

City of Moraine, Ohio

Independent Auditors' Report on
Internal Controls and Compliance

December 31, 2009



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the City of Moraine, Montgomery County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2009 through December 31, 2009. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 14, 2010

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**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

Honorable Mayor, City Council
and City Manager
City of Moraine, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moraine, Ohio (the City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2010. 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.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings as item 2009-001, which we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2009-002.

We noted certain matters that we reported to management of the City of Moraine, Ohio, in a separate letter dated June 30, 2010.

The City's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on it.

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

A handwritten signature in cursive script that reads "Clark, Schaefer, Hackett & Co." The signature is written in black ink on a white background.

Springfield, Ohio
June 30, 2010

Finding Number 2009-001

The City's financial statements were adjusted based on the results of our audit. Audit adjustments were made to correct the following issues:

- Reclassification adjustments were necessary to properly present the net assets as calculation errors resulted in amounts being reported in the incorrect line-item even though total net assets were correct.
- Certain financial statement disclosures were included or adjusted to comply with accounting principles generally accepted in the United States of America.
- Reclassification of short-term debt issued during the year to long-term based on specific requirements.
- Correction of various footing and formula errors within the City's financial statements.

In addition, we noted other less significant adjustments during the audit which were not posted to these financial statements.

The annual audit process should not be considered part of the internal controls to detect misstatements in the amounts reported in the City's financial statements. The City should review all components of the conversion process thoroughly before financial statements are finalized to ensure all necessary journal entries and analyses have been completed to ensure a complete and accurate presentation of the financial information. If necessary, the City should consider acquiring assistance from an outside party to review the annual GAAP financial statements prior to presenting them for audit to increase the accuracy and reliability of those statements.

Management Response: Management acknowledges these issues and corrections were made to the financial statements prior to issuance.

Finding Number 2009-002

Ohio Rev. Code section 5705.36(A)(4) requires a subdivision to obtain a reduced amended certificate of estimated resources if the amount of actual revenue collected plus unencumbered cash balance will not be sufficient to cover the current appropriation amounts. During 2009, the City anticipated issuing general obligation bonds to refund the bond anticipate notes reported within the TIF fund. However, the bonds were not issued until early 2010 and the City did not obtain an amended certificate of estimated resources. As a result, the total appropriations at year end were significantly higher than the actual available resources of the fund. While the City did not incur a cash deficit, it did encumber the anticipated payment of note principal and interest which remained outstanding at year end and resulted in an unencumbered cash deficit of nearly \$5.4 million in the TIF fund. In addition to the TIF fund, the F.E.M.A. fund did not have sufficient actual resources at the end of the year to support the adopted level of appropriations.

The City should carefully review its revenues throughout the year to ensure adequate resources are available to cover the appropriations adopted. Once it is determined anticipated resources will not be sufficient to cover appropriations, an amended certificate of estimated resources should be obtained and appropriation levels adjusted accordingly.

Management Response: The City will continue to monitor the revenues and expenditures of the City.

Finding Number 2008-001

The City's financial statements were adjusted based on the results of our audit. Audit adjustments were made to correct the following issues:

- During the year, the City issued two short-term bond anticipation notes to provide financing to retire the long-term note that matured during the year. The City recognized the short-term bond anticipation notes as long-term obligations, thereby reporting proceeds from the sale of notes and principal retirement in the TIF Fund, but not the ending obligation itself.
- Reclassification adjustments were necessary to properly present the accounts payable, salaries and benefits payable, and the compensated absences payable liabilities accounts as calculation errors resulted in amounts being reported in the incorrect line-item even though total liabilities were correct.
- Certain financial statement disclosures were included or adjusted to comply with accounting principles generally accepted in the United States of America.

Status: While these items were corrected in the prior year, audit adjustments were required in 2009 as well – see audit finding 2009-001.



At Clark Schaefer Hackett, we are the sum of our individuals. Each team member's training, experience and drive is well-suited to each client's needs and goals. We are committed to providing insightful and flexible service – from efficient compliance to sophisticated consulting – to help each client prosper today and plan for future success

CITY OF MORAINE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009



Prepared by:
Department of Finance

James V. Kimmel
Finance Director

CITY OF MORAINE, OHIO

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009**

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CITY OF MORAINE, OHIO

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CITY OF MORAINÉ, OHIO

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
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CITY OF MORAINE, OHIO

INTRODUCTORY SECTION



The logo of the City of Moraine, Ohio, is a circular seal. It features a central figure, possibly a person or a symbol, surrounded by the text "CITY OF MORAIN, OHIO" at the top and "PROGRESS THROUGH KNOWLEDGE" at the bottom. The seal is light blue and grey.

City of Moraine

Finance Department

June 30, 2010

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

The Comprehensive Annual Financial Report of the City of Moraine, Ohio, for the fiscal year ended December 31, 2009, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This Comprehensive Annual Financial Report incorporates GASB Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Statement No. 34 was developed to make annual financial reports of state and local governments easier to understand and more useful to those who make decisions using governmental financial information. This report reflects our continuing effort to disseminate clear and useful financial information to our users with the implementation of Statement No. 34.

Clark, Schaefer, Hackett and Co., Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Moraine's financial statements for the year ended December 31, 2009. The independent auditor's report is located at the front of the financial section of the report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

The City provides the following services: public safety (police and fire), highways and streets, sanitation (refuse collection on a contractual basis), parks and recreation, public improvements, planning and zoning, and general administrative services. This report includes all the funds of the City of Moraine and all of its component units, which make up the financial reporting entity for the City. Component units are legally separate entities for which the City is financially responsible. At December 31, 2009 the City had no component units.

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, and Miami Valley Regional Transit Authority. These organizations do not meet the reporting entity criteria of governmental generally accepted accounting principles and, therefore, are not included in the City's financial report.

HISTORY AND BACKGROUND

The area now known as the City of Moraine was so named because of the vast amounts of sand and gravel deposited over the terrain by the pre-historic Wisconsin glacier. Many of the hills and valleys in various parts of the City contain layers of the sand and gravel.

In February 1953, residents voted to detach from the Village of Kettering and form the Township of Moraine. The Township grew to Village status in July 1957. On May 12, 1965 Moraine became a City. The original City Charter was presented in 1966. The City adopted the Council-Manager form of city government. This form of government unifies the authority and political responsibility in an elected council and also centralizes the administrative responsibility. The Council is the governing body of the City and the City Manager is responsible for proper administration of the municipal government.

ECONOMIC CONDITION AND OUTLOOK

During 2009, the City saw many positive economic developments even when considering the unfortunate ripple effect associated with the closing of the Moraine Assembly Plant in December of 2008. Several new businesses have moved into the community and several existing business expanded their operations in Moraine. Those businesses that newly located in Moraine include C-Safe, P2SI, True Quality Collision, and Matrix. Those that expended their operations in Moraine included American Testing Services, Accutemp, American Thermal Instruments, and Kaplan University. The economic growth in 2009 brought roughly 230 new jobs and over 100 retained jobs once all investments are completed in 2010. The total investment exceeded \$21 million.

The City is actively advertising the Oak Pointe Subdivision and lowered the price of lots available to spur the build out of the project. This subdivision was financed by a T.I.F. and with a faster build out the City will recoup its investment quicker. The City issued bonds in 2010 to replace the \$5.3 million BAN that the city currently holds in its portfolio. The bonds were rated A3 by Moodys.

The City has been largely a manufacturing based community. Currently there is a large amount of vacant manufacturing square footage in the city. A large amount of that is tied up in bankruptcy court with the GM bankruptcy. Two companies are currently looking into purchasing that facility with the intent to lease the facility out by breaking it up into smaller pieces. In a couple of years the City hopes that the facility is reoccupied and boosting the tax base that supports the City's operations.

Until the tax base is increased the City's management has been cutting the budget over the past few years and will continue to do so until the revenue stream can sustain the budget. Every employee of the City has taken a 10 percent decrease in compensation for the budget year 2010. Almost all capital projects for 2010 are tied to grant requests to help reduce the strain on the City's reserves.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

Budgetary control is maintained by a yearly appropriation and the encumbrance of appropriate balances with purchase orders before their release to vendors. Purchase orders that exceed appropriated balances are not released until additional appropriations are made available. Open encumbrances are reported as reservations of fund balance at year-end. Activities of the General Fund, Special Revenue Funds, the Debt Service Fund and the Capital Improvement Fund are included in the annual appropriated budget. For more detailed budget information, please see the Notes to the Required Supplementary Information included in this report.

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, 2008. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an informative and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is applicable to one year only. The City of Moraine has received a Certificate of Achievement for the last 23 consecutive years (fiscal years ended 1986-2008). 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 could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the Finance Department.

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

Respectfully submitted,



James V. Kimmel
Finance Director

CITY OF MORAINE, OHIO

CITY COUNCIL

Regina Matheny, Mayor

Elaine Allison, Council Member (At Large)

Dana Bonfield, Council Member (At Large)

Jack Sexton, Council Member (Ward 1)

Robert Rosencrans, Council Member (Ward 2)

Kimberly Misner, Council Member (Ward 3)

Jeanette Marcus, Council Member (Ward 4)

APPOINTED OFFICIALS

David Hicks, City Manager

Robert Portune, Law Director

James V. Kimmel, Finance Director

Stephen French, Clerk of Council

CITY OF MORAINE, OHIO

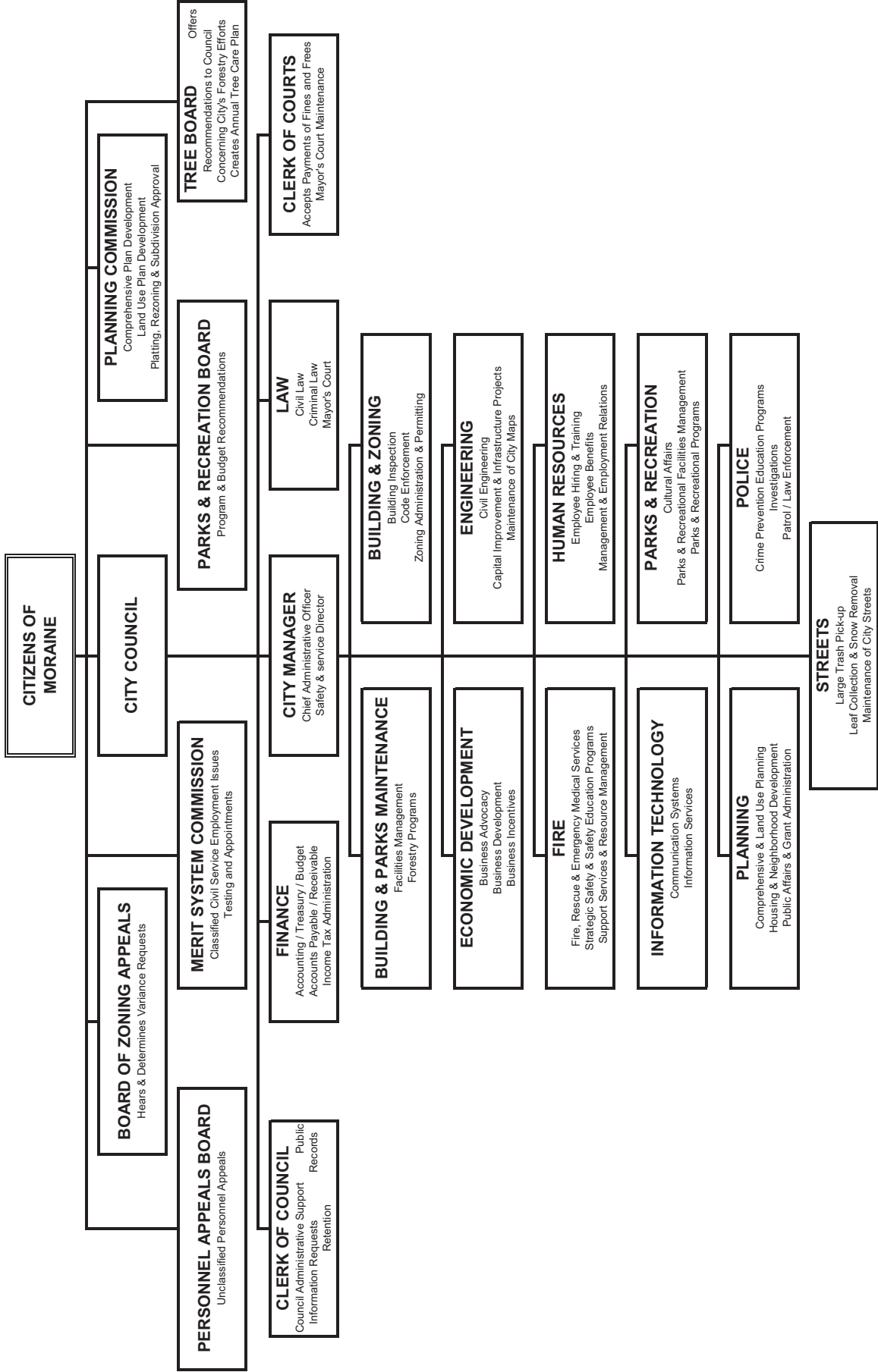
DEPARTMENT OF FINANCE

STAFF

James V. Kimmel
Jennifer A. Arp
Lora L. Marlett
Sherry L. Bosse
Paula G. Cox
Penny C. Tincher

Finance Director
Deputy Finance Director
Tax Administrator
Financial Assistant
Financial Assistant
Financial Assistant

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, 2008

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

CITY OF MORaine, OHIO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor, City Council
and City Manager
City of Moraine, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information the of City of Moraine, Ohio (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moraine, Ohio, as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof 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 30, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 15 through 20 and the budgetary comparison information on pages 54 through 62 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Clark, Schaefer, Hutchitt & Co." The signature is written in black ink on a light-colored background.

Springfield, Ohio
June 30, 2010

CITY OF MORAINE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

Our discussion and analysis of the City of Moraine's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2009.

FINANCIAL HIGHLIGHTS

1. The City's total net assets remained constant while actual cash and investments decreased by nearly \$2.7 million
2. Income tax revenue fell 23% from \$15.3 million to \$11.8 million
3. Governmental expenditures fell 15% from \$22.1 million to \$18.8 million

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City's financial situation as a whole and also give a detailed view of the City's fiscal condition.

The Statement of Net Assets and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and the Statement of Activities

The analysis of the City as a whole begins with the Statement of Net Assets and the Statement of Activities. These reports provide information that will help the reader to determine if the City of Moraine is financially better or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes to those assets. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements need to take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's tax base and the condition of capital assets.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two kinds of activities.

- **Governmental Activities** – Most of the City’s services are reported here including: public safety (police and fire), highways and streets, sanitation (refuse collection on a contractual basis), parks and recreation, public improvements, planning and zoning, and general administrative services. Income taxes, property taxes, state shared taxes and charges for services finance most of these activities.
- **Business-type Activities** – These services include the Moraine Home Improvement Loan Program. Interest on the principal loaned makes up the charges for this service. The intent of this operation is to have return of principal and interest to cover cost of the program.

REPORTING THE CITY’S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the City’s major funds is presented later in the Management’s Discussion and Analysis section. Fund financial statements provide detailed information about the City’s major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with approval of City Council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City’s major funds are the General, Parks & Recreation, Economic Development, Capital Improvement and T.I.F. funds.

Governmental Funds – Most of the City’s services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds – When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. Internal service funds are used to report activities that provide services to the City’s other funds and departments.

Fiduciary Funds – The City’s fiduciary funds are used to account for undistributed receipts of the Moraine Mayor’s Court and miscellaneous deposits received by the City. All of the City’s fiduciary activities are reported in the Statement of Fiduciary Net Assets. We exclude these activities from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY AS A WHOLE

The following two tables present condensed information on Net Assets and Changes in Net Assets for the year.

Table 1
Net Assets

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|----------------------------|---------------------|-----------------------------|------------------|---------------------|---------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Assets: | | | | | | |
| Current and Other Assets | \$23,040,774 | \$25,646,695 | \$562,681 | \$529,472 | \$23,603,455 | \$26,176,167 |
| Capital Assets (Net) | <u>36,523,122</u> | <u>34,167,439</u> | | | <u>36,523,122</u> | <u>34,167,439</u> |
| Total Assets | 59,563,896 | 59,814,134 | 562,681 | 529,472 | 60,126,577 | 60,343,606 |
| Liabilities: | | | | | | |
| Current and Other Liabilities | 1,978,727 | 7,860,774 | | | 1,978,727 | 7,860,774 |
| Long-term Liabilities: | | | | | | |
| Due within One Year | 5,823,531 | 534,502 | | | 5,823,531 | 534,502 |
| Due in More Than One Year | <u>3,605,393</u> | <u>3,079,114</u> | | | <u>3,605,393</u> | <u>3,079,114</u> |
| Total Liabilities | 11,407,651 | 11,474,390 | | | 11,407,651 | 11,474,390 |
| Net Assets: | | | | | | |
| Invested in Capital Assets Net of Debt | 30,032,994 | 27,966,210 | | | 30,032,994 | 27,966,210 |
| Restricted: | | | | | | |
| Debt Service | 146,836 | 138,238 | | | 146,836 | 138,238 |
| Special Revenue | 1,999,082 | 1,765,133 | | | 1,999,082 | 1,765,133 |
| Capital Projects | 2,848,133 | 3,048,461 | | | 2,848,133 | 3,048,461 |
| Unrestricted | <u>13,129,200</u> | <u>15,421,702</u> | <u>562,681</u> | <u>529,472</u> | <u>13,691,881</u> | <u>15,951,174</u> |
| Total Net Assets | <u>\$48,156,245</u> | <u>\$48,339,744</u> | <u>\$562,681</u> | <u>\$529,472</u> | <u>\$48,718,926</u> | <u>\$48,869,216</u> |

Cash and investments decreased by nearly \$2.7 million, capital assets grew by over \$2.3 million due mostly to the completion of a road project on Springboro Pike. Long-term liabilities grew with the addition of an interest free loan of \$450,000 from the county for the road project.

Table 2
Changes in Net Assets

| | Governmental Activities | | Business-type Activities | | Totals | |
|-----------------------------------|----------------------------|----------------------|-----------------------------|-----------------|--------------------|----------------------|
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$1,455,421 | \$1,138,959 | \$665 | \$795 | \$1,456,086 | \$1,139,754 |
| Operating Grants | 200,121 | 286,391 | | | 200,121 | 286,391 |
| Capital Grants | 784,271 | 337,354 | | | 784,271 | 337,354 |
| Total Program Revenues | <u>2,439,813</u> | <u>1,762,704</u> | <u>665</u> | <u>795</u> | <u>2,440,478</u> | <u>1,763,499</u> |
| General Revenues: | | | | | | |
| Income Taxes | 11,817,442 | 15,332,598 | | | 11,817,442 | 15,332,598 |
| Property Taxes | 473,697 | 696,967 | | | 473,697 | 696,967 |
| Other Taxes | 10,876 | 66,267 | | | 10,876 | 66,267 |
| Shared Revenues | 712,879 | 1,077,507 | | | 712,879 | 1,077,507 |
| Intergovernmental | 259,555 | | | | 259,555 | |
| Misc. Receipts & Reimb. | 1,979,757 | 103,125 | | | 1,979,757 | 103,125 |
| Investment Earnings | <u>960,468</u> | <u>1,255,221</u> | <u>32,644</u> | <u>28,616</u> | <u>993,112</u> | <u>1,283,837</u> |
| Total General Revenues | <u>16,214,674</u> | <u>18,531,685</u> | <u>32,644</u> | <u>28,616</u> | <u>16,247,318</u> | <u>18,560,301</u> |
| Total Revenues | <u>18,654,487</u> | <u>20,294,389</u> | <u>33,309</u> | <u>29,411</u> | <u>18,687,796</u> | <u>20,323,800</u> |
| Program Expenses: | | | | | | |
| General Government | 4,523,502 | 5,229,735 | 100 | | 4,523,602 | 5,229,735 |
| Public Safety | 9,455,865 | 9,689,589 | | | 9,455,865 | 9,689,589 |
| Highways & Streets | 879,200 | 2,790,134 | | | 879,200 | 2,790,134 |
| Sanitation | 419,100 | 346,657 | | | 419,100 | 346,657 |
| Culture & Recreation | 2,312,009 | 2,935,165 | | | 2,312,009 | 2,935,165 |
| Economic Development | 934,969 | 676,616 | | | 934,969 | 676,616 |
| Health and Welfare | 92,683 | 94,832 | | | 92,683 | 94,832 |
| Debt Service | <u>220,658</u> | <u>320,849</u> | | | <u>220,658</u> | <u>320,849</u> |
| Total Expenses | <u>18,837,986</u> | <u>22,083,577</u> | <u>100</u> | | <u>18,838,086</u> | <u>22,083,577</u> |
| Increase (Decrease) in Net Assets | <u>(\$183,499)</u> | <u>(\$1,789,188)</u> | <u>\$33,209</u> | <u>\$29,411</u> | <u>(\$150,290)</u> | <u>(\$1,759,777)</u> |

The following table presents the cost of each of the City's four largest programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

| | Governmental Activities Total Cost Of Services | Net Cost Of Services |
|------------------------|--|-------------------------|
| Public Safety | \$9,455,865 | \$9,411,646 |
| General Government | 4,523,502 | 3,758,728 |
| Culture and Recreation | 2,312,009 | 1,555,890 |
| Highway and Streets | 879,200 | 535,343 |
| All Others | 1,667,410 | 1,136,566 |

THE CITY'S FUNDS

As the City completed the year, its governmental funds (as presented in the Balance Sheet – Governmental Funds page 23) reported a combined fund balance of \$18.0 million, which is 19.4% higher than last year's total of \$15.1 million due almost exclusively to the increase in T.I.F. Fund.

