>Total Waste Collection</b>	<u>309,794</u>	<u>38,395</u>	<u>348,189</u>	<u>377,481</u>	<u>29,292</u>	<u>295,790</u>
<b>Board of Zoning Appeals:</b>						
General operating expenses	2,025	387	2,412	2,664	252	2,045
<b>Total Board of Zoning Appeals</b>	<u>2,025</u>	<u>387</u>	<u>2,412</u>	<u>2,664</u>	<u>252</u>	<u>2,045</u>
<b>Building Inspection:</b>						
Personnel services	80,424	(2,865)	77,559	87,596	10,037	60,787
General operating expenses	44,119	6,325	50,444	53,057	2,613	32,754
<b>Total Building Inspection</b>	<u>124,543</u>	<u>3,460</u>	<u>128,003</u>	<u>140,653</u>	<u>12,650</u>	<u>93,541</u>
<b>Engineering:</b>						
Personnel services	123,029	(3,304)	119,725	141,165	21,440	107,293
General operating expenses	50,418	14,834	65,252	70,103	4,851	35,443
<b>Total Engineering</b>	<u>173,447</u>	<u>11,530</u>	<u>184,977</u>	<u>211,268</u>	<u>26,291</u>	<u>142,736</u>
<b>TOTAL HEALTH</b>	<u>\$611,342</u>	<u>\$53,772</u>	<u>\$665,114</u>	<u>\$733,599</u>	<u>\$68,485</u>	<u>\$535,016</u>
<b>HIGHWAYS AND STREETS:</b>						
<b>Street Lighting:</b>						
General operating expenses	\$263,598		\$263,598	\$280,000	\$16,402	\$263,909
<b>Total Street lighting</b>	<u>263,598</u>		<u>263,598</u>	<u>280,000</u>	<u>16,402</u>	<u>263,909</u>
<b>TOTAL HIGHWAYS AND STREETS</b>	<u>\$263,598</u>		<u>\$263,598</u>	<u>\$280,000</u>	<u>\$16,402</u>	<u>\$263,909</u>
<b>COMMUNITY DEVELOPMENT:</b>						
<b>Planning:</b>						
Personnel services	\$104,747	(\$3,184)	\$101,563	\$112,480	\$10,917	\$60,586
General operating expenses	49,169	14,258	63,427	90,741	27,314	32,162
<b>Total Planning</b>	<u>153,916</u>	<u>11,074</u>	<u>164,990</u>	<u>203,221</u>	<u>38,231</u>	<u>92,748</u>
<b>Planning Commission:</b>						
General operating expenses	5,209	1,220	6,429	50,850	44,421	5,786
<b>Total Planning Commission</b>	<u>5,209</u>	<u>1,220</u>	<u>6,429</u>	<u>50,850</u>	<u>44,421</u>	<u>5,786</u>
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<u>\$159,125</u>	<u>\$12,294</u>	<u>\$171,419</u>	<u>\$254,071</u>	<u>\$82,652</u>	<u>\$98,534</u>
<b>TOTAL - ALL DEPARTMENTS</b>	<u>\$11,596,519</u>	<u>\$154,297</u>	<u>\$11,750,816</u>	<u>\$12,883,708</u>	<u>\$1,132,892</u>	<u>\$11,207,733</u>

## 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.

# 2002

**SPECIAL REVENUE FUNDS**

COMBINING BALANCE SHEETS  
DECEMBER 31, 2002 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2001

	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	
										2002	2001
<b>ASSETS:</b>											
Cash and investments		\$586,504	\$294,294	\$333,972	\$2,866	\$8,380	\$81,059	\$5,447	\$1,642,317	\$2,954,839	\$3,173,634
Receivables:											
Property and other taxes											
Accounts	968		15,424	10,551	1,037	254	77,893	77,893		155,786	154,970
Intergovernmental			114,924		11,453		2,396	2,396		131,169	141,450
Loan										245,000	25,000
Due from other funds	35,000		50,000				60,000	125,000	245,000	270,000	250,000
Inventories	21,531		21,531							21,531	40,889
Prepaid expenditures	297		554							851	1,634
<b>TOTAL ASSETS</b>		<b>\$622,769</b>	<b>\$496,727</b>	<b>\$344,523</b>	<b>\$15,356</b>	<b>\$8,634</b>	<b>\$221,348</b>	<b>\$210,736</b>	<b>\$1,887,317</b>	<b>\$3,807,410</b>	<b>\$3,830,185</b>
<b>LIABILITIES:</b>											
Accounts payable	\$11,478		\$18,865	\$10,850						\$41,193	\$77,294
Accrued payroll and compensated absences	76,202		111,754				\$104,084	\$118,591		410,631	376,030
Deferred revenue			86,226	6,991	10,490		80,289	80,289		264,285	264,676
Due to other funds									1,145,000	1,145,000	1,145,000
<b>Total liabilities</b>	<b>87,680</b>		<b>216,845</b>	<b>17,841</b>	<b>10,490</b>		<b>184,373</b>	<b>198,880</b>	<b>1,145,000</b>	<b>1,861,109</b>	<b>1,863,000</b>
<b>FUND EQUITY:</b>											
Fund balance:											
Reserved for:											
Encumbrances	56,956		59,194							116,150	156,208
Inventory			21,531							21,531	40,889
Prepaid expenditures	297		554							851	1,634
Unreserved and undesignated	477,836		198,603	326,682	4,866	\$8,634	36,975	11,856	742,317	1,807,769	1,768,454
<b>Total fund equity</b>	<b>535,089</b>		<b>279,882</b>	<b>326,682</b>	<b>4,866</b>	<b>8,634</b>	<b>36,975</b>	<b>11,856</b>	<b>742,317</b>	<b>1,946,301</b>	<b>1,967,185</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$622,769</b>		<b>\$496,727</b>	<b>\$344,523</b>	<b>\$15,356</b>	<b>\$8,634</b>	<b>\$221,348</b>	<b>\$210,736</b>	<b>\$1,887,317</b>	<b>\$3,807,410</b>	<b>\$3,830,185</b>

CITY OF MORAINE, OHIO

**SPECIAL REVENUE FUNDS**

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED DECEMBER 31, 2002 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2001

