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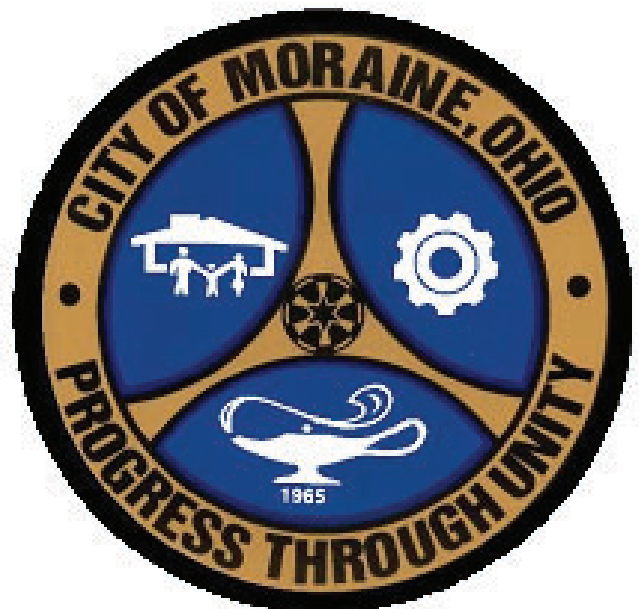
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OHIO



ANNUAL COMPREHENSIVE
FINANCIAL REPORT
YEAR ENDED
DECEMBER 31, 2023

OHIO AUDITOR OF STATE
KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

We have reviewed the *Independent Auditor's Report* of the City of Moraine, Montgomery County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 22, 2024

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CITY OF MORAINÉ, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

Issued by:
Finance Department

Lora Perry
Acting Finance Director

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CITY OF MORAINÉ, OHIO
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2023

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INTRODUCTORY SECTION

City of Moraine

Finance Department



June 21, 2024

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

The Annual Comprehensive Financial Report of the City of Moraine, Ohio, for the fiscal year ended December 31, 2023, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Clark, Schaefer, Hackett & Co., under contract with the Office of the Auditor of State of Ohio, studies the City's system of internal control, conducts such tests that are necessary under the circumstances and to render their opinions on the basic financial statements. The City has again received unmodified opinions from the independent auditors' that the financial statements are presented fairly in all material respects. The opinion letter is included in the Financial Section of this report.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

City Profile

The City provides the following services: public safety (police and fire), highways and streets, sanitation (refuse collection on a contractual basis), parks and recreation, public improvements, planning and zoning, and general administrative services. This report includes all the funds of the City of Moraine and all its component units, which make up the financial reporting entity for the City. Component units are legally separate entities for which the City is financially responsible. On December 31, 2023, the City had one blended component unit, the Vance Darroch New Community Authority (see notes to the financial statements for discussion).

Five other local governmental entities overlap the City's boundaries: Montgomery County, West Carrollton City School District, Kettering City School District, Jefferson Township Local School District, and Miami Valley Regional Transit Authority. These organizations do not meet the reporting entity criteria of governmental generally accepted accounting principles and, therefore, are not included in the City's financial report.

HISTORY AND BACKGROUND

Moraine is in the heart of the Miami Valley, to the southwest of the Dayton, Ohio metropolitan area. Though the region has been predominantly dependent upon manufacturing, automobile manufacturing most recently, the area is now trending towards a diversification of industries. The City currently occupies a land area of approximately 9.5 square miles, maintains 54 miles of road and serves a population of approximately 6,400 individuals based on the 2020 Census information.

In February 1953, residents voted to detach from the Village of Kettering and formed the Township of Moraine. The Township grew to Village status in July 1957 and on May 12, 1965, had the distinction of attaining the status of a full-fledged City. The original City Charter was presented in 1966 and at that time a Home Rule Charter was adopted along with the Council-Manager form of city government. Under this form of government, policy-making and legislative authority are vested in an elected council consisting of the Mayor and six council members. Four of the council members are elected based upon geographic wards and the remaining two are elected on a non-partisan basis, meaning they represent the entire City rather than specific geographical areas within the City's boundaries. The Mayor is elected separately on a non-partisan basis. The Mayor and City Council are responsible for passing resolutions and ordinances, adopting and amending the capital and operating budgets and for appointing various committee members. The City Manager of Moraine is charged with carrying out the policies and ordinances of City Council, overseeing day-to-day operations of the City and for appointing the department heads, with general responsibilities for the Economic Development and Health, Safety and Culture components of the City's vision.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

The city has been able to bring several longstanding projects in community and economic development to fruition during 2023, and the first half of 2024. From a future development roadmap and community engagement perspective, we successfully finalized a Comprehensive Plan that will be adopted this summer. The plan provides project recommendations through critical path strategies that will guide our future over the next ten to fifteen years.

The City also worked diligently with several of our corporate residents to encourage ongoing investment and industry diversification. WinSupply, a fortune 500 company, continues to expand its headquarters' presence in our community with the construction of a 20,000+ square foot expansion on their campus that once completed will allow for operational efficiencies while also accommodating one of its subsidiaries.

Fuyao, the leading automotive glass manufacturer in the world, is in the midst of finalizing the internal construction of their 500,000 square foot expansion that will pledge 400 to 500 jobs over the next three years. Ernst Metal Technologies also wrapped up an expansion a little over a year ago that has enhanced employment opportunities while also contributing to the revitalization of our Dryden Road corridor. Regarding Dryden Road, we welcomed the revitalization of the

former C-Safe building by Electripack which has brought approximately seventy jobs to the site. A-1 Mechanical also moved in just north occupying a long vacant structure.

Additional investment in both our north and south commercial areas has also assisted with our ongoing industry diversification. These new investments include Whitewater Express, the Goodwill Store, and Pyramid Healthcare.

Looking into the future, we are currently collaborating with many regional partners to encourage a significant prospect investment that would utilize the last remaining building within the former General Motors portfolio. The effort would occupy approximately 400,000 square feet and secure a manufacturing use outside of automotive that would provide job opportunities for 250 within the next three years if secured.

Long Term Financial Planning

Financial planning for Moraine is a dynamic interactive effort of the community, small and large business and industry, social and cultural service organizations, and municipal government. These dynamics are best demonstrated by the willingness of Moraine residents to involve themselves to support both City service and long-term capital investment.

During 2023, the City was able to add to its fund balances through strong budget control and increased revenue collections. The City's income tax collection has steadily increased over the last three years due to strong employment numbers and increasing wages in the local area. This continued growth shows the diversity with which the City has sought over the last 15 years of economic development efforts. Reductions in spending in some areas, some employment positions going unfilled for a long amount of time, and one-time funding streams continue to improve the City's financial position and cash balances. City income tax collections (cash basis) for 2023 increased by 16% over the previous year and were significantly higher than the amount anticipated in the City's budget process. The City continues to higher for open employment positions in the increasingly competitive employment market. In addition, the City has increased its capital improvement budget each year because of increased costs and to complete more infrastructure and equipment acquisition projects. Resilient income tax receipts, reduced spending, and one-time funding resulted in the General Fund unencumbered cash balance reaching \$42 million at the end of 2023, continuing the recent trend of increased fund balances.

The City coordinates public improvements of all City-related entities through adoption of a Capital Improvement Plan (CIP). The goal is to improve service to the community by adopting a CIP that is compatible with the City's financial condition and will fund capital improvements at a realistic level. The CIP consists of a five-year plan of capital expenditures for all City projects. The CIP is prepared each year during the budget planning process.

In 2022, the five-year plan was revised, and the needs and requirements of the City were again reviewed by the City Manager, Finance Director, and Department Heads, and incorporated into the 2023 budget where possible. The City's future revenues and how expenses should be allocated were also discussed and presented to Council for review.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

Budgetary Controls

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Moraine for its Annual Comprehensive Financial Report for the year ending December 31, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a governmental unit must publish an informative and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is applicable to one year only. The City of Moraine has received a Certificate of Achievement for the last 37 consecutive years (fiscal years ended 1986-2022). We believe our current report will also conform to the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another Certificate.

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

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Lora Perry". The signature is written in a cursive style with a large, looped "P" and a long, sweeping underline.

Lora Perry,
Acting Finance Director

CITY OF MORaine, OHIO

CITY COUNCIL

Teri Murphy, Mayor

Ora Allen, Council Member (At Large)

Don Burchett, Council Member (At Large)

Randy Daugherty, Council Member (Ward 1) (resigned 10/21/23)

Michael Daugherty, Council Member (Ward 1) (appointed 11/9/23)

Dave Miller, Council Member (Ward 2)

Shirley Whitt, Council Member (Ward 3)

Jeanette Marcus, Council Member (Ward 4)

APPOINTED OFFICIALS

Michael Davis, City Manager

Martina Dillon, Law Director

Don Buczek, Finance Director (through 6/18/24)

Amy Brown, Clerk of Council

CITY OF MORAINE, OHIO

DEPARTMENT OF FINANCE STAFF

Don Buczek, Finance Director (through 6/18/24)

Lora Perry, Deputy Finance Director
(effective June 19, 2024 Lora Perry began serving as Acting Finance Director)

Sheri Thatcher, Income Tax Administrator

Paula Cox, Financial Assistant

Penny Tincher, Financial Assistant

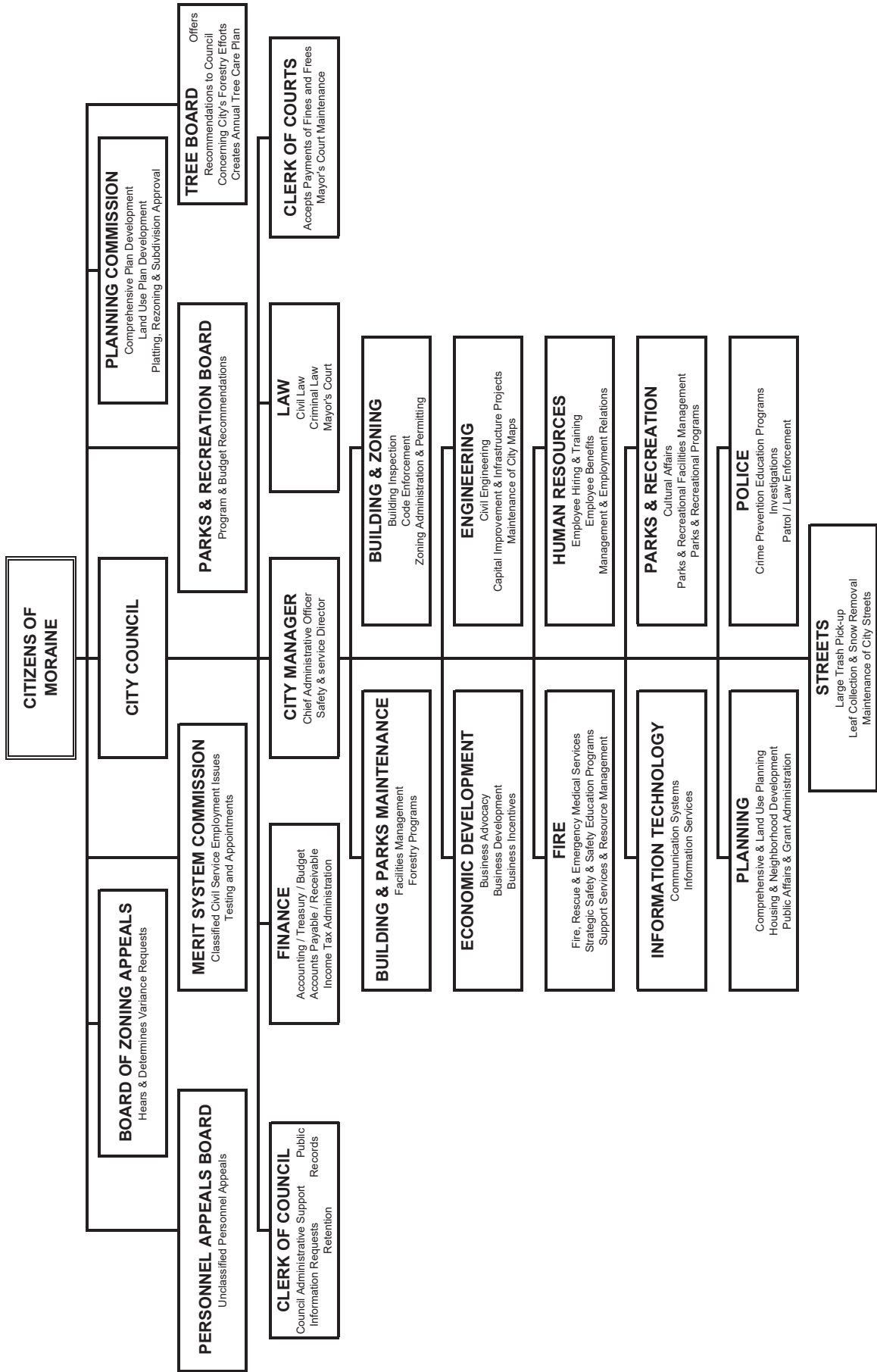
Richard Hisey, Financial Assistant

Lorie Forsythe, Finance Clerk (resigned 04/06/23)

Stacy Finch, Finance Clerk (resigned 07/14/23)

Christina Vaughn, Finance Clerk (started 04/17/23)

Organization of the City of Moraine





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Moraine
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moraine, Ohio (the "City"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 21, 2024

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

The discussion and analysis of the City of Moraine, Ohio's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for the year ended December 31, 2023 are as follows:

- Total net position increased by \$8.4 million which represents a 18.8% increase from the beginning balance of 2023. An increase of \$8.2 million was reported in governmental activities and an increase of \$137,687 was reported in business-type activities.
- Total assets of governmental activities at December 31, 2023 increased by \$7.6 million from the 2022 total assets primarily due to the \$7.8 million increase in cash and investments reported at current year end as the City's income tax receipts continue to increase from strong local economy in the form of increased income tax, licenses and permits, and property taxes during the current year. Total liabilities of the governmental activities increased by \$11.0 million due to the increase in the net pension and OPEB liabilities of \$11.9 million reported by the City at the end of 2023 compared with one year prior.
- Overall, the net position of the City's business-type activities increased by \$137,687 or 9.0% over the ending balance reported one year prior. The increase during 2023 resulted from the Vance Darroch New Community Authority (a blended component unit) continuing to add active properties to the development thereby increasing the development fees reported, as these fees are assessed once properties are inhabited.
- The \$41.3 million unassigned ending fund balance reported in the General Fund represents 281.4% of the total expenditures, transfers excluded, reported in the General Fund for 2023 compared with 205.7% in the prior year.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of Moraine, Ohio as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

These two statements report the City's net position and change in that position. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements should take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's local economy, tax base and the condition of its capital assets. In the Statement of Net Position and the Statement of Activities, the financial information of the City is divided into two kinds of activities:

- **Governmental Activities** – Most of the City's services are reported here including public safety (police and fire), highways and streets, sanitation (refuse collection on a contractual basis), parks and recreation, public improvements, economic development, planning and zoning, and general administrative services.
- **Business-Type Activities** – The City has two activities that are reported as business-type activities, the Moraine Loan Program and the Vance Darroch New Community Authority. The intent of both of these activities is to have operating charges be sufficient to cover the operating cost of each program. The City has currently suspended issuing new loans under the Moraine Loan Program but anticipates restarting the program in future years. The Vance Darroch New Community Authority is a blended business-type component unit for the City and charges a development fee to properties to finance certain commonly used features, such as infrastructure and greenspace within the development area.

Reporting the City's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about each major fund. The City uses many funds to account for a multitude of financial transactions. However, the focus of the fund financial statements is on the City's most significant funds, and therefore only the major funds are presented in separate columns. The major governmental funds of the City include the General, Capital Improvement, Street Construction and Maintenance, and Local Fiscal Recovery COVID funds. All other funds are combined into one column for reporting purposes.

Governmental Funds

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

Proprietary Funds

When the City charges citizens for the services it provides, with the intent of recouping operating costs, these services are generally reported in enterprise funds. Internal service funds account for services provided various departments or agencies within the City. Both fund types, classified as proprietary funds, use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

Fiduciary Funds

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

The City as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. In the case of the City of Moraine, Ohio, assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by a total of \$53.0 million at December 31, 2023.

Table 1 provides a summary of the City's net position for 2023 compared to 2022.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	Restated				Restated	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and Other Assets	\$ 57,079,493	48,496,030	1,663,001	1,525,314	58,742,494	50,021,344
Capital Assets	<u>31,215,449</u>	<u>32,160,821</u>	-	-	<u>31,215,449</u>	<u>32,160,821</u>
Total Assets	<u>88,294,942</u>	<u>80,656,851</u>	<u>1,663,001</u>	<u>1,525,314</u>	<u>89,957,943</u>	<u>82,182,165</u>
Deferred Outflows of Resources	<u>11,412,566</u>	<u>6,437,495</u>	-	-	<u>11,412,566</u>	<u>6,437,495</u>
Current and Other Liabilities	1,513,802	2,013,638	-	-	1,513,802	2,013,638
Long-Term Liabilities:						
Net Pension and OPEB Liabilities	28,318,370	16,424,291	-	-	28,318,370	16,424,291
Other Amounts	<u>14,587,278</u>	<u>14,977,508</u>	-	-	<u>14,587,278</u>	<u>14,977,508</u>
Total Liabilities	<u>44,419,450</u>	<u>33,415,437</u>	-	-	<u>44,419,450</u>	<u>33,415,437</u>
Deferred Inflows of Resources	<u>3,941,957</u>	<u>10,582,650</u>	-	-	<u>3,941,957</u>	<u>10,582,650</u>
Net Position:						
Net Investment in						
Capital Assets	20,201,599	21,071,326	-	-	20,201,599	21,071,326
Restricted	1,627,821	1,607,929	-	-	1,627,821	1,607,929
Unrestricted	<u>29,516,681</u>	<u>20,417,004</u>	<u>1,663,001</u>	<u>1,525,314</u>	<u>31,179,682</u>	<u>21,942,318</u>
Total Net Position	<u>\$ 51,346,101</u>	<u>43,096,259</u>	<u>1,663,001</u>	<u>1,525,314</u>	<u>53,009,102</u>	<u>44,621,573</u>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2023 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27". The City also implemented GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", which significantly revised accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the deferred outflows related to pension and OPEB.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability or net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

CITY OF MORAIN, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

As displayed in Table 1, total governmental net position of the City increased by \$8.2 million from 2022 to 2023. Equity in pooled cash and investments increased by \$7.8 million during the current year as the City continued to receive increased revenues from an improving economy in the form of increased income tax, licenses and permits, and property taxes revenues. Improving economic conditions also resulted in receivables increasing \$1.5 million, or 26.7%, primarily due to the 34.9% increase in income taxes receivable reported for the current year. Total net capital assets decreased \$945,372 as depreciation expense for the year exceeded capital asset additions recorded. Total net pension and OPEB liabilities increased over 2022 amounts by \$11.9 million based on information provided by the State-wide pension systems for the measurement year. Less than expected earnings on investments increased the total pension liability reported by both systems for the measurement year. Changes in the deferred outflows of resources and deferred inflows of resources reported at year end are also based on the information provided by the State-wide pension systems.