The Economic Development Fund issued \$43,400 in new forgiveness loans to assist local business in return of a pledge of maintaining a given level of payroll dollars for a given period of time. The City also forgave \$88,454 due to businesses meeting their pledged payroll dollars in 2009.

Budgeting Highlights

Before the City's budget is adopted, the City Manager and Finance Director review the work papers of each department within the General Fund with City Council. City Council then adopts the annual appropriations budget at the personal services, other operating expenditures, and capital expenditures level for each department within each fund (legal level of control). Management may reallocate appropriations below the legal level, but modifications above must be approved by Council in advance.

General Fund revenues at the beginning of the year were estimated at \$15,009,916 and no modifications were made to estimates throughout the year. Actual revenues for the year totaled \$14,763,701 with income taxes and charges for services coming in at less than anticipated amounts due to the local economy.

The expenditure for the General Fund were estimated to be \$20,625,680 at the beginning of the year and modified slightly to \$20,415,542 at the close of the year. Actual expenditures on the budget basis totaled \$17,246,361 which was \$3,169,181 less than final budgeted expenditure due to management's efforts to control spending and reduced transfers throughout the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The increase in governmental activities capital assets was over \$2.3 million due mostly to the completion of road projects.

Debt Administration

The City has \$5.3 million in bond anticipation notes outstanding at year-end. The City also has \$630,120 of promissory notes outstanding and a capital lease of 560,008.

The City's overall legal debt margin was \$21.9 million at year-end.

Detailed information relating to capital assets (note 4 page 41) and debt (starting with note 7 on page 43) is presented in the notes to the financial statements.

CONTACTING THE CITY'S FINANCE DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Director, City of Moraine, 4200 Dryden Road, Moraine, Ohio 45439.

CITY OF MORAINE, OHIO
Statement of Net Assets
December 31, 2009

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|---------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Investments | \$19,355,424 | \$558,997 | \$19,914,421 |
| Receivables: | | | |
| Income Tax | 1,713,003 | | 1,713,003 |
| Property Tax | 548,735 | | 548,735 |
| Accounts | 276,374 | 21 | 276,395 |
| Intergovernmental | 322,858 | | 322,858 |
| Loans (net of allowance for uncollectible) | 420,201 | 3,663 | 423,864 |
| Inventories | 259,685 | | 259,685 |
| Prepays | 144,494 | | 144,494 |
| Total Current Assets | 23,040,774 | 562,681 | 23,603,455 |
| CAPITAL ASSETS (net of accumulated depreciation) | | | |
| Non depreciable Assets: | | | |
| Land | 13,868,937 | | 13,868,937 |
| Construction in Progress | 721,578 | | 721,578 |
| Depreciable Assets: | | | |
| Infrastructure | 13,425,645 | | 13,425,645 |
| Buildings and Improvements | 6,012,275 | | 6,012,275 |
| Machinery and Equipment | 2,494,687 | | 2,494,687 |
| Total Capital Assets | 36,523,122 | | 36,523,122 |
| Total Assets | 59,563,896 | 562,681 | 60,126,577 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | 480,643 | | 480,643 |
| Salaries and Benefits Payable | 858,969 | | 858,969 |
| Insurance Claims Payable | 90,380 | | 90,380 |
| Unearned Revenue | 548,735 | | 548,735 |
| Long Term Liabilities, Due within One Year | 5,823,531 | | 5,823,531 |
| Total Current Liabilities | 7,802,258 | | 7,802,258 |
| Long-Term Liabilities, Due in more than One Year | 3,605,393 | | 3,605,393 |
| Total Non Current Liabilities | 3,605,393 | | 3,605,393 |
| Total Liabilities | 11,407,651 | | 11,407,651 |
| NET ASSETS | | | |
| Invested in Capital Assets Net of Related Debt | 30,032,994 | | 30,032,994 |
| Restricted for: | | | |
| Debt Service | 146,836 | | 146,836 |
| Special Revenue | 1,999,082 | | 1,999,082 |
| Capital Projects | 2,848,133 | | 2,848,133 |
| Unrestricted | 13,129,200 | 562,681 | 13,691,881 |
| Total Net Assets | \$48,156,245 | \$562,681 | \$48,718,926 |

The notes to the financial statements are an integral part of this statement.

CITY OF MORAINE, OHIO
Statement of Activities
For the Year Ended December 31, 2009

| FUNCTIONS/PROGRAMS | PROGRAM REVENUES | | | NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS | | | |
|--|---------------------|----------------------|------------------------------------|---|-------------------------|--------------------------|-----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business Type Activities | Total |
| Primary Government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| General government | \$4,523,502 | \$452,461 | \$153,175 | \$159,138 | (\$3,758,728) | | (\$3,758,728) |
| Public safety | 9,455,865 | 30,743 | 13,476 | | (9,411,646) | | (9,411,646) |
| Highways and streets | 879,200 | 193,724 | | 150,133 | (535,343) | | (535,343) |
| Sanitation | 419,100 | | | | (419,100) | | (419,100) |
| Culture and recreation | 2,312,009 | 722,649 | 33,470 | | (1,555,890) | | (1,555,890) |
| Economic development | 934,969 | | | 475,000 | (459,969) | | (459,969) |
| Health and welfare | 92,683 | 55,844 | | | (36,839) | | (36,839) |
| Debt service | | | | | | | |
| Interest Expense | 220,658 | | | | (220,658) | | (220,658) |
| Total Governmental Activities | 18,837,986 | 1,455,421 | 200,121 | 784,271 | (16,398,173) | | (16,398,173) |
| Business Type Activities | | | | | | | |
| Loan Program | 100 | 665 | | | | \$565 | 565 |
| Total Business Type Activities | 100 | 665 | | | | 565 | 565 |
| Total Primary Government | \$18,838,086 | \$1,456,086 | \$200,121 | \$784,271 | (\$16,398,173) | \$565 | (\$16,397,608) |
| General Revenues | | | | | | | |
| Income tax | | | | | 11,817,442 | | 11,817,442 |
| Property tax levied for | | | | | | | |
| General purposes | | | | | 344,923 | | 344,923 |
| Police pensions | | | | | 64,387 | | 64,387 |
| Fire pensions | | | | | 64,387 | | 64,387 |
| Other taxes | | | | | 10,876 | | 10,876 |
| Shared revenues (unrestricted) | | | | | 712,879 | | 712,879 |
| Intergovernmental Revenue | | | | | 259,555 | | 259,555 |
| Miscellaneous receipts & reimbursements | | | | | 1,966,599 | | 1,966,599 |
| Investment earnings | | | | | 960,468 | 32,644 | 993,112 |
| Proceeds from the sale of capital assets | | | | | 13,158 | | 13,158 |
| Total General Revenues | | | | | 16,214,674 | 32,644 | 16,247,318 |
| Change in Net Assets | | | | | (183,499) | 33,209 | (150,290) |
| Net Assets - Beginning | | | | | 48,339,744 | 529,472 | 48,869,216 |
| Net Assets - Ending | | | | | \$48,156,245 | \$562,681 | \$48,718,926 |

The notes to the financial statements are an integral part of this statement.

CITY OF MORAIN, OHIO
Balance Sheet - Governmental Funds
December 31, 2009

| | GENERAL FUND | PARKS & RECREATION | ECONOMIC DEVELOPMENT | CAPITAL IMPROVEMENT | T.I.F. | NON-MAJOR GOVERNMENTAL | TOTAL GOVERNMENTAL |
|--|---------------------|--------------------|----------------------|---------------------|-----------------|------------------------|--------------------|
| ASSETS | | | | | | | |
| Cash and Investments | \$11,165,104 | \$651,866 | \$587,517 | \$2,826,431 | \$93,439 | \$2,006,680 | \$17,331,037 |
| Receivables: | | | | | | | |
| Income Tax | 1,542,618 | | | 170,385 | | | 1,713,003 |
| Property Tax | 419,961 | | | | | 128,774 | 548,735 |
| Accounts | 275,231 | 226 | | 828 | | 89 | 276,374 |
| Intergovernmental | 122,865 | | | | | 199,993 | 322,858 |
| Loans (net of allowance for uncollectible) | | | 420,201 | | | | 420,201 |
| Due from Other Funds | 845,000 | | | | | 113,021 | 845,000 |
| Inventories | 6,837 | | | | | 494 | 119,858 |
| Prepays | 143,697 | | | | | | 144,452 |
| Total Assets | 14,521,313 | 652,353 | 1,007,718 | 2,997,644 | 93,439 | 2,449,051 | 21,721,518 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| LIABILITIES | | | | | | | |
| Accounts Payable | 120,252 | 18,383 | 67,150 | 80,001 | 187,904 | 1,344 | 475,034 |
| Salaries and Benefits Payable | 446,655 | 44,430 | | | | 352,902 | 843,987 |
| Compensated Absences Payable | 42,422 | 1,627 | | | | 3,408 | 47,457 |
| Due to Other Funds | | | 845,000 | | | | 845,000 |
| Deferred Revenue | 1,131,119 | | | 69,510 | | 296,427 | 1,497,056 |
| Total Liabilities | 1,740,448 | 64,440 | 912,150 | 149,511 | 187,904 | 654,081 | 3,708,534 |
| FUND BALANCES: | | | | | | | |
| Reserved for: | | | | | | | |
| Encumbrances | 234,455 | 111,843 | 94,650 | 206,288 | 5,499,000 | 19,435 | 6,165,671 |
| Prepays | 143,697 | 261 | | | | 494 | 144,452 |
| Inventories | 6,837 | | | | | 113,021 | 119,858 |
| Loans | | | 420,201 | | | | 420,201 |
| Reserved for Long Term Receivables | 845,000 | | | | | | 845,000 |
| Unreserved, Undesignated, Reported in: | | | | | | | |
| General Fund | 11,550,876 | 475,809 | (419,283) | | (5,593,465) | 1,515,184 | 11,550,876 |
| Special Revenue Funds | | | | | | | (4,021,755) |
| Debt Service Fund | | | | | | | 146,836 |
| Capital Projects Fund | | | | 2,641,845 | | | 2,641,845 |
| Total Fund Balance | 12,780,865 | 587,913 | 95,568 | 2,848,133 | (94,465) | 1,794,970 | 18,012,984 |
| Total Liabilities and Fund Balances | \$14,521,313 | \$652,353 | \$1,007,718 | \$2,997,644 | \$93,439 | \$2,449,051 | |

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

- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:
- Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:
- Income tax receivable
- Shared taxes receivable

Internal service funds are used by management to charge the costs of certain activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.

The following long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:
 Vacation, sick leave and compensatory time benefits
 Notes and Lease payable
 Accrued Interest on Long Term Debt

Net Assets of Governmental Activities

| | |
|--|---------------------|
| | 36,506,334 |
| | 780,668 |
| | 167,653 |
| | 2,048,050 |
| | (2,865,866) |
| | (6,490,128) |
| | (5,450) |
| Net Assets of Governmental Activities | \$48,156,245 |

The notes to the financial statements are an integral part of this statement.

CITY OF MORAIN, OHIO
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

| | GENERAL FUND | PARKS & RECREATION | ECONOMIC DEVELOPMENT | CAPITAL IMPROVEMENT | T.I.F. | NON-MAJOR GOVERNMENTAL | TOTAL GOVERNMENTAL |
|--|---------------------|-----------------------|-------------------------|------------------------|-------------------|---------------------------|-----------------------|
| REVENUES | | | | | | | |
| Taxes: | | | | | | | |
| Income | \$10,430,048 | | | \$1,227,072 | | | \$11,657,120 |
| Property | 358,931 | | | | | \$114,766 | 473,697 |
| Other | 10,876 | | | | | | 10,876 |
| Shared Revenues | 408,666 | | | 3,344 | | 439,729 | 851,739 |
| Licenses and Permits | 231,181 | | | | | 1,212 | 232,393 |
| Charges for Services | 219,362 | \$722,038 | | | | 6,500 | 947,900 |
| Fines | 244,691 | | | 12,590 | | | 257,281 |
| Investment Earnings | 803,665 | 31,196 | | | \$11,543 | 114,064 | 960,468 |
| Contribution and Donations | | 8,629 | | | | | 8,629 |
| Rents and Royalties | 17,847 | | | | | | 17,847 |
| Intergovernmental | 235,406 | 24,841 | \$475,000 | 162,116 | | 209,431 | 1,106,794 |
| Miscellaneous Receipts & Reimbursements | 1,841,426 | | | 93,804 | 75 | 31,294 | 1,966,599 |
| Total Revenues | <u>14,802,099</u> | <u>786,704</u> | <u>475,000</u> | <u>1,498,926</u> | <u>11,618</u> | <u>916,996</u> | <u>18,491,343</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | 4,224,348 | | | | | 65,415 | 4,289,763 |
| Public Safety | 7,834,653 | | | | | 1,025,688 | 8,860,341 |
| Highways and streets | 532,031 | | | | | 1,839,208 | 2,371,239 |
| Sanitation | 349,185 | | | 69,915 | | | 419,100 |
| Economic development | 200,775 | | 544,304 | 3,212 | 195,684 | | 943,975 |
| Health and welfare | 85,985 | | | | | | 85,985 |
| Culture and recreation | 25,964 | 2,082,586 | | | | | 2,108,550 |
| Debt service: | | | | | | | |
| Principal | | | | 161,101 | | | 161,101 |
| Interest | | | | 25,338 | 201,690 | | 227,028 |
| Capital Outlays: | | | | | | | |
| General government | | | | 116,246 | | | 116,246 |
| Public Safety | | | | 70,607 | | | 70,607 |
| Highways and streets | | | | 1,682,675 | | | 1,682,675 |
| Culture and recreation | | | | 20,160 | | | 20,160 |
| Total Expenditures | <u>13,252,941</u> | <u>2,082,586</u> | <u>544,304</u> | <u>2,149,254</u> | <u>397,374</u> | <u>2,930,311</u> | <u>21,356,770</u> |
| Excess (deficiency) of Revenues Over (under) Expenditures | <u>1,549,158</u> | <u>(1,295,882)</u> | <u>(69,304)</u> | <u>(650,328)</u> | <u>(385,756)</u> | <u>(2,013,315)</u> | <u>(2,865,427)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Sale of bond anticipation notes | | | | | 5,300,000 | | 5,300,000 |
| Transfers in | | 1,200,000 | | | | 1,950,000 | 3,150,000 |
| Transfers out | (3,150,000) | | | | | | (3,150,000) |
| Loan proceeds | | | | 450,000 | | | 450,000 |
| Proceeds from the sale of capital assets | 16,103 | | | | 24,836 | | 40,939 |
| Total Other Financing Sources (Uses) | <u>(3,133,897)</u> | <u>1,200,000</u> | | <u>450,000</u> | <u>5,324,836</u> | <u>1,950,000</u> | <u>5,790,939</u> |
| Net Change in Fund Balance | <u>(1,584,739)</u> | <u>(95,882)</u> | <u>(69,304)</u> | <u>(200,328)</u> | <u>4,939,080</u> | <u>(63,315)</u> | <u>2,925,512</u> |
| Fund Balance - Beginning | 14,365,604 | 683,795 | 164,872 | 3,048,461 | (5,033,545) | 1,858,285 | 15,087,472 |
| Fund Balance - Ending | <u>\$12,780,865</u> | <u>\$587,913</u> | <u>\$95,568</u> | <u>\$2,848,133</u> | <u>(\$94,465)</u> | <u>\$1,794,970</u> | <u>18,012,984</u> |

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

| | |
|--|--------------------|
| Net change in fund balances - total governmental funds | 2,925,512 |
| Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of assets: | |
| Capital outlays | 4,373,123 |
| Depreciation expense | (1,980,243) |
| In the Statement of Activities, only the gain on the sale of city assets is reported, while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differ from the change in fund balance by the net book value of the asset sold. | (27,781) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds: | |
| Income taxes receivable and Shared taxes receivable | 149,986 |
| Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets | (5,750,000) |
| Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets | 161,101 |
| Accrued Interest on Long Term Debt is not an expenditure in the governmental funds | 6,370 |
| Some expenditures reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds: | |
| Vacation, sick leave and compensatory time benefits | (273,196) |
| Internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue (expense) of the internal funds is reported with governmental activities | 231,629 |
| Change in net assets of governmental activities | <u>(\$183,499)</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF MORaine, OHIO
Statement of Net Assets
Proprietary Funds
December 31, 2009

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND | GOVERNMENTAL ACTIVITIES |
|---|---|------------------------------------|
| | MORaine LOAN PROGRAM | INTERNAL SERVICE FUNDS |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and Investments | \$558,997 | \$2,024,387 |
| Receivables | 21 | |
| Loans (net of Allowance for uncollectible) | 3,663 | |
| Inventories | | 139,827 |
| Prepays | | 42 |
| Total Current Assets | <u>562,681</u> | <u>2,164,256</u> |
| CAPITAL ASSETS (net of accumulated depreciation) | | |
| Machinery and Equipment | | 14,788 |
| Total Capital Assets | | <u>14,788</u> |
| Total Assets | <u>562,681</u> | <u>2,179,044</u> |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts Payable | | 159 |
| Salaries and Benefits Payable | | 14,982 |
| Compensated Absences Payable | | 25,473 |
| Insurance Claims Payable | | 90,380 |
| Total Current Liabilities | | <u>130,994</u> |
| Total Liabilities | | <u>130,994</u> |
| NET ASSETS | | |
| Invested in Capital Assets | | 14,788 |
| Unrestricted | 562,681 | 2,033,262 |
| Total Net Assets | <u>\$562,681</u> | <u>\$2,048,050</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF MORaine, OHIO
Statement of Revenues, Expenses and Changes in Net Assets
PROPRIETARY FUNDS
For the Year Ended December 31, 2009

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND MORaine LOAN PROGRAM | GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS |
|---|--|---|
| Operating Revenues | | |
| Charges for Services | \$665 | \$2,364,916 |
| Miscellaneous Receipts & Reimbursements | | 95,875 |
| Total Operating Revenues | <u>665</u> | <u>2,460,791</u> |
| Operating Expenses | | |
| Current: | | |
| Cost of Services | 100 | 2,315,184 |
| Depreciation | | 9,416 |
| Total Operating Expenses | <u>100</u> | <u>2,324,600</u> |
| Operating Income (Loss) | <u>565</u> | <u>136,191</u> |
| Non-Operating Revenues | | |
| Investment earnings | 32,644 | 95,438 |
| Total Non-Operating Revenues | <u>32,644</u> | <u>95,438</u> |
| Change in Net Assets | <u>33,209</u> | <u>231,629</u> |
| Total Net Assets - Beginning | 529,472 | 1,816,421 |
| Total Net Assets - Ending | <u><u>\$562,681</u></u> | <u><u>\$2,048,050</u></u> |

The notes to the financial statements are an integral part of this statement.