	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 2002	TOTALS 2001
<b>REVENUES:</b>											
Other local taxes							\$82,726	\$82,726		\$165,452	\$185,482
State shared taxes and permits			\$252,866	\$20,585	\$19,835					293,286	333,675
Intergovernmental											388,705
Charges for services		\$968,400								968,400	943,078
Investment earnings		24,902	10,162	12,276	674	\$318		2,829		56,599	49,465
Miscellaneous receipts and reimbursements		1,304				254				31,558	55,596
<b>Total revenues</b>		<u>994,606</u>	<u>263,028</u>	<u>32,861</u>	<u>20,509</u>	<u>572</u>	<u>88,164</u>	<u>85,555</u>	<u>30,000</u>	<u>1,515,295</u>	<u>1,956,001</u>
<b>EXPENDITURES:</b>											
Current:											
General government	\$189,255									189,255	195,166
Public Safety							387,641	447,941		835,582	802,357
Community development											556,464
Highways and streets			1,595,981	10,850	41,525					1,648,356	1,513,512
Recreation		2,796,209								2,796,209	2,726,319
<b>Total expenditures</b>	<u>189,255</u>	<u>2,796,209</u>	<u>1,595,981</u>	<u>10,850</u>	<u>41,525</u>		<u>387,641</u>	<u>447,941</u>		<u>5,469,402</u>	<u>5,793,818</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(189,255)</u>	<u>(1,801,603)</u>	<u>(1,332,953)</u>	<u>22,011</u>	<u>(21,016)</u>	<u>572</u>	<u>(299,477)</u>	<u>(362,386)</u>	<u>30,000</u>	<u>(3,954,107)</u>	<u>(3,837,817)</u>
<b>OTHER FINANCING SOURCES - OPERATING</b>											
Transfers in	88,223	1,900,000	1,300,000				275,000	370,000		3,953,223	3,890,000
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>(101,032)</u>	<u>98,397</u>	<u>(32,953)</u>	<u>22,011</u>	<u>(21,016)</u>	<u>572</u>	<u>(24,477)</u>	<u>7,614</u>	<u>30,000</u>	<u>(20,884)</u>	<u>52,183</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	101,032	436,692	312,835	304,671	25,882	8,062	61,452	4,242	712,317	1,967,185	1,915,002
<b>FUND BALANCE, END OF YEAR</b>		<u>\$535,089</u>	<u>\$279,882</u>	<u>\$326,682</u>	<u>\$4,866</u>	<u>\$8,634</u>	<u>\$36,975</u>	<u>\$11,856</u>	<u>\$742,317</u>	<u>\$1,946,301</u>	<u>\$1,967,185</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, 2002  
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001

	2002		2001			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
<b>MUNICIPAL INCOME TAX</b>						
<b>REVENUES:</b>						
Other local taxes						
Total revenues						
<b>EXPENDITURES:</b>						
Current:						
General government:						
Personnel services	\$170,646	\$10,668	\$181,314	\$192,888	\$11,574	\$178,252
General operating expenses	18,609	(4,050)	14,559	24,275	9,716	16,914
Total general government expenditures	189,255	6,618	195,873	217,163	21,290	195,166
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(189,255)	(6,618)	(195,873)	(217,163)	21,290	(195,166)
<b>OTHER FINANCING SOURCES - OPERATING</b>						
Transfers in	88,223	10,000	98,223	160,000	61,777	125,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(101,032)	\$3,382	(97,650)	(57,163)	\$83,067	(70,166)
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES	101,032		97,650	97,650		171,198
FUND BALANCE, END OF YEAR				\$40,487		\$101,032

## 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, 2002  
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001

	2002		DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	2001	
	GAAP ACTUAL	ACTUAL ON BUDGETARY BASIS		BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b>PARKS AND RECREATION</b>					
<b>REVENUES:</b>					
Charges for services	\$968,400	\$967,433	(\$967)	\$960,451	\$943,078
Investment earnings	24,902	21,584	(3,318)	18,641	13,976
Miscellaneous receipts and reimbursements	1,304	1,304		89	55,475
<b>Total revenues</b>	<u>994,606</u>	<u>990,321</u>	<u>(4,285)</u>	<u>979,181</u>	<u>1,012,529</u>
<b>EXPENDITURES:</b>					
<b>Current: Recreation</b>					
<b>Civic Center</b>					
Personnel services	344,140	343,631	(509)	361,513	336,685
General operating expenses	83,133	88,588	5,455	146,943	239,082
<b>Total Civic Center</b>	<u>427,273</u>	<u>432,219</u>	<u>4,946</u>	<u>508,456</u>	<u>575,767</u>
<b>Natatorium:</b>					
Personnel services	65,339	64,978	(361)	70,369	67,174
General operating expenses	137,809	147,189	9,380	201,864	228,261
<b>Total Natatorium</b>	<u>203,148</u>	<u>212,167</u>	<u>9,019</u>	<u>272,233</u>	<u>295,435</u>
<b>Water Park</b>					
Personnel services	467,625	457,765	(9,860)	477,954	381,234
General operating expenses	729,251	758,819	29,568	838,353	789,527
<b>Total Water Park</b>	<u>1,196,876</u>	<u>1,216,584</u>	<u>19,708</u>	<u>1,316,307</u>	<u>1,170,761</u>
<b>Recreation Center</b>					
Personnel services	566,576	555,594	(10,982)	622,507	479,861
General operating expenses	402,336	435,260	32,924	530,880	204,495
<b>Total Recreation Center</b>	<u>968,912</u>	<u>990,854</u>	<u>21,942</u>	<u>1,153,387</u>	<u>684,356</u>
<b>Total recreation expenditures</b>	<u>2,796,209</u>	<u>2,851,824</u>	<u>55,615</u>	<u>3,250,383</u>	<u>2,726,319</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,801,603)</u>	<u>(1,861,503)</u>	<u>(59,900)</u>	<u>(2,271,202)</u>	<u>(1,713,790)</u>
<b>OTHER FINANCING SOURCES - OPERATING</b>					
Transfers in	1,900,000	1,900,000		2,000,000	1,850,000
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>98,397</u>	<u>38,497</u>	<u>(\$59,900)</u>	<u>(271,202)</u>	<u>136,210</u>
<b>FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES</b>	<u>436,692</u>	<u>493,727</u>		<u>493,727</u>	<u>300,482</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$535,089</u>	<u>\$589,180</u>		<u>\$222,525</u>	<u>\$436,692</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, 2002  
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001

	2002				2001	
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
<b>STREET CONSTRUCTION AND MAINTENANCE</b>						
<b>REVENUES:</b>						
State shared taxes and permits	\$252,866	(\$161)	\$252,705	\$256,158	(\$3,453)	\$289,546
Investment earnings	10,162	(2,313)	7,849	10,716	(2,867)	9,536
<b>Total revenues</b>	<b>263,028</b>	<b>(2,474)</b>	<b>260,554</b>	<b>266,874</b>	<b>(6,320)</b>	<b>299,082</b>
<b>EXPENDITURES:</b>						
<b>Current: Highways and streets:</b>						
Street department:						
Personnel services	1,267,688	(20,754)	1,246,934	1,380,036	133,102	1,190,469
General operating expenses	328,293	34,774	363,067	381,659	18,592	269,883
<b>Total street department</b>	<b>1,595,981</b>	<b>14,020</b>	<b>1,610,001</b>	<b>1,761,695</b>	<b>151,694</b>	<b>1,460,352</b>
<b>Total highways and streets expenditures</b>	<b>1,595,981</b>	<b>14,020</b>	<b>1,610,001</b>	<b>1,761,695</b>	<b>151,694</b>	<b>1,460,352</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,332,953)</b>	<b>(16,494)</b>	<b>(1,349,447)</b>	<b>(1,494,821)</b>	<b>145,374</b>	<b>(1,161,270)</b>
<b>OTHER FINANCING SOURCES - OPERATING</b>						
Transfers in	1,300,000		1,300,000	1,325,000	(25,000)	1,300,000
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(32,953)</b>	<b>(\$16,494)</b>	<b>(49,447)</b>	<b>(169,821)</b>	<b>\$120,374</b>	<b>138,730</b>
<b>FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES</b>	<b>312,835</b>		<b>286,151</b>	<b>286,151</b>		<b>174,105</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$279,882</b>		<b>\$295,898</b>	<b>\$116,330</b>		<b>\$312,835</b>