At December 31, 2023, the City reported a positive unrestricted net position amount totaling \$29.5 million compared to the \$21.9 million reported one year prior. However, it should be noted that if the components of the net pension and OPEB amounts are excluded, the City's unrestricted net position would be approximately \$50.0 million. We feel this important to mention as the management of the City has no control over the management of the State-wide retirement systems or the benefits offered; both of which control the net pension and OPEB amounts, both of which significantly impact the City's financial statements.

Table 2 shows the changes in the governmental and business-type net position for the year ended December 31, 2023 compared with the prior year.

Table 2
Changes in Net Position

	Governmental Activities		Business- Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Program Revenues:						
Charges for services	\$ 1,134,056	1,026,076	375,787	470,777	1,509,843	1,496,853
Operating grants and contributions	1,323,132	1,004,449	-	-	1,323,132	1,004,449
Capital grants and contributions	686,060	1,270,514	-	-	686,060	1,270,514
Total Program Revenues	<u>3,143,248</u>	<u>3,301,039</u>	<u>375,787</u>	<u>470,777</u>	<u>3,519,035</u>	<u>3,771,816</u>
General Revenues and Transfers:						
Income taxes	26,020,719	21,656,654	-	-	26,020,719	21,656,654
Property and other taxes	733,091	726,267	-	-	733,091	726,267
Payment in lieu of taxes	344,307	363,118	-	-	344,307	363,118
Shared revenues	140,184	191,680	-	-	140,184	191,680
Investment earnings	1,595,484	(55,326)	31,252	(504)	1,626,736	(55,830)
Miscellaneous	234,684	1,037,571	-	-	234,684	1,037,571
Transfers	261,600	16,588	(261,600)	(16,588)	-	-
Total General Revenues and Transfers	<u>29,330,069</u>	<u>23,936,552</u>	<u>(230,348)</u>	<u>(17,092)</u>	<u>29,099,721</u>	<u>23,919,460</u>
Total Revenues	<u>32,473,317</u>	<u>27,237,591</u>	<u>145,439</u>	<u>453,685</u>	<u>32,618,756</u>	<u>27,691,276</u>

(continued)

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

Table 2
Changes in Net Position
(Continued)

	Governmental Activities		Business- Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Expenses:						
General Government	4,406,423	4,170,521	-	-	4,406,423	4,170,521
Public Safety	11,460,183	9,704,079	-	-	11,460,183	9,704,079
Highways and Streets	5,405,695	4,266,139	-	-	5,405,695	4,266,139
Sanitation	364,131	356,162	-	-	364,131	356,162
Culture and Recreation	1,067,471	1,000,951	-	-	1,067,471	1,000,951
Economic Development	1,181,479	608,390	-	-	1,181,479	608,390
Health & Welfare	1,205	1,980	-	-	1,205	1,980
Interest and Fiscal Expense	336,888	342,539	-	-	336,888	342,539
New Community Authority	-	-	7,752	7,675	7,752	7,675
Total Expenses	<u>24,223,475</u>	<u>20,450,761</u>	<u>7,752</u>	<u>7,675</u>	<u>24,231,227</u>	<u>20,458,436</u>
Change in net position	8,249,842	6,786,830	137,687	446,010	8,387,529	7,232,840
Net Position - Beginning, restated	<u>43,096,259</u>	<u>36,309,429</u>	<u>1,525,314</u>	<u>1,079,304</u>	<u>44,621,573</u>	<u>37,388,733</u>
Net Position - Ending	<u>\$ 51,346,101</u>	<u>43,096,259</u>	<u>1,663,001</u>	<u>1,525,314</u>	<u>53,009,102</u>	<u>44,621,573</u>

As noted above, the governmental activities reported an increase in revenues of \$5.2 million as well as an increase in expenses of \$3.8 million for the year ended December 31, 2023 compared with those reported for the prior year. These factors resulted in the \$8.2 million increase in net position during calendar year 2023 compared to the \$6.8 million increase in net position reported during 2022. Some of the more significant factors attributing to this change in the statement of net position included:

- Income tax revenue, which represents 80.1 percent of total revenue for governmental activities, increased \$4.4 million (20.2 percent) over those reported for the prior year as economic conditions within the City continue to increase since the end of the global pandemic. Income taxes received from business returns increased \$2.5 million over those remitted in the prior year, while employee withholdings increased \$1.1 million. Both increases are indications of the growth experienced in the local economy.
- Program revenues decreased by 4.8 percent compared with 2022 amounts as the City benefited from \$1.3 million in capital grants during 2022 but only about half of that amount during the current year. Operating grants received during the current year increased \$318,683 over those received in prior year due primarily to the economic development grants received by the City during the current year.
- Miscellaneous revenues reported for 2023 were \$802,887 less than the prior year as the sale of all building lots within the development area within the City were sold by the end of 2022. The area being developed is land the City had previously purchased and recorded as a capital asset, therefore the sale of properties is reported as a gain on sale of asset by the City.
- Total governmental activities expenses increased by \$3.8 million, or 18.4 percent, over 2022 levels. While some additional expenses are attributable to increased personnel (wages and benefits) cost, the most significant portion is related to recording pension and OPEB expenses. In the prior year, these adjustments reduced reported expenses by \$2.3 million while the adjustments for the current year increased expenses by \$1.1 million; a swing of \$3.4 million in total expenses; most associated with police and fire pension. Streets and highway expenses increased due to additional projects in the current year.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

Governmental Activities

Table 3 shows the expenses of each functional area and the net cost of each functional area financed with general revenue for 2023 and 2022.

Table 3
Governmental Activities

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2023	2022	2023	2022	2023	2022
General Government	\$ 4,406,423	\$ 4,170,521	\$ 443,176	\$ 613,579	\$ 3,963,247	\$ 3,556,942
Public Safety	11,460,183	9,704,079	652,949	462,667	10,807,234	9,241,412
Highways and Streets	5,405,695	4,266,139	1,396,902	2,010,982	4,008,793	2,255,157
Sanitation	364,131	356,162	-	-	364,131	356,162
Culture and Recreation	1,067,471	1,000,951	159,369	194,543	908,102	806,408
Economic Development	1,181,479	608,390	490,852	19,268	690,627	589,122
All Others	338,093	344,519	-	-	338,093	344,519
	<u>\$ 24,223,475</u>	<u>\$ 20,450,761</u>	<u>\$ 3,143,248</u>	<u>\$ 3,301,039</u>	<u>\$ 21,080,227</u>	<u>\$ 17,149,722</u>

As indicated by Table 3, the City is spending the majority (87.8 percent) of its resources on public safety, highways and streets and general government activities. While the expenses of the police and fire departments total approximately \$11.5 million, only \$652,949 of program revenue is generated to cover department expenses. The remaining \$10.8 million of expenses must be covered by general revenues collected by the City, principally municipal income taxes. General government functions, principally legislation and administration, comprise approximately \$4.4 million of the total governmental expenses. Court costs and fees generated by licenses and permits financed \$443,176 of the general government functional expenses while the remaining \$4.0 million comes from general revenue sources. Decreased operating and capital grants received during 2023, resulted in program revenues covered approximately 25.8 percent of highways and streets maintenance expense reported, compared with the 47.1 percent coverage reported for 2022.

The City's Funds

Information about the City's major governmental funds begins after the Statement of Activities. These funds are reported using the modified accrual basis of accounting. Governmental funds had total revenues of \$30.9 million and expenditures of \$22.7 million during 2023. The net change in fund balance of the governmental funds was an increase of \$8.5 million, due to the net \$336,410 of other financing sources, resulting in an ending total fund balance of \$48.6 million. While capital assets are included in the Statement of Net Position, expenditures are recognized in the fund statements thereby reducing the amount of resources available for future spending. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's General Fund realized an increase of approximately \$7.5 million in fund balance during 2023. The General Fund is the primary fund that finances government services to citizens. The revenues of the General Fund for 2023 were \$5.1 million more than those reported in the prior year. The \$3.6 million increase in income tax revenue, along with \$1.6 million increase for investment earnings reported, account for the majority of the increased revenue. Total expenditures reported for 2023 were \$723,350 (4.7 percent) less than those reported for the prior year as one-time expenditures occurring during the prior year did not occur again during the current year.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

At December 31, 2023 the ending unassigned fund balance of the General Fund was \$41.3 million; a 30.4 percent increase from the unassigned fund balance reported at December 31, 2022 represents 281.4 percent of total General Fund expenditures, excluding transfers, reported for 2023.

The City separately reports other governmental funds as major funds, two of which are special revenue funds and other is a capital project fund. The Capital Improvement fund reported a \$823,520 increase in fund balance as some project which were anticipated to be completed in 2023 were delayed. The City funds the capital plan through transfers of monies from the General Fund to cover anticipated project expenditures on an annual basis. The revenues and expenditures of the Street Construction and Maintenance Fund reported for the current year were similar to those of the prior year and resulted in a \$43,334 increase to fund balance during the current year. The Local Fiscal Recovery COVID fund accounts for funding received by the City under the American Rescue Plan's, Coronavirus State and Local Fiscal Recovery Funds program. In prior years, the City received a total \$680,445 under the program. As eligible programs are identified to be financed with this funding, the City records the respective revenue and expenditure in like amounts. Until eligible program expenditures are identified by the City, the funding is reported as unearned income.

The City has two enterprise funds, both of which are reported as major funds. The Moraine Loan Program fund had no activity for the year except for interest earned. The Vance Darroch New Community Authority fund accounts for the financial activity of the New Community Authority established for the Vance Darroch housing development and is considered a blended component unit of the City. The increase during 2023 resulted from the Vance Darroch New Community Authority continuing to grow as all buildable lots had been sold prior to the start of the current year and development fees are not assessed until properties are inhabited.

General Fund Budgeting Highlights

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

General Fund revenues at the beginning of the year were estimated at \$23.5 million and were only increased slightly not modified during the year. Actual revenues for the year totaled \$27.7 million or 17.9 percent more than original budgeted revenues at the beginning of the year, due primarily to the increases in income tax receipts and investment earnings previously discussed. On a budgetary basis, actual revenues received during 2023 were 19.6 percent more than those received in 2022.

The expenditures, excluding transfers, for the General Fund were estimated at \$17.8 million at the beginning of the year and decreased \$185,483 during the year. Actual budgetary expenditures for the year were nearly \$3.2 million less than final budgetary estimates due to management's continued efforts to control spending and lower than expected spending levels, especially the public safety and general government functions.

Actual ending budgetary fund balance at December 31, 2023 was \$42.2 million compared to the \$32.8 million anticipated in the final 2023 budget.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)

Capital Assets

At the end of fiscal year 2023, the City had a total of \$74.8 million invested in capital assets less accumulated depreciation of \$43.5 million resulting in a net investment in capital assets of \$31.2 million. Major capital asset additions for 2023, included the acquisition of police cruisers, street maintenance vehicles, and various pieces of technology amounting to \$512,446 and Vance-Darroch road project, as well as the rehabilitation of North Dryden Road, were moved from construction in progress to infrastructure during 2023 once completed. Depreciation expense for 2023 was \$1.6 million, resulting in the overall \$945,372 decrease in the net value of the City's capital assets reported at December 31, 2023.

Table 4 shows 2023 balances compared to those of 2022:

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

	Governmental Activities	
	Restated	
	<u>2023</u>	<u>2022</u>
Land	\$ 10,882,818	10,882,818
Construction in progress	-	8,527,300
Building and improvements	2,515,592	2,690,750
Equipment	2,772,744	2,879,546
Infrastructure	<u>15,044,295</u>	<u>7,180,407</u>
Total	<u>\$ 31,215,449</u>	<u>32,160,821</u>

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

Debt Administration

At December 31, 2023, the City had the following outstanding long-term obligations: \$3.7 million of general obligation bonds; \$7.6 million of infrastructure improvement bonds; and \$715,987 associated with six Ohio Public Works Commission (OPWC) loans. Total principal payments made during the year amounted to \$368,240 with another \$673,240 of principal payments scheduled to be made within the next calendar year. See Notes 11 and 12 of the notes to the basic financial statements for more detailed information on the debt and other long-term obligations of the City.

Contacting the City's Finance Department

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

CITY OF MORAINE, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Investments	\$ 49,225,848	\$ 672,510	\$ 49,898,358
Cash in Segregated Accounts	125,175	474,310	599,485
Receivables:			
Income Tax	5,137,030	-	5,137,030
Property Tax	799,911	-	799,911
Payment in Lieu of Taxes	227,323	-	227,323
Accounts	380,814	516,181	896,995
Intergovernmental	496,766	-	496,766
Loans	302,000	-	302,000
Inventories	268,330	-	268,330
Prepays	116,296	-	116,296
Non Depreciable Assets	10,882,818	-	10,882,818
Depreciable Capital Assets, Net of Accumulated Depreciation	20,332,631	-	20,332,631
Total Assets	<u>88,294,942</u>	<u>1,663,001</u>	<u>89,957,943</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	193,957	-	193,957
Pension and OPEB	11,218,609	-	11,218,609
Total Deferred Outflows of Resources	<u>11,412,566</u>	<u>-</u>	<u>11,412,566</u>
LIABILITIES			
Accounts Payable	345,456	-	345,456
Salaries and Benefits Payable	441,437	-	441,437
Matured Compensated Absences Payable	21,271	-	21,271
Accrued Interest Payable	30,525	-	30,525
Insurance Claims Payable	174,394	-	174,394
Unearned Revenue	464,526	-	464,526
Deposits Held Payable	36,193	-	36,193
Long-Term Liabilities:			
Due Within One Year	926,301	-	926,301
Due In More Than One Year:			
Other Long-Term Liabilities	13,660,977	-	13,660,977
Net OPEB Liability	1,573,022	-	1,573,022
Net Pension Liability	26,745,348	-	26,745,348
Total Liabilities	<u>44,419,450</u>	<u>-</u>	<u>44,419,450</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	776,311	-	776,311
Payments in Lieu of Property Taxes	227,323	-	227,323
Pension and OPEB	2,938,323	-	2,938,323
Total Deferred Inflows of Resources	<u>3,941,957</u>	<u>-</u>	<u>3,941,957</u>
NET POSITION			
Net Investment in Capital Assets	20,201,599	-	20,201,599
Restricted for:			
Streets and Highways	974,410	-	974,410
Judiciary Programs	156,284	-	156,284
Debt Service	146,032	-	146,032
Cemetery Operations	95,013	-	95,013
Law Enforcement Programs	246,296	-	246,296
Unclaimed Monies	9,786	-	9,786
Unrestricted	29,516,681	1,663,001	31,179,682
Total Net Position	<u>\$ 51,346,101</u>	<u>\$ 1,663,001</u>	<u>\$ 53,009,102</u>

See accompanying notes to the basic financial statements.

CITY OF MORAINE, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS							
Governmental Activities:							
General Government	\$ 4,406,423	\$ 443,176	\$ -	\$ -	\$ (3,963,247)	\$ -	\$ (3,963,247)
Public Safety	11,460,183	560,415	92,534	-	(10,807,234)	-	(10,807,234)
Highways and Streets	5,405,695	-	779,736	617,166	(4,008,793)	-	(4,008,793)
Sanitation	364,131	-	-	-	(364,131)	-	(364,131)
Culture and Recreation	1,067,471	111,197	15,862	32,310	(908,102)	-	(908,102)
Economic Development	1,181,479	19,268	435,000	36,584	(690,627)	-	(690,627)
Health and Welfare	1,205	-	-	-	(1,205)	-	(1,205)
Debt Service							
Interest and Fiscal Expense	336,888	-	-	-	(336,888)	-	(336,888)
Total Governmental Activities	<u>24,223,475</u>	<u>1,134,056</u>	<u>1,323,132</u>	<u>686,060</u>	<u>(21,080,227)</u>	<u>-</u>	<u>(21,080,227)</u>
Business Type Activities:							
Loan Program	-	-	-	-	-	-	-
New Community Authority	7,752	375,787	-	-	-	368,035	368,035
Total Business Type Activities	<u>7,752</u>	<u>375,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>368,035</u>	<u>368,035</u>
Total	<u>\$ 24,231,227</u>	<u>\$ 1,509,843</u>	<u>\$ 1,323,132</u>	<u>\$ 686,060</u>	<u>(21,080,227)</u>	<u>368,035</u>	<u>(20,712,192)</u>
General Revenues and Transfers							
Income Tax					26,020,719	-	26,020,719
Property Tax Levied for							
General Purposes					540,778	-	540,778
Police Pensions					87,047	-	87,047
Fire Pensions					87,046	-	87,046
Other Taxes					18,220	-	18,220
Payments in Lieu of Taxes					344,307	-	344,307
Shared Revenues (unrestricted)					140,184	-	140,184
Miscellaneous Receipts					234,684	-	234,684
Investment Earnings					1,595,484	31,252	1,626,736
Transfers					261,600	(261,600)	-
Total General Revenues and Transfers					<u>29,330,069</u>	<u>(230,348)</u>	<u>29,099,721</u>
Change in Net Position					8,249,842	137,687	8,387,529
Net Position - Beginning, Restated					<u>43,096,259</u>	<u>1,525,314</u>	<u>44,621,573</u>
Net Position - Ending					<u>\$ 51,346,101</u>	<u>\$ 1,663,001</u>	<u>\$ 53,009,102</u>

See accompanying notes to the basic financial statements.