CITY OF MORaine, OHIO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND MORaine LOAN PROGRAM | GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS |
|--|--|---|
| Cash Flows From Operating Activities | | |
| Cash received for services | \$3,426 | \$2,364,916 |
| Miscellaneous receipts & reimbursements | | 95,875 |
| Cash paid to suppliers for goods or services | (1,550) | (2,264,195) |
| Cash paid to employees for services | | (190,147) |
| Net cash provided by operating activities | <u>1,876</u> | <u>6,449</u> |
| Cash Flows From Investing Activities | | |
| Investment earnings | 32,644 | 95,438 |
| Net cash provided by investing activities | <u>32,644</u> | <u>95,438</u> |
| Net Increase in Cash | 34,520 | 101,887 |
| Cash and Investments at Beginning of Year | 524,477 | 1,922,500 |
| Cash and Investments at End of Year | <u>\$558,997</u> | <u>\$2,024,387</u> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities | | |
| Operating income | <u>\$565</u> | <u>\$136,191</u> |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| Depreciation expense | | 9,416 |
| (Increase) decrease in inventories | | 29,871 |
| (Increase) decrease in prepaid expenses | | 42 |
| Increase (decrease) in accounts payable | | (45,024) |
| Increase (decrease) in salaries and benefits payable | | (1,726) |
| Increase (decrease) in compensated absences payable | | (25,787) |
| Increase (decrease) in insurance claims payable | | (96,534) |
| (Increase) decrease in receivables | 1,311 | |
| Net cash provided by operating activities | <u>\$1,876</u> | <u>\$6,449</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF MORAIN, OHIO
Statement of Fiduciary Net Assets
FIDUCIARY FUNDS
December 31, 2009

| | Agency Funds |
|---------------------------|---------------------|
| ASSETS | |
| Cash and Investments | \$421,835 |
| Total Assets | \$421,835 |
| LIABILITIES | |
| Deposits | \$391,365 |
| Due to Other Governments | 5,024 |
| Escrow Bonds and Deposits | 25,446 |
| Total Liabilities | \$421,835 |

The notes to the financial statements are an integral part of this statement.

CITY OF MORaine, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Moraine, Ohio, (the “City”) is a home rule municipal corporation under the laws of the State of Ohio and operates under its own Charter. The current Charter was adopted in 1966 and has subsequently been amended. As provided in the Charter, the City operates under a Council-Manager form of government. The City was incorporated in 1958 and gained city status in 1965.

The financial reporting entity consists of the primary government, component units and organizations that are included to ensure that financial statements are not misleading.

The primary government for the City includes the departments that provide the following services: public safety (police and fire), highways and streets, sanitation (refuse collection on a contractual basis), parks and recreation, public improvements, planning and zoning, and general administrative services.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. There are no component units included as part of this report.

B. Basis of Presentation

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its business-type activities and to its enterprise fund provided they do not conflict with or contradict GASB pronouncements. The City has elected not to implement

FASB Statements after November 30, 1989. The most significant of the City's accounting policies are described below.

Government-wide Statements

The statement of net assets and the statement of activities display information about the primary government. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. This is done by adjusting the expenses in the government activities to eliminate the change in net assets for all the service funds. This does not eliminate the expenses or revenues used by the general government. These statements distinguish between those activities of the City that are governmental and those that are considered business type activities. Fiduciary Funds are not included as a part of the Government-wide Statements.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or service offered by the programs, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited expectations. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transaction related to City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City and/or general laws of the State of Ohio.

Parks & Recreation Fund – This fund accounts for money received and expended for the Parks & Recreation Department programs and activities.

Economic Development Grant Fund – This fund accounts for economic development projects that the City operates. These are funded with grant funds and general City funds.

T.I.F. Fund - This fund is used to account for expenditures and revenues associated with a redevelopment of an area financed by Tax Incremental Financing.

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

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

Proprietary Funds

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

Enterprise Funds – Enterprise funds may be used to account for an activity for which a fee is charged to external users for goods or services. The

City has one enterprise fund, the Moraine Improvement Loan Fund, which accounts for home improvement and business loans offered to residents and businesses located within the City.

Internal Service Funds – An internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City has three internal service funds. They are the City Garage Fund used to account for the cost of servicing the vehicles and maintenance equipment of City departments, the Health Insurance Program Fund used to accumulate and account for monies for the payment of health insurance costs for the employees of City departments and the Insurance Reserve Fund used to account for monies to cover legal services related to lawsuits and other expenditures where reimbursement is received from our general insurance carrier.

Fiduciary Funds

Fiduciary funds use the economic resources measurement focus. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are, therefore, not available to support the City's own programs. The City currently has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not have a measurement focus. The City's agency funds account for undistributed receipts of the Moraine Mayor's Court and miscellaneous deposits receive by the City.

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included on the Statement of Net Assets. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on other sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the

manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The proprietary funds are accounted for in the same manner as the government-wide statements.

D. Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations are recognized in the 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.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end; income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants, fees and rentals.

Unearned/Deferred Revenue

Unearned/deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of the current year-end, but which were levied to finance future operations, have been recorded as unearned revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue to indicate they are not available for appropriations.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses.

Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds, except the Health Insurance Program Fund, are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as “Cash and Investments” on the financial statements.

Investments are reported at fair value, which is based on quoted market prices. For investments in open-end money market funds, fair value is determined by the fund’s share price.

The City of Moraine has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2009. 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, 2009.

Investments with an original maturity of three months or less at the time of purchase are reported as cash and investments on the financial statements.

F. Inventory

On government-wide financial statements, inventories are presented at cost on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are valued at cost, while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined using the first-in/first-out 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.

G. Prepaids

Certain payments to vendors reflect costs applicable to the future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

H. Capital Assets

Assets are classified as a capital asset if their acquisition cost is over \$3,000 for all asset classes except improvements to infrastructure. Improvements to infrastructure over \$50,000 are capitalized. Capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of government-wide statements or net assets and in the respective proprietary funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers and streets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the

related capital assets. Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

| <u>Class</u> | <u>Estimated Useful Life</u> |
|---------------------------|------------------------------|
| Land Improvements | 20 to 25 years |
| Building and Improvements | 20 to 40 years |
| Machinery and Equipment | 2 to 25 years |
| Infrastructure | 20 to 50 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. The City recognizes reserves of fund balances for outstanding encumbrances, prepaid expenses, inventories, long-term loans and receivables.

J. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB No. 16, “Accounting for Compensated Absences.” Vacation employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive payment in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal year end, taking into consideration any limits specified in the City’s personnel manual.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, a liability for the amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In proprietary funds the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-Term Obligations

All payable, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and

long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the fund financial statements when due.

L. Net Assets

Net assets represent the difference between asset and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City had no assets restricted by enabling legislation at December 31, 2009. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

M. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Operating expenses are necessary costs incurred to provide the goods and services that are the primary activity of the fund.

N. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and as non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

O. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence.

P. Estimates

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

2. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits: At-year end, the carrying amount of the City’s deposits was \$2,272,360 and the bank balance was \$2,392,541. Of the bank balance, \$1,376,973 was covered by the Federal depository insurance. The remaining \$1,015,568 was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent but not in the City’s name. The City requires at a minimum that the depository provide collateral with a single pool of securities pledged toward all deposits of public funds held by the depository. The City also maintains \$6,505 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 ranking 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. The money markets that the City has investments in are unrated along with the internally held BAN. Investments are carried at fair value.

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

| Investment Type | Rating | Fair Value | Investment Maturing | | | |
|------------------------|--------|---------------------|-----------------------|---------------------|----------------------|---------|
| | | | Less than One Year | One to Two Years | Two to Five Years | Percent |
| Fed Farm Credit Bank | AAA | \$142,539 | \$97,089 | \$45,450 | | .8% |
| Fed Home Loan Bank | AAA | 1,697,595 | 598,315 | 97,720 | \$1,001,560 | 9.4% |
| Fed Home Loan Mtg Corp | AAA | 587,071 | 239,861 | 145,512 | 201,698 | 3.2% |
| Fed Natl MTG Assn | AAA | 9,565,626 | 310,298 | | 9,255,328 | 53.0% |
| US Treasury Notes | N/A | 50,764 | 50,764 | | | 0.3% |
| City of Moraine - BAN | N/A | 5,300,000 | 5,300,000 | | | 29.3% |
| Money Markets | N/A | 216,202 | 216,202 | | | 1.2% |
| STAR Ohio | AAAm | 497,594 | 497,594 | | | 2.8% |
| Total Investments | | <u>\$18,057,391</u> | <u>\$7,310,123</u> | <u>\$288,682</u> | <u>\$10,458,586</u> | |

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk only by directing management to attempt to match the term to maturity of the investments with anticipated cash flow requirements.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the City's name. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in Ohio law that prohibits payments for investments prior to the delivery of the securities representing such investments to the finance director or qualified trustee.

Credit Risk: The City's investment policy addresses credit risk only in that commercial paper purchased by the City must be rated P-1 by Moody's and/or A-1 by Standard and Poor's. Bankers' acceptances must be from commercial banks or bank holding companies having assets of over \$2 billion and who is at least 110% of the national median ranking. Credit risk ratings disclosed in table above are provided by Standard and Poor's

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by limiting the portfolio holdings of allowable investments to the following percentages:

| <u>Diversification of Instrument</u> | <u>Maximum Percent Allowed</u> |
|---|--------------------------------|
| U.S. Treasury Obligations | 100% |
| Authorized U.S. Federal Agency Securities and U.S. Government-sponsored Corporations | 100% |
| Nonnegotiable Certificates of Deposit | 50% |
| Authorized Bankers Acceptance | 20% |
| State of Ohio's Treasurer's Investment Pool (STAR Ohio) | 25% |
| Prime Commercial Paper | 20% |

3. LOANS RECEIVABLE

The City operates a long-term loan program as an enterprise fund. Loans receivable at December 31, 2009 were:

| | |
|------------------------------|----------------|
| Loans Receivable | \$7,495 |
| Less Allowance for bad debts | <u>3,832</u> |
| Net Loans Receivable | <u>\$3,663</u> |

There were no outstanding loan commitments at December 31, 2009.

In 2001, as an economic development tool, the City began offering business loans that would be forgiven if the business met certain employment and financial conditions over the life of the loan. The first such loan was made during 2001. The loans receivable in the Economic Fund at December 31, 2009 were as follows:

| | |
|-----------------------------|-------------------|
| Loans Receivable 1/1/2009 | \$ 465,255 |
| New Loans | 43,400 |
| Forgiven Loans | (88,454) |
| Loans Receivable 12/31/2009 | <u>\$ 420,201</u> |

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009, was as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|----------------------|--------------------|------------------|---------------------|
| Capital assets not being Depreciated: | | | | |
| Land | \$ 13,896,718 | | \$27,781 | \$13,868,937 |
| Construction in Progress | <u>1,257,487</u> | <u>\$184,098</u> | <u>720,007</u> | <u>721,578</u> |
| Subtotal | <u>15,154,205</u> | <u>184,098</u> | <u>747,788</u> | <u>14,590,515</u> |
| Capital assets being Depreciated: | | | | |
| Building and improvements | 12,554,571 | | | 12,554,571 |
| Machinery and equipment | 10,104,057 | 97,732 | 89,142 | 10,112,647 |
| Infrastructure | <u>20,367,315</u> | <u>4,811,300</u> | | <u>25,178,615</u> |
| Subtotal | <u>43,025,943</u> | <u>4,909,032</u> | <u>89,142</u> | <u>47,845,833</u> |
| Accumulated depreciation: | | | | |
| Buildings and improvements | (6,151,244) | (391,052) | | (6,542,296) |
| Machinery and Equipment | (7,103,590) | (603,512) | (89,142) | (7,617,960) |
| Infrastructure | <u>(10,757,875)</u> | <u>(995,095)</u> | | <u>(11,752,970)</u> |
| Subtotal | <u>(24,012,709)</u> | <u>(1,989,659)</u> | <u>(89,142)</u> | <u>(25,913,226)</u> |
| Net capital assets being Depreciated | <u>19,013,234</u> | <u>2,919,373</u> | | <u>21,932,607</u> |
| Net capital assets | <u>\$ 34,167,439</u> | <u>\$3,103,471</u> | <u>\$747,788</u> | <u>\$36,523,122</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|---------------------------|--------------------|
| General Government | \$ 153,010 |
| Public Safety | 432,131 |
| Highways and Streets | 1,154,071 |
| Culture and Recreation | 230,792 |
| Health and Welfare | 6,445 |
| Economic Development | <u>13,210</u> |
| Total Annual Depreciation | <u>\$1,989,659</u> |

Capital assets of the Internal Service City Garage Fund include machinery and equipment with a cost of \$173,851 and accumulated depreciation of \$159,063 or Net Capital Assets of \$14,788.

5. 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 25% 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 reevaluation was completed in 2008.

The property tax calendar is as follows:

| | |
|--------------------------------|-------------------|
| Levy date | December 31, 2008 |
| Lien date | December 31, 2008 |
| Tax bill mailed | January 20, 2009 |
| First installment payment due | February 15, 2009 |
| Second installment payment due | July 15, 2009 |

The assessed values for the City at the lien date of January 1, 2008, were as follows:

| <u>Category</u> | <u>Assessed Value</u> |
|-------------------------|-----------------------------|
| Real Estate | \$151,250,300 |
| Public Utility Real | 304,840 |
| Public Utility Personal | 50,850,640 |
| Telecom | <u>855,910</u> |
| Total | <u>\$203,261,690</u> |

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

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

6. INCOME TAXES

The City levies a two 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 within the City withhold income tax on employee compensation and remit monthly. Corporations and individual taxpayers pay estimated taxes quarterly and file an annual estimated declaration.

Council has designated that 10% of all income taxes are to be recorded in the Capital Projects Fund to help fund annual capital improvements.

7. LONG-TERM OBLIGATIONS

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due Within One Year |
|---|------------------------------|--------------------|-----------------------------|---------------------------|--|
| Accrued vacation, sick leave and comp time benefits | 2,712,387 | \$1,304,124 | \$1,077,715 | 2,938,796 | 348,583 |
| Ohio Public Works Commission Long-term Promissory Notes, 0.0% | 207,830 | 450,000 | 27,710 | 630,120 | 38,960 |
| Kansas State Bank Fire Truck Lease | 693,399 | | 133,391 | 560,008 | 135,988 |
| Bond Anticipation Note | <u> </u> | <u>5,300,000</u> | <u> </u> | <u>5,300,000</u> | <u>5,300,000</u> |
| Total long-term liabilities | <u>\$3,613,616</u> | <u>\$7,054,124</u> | <u>\$1,238,816</u> | <u>\$9,428,924</u> | <u>\$5,823,531</u> |

The compensated absences are liquidated from the General Fund, Parks and Recreation Fund, and the Street Construction and Maintenance Fund. The \$5,300,000 will be paid from the T.I.F. Fund. The remaining debt of \$1,190,128 will be paid from the Capital Improvement Fund.

Ohio Public Works Commission Loans

The City has received two separate loans from the Ohio Public Works Commission (OWPC) to finance various projects. In 1996, the City borrowed \$784,000 from OWPC for street improvements. During 2009, the City borrowed an additional \$450,000 also for street improvements. Both loans are interest free and have semi-annual principal payment dates of January 1st and July 1st each year.

Annual principal payments required on OWPC loans are:

| <u>Year Ending December 31</u> | |
|------------------------------------|------------------|
| 2010 | \$38,960 |
| 2011 | 50,210 |
| 2012 | 50,210 |
| 2013 | 50,210 |
| 2014 | 50,210 |
| 2015 – 2019 | 154,070 |
| 2020 – 2024 | 112,500 |
| 2025 – 2029 | 112,500 |
| 2030 | <u>11,250</u> |
| Total | <u>\$630,120</u> |

Bond Anticipation Notes

In December 2009, the City issued general obligation bond anticipation notes in the amount of \$5,300,000, the proceeds of which were used to retire the principal of the 2008 bond anticipation note. Because the bond anticipation note issued in 2009 were issued with the intent of being refinanced on a long-term basis and the intent was substantiated by general obligation bonds being issued on January 21, 2010 (see Note 18); the 2009 bond anticipation notes met the requirements of FAS-6 "Classification of Short-Term Obligations Expected to be Refinanced" and have been classified as long-term liabilities. Payments of \$5,300,000 for principal and \$23,190 for interest are due in March 2010.

8. LEASES AND COMMITMENTS

The City has one active lease with Kansas State Bank for a new fire truck. The lease period was for five years with semi-annual interest payments and annual principal payments. The asset was capitalized for \$693,399.

Following is a schedule of the future long-term minimum lease payments required under the capital lease, and the present value of the minimum lease payments:

| <u>Year Ending</u> <u>December 31</u> | |
|--|------------------|
| 2010 | 155,186 |
| 2011 | 152,473 |
| 2012 | 149,707 |
| 2013 | <u>146,888</u> |
| Total Minimum Lease Payments | 604,254 |
| Less: Amount representing interest | <u>(44,246)</u> |
| Present value of minimum lease payments | <u>\$560,008</u> |

As of December 31, 2009, the City had the following significant construction and other contractual commitments outstanding:

| <u>Vendor</u> | <u>Outstanding Commitment</u> |
|------------------------------------|-----------------------------------|
| Waste Management | \$487,416 |
| Miami Valley Lighting, Inc. | 145,322 |
| Motorola | 52,812 |
| Entran, PLC | 39,269 |
| Thomas Graphics | 35,000 |
| Stephen Campbell & Associates, Inc | 12,995 |
| P&R Communications Service, Inc | 2,175 |
| Norfleet, Brown & Petkewicz Inc. | 1,900 |
| ME Companies | 1,583 |
| Norfolk Southern Railroad Company | <u>1,200</u> |
| Total | <u>\$779,672</u> |

9. BOND ANTICIPATION NOTES

During 2009, the City retired the \$5.3 million bond anticipation note (BAN) which matured in December 2009 by issuing a \$5.3 million three month BAN which matures in March 2010. As the BAN issued in 2009 was intended to be and was subsequently refinanced on a long-term basis, it was classed as a long-term liability (see Note 7).

A summary of the City's short-term debt obligations occurring during 2009 is as follows:

| <u>Issue Date</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|-----------------------|--------------------------|--------------------------|------------------------------|------------------|------------------|---------------------------|
| 12/08 | 12/09 | 3.7% | \$5,300,000 | | \$5,300,000 | |

10. OTHER LONG-TERM OBLIGATIONS

The City has agreed to make the Bond Payments less all hook up fees for a sewer trunk line that Montgomery County installed to benefit a new industrial park in the City limits. The bond payments are billed to the City each year less all hookup fees. The 2009 payment was principal of \$34,000 and interest of \$35,915. These payments are recorded as expenses in the year that they are paid and no asset or long term liability is being carried on the City's books. The sewer belongs to and is maintained by the County.

11. PENSION PLAN OBLIGATIONS

Substantially all City employees are covered by one of two pension plans, the Ohio Public Employees Retirement System (OPERS) or the Ohio Police and Fire Pension Fund (OP&F).

A. Ohio Public Employees Retirement System

The City of Moraine participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2009, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.0 percent of their annual covered salaries. The employer contribution rate for 2009 was 14.00 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008 and 2007 were \$692,157, \$757,604 and \$732,214, respectively; equal to the required contribution for each year.

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10 percent of their annual covered salary, while the City is required to contribute 19.5 percent for police officers and 24 percent for firefighters. The City's required contributions to OP&F for police and firefighters were \$985,847 for the year ended December 31, 2009, \$992,064 for 2008 and \$994,722 for 2007; 75 percent has been contributed for 2009. The full amount has been contributed for 2008 and 2007.

12. OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System of Ohio (OPERS) maintains a cost-sharing, multi-employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14.00 of covered payroll, and public safety and law enforcement employers contributed at 17.40 percent. The ORC currently limits the employer contributions

to a rate not to exceed 14.00 percent of covered payroll for state and local employer units and 18.10 percent for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7.0 percent of covered payroll from January 1st through March 31st and 5.5 percent for the remainder of the year. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The portion of the City's contributions that was used to fund post-employment benefits for the years ending December 31, 2009, 2008 and 2007, was \$289,494, \$378,802 and \$291,645, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, Attention: Finance Director, 277 East Town Street, Columbus, OH 43215-4642, or by calling (800) 222-7377

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child 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 health care coverage provided by the retirement system is considered an Other Post employment Benefit (OPEB) as described in GASB Statement No. 45. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care cost paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is

24 percent of covered payroll, of which 6.75 percent of covered payroll was applied to the post employment health care program during 2009.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are with the defined benefit pension plan, under authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The City's actual contributions for 2009, 2008 and 2007 that were used to fund post employment benefits were \$307,446, \$309,715 and \$310,078 for police and firefighters, respectively.

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.

13. INTERFUND TRANSACTIONS

Interfund receivables and payables at December 31, 2009 were as follows:

| Fund | <u>Due From Other Funds</u> | <u>Due to Other Funds</u> |
|---------------------------|--|--------------------------------------|
| General Fund | \$845,000 | |
| Economic Development Fund | | \$845,000 |
| Total | <u>\$845,000</u> | <u>\$845,000</u> |

The outstanding balance between funds is the result from a working capital loan. None of the balance is scheduled to be collected in the subsequent year.

Interfund transfers for 2009 were as follows:

| Fund | <u>From Other Funds</u> | <u>To Other Funds</u> |
|------------------|------------------------------------|----------------------------------|
| General Fund | | \$3,150,000 |
| Parks & Rec.Fund | \$1,200,000 | |
| Non-Major Funds | <u>1,950,000</u> | |
| Total | <u>\$3,150,000</u> | <u>\$3,150,000</u> |

Transfers are used to move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations.

14. 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 affect on the financial condition of the City.

15. 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; error 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.

PEP Financial Data As December 31, 2009 and 2008

Casualty & Property Coverage

| | <u>2009</u> | <u>2008</u> |
|---------------------------|---------------------|---------------------|
| Assets | \$36,374,898 | \$35,769,535 |
| Liabilities | <u>(15,256,862)</u> | <u>(15,310,206)</u> |
| Net Assets – Unrestricted | \$21,118,036 | \$20,459,329 |

Unpaid claims to be billed was approximately \$13.7 million in 2009 and \$12.9 million in 2008

The Pool's membership increased from 445 members in 2008 to 447 members in 2009.

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. The Pool is a member of American Public Entity Excess Pool ("APEEP"), which is also administered by ARPCO. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2009 the Pool retained \$350,000 for casualty claims and \$150,000 for property claims). The Board of Directors and ARPCO periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain

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 Anthem Insurance Company. The stop loss carrier provides coverage as follows: the City pays all claims up to \$60,000 per individual or \$2,275,239 in aggregate during the contract year, which runs from August 1 through July 31 of each year. The City expects that all claims will be settled with in one year.

Stop loss reimbursement for the past three years:

| <u>2007</u> | <u>2008</u> | <u>2009</u> |
|-------------|-------------|-------------|
| \$0 | \$46,231 | \$109,646 |

Below is a claim history for the past three years:

| | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|---------------------------------|--------------------|--------------------|--------------------|
| Claims liability at January 1 | \$ 90,248 | \$ 101,828 | \$ 186,914 |
| Claims incurred | 1,617,955 | 1,851,466 | 1,294,234 |
| Claims paid | <u>(1,606,375)</u> | <u>(1,766,380)</u> | <u>(1,390,768)</u> |
| Claims liability at December 31 | \$ 101,828 | \$ 186,914 | \$ 90,380 |

16. 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.

17. Restricted Net Assets

Restricted Net Assets for special revenue funds include:

| <u>Function</u> | <u>Amount</u> |
|----------------------|---------------------------|
| Parks and Recreation | \$475,809 |
| Highway and Streets | 1,195,711 |
| Cemetery | 108,170 |
| Public Safety | 219,392 |
| Total | <u><u>\$1,999,082</u></u> |

18. Accountability and Compliance

Compliance

Contrary to Ohio Revised Code Section 5705.36(A)(4), the City did not reduce the estimated resources in the TIF fund when the general obligation bond was not issued during 2009 as the City had anticipated. The corresponding outstanding encumbrance for the anticipated retirement of the bond anticipate note during the year resulted in the TIF fund reporting a deficit of \$5.4 million at December 31, 2009.

Deficit Fund Balances

At December 31, 2009 deficit fund balances of \$94,465 and \$8,089 were reported in the TIF and Police Pension special revenue funds, respectively. These deficits occurred as a result of current year accruals being recognized and deficits do not exist on a cash basis. The General fund is responsible for providing advances when cash is needed to pay obligations, not when accruals occur.

19. Subsequent Events

On January 21, 2010 the City issued Long-Term Bonds to pay off the \$5.3 Million BAN. This was scheduled to be done in December 2009 but had to be pushed into January. The City obtained a Bond rating of A3 and was recalibrated to an A1 rating in April when Moody revamped their rating model.

CITY OF MORAINE, OHIO

REQUIRED

SUPPLEMENTARY

INFORMATION



**CITY OF MORAIN, OHIO
GENERAL FUND**

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009**

| | <u>Original Budget Amounts</u> | <u>Final Budgets Amounts</u> | <u>Actual Amounts</u> | <u>Variance Actual w/Final Budget Positive (Negative)</u> |
|---|--|----------------------------------|---------------------------|---|
| REVENUES | | | | |
| Taxes: | | | | |
| Income | \$11,523,500 | \$11,523,500 | \$10,633,767 | (\$889,733) |
| Property | 342,200 | 342,200 | 358,931 | 16,731 |
| Other | 40,000 | 40,000 | 10,565 | (29,435) |
| Shared Revenues | 496,215 | 496,215 | 421,488 | (74,727) |
| License and Permits | 45,250 | 45,250 | 37,855 | (7,395) |
| Charges for Services | 349,100 | 349,100 | 213,642 | (135,458) |
| Fines | 211,500 | 211,500 | 247,300 | 35,800 |
| Investment Earnings | 600,000 | 600,000 | 666,298 | 66,298 |
| Rents and Royalties | 5,000 | 5,000 | 17,847 | 12,847 |
| Intergovernmental | 202,451 | 202,451 | 235,406 | 32,955 |
| Miscellaneous Receipts & Reimbursements | 64,700 | 64,700 | 1,841,512 | 1,776,812 |
| Total Revenues | <u>13,879,916</u> | <u>13,879,916</u> | <u>14,684,611</u> | <u>804,695</u> |
| EXPENDITURES | | | | |
| GENERAL GOVERNMENT | | | | |
| Council: | | | | |
| Personnel services | 15,850 | 15,850 | 14,501 | 1,349 |
| General operating expenses | 120,141 | 111,304 | 32,067 | 79,237 |
| Total Council | <u>135,991</u> | <u>127,154</u> | <u>46,568</u> | <u>80,586</u> |
| Clerk of Council | | | | |
| Personnel services | 62,560 | 61,960 | 51,079 | 10,881 |
| General operating expenses | 4,695 | 5,200 | 4,809 | 391 |
| Total Clerk of Council | <u>67,255</u> | <u>67,160</u> | <u>55,888</u> | <u>11,272</u> |
| City Manager | | | | |
| Personnel services | 324,130 | 324,130 | 302,450 | 21,680 |
| General operating expenses | 37,140 | 36,790 | 22,204 | 14,586 |
| Total City Manager | <u>361,270</u> | <u>360,920</u> | <u>324,654</u> | <u>36,266</u> |
| Clerk of Courts | | | | |
| Personnel services | 143,160 | 143,160 | 124,640 | 18,520 |
| General operating expenses | 32,077 | 26,484 | 22,438 | 4,046 |
| Total Clerk of Courts | <u>175,237</u> | <u>169,644</u> | <u>147,078</u> | <u>22,566</u> |
| Law Director | | | | |
| Personnel services | | 2,467 | 2,097 | 370 |
| General operating expenses | 226,805 | 217,234 | 190,553 | 26,681 |
| Total Law Director | <u>226,805</u> | <u>219,701</u> | <u>192,650</u> | <u>27,051</u> |
| Merit Service | | | | |
| Personnel services | | | | |
| General operating expenses | 2,800 | 2,800 | 2,800 | |
| Total Merit Service | <u>2,800</u> | <u>2,800</u> | <u>2,800</u> | |
| Mayor | | | | |
| Personnel services | 12,930 | 12,930 | 10,664 | 2,266 |
| General operating expenses | 37,450 | 37,450 | 4,687 | 32,763 |
| Total Mayor | <u>50,380</u> | <u>50,380</u> | <u>15,351</u> | <u>35,029</u> |

(continued)

**CITY OF MORAIN, OHIO
GENERAL FUND**

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009**

(continued)

| | Original Budget Amounts | Final Budgets Amounts | Actual Amounts | Variance Actual w/Final Budget Positive (Negative) |
|-------------------------------------|-------------------------------|--------------------------|-------------------|--|
| Finance | | | | |
| Personnel services | 626,450 | 616,777 | 558,415 | 58,362 |
| General operating expenses | 59,264 | 65,502 | 50,348 | 15,154 |
| Total Finance | <u>685,714</u> | <u>682,279</u> | <u>608,763</u> | <u>73,516</u> |
| Information Center | | | | |
| Personnel services | 167,960 | 167,960 | 148,271 | 19,689 |
| General operating expenses | 750 | 750 | | 750 |
| Total Information Center | <u>168,710</u> | <u>168,710</u> | <u>148,271</u> | <u>20,439</u> |
| Public Buildings | | | | |
| Personnel services | 1,755,970 | 1,755,970 | 1,470,357 | 285,613 |
| General operating expenses | 902,550 | 825,183 | 642,732 | 182,451 |
| Total Public Buildings | <u>2,658,520</u> | <u>2,581,153</u> | <u>2,113,089</u> | <u>468,064</u> |
| General Miscellaneous | | | | |
| Personnel services | 385,736 | 343,540 | 61,276 | 282,264 |
| General operating expenses | 492,613 | 511,337 | 461,467 | 49,870 |
| Total General Miscellaneous | <u>878,349</u> | <u>854,877</u> | <u>522,743</u> | <u>332,134</u> |
| Information Technology | | | | |
| Personnel services | 117,470 | 117,470 | 108,992 | 8,478 |
| General operating expenses | 221,226 | 207,987 | 169,734 | 38,253 |
| Total Information Technology | <u>338,696</u> | <u>325,457</u> | <u>278,726</u> | <u>46,731</u> |
| Human Resources | | | | |
| Personnel services | 116,930 | 120,430 | 112,173 | 8,257 |
| General operating expenses | 74,253 | 65,625 | 51,915 | 13,710 |
| Total Human Resources | <u>191,183</u> | <u>186,055</u> | <u>164,088</u> | <u>21,967</u> |
| TOTAL GENERAL GOVERNMENT | <u>5,940,910</u> | <u>5,796,290</u> | <u>4,620,669</u> | <u>1,175,621</u> |
| PUBLIC SAFETY | | | | |
| Police | | | | |
| Personnel services | 4,235,775 | 4,205,009 | 4,029,982 | 175,027 |
| General operating expenses | 596,025 | 618,470 | 493,534 | 124,936 |
| Total Police | <u>4,831,800</u> | <u>4,823,479</u> | <u>4,523,516</u> | <u>299,963</u> |
| Fire | | | | |
| Personnel services | 3,755,090 | 3,745,090 | 3,483,440 | 261,650 |
| General operating expenses | 348,333 | 337,176 | 200,928 | 136,248 |
| Total Fire | <u>4,103,423</u> | <u>4,082,266</u> | <u>3,684,368</u> | <u>397,898</u> |
| Civil Defense | | | | |
| Personnel services | | | | |
| General operating expenses | 8,500 | 8,500 | 8,055 | 445 |
| Total Civil Defense | <u>8,500</u> | <u>8,500</u> | <u>8,055</u> | <u>445</u> |
| TOTAL PUBLIC SAFETY | <u>8,943,723</u> | <u>8,914,245</u> | <u>8,215,939</u> | <u>698,306</u> |

(continued)

**CITY OF MORAIN, OHIO
GENERAL FUND**

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009**

(continued)

| | Original Budget Amounts | Final Budgets Amounts | Actual Amounts | Variance Actual w/Final Budget Positive (Negative) |
|--------------------------------------|-------------------------------|--------------------------|-------------------|--|
| HIGHWAYS AND STREETS | | | | |
| Engineering | | | | |
| Personnel services | 252,830 | 248,980 | 223,023 | 25,957 |
| General operating expenses | 91,240 | 89,649 | 77,829 | 11,820 |
| Total Engineering | <u>344,070</u> | <u>338,629</u> | <u>300,852</u> | <u>37,777</u> |
| Street Lighting | | | | |
| Personnel services | | | | |
| General operating expenses | 260,000 | 260,000 | 260,000 | |
| Total Street Lighting | <u>260,000</u> | <u>260,000</u> | <u>260,000</u> | |
| TOTAL HIGHWAYS AND STREETS | <u>604,070</u> | <u>598,629</u> | <u>560,852</u> | <u>37,777</u> |
| SANITATION | | | | |
| Waste Collection | | | | |
| Personnel services | | | | |
| General operating expenses | 419,569 | 410,435 | 379,711 | 30,724 |
| Total Waste Collection | <u>419,569</u> | <u>410,435</u> | <u>379,711</u> | <u>30,724</u> |
| TOTAL SANITATION | <u>419,569</u> | <u>410,435</u> | <u>379,711</u> | <u>30,724</u> |
| HEALTH AND WELFARE | | | | |
| Health & Alcoholism | | | | |
| Personnel services | | | | |
| General operating expenses | 2,000 | 2,000 | | 2,000 |
| Total Health & Alcoholism | <u>2,000</u> | <u>2,000</u> | | <u>2,000</u> |
| Board of Zoning Appeals | | | | |
| Personnel services | | | | |
| General operating expenses | 1,300 | 1,500 | 1,100 | 400 |
| Total Board of Zoning Appeals | <u>1,300</u> | <u>1,500</u> | <u>1,100</u> | <u>400</u> |
| Building Inspection | | | | |
| Personnel services | 68,567 | 60,640 | 581,667 | (521,027) |
| General operating expenses | 41,746 | 39,307 | (491,535) | 530,842 |
| Total Building Inspection | <u>110,313</u> | <u>99,947</u> | <u>90,132</u> | <u>9,815</u> |
| TOTAL HEALTH AND WELFARE | <u>113,613</u> | <u>103,447</u> | <u>91,232</u> | <u>12,215</u> |
| CULTURE-RECREATION | | | | |
| Senior Citizens | | | | |
| Personnel services | | | | |
| General operating expenses | 10,000 | 10,000 | 10,000 | |
| Total Senior Citizens | <u>10,000</u> | <u>10,000</u> | <u>10,000</u> | |
| Fire Works | | | | |
| Personnel services | | | | |
| General operating expenses | 20,000 | 19,497 | 17,000 | 2,497 |
| Total Fire Works | <u>20,000</u> | <u>19,497</u> | <u>17,000</u> | <u>2,497</u> |
| TOTAL CULTURE-RECREATION | <u>30,000</u> | <u>29,497</u> | <u>27,000</u> | <u>2,497</u> |

(continued)

**CITY OF MORAIN, OHIO
GENERAL FUND**

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009**

(continued)

| | Original Budget Amounts | Final Budgets Amounts | Actual Amounts | Variance Actual w/Final Budget Positive (Negative) |
|--|-------------------------------|--------------------------|---------------------|--|
| ECONOMIC DEVELOPMENT AND ASSISTANCE | | | | |
| Planning | | | | |
| Personnel services | 192,785 | 190,985 | 167,736 | 23,249 |
| General operating expenses | 48,510 | 39,514 | 28,399 | 11,115 |
| Total Planning | <u>241,295</u> | <u>230,499</u> | <u>196,135</u> | <u>34,364</u> |
| Planning Commission | | | | |
| Personnel services | | | | |
| General operating expenses | 7,500 | 7,500 | 4,823 | 2,677 |
| Total Planning Commission | <u>7,500</u> | <u>7,500</u> | <u>4,823</u> | <u>2,677</u> |
| TOTAL ECONOMIC DEVELOPMENT AND ASSISTANCE | <u>248,795</u> | <u>237,999</u> | <u>200,958</u> | <u>37,041</u> |
| TOTAL EXPENDITURES | <u>16,300,680</u> | <u>16,090,542</u> | <u>14,096,361</u> | <u>1,994,181</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,420,764)</u> | <u>(2,210,626)</u> | <u>588,250</u> | <u>2,798,876</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,100,000 | 1,100,000 | 62,987 | (1,037,013) |
| Transfers out | (4,325,000) | (4,325,000) | (3,150,000) | 1,175,000 |
| Proceeds from the sale of capital assets | 30,000 | 30,000 | 16,103 | (13,897) |
| Total Other Financing Sources (Uses) | <u>(3,195,000)</u> | <u>(3,195,000)</u> | <u>(3,070,910)</u> | <u>124,090</u> |
| Net Change in Fund Balance | <u>(5,615,764)</u> | <u>(5,405,626)</u> | <u>(2,482,660)</u> | <u>2,922,966</u> |
| Fund Balance - Beginning | 12,852,969 | 12,852,969 | 12,852,969 | |
| Encumbrances | 234,455 | 234,455 | 234,455 | |
| Fund Balance - Ending | <u>\$7,471,660</u> | <u>\$7,681,798</u> | <u>\$10,604,764</u> | <u>\$2,922,966</u> |

See accompanying notes to the required supplementary information.

CITY OF MORAIN, OHIO
PARKS AND RECREATION FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009

| | <u>Original Budget Amounts</u> | <u>Final Budgets Amounts</u> | <u>Actual Amounts</u> | <u>Variance Actual w/Final Budget Positive (Negative)</u> |
|--|--|----------------------------------|---------------------------|---|
| REVENUES | | | | |
| Taxes | | | | |
| Charges for Services | \$763,400 | \$763,400 | \$721,943 | (\$41,457) |
| Investment Earnings | 15,000 | 15,000 | 22,764 | 7,764 |
| Contributions and Donations | | | 8,629 | 8,629 |
| Intergovernmental | 35,000 | 35,000 | 24,841 | (10,159) |
| Miscellaneous Receipts & Reimbursements | | | | |
| Total Revenues | <u>813,400</u> | <u>813,400</u> | <u>778,177</u> | <u>(35,223)</u> |
| EXPENDITURES | | | | |
| Culture-Recreation | | | | |
| Civic Center | | | | |
| Personnel services | 357,280 | 357,280 | 322,825 | 34,455 |
| General operating expenses | 66,311 | 55,756 | 51,119 | 4,637 |
| Total Civic Center | <u>423,591</u> | <u>413,036</u> | <u>373,944</u> | <u>39,092</u> |
| Parks & Recreation Programs | | | | |
| Personnel services | | | | |
| General operating expenses | 87,705 | 85,177 | 84,415 | 762 |
| Total Parks & Recreation Programs | <u>87,705</u> | <u>85,177</u> | <u>84,415</u> | <u>762</u> |
| Water Park | | | | |
| Personnel services | 630,720 | 630,720 | 616,722 | 13,998 |
| General operating expenses | 492,822 | 447,798 | 431,099 | 16,699 |
| Total Water Park | <u>1,123,542</u> | <u>1,078,518</u> | <u>1,047,821</u> | <u>30,697</u> |
| Recreational Center | | | | |
| Personnel services | 663,010 | 661,810 | 639,970 | 21,840 |
| General operating expenses | 240,977 | 230,550 | 216,512 | 14,038 |
| Total Recreational Center | <u>903,987</u> | <u>892,360</u> | <u>856,482</u> | <u>35,878</u> |
| Total Culture-Recreation | <u>2,538,825</u> | <u>2,469,091</u> | <u>2,362,662</u> | <u>106,429</u> |
| Total Expenditures | <u>2,538,825</u> | <u>2,469,091</u> | <u>2,362,662</u> | <u>106,429</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,725,425)</u> | <u>(1,655,691)</u> | <u>(1,584,485)</u> | <u>71,206</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,700,000 | 1,700,000 | 1,200,000 | (500,000) |
| Total Other Financing Sources (Uses) | <u>1,700,000</u> | <u>1,700,000</u> | <u>1,200,000</u> | <u>(500,000)</u> |
| Net Change in Fund Balance | <u>(25,425)</u> | <u>44,309</u> | <u>(384,485)</u> | <u>(428,794)</u> |
| Fund Balance - Beginning | 749,597 | 749,597 | 749,597 | |
| Encumbrances | 51,843 | 51,843 | 51,843 | |
| Fund Balance - Ending | <u>\$776,015</u> | <u>\$845,749</u> | <u>\$416,955</u> | <u>(\$428,794)</u> |

See accompanying notes to the required supplementary information.