**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, 2002  
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
<b>STATE HIGHWAY IMPROVEMENTS</b>						
<b>REVENUES:</b>						
State shared taxes and permits	\$20,585	(\$95)	\$20,490	\$20,769	(\$279)	\$23,377
Investment earnings	12,276	(2,512)	9,764	12,677	(2,913)	10,274
<b>Total revenues</b>	<b>32,861</b>	<b>(2,607)</b>	<b>30,254</b>	<b>33,446</b>	<b>(3,192)</b>	<b>33,651</b>
<b>EXPENDITURES:</b>						
Capital outlay	10,850		10,850	10,850		10,850
<b>Total highways and streets expenditures</b>	<b>10,850</b>		<b>10,850</b>	<b>10,850</b>		<b>10,850</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>22,011</b>	<b>(\$2,607)</b>	<b>19,404</b>	<b>22,596</b>	<b>(\$3,192)</b>	<b>22,801</b>
<b>FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES</b>	<b>304,671</b>		<b>316,388</b>	<b>316,388</b>		<b>281,870</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$326,682</b>		<b>\$335,792</b>	<b>\$338,984</b>		<b>\$304,671</b>

**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, 2002  
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001

	2002		2001			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
<b>MOTOR VEHICLE LICENSE TAX</b>						
<b>REVENUES:</b>						
State shared taxes and permits	\$19,835	(\$74)	\$19,761	\$20,519	(\$758)	\$20,752
Investment earnings	674	(332)	342	1,897	(1,555)	1,726
<b>Total revenues</b>	<u>20,509</u>	<u>(406)</u>	<u>20,103</u>	<u>22,416</u>	<u>(2,313)</u>	<u>22,478</u>
<b>EXPENDITURES:</b>						
<b>Current: Highways and streets:</b>						
Street department:						
General operating expenses	41,525	1,058	42,583	43,837	1,254	42,310
<b>Total street department</b>	<u>41,525</u>	<u>1,058</u>	<u>42,583</u>	<u>43,837</u>	<u>1,254</u>	<u>42,310</u>
<b>Total highways and streets expenditures</b>	<u>41,525</u>	<u>1,058</u>	<u>42,583</u>	<u>43,837</u>	<u>1,254</u>	<u>42,310</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(21,016)</u>	<u>(\$1,464)</u>	<u>(22,480)</u>	<u>(21,421)</u>	<u>(\$1,059)</u>	<u>(19,832)</u>
<b>FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES</b>	<u>25,882</u>		<u>25,368</u>	<u>25,368</u>		<u>45,714</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$4,866</u>		<u>\$2,888</u>	<u>\$3,947</u>		<u>\$25,882</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, 2002  
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
<b>EDUCATION AND ENFORCEMENT</b>						
<b>REVENUES:</b>						
Investment earnings	\$318	(\$66)	\$252	\$357	(\$105)	\$295
Miscellaneous receipts and reimbursements	254	(254)		\$34	(\$34)	121
<b>Total revenues</b>	<b>572</b>	<b>(320)</b>	<b>252</b>	<b>391</b>	<b>(139)</b>	<b>416</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
<b>Police Department:</b>						
General operating expenses				6,050	6,050	
<b>Total police department</b>				<b>6,050</b>	<b>6,050</b>	
<b>Total public safety</b>				<b>6,050</b>	<b>6,050</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>572</b>	<b>(\$320)</b>	<b>252</b>	<b>(5,659)</b>	<b>\$5,911</b>	<b>416</b>
<b>FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES</b>	<b>8,062</b>		<b>8,174</b>	<b>8,174</b>		<b>7,646</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$8,634</b>		<b>\$8,426</b>	<b>\$2,515</b>		<b>\$8,062</b>

**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, 2002  
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001

	2002		2001			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
<b>POLICE PENSION</b>						
<b>REVENUES:</b>						
Other local taxes	\$82,726		\$82,726	\$82,575	\$151	\$92,741
Investment earnings	5,438	(\$950)	4,488	8,476	(3,988)	9,690
Total revenues	<u>88,164</u>	<u>(950)</u>	<u>87,214</u>	<u>91,051</u>	<u>(3,837)</u>	<u>102,431</u>
<b>EXPENDITURES:</b>						
Current:						
Public safety:						
Police Department:						
Personnel services	386,498	(5,256)	381,242	400,936	19,694	363,472
General operating expenses	1,143		1,143	3,500	2,357	1,181
Total police department	<u>387,641</u>	<u>(5,256)</u>	<u>382,385</u>	<u>404,436</u>	<u>22,051</u>	<u>364,653</u>
Total public safety	<u>387,641</u>	<u>(5,256)</u>	<u>382,385</u>	<u>404,436</u>	<u>22,051</u>	<u>364,653</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(299,477)</u>	<u>4,306</u>	<u>(295,171)</u>	<u>(313,385)</u>	<u>18,214</u>	<u>(262,222)</u>
<b>OTHER FINANCING SOURCES - OPERATING</b>						
Transfers in	<u>275,000</u>		<u>275,000</u>	<u>275,000</u>		<u>275,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(24,477)</u>	<u>\$4,306</u>	<u>(20,171)</u>	<u>(38,385)</u>	<u>\$18,214</u>	<u>12,778</u>
FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES	<u>61,452</u>		<u>101,671</u>	<u>101,671</u>		<u>48,674</u>
FUND BALANCE, END OF YEAR	<u>\$36,975</u>		<u>\$81,500</u>	<u>\$63,286</u>		<u>\$61,452</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, 2002  
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001

	2002		2001			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
<b>FIRE PENSION</b>						
<b>REVENUES:</b>						
Other local taxes	\$82,726		\$82,726	\$82,575	\$151	\$92,741
Investment earnings	2,829	(\$363)	2,466	2,385	81	3,968
Total revenues	85,555	(363)	85,192	84,960	232	96,709
<b>EXPENDITURES:</b>						
Current:						
Public safety:						
Fire Department:						
Personnel services	446,798	455	447,253	458,586	11,333	436,523
General operating expenses	1,143		1,143	3,500	2,357	1,181
Total fire department	447,941	455	448,396	462,086	13,690	437,704
Total public safety	447,941	455	448,396	462,086	13,690	437,704
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(362,386)	(818)	(363,204)	(377,126)	13,922	(340,995)
<b>OTHER FINANCING SOURCES - OPERATING</b>						
Transfers in	370,000	(30,000)	340,000	350,000	10,000	340,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	7,614	(\$30,818)	(23,204)	(27,126)	\$23,922	(995)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	4,242		28,681	28,681		5,237
<b>FUND BALANCE, END OF YEAR</b>	\$11,856		\$5,477	\$1,555		\$4,242

**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, 2002  
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001

	2002		2001			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
<b>ECONOMIC DEVELOPMENT GRANT FUND</b>						
<b>REVENUES:</b>						
Intergovernmental		\$25,000	\$25,000		\$25,000	\$388,705
Miscellaneous receipts and reimbursements	30,000	(30,000)				
<b>Total revenues</b>	<u>30,000</u>	<u>(5,000)</u>	<u>25,000</u>		<u>25,000</u>	<u>388,705</u>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
Community Development:						
Nongovernmental expenses		215,000	215,000	365,000	150,000	556,464
<b>Total Community Development</b>		<u>215,000</u>	<u>215,000</u>	<u>365,000</u>	<u>150,000</u>	<u>556,464</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>30,000</u>	<u>(\$220,000)</u>	<u>(190,000)</u>	<u>(365,000)</u>	<u>(\$125,000)</u>	<u>(167,759)</u>
<b>FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES</b>	<u>712,317</u>		<u>1,832,317</u>	<u>1,832,317</u>		<u>880,076</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$742,317</u>		<u>\$1,642,317</u>	<u>\$1,467,317</u>		<u>\$712,317</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, 2002  
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001