CITY OF MORAIN, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Major Governmental Funds					Total Governmental Funds
	General Fund	Capital Improvement	Street Construction & Maintenance	Local Fiscal Recovery COVID Fund	Other Governmental Funds	
ASSETS						
Equity in Pooled Cash and Investments	\$ 42,597,079	\$ 1,703,059	\$ 217,816	\$ 466,852	\$ 1,770,933	\$ 46,755,739
Cash in Segregated Accounts	124,690	-	-	-	485	125,175
Receivables:						
Income Tax	5,137,030	-	-	-	-	5,137,030
Property Tax	605,079	-	-	-	194,832	799,911
Payment in Lieu of Tax	-	-	-	-	227,323	227,323
Accounts	378,256	-	2,558	-	-	380,814
Intergovernmental	99,382	-	299,638	-	97,746	496,766
Loans	-	-	-	-	302,000	302,000
Inventories	4,526	-	151,704	-	-	156,230
Prepays	116,296	-	-	-	-	116,296
Restricted Asset:						
Equity in Pooled Cash and Investments	46,379	-	-	-	-	46,379
Total Assets	<u>\$ 49,108,717</u>	<u>\$ 1,703,059</u>	<u>\$ 671,716</u>	<u>\$ 466,852</u>	<u>\$ 2,593,319</u>	<u>\$ 54,543,663</u>
LIABILITIES						
Accounts Payable	\$ 195,839	\$ 116,547	\$ 6,109	\$ 2,326	\$ 2,311	\$ 323,132
Salaries and Benefits Payable	273,948	-	41,445	-	117,845	433,238
Matured Compensated Absences Payable	21,271	-	-	-	-	21,271
Unearned Revenue	-	-	-	464,526	-	464,526
Deposits Held Payable	36,193	-	-	-	-	36,193
Total Liabilities	<u>527,251</u>	<u>116,547</u>	<u>47,554</u>	<u>466,852</u>	<u>120,156</u>	<u>1,278,360</u>
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	587,255	-	-	-	189,056	776,311
Payments in Lieu of Taxes	-	-	-	-	227,323	227,323
Unavailable for:						
Income Taxes	2,887,303	-	-	-	-	2,887,303
Delinquent Property Taxes	17,824	-	-	-	5,776	23,600
Intergovernmental	61,029	-	251,677	-	92,445	405,151
Other Sources	357,422	-	2,558	-	-	359,980
Total Deferred Inflows of Resources	<u>3,910,833</u>	<u>-</u>	<u>254,235</u>	<u>-</u>	<u>514,600</u>	<u>4,679,668</u>
FUND BALANCE						
Nonspendable for:						
Materials and Supplies Inventory	4,526	-	151,704	-	-	156,230
Prepaid Items	116,296	-	-	-	-	116,296
Unclaimed Monies	9,786	-	-	-	-	9,786
Long-term Receivable	-	-	-	-	359,000	359,000
Restricted for:						
Law Enforcement	-	-	-	-	246,296	246,296
Judiciary Programs	-	-	-	-	156,284	156,284
Cemetery Services	-	-	-	-	95,013	95,013
Debt Service	-	-	-	-	176,557	176,557
Capital Projects	-	-	-	-	57,381	57,381
Street Repair and Maintenance	-	-	218,223	-	560,526	778,749
Economic Development	-	-	-	-	58,284	58,284
Committed for:						
Capital Projects	-	1,586,512	-	-	-	1,586,512
Economic Development	-	-	-	-	260,648	260,648
Assigned for:						
Subsequent Appropriations	2,494,840	-	-	-	-	2,494,840
Unpaid Obligations	544,961	-	-	-	-	544,961
Recreation Services	198,826	-	-	-	-	198,826
Unassigned	41,301,398	-	-	-	(11,426)	41,289,972
Total Fund Balance	<u>44,670,633</u>	<u>1,586,512</u>	<u>369,927</u>	<u>-</u>	<u>1,958,563</u>	<u>48,585,635</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 49,108,717</u>	<u>\$ 1,703,059</u>	<u>\$ 671,716</u>	<u>\$ 466,852</u>	<u>\$ 2,593,319</u>	<u>\$ 54,543,663</u>

See accompanying notes to the basic financial statements.

CITY OF MORAINE, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total Governmental Fund Balances		\$ 48,585,635
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		31,215,449
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Municipal income taxes	2,887,303	
Property and other taxes	23,600	
Shared revenues and grants	405,151	
Charges for services and other sources	359,980	
Total		3,676,034
Deferred outflows of resources from loss on refunding is amortized over the life of the bonds and are not reported in the funds.		193,957
Internal service funds are used by management to charge the costs of providing insurance as well as central services to the individual funds. The assets, liabilities, and deferred outflows and inflows of resources of the internal service funds are included in governmental activities in the statement of net position.		2,037,980
Some liabilities, including long-term debt obligations and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable	(30,525)	
Compensated absences payable	(1,700,216)	
Bonds payable	(11,290,000)	
Premium on bonds	(816,685)	
OPWC loans payable	(715,987)	
Total		(14,553,413)
The net pension and OPEB liabilities are not payable in the current period; therefore, the liabilities and related deferred inflows and outflows are not reported in the governmental funds:		
Deferred outflows - pension and OPEB	11,010,088	
Net OPEB liability	(1,565,028)	
Net pension liability	(26,319,832)	
Deferred inflows - pension and OPEB	(2,934,769)	
Total		(19,809,541)
Governmental Activities' Net Position		\$ 51,346,101

See accompanying notes to the basic financial statements.

CITY OF MORAIN, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Major Governmental Funds					Total Governmental Funds
	General Fund	Capital Improvement	Street Construction & Maintenance	Local Fiscal Recovery COVID Fund	Other Governmental Funds	
REVENUES						
Taxes:						
Income	\$ 24,878,304	\$ -	\$ -	\$ -	\$ -	\$ 24,878,304
Property	542,388	-	-	-	174,232	716,620
Other	18,220	-	-	-	-	18,220
Payment in Lieu of Taxes	-	-	-	-	349,424	349,424
Shared Revenues	151,406	37,683	656,632	-	83,510	929,231
Intergovernmental Grants	899	649,476	-	58,008	446,110	1,154,493
Licenses and Permits	204,596	-	-	-	-	204,596
Charges for Services	626,684	-	-	-	21,368	648,052
Fines	205,229	-	-	-	14,969	220,198
Investment Earnings	1,528,531	-	8,320	-	58,633	1,595,484
Miscellaneous	174,267	-	6,487	-	6,496	187,250
Total Revenues	28,330,524	687,159	671,439	58,008	1,154,742	30,901,872
EXPENDITURES						
Current:						
General Government	4,045,598	-	-	2,326	52,104	4,100,028
Public Safety	8,568,594	-	-	55,682	1,167,645	9,791,921
Highways and Streets	217,441	-	1,903,105	-	277,130	2,397,676
Sanitation	364,131	-	-	-	-	364,131
Economic Development	454,480	-	-	-	637,362	1,091,842
Health and Welfare	1,205	-	-	-	-	1,205
Culture and Recreation	1,025,758	-	-	-	-	1,025,758
Debt service:						
Principal	-	68,240	-	-	300,000	368,240
Interest	-	-	-	-	377,600	377,600
Capital Outlays:						
General Government	-	365,787	-	-	-	365,787
Public Safety	-	292,050	-	-	-	292,050
Highways and Streets	-	2,512,914	-	-	-	2,512,914
Culture and Recreation	-	59,648	-	-	-	59,648
Total Expenditures	14,677,207	3,298,639	1,903,105	58,008	2,811,841	22,748,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,653,317	(2,611,480)	(1,231,666)	-	(1,657,099)	8,153,072
OTHER FINANCING SOURCES (USES)						
Sale of Capital Assets	74,810	-	-	-	-	74,810
Transfers In	-	3,435,000	1,275,000	-	1,756,600	6,466,600
Transfers Out	(6,205,000)	-	-	-	-	(6,205,000)
Total Other Financing Sources (Uses)	(6,130,190)	3,435,000	1,275,000	-	1,756,600	336,410
Net Change in Fund Balance	7,523,127	823,520	43,334	-	99,501	8,489,482
Fund Balance - Beginning	37,147,506	762,992	326,593	-	1,859,062	40,096,153
Fund Balance - Ending	\$ 44,670,633	\$ 1,586,512	\$ 369,927	\$ -	\$ 1,958,563	\$ 48,585,635

See accompanying notes to the basic financial statements.

CITY OF MORAIN, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balance - Total Governmental Funds \$ 8,489,482

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

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

Capital outlay	684,553	
Depreciation	(1,623,066)	
Book value of disposed capital assets	(6,859)	
Total		(945,372)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums or discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Bond payments	300,000	
OPWC loan payment	68,240	
Amortization of deferred charge on refunding	(17,632)	
Amortization of premium	57,402	
Total		408,010

Internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

160,443

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, rather these revenues are reported as as deferred inflow of resources. On the statement of activities, these amounts are revenues.

1,235,035

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds. These activities consist of:

Decrease in accrued interest payable	942	
Increase in compensated absences payable	(32,399)	
Total		(31,457)

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

Pensions	1,654,843	
OPEB	30,579	
Total		1,685,422

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

Pensions	(3,128,124)	
OPEB	376,403	
Total		(2,751,721)

Change in Net Position of Governmental Activities \$ 8,249,842

See accompanying notes to the basic financial statements.

CITY OF MORAINE, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Enterprise Funds		Governmental	
	Moraine Loan Program	Vance Darroch New Community Authority	Total	Activities Internal Service Funds
ASSETS				
Current Assets				
Equity in Pooled Cash and Investments	\$ 672,510	\$ -	\$ 672,510	\$ 2,423,730
Cash in Segregated Accounts	-	474,310	474,310	-
Receivables:				
Accounts	-	516,181	516,181	-
Inventories	-	-	-	112,100
Total Current Assets	<u>672,510</u>	<u>990,491</u>	<u>1,663,001</u>	<u>2,535,830</u>
Total Assets	<u>672,510</u>	<u>990,491</u>	<u>1,663,001</u>	<u>2,535,830</u>
Deferred Outflows of Resources				
Pension and OPEB	-	-	-	208,521
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>208,521</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	-	-	-	22,324
Salaries and Benefits Payable	-	-	-	8,199
Compensated Absences Payable	-	-	-	9,234
Insurance Claims Payable	-	-	-	174,394
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,151</u>
Long-Term Liabilities				
Compensated Absences Payable	-	-	-	55,156
Net Pension Liability	-	-	-	425,516
Net OPEB Liability	-	-	-	7,994
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>488,666</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>702,817</u>
Deferred Inflows of Resources				
Pension and OPEB	-	-	-	3,554
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,554</u>
NET POSITION				
Unrestricted	672,510	990,491	1,663,001	2,037,980
Total Net Position	<u>\$ 672,510</u>	<u>\$ 990,491</u>	<u>\$ 1,663,001</u>	<u>\$ 2,037,980</u>

See accompanying notes to the basic financial statements.

CITY OF MORaine, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Enterprise Funds			Governmental Activities
	Moraine Loan Program	Vance Darroch New Community Authority	Total	Internal Service Funds
Operating Revenues				
Charges for Services	\$ -	\$ -	\$ -	\$ 2,645,441
Development Charges	-	375,787	375,787	-
Miscellaneous	-	-	-	3,766
Total Operating Revenues	<u>-</u>	<u>375,787</u>	<u>375,787</u>	<u>2,649,207</u>
Operating Expenses				
Personal Services	-	-	-	303,013
Contractual Services	-	7,752	7,752	458,274
Supplies and Materials	-	-	-	256,222
Claims and Judgements	-	-	-	1,541,680
Total Operating Expenses	<u>-</u>	<u>7,752</u>	<u>7,752</u>	<u>2,559,189</u>
Operating Income	<u>-</u>	<u>368,035</u>	<u>368,035</u>	<u>90,018</u>
Non-Operating Revenues				
Investment earnings	25,527	5,725	31,252	70,425
Total Non-Operating Revenues	<u>25,527</u>	<u>5,725</u>	<u>31,252</u>	<u>70,425</u>
Income Before Transfers	25,527	373,760	399,287	160,443
Transfers out	-	(261,600)	(261,600)	-
Change in Net Position	25,527	112,160	137,687	160,443
Total Net Position - Beginning, Restated	646,983	878,331	1,525,314	1,877,537
Total Net Position - Ending	<u>\$ 672,510</u>	<u>\$ 990,491</u>	<u>\$ 1,663,001</u>	<u>\$ 2,037,980</u>

See accompanying notes to the basic financial statements.

CITY OF MORAINE, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Enterprise Funds			Governmental Activities
	Moraine Loan Program	Vance Darroch New Community Authority	Total	Internal Service Funds
Cash Flows From Operating Activities				
Cash received for interfund services	\$ -	\$ -	\$ -	\$ 2,675,063
Cash received for development charges	-	461,885	461,885	-
Miscellaneous receipts & reimbursements	-	-	-	3,766
Cash paid to employees for services	-	-	-	(288,862)
Cash paid to suppliers for goods or services	-	(7,752)	(7,752)	(700,364)
Cash paid for insurance claims	-	-	-	(1,642,160)
Net cash provided by operating activities	<u>-</u>	<u>454,133</u>	<u>454,133</u>	<u>47,443</u>
Cash Flows From Non-Capital and Related Financing Activities				
Transfers out	-	(261,600)	(261,600)	-
Net cash used by non-capital and related financing activities	<u>-</u>	<u>(261,600)</u>	<u>(261,600)</u>	<u>-</u>
Cash Flows From Investing Activities				
Investment earnings	25,527	5,725	31,252	70,425
Net cash provided by investing activities	<u>25,527</u>	<u>5,725</u>	<u>31,252</u>	<u>70,425</u>
Net Change	25,527	198,258	223,785	117,868
Equity in Pooled Cash and Investments Beginning of Year	646,983	276,052	923,035	2,305,862
Equity in Pooled Cash and Investments End of Year	<u>\$ 672,510</u>	<u>\$ 474,310</u>	<u>\$ 1,146,820</u>	<u>\$ 2,423,730</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	\$ -	\$ 368,035	\$ 368,035	\$ 90,018
Adjustments to reconcile operating income to net cash provided by operating activities:				
Decrease in accounts receivable	-	86,098	86,098	29,622
Increase in inventories	-	-	-	(7,492)
Decrease in net OPEB asset	-	-	-	34,503
Increase in deferred outflows of resources	-	-	-	(133,815)
Increase in accounts payable	-	-	-	22,324
Increase in salaries and benefits payable	-	-	-	952
Decrease in insurance claims payable	-	-	-	(101,180)
Increase in compensated absences payable	-	-	-	3,013
Increase in net pension liabilities	-	-	-	278,957
Increase in net OPEB liabilities	-	-	-	7,994
Decrease in deferred inflows of resources	-	-	-	(177,453)
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ 454,133</u>	<u>\$ 454,133</u>	<u>\$ 47,443</u>

See accompanying notes to the basic financial statements.

CITY OF MORAIN, OHIO
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
DECEMBER 31, 2023

	Custodial Fund
ASSETS	
Cash in Segregated Accounts	\$ 7,006
Total Assets	7,006
LIABILITIES	
Due to Other Jurisdictions	3,790
Total Liabilities	3,790
FIDUCIARY NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	3,216
Total Fiduciary Net Position	\$ 3,216

See accompanying notes to the basic financial statements.

CITY OF MORAIN, OHIO
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Custodial Fund
ADDITIONS:	
Fines and Forfeitures for Other Jurisdictions	\$ 55,987
Cash and Surety Bonds	301,946
Total Additions	357,933
DEDUCTIONS:	
Fines and Forfeitures Distributions to Other Governments	55,987
Cash and Surety Bonds Returned to Individuals	300,838
Total Deductions	356,825
Change in Fiduciary Net Position	1,108
Total Fiduciary Net Position - Beginning	2,108
Total Fiduciary Net Position - Ending	\$ 3,216

See accompanying notes to the basic financial statements.

CITY OF MORAINE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 – DESCRIPTION OF CITY AND REPORTING ENTITY:

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

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. The primary government consists of all funds and departments which provide the following services: public safety (police and fire), highways and streets, sanitation (refuse collection on a contractual basis), parks and recreation, public improvements, planning and zoning, and general administrative services.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing body and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt or the levying of taxes. The City reports one component unit within its financial reporting entity, the Vance Darroch New Community Authority (the Authority), which is included as a blended component unit, as is described below.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the City of Moraine have been prepared in conformity with generally accepted accounting principles (GAAP) applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the City’s accounting policies are described below.

Basis of Presentation

The City’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

General Fund - This fund is the operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

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

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Street Construction & Maintenance Fund – This fund is used to account for the City’s share of the gasoline and motor vehicle gasoline taxes which is restricted to the construction and maintenance of the City’s transportation infrastructure.

Local Fiscal Recovery COVID Fund – This fund accounts the federal assistance money distributed to state and local governments through American Rescue Plan Act’s, Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program to assist governmental entities with the economic hardships caused by the global pandemic.

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

Proprietary Fund Types

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

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Custodial funds are used to account for assets held by the City for the benefit of and distributed to other governments or organizations. The City’s only custodial fund accounts for the fines and fees collected by the Moraine Mayor’s Court which are distributed to jurisdictions outside the City itself.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operations of the City are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources along with current liabilities and deferred inflows of resources are included on the balance sheet. The statement of revenues, expenditures and

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changes in fund balances report the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

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

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

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Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of property taxes, pension and OPEB plans, and unavailable revenue. Property taxes and payments in lieu of property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which are levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes income taxes, delinquent property taxes, shared taxes, intergovernmental grants, and various charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the full accrual statements of net position and are further explained in Notes 7 and 8.

Expenses/Expenditures

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related fund liability is incurred, if measurable. Allocation of costs, such as depreciation and amortization, are not recognized in governmental funds.

Equity in Pooled Cash and Investments

To improve cash management, cash received by the City is pooled. Money for all funds, except the Vance Darroch New Community Authority and Mayor's Court activity (cash in segregated accounts), is maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pooled bank account is presented as "equity in pooled cash and investments" on the financial statements.

During 2023, the City invested in STAROhio. STAROhio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants". The City measures their investment in STAROhio at the net asset value (NAV) per share provided by STAROhio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

Interest income is distributed to the funds according to ordinance and statutory requirements. Interest revenue reported in the general fund for 2023 amounted to \$1,528,531.

Supplies Inventory

Inventory consists of expendable supplies held for consumption. Inventories are presented at cost on first-in, first-out basis and are expended/expensed when used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets

Capital assets, which include land, construction in progress, infrastructure, buildings and improvements, and equipment, are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets utilized by governmental activities are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported in the respective fund financial statements with the enterprise funds capital assets being reported in the business-type activities column of the government-wide statement of net position.