CITY OF MORAIN, OHIO
ECONOMIC DEVELOPMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009

| | <u>Original Budget Amounts</u> | <u>Final Budgets Amounts</u> | <u>Actual Amounts</u> | <u>Variance Actual w/Final Budget Positive (Negative)</u> |
|--|--|----------------------------------|---------------------------|---|
| REVENUES | | | | |
| Intergovernmental | \$500,000 | \$500,000 | \$475,000 | (\$25,000) |
| Total Revenues | <u>500,000</u> | <u>500,000</u> | <u>475,000</u> | <u>(25,000)</u> |
| EXPENDITURES | | | | |
| Economic Development | 865,000 | 878,400 | \$765,150 | 113,250 |
| Total Expenditures | <u>865,000</u> | <u>878,400</u> | <u>765,150</u> | <u>113,250</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(365,000)</u> | <u>(378,400)</u> | <u>(290,150)</u> | <u>88,250</u> |
| Net Change in Fund Balance | <u>(365,000)</u> | <u>(378,400)</u> | <u>(290,150)</u> | <u>88,250</u> |
| Fund Balance - Beginning | 783,017 | 783,017 | 783,017 | |
| Encumbrances | | | | |
| Fund Balance - Ending | <u>\$418,017</u> | <u>\$404,617</u> | <u>\$492,867</u> | <u>\$88,250</u> |

See accompanying notes to the required supplementary information.

CITY OF MORAIN, OHIO
T. I. F. FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009

| | Original Budget Amounts | Final Budgets Amounts | Actual Amounts | Variance Actual w/Final Budget Positive (Negative) |
|--|-------------------------------|--------------------------|----------------------|--|
| REVENUES | | | | |
| Taxes | | | | |
| Property | \$30,000 | \$30,000 | | (\$30,000) |
| Investment Earnings | 5,000 | 5,000 | \$11,271 | 6,271 |
| Miscellaneous Receipts & Reimbursements | | | 75 | 75 |
| Total Revenues | <u>35,000</u> | <u>35,000</u> | <u>11,346</u> | <u>(23,654)</u> |
| EXPENDITURES | | | | |
| Capital Outlays: | | | | |
| Economic Development | 507,000 | 534,862 | 231,013 | 303,849 |
| Debt Service | | | | |
| Principal Retirement | 5,300,000 | 10,600,000 | 10,600,000 | |
| Interest | 320,000 | 320,000 | 196,100 | 123,900 |
| Total Expenditures | <u>6,127,000</u> | <u>11,454,862</u> | <u>11,027,113</u> | <u>427,749</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(6,092,000)</u> | <u>(11,419,862)</u> | <u>(11,015,767)</u> | <u>404,095</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from the sale of notes | 5,300,000 | 5,300,000 | 5,300,000 | |
| Proceeds from the sale of capital assets | 980,000 | 980,000 | 24,836 | (955,164) |
| Proceeds from the sales of Bonds | | 6,110,000 | | (6,110,000) |
| Total Other Financing Sources (Uses) | <u>6,280,000</u> | <u>12,390,000</u> | <u>5,324,836</u> | <u>(7,065,164)</u> |
| Net Change in Fund Balance | <u>188,000</u> | <u>970,138</u> | <u>(5,690,931)</u> | <u>(6,661,069)</u> |
| Fund Balance - Beginning | 282,722 | 282,722 | 282,722 | |
| Encumbrances | | | | |
| Fund Balance - Ending | <u>\$470,722</u> | <u>\$1,252,860</u> | <u>(\$5,408,209)</u> | <u>(\$6,661,069)</u> |

See accompanying notes to the required supplementary information.

CITY OF MORAIN, OHIO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2009

1. 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 .1%. Total expenditures in any fund cannot 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 2009, there was one supplemental appropriation made totaling \$26,000.

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 are 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:

- 1) Revenues are recorded when received in cash (budget) as opposed to when they are both measurable and available (GAAP).
- 2) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- 3) Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile GAAP basis statements to the budgetary basis statements for the City’s major funds.

Net Change in Fund Balance

| | <u>General</u> | <u>Parks & Recreation</u> | <u>Economic Development</u> | <u>T. I. F.</u> |
|---|----------------------|-----------------------------------|---------------------------------|----------------------|
| GAAP Basis | (\$1,584,739) | (\$95,882) | (\$69,304) | \$4,939,080 |
| Net Adjustment for Revenue Accruals | (54,501) | (8,527) | | (272) |
| Net Adjustment for Expenditure Accruals | <u>(843,420)</u> | <u>(280,076)</u> | <u>(220,846)</u> | <u>(10,629,739)</u> |
| Budget Basis | <u>(\$2,482,660)</u> | <u>(\$384,485)</u> | <u>(\$290,150)</u> | <u>(\$5,690,931)</u> |

CITY OF MORaine, OHIO
COMBINING STATEMENTS
AND
INDIVIDUAL FUND STATEMENTS



**CITY OF MORAINE, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009**

| | NONMAJOR SPECIAL REVENUE FUNDS | NONMAJOR DEBT SERVICE FUND | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
|--|---|---|--|
| ASSETS | | | |
| Cash and Investments | \$1,859,844 | \$146,836 | \$2,006,680 |
| Receivables: | | | |
| Property Tax | 128,774 | | 128,774 |
| Accounts | 89 | | 89 |
| Intergovernmental | 199,993 | | 199,993 |
| Inventories | 113,021 | | 113,021 |
| Prepays | 494 | | 494 |
| Total Assets | 2,302,215 | 146,836 | 2,449,051 |
| LIABILITIES AND FUND BALANCES | | | |
| CURRENT LIABILITIES | | | |
| Accounts Payable | 1,344 | | 1,344 |
| Salaries and Benefits Payable | 352,902 | | 352,902 |
| Compensated Absences Payable | 3,408 | | 3,408 |
| Deferred Revenue | 296,427 | | 296,427 |
| Total Current Liabilities | 654,081 | | 654,081 |
| FUND BALANCES | | | |
| Reserved For: | | | |
| Encumbrances | 19,435 | | 19,435 |
| Prepays | 494 | | 494 |
| Inventories | 113,021 | | 113,021 |
| Unreserved | 1,515,184 | 146,836 | 1,662,020 |
| Total Fund Balance | 1,648,134 | 146,836 | 1,794,970 |
| Total Liabilities and Fund Balances | \$2,302,215 | \$146,836 | \$2,449,051 |

CITY OF MORAINE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Ended December 31, 2009

| | <u>NONMAJOR SPECIAL REVENUE FUNDS</u> | <u>NONMAJOR DEBT SERVICE FUND</u> | <u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u> |
|--|---|---|--|
| REVENUES | | | |
| Taxes: | | | |
| Property | \$114,766 | | \$114,766 |
| Shared Revenues | 439,729 | | 439,729 |
| Licenses and Permits | 1,212 | | 1,212 |
| Charges for Services | 6,500 | | 6,500 |
| Investment Earnings | 105,486 | \$8,578 | 114,064 |
| Intergovernmental | 209,431 | | 209,431 |
| Miscellaneous Receipts & Reimbursements | 31,274 | 20 | 31,294 |
| Total Revenues | <u>908,398</u> | <u>8,598</u> | <u>916,996</u> |
| EXPENDITURES | | | |
| General government | 65,415 | | 65,415 |
| Public Safety | 1,025,688 | | 1,025,688 |
| Highways and streets | 1,839,208 | | 1,839,208 |
| Total Expenditures | <u>2,930,311</u> | | <u>2,930,311</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,021,913)</u> | <u>8,598</u> | <u>(2,013,315)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 1,950,000 | | 1,950,000 |
| Total Other Financing Sources (Uses) | <u>1,950,000</u> | | <u>1,950,000</u> |
| Net Change in Fund Balance | <u>(71,913)</u> | <u>8,598</u> | <u>(63,315)</u> |
| Fund Balance - Beginning | 1,720,047 | 138,238 | 1,858,285 |
| Fund Balance - Ending | <u>\$1,648,134</u> | <u>\$146,836</u> | <u>\$1,794,970</u> |

**CITY OF MORAINE, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2009**

| | STREET CONSTRUCTION AND MAINTENANCE | STATE HIGHWAY IMPROVEMENT | CEMETERY | MOTOR VEHICLE LICENSE TAX | ENFORCEMENT AND EDUCATION | POLICE PENSION | FIRE PENSION | FEDERAL LAW ENFORCEMENT | STATE LAW ENFORCEMENT | DRUG LAW ENFORCEMENT | F. E. M. A. | TOTAL NONMAJOR SPECIAL REVENUE FUNDS |
|--|--|---------------------------------|------------------|---------------------------------|---------------------------------|-------------------|------------------|----------------------------|--------------------------|-------------------------|-------------|---|
| ASSETS | | | | | | | | | | | | |
| Cash and investments | \$482,275 | \$655,637 | \$118,741 | \$118,558 | \$57,935 | \$127,223 | \$156,656 | \$34,055 | \$84,375 | \$24,389 | \$0 | \$1,859,844 |
| Receivables: | | | | | | | | | | | | |
| Property Tax | | | | | | | | | | | | |
| Accounts | | | | | 89 | 64,387 | 64,387 | | | | | 128,774 |
| Intergovernmental | 176,956 | 14,348 | | 8,689 | | | | | | | | 199,993 |
| Inventories | 113,021 | | | | | | | | | | | 113,021 |
| Prepays | 494 | | | | | | | | | | | 494 |
| Total Assets | 772,746 | 669,985 | 118,741 | 127,247 | 58,024 | 191,610 | 221,043 | 34,055 | 84,375 | 24,389 | | 2,302,215 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | | | |
| CURRENT LIABILITIES | | | | | | | | | | | | |
| Accounts Payable | 1,344 | | | | | | | | | | | 1,344 |
| Salaries and Benefits Payable | 79,483 | | | | | 135,312 | 138,107 | | | | | 352,902 |
| Compensated Absences Payable | 3,408 | | | | | | | | | | | 3,408 |
| Deferred Revenue | 148,311 | 12,025 | | 7,317 | | 64,387 | 64,387 | | | | | 296,427 |
| Total Current Liabilities | 232,546 | 12,025 | | 7,317 | | 199,699 | 202,494 | | | | | 654,081 |
| FUND BALANCES | | | | | | | | | | | | |
| Reserved For: | | | | | | | | | | | | |
| Encumbrances | 8,864 | | 10,571 | | | | | | | | | 19,435 |
| Prepays | 494 | | | | | | | | | | | 494 |
| Inventories | 113,021 | | | | | | | | | | | 113,021 |
| Unreserved | 417,821 | 657,960 | 108,170 | 119,930 | 58,024 | (8,089) | 18,549 | 34,055 | 84,375 | 24,389 | | 1,515,184 |
| Total Fund Balance | 540,200 | 657,960 | 118,741 | 119,930 | 58,024 | (8,089) | 18,549 | 34,055 | 84,375 | 24,389 | | 1,648,134 |
| Total Liabilities and Fund Balances | \$772,746 | \$669,985 | \$118,741 | \$127,247 | \$58,024 | \$191,610 | \$221,043 | \$34,055 | \$84,375 | \$24,389 | \$0 | \$2,302,215 |

CITY OF MORAINE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2009

| | STREET CONSTRUCTION AND MAINTENANCE | STATE HIGHWAY IMPROVEMENT | CEMETERY | MOTOR VEHICLE LICENSE TAX | ENFORCEMENT AND EDUCATION | POLICE PENSION | FIRE PENSION | FEDERAL LAW ENFORCEMENT | STATE LAW ENFORCEMENT | DRUG LAW ENFORCEMENT | F. E. M. A. | TOTAL NONMAJOR SPECIAL REVENUE FUNDS |
|---|--|---------------------------------|-----------|---------------------------------|---------------------------------|-------------------|-----------------|----------------------------|--------------------------|-------------------------|-------------|---|
| REVENUES | | | | | | | | | | | | |
| Taxes: | | | | | | | | | | | | |
| Property | | | | | | \$57,383 | \$57,383 | | | | | \$114,766 |
| Shared Revenues | \$386,049 | \$30,795 | | \$20,885 | \$1,212 | | | | | | | 439,729 |
| Licenses and Permits | | | | | | | | | | | | 1,212 |
| Charges for Services | | | \$6,500 | | | | | | | | | 6,500 |
| Investment Earnings | 25,721 | 38,196 | 6,894 | 6,869 | 3,445 | 6,601 | 9,463 | \$1,983 | \$4,921 | \$1,393 | | 105,486 |
| Intergovernmental | | | | | | 31,138 | 31,138 | | | | \$147,155 | 209,431 |
| Miscellaneous Receipts & Reimbursements | | | 3,657 | | | | | 1,693 | 25,625 | 299 | | 31,274 |
| Total Revenues | 413,770 | 68,991 | 17,051 | 27,754 | 4,657 | 95,122 | 97,984 | 3,676 | 30,546 | 1,692 | 147,155 | 908,398 |
| EXPENDITURES | | | | | | | | | | | | |
| General government | | | 2,428 | | | | | | | | | 65,415 |
| Public Safety | | | | | 303 | 471,957 | 524,610 | | 28,818 | | 62,987 | 1,025,688 |
| Highways and streets | 1,747,040 | | | 8,000 | | | | | | | | 1,839,208 |
| Total Expenditures | 1,747,040 | | 2,428 | 8,000 | 303 | 471,957 | 524,610 | | 28,818 | | 147,155 | 2,830,311 |
| Excess (deficiency) of Revenues | | | | | | | | | | | | |
| Over (under) Expenditures | (1,333,270) | 68,991 | 14,623 | 19,754 | 4,354 | (376,835) | (426,626) | 3,676 | 1,728 | 1,692 | | (2,021,913) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | | |
| Transfers in | 1,250,000 | | | | | | 350,000 | | | | | 1,950,000 |
| Transfers out | | | | | | | | | | | | |
| Total Other Financing Sources (Uses) | 1,250,000 | | | | | | 350,000 | | | | | 1,950,000 |
| Net Change in Fund Balance | (83,270) | 68,991 | 14,623 | 19,754 | 4,354 | (26,835) | (76,626) | 3,676 | 1,728 | 1,692 | | (71,913) |
| Fund Balance - Beginning | 623,470 | 588,969 | 104,118 | 100,176 | 53,670 | 18,746 | 95,175 | 30,379 | 82,647 | 22,697 | | 1,720,047 |
| Fund Balance - Ending | \$540,200 | \$657,960 | \$118,741 | \$119,930 | \$58,024 | (\$8,089) | \$18,549 | \$34,055 | \$64,375 | \$24,389 | \$0 | \$1,648,134 |

CITY OF MORAINE, OHIO
STREET CONSTRUCTION AND MAINTENANCE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009

| | Original Budget Amounts | Final Budgets Amounts | Actual Amounts | Variance Actual w/Final Budget Positive (Negative) |
|--|-------------------------------|--------------------------|--------------------|--|
| REVENUES | | | | |
| Shared Revenues | \$400,000 | \$400,000 | \$388,337 | (\$11,663) |
| Investment Earnings | 10,000 | 10,000 | 17,359 | 7,359 |
| Total Revenues | <u>410,000</u> | <u>410,000</u> | <u>405,696</u> | <u>(4,304)</u> |
| EXPENDITURES | | | | |
| Highways and Streets | | | | |
| Personnel Services | 1,707,490 | 1,693,490 | 1,536,334 | 157,156 |
| General Operating Expenses | 491,863 | 441,866 | 387,378 | 54,488 |
| Total Highways and Streets | <u>2,199,353</u> | <u>2,135,356</u> | <u>1,923,712</u> | <u>211,644</u> |
| Total Expenditures | <u>2,199,353</u> | <u>2,135,356</u> | <u>1,923,712</u> | <u>211,644</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,789,353)</u> | <u>(1,725,356)</u> | <u>(1,518,016)</u> | <u>207,340</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 1,850,000 | 1,850,000 | 1,334,168 | (515,832) |
| Total Other Financing Sources (Uses) | <u>1,850,000</u> | <u>1,850,000</u> | <u>1,334,168</u> | <u>(515,832)</u> |
| Net Change in Fund Balance | <u>60,647</u> | <u>124,644</u> | <u>(183,848)</u> | <u>(308,492)</u> |
| Fund Balance - Beginning | 643,591 | 643,591 | 643,591 | |
| Encumbrances | 537 | 537 | 537 | |
| Fund Balance - Ending | <u>\$704,775</u> | <u>\$768,772</u> | <u>\$460,280</u> | <u>(\$308,492)</u> |

CITY OF MORaine, OHIO
STATE HIGHWAY IMPROVEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009

| | <u>Original Budget Amounts</u> | <u>Final Budgets Amounts</u> | <u>Actual Amounts</u> | <u>Variance Actual w/Final Budget Positive (Negative)</u> |
|--|--|----------------------------------|---------------------------|---|
| REVENUES | | | | |
| Shared Revenues | \$32,000 | \$32,000 | \$30,818 | (\$1,182) |
| Investment Earnings | 20,000 | 20,000 | 24,879 | 4,879 |
| Total Revenues | 52,000 | 52,000 | 55,697 | 3,697 |
| Excess (deficiency) of revenues over (under) expenditures | 52,000 | 52,000 | 55,697 | 3,697 |
| Net Change in Fund Balance | 52,000 | 52,000 | 55,697 | 3,697 |
| Fund Balance - Beginning | 581,359 | 581,359 | 581,359 | |
| Fund Balance - Ending | <u>\$633,359</u> | <u>\$633,359</u> | <u>\$637,056</u> | <u>\$3,697</u> |

**CITY OF MORaine, OHIO
CEMETERy FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009**

| | Original Budget Amounts | Final Budgets Amounts | Actual Amounts | Variance Actual w/Final Budget Positive (Negative) |
|--|-------------------------------|--------------------------|-------------------|--|
| REVENUES | | | | |
| Charges for Services | \$7,000 | \$7,000 | \$6,500 | (\$500) |
| Investment Earnings | 3,800 | 3,800 | 4,451 | 651 |
| Miscellaneous Receipts & Reimbursements | 3,000 | 6,000 | 3,657 | (2,343) |
| Total Revenues | <u>13,800</u> | <u>16,800</u> | <u>14,608</u> | <u>(2,192)</u> |
| EXPENDITURES | | | | |
| General Government | 15,963 | 15,000 | 13,200 | 1,800 |
| Total Expenditures | <u>15,963</u> | <u>15,000</u> | <u>13,200</u> | <u>1,800</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,163)</u> | <u>1,800</u> | <u>1,408</u> | <u>(392)</u> |
| Net Change in Fund Balance | <u>(2,163)</u> | <u>1,800</u> | <u>1,408</u> | <u>(392)</u> |
| Fund Balance - Beginning | 103,396 | 103,396 | 103,396 | |
| Fund Balance - Ending | <u>\$101,233</u> | <u>\$105,196</u> | <u>\$104,804</u> | <u>(\$392)</u> |

CITY OF MORaine, OHIO
MOTOR VEHICLE LICENSE TAX FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009

| | Original Budget Amounts | Final Budgets Amounts | Actual Amounts | Variance Actual w/Final Budget Positive (Negative) |
|--|-------------------------------|--------------------------|-------------------|--|
| REVENUES | | | | |
| Shared Revenues | \$21,000 | \$21,000 | \$20,818 | (\$182) |
| Investment Earnings | 3,000 | 3,000 | 4,347 | 1,347 |
| Total Revenues | <u>24,000</u> | <u>24,000</u> | <u>25,165</u> | <u>1,165</u> |
| EXPENDITURES | | | | |
| Highways and Streets | 8,000 | 8,606 | 8,606 | |
| Total Expenditures | <u>8,000</u> | <u>8,606</u> | <u>8,606</u> | |
| Excess (deficiency) of revenues over (under) expenditures | <u>16,000</u> | <u>15,394</u> | <u>16,559</u> | <u>1,165</u> |
| Net Change in Fund Balance | <u>16,000</u> | <u>15,394</u> | <u>16,559</u> | <u>1,165</u> |
| Fund Balance - Beginning | 98,639 | 98,639 | 98,639 | |
| Fund Balance - Ending | <u>\$114,639</u> | <u>\$114,033</u> | <u>\$115,198</u> | <u>\$1,165</u> |