	2002		2001		
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
<b>TOTAL SPECIAL REVENUE FUNDS</b>					
<b>REVENUES:</b>					
Other local taxes	\$165,452		\$165,452	\$302	\$185,482
State shared taxes and permits	293,286	(\$330)	292,956	(4,490)	333,675
Intergovernmental		25,000	25,000	25,000	388,705
Charges for services	968,400	(967)	967,433	6,982	943,078
Investment earnings	56,599	(9,854)	46,745	(8,404)	49,465
Miscellaneous receipts and reimbursements	31,558	(30,254)	1,304	1,181	55,596
<b>Total revenues</b>	<b>1,515,295</b>	<b>(16,405)</b>	<b>1,498,890</b>	<b>20,571</b>	<b>1,956,001</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
General government	189,255	6,618	195,873	21,290	195,166
Public safety	835,582	(4,801)	830,781	41,791	802,357
Community development		215,000	215,000	150,000	556,464
Highways and streets	1,648,356	15,078	1,663,434	152,948	1,513,512
Recreation	2,796,209	55,615	2,851,824	398,559	2,726,319
<b>Total expenditures</b>	<b>5,469,402</b>	<b>287,510</b>	<b>5,756,912</b>	<b>764,588</b>	<b>5,793,816</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(3,954,107)</b>	<b>(303,915)</b>	<b>(4,258,022)</b>	<b>785,159</b>	<b>(3,837,817)</b>
<b>OTHER FINANCING SOURCES - OPERATING</b>					
Transfers in	3,933,223	(20,000)	3,913,223	(196,777)	3,890,000
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(20,884)</b>	<b>(\$323,915)</b>	<b>(344,799)</b>	<b>\$588,382</b>	<b>52,183</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>1,967,185</b>		<b>3,190,127</b>		<b>1,915,002</b>
<b>ENCUMBRANCES</b>			<b>116,150</b>		
<b>FUND BALANCE, END OF YEAR</b>	<b>\$1,946,301</b>		<b>\$2,961,478</b>		<b>\$1,967,185</b>

## **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.

# **2002**



## CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEETS  
 DECEMBER 31, 2002 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2001

	CAPITAL PROJECTS	CAPITAL IMPROVEMENT/ INCOME TAX	TOTALS	
			2002	2001
<b>ASSETS:</b>				
Cash and investments	\$5,819,664		\$5,819,664	\$4,815,389
Receivables:				
Income taxes	374,263		374,263	318,004
Accounts	64,460		64,460	1,445
<b>TOTAL ASSETS</b>	<u>\$6,258,387</u>		<u>\$6,258,387</u>	<u>\$5,134,838</u>
<b>LIABILITIES:</b>				
Accounts payable	\$46,093		\$46,093	\$46,092
Deferred revenue	202,126		202,126	139,763
<b>Total liabilities</b>	<u>248,219</u>		<u>248,219</u>	<u>185,855</u>
<b>FUND EQUITY:</b>				
Fund balance:				
Reserved for:				
Encumbrances	1,662,285		1,662,285	784,469
Unreserved and undesignated	4,347,883		4,347,883	4,164,514
<b>Total fund equity</b>	<u>6,010,168</u>		<u>6,010,168</u>	<u>4,948,983</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$6,258,387</u>		<u>\$6,258,387</u>	<u>\$5,134,838</u>

## CAPITAL PROJECTS FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2002 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2001

	CAPITAL PROJECTS	CAPITAL IMPROVEMENT/ INCOME TAX	TOTALS	
			2002	2001
<b>REVENUES:</b>				
Other local taxes	\$2,339,135		\$2,339,135	\$2,290,387
Intergovernmental	29,350		29,350	
Investment earnings		\$454	454	1,786
Miscellaneous receipts and reimbursements	83,107		83,107	448,317
<b>Total revenues</b>	<b>2,451,592</b>	<b>454</b>	<b>2,452,046</b>	<b>2,740,490</b>
<b>EXPENDITURES:</b>				
Capital outlay	1,397,492	25,491	1,422,983	1,465,996
Debt services				
Principal	27,710		27,710	27,710
<b>Total expenditures</b>	<b>1,425,202</b>	<b>25,491</b>	<b>1,450,693</b>	<b>1,493,706</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,026,390</b>	<b>(25,037)</b>	<b>1,001,353</b>	<b>1,246,784</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of land and buildings	59,832		59,832	62,657
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>1,086,222</b>	<b>(25,037)</b>	<b>1,061,185</b>	<b>1,309,441</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>4,923,946</b>	<b>25,037</b>	<b>4,948,983</b>	<b>3,639,542</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$6,010,168</b>		<b>\$6,010,168</b>	<b>\$4,948,983</b>

**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, 2002  
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001

	2002		2001		VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET		
<b>CAPITAL PROJECTS FUND</b>						
<b>REVENUES:</b>						
Municipal income tax	\$2,339,135	\$6,104	\$2,345,239	\$2,255,713	\$89,526	\$2,290,387
Intergovernmental	29,350		29,350	350,000	(320,650)	
Miscellaneous receipts and reimbursements	83,107	(63,014)	20,093	499,898	(479,805)	448,317
<b>Total revenues</b>	<u>2,451,592</u>	<u>(56,910)</u>	<u>2,394,682</u>	<u>3,105,611</u>	<u>(710,929)</u>	<u>2,738,704</u>
<b>EXPENDITURES:</b>						
Capital outlay	1,397,492	1,662,198	3,059,690	3,385,241	325,551	1,433,198
Debt services						
Principal	27,710		27,710	27,711	1	27,710
<b>Total expenditures</b>	<u>1,425,202</u>	<u>1,662,198</u>	<u>3,087,400</u>	<u>3,412,952</u>	<u>325,552</u>	<u>1,460,908</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,026,390	(1,719,108)	(692,718)	(307,341)	(385,377)	1,277,796
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of land and buildings	59,832		59,832	600,000	59,832	62,657
Proceeds from sale of debt						
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	1,086,222	(\$1,719,108)	(632,886)	292,659	(\$325,545)	1,340,453
<b>FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES</b>	4,923,946		4,790,352	4,790,352		3,583,493
<b>FUND BALANCE, END OF YEAR</b>	<u>\$6,010,168</u>		<u>\$5,819,751</u>	<u>\$5,083,011</u>		<u>\$4,923,946</u>

**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, 2002  
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
<b>CAPITAL IMPROVEMENT / INCOME TAX FUND</b>						
<b>REVENUES:</b>						
Investment earnings	\$454		\$454	\$1,000	(\$546)	\$1,786
<b>Total revenues</b>	<u>454</u>		<u>454</u>	<u>1,000</u>	<u>(546)</u>	<u>1,786</u>
<b>EXPENDITURES:</b>						
Capital outlay	25,491		25,491	25,490	(1)	32,798
<b>Total expenditures</b>	<u>25,491</u>		<u>25,491</u>	<u>25,490</u>	<u>(1)</u>	<u>32,798</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(25,037)</u>		<u>(25,037)</u>	<u>(24,490)</u>	<u>(\$547)</u>	<u>(31,012)</u>
<b>FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES</b>	25,037		25,037	25,037		56,049
<b>FUND BALANCE, END OF YEAR</b>				<u>\$547</u>		<u>\$25,037</u>