The City modified its capital asset policy during 2023. The new policy defines capital assets as those with an individual cost of more than \$7,500 except for improvements to infrastructure, which is \$50,000. All capital assets are capitalized at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are recorded at the acquisition value as of the date received. When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements. The City's infrastructure consists of bridges, culverts, curbs, storm sewers and streets.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historic records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

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

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Compensated Absences

Vacation leave accumulated by employees is accrued as a liability as the benefits are earned when both of these conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave is accrued based on the vesting method; which states that the City will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the City's termination policy. The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. If any, these amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee who have accumulated leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds the entire amount of compensated absences is reported as a fund liability.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

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

Pensions and OPEB

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

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Fund Balance

The City reports classifications of fund equity based on the purpose for which resources were received and the level of constraint placed on the resources. Nonspendable fund balance indicates resources that cannot be spent because they are not in a spendable form. Resources that have purpose constraints placed upon them by laws, regulations, creditors, grantors, or other external parties are considered available only for the purpose for which they were received and are reported as a restricted fund balance. The City may limit the use of unrestricted resources and they may be reported as committed or assigned fund balance depending on the level of governance the constraints were placed upon the resources. With an affirmative vote of its members, through ordinance, the City Council may create funds for which resources are committed to the established purpose of that fund. Once funds are committed, those resources may not be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts. Through the City's purchasing policy the Council has given the Finance Director the authority to constrain monies for intended purposes, which are reported as assigned fund balances. Unassigned fund balance consists of amounts, that are in spendable form, which have not been restricted, committed, or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds, if any.

The City applies restricted resources when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for Unclaimed Monies is done so in accordance with laws of the State of Ohio which requires monies be retained for a period of three to five years. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. At December 31, 2023, none of the City's net position is restricted by enabling legislation.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Operating expenses are necessary costs incurred to provide goods or services that are the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

Interfund Activity

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

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

Estimates

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

Budgetary Process

All funds anticipating expenditures during the year, are legally required to be budgeted and appropriated, except custodial funds. The major documents prepared are the certificate of estimated resources and the appropriation ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriation ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by the Council at the department level with a detail breakdown by personal services, operating and capital expenditures/expenses. Budgetary control is maintained by not permitting expenditures to exceed appropriations at the department level within each fund. Administrative control is maintained through the establishment of more detailed line-item budgets.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate at the time final appropriations were adopted.

The appropriation ordinance is subject to amendment by Council throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covers the entire year plus amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION:

Change in Accounting Principles

For the fiscal year ended June 30, 2023, the City implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*.

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GASB Statement No. 94 addresses the gap in current accounting guidance related to public-private and public-public partnerships (both referred to as PPPs) that do not meet the definition of a service concession arrangement. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

GASB Statement No. 96 addresses accounting and financial reporting for subscription-based information technology arrangements (SBITAs), a type of information technology (IT) arrangement (i.e. software licensing). This Statement also defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding subscription liability, provides capitalization criteria, and requires footnote disclosure. The standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Any intangible asset recorded based on the implementation of GASB Statement No. 96 would have an offsetting liability, in the same amount, recorded therefore there is no effect on the beginning net position for the year.

GASB Statement No. 99 addresses a variety of topics to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The effects of the implementation of GASB Statement No. 99, if any, would be incorporated within the financial statements along with GASB Statement No. 96.

Restatement in Net Position

During 2023, the City conducted a complete reassessment of its capital assets. As a result, some capital assets that should have been recorded were not and others that were included that should not have been. In addition, the City revised the capital asset policy. The most significant revision in the new capital asset policy was to set the capitalization threshold at \$7,500 for individual assets (previously \$3,000) to be included within the annual financial statements.

To correct for the issues noted above, the City restated the governmental activities beginning net position on the Statement of Net Position from the \$42,907,227 previously reported to \$43,096,259 on January 1, 2023, as well as restating the beginning net position for the internal service funds from the \$1,880,082 previously reported to an adjusted beginning net position of \$1,877,537 on January 1, 2023.

	Governmental Activities	Internal Service Funds
Net Position at December 31, 2022, previously reported	\$ 42,907,227	\$ 1,880,082
Adjustments:		
Correction of capital asset records and adoption of new capitalization threshold	189,032	(2,545)
Net Position at December 31, 2022, restated	\$ 43,096,259	\$ 1,877,537

NOTE 4 – DEPOSITS AND INVESTMENTS:

Monies of substantially all funds of the City are maintained or invested in a common group of bank accounts and STAROhio. This is done in order to limit the risk associated with the investments while providing for a reasonable market rate of return. Interest income is distributed to the funds according to local ordinances and statutory requirements.

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The provisions of the Charter and Codified Ordinances of the City and the Ohio Revised Code govern the investment and deposit of City monies. In accordance with these provisions, only financial institutions located in Ohio, as well as primary and regional securities dealers are eligible to hold public deposits. The provisions also permit the City to invest its monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (STAROhio), obligations of the United States government or certain agencies thereof, banker's acceptance notes, and commercial paper. The City may also enter into repurchase agreements with any eligible depository for a period not exceeding five years.

Public depositories must give security for all public funds on deposit. According to the City's Deposit and Investment Policy, these institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities through the Ohio Pooled Collateral System (OPCS), a centralized collateral system monitored by the Ohio Treasurer of State. Financial institutions participating in OPCS must pledge eligible securities equal to at least 102 percent of the carrying value of all public deposits held by each institution. Financial institutions choosing not to participate in OPCS must pledge eligible securities equal to at least 105 percent of the carrying value of the public deposits held by each institution. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned. Protection of the City's cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited or 102 percent for OPCS. Collateral is held by trustees including the Federal Reserve Bank and designated third parties of the financial institution.

At year end, the City reported total bank balances of \$19,880,812 of which \$11,411,519 was covered by federal deposit insurance and the remaining \$8,469,293 was exposed to custodial credit risk because it was uninsured and collateralized by specific pledged securities held by the pledging financial institution's trust department or agent, but not in the City's name.

Investments

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

<u>Investment Type</u>	<u>Rating</u>	<u>Measurement Value</u>	<u>Less than One Year</u>	<u>Two to Three Years</u>	<u>Beyond Three Years</u>
Federal Agency Securities	AA+	\$ 5,504,695	\$ -	\$ 5,348,504	\$ 156,191
STAR Ohio	AAA _m	370,137	370,137	-	-
Negotiable CD's	N/A	14,402,006	3,175,510	7,762,379	3,464,117
U.S. Treasury Notes	N/A	10,527,740	1,989,760	2,495,800	6,042,180
Mutual Funds	N/A	122,383	122,383	-	-
		<u>\$ 30,926,961</u>	<u>\$ 5,657,790</u>	<u>\$ 15,606,683</u>	<u>\$ 9,662,488</u>

Interest Rate Risk – The City's investment policy addresses interest rate risk by directing management to attempt to match the term to maturity of the investments with anticipated cash flow requirements and investing active deposits necessary for operating funds primarily in short term demand accounts and money market accounts or similar investments.

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STAR Ohio is managed to maintain a weighted average maturity to reset of 60 days or less and a weighted average maturity to final of 90 days or less, to enhance liquidity and to limit market price exposure to volatile interest rate movements in the market. STAR Ohio had an average maturity of 46.4 days as of December 31, 2023.

Credit Risk – The City’s investment policy restricts investments in obligations of the United States Treasury and Federal Agencies to direct obligations of the issuing entity. The City’s policy requires commercial paper to have a credit rating in the highest classification established by at least two nationally recognized standard rating services and the aggregate value of the notes cannot exceed ten percent of the outstanding commercial paper of the issuing corporation. Bankers acceptances are restricted to those insured by the federal deposit insurance corporation, are eligible for purchase by the Federal Reserve System and the obligations mature not later than one hundred eighty days after purchase. All negotiable certificates of deposit are covered by FDIC.

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

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

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

The following table includes percentage of each investment type held by the City at December 31, 2023:

<u>Investment Type</u>	<u>Measurement Value</u>	<u>Percent of Total</u>
Federal Agency Securities	\$ 5,504,695	17.80%
STAR Ohio	370,137	1.20%
Negotiable CD's	14,402,006	46.57%
U.S. Treasury Notes	10,527,740	34.04%
Mutual Funds	<u>122,383</u>	<u>0.39%</u>
	<u>\$ 30,926,961</u>	<u>100.00%</u>

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Fair Value Measurement

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

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

The categorization of investments with the hierarchy is based upon the transparency of the instrument and should not be perceived as the particular investment’s risk. The City had the following reoccurring fair value measurements as of December 31, 2023:

<u>Investment Type</u>	<u>Measurement Value</u>	<u>Identical Assets (Level 1)</u>	<u>Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
U.S. Treasury Notes	\$ 10,527,740	\$ 10,527,740	\$ -	\$ -
Federal Agency Securities	5,504,695	-	5,504,695	-
Negotiable CD's	14,402,006	-	14,402,006	-
	<u>\$ 30,434,441</u>	<u>\$ 10,527,740</u>	<u>\$ 19,906,701</u>	<u>\$ -</u>

Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique by the City’s investment managers. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices. The City’s investments in STAROhio and mutual funds are measured at amortized cost and therefore are not classified based on the hierarchy above.

NOTE 5 – RECEIVABLES:

Receivables at December 31, 2023 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, and loans.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2023 for real and public utility property taxes represents collections of 2022 taxes.

2023 real property taxes were levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of the appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

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The full tax rate for all City operations for the year ended December 31, 2023 was \$2.50 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 171,121,020
Public Utility Real Property Assessed Valuation	343,480
Public Utility Personal Property Assessed Valuation	<u>131,980,590</u>
Total	<u><u>\$ 303,445,090</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Moraine. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represents real, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2023, and for which there is an enforceable legal claim. At the fund level, the entire receivable has been offset as a deferred inflow of resources since the current taxes were not levied to finance 2023 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the full accrual basis, collectible delinquent property taxes have been recorded as revenue.

Income Tax

The City levies a municipal income tax on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside the City; however, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City’s current income tax rate. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City monthly. Corporation and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

During 2023, the income tax rate was two and a half percent of earned income. In accordance with the ordinance adopted by the City Council, 100 percent of income tax revenue is allocated to and maintained by the General Fund.

Loans Receivable

In 2001, as an economic development tool, the City began offering business loans that would be forgiven if the business met certain employment and financial conditions over the life of the loan. The first such loan was made during 2001. The loans receivable in the Economic Development Fund at December 31, 2023 were as follows:

Loans Receivable, 12/31/2022	\$ 115,000
New Loans	210,000
Forgiven Loans	<u>(23,000)</u>
Loans Receivable, 12/31/2023	<u><u>\$ 302,000</u></u>

CITY OF MORAINE, OHIO
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NOTE 6 – CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2023 was as follows (see Note 3 for restatement information):

	Restated Balance 12/31/22	Increases	Decreases	Balance 12/31/23
<i>Governmental Activities</i>				
Non-depreciable capital assets:				
Land	\$ 10,882,818	\$ -	\$ -	\$ 10,882,818
Construction in Progress	8,527,300	172,107	(8,699,407)	-
Non-depreciable capital assets:	<u>19,410,118</u>	<u>172,107</u>	<u>(8,699,407)</u>	<u>10,882,818</u>
Depreciable capital assets:				
Buildings and improvements	11,784,475	-	-	11,784,475
Equipment	9,985,039	512,446	(566,487)	9,930,998
Infrastructure	33,471,459	8,699,407	-	42,170,866
Depreciable capital assets:	<u>55,240,973</u>	<u>9,211,853</u>	<u>(566,487)</u>	<u>63,886,339</u>
Less: accumulated depreciation				
Buildings and improvements	(9,093,725)	(175,158)	-	(9,268,883)
Equipment	(7,105,493)	(612,389)	559,628	(7,158,254)
Infrastructure	(26,291,052)	(835,519)	-	(27,126,571)
Accumulated depreciation	<u>(42,490,270)</u>	<u>(1,623,066)*</u>	<u>559,628</u>	<u>(43,553,708)</u>
Depreciable capital assets, net	<u>12,750,703</u>	<u>7,588,787</u>	<u>(6,859)</u>	<u>20,332,631</u>
Governmental activities				
capital assets, net	<u>\$ 32,160,821</u>	<u>\$ 7,760,894</u>	<u>\$ (8,706,266)</u>	<u>\$ 31,215,449</u>

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

General Government	\$ 57,255
Public Safety	355,629
Highways and Streets	1,103,773
Culture and Recreation	98,787
Economic Development	<u>7,622</u>
Total depreciation expense - governmental activities	<u>\$ 1,623,066</u>

Capital assets of the Internal Service City Garage Fund include machinery and equipment with a cost of \$106,300 and accumulated depreciation of \$106,300.

CITY OF MORAINE, OHIO
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NOTE 7 – DEFINED BENEFIT PENSION PLANS:

Net Pension Liability

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

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

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

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

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

Plan Description—Ohio Public Employees Retirement System (OPERS)

Plan Description—City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-share, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit plan with defined contribution features. Effective January 1, 2022, members may no longer select the combined plan. While members (e.g., City employees) may elect the member-directed plan and the combined plan, the majority of employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

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

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

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

Funding Policy—The ORC provides statutory authority for member and employer contributions. For 2023, member contribution rates were 10% of salary and employer contribution rates were 14%. Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contributions was \$577,747 for 2023.

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

Plan Description—City full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustment, 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 ORC. OP&F issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about OP&F’s fiduciary net position. That report may be obtained by visiting <https://www.op-f.org> or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3% of their base pension or disability benefit.

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

	<u>Police</u>	<u>Firefighters</u>
2023 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2023 Actual Contribution Rates		
Employer		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	<u>0.50%</u>	<u>0.50%</u>
Total Employer	<u>19.50%</u>	<u>24.00%</u>
Employee	<u>12.25%</u>	<u>12.25%</u>

CITY OF MORAINE, OHIO
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Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contributions to OP&F was \$1,105,797 for 2023.

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

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 7,905,197	\$ 18,840,151	\$ 26,745,348
Proportion of the net pension liability			
Current measurement date	0.026761%	0.198338%	
Prior measurement date	<u>0.026318%</u>	<u>0.192477%</u>	
Change in proportionate share	<u>0.000443%</u>	<u>0.005861%</u>	
Pension expense	\$ 927,245	\$ 2,266,232	\$ 3,193,477

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
<u>Deferred Outflows of Resources:</u>			
Differences between expected and actual experience	\$ 262,577	\$ 282,595	\$ 545,172
Net difference between projected and actual earnings on pension plan investments	2,253,230	2,742,894	4,996,124
Change in assumptions	83,513	1,699,317	1,782,830
Change in City's proportionate share and difference in employer contributions	46,788	646,067	692,855
City contributions subsequent to the measurement date	<u>577,747</u>	<u>1,105,797</u>	<u>1,683,544</u>
Total	<u>\$ 3,223,855</u>	<u>\$ 6,476,670</u>	<u>\$ 9,700,525</u>
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ -	\$ 429,234	\$ 429,234
Change in assumptions	-	367,378	367,378
Change in City's proportionate share and difference in employer contributions	<u>15,147</u>	<u>421,734</u>	<u>436,881</u>
Total	<u>\$ 15,147</u>	<u>\$ 1,218,346</u>	<u>\$ 1,233,493</u>

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\$1,683,544 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F	Total
Fiscal Year Ending December 31:			
2024	\$ 322,453	\$ 368,189	\$ 690,642
2025	541,483	965,205	1,506,688
2026	663,236	1,139,100	1,802,336
2027	1,103,789	1,671,144	2,774,933
2028	-	8,889	8,889
	\$ 2,630,961	\$ 4,152,527	\$ 6,783,488

Actuarial Assumptions—OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation:	2.75%
Future salary increases, including inflation:	2.75% to 10.75%
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3% simple Post 1/7/2013 retirees: 3.0% simple through 2023, then 2.05% simple
Investment rate of return:	6.90%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previous described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

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During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1% for 2022.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00%	4.60%
Real Estate	13.00%	3.27%
Private Equity	15.00%	7.53%
International Equities	21.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	<u>5.00%</u>	3.27%
Total	<u>100.00%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 6.90% for the Traditional Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following chart represents the City's proportionate share of the net pension liability at the 6.90% discount rate, as well as the sensitivity to a 1% increase and 1% decrease in the current discount rate:

	1% Decrease (5.90%)	Current Discount Rate of 6.90%	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$11,841,740	\$ 7,905,197	\$ 4,630,723

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Actuarial Assumptions—OP&F

OP&F's total pension liability as of December 31, 2022 is based on the results of an actuarial valuation date of January 1, 2022, and rolled forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2022, are presented below:

Valuation date	January 1, 2022 with actuarial liabilities rolled forward to December 31, 2022
Actuarial cost method	Entry age normal
Investment rate of return:	7.50%
Projected salary increases	3.75% to 10.50%
Payroll growth	2.75% plus productivity increase rate of 0.5%
Inflation assumptions	2.75%
Cost of living adjustments	2.2% simple per year

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on pension plan investments was determine using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	0.00%	0.00%
Domestic equity	18.60%	4.80%
Non-U.S. equity	12.40%	5.50%
Private markets	10.00%	7.90%
Core fixed income*	25.00%	2.50%
High yield fixed income	7.00%	4.40%
Private credit	5.00%	5.90%
U.S. inflation linked bonds*	15.00%	2.00%
Midstream energy infrastructure	5.00%	5.90%
Real assets	8.00%	5.90%
Gold	5.00%	3.60%
Private real estate	12.00%	5.30%
Commodities	<u>2.00%</u>	3.60%
Total	<u>125.00%</u>	

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

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate. The total pension liability was calculated using the discount rate of 7.5%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.5%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using a discount rate of 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%), or one percentage point higher (8.5%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate of 7.50%	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$24,853,794	\$18,840,151	\$13,841,009

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NOTE 8 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS:

Net OPEB Liability

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

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

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

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

Plan Description—OPERS

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

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

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via a Health Reimbursement Arrangement allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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

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

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

Funding Policy—The ORC provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by the ORC. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care. The portion of employer contributions allocated to health care was 0% for members in the Traditional Pension and 2% for members in the Combined Plan.

The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2023 was 4.0%.