CITY OF MORAIN, OHIO
ENFORCEMENT AND EDUCATION FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009

| | Original Budget Amounts | Final Budgets Amounts | Actual Amounts | Variance Actual w/Final Budget Positive (Negative) |
|--|-------------------------------|--------------------------|-------------------|--|
| REVENUES | | | | |
| License and Permits | \$10,000 | \$10,000 | \$1,173 | (\$8,827) |
| Investment Earnings | 1,100 | 1,100 | 2,237 | 1,137 |
| Total Revenues | <u>11,100</u> | <u>11,100</u> | <u>3,410</u> | <u>(7,690)</u> |
| EXPENDITURES | | | | |
| Public Safety | 10,000 | 10,000 | 303 | 9,697 |
| Total Expenses | 10,000 | 10,000 | 303 | 9,697 |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,100</u> | <u>1,100</u> | <u>3,107</u> | <u>2,007</u> |
| Net Change in Fund Balance | 1,100 | 1,100 | 3,107 | 2,007 |
| Fund Balance - Beginning | 53,186 | 53,186 | 53,186 | |
| Fund Balance - Ending | <u>\$54,286</u> | <u>\$54,286</u> | <u>\$56,293</u> | <u>\$2,007</u> |

CITY OF MORAIN, OHIO
POLICE PENSION FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009

| | Original Budget Amounts | Final Budgets Amounts | Actual Amounts | Variance Actual w/Final Budget Positive (Negative) |
|--|-------------------------------|--------------------------|-------------------|--|
| REVENUES | | | | |
| Taxes: | | | | |
| Property | \$61,700 | \$61,700 | \$57,383 | (\$4,317) |
| Intergovernmental | 29,600 | 29,600 | 31,138 | 1,538 |
| Investment Earnings | 2,000 | 2,000 | 4,204 | 2,204 |
| Total Revenues | <u>93,300</u> | <u>93,300</u> | <u>92,725</u> | <u>(575)</u> |
| EXPENDITURES | | | | |
| Public Safety | | | | |
| Personnel | 493,400 | 493,400 | 472,226 | 21,174 |
| General operating expense | 1,500 | 1,500 | 1,102 | 398 |
| Total Public Safety | <u>494,900</u> | <u>494,900</u> | <u>473,328</u> | <u>21,572</u> |
| Total Expenditures | <u>494,900</u> | <u>494,900</u> | <u>473,328</u> | <u>21,572</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(401,600)</u> | <u>(401,600)</u> | <u>(380,603)</u> | <u>20,997</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 400,000 | 400,000 | 350,000 | (50,000) |
| Total Other Financing Sources (Uses) | <u>400,000</u> | <u>400,000</u> | <u>350,000</u> | <u>(50,000)</u> |
| Net Change in Fund Balance | <u>(1,600)</u> | <u>(1,600)</u> | <u>(30,603)</u> | <u>(29,003)</u> |
| Fund Balance - Beginning | 154,028 | 154,028 | 154,028 | |
| Fund Balance - Ending | <u>\$152,428</u> | <u>\$152,428</u> | <u>\$123,425</u> | <u>(\$29,003)</u> |

**CITY OF MORAIN, OHIO
FIRE PENSION FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009**

| | Original Budget Amounts | Final Budgets Amounts | Actual Amounts | Variance Actual w/Final Budget Positive (Negative) |
|--|-------------------------------|--------------------------|-------------------|--|
| REVENUES | | | | |
| Taxes: | | | | |
| Property | \$55,200 | \$55,200 | \$57,383 | \$2,183 |
| Intergovernmental | 29,600 | 29,600 | 31,138 | 1,538 |
| Investment Earnings | 3,000 | 3,000 | 7,227 | 4,227 |
| Total Revenues | <u>87,800</u> | <u>87,800</u> | <u>95,748</u> | <u>7,948</u> |
| EXPENDITURES | | | | |
| Public Safety: | | | | |
| Personnel | 550,000 | 550,000 | 527,811 | 22,189 |
| General operating expense | 1,500 | 1,500 | 1,102 | 398 |
| Total Public Safety | <u>551,500</u> | <u>551,500</u> | <u>528,913</u> | <u>22,587</u> |
| Total Expenses | <u>551,500</u> | <u>551,500</u> | <u>528,913</u> | <u>22,587</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(463,700)</u> | <u>(463,700)</u> | <u>(433,165)</u> | <u>30,535</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 475,000 | 475,000 | 350,000 | (125,000) |
| Total Other Financing Sources (Uses) | <u>475,000</u> | <u>475,000</u> | <u>350,000</u> | <u>(125,000)</u> |
| Net Change in Fund Balance | <u>11,300</u> | <u>11,300</u> | <u>(83,165)</u> | <u>(94,465)</u> |
| Fund Balance - Beginning | 235,574 | 235,574 | 235,574 | |
| Fund Balance - Ending | <u>\$246,874</u> | <u>\$246,874</u> | <u>\$152,409</u> | <u>(\$94,465)</u> |

CITY OF MORAIN, OHIO
FEDERAL LAW ENFORCEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009

| | Original Budget Amounts | Final Budgets Amounts | Actual Amounts | Variance Actual w/Final Budget Positive (Negative) |
|--|-------------------------------|--------------------------|-------------------|--|
| REVENUES | | | | |
| Investment Earnings | \$1,000 | \$1,000 | \$1,301 | \$301 |
| Miscellaneous Receipts & Reimbursements | | | 1,693 | 1,693 |
| Total Revenues | <u>1,000</u> | <u>1,000</u> | <u>2,994</u> | <u>1,994</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,000</u> | <u>1,000</u> | <u>2,994</u> | <u>1,994</u> |
| Net Change in Fund Balance | <u>1,000</u> | <u>1,000</u> | <u>2,994</u> | <u>1,994</u> |
| Fund Balance - Beginning | 30,096 | 30,096 | 30,096 | |
| Fund Balance - Ending | <u>\$31,096</u> | <u>\$31,096</u> | <u>\$33,090</u> | <u>\$1,994</u> |

CITY OF MORaine, OHIO
STATE LAW ENFORCEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009

| | Original Budget Amounts | Final Budgets Amounts | Actual Amounts | Variance Actual w/Final Budget Positive (Negative) |
|--|-------------------------------|--------------------------|-------------------|--|
| REVENUES | | | | |
| Investment Earnings | \$2,500 | \$2,500 | \$3,261 | \$761 |
| Miscellaneous Receipts & Reimbursements | | | 25,625 | 25,625 |
| Total Revenues | <u>2,500</u> | <u>2,500</u> | <u>28,886</u> | <u>26,386</u> |
| EXPENDITURES | | | | |
| Public Safety | 50,000 | 50,000 | 28,818 | 21,182 |
| Total Expenditures | <u>50,000</u> | <u>50,000</u> | <u>28,818</u> | <u>21,182</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(47,500)</u> | <u>(47,500)</u> | <u>68</u> | <u>47,568</u> |
| Net Change in Fund Balance | <u>(47,500)</u> | <u>(47,500)</u> | <u>68</u> | <u>47,568</u> |
| Fund Balance - Beginning | 81,916 | 81,916 | 81,916 | |
| Fund Balance - Ending | <u>\$34,416</u> | <u>\$34,416</u> | <u>\$81,984</u> | <u>\$47,568</u> |

**CITY OF MORAIN, OHIO
DRUG LAW ENFORCEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009**

| | Original Budget Amounts | Final Budgets Amounts | Actual Amounts | Variance Actual w/Final Budget Positive (Negative) |
|--|-------------------------------|--------------------------|-------------------|--|
| REVENUES | | | | |
| Investment Earnings | \$900 | \$900 | \$943 | \$43 |
| Miscellaneous Receipts & Reimbursements | | | 299 | 299 |
| Total Revenues | <u>900</u> | <u>900</u> | <u>1,242</u> | <u>342</u> |
| EXPENDITURES | | | | |
| Public Safety | 5,000 | 5,000 | | 5,000 |
| Total Expenditures | <u>5,000</u> | <u>5,000</u> | | <u>5,000</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(4,100)</u> | <u>(4,100)</u> | 1,242 | 5,342 |
| Net Change in Fund Balance | <u>(4,100)</u> | <u>(4,100)</u> | 1,242 | 5,342 |
| Fund Balance - Beginning | 22,456 | 22,456 | 22,456 | |
| Fund Balance - Ending | <u>\$18,356</u> | <u>\$18,356</u> | <u>\$23,698</u> | <u>\$5,342</u> |

CITY OF MORAIN, OHIO
F. E. M. A. FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009

| | Original Budget Amounts | Final Budgets Amounts | Actual Amounts | Variance Actual w/Final Budget Positive (Negative) |
|--|-------------------------------|--------------------------|-------------------|--|
| REVENUES | | | | |
| Intergovernmental | \$300,000 | \$300,000 | \$147,155 | (\$152,845) |
| Total Revenues | <u>300,000</u> | <u>300,000</u> | <u>147,155</u> | <u>(152,845)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>300,000</u> | <u>300,000</u> | <u>147,155</u> | <u>(152,845)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (300,000) | (300,000) | (147,155) | (152,845) |
| Total Other Financing Sources (Uses) | <u>(300,000)</u> | <u>(300,000)</u> | <u>(147,155)</u> | <u>(152,845)</u> |
| Net Change in Fund Balance | | | | <u>(305,690)</u> |
| Fund Balance - Beginning | | | | |
| Fund Balance - Ending | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

CITY OF MORAIN, OHIO
DEBT SERVICE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009

| | Original Budget Amounts | Final Budgets Amounts | Actual Amounts | Variance Actual w/Final Budget Positive (Negative) |
|---|-------------------------------|--------------------------|-------------------|--|
| REVENUES | | | | |
| Investment Earnings | \$5,000 | \$5,000 | \$5,703 | \$703 |
| Miscellaneous Receipts & Reimbursements | | | 20 | 20 |
| Total Revenues | <u>5,000</u> | <u>5,000</u> | <u>5,723</u> | <u>723</u> |
| Excess (deficiency) of revenues over (under) | | | | |
| expenditures | <u>5,000</u> | <u>5,000</u> | <u>5,723</u> | <u>723</u> |
| Net Change in Fund Balance | 5,000 | 5,000 | 5,723 | 723 |
| Fund Balance - Beginning | 136,950 | 136,950 | 136,950 | |
| Fund Balance - Ending | <u>\$141,950</u> | <u>\$141,950</u> | <u>\$142,673</u> | <u>\$723</u> |

CITY OF MORaine, OHIO
CAPITAL IMPROVEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2009

| | Original Budget Amounts | Final Budgets Amounts | Actual Amounts | Variance Actual w/Final Budget Positive (Negative) |
|--|-------------------------------|---------------------------|---------------------------|--|
| REVENUES | | | | |
| Taxes: | | | | |
| Income | \$1,311,300 | \$1,311,300 | \$1,238,123 | (\$73,177) |
| Fines | 9,000 | 9,000 | 12,445 | 3,445 |
| Intergovernmental | 278,000 | 278,000 | 165,460 | (112,540) |
| Miscellaneous Receipts & Reimbursements | 101,000 | 101,000 | 93,804 | (7,196) |
| Total Revenues | <u>1,699,300</u> | <u>1,699,300</u> | <u>1,509,832</u> | <u>(189,468)</u> |
| EXPENDITURES | | | | |
| Capital Outlays: | | | | |
| General Government | 643,000 | 565,972 | 120,074 | 445,898 |
| Public Safety | 188,000 | 227,490 | 127,325 | 100,165 |
| Highways and Streets | 787,500 | 2,101,941 | 1,896,291 | 205,650 |
| Culture-Recreation | 33,000 | 36,375 | 21,894 | 14,481 |
| Debt Service: | | | | |
| Principal | 287,211 | 297,211 | 229,210 | 68,001 |
| Interest | 65,500 | 65,500 | 59,644 | 5,856 |
| Total Expenses | <u>2,004,211</u> | <u>3,294,489</u> | <u>2,454,438</u> | <u>840,051</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(304,911)</u> | <u>(1,595,189)</u> | <u>(944,606)</u> | <u>650,583</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from the sale of notes | | | 450,000 | 450,000 |
| Transfers in | 100,000 | 100,000 | | (100,000) |
| Total Other Financing Sources (Uses) | <u>100,000</u> | <u>100,000</u> | <u>450,000</u> | <u>350,000</u> |
| Net Change in Fund Balance | <u>(204,911)</u> | <u>(1,495,189)</u> | <u>(494,606)</u> | <u>1,000,583</u> |
| Fund Balance - Beginning | 3,114,749 | 3,114,749 | 3,114,749 | |
| Encumbrances | 400 | 400 | 400 | |
| Fund Balance - Ending | <u><u>\$2,910,238</u></u> | <u><u>\$1,619,960</u></u> | <u><u>\$2,620,543</u></u> | <u><u>\$1,000,583</u></u> |

CITY OF MORaine, OHIO
Combining Statement of Net Assets
INTERNAL SERVICE FUNDS
December 31, 2009

| | <u>CITY GARAGE</u> | <u>INSURANCE RESERVE</u> | <u>HEALTH INSURANCE</u> | <u>TOTALS</u> |
|---|--------------------|------------------------------|-----------------------------|--------------------|
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash and Investments | \$183,704 | \$1,467,760 | \$372,923 | \$2,024,387 |
| Inventories | 139,827 | | | 139,827 |
| Prepays | 42 | | | 42 |
| Total Current Assets | <u>323,573</u> | <u>1,467,760</u> | <u>372,923</u> | <u>2,164,256</u> |
| CAPITAL ASSETS (net of accumulated depreciation) | | | | |
| Machinery and Equipment | 14,788 | | | 14,788 |
| Total Capital Assets | <u>14,788</u> | | | <u>14,788</u> |
| Total Assets | <u>338,361</u> | <u>1,467,760</u> | <u>372,923</u> | <u>2,179,044</u> |
| LIABILITIES | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts Payable | 159 | | | 159 |
| Salaries and Benefits Payable | 14,982 | | | 14,982 |
| Compensated Absences Payable | 25,473 | | | 25,473 |
| Insurance Claims Payable | | | 90,380 | 90,380 |
| Total Current Liabilities | <u>40,614</u> | | <u>90,380</u> | <u>130,994</u> |
| NET ASSETS | | | | |
| Invested in Capital Assets | 14,788 | | | 14,788 |
| Unreserved | 282,959 | 1,467,760 | 282,543 | 2,033,262 |
| Total Net Assets | <u>\$297,747</u> | <u>\$1,467,760</u> | <u>\$282,543</u> | <u>\$2,048,050</u> |

CITY OF MORAIN, OHIO
Combining Statement of Revenues, Expenses and Changes in Net Assets
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2009

| | <u>CITY GARAGE</u> | <u>INSURANCE RESERVE</u> | <u>HEALTH INSURANCE</u> | <u>TOTALS</u> |
|---|------------------------|------------------------------|-----------------------------|--------------------|
| Operating Revenues | | | | |
| Charges for Services | \$536,197 | | \$1,828,719 | \$2,364,916 |
| Miscellaneous Receipts & Reimbursements | | \$95,875 | | 95,875 |
| Total Operating Revenues | <u>536,197</u> | <u>95,875</u> | <u>1,828,719</u> | <u>2,460,791</u> |
| Operating Expenses | | | | |
| Current: | | | | |
| Cost of Services | 533,335 | 91,285 | 1,690,564 | 2,315,184 |
| Depreciation | 9,416 | | | 9,416 |
| Total Operating Expenses | <u>542,751</u> | <u>91,285</u> | <u>1,690,564</u> | <u>2,324,600</u> |
| Operating Income (Loss) | <u>(6,554)</u> | <u>4,590</u> | <u>138,155</u> | <u>136,191</u> |
| Non-operating Revenues | | | | |
| Investment Earnings | | 85,223 | 10,215 | 95,438 |
| Total Non-operating Revenues | | <u>85,223</u> | <u>10,215</u> | <u>95,438</u> |
| Change in Net Assets | <u>(6,554)</u> | <u>89,813</u> | <u>148,370</u> | <u>231,629</u> |
| Total Net Assets - Beginning | 304,301 | 1,377,947 | 134,173 | 1,816,421 |
| Total Net Assets - Ending | <u>\$297,747</u> | <u>\$1,467,760</u> | <u>\$282,543</u> | <u>\$2,048,050</u> |

CITY OF MORaine, OHIO
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2009

| | City Garage | Insurance Reserve | Health Insurance Program | Totals |
|--|--------------------|------------------------------|---|--------------------|
| Cash Flows From Operating Activities | | | | |
| Cash received for inter fund services | \$536,197 | | \$1,828,719 | \$2,364,916 |
| Miscellaneous receipts & reimbursements | | \$95,875 | | 95,875 |
| Cash paid to suppliers for goods or services | (346,050) | (131,047) | (1,787,098) | (2,264,195) |
| Cash paid to employees for services | (190,147) | | | (190,147) |
| Net cash provided (used) by operating activities | <u>0</u> | <u>(35,172)</u> | <u>41,621</u> | <u>6,449</u> |
| Cash Flows From Investing Activities | | | | |
| Investment earnings | | 85,223 | 10,215 | 95,438 |
| Net Cash provided by investing activities | | <u>85,223</u> | <u>10,215</u> | <u>95,438</u> |
| Net increase in cash | 0 | 50,051 | 51,836 | 101,887 |
| Cash and Investments at Beginning of Year | 183,704 | 1,417,709 | 321,087 | 1,922,500 |
| Cash and Investments at end of Year | <u>\$183,704</u> | <u>\$1,467,760</u> | <u>\$372,923</u> | <u>\$2,024,387</u> |
| Reconciliation of Operating Income (loss) to Net Cash Provided (used) by Operating Activities | | | | |
| Operating income (loss) | (\$6,554) | \$4,590 | \$138,155 | \$136,191 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | |
| Depreciation expense | 9,416 | | | 9,416 |
| (Increase) decrease in inventories | 29,871 | | | 29,871 |
| (Increase) decrease in prepaid expenses | 42 | | | 42 |
| Increase (decrease) in accounts payable | (5,262) | (39,762) | | (45,024) |
| Increase (decrease) in salaries and benefits payable | (1,726) | | | (1,726) |
| Increase (decrease) in compensated absences payable | (25,787) | | | (25,787) |
| Increase (decrease) in insurance claims payable | | | (96,534) | (96,534) |
| Net cash provided (used) by operating activities | <u>\$0</u> | <u>(\$35,172)</u> | <u>\$41,621</u> | <u>\$6,449</u> |

CITY OF MORaine, OHIO
Combining Statement of Changes in Assets and Liabilities
AGENCY FUNDS
For the Year Ended December 31, 2009

| | Balance December 31, 2008 | Additions | Deductions | Balance December 31, 2009 |
|----------------------------------|---------------------------------|------------------|--------------------|---------------------------------|
| Miscellaneous Agency Fund | | | | |
| Assets | | | | |
| Cash and Investments | \$37,890 | \$375,203 | (\$21,728) | \$391,365 |
| Total Assets | <u>37,890</u> | <u>375,203</u> | <u>(21,728)</u> | <u>391,365</u> |
| Liabilities | | | | |
| Deposits | 37,890 | 375,203 | (21,728) | 391,365 |
| Total Liabilities | <u>37,890</u> | <u>375,203</u> | <u>(21,728)</u> | <u>391,365</u> |
| Mayor's Court | | | | |
| Assets | | | | |
| Cash and Investments | 29,281 | 477,757 | (476,568) | 30,470 |
| Total Assets | <u>29,281</u> | <u>477,757</u> | <u>(476,568)</u> | <u>30,470</u> |
| Liabilities | | | | |
| Due to Other Governments | 3,635 | 58,732 | (57,343) | 5,024 |
| Escrow Bonds | 25,646 | 419,025 | (419,225) | 25,446 |
| Total Liabilities | <u>29,281</u> | <u>477,757</u> | <u>(476,568)</u> | <u>30,470</u> |
| Totals - All Agency Funds | | | | |
| Assets | | | | |
| Cash and Investments | 67,171 | 852,960 | (498,296) | 421,835 |
| Total Assets | <u>67,171</u> | <u>852,960</u> | <u>(498,296)</u> | <u>421,835</u> |
| Liabilities | | | | |
| Deposits | 37,890 | 375,203 | (21,728) | 391,365 |
| Due to Other Governments | 3,635 | 58,732 | (57,343) | 5,024 |
| Escrow Bonds | 25,646 | 419,025 | (419,225) | 25,446 |
| Total Liabilities | <u>\$67,171</u> | <u>\$852,960</u> | <u>(\$498,296)</u> | <u>\$421,835</u> |

CITY OF MORAINÉ, OHIO

STATISTICAL SECTION

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health

Category

Financial Trends (tables 1 – 4)

These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity (tables 5 – 6)

These tables contain information to help the reader assess the City's most significant local revenue source, the income tax.