**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, 2002  
WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001

	2002		2001			
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
<b>TOTAL CAPITAL PROJECTS FUNDS</b>						
<b>REVENUES:</b>						
Municipal income tax	\$2,339,135	\$6,104	\$2,345,239	\$2,255,713	\$89,526	\$2,290,387
Intergovernmental	29,350		29,350	350,000	(320,650)	
Investment earnings	454		454	1,000	(546)	1,786
Miscellaneous receipts and reimbursements	83,107	(63,014)	20,093	499,898	(479,805)	448,317
<b>Total revenues</b>	<b>2,452,046</b>	<b>(56,910)</b>	<b>2,395,136</b>	<b>3,106,611</b>	<b>(711,475)</b>	<b>2,740,490</b>
<b>EXPENDITURES:</b>						
Capital outlay	1,422,983	1,662,198	3,085,181	3,410,731	325,550	1,465,996
Debt services:						
Principal	27,710		27,710	27,711	1	27,710
<b>Total expenditures</b>	<b>1,450,693</b>	<b>1,662,198</b>	<b>3,112,891</b>	<b>3,438,442</b>	<b>325,551</b>	<b>1,493,706</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,001,353</b>	<b>(1,719,108)</b>	<b>(717,755)</b>	<b>(331,831)</b>	<b>(385,924)</b>	<b>1,246,784</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of land and buildings	59,832		59,832	600,000	59,832	62,657
Proceed from sale of debt						
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>1,061,185</b>	<b>(\$1,719,108)</b>	<b>(657,923)</b>	<b>268,169</b>	<b>(\$326,092)</b>	<b>1,309,441</b>
<b>FUND BALANCE, BEGINNING OF YEAR ENCUMBRANCES</b>	<b>4,948,983</b>		<b>4,815,389</b>	<b>4,815,389</b>		<b>3,639,542</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$6,010,168</b>		<b>\$5,819,751</b>	<b>\$5,083,558</b>		<b>\$4,948,983</b>

## **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.

# **2002**

## CITY OF MORaine, OHIO

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**DEBT SERVICE FUND****COMPARATIVE BALANCE SHEETS  
DECEMBER 31, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
<b>ASSETS:</b>		
Cash and investments	\$143,790	\$140,529
Receivables:		
Special assessments, including liens	<u>19,636</u>	<u>19,636</u>
<b>TOTAL ASSETS</b>	<u><u>\$163,426</u></u>	<u><u>\$160,165</u></u>
 <b>LIABILITIES:</b>		
Deferred revenue	<u>\$19,636</u>	<u>\$19,636</u>
<b>Total liabilities</b>	<u>19,636</u>	<u>19,636</u>
 <b>FUND EQUITY:</b>		
Fund balance:		
Reserved for:		
Debt service	<u>143,790</u>	<u>140,529</u>
<b>Total fund equity</b>	<u>143,790</u>	<u>140,529</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><u>\$163,426</u></u>	<u><u>\$160,165</u></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, 2002  
 WITH COMPARATIVE ACTUAL (GAAP BASIS) AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001

	2002			2001		
	GAAP ACTUAL	DIFFERENCE BETWEEN BUDGETARY BASIS AND GAAP	ACTUAL ON BUDGETARY BASIS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	GAAP ACTUAL
<b>REVENUES:</b>						
Special assessments	\$19,048		\$19,048	\$30,000	(\$10,952)	\$25,250
Investment earnings	5,713		5,713	5,093	620	5,557
<b>Total revenues</b>	<b>24,761</b>		<b>24,761</b>	<b>35,093</b>	<b>(10,332)</b>	<b>30,807</b>
<b>EXPENDITURES:</b>						
Debt services						
Principal	15,000		15,000	20,000	5,000	20,000
Interest	6,500		6,500	8,500	2,000	8,500
Total Debt Services	21,500		21,500	28,500	7,000	28,500
<b>Total expenditures</b>	<b>21,500</b>		<b>21,500</b>	<b>28,500</b>	<b>7,000</b>	<b>28,500</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,261</b>		<b>3,261</b>	<b>6,593</b>	<b>(\$3,332)</b>	<b>2,307</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>140,529</b>		<b>140,529</b>	<b>140,529</b>		<b>138,222</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$143,790</b>		<b>\$143,790</b>	<b>\$147,122</b>		<b>\$140,529</b>



## 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.

# 2002

## CITY OF MORaine, OHIO

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## ENTERPRISE FUND

COMPARATIVE BALANCE SHEETS  
DECEMBER 31, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and investments	\$378,302	\$351,527
<b>Total current assets</b>	<b>378,302</b>	<b>351,527</b>
LOANS RECEIVABLE	318,102	324,768
ALLOWANCE FOR LOAN LOSS	<u>(253,832)</u>	<u>(253,832)</u>
<b>TOTAL ASSETS</b>	<b><u>\$442,572</u></b>	<b><u>\$422,463</u></b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	<u>                    </u>	<u>                    </u>
<b>Total current liabilities</b>	<u>                    </u>	<u>                    </u>
RETAINED EARNINGS - UNRESERVED	\$442,572	\$422,463
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$442,572</u></b>	<b><u>\$422,463</u></b>

## CITY OF MORAIN, OHIO

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## ENTERPRISE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<b>OPERATING REVENUES:</b>		
Charges for services	\$6,647	\$8,536
<b>Total operating revenues</b>	<u>6,647</u>	<u>8,536</u>
<b>OPERATING EXPENSES</b>		
General operating	574	1,083
<b>Total operating expenses</b>	<u>574</u>	<u>1,083</u>
<b>OPERATING INCOME (LOSS)</b>	6,073	7,453
<b>NONOPERATING INCOME</b>		
Investment earnings	14,036	10,389
<b>NET INCOME (LOSS)</b>	<u>20,109</u>	<u>17,842</u>
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	422,463	404,621
<b>RETAINED EARNINGS, END OF YEAR</b>	<u><u>\$442,572</u></u>	<u><u>\$422,463</u></u>

## CITY OF MORaine, OHIO

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## ENTERPRISE FUND

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating income	\$6,073	\$7,453
Adjustments to reconcile net operating income to net cash provided by operating activities:		
(Increase) decrease in accrued interest		41
(Increase) decrease in loan interest receivable	(338)	(24,701)
Loan disbursements	(5,235)	(4,373)
Loan repayments	12,239	93,672
<b>Net cash provided by operating activities</b>	<u>12,739</u>	<u>72,092</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment earnings	14,036	10,389
<b>Net cash provided by (used for) investing activities</b>	<u>14,036</u>	<u>10,389</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>26,775</b>	<b>82,481</b>
CASH AT BEGINNING OF YEAR	351,527	269,046
<b>CASH AT END OF YEAR</b>	<u><u>\$378,302</u></u>	<u><u>\$351,527</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.