The City's contractually required contribution to OPERS for OPEB was \$4,818 for 2023.

Plan Description—OP&F

The City contributes to the OP&F stipend funded via the Health Care Stabilization Fund. This benefit is available to eligible members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. The stipend model allows eligible members the option of choosing an appropriate health care plan on the exchange. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees.

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

The ORC allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the ORC.

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OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy—The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5% and 24.0% of covered payroll for police and fire employer units. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2023, the portion of the employer contributions allocated to health care was 0.5% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

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

The City's contractually required contribution to OP&F for OPEB was \$26,000 for 2023.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate share of the net OPEB:			
Liability	\$ 160,916	\$ 1,412,106	\$ 1,573,022
Proportion of the net OPEB liability			
Current measurement date	0.025521%	0.198338%	
Prior measurement date	<u>0.025054%</u>	<u>0.192477%</u>	
Change in proportionate share	<u>0.000467%</u>	<u>0.005861%</u>	
OPEB expense/(negative expense)	\$ (437,962)	\$ 35,333	\$ (402,629)

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At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
<u>Deferred Outflows of Resources:</u>			
Differences between expected and actual experience	\$ -	\$ 84,263	\$ 84,263
Net difference between projected and actual earnings on OPEB plan investments	319,585	121,117	440,702
Change in assumptions	157,171	703,717	860,888
Change in City's proportionate share and difference in employer contributions	532	100,881	101,413
City contributions subsequent to the measurement date	<u>4,818</u>	<u>26,000</u>	<u>30,818</u>
Total	<u>\$ 482,106</u>	<u>\$ 1,035,978</u>	<u>\$ 1,518,084</u>
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 40,139	\$ 278,439	\$ 318,578
Change in assumptions	12,933	1,154,988	1,167,921
Change in City's proportionate share and difference in employer contributions	<u>2,865</u>	<u>215,466</u>	<u>218,331</u>
Total	<u>\$ 55,937</u>	<u>\$ 1,648,893</u>	<u>\$ 1,704,830</u>

\$30,818 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Fiscal Year Ending December 31:			
2024	\$ 50,232	\$ (101,387)	\$ (51,155)
2025	117,076	(81,449)	35,627
2026	99,657	(58,294)	41,363
2026	154,386	(26,967)	127,419
2028	-	(108,520)	(108,520)
Thereafter	<u>-</u>	<u>(262,298)</u>	<u>(262,298)</u>
	<u>\$ 421,351</u>	<u>\$ (638,915)</u>	<u>\$ (217,564)</u>

Actuarial Assumptions—OPERS

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

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Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OBEB asset was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

Wage inflation	2.75%
Projected salary increase	2.75% to 10.75%, including wage inflation
Single discount rate:	
Current measurement period	5.22%
Prior measurement period	6.00%
Investment rate of return	6.00%
Municipal bond rate:	
Current measurement period	4.05%
Prior measurement period	1.84%
Health care cost trend rate:	
Current measurement period	5.5% initial, 3.50% ultimate in 2036
Prior measurement period	5.5% initial, 3.50% ultimate in 2034
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previous described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6% for 2022.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included in the

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Health Care portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00%	4.60%
REITs	7.00%	4.70%
International Equities	25.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	<u>6.00%</u>	1.84%
Total	<u>100.00%</u>	

Discount Rate. A single discount rate of 5.22% was used to measure the OPEB liability on the measurement date of December 31, 2022. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22%, as well as what the City's proportionate share of the net OPEB liability if it were calculated using a discount rate that is 1.0% point lower (4.22%) or 1.0% point higher (6.22%) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate of 5.22%	1% Increase (6.22%)
City's proportionate share of the net pension liability/(asset)	\$ 547,267	\$ 160,916	\$ (158,111)

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

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Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net pension liability	\$ 150,715	\$ 160,916	\$ 172,137

Actuarial Assumptions—OP&F

OP&F's total OPEB liability as of December 31, 2022 is based on the results of an actuarial valuation date of January 1, 2022 and rolled forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefit for financial purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination. Key Methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

Actuarial valuation date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.50%
Projected salary increases	3.75% to 10.50%
Payroll growth	3.25%
Single discount rate:	
Current measurement rate	4.27%
Prior measurement rate	2.84%
Municipal bond rate:	
Current measurement rate	3.65%
Prior measurement rate	2.05%
Cost of living adjustments	2.2% simple per year

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Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	0.00%	0.00%
Domestic equity	18.60%	4.80%
Non-U.S. equity	12.40%	5.50%
Private markets	10.00%	7.90%
Core fixed income*	25.00%	2.50%
High yield fixed income	7.00%	4.40%
Private credit	5.00%	5.90%
U.S. inflation linked bonds*	15.00%	2.00%
Master limited partnerships	5.00%	5.90%
Real assets	8.00%	5.90%
Gold	5.00%	3.60%
Private real estate	12.00%	5.30%
Commodities	<u>2.00%</u>	3.60%
Total	<u>125.00%</u>	

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

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

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Discount Rate. Total OPEB liability was calculated using the discount rate of 4.27%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.5%. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.5% was applied to periods before December 31, 2035 and the municipal bond rate of 3.65% at December 31, 2022 was applied to periods on and after December 31, 2035, resulting in a blended discount rate of 4.27%.

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.27%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower (3.27%) and 1% point higher (5.27%) than the current discount rate.

	1% Decrease (3.27%)	Current Discount Rate of 4.27%	1% Increase (5.27%)
City's proportionate share of the net OPEB liability	\$ 1,738,876	\$ 1,412,106	\$ 1,136,228

NOTE 9 – COMPENSATED ABSENCES:

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 16, the City accrues a liability for sick leave and vacation when the obligation is attributable to services previously rendered, to rights that vest or accumulate, and where payment of the obligation is probable and can be reasonably determined.

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. At termination or retirement, employees are paid at their full rate for 100% of their unused vacation. The obligation for accrued unpaid vacation time for the City as a whole amounted to \$918,544 at December 31, 2023.

Accumulated Unpaid Sick Leave

City employees earn sick leave at varying rates based upon length of service and when the employee was hired. Employees who have completed ten to twenty years of service and were hired prior to April 11, 1993 and have a sick leave balance are able to receive payment upon retirement of one hour for each two hours accumulated. For service beyond twenty years an employee would receive payment for each hour accumulated in that time. Employees hired after April 11, 1993 who have completed ten to twenty years of service are able to receive payment upon retirement of one hour for each three hours up to a maximum of 720 hours. For service beyond twenty years an employee would receive payment upon retirement of one hour for every three accumulated up to a maximum of 960 hours. Individuals leaving the employment of the City prior to retirement or at retirement with less than ten years of service lose their accumulated sick leave. The obligation for accrued unpaid sick leave for the City as a whole amounted to \$846,062 at December 31, 2023.

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NOTE 10 – RISK MANAGEMENT:

Casualty & Property Coverage

The City is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. In 1995 the City joined the Public Entities Pool of Ohio (PEP) for coverage of these risks. The risk of loss is transferred to the Pool. PEP financial data as of December 31, 2022 and 2021 follows (2023 information not available as of yet):

	<u>2022</u>	<u>2021</u>
Assets	\$ 61,537,313	\$ 59,340,305
Liabilities	<u>(18,643,081)</u>	<u>(17,071,953)</u>
Net Position - Unrestricted	<u>\$ 42,894,232</u>	<u>\$ 42,268,352</u>

The Pool's membership increased from 589 members in 2021 to 608 members in 2022.

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to large specific and aggregate losses. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by Sedgwick. APEEP provides the Pool, and all member pools, with reinsurance and excess risk-sharing programs. The Pool does not report reinsured risks as liabilities unless it is probable those risks will not be covered by reinsurers or excess risk sharing agreements.

Unpaid claims of the Pool that will be billed in the future were approximately \$15.7 million and \$15.0 million at December 31, 2022 and 2021, respectively. Coverage has not changed and losses have not exceeded that coverage over the last three years.

Health Insurance Coverage

The City provides health insurance coverage for its employees. This program is accounted for in the Internal Service Health Insurance Program Fund. This coverage is provided by the City self-funding a portion of the program with the balance of coverage provided by stop loss coverage through Anthem Insurance Company. The stop loss carrier provides coverage as follows: the City paid all claims up to \$1,000,000 in aggregate during the contract year, which runs from January 1 through December 31 of each year. The City expects that all claims will be settled within one year.

Individual specific stop loss coverage is set at \$100,000 in the aggregate. During calendar year 2023 specific stop loss insurance coverage covered \$0 of claims incurred.

Below is a claims history for the past three years:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Claims liability at January 1	\$ 273,339	\$ 206,095	\$ 96,621
Claims incurred	1,515,427	2,369,228	2,051,090
Claims paid	<u>(1,615,325)</u>	<u>(2,301,984)</u>	<u>(1,941,616)</u>
Claims liability at December 31	<u>\$ 173,441</u>	<u>\$ 273,339</u>	<u>\$ 206,095</u>

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NOTE 11 - LONG-TERM OBLIGATIONS:

Long-term obligations activity for the year ended December 31, 2023, is as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>Balance</u>	Due within <u>One Year</u>
<i>Governmental Activities:</i>					
General Obligation Bonds	\$ 3,915,000	\$ -	\$ 265,000	\$ 3,650,000	\$ 275,000
Premium on Bonds	<u>346,787</u>	<u>-</u>	<u>28,899</u>	<u>317,888</u>	<u>-</u>
Total General Obligation Bonds	4,261,787	-	293,899	3,967,888	275,000
Direct Borrowings:					
Loans Payable - OPWC	784,227	-	68,240	715,987	68,240
Direct Placement:					
2021 Infrastructure Improvement Bonds	7,675,000	-	35,000	7,640,000	330,000
Premium on Bonds	<u>527,300</u>	<u>-</u>	<u>28,503</u>	<u>498,797</u>	<u>-</u>
Total Direct Placement Bonds	8,202,300	-	63,503	8,138,797	330,000
Other Long-Term Obligations:					
Compensated Absences	1,729,194	339,473	304,061	1,764,606	253,061
Net Pension Liability:					
OPERS	2,289,758	5,615,440	-	7,905,198	-
OP&F	<u>12,024,824</u>	<u>6,815,327</u>	<u>-</u>	<u>18,840,151</u>	<u>-</u>
Total Net Pension Liability	<u>14,314,582</u>	<u>12,430,767</u>	<u>-</u>	<u>26,745,349</u>	<u>-</u>
Net OPEB Liability:					
OPERS	-	160,916	-	160,916	-
OP&F	<u>2,109,709</u>	<u>-</u>	<u>697,603</u>	<u>1,412,106</u>	<u>-</u>
Total Net OPEB Liability	<u>2,109,709</u>	<u>160,916</u>	<u>697,603</u>	<u>1,573,022</u>	<u>-</u>
Total Governmental Activities	<u>\$ 31,401,799</u>	<u>\$ 12,931,156</u>	<u>\$ 1,427,306</u>	<u>\$ 42,905,649</u>	<u>\$ 926,301</u>

General Obligation Bonds

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

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

<u>Governmental Activities</u>		
	<u>General Obligation Bonds</u>	
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 275,000	\$ 140,400
2025	285,000	129,400
2026	295,000	118,000
2027	310,000	106,200
2028	320,000	93,800
2029-2033	1,775,000	297,000
2034	<u>390,000</u>	<u>15,600</u>
Total	<u>\$ 3,650,000</u>	<u>\$ 900,400</u>

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

A portion of the debt service on the general obligation bonds will be paid from service payments in lieu of taxes made by certain property owners in the area benefited by the project. In the event TIF payments are insufficient to cover debt service, the City is responsible for the debt service payments.

Loans Payable

At December 31, 2023, the City has six outstanding loans, all of which are direct borrowings, from the Ohio Public Works Commission (OPWC) to finance various projects; \$450,000 for improvements to Springboro Pike West during 2009; \$402,492 for improvements to the traffic signals throughout the City during 2015; \$266,579 for roadway improvements to Stroop Road during 2016; \$86,891 for resurfacing of Northlawn Avenue during 2017; \$62,407 for improvements to East River Road in 2018; and \$96,441 for improvements to Dorothy Lane in 2020. All six of these loans carried interest rates of zero percent and have maturities of 20 years. At December 31, 2023 the outstanding balance on these loans totaled \$715,987. Principal requirement to retire the City's long-term loans payable are as follows:

<u>Governmental Activities</u>	
	<u>OPWC Loans</u>
<u>Year</u>	<u>Principal</u>
2024	\$ 68,240
2025	68,240
2026	68,240
2027	68,241
2028	68,241
2029-2033	262,449
2034-2038	105,100
2039-2040	<u>7,236</u>
Total	<u>\$ 715,987</u>

Infrastructure Improvement Bonds

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

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

A portion of the debt service on the general obligation bonds will be paid from service payments in lieu of taxes made by certain property owners in the area benefited by the project. In the event the new community development charges are insufficient to cover debt service, the City is responsible for the debt service payments.

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Principal and interest requirement to retire the City’s 2021 bonds are as follows:

Year	Governmental Activities	
	Direct Placement Bonds	
	Principal	Interest
2024	\$ 330,000	\$ 226,600
2025	335,000	225,900
2026	345,000	219,300
2027	355,000	209,250
2028	365,000	198,900
2029-2033	2,010,000	827,850
2034-2038	2,330,000	517,200
2039-2041	1,570,000	157,200
Total	<u>\$ 7,640,000</u>	<u>\$ 2,582,200</u>

Other Long-Term Obligations

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

NOTE 12 – OTHER LONG-TERM OBLIGATION:

The City has agreed to make the Bond payments less all hook-up fees for a sewer trunk line that Montgomery County installed to benefit a new industrial park in the City limits. The bond payments are billed to the City each year less all hook-up fees. The 2023 payment was \$76,784 and included \$62,000 in principal and \$14,7846 in interest. These payments are recorded as expenses in the year paid and no asset or long-term liability is being carried on the City’s books. The sewer belongs to, and is maintained by, Montgomery County.

NOTE 13 – INTERFUND ACTIVITY:

Interfund transfers for the year ended December 31, 2023, consisted of the following:

Transfer to Fund	Transfer from Fund	Amount
Street Construction and Maintenance	General	\$ 1,275,000
Capital Improvement	General	3,435,000
Nonmajor - General Debt Service	VD New Community Authority	261,600
Nonmajor - Economic Development	General	550,000
Nonmajor - Police Pension	General	410,000
Nonmajor - Fire Pension	General	535,000
		<u>\$ 6,466,600</u>

Transfers are used to move unrestricted general fund revenues to finance various programs and projects that the City must account for in other funds in accordance with budgetary authorization. The transfer from the Vance Darroch New Community Authority enterprise fund to the nonmajor general debt service fund represents remittance of new community charges collected by the Authority as required by the Cooperative Agreement signed by both parties.

CITY OF MORAINE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 – COMMITMENTS:

Encumbrances

Outstanding encumbrances at year-end include:

Fund	Encumbrance Outstanding
General	\$ 544,961
Capital Improvement	1,175,655
Street Construction & Maintenance	48,691
Other Governmental Funds	69,068
	\$ 1,838,375

NOTE 15 – CONTINGENT LIABILITIES:

Litigation

The City is a defendant in various lawsuits and subject to various claims over which litigation has not yet commenced. Although the outcomes of these matters cannot currently be determined, in the opinion of management and the law director, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Federal and State Grants

For the period January 1, 2023 to December 31, 2023, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 16 – DEFICIT FUND BALANCES:

At December 31, 2023, the Police Pension and Fire Pension funds reported fund balance deficits of \$6,661 and \$4,765, respectively. These deficits occurred because of recognizing accrued liabilities associated with each fund. The General Fund will transfer funds to cover an individual fund's deficit balance, however this is done on a cash basis rather than a GAAP basis.