Debt Capacity (tables 7 – 13)

These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Economic and Demographic Information (tables 14 – 15)

These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information (tables 16 – 18)

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides.



CITY OF MORAINE, OHIO
Net Assets by Component
Last Seven Fiscal Years
(accrual basis of accounting)
(reported in thousands)

| | Fiscal Year | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
| Governmental activities | | | | | | | |
| Invested in capital assets, net of related debt | \$15,469 | \$16,173 | \$23,959 | \$23,020 | \$26,274 | \$27,966 | \$30,033 |
| Restricted for: | | | | | | | |
| Debt service | 141 | 141 | 121 | 124 | 131 | 138 | 147 |
| Special revenue | 2,056 | 1,094 | 764 | 1,976 | 2,188 | 1,765 | 1,999 |
| Capital projects | 5,713 | 6,026 | 3,491 | 4,054 | 3,756 | 3,048 | 2,848 |
| Unrestricted | 14,413 | 14,454 | 15,701 | 17,862 | 17,780 | 15,422 | 13,129 |
| Total government activities net assets | <u>37,792</u> | <u>37,888</u> | <u>44,036</u> | <u>47,036</u> | <u>50,129</u> | <u>48,339</u> | <u>48,156</u> |
| Business-type activities | | | | | | | |
| Unrestricted | 446 | 456 | 460 | 475 | 500 | 529 | 563 |
| Total business-type activities net assets | <u>446</u> | <u>456</u> | <u>460</u> | <u>475</u> | <u>500</u> | <u>529</u> | <u>563</u> |
| Primary government | | | | | | | |
| Invested in capital assets, net of related debt | 15,469 | 16,173 | 23,959 | 23,020 | 26,274 | 27,966 | 30,033 |
| Restricted | 7,910 | 7,261 | 4,376 | 6,154 | 6,075 | 4,951 | 4,994 |
| Unrestricted | 14,859 | 14,910 | 16,161 | 18,337 | 18,280 | 15,951 | 13,692 |
| Total primary government net assets | <u>\$38,238</u> | <u>\$38,344</u> | <u>\$44,496</u> | <u>\$47,511</u> | <u>\$50,629</u> | <u>\$48,868</u> | <u>\$48,719</u> |

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF MORAINE, OHIO
Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)
(reported in thousands)

TABLE 2

| | Fiscal Year | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
| Expenses | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$5,189 | \$4,658 | \$4,845 | \$4,953 | \$5,112 | \$5,230 | \$4,523 |
| Public safety | 8,338 | 8,836 | 9,521 | 9,460 | 9,513 | 9,689 | 9,456 |
| Highways and streets | 2,337 | 2,956 | 3,391 | 3,345 | 3,761 | 2,790 | 879 |
| Sanitation | 327 | 266 | 256 | 305 | 339 | 347 | 419 |
| Culture and recreation | 3,004 | 2,892 | 3,188 | 2,882 | 2,745 | 2,935 | 2,312 |
| Economic development | 175 | 316 | 541 | 998 | 283 | 677 | 935 |
| Health and welfare | 157 | 163 | 159 | 133 | 144 | 95 | 93 |
| Interest on long term debt | 5 | 4 | 2 | 165 | 268 | 321 | 221 |
| Total governmental activities expenses | <u>19,532</u> | <u>20,091</u> | <u>21,903</u> | <u>22,241</u> | <u>22,165</u> | <u>22,084</u> | <u>18,838</u> |
| Total primary government expenses | <u>19,532</u> | <u>20,091</u> | <u>21,903</u> | <u>22,241</u> | <u>22,165</u> | <u>22,084</u> | <u>18,838</u> |
| Program Revenues | | | | | | | |
| Governmental activities: | | | | | | | |
| Charges for services: | | | | | | | |
| General government | 336 | 299 | 263 | 328 | 285 | 248 | 452 |
| Public safety | 3 | 5 | 9 | 18 | 46 | 39 | 31 |
| Highways and streets | 1 | | 41 | | 33 | 1 | 194 |
| Culture and recreation | 755 | 721 | 868 | 790 | 813 | 794 | 723 |
| Health and welfare | 79 | 87 | 112 | 71 | 39 | 58 | 56 |
| Operating grants and contributions | 81 | 607 | 247 | 233 | 382 | 286 | 200 |
| Capital grants and contributions | 647 | 234 | 449 | 1,487 | 809 | 337 | 784 |
| Total governmental activities program revenues | <u>1,902</u> | <u>1,953</u> | <u>1,989</u> | <u>2,927</u> | <u>2,407</u> | <u>1,763</u> | <u>2,440</u> |
| Business-type activities: | | | | | | | |
| Loan program charges for services | 5 | 3 | 2 | 1 | 1 | 1 | |
| Investment earnings | (2) | 7 | 3 | 13 | 24 | 28 | 33 |
| Total business-type activities program revenues | <u>3</u> | <u>10</u> | <u>5</u> | <u>14</u> | <u>25</u> | <u>29</u> | <u>33</u> |
| Total primary government program revenues | <u>1,905</u> | <u>1,963</u> | <u>1,994</u> | <u>2,941</u> | <u>2,432</u> | <u>1,792</u> | <u>2,473</u> |

CITY OF MORAINE, OHIO
Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)
(reported in thousands)

TABLE 2 (continued)

| | Fiscal Year | | | | | | |
|---|-----------------|------------------|-----------------|-----------------|-----------------|------------------|-----------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
| Net (Expense)/Revenue | | | | | | | |
| Governmental activities | (17,630) | (18,138) | (19,914) | (19,314) | (19,758) | (20,321) | (16,398) |
| Business-type activities | 3 | 10 | 5 | 14 | 25 | 29 | 33 |
| Total primary government net expense | <u>(17,627)</u> | <u>(18,128)</u> | <u>(19,909)</u> | <u>(19,300)</u> | <u>(19,733)</u> | <u>(20,292)</u> | <u>(16,365)</u> |
| General Revenues and Other Changes in Net Assets | | | | | | | |
| Taxes | | | | | | | |
| Income tax | 15,424 | 14,509 | 18,712 | 19,867 | 19,618 | 15,333 | 11,817 |
| Property taxes, levied for | | | | | | | |
| General purposes | 526 | 446 | 512 | 545 | 619 | 567 | 345 |
| Police pensions | 87 | 93 | 85 | 81 | 70 | 65 | 64 |
| Fire pensions | 87 | 93 | 85 | 81 | 70 | 65 | 64 |
| Other taxes | 104 | 92 | 98 | 103 | 82 | 66 | 11 |
| Shared revenues | 737 | 830 | 774 | 775 | 871 | 1,078 | 713 |
| Intergovernmental | | | | | | | |
| Special assessments | 18 | 16 | | | | | 260 |
| Rents and royalties | 12 | 65 | 35 | | | | |
| Miscellaneous | 105 | 127 | 261 | 232 | 233 | 105 | 1,967 |
| Investment earnings | (55) | 352 | 188 | 494 | 1,221 | 1,255 | 961 |
| Gain on the sale of capital assets | 65 | 25 | 29 | 137 | 67 | (2) | 13 |
| Total general revenues | <u>17,110</u> | <u>16,648</u> | <u>20,779</u> | <u>22,315</u> | <u>22,851</u> | <u>18,532</u> | <u>16,215</u> |
| Change in Net Assets | | | | | | | |
| Governmental activities | (520) | (1,490) | 865 | 3,001 | 3,093 | (1,789) | (183) |
| Business-type activities | 3 | 10 | 5 | 14 | 25 | 29 | 33 |
| Total primary government | <u>(\$517)</u> | <u>(\$1,480)</u> | <u>\$870</u> | <u>\$3,015</u> | <u>\$3,118</u> | <u>(\$1,760)</u> | <u>(\$150)</u> |

88 **Note:** The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003. Business Type Activities has expenses - due to (thousands) rounding not reported.

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

| | Fiscal Year | | | | | | | | | |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
| General Fund | | | | | | | | | | |
| Reserved | \$391 | \$349 | \$344 | \$272 | \$316 | \$428 | \$375 | \$393 | \$1,321 | \$1,230 |
| Unreserved | 14,021 | 14,184 | 13,943 | 12,301 | 11,959 | 14,749 | 17,139 | 16,495 | 13,045 | 11,551 |
| Total general fund | 14,412 | 14,533 | 14,287 | 12,573 | 12,275 | 15,177 | 17,514 | 16,888 | 14,366 | 12,781 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | 1,095 | 1,124 | 1,945 | 1,374 | 915 | 1,650 | 2,832 | 1,825 | 2,418 | 6,465 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 1,547 | 1,768 | 1,808 | 1,801 | 1,330 | 764 | 1,976 | 2,188 | (3,268) | (4,022) |
| Capital projects fund | 3,051 | 4,165 | 4,348 | 4,632 | 6,026 | 2,419 | 2,103 | 2,620 | 1,435 | 2,642 |
| Debt service fund | | | | 141 | 141 | 121 | 125 | 131 | 138 | 147 |
| Total all other governmental funds | \$5,693 | \$7,057 | \$8,101 | \$7,948 | \$8,412 | \$4,954 | \$7,036 | \$6,764 | \$723 | \$5,232 |

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

TABLE 4

| | Fiscal Year | | | | | | | | | |
|---|-------------|----------|----------|-----------|----------|----------|----------|----------|-----------|----------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| REVENUES | | | | | | | | | | |
| Income Taxes | \$16,529 | \$15,071 | \$15,612 | \$15,610 | \$14,614 | \$19,129 | \$20,328 | \$19,244 | \$15,382 | \$11,657 |
| Property Taxes | 0 | 0 | 0 | 699 | 632 | 682 | 723 | 772 | 697 | 474 |
| Other Taxes | 804 | 769 | 602 | 104 | 92 | 98 | 86 | 69 | 66 | 11 |
| Shared Revenues | 1,030 | 883 | 789 | 775 | 973 | 875 | 929 | 1,022 | 1,270 | 852 |
| Special Assessments | 31 | 25 | 20 | 18 | 16 | | | | | |
| License and Permits | | | | 42 | 61 | 97 | 35 | 98 | 41 | 232 |
| Charges for Services | 612 | 945 | 970 | 800 | 757 | 945 | 855 | 842 | 866 | 948 |
| Fines | 265 | 256 | 370 | 333 | 286 | 251 | 279 | 240 | 214 | 257 |
| Investment Earnings | 1,456 | 779 | 532 | (55) | 352 | 188 | 494 | 1,221 | 1,255 | 960 |
| Contributions and Donations | | | | 2 | 2 | 3 | 26 | 32 | 22 | 9 |
| Rents and Royalties | | | | 12 | 65 | 35 | 38 | 36 | 19 | 18 |
| Intergovernmental | 1,056 | 394 | 31 | 728 | 701 | 557 | 1,561 | 1,024 | 451 | 1,107 |
| Miscellaneous | 437 | 767 | 735 | 103 | 136 | 261 | 232 | 233 | 105 | 1,966 |
| Total Revenues | 22,220 | 19,889 | 19,661 | 19,171 | 18,687 | 23,121 | 25,586 | 24,833 | 20,388 | 18,491 |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 3,512 | 4,315 | 4,153 | 4,132 | 4,148 | 4,322 | 4,565 | 4,859 | 4,893 | 4,290 |
| Public Safety | 7,116 | 6,993 | 7,434 | 7,746 | 8,081 | 8,610 | 9,064 | 9,509 | 9,092 | 8,860 |
| Highways & Streets | 1,777 | 1,777 | 1,912 | 2,132 | 2,077 | 2,238 | 2,748 | 2,399 | 2,559 | 2,371 |
| Sanitation | | | | 327 | 266 | 256 | 305 | 340 | 347 | 419 |
| Economic Development | 929 | 655 | 159 | 158 | 284 | 400 | 511 | 3,132 | 639 | 944 |
| Health and Welfare | 524 | 535 | 611 | 151 | 162 | 159 | 133 | 133 | 85 | 86 |
| Culture and Recreation | 2,217 | 2,726 | 2,796 | 2,672 | 2,601 | 2,706 | 2,389 | 2,593 | 2,567 | 2,108 |
| Capital Improvements | 9,029 | 1,466 | 1,423 | 3,888 | 5,634 | 3,882 | 2,144 | 2,645 | 4,315 | 1,890 |
| Debt Service: | | | | | | | | | | |
| Principal | 15 | 48 | 43 | 103 | 837 | 4,691 | 4,249 | 169 | 5,068 | 161 |
| Interest | 10 | 9 | 7 | 5 | 3 | 121 | 165 | 205 | 301 | 227 |
| Total Expenditures | 25,129 | 18,524 | 18,538 | 21,314 | 24,093 | 27,385 | 26,273 | 25,984 | 29,866 | 21,356 |
| Excess (deficiency) of revenues over expenditures | (2,909) | 1,365 | 1,123 | (2,143) | (5,406) | (4,264) | (687) | (1,151) | (9,478) | (2,865) |
| OTHER FINANCIAL SOURCES (USES) | | | | | | | | | | |
| General long-term debt issued | | | | 323 | 5,550 | 3,700 | 5,000 | | | 5,300 |
| Transfers In | 3,270 | 3,890 | 3,933 | 4,050 | 3,300 | 3,699 | 4,462 | 6,025 | 5,125 | 3,150 |
| Transfers Out | (3,520) | (4,184) | (4,318) | (4,435) | (3,450) | (3,699) | (4,462) | (6,025) | (5,125) | (3,150) |
| Proceeds from capital leases | 62 | 414 | 60 | 193 | 31 | 29 | 80 | 253 | 693 | 450 |
| Proceeds from the sale of assets | (188) | 120 | (325) | 206 | 5,431 | 3,729 | 5,226 | 253 | 913 | 41 |
| Total Other Financing Sources (Uses) | (33,097) | \$1,485 | \$798 | (\$1,937) | \$25 | (\$535) | \$4,539 | (\$898) | (\$8,565) | \$2,926 |
| Debt service as a percentage of noncapital expenditures | 0.13% | 0.33% | 0.28% | 0.60% | 4.67% | 19.95% | 17.82% | 1.77% | 21.14% | 2.00% |

CITY OF MORAINE, OHIO
General Governmental Tax Revenues by Source ⁽¹⁾
Last Ten Fiscal Years
(accrual basis of accounting) ⁽²⁾

| Fiscal Year | Municipal Income Taxes | Other Local Taxes | State Shared Taxes and Permits | Total |
|----------------|------------------------------|-------------------------|--------------------------------------|--------------|
| 2000 | \$14,048,786 | \$803,800 | \$829,820 | \$15,682,406 |
| 2001 | 12,780,377 | 769,017 | 882,968 | \$14,432,362 |
| 2002 | 13,272,808 | 601,889 | 788,633 | \$14,663,330 |
| 2003 | 15,424,540 | 803,868 | 737,456 | \$16,965,864 |
| 2004 | 14,508,566 | 723,595 | 829,436 | \$16,061,597 |
| 2005 | 18,711,202 ⁽³⁾ | 779,864 | 774,274 | \$20,265,340 |
| 2006 | 19,866,552 | 810,408 | 775,190 | \$21,452,150 |
| 2007 | 19,617,652 | 840,936 | 870,654 | \$21,329,242 |
| 2008 | 15,332,598 | 696,967 | 1,077,507 | \$17,107,072 |
| 2009 | 11,817,442 | 473,697 | 712,879 | \$13,004,018 |

Source: City of Moraine, Department of Finance

(1) Prior to 2003, these figures include General and Special Revenue Funds only.

(2) Figures reported prior to 2003 are reported on a cash basis of accounting.

(3) Income tax rate increased 1/2% to 2% in 2005

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

| <u>Fiscal Year</u> | <u>Amount</u> |
|--------------------|---------------------------|
| 2000 | \$16,529,110 |
| 2001 | 15,070,764 |
| 2002 | 15,611,943 |
| 2003 | 15,610,407 |
| 2004 | 14,614,100 |
| 2005 | 19,128,239 ⁽²⁾ |
| 2006 | 20,328,322 |
| 2007 | 19,244,218 |
| 2008 | 15,382,323 |
| 2009 | 11,657,120 |

Source: City of Moraine, Department of Finance

(1) Includes all governmental fund types.

(2) Income tax rate increased 1/2% to 2% in 2005

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

| <u>2000</u> | | | <u>2009</u> | |
|------------------|----------------------------|------------------|-------------|--------------------------------|
| <u>Rank</u> | <u>Name</u> | <u>2009 Rank</u> | <u>Rank</u> | <u>Name</u> |
| 1 | General Motors Corporation | 1 | 1 | General Motors Corporation |
| 2 ⁽¹⁾ | Delphi Automotive | - | 2 | Dmax |
| 3 | Dayton Power and Light | 3 | 3 | Dayton Power and Light |
| 4 | Elder Beerman Stores | - | 4 | Local Insight Berry Holiday |
| 5 | LM Berry | - | 5 | Win Wholesale |
| 6 | Wagner-Smith Co | - | 6 | GMC Sub Benefit |
| 7 | Reynolds & Reynolds | - | 7 | Compunet Clinical Laboratories |
| 8 | Jervis B Webb Co | - | 8 | Lastar Inc |
| 9 | Berry Network | 9 | 9 | Berry Network |
| 10 | City of Moraine | 10 | 10 | City of Moraine |

Source: City of Moraine, Department of Finance

(1) Delphi is a spinoff of General Motors Corporation

Note: Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of the withholding by taxpayer. The City chose not to disclose percentages and number of filers by income level because the City does not require all taxpayers to file a return, therefore it does not have, or can it obtain, this type of information.