# **2002**

**INTERNAL SERVICE FUNDS**

COMBINING BALANCE SHEETS  
DECEMBER 31, 2002 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2001

	CITY GARAGE	HEALTH INSURANCE	TOTALS	
			2002	2001
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and investments	\$151,697	\$932,616	\$1,084,313	\$965,800
Inventory	92,748		92,748	80,380
Prepaid items	85		85	116
<b>Total current assets</b>	<b>244,530</b>	<b>932,616</b>	<b>1,177,146</b>	<b>1,046,296</b>
<b>FIXED ASSETS</b>				
Machinery and equipment	157,007		157,007	127,007
Less accumulated depreciation	(101,873)		(101,873)	(89,467)
<b>Net fixed assets</b>	<b>55,134</b>		<b>55,134</b>	<b>37,540</b>
<b>TOTAL ASSETS</b>	<b>\$299,664</b>	<b>\$932,616</b>	<b>\$1,232,280</b>	<b>\$1,083,836</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	\$421		\$421	\$8,617
Insurance claims payable		\$50,963	50,963	62,971
Accrued payroll and compensated absences	72,750		72,750	65,314
<b>Total current liabilities</b>	<b>73,171</b>	<b>50,963</b>	<b>124,134</b>	<b>136,902</b>
<b>RETAINED EARNINGS - UNRESERVED</b>	<b>226,493</b>	<b>881,653</b>	<b>1,108,146</b>	<b>946,934</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$299,664</b>	<b>\$932,616</b>	<b>\$1,232,280</b>	<b>\$1,083,836</b>

**INTERNAL SERVICE FUNDS**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
FOR THE YEARS ENDED DECEMBER 31, 2002 WITH COMPARATIVE TOTALS FOR 2001

	CITY GARAGE	HEALTH INSURANCE	TOTALS	
			2002	2001
<b>OPERATING REVENUES:</b>				
Charges for services	\$270,005	\$925,382	\$1,195,387	\$1,212,330
<b>Total operating revenues</b>	<b>270,005</b>	<b>925,382</b>	<b>1,195,387</b>	<b>1,212,330</b>
<b>OPERATING EXPENSES</b>				
Personnel services	279,096		279,096	286,325
General operating	258,434		258,434	253,208
Insurance claims		884,105	884,105	1,073,427
Depreciation	12,406		12,406	8,911
<b>Total operating expenses</b>	<b>549,936</b>	<b>884,105</b>	<b>1,434,041</b>	<b>1,621,871</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(279,931)</b>	<b>41,277</b>	<b>(238,654)</b>	<b>(409,541)</b>
<b>NONOPERATING INCOME</b>				
Investment earnings		14,866	14,866	36,672
<b>INCOME (LOSS) BEFORE OPERATING TRANSFER:</b>	<b>(279,931)</b>	<b>56,143</b>	<b>(223,788)</b>	<b>(372,869)</b>
OPERATING TRANSFERS IN	385,000		385,000	294,000
<b>NET INCOME (LOSS)</b>	<b>105,069</b>	<b>56,143</b>	<b>161,212</b>	<b>(78,869)</b>
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<b>121,424</b>	<b>825,510</b>	<b>946,934</b>	<b>1,025,803</b>
<b>RETAINED EARNINGS, END OF YEAR</b>	<b>\$226,493</b>	<b>\$881,653</b>	<b>\$1,108,146</b>	<b>\$946,934</b>

## INTERNAL SERVICE FUNDS

STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2002 WITH COMPARATIVE TOTALS FOR 2001

	CITY GARAGE	HEALTH INSURANCE	TOTALS	
			2002	2001
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	(\$279,931)	\$41,277	(\$238,654)	(\$409,541)
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:				
Depreciation	12,406		12,406	8,911
(Increase) decrease in accrued inventory	(12,368)		(12,368)	(4,281)
(Increase) decrease in prepaid expenditures	31		31	(1)
Increase (decrease) in accounts payable	(8,196)		(8,196)	3,311
Increase (decrease) in insurance claims payable		(12,008)	(12,008)	29,799
Increase (decrease) in accrued payroll	7,436		7,436	25,851
<b>Net cash provided by operating activities</b>	<b>(280,622)</b>	<b>29,269</b>	<b>(251,353)</b>	<b>(345,951)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating transfers, in	385,000		385,000	294,000
<b>Net cash provided by noncapital financing activities:</b>	<b>385,000</b>		<b>385,000</b>	<b>294,000</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of machinery and equipment	(30,000)		(30,000)	(13,740)
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(30,000)</b>		<b>(30,000)</b>	<b>(13,740)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment earnings		14,866	14,866	36,672
<b>Net cash provided from investing activities</b>		<b>14,866</b>	<b>14,866</b>	<b>36,672</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>74,378</b>	<b>44,135</b>	<b>118,513</b>	<b>(29,019)</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>77,319</b>	<b>888,481</b>	<b>965,800</b>	<b>994,819</b>
<b>CASH AT END OF YEAR</b>	<b>\$151,697</b>	<b>\$932,616</b>	<b>\$1,084,313</b>	<b>\$965,800</b>



## 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.

# 2002

**TRUST AND AGENCY FUNDS**

COMBINING BALANCE SHEETS  
 DECEMBER 31, 2002 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2001

	EXPENDABLE TRUST FUNDS			AGENCY FUNDS		TOTALS	
	RESERVE	STATE LAW ENFORCEMENT TRUST	DRUG LAW ENFORCEMENT TRUST	MAYOR'S COURT	MISCELLANEOUS TRUST/AGENCY	2002	2001
<b>ASSETS:</b>							
Pooled cash and investments	\$1,378,429	\$403	\$59,264	\$36,478	\$3,366	\$1,477,940	\$1,476,346
Accrued interest							
<b>TOTAL ASSETS</b>	<u>\$1,378,429</u>	<u>\$403</u>	<u>\$59,264</u>	<u>\$36,478</u>	<u>\$3,366</u>	<u>\$1,477,940</u>	<u>\$1,476,346</u>
<b>LIABILITIES:</b>							
Escrow bonds and deposits				\$31,978	\$3,366	\$35,344	\$24,178
Due to other governments				4,500		4,500	4,570
<b>Total liabilities</b>				<u>36,478</u>	<u>3,366</u>	<u>39,844</u>	<u>28,748</u>
<b>FUND EQUITY:</b>							
Fund balance, Unreserved and undesignated	1,378,429	\$403	\$59,264			1,438,096	1,447,598
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$1,378,429</u>	<u>\$403</u>	<u>\$59,264</u>	<u>\$36,478</u>	<u>\$3,366</u>	<u>\$1,477,940</u>	<u>\$1,476,346</u>

**EXPENDABLE TRUST FUNDS**

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2002 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2001

	RESERVE	STATE LAW ENFORCEMENT TRUST	DRUG LAW ENFORCEMENT TRUST	TOTALS	
				2002	2001
<b>REVENUES:</b>					
Investment earnings	\$53,995	\$15	\$2,009	\$56,019	\$54,852
Drug forfeitures	18,067		8,761	26,828	27,488
<b>Total revenues</b>	<b>72,062</b>	<b>15</b>	<b>10,770</b>	<b>82,847</b>	<b>82,340</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
General government - insurance settlements	57,896			57,896	48,976
Public safety	34,453			34,453	8,499
<b>TOTAL EXPENDITURES</b>	<b>92,349</b>			<b>92,349</b>	<b>57,475</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(20,287)</b>	<b>15</b>	<b>10,770</b>	<b>(9,502)</b>	<b>24,865</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>1,398,716</b>	<b>388</b>	<b>48,494</b>	<b>1,447,598</b>	<b>1,422,733</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$1,378,429</b>	<b>\$403</b>	<b>\$59,264</b>	<b>\$1,438,096</b>	<b>\$1,447,598</b>

## AGENCY FUNDS

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED DECEMBER 31, 2002 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2001