**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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes:				
Income	\$ 21,435,009	\$ 21,435,009	\$ 24,691,112	\$ 3,256,103
Property	538,805	538,805	542,388	3,583
Other	50,000	50,000	22,520	(27,480)
Shared Revenues	157,227	157,227	151,495	(5,732)
Intergovernmental	8,000	8,000	1,261	(6,739)
License and Permits	43,900	43,900	204,596	160,696
Charges for Services	607,225	607,225	535,250	(71,975)
Fines	241,000	241,000	205,194	(35,806)
Investment Earnings	393,949	425,949	1,268,073	842,124
Rents and Royalties	12,000	12,000	16,650	4,650
Miscellaneous	33,000	33,000	93,301	60,301
Total Revenues	<u>23,520,115</u>	<u>23,552,115</u>	<u>27,731,840</u>	<u>4,179,725</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Council				
Personnel services	23,998	23,998	18,578	5,420
General operating expenses	28,600	28,600	6,019	22,581
Total Council	<u>52,598</u>	<u>52,598</u>	<u>24,597</u>	<u>28,001</u>
Clerk of Council				
Personnel services	67,301	67,301	66,328	973
General operating expenses	33,585	41,945	25,025	16,920
Total Clerk of Council	<u>100,886</u>	<u>109,246</u>	<u>91,353</u>	<u>17,893</u>
City Manager				
Personnel services	398,593	398,593	372,646	25,947
General operating expenses	46,106	67,540	37,756	29,784
Total City Manager	<u>444,699</u>	<u>466,133</u>	<u>410,402</u>	<u>55,731</u>
Clerk of Courts				
Personnel services	187,959	202,959	173,401	29,558
General operating expenses	15,201	23,725	19,140	4,585
Total Clerk of Courts	<u>203,160</u>	<u>226,684</u>	<u>192,541</u>	<u>34,143</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, 2023
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Law Director				
General operating expenses	158,035	158,035	139,855	18,180
Total Law Director	158,035	158,035	139,855	18,180
Mayor				
Personnel services	617	617	28	589
Total Mayor	617	617	28	589
Finance				
Personnel services	725,675	745,675	685,218	60,457
General operating expenses	99,202	118,232	106,901	11,331
Total Finance	824,877	863,907	792,119	71,788
Public Buildings				
Personnel services	727,947	727,947	643,585	84,362
General operating expenses	823,870	839,588	623,741	215,847
Total Public Buildings	1,551,817	1,567,535	1,267,326	300,209
General Miscellaneous				
Personnel services	712,700	712,700	331,122	381,578
General operating expenses	599,943	614,943	548,823	66,120
Total General Miscellaneous	1,312,643	1,327,643	879,945	447,698
Information Technology				
Personnel services	336,238	316,238	274,468	41,770
General operating expenses	433,153	426,125	357,829	68,296
Total Information Technology	769,391	742,363	632,297	110,066
Human Resources				
General operating expenses	80,244	80,244	72,569	7,675
Total Human Resources	80,244	80,244	72,569	7,675
TOTAL GENERAL GOVERNMENT	5,498,967	5,595,005	4,503,032	1,091,973

(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, 2023
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PUBLIC SAFETY				
Police				
Personnel services	4,991,538	4,976,538	4,155,067	821,471
General operating expenses	889,118	882,925	715,251	167,674
Total Police	<u>5,880,656</u>	<u>5,859,463</u>	<u>4,870,318</u>	<u>989,145</u>
Fire				
Personnel services	4,328,595	4,298,595	3,512,148	786,447
General operating expenses	465,077	422,002	303,478	118,524
Total Fire	<u>4,793,672</u>	<u>4,720,597</u>	<u>3,815,626</u>	<u>904,971</u>
TOTAL PUBLIC SAFETY	<u>10,674,328</u>	<u>10,580,060</u>	<u>8,685,944</u>	<u>1,894,116</u>
HIGHWAYS AND STREETS				
Street Lighting				
General operating expenses	277,957	277,957	277,957	-
Total Street Lighting	<u>277,957</u>	<u>277,957</u>	<u>277,957</u>	<u>-</u>
TOTAL HIGHWAYS AND STREETS	<u>277,957</u>	<u>277,957</u>	<u>277,957</u>	<u>-</u>
SANITATION				
Waste Collection				
General operating expenses	402,010	402,010	367,141	34,869
Total Waste Collection	<u>402,010</u>	<u>402,010</u>	<u>367,141</u>	<u>34,869</u>
TOTAL SANITATION	<u>402,010</u>	<u>402,010</u>	<u>367,141</u>	<u>34,869</u>
HEALTH AND WELFARE				
Health & Alcoholism				
General operating expenses	3,205	3,205	3,188	17
Total Health & Alcoholism	<u>3,205</u>	<u>3,205</u>	<u>3,188</u>	<u>17</u>
TOTAL HEALTH AND WELFARE	<u>3,205</u>	<u>3,205</u>	<u>3,188</u>	<u>17</u>
ECONOMIC DEVELOPMENT AND ASSISTANCE				
Community Development				
Personnel services	451,676	364,423	282,593	81,830
General operating expenses	445,770	345,770	213,081	132,689
Total Community Development	<u>897,446</u>	<u>710,193</u>	<u>495,674</u>	<u>214,519</u>
TOTAL ECONOMIC DEVELOPMENT AND ASSISTANCE	<u>897,446</u>	<u>710,193</u>	<u>495,674</u>	<u>214,519</u>
TOTAL EXPENDITURES	<u>17,753,913</u>	<u>17,568,430</u>	<u>14,332,936</u>	<u>3,235,494</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, 2023
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,766,202</u>	<u>5,983,685</u>	<u>13,398,904</u>	<u>7,415,219</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(10,721,000)	(9,051,200)	(7,075,000)	1,976,200
Proceeds from the sale of capital assets	<u>20,000</u>	<u>20,000</u>	<u>74,810</u>	<u>54,810</u>
Total Other Financing Sources (Uses)	<u>(10,701,000)</u>	<u>(9,031,200)</u>	<u>(7,000,190)</u>	<u>2,031,010</u>
Net Change in Fund Balance	(4,934,798)	(3,047,515)	6,398,714	9,446,229
Fund Balance - Beginning	35,414,509	35,414,509	35,414,509	-
Prior Year Encumbrances Appropriated	<u>400,876</u>	<u>400,876</u>	<u>400,876</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 30,880,587</u>	<u>\$ 32,767,870</u>	<u>\$ 42,214,099</u>	<u>\$ 9,446,229</u>

See accompanying notes to the required supplementary information.

CITY OF MORAINE, OHIO
STREET CONSTRUCTION AND MAINTENANCE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 601,285	\$ 601,285	\$ 655,999	\$ 54,714
Investment Earnings	2,309	2,309	6,580	4,271
Miscellaneous	2,500	2,500	6,487	3,987
Total Revenues	<u>606,094</u>	<u>606,094</u>	<u>669,066</u>	<u>62,972</u>
EXPENDITURES				
HIGHWAY AND STREETS				
Streets Department				
Personnel Services	1,932,507	1,932,507	1,509,951	422,556
General Operating Expenses	645,396	616,752	479,516	137,236
Total Expenditures	<u>2,577,903</u>	<u>2,549,259</u>	<u>1,989,467</u>	<u>559,792</u>
Excess (deficiency) of revenues over (under)	<u>(1,971,809)</u>	<u>(1,943,165)</u>	<u>(1,320,401)</u>	<u>622,764</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,970,000	1,941,400	1,275,000	(666,400)
Total Other Financing Sources (Uses)	<u>1,970,000</u>	<u>1,941,400</u>	<u>1,275,000</u>	<u>(666,400)</u>
Net Change in Fund Balance	(1,809)	(1,765)	(45,401)	(43,636)
Fund Balance - Beginning	208,936	208,936	208,936	-
Prior Year Encumbrances Appropriated	6,951	6,951	6,951	-
Fund Balance - Ending	<u>\$ 214,078</u>	<u>\$ 214,122</u>	<u>\$ 170,486</u>	<u>\$ (43,636)</u>

See accompanying notes to the required supplementary information.

CITY OF MORAIN, OHIO
LOCAL FISCAL RECOVERY COVID FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
GENERAL GOVERNMENT				
General Miscellaneous				
General operating expense	475,295	475,295	58,008	417,287
Total Expenditures	475,295	475,295	58,008	417,287
Net Change in Fund Balance	(475,295)	(475,295)	(58,008)	417,287
Fund Balance - Beginning	522,534	522,534	522,534	-
Fund Balance - Ending	\$ 47,239	\$ 47,239	\$ 464,526	\$ 417,287

See accompanying notes to the required supplementary information.

CITY OF MORIANE, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Measurement Year (1)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.026116%	\$ 3,078,736	\$ 2,932,369	104.99%	86.36%
2015	0.026116%	3,151,149	3,201,850	98.42%	86.45%
2016	0.028964%	5,016,862	3,610,042	138.97%	81.08%
2017	0.031272%	7,101,268	4,038,675	175.83%	77.25%
2018	0.030042%	4,712,950	3,976,331	118.53%	84.66%
2019	0.026983%	7,390,147	4,093,286	180.54%	74.70%
2020	0.031370%	6,200,508	3,965,007	156.38%	82.17%
2021	0.026745%	3,960,292	3,766,829	105.14%	86.88%
2022	0.026318%	2,289,758	3,819,521	59.95%	92.62%
2023	0.026761%	7,905,197	4,148,257	190.57%	75.74%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 384,222	\$ (384,222)	\$ -	\$ 3,201,850	12.00%
2015	433,205	(433,205)	-	3,610,042	12.00%
2016	484,641	(484,641)	-	4,038,675	12.00%
2017	516,923	(516,923)	-	3,976,331	13.00%
2018	573,060	(573,060)	-	4,093,286	14.00%
2019	555,101	(555,101)	-	3,965,007	14.00%
2020	527,356	(527,356)	-	3,766,829	14.00%
2021	534,733	(534,733)	-	3,819,521	14.00%
2022	580,756	(580,756)	-	4,148,257	14.00%
2023	577,747	(577,747)	-	4,126,764	14.00%

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

See accompanying notes to the required supplementary information.

CITY OF MORIANE, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND CITY PENSION CONTRIBUTIONS
OHIO POLICE AND FIRE PENSION FUND

Measurement Year (1)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.205342%	\$ 10,000,780	\$ 4,471,557	223.65%	73.00%
2015	0.205342%	10,637,551	4,220,732	252.03%	71.71%
2016	0.205708%	13,233,339	4,538,940	291.55%	66.77%
2017	0.211297%	13,383,401	4,721,005	283.49%	68.36%
2018	0.202243%	12,412,541	4,662,051	266.25%	70.91%
2019	0.198997%	16,243,444	4,464,941	363.80%	63.07%
2020	0.192988%	13,000,718	4,986,735	260.71%	69.89%
2021	0.184012%	12,544,241	4,755,635	263.78%	70.65%
2022	0.192477%	12,024,824	5,110,493	235.30%	75.03%
2023	0.198338%	18,840,151	5,534,614	340.41%	62.90%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 859,341	\$ (859,341)	\$ -	\$ 4,220,732	20.36%
2015	911,873	(911,873)	-	4,538,940	20.09%
2016	948,450	(948,450)	-	4,721,005	20.09%
2017	936,606	(936,606)	-	4,662,051	20.09%
2018	944,982	(944,982)	-	4,464,941	20.09%
2019	1,001,835	(1,001,835)	-	4,986,735	20.09%
2020	955,407	(955,407)	-	4,755,635	20.09%
2021	1,026,698	(1,026,698)	-	5,110,493	20.09%
2022	1,111,904	(1,111,904)	-	5,534,614	20.09%
2023	1,105,797	(1,105,797)	-	5,504,216	20.09%

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

See accompanying notes to the required supplementary information.

CITY OF MORIANE, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSET)
 AND CITY OPEB CONTRIBUTIONS
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Measurement Year (1) (2)	City's Proportion of the Net OPEB Liability/(Asset)	City's Proportionate Share of the Net OPEB Liability/(Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.029640%	\$ 2,993,762	\$ 4,038,675	74.13%	54.05%
2018	0.028416%	3,085,782	3,976,331	77.60%	54.14%
2019	0.025501%	3,324,662	4,093,286	81.22%	46.33%
2020	0.030004%	4,144,259	3,965,007	104.52%	47.80%
2021	0.025481%	(453,958)	3,766,829	(12.05%)	115.57%
2022	0.025054%	(784,717)	3,819,521	(20.54%)	128.23%
2023	0.025521%	160,916	4,148,257	3.88%	94.79%

Calendar Year (3)	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 73,158	\$ (73,158)	\$ -	\$ 3,610,042	2.00%
2016	81,881	(81,881)	-	4,038,675	2.00%
2017	40,250	(40,250)	-	3,976,331	1.00%
2018	-	-	-	4,093,286	0.00%
2019	400	(400)	-	3,965,007	0.01%
2020	3,392	(3,392)	-	3,766,829	0.09%
2021	3,486	(3,486)	-	3,819,521	0.09%
2022	3,972	(3,972)	-	4,148,257	0.10%
2023	4,818	(4,818)	-	4,126,764	0.12%

- (1) Information prior to 2017 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.
- (2) Amounts presented for each year were determined as of the City's measurement date, which is the prior year-end.
- (3) Information prior to 2015 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

See accompanying notes to the required supplementary information.

CITY OF MORIANE, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
AND CITY OPEB CONTRIBUTIONS
OHIO POLICE AND FIRE PENSION FUND

Measurement Year (1) (2)	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.211298%	\$ 10,029,839	\$ 5,407,719	185.47%	15.96%
2018	0.202243%	11,458,781	5,479,757	209.11%	14.13%
2019	0.198997%	1,812,177	5,554,909	32.62%	46.57%
2020	0.192988%	1,906,286	5,810,174	32.81%	47.08%
2021	0.184012%	1,949,633	5,864,172	33.25%	45.42%
2022	0.192477%	2,109,709	6,005,415	35.13%	46.90%
2023	0.198338%	1,412,106	5,534,614	25.51%	52.59%

Calendar Year (3)	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 21,060	\$ (21,060)	\$ -	\$ 5,297,966	0.46%
2016	35,887	(35,887)	-	5,407,719	0.76%
2017	22,036	(22,036)	-	5,479,757	0.47%
2018	22,325	(22,325)	-	5,554,909	0.50%
2019	23,571	(23,571)	-	5,810,174	0.47%
2020	22,471	(22,471)	-	5,864,172	0.47%
2021	24,108	(24,108)	-	6,005,415	0.47%
2022	26,066	(26,066)	-	5,534,614	0.47%
2023	26,000	(26,000)	-	5,504,216	0.47%

- (1) Information prior to 2017 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.
- (2) Amounts presented for each year were determined as of the City's measurement date, which is the prior year-end.
- (3) Information prior to 2015 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

See accompanying notes to the required supplementary information.

CITY OF MORAINE, OHIO
Notes to Required Supplementary Information
For the Year Ended December 31, 2023

NOTE A - BUDGETARY BASIS OF ACCOUNTING

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

Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP Basis).

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

Encumbrances are treated as expenditures for all funds (budgetary basis) rather than as restricted, committed or assigned fund balance (GAAP basis).

Some funds are included in the General fund (GAAP basis), but have separate legally adopted budgets (budgetary basis).

The following summarizes the adjustments necessary to reconcile the GAAP statements and the budgetary basis schedule for the City’s General Fund and major special revenue funds.

	Net Change in Fund Balance		
	General	Street Construction and Maintenance	Local Fiscal Recovery COVID
GAAP Basis	\$ 7,523,127	\$ 43,334	\$ -
Revenue Accruals	(445,566)	(2,373)	(58,008)
Expenditure Accruals	(136,526)	(37,671)	2,326
Encumbrances	(544,961)	(48,691)	(2,326)
Funds Budgeted Elsewhere	2,640	-	-
Budget Basis	\$ 6,398,714	\$ (45,401)	\$ (58,008)

Note: For reporting purposes, the Parks and Recreation fund and the City Deposits fund are combined with the General fund; however, those funds are legally budgeted separately from the General fund. As such, separate budgetary comparison schedules are presented along with those of the non-major special revenue funds within the combining financial statements and individual fund schedules section of this report.

CITY OF MORAINE, OHIO
Notes to Required Supplementary Information
For the Year Ended December 31, 2023

NOTE B – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM:

Pension Information

Change in Benefit Terms:

There have been no changes in benefit terms.

Change of Assumptions:

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

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

In 2022, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction of the discount rate from 7.2% to 6.9%, a reduction in wage inflation from 3.25% to 2.75%, and transition from RP-2014 mortality tables to Pub-2010 mortality tables.

OPEB Information

Change in Benefit Terms:

There have been no changes in benefit terms.

Change of Assumptions:

In 2018, the single discount rate changed from 4.23% to 3.85%.

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

In 2020, the single discount rate changed from 3.96% to 3.16% and the health care cost trend rate changed from 10.0% initial, 3.25% ultimate in 2028 to 10.5% initial, 3.50% ultimate in 2030.

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

In 2022, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction in wage inflation from 3.25% to 2.75%, and transition from RP-2014 mortality tables to Pub-2010 mortality tables.

In 2023, the single discount rate changed from 6.00% to 5.22% and the health care cost trend rate changed from 5.5% initial, 3.50% ultimate in 2034 to 5.5% initial, 3.50% ultimate in 2036.

CITY OF MORAINE, OHIO
Notes to Required Supplementary Information
For the Year Ended December 31, 2023

NOTE C – OHIO POLICE AND FIRE PENSION FUND:

Pension Information

Change in Benefit Terms:

There have been no changes in benefit terms.

Change of Assumptions:

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

In 2022, the single discount rate changed from 8.0% to 7.5%.

In 2023, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2021. Significant changes included transition from RP-2014 mortality tables to the Pub-2010 Safety mortality tables projected using the MP-2021 Improvement Scale.

OPEB Information

Change in Benefit Terms:

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model, depositing stipends into individual health reimbursements accounts that retirees will use to be reimbursed for health care expenses.

Change of Assumptions:

In 2018, the single discount rate changed from 3.79% to 3.24%.

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

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

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

In 2022, the single discount rate changed from 2.96% to 2.84%.

In 2023, changes in assumptions were made based upon an updated experience study that was completed for five-year period ended December 31, 2021. Significant changes included a reduction of the single discount rate from 2.84% to 4.27% and transition from the RP-2014 mortality tables to the Pub-2010 Safety mortality tables projected using the MP-2021 Improvement Scale.