CITY OF MORAINE, OHIO
Assessed Value and Estimated Actual Value of Property
Last Ten Fiscal Years

| Fiscal Year | Agricultural Property | Residential Property | Commercial Property | Industrial Property | Total Taxable Assessed Value | | Total Direct Tax Rate | Estimated Actual Taxable Value | Taxable Assessed Value as a Percentage of Actual Taxable Value |
|--------------------|------------------------------|-----------------------------|----------------------------|----------------------------|-------------------------------------|--------------|------------------------------|---------------------------------------|---|
| | | | | | Value | Value | | | |
| 2000 | \$852,560 | \$37,704,690 | \$38,638,460 | \$64,889,530 | \$142,085,240 | 2.50 | \$405,957,829 | 0.35 | |
| 2001 | 884,650 | 37,977,860 | 39,063,230 | 48,801,860 | 126,727,600 | 2.50 | 362,078,857 | 0.35 | |
| 2002 | 929,410 | 42,544,330 | 48,892,150 | 51,310,370 | 143,676,260 | 2.50 | 410,503,600 | 0.35 | |
| 2003 | 1,005,570 | 42,919,710 | 46,188,040 | 45,961,020 | 136,074,340 | 2.50 | 388,783,829 | 0.35 | |
| 2004 | 1,090,890 | 42,924,680 | 51,816,170 | 47,588,840 | 143,420,580 | 2.50 | 409,773,086 | 0.35 | |
| 2005 | 1,011,590 | 48,710,040 | 53,443,470 | 43,938,250 | 147,103,350 | 2.50 | 420,295,286 | 0.35 | |
| 2006 | 1,047,510 | 48,894,860 | 55,008,990 | 44,009,840 | 148,961,200 | 2.50 | 425,603,429 | 0.35 | |
| 2007 | 1,040,330 | 49,019,710 | 55,504,680 | 43,628,350 | 149,193,070 | 2.50 | 426,265,914 | 0.35 | |
| 2008 | 1,237,860 | 52,743,290 | 53,981,150 | 42,698,100 | 151,250,300 | 2.50 | 432,143,714 | 0.35 | |
| 2009 | 1,207,550 | 52,349,240 | 55,915,630 | 42,568,540 | 152,040,960 | 2.50 | 434,402,743 | 0.35 | |

Source: Montgomery County Auditor's Office

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

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| MUNICIPAL UNITS: | | | | | | | | | | |
| General Fund | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| Police Pension Fund | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Fire Pension Fund | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Total Municipal Rates | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| COUNTY UNITS: | | | | | | | | | | |
| General Fund | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 |
| Mental Retardation D & D | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Conservancy Tax | | | | | | | | | | |
| Human Services Levy A | 5.21 | 5.21 | 5.21 | 5.21 | 5.21 | 5.21 | 5.21 | 5.21 | 5.21 | 5.21 |
| Human Services Levy B | 5.03 | 5.03 | 5.03 | 5.03 | 6.03 | 6.03 | 6.03 | 6.03 | 6.03 | 6.03 |
| Human Services Levy III | | | | | | | | | | |
| Human Services Levy IV | | | | | | | | | | |
| Total County Rates | 12.94 | 12.94 | 12.94 | 12.94 | 13.94 | 13.94 | 13.94 | 13.94 | 15.94 | 15.94 |
| OTHER UNITS: | | | | | | | | | | |
| Montgomery County Community College | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 3.2 |
| Montgomery County Park District | 1.2 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 |
| Dayton - Montgomery Library | 0.26 | 0.26 | 0.26 | 0.26 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.75 |
| SCHOOL DISTRICT: | | | | | | | | | | |
| Kettering / Moraine Community | 53.1 | 56.3 | 56.3 | 60.9 | 67.8 | 67.8 | 67.8 | 67.8 | 71.3 | 73.1 |
| West Carrollton Community | 53.26 | 60.66 | 59.67 | 65.55 | 65.55 | 65.55 | 65.55 | 65.55 | 72.05 | 72.05 |
| Jefferson Local School | 61.9 | 61.9 | 61.9 | 61.9 | 61.9 | 61.9 | 61.9 | 61.9 | 61.9 | 66.9 |
| Joint Vocational School | 2.58 | 2.58 | 2.58 | 2.58 | 2.58 | 2.58 | 2.58 | 2.58 | 2.58 | 2.58 |

Source: Montgomery County Auditor's Office

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

TABLE 9

| | | <u>Calendar Year 2009</u> | | |
|------------------------------|---------------------------|-----------------------------------|-------------|--|
| <u>Taxpayer</u> | <u>Nature of Business</u> | <u>Taxable Assessed Valuation</u> | <u>Rank</u> | <u>Percentage of Total City Taxable Assessed Valuation</u> |
| Dayton Power & Light Company | Gas and Electric Utility | 52,162,270 | 1 | 25.66% |
| General Motors Corporation | Automotive Manufacturer | 9,321,300 | 2 | 4.59% |
| Vectren Energy | Utility | 5,290,610 | 3 | 2.60% |
| Walmart Stores | Retail Sales | 3,562,680 | 4 | 1.75% |
| 3601 Dryden LLC | Retail Sales | 2,584,230 | 5 | 1.27% |
| Woodbine Partners LTD | Retail Sales | 1,821,800 | 6 | 0.90% |
| PDQ Bell Plaza LLC | Retail Sales | 1,634,510 | 7 | 0.80% |
| Mantiff Dayton Hospital | Hotel | 1,499,970 | 8 | 0.74% |
| S & G INVESTMENTS | Real Estate | 1,360,310 | 9 | 0.67% |
| Cole St Moraine Oh LLC | Real Estate | 1,328,990 | 10 | 0.65% |
| | Subtotal | 80,566,670 | | 39.63% |
| | All Others | 122,695,020 | | 60.37% |
| | Total | <u>\$ 203,261,690</u> | | <u>100.00%</u> |

| | | <u>Calendar Year 2000</u> | | |
|-------------------------------|---------------------------|-----------------------------------|-------------|--|
| <u>Taxpayer</u> | <u>Nature of Business</u> | <u>Taxable Assessed Valuation</u> | <u>Rank</u> | <u>Percentage of Total City Taxable Assessed Valuation</u> |
| Dayton Power & Light Company | Gas and Electric Utility | \$75,340,710 | 1 | 23.97% |
| General Motors Corporation | Automotive Manufacturer | 36,870,070 | 2 | 11.73% |
| Cooper Tire Company | Tires | 2,683,270 | 3 | 0.85% |
| Ohio Bell Telephone Company | Telephone Utility | 1,661,630 | 4 | 0.53% |
| Cobblegate Square Limited | Apartments | 1,755,250 | 5 | 0.56% |
| Stonecreek Apartments | Apartments | 1,697,320 | 6 | 0.54% |
| Barbara Benz Trust | Automotive Parts Plant | 1,600,280 | 7 | 0.51% |
| S & G Investments | Real Estate | 1,257,830 | 8 | 0.40% |
| Nursing Home Purchasing, Inc. | Health Care | 1,227,870 | 9 | 0.39% |
| Lance Shaner Hotel | Hotel | 1,304,150 | 10 | 0.41% |
| | Subtotal | 125,398,380 | | 39.89% |
| | All Others | 188,856,586 | | 60.11% |
| | Total | <u>\$ 314,254,966</u> | | <u>100.00%</u> |

Source: Montgomery County Auditor's Office

TABLE 10

CITY OF MORAIN, OHIO
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 | TOTAL TAX COLLECTIONS | TOTAL COLLECTIONS AS | | OUTSTANDING DELINQUENT TAXES AS | PERCENTAGE OF CURRENT TAXES LEVIED |
|-----------|-----------------|------------------|---------------------|--------------------------------|----------------------------|-----------------------|------------------------------------|------------------------------|---------------------------------|------------------------------------|
| | | | | | | | PERCENTAGE OF CURRENT TAXES LEVIED | OUTSTANDING DELINQUENT TAXES | | |
| 1999/2000 | 2000 | \$785,637 | \$774,640 | 99% | \$21,396 | \$796,036 | 92% | \$58,536 | 7% | |
| 2000/2001 | 2001 | 865,439 | 772,975 | 89% | 4,861 | 777,836 | 90% | 41,851 | 5% | |
| 2001/2002 | 2002 | 702,168 | 659,482 | 94% | 17,413 | 676,895 | 96% | 39,328 | 6% | |
| 2002/2003 | 2003 | 704,496 | 667,730 | 95% | 20,189 | 687,919 | 98% | 44,630 | 6% | |
| 2003/2004 | 2004 | 676,191 | 656,554 | 97% | 7,553 | 664,107 | 98% | 94,508 | 14% | |
| 2004/2005 | 2005 | 688,522 | 643,426 | 93% | 32,657 | 676,083 | 98% | 85,108 | 12% | |
| 2005/2006 | 2006 | 634,977 | 601,054 | 95% | 34,215 | 635,269 | 100% | 96,769 | 15% | |
| 2006/2007 | 2007 | 588,657 | 567,763 | 96% | 69,988 | 637,751 | 108% | 39,375 | 7% | |
| 2007/2008 | 2008 | 551,362 | 512,629 | 93% | 13,459 | 526,088 | 95% | 41,536 | 8% | |
| 2008/2009 | 2009 | 502,096 | 481,108 | 96% | 18,004 | 499,112 | 99% | 49,320 | 10% | |

Source: Montgomery County Auditor's Office

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

| Fiscal Year | Special Assessment Bonds | Bond Anticipation Note | Capital Leases | Total Primary Government | Personal Income <small>(thousands of dollars)</small> | Percentage Personal Income | Per Capita |
|--------------------|---------------------------------|-------------------------------|-----------------------|---------------------------------|---|-----------------------------------|-------------------|
| 2000 | \$100,000 | | | \$100,000 | 81,329,424 | 0.12% | \$123 |
| 2001 | 85,000 | | | 85,000 | 81,329,424 | 0.10% | 89 |
| 2002 | 65,000 | | | 65,000 | 116,421,360 | 0.06% | 36 |
| 2003 | 50,000 | | \$193,109 | 243,109 | 116,421,360 | 0.21% | 508 |
| 2004 | 35,000 | | 228,421 | 263,421 | 116,421,360 | 0.23% | 596 |
| 2005 | 20,000 | | 127,507 | 147,507 | 116,421,360 | 0.13% | 187 |
| 2006 | | \$2,700,000 | 26,594 | 2,726,594 | 116,421,360 | 2.34% | 63,857 |
| 2007 | | 5,000,000 | | 5,000,000 | 116,421,360 | 4.29% | 214,737 |
| 2008 | | 5,300,000 | 693,399 | 5,993,399 | 110,327,680 | 5.43% | 325,583 |
| 2009 | | 5,300,000 | 560,008 | 5,860,008 | 110,327,680 | 5.31% | 311,252 |

CITY OF MORaine, OHIO
Computation of Direct and Overlapping Debt
December 31, 2009

| Jurisdiction | Net Outstanding Debt | Percentage Applicable to City of Moraine, Ohio | Amount Applicable to City of Moraine, Ohio |
|--|----------------------------|---|---|
| CITY OF MORaine | \$6,490,128 | 100.00% | \$6,490,128 |
| MONTGOMERY COUNTY | 41,150,422 | 4.12% | 1,695,397 |
| WEST CARROLLTON CITY SCHOOL DISTRICT | - | 78.68% | - |
| KETTERING CITY SCHOOL DISTRICT | 98,683,570 | 18.14% | 17,901,200 |
| MIAMI VALLEY REGIONAL TRANSIT AUTHORITY | 3,885,000 | 4.12% | 160,062 |
| TOTAL | | | \$26,246,787 |

Source: Individual Jurisdictions

CITY OF MORAIN, OHIO
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

| | Fiscal Year | | | | | | | | | |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Debt Limit | \$32,997 | \$36,503 | \$29,491 | \$29,771 | \$27,366 | \$29,105 | \$26,669 | \$24,936 | \$23,370 | \$21,885 |
| Total net debt applicable to limit | | | | | | | | | | |
| Legal Debt Margin | <u>32,997</u> | <u>36,503</u> | <u>29,491</u> | <u>29,771</u> | <u>27,366</u> | <u>29,105</u> | <u>26,669</u> | <u>24,936</u> | <u>23,370</u> | <u>21,885</u> |

Total net debt applicable to the limit
as a percentage of debt limit

- - - - - - - - - - -

Legal Debt Margin Calculation for Fiscal Year 2009

| | |
|---|------------------------|
| Total Assessed Value | 208,429 |
| Debt limit (10.5% of total assessed value) | 21,885 |
| Debt applicable to limit: | |
| General Obligation Bonds | - |
| Less: Amount reserved for repayment of general obligation debt | - |
| Total net debt applicable to limit | <u>-</u> |
| Legal debt margin | <u><u>\$21,885</u></u> |

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

| Calendar Year | (1) Population | (1) | | (1) Median Age | (2) Unemployment Rate |
|---------------|-------------------|---|----------------------------|-------------------|--------------------------|
| | | Personal Income (thousands of dollars) | Per Capita Personal Income | | |
| 2000 | 6,897 | \$81,329 | \$11,792 | 32.9 | 3.7% |
| 2001 | 6,897 | 81,329 | 11,792 | 32.9 | 4.4% |
| 2002 | 6,897 | 116,421 | 16,880 | 32.5 | 5.6% |
| 2003 | 6,897 | 116,421 | 16,880 | 32.5 | 6.3% |
| 2004 | 6,897 | 116,421 | 16,880 | 32.5 | 6.2% |
| 2005 | 6,897 | 116,421 | 16,880 | 32.5 | 5.8% |
| 2006 | 6,897 | 116,421 | 16,880 | 32.5 | 5.9% |
| 2007 | 6,897 | 116,421 | 16,880 | 32.5 | 6.2% |
| 2008 | 6,536 | 110,328 | 16,880 | 32.5 | 8.5% |
| 2009 | 6,536 | 110,328 | 16,880 | 32.5 | 11.8% |

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

CITY OF MORaine, OHIO
Principal Employers
Current Year and Nine Years Ago

| | <u>2009</u> | | <u>2000</u> | |
|--------------------------------|-----------------|----------------------------|----------------------------------|----------------------------|
| | <u>Employer</u> | <u>Number of Employees</u> | <u>Employer</u> | <u>Number of Employees</u> |
| | | | | <u>Rank</u> |
| GMC Sub Benefit | 977 | 1 | NAO Compensation Operations - GM | 7,440 |
| DMAX Ltd. | 844 | 2 | Delphi Automotive | 7,237 |
| Walmart | 502 | 3 | Metropolitan Life Insurance | 1,113 |
| Dayton Power and Light | 487 | 4 | Jervis B Webb Co | 817 |
| L M Berry | 409 | 5 | Dayton Power and Light | 728 |
| City of Moraine | 383 | 6 | Ohio Relay Services | 491 |
| Compunet Clinical Laboratories | 364 | 7 | Elder Beerman Operations | 400 |
| Local Insight Berry Holiday | 359 | 8 | Barrett Business Services | 400 |
| Time Warner Cable Services | 330 | 9 | Merritor Heavy Vehicle | 373 |
| Maxim Healthcare Services | 288 | 10 | Berry Network Inc | 325 |

Source: City of Moraine, Department of Finance

Note: Total district employment is not available.

CITY OF MORAINE, OHIO
Full-time-Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

| <u>Function/Program</u> | <u>Fiscal Year</u> | | | | | | | | | |
|-------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
| General government | | | | | | | | | | |
| Clerk of Council | 1 | 1 | 1 | 1 | 2 | 4 | 1 | 1 | 1 | 1 |
| City Manger | 5 | 6 | 7 | 8 | 8 | 6 | 8 | 8 | 8 | 8 |
| Clerk of Courts | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Law | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Finance | 8 | 7 | 8 | 9 | 9 | 7 | 8 | 8 | 8 | 7 |
| Public Buildings | 21 | 28 | 27 | 27 | 26 | 22 | 21 | 23 | 22 | 21 |
| Public Safety | | | | | | | | | | |
| Police | 63 | 44 | 43 | 65 | 44 | 44 | 64 | 48 | 48 | 45 |
| Fire | 44 | 50 | 53 | 56 | 47 | 49 | 50 | 52 | 51 | 46 |
| Other | | | | | | | | | | |
| Highways and Streets | 18 | 19 | 19 | 19 | 18 | 18 | 18 | 18 | 19 | 18 |
| Community Development | 4 | 4 | 5 | 8 | 7 | 6 | 6 | 6 | 6 | 6 |
| Recreation and Culture | 38 | 60 | 66 | 64 | 63 | 61 | 58 | 57 | 54 | 42 |
| Garage | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Total | 207 | 225 | 235 | 263 | 230 | 223 | 240 | 227 | 223 | 200 |

Source: City of Moraine, Department of Finance
 Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation, holiday, sick leave and comp time). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080. However, due to the calendar in Fiscal Year 2004, full-time employees worked 2,120. Therefore, full-time equivalent employment is calculated for 2004 by dividing total labor hours by 2,120.

CITY OF MORAINE, OHIO
Operating Indicators by Function
Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|-------------------------------------|----------------------|-------------|-------------|-------------|-------------|-----------------------|-------------|-------------|-------------|-------------|
| | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
| Police | | | | | | | | | | |
| Warrants served | 1,008 | 1,005 | 483 | N/A | 975 | 1,653 | 1,594 | 1,345 | 1,347 | N/A |
| Felony arrests | 147 | 185 | 239 | 239 | 236 | 249 | N/A | N/A | 120 | N/A |
| Arrests made | 1,419 | 1,545 | 1,753 | 1,842 | 907 | 1,184 | 1,593 | 1,292 | 1,198 | N/A |
| Traffic citations issued | 3,658 | 4,439 | 5,125 | 4,665 | 3,645 | 3,323 | 3,314 | 2,808 | 2,398 | N/A |
| Miles Patrolled | 339,104 | 351,575 | 384,302 | 350,265 | N/A | 426,785 | 364,544 | 375,637 | 294,281 | N/A |
| Fire | | | | | | | | | | |
| Fire calls | 984 | 606 | 136 | 159 | 209 | 115 | 117 | 118 | 133 | 100 |
| EMS calls | 1,724 | 2,052 | 1,897 | 1,664 | 1,764 | 1,875 | 1,769 | 1,708 | 1,755 | 1,357 |
| Fire Inspections | 850 | 845 | 821 | 809 | 1,314 | 950 | 955 | 929 | 909 | 976 |
| Child Safety Seat Installations | N/A | 100+ | 240 | 347 | 129 | 75 | 59 | 51 | 48 | 60 |
| Highways and Streets | | | | | | | | | | |
| Gallons of street paint used | N/A | 7,535 | 9,560 | 2,750 | 1,830 | 10,080 | 1,880 | 1,880 | 1,456 | 1,750 |
| Tons of snow melting salt used | N/A | 485 | 1,744 | N/A | 1,071 | 451 | 797 | 797 | 1,000 | 1,200 |
| Community Development | | | | | | | | | | |
| Building Inspections | 529 | 439 | 310 | 808 | 476 | 344 | 360 | 236 | 245 | 328 |
| Residential Building Permits Issued | 75 | 86 | 78 | 67 | 84 | 49 | 57 | 84 | 74 | 65 |
| Commercial Building Permits Issued | 146 | 143 | 189 | 171 | 175 | 138 | 126 | 105 | 96 | 108 |
| Culture and Recreation | | | | | | | | | | |
| Payne Recreation Center Attendance | 1,318 ⁽¹⁾ | 133,000 | 150,000 | 170,000 | 150,000 | 110,000 | 100,000 | 90,605 | 89,590 | 82,467 |
| Splash! Moraine Attendance | 85,000 | 98,140 | 95,763 | 64,605 | 61,166 | 79,718 | 65,685 | 64,333 | 62,703 | 56,092 |
| Civic Center Attendance (estimated) | 128,000 | 93,924 | 47,667 | 48,207 | 33,150 | 29,000 | 20,000 | 25,979 | 43,686 | 40,992 |
| Natatorium Attendance | 313 ⁽²⁾ | 24,000 | 55,395 | 23,950 | 26,095 | 14,732 ⁽³⁾ | | | | |
| Youth and Day Camps Attendance | 90 | 92 | 57 | 1,234 | 1,068 | 1,454 | 1,606 | 1,013 | 1,098 | 885 |

(1) Payne Recreation Center opened on October 16, 2000.

(2) Due to construction of the Payne Recreation Center and Splash! Moraine, the Natatorium was only open during late November through December.

(3) The Natatorium ceased operation September 2005.

(N/A) Not Available

Source - Various City of Moraine departments

TABLE 18

CITY OF MORAINE, OHIO
Capital Assets by Function
Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
| Public Safety | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol Units | 31 | 35 | 31 | 31 | 31 | 23 | 28 | 28 | 28 | 28 |
| Fire: | | | | | | | | | | |
| Stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Emergency Response Vehicles | 11 | 11 | 11 | 11 | 11 | 10 | 10 | 10 | 10 | 10 |
| Highways and Streets | | | | | | | | | | |
| Miles of Streets (Center Line Miles) | 275.65 | 275.65 | 275.65 | 275.65 | 275.65 | 276.65 | 276.65 | 276.65 | 276.65 | 276.65 |
| Number of Streetlights (Non-special assessment) | 1,314 | 1,315 | 1,315 | 1,315 | 1,315 | 1,313 | 1,313 | 1,313 | 1,313 | 1,226 |
| Culture and Recreation | | | | | | | | | | |
| Parks | 13 | 13 | 14 | 14 | 14 | 14 | 14 | 13 | 13 | 13 |
| Civic Centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Recreation Centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Swimming Pools | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water Parks | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

Source - Various City of Moraine Departments





Mary Taylor, CPA
Auditor of State

CITY OF MORAINÉ

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 28, 2010**