	AGENCY FUNDS		TOTALS	
	MAYOR'S COURT	MISCELLANEOUS TRUST/AGENCY	2002	2001
<b>ASSETS</b>				
CASH, JANUARY 1, 2002	\$26,087	\$2,661	\$28,748	\$17,950
ADDITIONS	470,455	21,160	491,615	340,737
REDUCTIONS	(460,064)	(20,455)	(480,519)	(329,939)
CASH, DECEMBER 31, 2002	36,478	3,366	39,844	28,748
TOTAL ASSETS	\$36,478	\$3,366	\$39,844	\$28,748
<b>LIABILITIES</b>				
ESCROW BONDS, DEPOSITS AND DEFERRED COMPENSATION PAYABLE, JANUARY 1, 2002	\$21,517	\$2,661	\$24,178	\$15,201
ADDITIONS	384,844	21,160	406,004	281,588
DELETIONS	(374,383)	(20,455)	(394,838)	(272,611)
ESCROW BONDS, DEPOSITS AND DEFERRED COMPENSATION PAYABLE, DECEMBER 31, 2002	31,978	3,366	35,344	24,178
PAYABLE TO OTHER GOVERNMENTS, JANUARY 1, 2002	4,570		4,570	2,749
ADDITIONS	85,611		85,611	59,149
DELETIONS	(85,681)		(85,681)	(57,328)
PAYABLE TO OTHER GOVERNMENTS, DECEMBER 31, 2002	4,500		4,500	4,570
TOTAL LIABILITIES	\$36,478	\$3,366	\$39,844	\$28,748

## **GENERAL FIXED ASSETS ACCOUNT GROUP**

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

# **2002**

CITY OF MORAINE, OHIO

H-1

**SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE  
DECEMBER 31, 2002 AND 2001**

	2002	2001
<b>GENERAL FIXED ASSETS:</b>		
Land and land improvements	\$2,912,025	\$2,654,770
Buildings	12,216,127	12,216,128
Machinery and equipment	7,148,018	7,136,554
Assets acquired through capital leases	964,343	964,343
<b>Total general fixed assets</b>	<b>23,240,513</b>	<b>22,971,795</b>
Accumulated depreciation	9,149,484	8,305,154
<b>NET GENERAL FIXED ASSETS</b>	<b>\$14,091,029</b>	<b>\$14,666,641</b>
<b>INVESTMENTS IN GENERAL FIXED ASSETS FROM:</b>		
Capital Projects Fund:		
Various revenue sources	\$3,789,234	\$3,777,954
General revenues	18,439,774	18,199,696
General fund revenues	266,506	249,145
Contributed assets	745,000	745,000
<b>TOTAL INVESTMENTS IN GENERAL FIXED ASSETS</b>	<b>\$23,240,514</b>	<b>\$22,971,795</b>

**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY  
FOR THE YEAR ENDED DECEMBER 31, 2002**

FUNCTION AND ACTIVITY	GENERAL			GENERAL
	FIXED ASSETS JANUARY 1, 2002	ADDITIONS	REDUCTIONS	FIXED ASSETS DECEMBER 31, 2002
<b>GENERAL GOVERNMENT:</b>				
Mayor's court	\$47,707		\$11,386	\$36,321
City manager	56,341	\$275,909	9,842	322,408
Finance	77,840	41,629	2,208	117,261
General services	290,646			290,646
Public buildings	3,741,331	31,914	5,770	3,767,475
Clerk of council	9,723			9,723
<b>Total General Government</b>	<b>4,223,588</b>	<b>349,452</b>	<b>29,206</b>	<b>4,543,834</b>
<b>PUBLIC SAFETY:</b>				
Police	1,864,988	114,439	192,762	1,786,665
Fire	4,376,617	89,492	\$24,194	4,441,915
<b>Total Public Safety</b>	<b>6,241,605</b>	<b>203,931</b>	<b>216,956</b>	<b>6,228,580</b>
<b>OTHER:</b>				
Health	78,859	5,690	9,658	74,891
Highways and streets	3,304,252	19,740	15,087	3,308,905
Community development	1,529,112		53,239	1,475,873
Parks and recreation	7,594,379		11,109	7,583,270
<b>Total other</b>	<b>12,506,602</b>	<b>25,430</b>	<b>89,093</b>	<b>12,442,939</b>
<b>TOTAL GENERAL FIXED ASSETS</b>	<b>22,971,795</b>	<b>578,813</b>	<b>335,255</b>	<b>23,215,353</b>
<b>LESS ACCUMULATED DEPRECIATION</b>	<b>8,305,154</b>	<b>1,167,279</b>	<b>322,949</b>	<b>9,149,484</b>
<b>NET GENERAL FIXED ASSETS</b>	<b>\$14,666,641</b>	<b>(588,466)</b>	<b>\$12,306</b>	<b>\$14,065,869</b>

**SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY  
AS OF DECEMBER 31, 2002 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2001**

FUNCTION AND ACTIVITY	LAND AND LAND IMPROVEMENTS		BUILDINGS	MACHINERY AND EQUIPMENT		TOTALS	
	2002	2001		2002	2001	2002	2001
<b>GENERAL GOVERNMENT:</b>							
Mayor's court				\$36,321	\$36,321	\$47,707	
City manager	240,000			82,408	322,408	56,341	
Finance				117,261	117,261	77,840	
General services				290,646	290,646	290,646	
Public buildings	\$121,506		\$3,295,758	350,211	3,767,475	3,741,331	
Clerk of council				9,723	9,723	9,723	
<b>Total General Government</b>	<b>361,506</b>		<b>3,295,758</b>	<b>886,570</b>	<b>4,543,834</b>	<b>4,223,588</b>	
<b>PUBLIC SAFETY:</b>							
Police				1,786,665	1,786,665	1,864,988	
Fire	140,020		1,688,423	2,613,472	4,441,915	4,376,617	
<b>Total Public Safety</b>	<b>140,020</b>		<b>1,688,423</b>	<b>4,400,137</b>	<b>6,228,580</b>	<b>6,241,605</b>	
<b>OTHER:</b>							
Health				74,891	74,891	78,859	
Highways and streets	406,027		911,181	1,991,697	3,308,905	3,304,252	
Community development	1,330,956		52,620	92,297	1,475,873	1,529,112	
Parks and recreation	673,516		6,268,146	641,608	7,583,270	7,594,379	
<b>Total other</b>	<b>2,410,499</b>		<b>7,231,947</b>	<b>2,800,493</b>	<b>12,442,939</b>	<b>12,506,602</b>	
<b>TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS</b>	<b>2,912,025</b>		<b>12,216,128</b>	<b>8,087,200</b>	<b>23,215,353</b>	<b>22,971,795</b>	
<b>LESS ACCUMULATED DEPRECIATION</b>			<b>3,864,743</b>	<b>5,284,741</b>	<b>9,149,484</b>	<b>8,305,154</b>	
<b>TOTAL GENERAL FIXED ASSETS</b>	<b>\$2,912,025</b>		<b>\$8,351,385</b>	<b>\$2,802,459</b>	<b>\$14,065,869</b>	<b>\$14,666,641</b>	



CITY OF MORaine, OHIO

STATISTICAL SECTION

**2002**

CITY OF MORAINÉ, 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>
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
2002	4,153,383	7,433,908	1,911,954	159,125

<u>FISCAL YEAR</u>	<u>HEALTH</u>	<u>RECREATION</u>	<u>TOTALS</u>
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
2002	611,342	2,796,209	17,065,921

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>
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
2002	13,272,808	601,889	788,633	2,199

<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>
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
2002	969,671	370,071	1,179,262	17,184,533

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 MORAIN, OHIO**  
**INCOME TAX REVENUES (1)**  
**LAST TEN FISCAL YEARS**

**TABLE 3**

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<b>FISCAL YEAR</b>	<b>AMOUNT</b>
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
2002	15,611,943

Source: City of Moraine, Department of Finance

(1) Includes all governmental fund types.