**COMBINING FINANCIAL STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

CITY OF MORAIN, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023

	Nonmajor Special Revenue Funds	General Debt Service - Nonmajor Debt Service Fund	Vance Darroch Capital - Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Investments	\$ 1,536,995	\$ 176,557	\$ 57,381	\$ 1,770,933
Cash in Segregated Accounts	485	-	-	485
Receivables:				
Property Tax	194,832	-	-	194,832
Payment in Lieu of Taxes	227,323	-	-	227,323
Intergovernmental	97,746	-	-	97,746
Loans	302,000	-	-	302,000
Total Assets	<u>\$ 2,359,381</u>	<u>\$ 176,557</u>	<u>\$ 57,381</u>	<u>\$ 2,593,319</u>
LIABILITIES				
Accounts Payable	\$ 2,311	\$ -	\$ -	\$ 2,311
Salaries and Benefits Payable	117,845	-	-	117,845
Total Liabilities	<u>120,156</u>	<u>-</u>	<u>-</u>	<u>120,156</u>
DEFERRED INFLOWS OF RESOURCES:				
Property Taxes	189,056	-	-	189,056
Payment in Lieu of Taxes	227,323	-	-	227,323
Unavailable for:				
Delinquent Property Taxes	5,776	-	-	5,776
Intergovernmental	92,445	-	-	92,445
Total Deferred Inflows of Resources	<u>514,600</u>	<u>-</u>	<u>-</u>	<u>514,600</u>
FUND BALANCES				
Nonspendable:				
Long-term Receivables	359,000	-	-	359,000
Restricted for:				
Law Enforcement	246,296	-	-	246,296
Judiciary Programs	156,284	-	-	156,284
Cemetery Services	95,013	-	-	95,013
Debt Service	-	176,557	-	176,557
Capital Projects	-	-	57,381	57,381
Street Repair and Maintenance	560,526	-	-	560,526
Economic Development	58,284	-	-	58,284
Committed for:				
Economic Development	260,648	-	-	260,648
Unassigned	(11,426)	-	-	(11,426)
Total Fund Balances	<u>1,724,625</u>	<u>176,557</u>	<u>57,381</u>	<u>1,958,563</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,359,381</u>	<u>\$ 176,557</u>	<u>\$ 57,381</u>	<u>\$ 2,593,319</u>

CITY OF MORAINÉ, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023

	<u>State Highway Improvement</u>	<u>Cemetery</u>	<u>Motor Vehicle License Tax</u>	<u>Enforcement and Education</u>
ASSETS				
Equity in Pooled Cash and Investments	\$ 508,019	\$ 95,013	\$ 49,517	\$ 69,042
Cash in Segregated Accounts	-	-	-	-
Receivables:				
Property Tax	-	-	-	-
Payment in Lieu of Taxes	-	-	-	-
Intergovernmental	24,294	-	9,876	-
Loans	-	-	-	-
Total Assets	<u><u>\$ 532,313</u></u>	<u><u>\$ 95,013</u></u>	<u><u>\$ 59,393</u></u>	<u><u>\$ 69,042</u></u>
LIABILITIES				
Accounts Payable	\$ 1,849	\$ -	\$ 462	\$ -
Salaries and Benefits Payable	-	-	-	-
Total Liabilities	<u><u>1,849</u></u>	<u><u>-</u></u>	<u><u>462</u></u>	<u><u>-</u></u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Unavailable for:				
Delinquent Property Taxes	-	-	-	-
Intergovernmental	20,405	-	8,464	-
Total Deferred Inflows of Resources	<u><u>20,405</u></u>	<u><u>-</u></u>	<u><u>8,464</u></u>	<u><u>-</u></u>
FUND BALANCE				
Nonspendable				
Long-term Receivable	-	-	-	-
Restricted for:				
Law Enforcement	-	-	-	69,042
Judiciary Programs	-	-	-	-
Cemetery Services	-	95,013	-	-
Street Repair and Maintenance	510,059	-	50,467	-
Economic Development	-	-	-	-
Committed for:				
Economic Development	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	<u><u>510,059</u></u>	<u><u>95,013</u></u>	<u><u>50,467</u></u>	<u><u>69,042</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u><u>\$ 532,313</u></u>	<u><u>\$ 95,013</u></u>	<u><u>\$ 59,393</u></u>	<u><u>\$ 69,042</u></u>

(continued)

CITY OF MORAIN, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023
(continued)

	Mayor's Court Computer	Clerk of Court Computer	Economic Development	T.I.F.
ASSETS				
Equity in Pooled Cash and Investments	\$ 93,481	\$ 62,318	\$ 317,648	\$ 58,284
Cash in Segregated Accounts	291	194	-	-
Receivables:				
Property Tax	-	-	-	-
Payment in Lieu of Taxes	-	-	-	227,323
Intergovernmental	-	-	60,000	-
Loans	-	-	302,000	-
Total Assets	<u>\$ 93,772</u>	<u>\$ 62,512</u>	<u>\$ 679,648</u>	<u>\$ 285,607</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Salaries and Benefits Payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	-	-	-
Payments in Lieu of Taxes	-	-	-	227,323
Unavailable for:				
Delinquent Property Taxes	-	-	-	-
Intergovernmental	-	-	60,000	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>227,323</u>
FUND BALANCE				
Nonspendable				
Long-term Receivable	-	-	359,000	-
Restricted for:				
Law Enforcement	-	-	-	-
Judiciary Programs	93,772	62,512	-	-
Cemetery Services	-	-	-	-
Street Repair and Maintenance	-	-	-	-
Economic Development	-	-	-	58,284
Committed for:				
Economic Development	-	-	260,648	-
Unassigned	-	-	-	-
Total Fund Balance	<u>93,772</u>	<u>62,512</u>	<u>619,648</u>	<u>58,284</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 93,772</u>	<u>\$ 62,512</u>	<u>\$ 679,648</u>	<u>\$ 285,607</u>

(continued)

CITY OF MORAIN, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023
(continued)

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Federal Law Enforcement</u>	<u>State Law Enforcement</u>
ASSETS				
Equity in Pooled Cash and Investments	\$ 48,496	\$ 57,923	\$ 40,596	\$ 52,259
Cash in Segregated Accounts	-	-	-	-
Receivables:				
Property Tax	97,416	97,416	-	-
Payment in Lieu of Taxes	-	-	-	-
Intergovernmental	1,788	1,788	-	-
Loans	-	-	-	-
Total Assets	<u>\$ 147,700</u>	<u>\$ 157,127</u>	<u>\$ 40,596</u>	<u>\$ 52,259</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Salaries and Benefits Payable	55,157	62,688	-	-
Total Liabilities	<u>55,157</u>	<u>62,688</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	94,528	94,528	-	-
Payments in Lieu of Taxes	-	-	-	-
Unavailable for:				
Delinquent Property Taxes	2,888	2,888	-	-
Intergovernmental	1,788	1,788	-	-
Total Deferred Inflows of Resources	<u>99,204</u>	<u>99,204</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable				
Long-term Receivable	-	-	-	-
Restricted for:				
Law Enforcement	-	-	40,596	52,259
Judiciary Programs	-	-	-	-
Cemetery Services	-	-	-	-
Street Repair and Maintenance	-	-	-	-
Economic Development	-	-	-	-
Committed for:				
Economic Development	-	-	-	-
Unassigned	(6,661)	(4,765)	-	-
Total Fund Balance	<u>(6,661)</u>	<u>(4,765)</u>	<u>40,596</u>	<u>52,259</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 147,700</u>	<u>\$ 157,127</u>	<u>\$ 40,596</u>	<u>\$ 52,259</u>

(continued)

CITY OF MORaine, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023
(continued)

	Drug Law Enforcement	Special Energy Improvement Projects	OneOhio Opioid Settlement	Total Nonmajor Special Revenue Funds
ASSETS				
Equity in Pooled Cash and Investments	\$ 42,176	\$ -	\$ 42,223	\$ 1,536,995
Cash in Segregated Accounts	-	-	-	485
Receivables:				
Property Tax	-	-	-	194,832
Payment in Lieu of Taxes	-	-	-	227,323
Intergovernmental	-	-	-	97,746
Loans	-	-	-	302,000
Total Assets	<u>\$ 42,176</u>	<u>\$ -</u>	<u>\$ 42,223</u>	<u>\$ 2,359,381</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 2,311
Salaries and Benefits Payable	-	-	-	117,845
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,156</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	-	-	189,056
Payments in Lieu of Taxes	-	-	-	227,323
Unavailable for:				
Delinquent Property Taxes	-	-	-	5,776
Intergovernmental	-	-	-	92,445
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>514,600</u>
FUND BALANCE				
Nonspendable				
Long-term Receivable	-	-	-	359,000
Restricted for:				
Law Enforcement	42,176	-	42,223	246,296
Judiciary Programs	-	-	-	156,284
Cemetery Services	-	-	-	95,013
Street Repair and Maintenance	-	-	-	560,526
Economic Development	-	-	-	58,284
Committed for:				
Economic Development	-	-	-	260,648
Unassigned	-	-	-	(11,426)
Total Fund Balance	<u>42,176</u>	<u>-</u>	<u>42,223</u>	<u>1,724,625</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 42,176</u>	<u>\$ -</u>	<u>\$ 42,223</u>	<u>\$ 2,359,381</u>

(concluded)

CITY OF MORAIN, OHIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	Nonmajor Special Revenue Funds	General Debt Service - Nonmajor Debt Service Fund	Vance Darroch Capital - Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes:				
Property	\$ 174,232	\$ -	\$ -	\$ 174,232
Payment in Lieu of Taxes	349,424	-	-	349,424
Shared Revenues	83,510	-	-	83,510
Intergovernmental Grants	446,110	-	-	446,110
Charges for Services	21,368	-	-	21,368
Fines	14,969	-	-	14,969
Investment Earnings	51,931	6,702	-	58,633
Miscellaneous	6,496	-	-	6,496
Total Revenues	<u>1,148,040</u>	<u>6,702</u>	<u>-</u>	<u>1,154,742</u>
EXPENDITURES				
Current:				
General government	52,104	-	-	52,104
Public Safety	1,167,645	-	-	1,167,645
Highways and streets	211,765	-	65,365	277,130
Economic development	637,362	-	-	637,362
Debt service:				
Principal	265,000	35,000	-	300,000
Interest	151,000	226,600	-	377,600
Total Expenditures	<u>2,484,876</u>	<u>261,600</u>	<u>65,365</u>	<u>2,811,841</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,336,836)</u>	<u>(254,898)</u>	<u>(65,365)</u>	<u>(1,657,099)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,495,000	261,600	-	1,756,600
Total Other Financing Sources (Uses)	<u>1,495,000</u>	<u>261,600</u>	<u>-</u>	<u>1,756,600</u>
Net Change in Fund Balance	158,164	6,702	(65,365)	99,501
Fund Balance - Beginning	1,566,461	169,855	122,746	1,859,062
Fund Balance - Ending	<u>\$ 1,724,625</u>	<u>\$ 176,557</u>	<u>\$ 57,381</u>	<u>\$ 1,958,563</u>

CITY OF MORAIN, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023

	State Highway Improvement	Cemetery	Motor Vehicle License Tax	Enforcement and Education
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Payment in Lieu of Taxes	-	-	-	-
Shared Revenues	53,240	-	24,656	-
Intergovernmental Grants	-	-	-	-
Charges for Services	-	2,100	-	-
Fines	-	-	-	629
Investment Earnings	22,553	4,380	2,364	2,602
Miscellaneous	3,568	2,036	892	-
Total Revenues	<u>79,361</u>	<u>8,516</u>	<u>27,912</u>	<u>3,231</u>
EXPENDITURES				
Current:				
General Government	-	41,702	-	-
Public Safety	-	-	-	-
Highways and Streets	169,412	-	42,353	-
Economic Development	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>169,412</u>	<u>41,702</u>	<u>42,353</u>	<u>-</u>
Excess (deficiency) of Revenues Over (under) Expenditures	<u>(90,051)</u>	<u>(33,186)</u>	<u>(14,441)</u>	<u>3,231</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(90,051)	(33,186)	(14,441)	3,231
Fund Balance - Beginning	600,110	128,199	64,908	65,811
Fund Balance - Ending	<u>\$ 510,059</u>	<u>\$ 95,013</u>	<u>\$ 50,467</u>	<u>\$ 69,042</u>

(continued)

CITY OF MORAIN, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023
(Continued)

	Mayors' Court Computer	Clerk of Court Computer	Economic Development	T.I.F.
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Payment in Lieu of Taxes	-	-	1,010	348,414
Shared Revenues	-	-	-	-
Intergovernmental Grants	-	-	375,000	36,584
Charges for Services	-	-	-	-
Fines	4,560	3,035	-	-
Investment Earnings	-	-	-	10,438
Miscellaneous	-	-	-	-
Total Revenues	<u>4,560</u>	<u>3,035</u>	<u>376,010</u>	<u>395,436</u>
EXPENDITURES				
Current:				
General Government	6,241	4,161	-	-
Public Safety	-	-	-	-
Highways and Streets	-	-	-	-
Economic Development	-	-	484,746	133,348
Debt service				
Principal	-	-	-	265,000
Interest	-	-	-	151,000
Total Expenditures	<u>6,241</u>	<u>4,161</u>	<u>484,746</u>	<u>549,348</u>
Excess (deficiency) of Revenues Over (under) Expenditures	<u>(1,681)</u>	<u>(1,126)</u>	<u>(108,736)</u>	<u>(153,912)</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	550,000	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>550,000</u>	<u>-</u>
Net Change in Fund Balance	(1,681)	(1,126)	441,264	(153,912)
Fund Balance - Beginning	95,453	63,638	178,384	212,196
Fund Balance - Ending	<u>\$ 93,772</u>	<u>\$ 62,512</u>	<u>\$ 619,648</u>	<u>\$ 58,284</u>

(continued)

CITY OF MORAINE, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023
(Continued)

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Federal Law Enforcement</u>	<u>State Law Enforcement</u>
REVENUES				
Taxes:				
Property	\$ 87,116	\$ 87,116	\$ -	\$ -
Payment in Lieu of Taxes	-	-	-	-
Shared Revenues	2,807	2,807	-	-
Intergovernmental Grants	-	-	-	-
Charges for Services	-	-	-	-
Fines	-	-	-	6,745
Investment Earnings	1,970	2,272	1,587	2,164
Miscellaneous	-	-	-	-
Total Revenues	<u>91,893</u>	<u>92,195</u>	<u>1,587</u>	<u>8,909</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	518,128	632,770	2,965	13,782
Highways and Streets	-	-	-	-
Economic Development	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>518,128</u>	<u>632,770</u>	<u>2,965</u>	<u>13,782</u>
Excess (deficiency) of Revenues Over (under) Expenditures	<u>(426,235)</u>	<u>(540,575)</u>	<u>(1,378)</u>	<u>(4,873)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>410,000</u>	<u>535,000</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>410,000</u>	<u>535,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(16,235)	(5,575)	(1,378)	(4,873)
Fund Balance - Beginning	9,574	810	41,974	57,132
Fund Balance - Ending	<u>\$ (6,661)</u>	<u>\$ (4,765)</u>	<u>\$ 40,596</u>	<u>\$ 52,259</u>

(continued)

CITY OF MORAIN, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023
(Continued)

	Drug Law Enforcement	Special Energy Improvement Projects	OneOhio Opioid Settlement	Total Nonmajor Special Revenue Funds
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 174,232
Payment in Lieu of Taxes	-	-	-	349,424
Shared Revenues	-	-	-	83,510
Intergovernmental Grants	-	-	34,526	446,110
Charges for Services	-	19,268	-	21,368
Fines	-	-	-	14,969
Investment Earnings	1,601	-	-	51,931
Miscellaneous	-	-	-	6,496
Total Revenues	<u>1,601</u>	<u>19,268</u>	<u>34,526</u>	<u>1,148,040</u>
EXPENDITURES				
Current:				
General Government	-	-	-	52,104
Public Safety	-	-	-	1,167,645
Highways and Streets	-	-	-	211,765
Economic Development	-	19,268	-	637,362
Debt service				
Principal	-	-	-	265,000
Interest	-	-	-	151,000
Total Expenditures	<u>-</u>	<u>19,268</u>	<u>-</u>	<u>2,484,876</u>
Excess (deficiency) of Revenues Over (under) Expenditures	<u>1,601</u>	<u>-</u>	<u>34,526</u>	<u>(1,336,836)</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	-	1,495,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,495,000</u>
Net Change in Fund Balance	1,601	-	34,526	158,164
Fund Balance - Beginning	40,575	-	7,697	1,566,461
Fund Balance - Ending	<u>\$ 42,176</u>	<u>\$ -</u>	<u>\$ 42,223</u>	<u>\$ 1,724,625</u>

(concluded)

CITY OF MORAIN, OHIO
CAPITAL IMPROVEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 35,000	\$ 35,000	\$ 37,683	\$ 2,683
Grants	795,236	795,236	649,476	(145,760)
Total Revenues	<u>830,236</u>	<u>830,236</u>	<u>687,159</u>	<u>(143,077)</u>
EXPENDITURES				
CAPITAL OUTLAY				
General Government	3,118,458	1,033,458	694,740	338,718
Public Safety	776,833	999,832	974,198	25,634
Highways and Streets	3,312,655	2,981,986	2,756,103	225,883
Culture-Recreation	60,000	60,000	59,648	352
Economic Development	114,000	99,000	90,000	9,000
DEBT SERVICE				
Principal	130,250	130,250	130,239	11
Interest	14,785	14,785	14,785	-
Total Expenditures	<u>7,526,981</u>	<u>5,319,311</u>	<u>4,719,713</u>	<u>599,598</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,696,745)</u>	<u>(4,489,075)</u>	<u>(4,032,554)</u>	<u>456,521</u>
OTHER FINANCING SOURCES				
Transfers in	5,985,000	4,215,000	3,435,000	(780,000)
Total Other Financing Sources	<u>5,985,000</u>	<u>4,215,000</u>	<u>3,435,000</u>	<u>(780,000)</u>
Net Change in Fund Balance	(711,745)	(274,075)	(597,554)	(323,479)
Fund Balance - Beginning	324,385	324,385	324,385	-
Prior Year Encumbrances Appropriated	800,575	800,575	800,575	-
Fund Balance - Ending	<u>\$ 413,215</u>	<u>\$ 850,885</u>	<u>\$ 527,406</u>	<u>\$ (323,479)</u>

CITY OF MORAIN, OHIO
STATE HIGHWAY IMPROVEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 47,203	\$ 47,203	\$ 53,189	\$ 5,986
Investment Earnings	7,328	7,328	16,915	9,587
Miscellaneous	-	-	3,568	3,568
Total Revenues	<u>54,531</u>	<u>54,531</u>	<u>73,672</u>	<u>19,141</u>
EXPENDITURES				
HIGHWAY AND STREETS				
Street Department				
General Operating Expenses	221,887	242,524	191,969	50,555
Total Expenditures	<u>221,887</u>	<u>242,524</u>	<u>191,969</u>	<u>50,555</u>
Net Change in Fund Balance	(167,356)	(187,993)	(118,297)	69,696
Fund Balance - Beginning	584,447	584,447	584,447	-
Prior Year Encumbrances Appropriated	28,924	28,924	28,924	-
Fund Balance - Ending	<u>\$ 446,015</u>	<u>\$ 425,378</u>	<u>\$ 495,074</u>	<u>\$ 69,696</u>

CITY OF MORAIN, OHIO
CEMETERY FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 3,500	\$ 3,500	\$ 2,100	\$ (1,400)
Investment Earnings	1,488	1,488	3,105	1,617
Miscellaneous	1,500	1,500	2,036	536
Total Revenues	<u>6,488</u>	<u>6,488</u>	<u>7,241</u>	<u>753</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Building and Park Maintenance				
General Operating Expenses	48,000	48,000	43,327	4,673
Total Expenditures	<u>48,000</u>	<u>48,000</u>	<u>43,327</u>	<u>4,673</u>
Net Change in Fund Balance	(41,512)	(41,512)	(36,086)	5,426
Fund Balance - Beginning	128,769	128,769	128,769	-
Prior Year Encumbrances Appropriated	1,300	1,300	1,300	-
Fund Balance - Ending	<u>\$ 88,557</u>	<u>\$ 88,557</u>	<u>\$ 93,983</u>	<u>\$ 5,426</u>