CITY OF MORaine, OHIO

TABLE 4

PROPERTY TAXES LEVIED AND COLLECTED  
LAST TEN FISCAL YEARS

TAX YEAR	COLLECTION YEAR	TOTAL TAX LEVIED	TOTAL TAX COLLECTED	PERCENTAGE OF LEVIED COLLECTED	DELINQUENT TAX COLLECTIONS
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
2001/2002	2002	702,168	659,482	94%	17,413

TAX YEAR	COLLECTION YEAR	TOTAL TAX COLLECTIONS	TOTAL COLLECTIONS AS PERCENTAGE OF CURRENT LEVIED	OUTSTANDING DELINQUENT TAXES	OUTSTANDING DELINQUENT TAXES AS PERCENTAGE OF CURRENT LEVIED
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%
2001/2002	2002	676,895	96%	39,328	6%

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
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
2001	2002	126,933,070	362,665,914	153,934,084	558,811,469	280,867,154	921,477,383

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

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>MUNICIPAL UNITS:</b>										
General Fund	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Police Pension Fund	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Fire Pension Fund	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total Municipal Rates	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>
<b>COUNTY UNITS:</b>										
General Fund	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Mental Retardation D & D Conservancy Tax	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Human Services Levy A	1.4	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21
Human Services Levy B	1.32									
Human Services Levy III	2.36	2.36	2.36	5.03	5.03	5.03	5.03	5.03	5.03	5.03
Human Services Levy IV	2.67	2.67	2.67							
Total County Rates	<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>	<u>12.94</u>
<b>OTHER UNITS:</b>										
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	1.2	1.2	1.2	1.2	1.2	1.2	1.8	1.8
Dayton - Montgomery Library			0.72	0.72	0.72	0.72	0.26	0.26	0.26	0.26
<b>SCHOOL DISTRICT:</b>										
Kettering / Moraine Community	48.9	49.81	49.8	53.1	53.1	53.1	53.1	53.1	56.3	56.3
West Carrollton Community	50.84	50.84	50.76	50.76	53.26	53.26	53.26	53.26	60.66	59.67
Jefferson Local School	56.4	56.4	56.4	56.4	56.4	56.4	61.9	61.9	61.9	61.9
Miamisburg Community	38.74	38.95	38.95	44.7						(1)
Joint Vocational School	1.98	2.58	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	(1) ASSESSMENTS DUE	ASSESSMENTS COLLECTED	RATIO OF COLLECTIONS TO AMOUNT DUE	TOTAL DELINQUENT OUTSTANDING ASSESSMENTS
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
2002	20,251	35	20,286	20,124	99%	175

Source: Montgomery County Auditor's Office

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



**CITY OF MORAINE, OHIO**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**December 31, 2002**

TABLE 8

<b>TOTAL ASSESSED VALUE</b>	<u><u>\$280,867,154</u></u>
<b>OVERALL DEBT LIMITATION -</b>	
10-1/2% of assessed valuation	<u>29,491,051</u>
<b>AMOUNT OF DEBT APPLICABLE TO LIMIT:</b>	
Total bonded debt (Including Special Assessment Bonds)	50,000
Less Special Assessment bonds	50,000
<b>TOTAL AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT</b>	<u>                    </u>
<b>LEGAL DEBT MARGIN WITHIN 10-1/2% LIMITATION</b>	<u><u>\$29,491,051</u></u>
<b>UNVOTED DEBT LIMITATION-5-1/2% of assessed valuation</b>	<u><u>\$15,447,693</u></u>
<b>AMOUNT OF DEBT APPLICABLE TO LIMIT:</b>	
Total bonded debt (Including Special Assessment Bonds)	50,000
Less Special Assessment bonds	50,000
<b>TOTAL AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT</b>	<u>                    </u>
<b>LEGAL DEBT MARGIN WITHIN 5-1/2% LIMITATION</b>	<u><u>\$15,447,693</u></u>

Source: City of Moraine, Department of Finance

CITY OF MORaine, OHIO

TABLE 9

COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
December 31, 2002

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	\$38,917,639	4.12%	\$1,603,407
WEST CARROLLTON CITY SCHOOL DISTRICT	2,715,178	78.68%	2,136,302
KETTERING CITY SCHOOL DISTRICT	13,914,246	18.14%	2,524,044
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>\$6,264,403</u>

CITY OF MORaine, OHIO

TABLE 10

DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS

<u>YEAR</u>	<u>(1) POPULATION</u>	<u>(1) PER CAPITA INCOME</u>	<u>(1) MEDIAN AGE</u>	<u>(2) UNEMPLOYMENT RATE</u>	<u>(3) BANK DEPOSITS IN THOUSANDS</u>
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
2002	6,897	16,880	32.5	5.6%	241,447

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	
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
2002	189	23,105,175	78	652,497	2,527,571	108,508,171	111,609,229	139,433,886	587,057

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**  
**PRINCIPAL TAXPAYERS**  
**December 31, 2002**

TABLE 12

<u>COMPANY</u>	<u>TAXES</u>	<u>ASSESSED VALUATION</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
Dayton Power & Light Company	\$3,151,297	\$39,675,730	7.94%
General Motors Corporation	258,951	20,880,450	7.43%
Kettering Dayton Operations	169,132	3,341,230	1.19%
Cooper Tire Company	144,905	2,790,930	0.99%
Danis Properties	116,423	2,243,080	0.80%
Moraine Village	100,249	1,882,910	0.67%
Barbara Benz Trust	89,783	1,773,680	0.63%
Ohio Bell Telephone Company	88,254	1,083,170	0.39%
Nursing Home Purchasing, Inc.	79,224	1,488,190	0.53%
L M Berry Services Inc.	77,112	1,525,340	0.54%
<b>TOTAL REAL AND PERSONAL PROPERTY VALUATION</b>		<b>76,684,710</b>	<b>27.30%</b>
<b>ALL OTHERS</b>		<b>204,182,444</b>	<b>72.70%</b>
<b>TOTAL ASSESSED VALUATION</b>		<b><u>\$280,867,154</u></b>	<b><u>100.00%</u></b>

Source: Montgomery County Auditor's Office

**CITY OF MORaine, OHIO**

TABLE 13

**SUMMARY OF INSURANCE COVERAGE  
DECEMBER 31, 2002**

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

**Property -**

\$18,381,433	-	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, 2002**

**TABLE 14**

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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)	1,315
 <b>Fire protection:</b>	
Number of stations	3
Number of firemen and officers (full-time)	34
(exclusive of volunteer firemen - part-time)	20
 <b>Police protection:</b>	
Number of stations	1
Number of policemen and officers	33
 <b>Building permits issued</b>	
	<b>Residential - 78</b>
	<b>Commercial - 189</b>
 <b>Recreation and culture:</b>	
Parks	14
Civic center	1
Recreation Center	1
Swimming pools	1
Water Park	1

Source: City of Moraine, Department of Finance







**Auditor of State  
Betty Montgomery**

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**CITY OF MORaine**

**MONTGOMERY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 18, 2003**