CITY OF MORAIN, OHIO
MOTOR VEHICLE LICENSE TAX FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 24,000	\$ 24,000	\$ 24,799	\$ 799
Investment Earnings	811	811	1,720	909
Miscellaneous	-	-	892	892
Total Revenues	<u>24,811</u>	<u>24,811</u>	<u>27,411</u>	<u>2,600</u>
EXPENDITURES				
HIGHWAY AND STREETS				
Street Department				
General Operating Expenses	55,472	55,472	49,268	6,204
Total Expenditures	<u>55,472</u>	<u>55,472</u>	<u>49,268</u>	<u>6,204</u>
Net Change in Fund Balance	(30,661)	(30,661)	(21,857)	8,804
Fund Balance - Beginning	58,947	58,947	58,947	-
Prior Year Encumbrances Appropriated	7,431	7,431	7,431	
Fund Balance - Ending	<u>\$ 35,717</u>	<u>\$ 35,717</u>	<u>\$ 44,521</u>	<u>\$ 8,804</u>

CITY OF MORAINE, OHIO
ENFORCEMENT AND EDUCATION FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Fines	\$ 750	\$ 750	\$ 701	\$ (49)
Investment Earnings	739	739	2,075	1,336
Total Revenues	<u>1,489</u>	<u>1,489</u>	<u>2,776</u>	<u>1,287</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
General Operating Expenses	4,000	4,000	1,000	3,000
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>1,000</u>	<u>3,000</u>
Net Change in Fund Balance	(2,511)	(2,511)	1,776	4,287
Fund Balance - Beginning	66,699	66,699	66,699	-
Fund Balance - Ending	<u>\$ 64,188</u>	<u>\$ 64,188</u>	<u>\$ 68,475</u>	<u>\$ 4,287</u>

CITY OF MORAINE, OHIO
MAYOR'S COURT COMPUTER FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Fines	\$ 6,000	\$ 6,000	\$ 4,559	\$ (1,441)
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>4,559</u>	<u>(1,441)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Mayor's Court				
General Operating Expenses	13,290	13,290	6,241	7,049
Total Expenditures	<u>13,290</u>	<u>13,290</u>	<u>6,241</u>	<u>7,049</u>
Net Change in Fund Balance	(7,290)	(7,290)	(1,682)	5,608
Fund Balance - Beginning	95,163	95,163	95,163	-
Fund Balance - Ending	<u>\$ 87,873</u>	<u>\$ 87,873</u>	<u>\$ 93,481</u>	<u>\$ 5,608</u>

CITY OF MORAIN, OHIO
CLERK OF COURT COMPUTER FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Fines	\$ 4,000	\$ 4,000	\$ 3,034	\$ (966)
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>3,034</u>	<u>(966)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Clerk of Courts				
General Operating Expenses	8,860	8,860	4,161	4,699
Total Expenditures	<u>8,860</u>	<u>8,860</u>	<u>4,161</u>	<u>4,699</u>
Net Change in Fund Balance	(4,860)	(4,860)	(1,127)	3,733
Fund Balance - Beginning	63,444	63,444	63,444	-
Fund Balance - Ending	<u>\$ 58,584</u>	<u>\$ 58,584</u>	<u>\$ 62,317</u>	<u>\$ 3,733</u>

CITY OF MORAIN, OHIO
ECONOMIC DEVELOPMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Payment in lieu of taxes	\$ 1,250	\$ 1,250	\$ 1,010	\$ (240)
Intergovernmental	700,000	870,000	375,000	(495,000)
Total Revenues	<u>701,250</u>	<u>871,250</u>	<u>376,010</u>	<u>(495,240)</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Economic Development				
General operating expenses	1,312,000	1,332,000	671,746	660,254
Total Expenditures	1,312,000	1,332,000	671,746	660,254
Excess (deficiency) of revenues over (under) expenditures	<u>(610,750)</u>	<u>(460,750)</u>	<u>(295,736)</u>	<u>165,014</u>
OTHER FINANCING SOURCES				
Transfers In	551,000	551,000	550,000	(1,000)
Total Other Financing Sources	<u>551,000</u>	<u>551,000</u>	<u>550,000</u>	<u>(1,000)</u>
Net Change in Fund Balance	(59,750)	90,250	254,264	164,014
Fund Balance - Beginning	3,386	3,386	3,386	-
Prior Year Encumbrances Appropriated	60,000	60,000	60,000	-
Fund Balance - Ending	<u>\$ 3,636</u>	<u>\$ 153,636</u>	<u>\$ 317,650</u>	<u>\$ 164,014</u>

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Payments in lieu of taxes	\$ 363,600	\$ 363,600	\$ 348,414	\$ (15,186)
Shared Revenues	49,490	49,490	36,584	(12,906)
Investment Earnings	5,531	5,531	7,709	2,178
Total Revenues	<u>418,621</u>	<u>418,621</u>	<u>392,707</u>	<u>(25,914)</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
 Engineer				
General operating expenses	143,255	143,255	133,348	9,907
DEBT SERVICE				
Principal Retirement	265,000	265,000	265,000	-
Interest	151,000	151,000	151,000	-
Total Expenditures	<u>559,255</u>	<u>559,255</u>	<u>549,348</u>	<u>9,907</u>
Net Change in Fund Balance	(140,634)	(140,634)	(156,641)	(16,007)
Fund Balance - Beginning	215,291	215,291	215,291	-
Fund Balance - Ending	<u>\$ 74,657</u>	<u>\$ 74,657</u>	<u>\$ 58,650</u>	<u>\$ (16,007)</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 86,512	\$ 86,512	\$ 87,116	\$ 604
Intergovernmental	2,850	2,850	2,807	(43)
Investment Earnings	516	516	1,522	1,006
Total Revenues	<u>89,878</u>	<u>89,878</u>	<u>91,445</u>	<u>1,567</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
Personnel	567,423	568,091	503,493	64,598
General operating expense	2,500	2,500	1,423	1,077
Total Expenditures	<u>569,923</u>	<u>570,591</u>	<u>504,916</u>	<u>65,675</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(480,045)</u>	<u>(480,713)</u>	<u>(413,471)</u>	<u>67,242</u>
OTHER FINANCING SOURCES				
Transfers In	490,000	491,000	410,000	(81,000)
Total Other Financing Sources	<u>490,000</u>	<u>491,000</u>	<u>410,000</u>	<u>(81,000)</u>
Net Change in Fund Balance	9,955	10,287	(3,471)	(13,758)
Fund Balance - Beginning	52,270	52,270	52,270	-
Fund Balance - Ending	<u>\$ 62,225</u>	<u>\$ 62,557</u>	<u>\$ 48,799</u>	<u>\$ (13,758)</u>

CITY OF MORAINE, OHIO
FIRE PENSION FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 86,512	\$ 86,512	\$ 87,116	\$ 604
Intergovernmental	2,850	2,850	2,807	(43)
Investment Earnings	548	548	1,752	1,204
Total Revenues	<u>89,910</u>	<u>89,910</u>	<u>91,675</u>	<u>1,765</u>
EXPENDITURES				
PUBLIC SAFETY				
Fire				
Personnel	680,415	682,504	628,303	54,201
General operating expense	2,500	2,500	1,423	1,077
Total Expenditures	<u>682,915</u>	<u>685,004</u>	<u>629,726</u>	<u>55,278</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(593,005)</u>	<u>(595,094)</u>	<u>(538,051)</u>	<u>57,043</u>
OTHER FINANCING SOURCES				
Transfers In	600,000	602,100	535,000	(67,100)
Total Other Financing Sources	<u>600,000</u>	<u>602,100</u>	<u>535,000</u>	<u>(67,100)</u>
Net Change in Fund Balance	6,995	7,006	(3,051)	(10,057)
Fund Balance - Beginning	61,337	61,337	61,337	-
Fund Balance - Ending	<u>\$ 68,332</u>	<u>\$ 68,343</u>	<u>\$ 58,286</u>	<u>\$ (10,057)</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 474	\$ 474	\$ 1,229	\$ 755
Total Revenues	<u>474</u>	<u>474</u>	<u>1,229</u>	<u>755</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
General operating expense	6,165	6,165	2,965	3,200
Total Expenditures	<u>6,165</u>	<u>6,165</u>	<u>2,965</u>	<u>3,200</u>
Net Change in Fund Balance	(5,691)	(5,691)	(1,736)	3,955
Fund Balance - Beginning	39,577	39,577	39,577	-
Prior Year Encumbrances Appropriated	3,010	3,010	3,010	-
Fund Balance - Ending	<u>\$ 36,896</u>	<u>\$ 36,896</u>	<u>\$ 40,851</u>	<u>\$ 3,955</u>

CITY OF MORAIN, 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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Fines	\$ -	\$ -	\$ 6,745	\$ 6,745
Investment Earnings	486	486	1,658	1,172
Total Revenues	<u>486</u>	<u>486</u>	<u>8,403</u>	<u>7,917</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
General operating expense	27,000	27,000	16,782	10,218
Total Expenditures	<u>27,000</u>	<u>27,000</u>	<u>16,782</u>	<u>10,218</u>
Net Change in Fund Balance	(26,514)	(26,514)	(8,379)	18,135
Fund Balance - Beginning	57,851	57,851	57,851	-
Prior Year Encumbrances Appropriated	113	113	113	-
Fund Balance - Ending	<u>\$ 31,450</u>	<u>\$ 31,450</u>	<u>\$ 49,585</u>	<u>\$ 18,135</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 458	\$ 458	\$ 1,273	\$ 815
Total Revenues	<u>458</u>	<u>458</u>	<u>1,273</u>	<u>815</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
General operating expense	8,000	8,000	-	8,000
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Net Change in Fund Balance	(7,542)	(7,542)	1,273	8,815
Fund Balance - Beginning	41,165	41,165	41,165	-
Fund Balance - Ending	<u>\$ 33,623</u>	<u>\$ 33,623</u>	<u>\$ 42,438</u>	<u>\$ 8,815</u>

CITY OF MORAIN, OHIO
SPECIAL ENERGY IMPROVEMENT PROJECTS FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Special Assessments	\$ 21,000	\$ 21,000	\$ 19,268	\$ (1,732)
Total Revenues	21,000	21,000	19,268	(1,732)
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Economic Development				
General operating expenses	21,000	21,000	19,268	1,732
Total Expenditures	21,000	21,000	19,268	1,732
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

CITY OF MORAIN, OHIO
ONEOHIO OPIOID SETTLEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 34,526	\$ 34,526
Total Revenues	<u>-</u>	<u>-</u>	<u>34,526</u>	<u>34,526</u>
EXPENDITURES				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	34,526	34,526
Fund Balance - Beginning	7,697	7,697	7,697	-
Fund Balance - Ending	<u>\$ 7,697</u>	<u>\$ 7,697</u>	<u>\$ 42,223</u>	<u>\$ 34,526</u>

CITY OF MORAIN, OHIO
GENERAL DEBT SERVICE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
New Community Charges	\$ 261,600	\$ 261,600	\$ 261,600	\$ -
Interest	3,278	3,278	5,329	2,051
Total Revenues	<u>264,878</u>	<u>264,878</u>	<u>266,929</u>	<u>2,051</u>
EXPENDITURES				
DEBT SERVICE				
Principal	35,000	35,000	35,000	-
Interest	226,600	226,600	226,600	-
Total Expenditures	<u>261,600</u>	<u>261,600</u>	<u>261,600</u>	<u>-</u>
Net Change in Fund Balance	3,278	3,278	5,329	2,051
Fund Balance - Beginning	172,332	172,332	172,332	-
Fund Balance - Ending	<u>\$ 175,610</u>	<u>\$ 175,610</u>	<u>\$ 177,661</u>	<u>\$ 2,051</u>

CITY OF MORAIN, OHIO
VANCE DARROCH CAPITAL PROJECTS FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
CAPITAL OUTLAY				
Highways and Streets	121,000	68,000	67,365	635
Total Expenditures	121,000	68,000	67,365	635
Net Change in Fund Balance	(121,000)	(68,000)	(67,365)	635
Fund Balance - Beginning	119,746	119,746	119,746	-
Prior Year Encumbrances Appropriated	5,000	5,000	5,000	-
Fund Balance - Ending	<u>\$ 3,746</u>	<u>\$ 56,746</u>	<u>\$ 57,381</u>	<u>\$ 635</u>

CITY OF MORAIN, OHIO
PARKS AND RECREATION FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 99,600	\$ 99,600	\$ 114,984	\$ 15,384
Investment Earnings	1,274	1,274	3,497	2,223
Grants	1,000	1,000	899	(101)
Miscellaneous	2,000	2,000	3,177	1,177
Total Revenues	<u>103,874</u>	<u>103,874</u>	<u>122,557</u>	<u>18,683</u>
EXPENDITURES				
CULTURE AND RECREATION				
Civic Center				
Personnel services	304,425	304,425	187,971	116,454
General operating expenses	59,549	56,162	55,645	517
Total Civic Center	<u>363,974</u>	<u>360,587</u>	<u>243,616</u>	<u>116,971</u>
Recreational Center				
Personnel services	574,692	574,692	485,041	89,651
General operating expenses	183,231	207,225	141,833	65,392
Total Recreational Center	<u>757,923</u>	<u>781,917</u>	<u>626,874</u>	<u>155,043</u>
Parks & Recreation Programs				
General operating expenses	279,235	198,835	147,750	51,085
Total Parks & Recreation Programs	<u>279,235</u>	<u>198,835</u>	<u>147,750</u>	<u>51,085</u>
Total Expenditures	<u>1,401,132</u>	<u>1,341,339</u>	<u>1,018,240</u>	<u>323,099</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,297,258)</u>	<u>(1,237,465)</u>	<u>(895,683)</u>	<u>341,782</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,274,000	1,250,700	870,000	(380,700)
Total Other Financing Sources (Uses)	<u>1,274,000</u>	<u>1,250,700</u>	<u>870,000</u>	<u>(380,700)</u>
Net Change in Fund Balance	(23,258)	13,235	(25,683)	(38,918)
Fund Balance - Beginning	71,467	71,467	71,467	-
Prior Year Encumbrances Appropriated	44,759	44,759	44,759	-
Fund Balance - Ending	<u>\$ 92,968</u>	<u>\$ 129,461</u>	<u>\$ 90,543</u>	<u>\$ (38,918)</u>

CITY OF MORAIN, OHIO
CITY DEPOSITS FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Miscellaneous	\$ 20,000	\$ 20,000	\$ 17,060	\$ (2,940)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>17,060</u>	<u>(2,940)</u>
EXPENDITURES				
CULTURE AND RECREATION				
General operating expenses	25,500	25,500	18,800	6,700
Total Culture and Recreation	<u>25,500</u>	<u>25,500</u>	<u>18,800</u>	<u>6,700</u>
Total Expenditures	<u>25,500</u>	<u>25,500</u>	<u>18,800</u>	<u>6,700</u>
Net Change in Fund Balance	(5,500)	(5,500)	(1,740)	3,760
Fund Balance - Beginning	38,119	38,119	38,119	-
Fund Balance - Ending	<u>\$ 32,619</u>	<u>\$ 32,619</u>	<u>\$ 36,379</u>	<u>\$ 3,760</u>

CITY OF MORAIN, OHIO
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2023

	<u>City Garage</u>	<u>Insurance Reserve</u>	<u>Health Insurance</u>	<u>Total Internal Service Funds</u>
ASSETS				
CURRENT ASSETS				
Equity in Pooled Cash and Investments	\$ 360,002	\$ 1,416,255	\$ 647,473	\$ 2,423,730
Inventories	112,100	-	-	112,100
Total Current Assets	<u>472,102</u>	<u>1,416,255</u>	<u>647,473</u>	<u>2,535,830</u>
Total Assets	<u>472,102</u>	<u>1,416,255</u>	<u>647,473</u>	<u>2,535,830</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Pensions and OPEB	208,521	-	-	208,521
Total Deferred Outflows of Resources	<u>208,521</u>	<u>-</u>	<u>-</u>	<u>208,521</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	21,904	420	-	22,324
Salaries and Benefits Payable	8,199	-	-	8,199
Compensated Absences Payable	9,234	-	-	9,234
Insurance Claims Payable	-	953	173,441	174,394
Total Current Liabilities	<u>39,337</u>	<u>1,373</u>	<u>173,441</u>	<u>214,151</u>
LONG-TERM LIABILITIES				
Compensated Absences Payable	55,156	-	-	55,156
Net Pension Liability	425,516	-	-	425,516
Net OPEB Liability	7,994	-	-	7,994
Total Long-Term Liabilities	<u>488,666</u>	<u>-</u>	<u>-</u>	<u>488,666</u>
Total Liabilities	<u>528,003</u>	<u>1,373</u>	<u>173,441</u>	<u>702,817</u>
DEFERRED INFLOWS OF RESOURCES:				
Pensions and OPEB	3,554	-	-	3,554
Total Deferred Inflows of Resources	<u>3,554</u>	<u>-</u>	<u>-</u>	<u>3,554</u>
NET POSITION				
Unrestricted	149,066	1,414,882	474,032	2,037,980
Total Net Position	<u>\$ 149,066</u>	<u>\$ 1,414,882</u>	<u>\$ 474,032</u>	<u>\$ 2,037,980</u>

CITY OF MORAIN, OHIO

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2023

	<u>City Garage</u>	<u>Insurance Reserve</u>	<u>Health Insurance</u>	<u>Total Internal Service Funds</u>
Operating Revenues				
Charges for Services	\$ 588,032	\$ -	\$ 2,057,409	\$ 2,645,441
Miscellaneous	1,115	2,651	-	3,766
Total Operating Revenues	<u>589,147</u>	<u>2,651</u>	<u>2,057,409</u>	<u>2,649,207</u>
Operating Expenses				
Personal Services	303,013	-	-	303,013
Contractual Services	58,420	4,235	395,619	458,274
Supplies and Materials	256,222	-	-	256,222
Claims and Judgements	-	26,253	1,515,427	1,541,680
Total Operating Expenses	<u>617,655</u>	<u>30,488</u>	<u>1,911,046</u>	<u>2,559,189</u>
Operating Income (Loss)	<u>(28,508)</u>	<u>(27,837)</u>	<u>146,363</u>	<u>90,018</u>
Non-operating Revenues				
Investment Earnings	-	54,549	15,876	70,425
Total Non-operating Revenues	<u>-</u>	<u>54,549</u>	<u>15,876</u>	<u>70,425</u>
Change in Net Position	<u>(28,508)</u>	<u>26,712</u>	<u>162,239</u>	<u>160,443</u>
Total Net Position - Beginning, restated	177,574	1,388,170	311,793	1,877,537
Total Net Position - Ending	<u>\$ 149,066</u>	<u>\$ 1,414,882</u>	<u>\$ 474,032</u>	<u>\$ 2,037,980</u>

CITY OF MORAIN, OHIO
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2023

	City Garage	Insurance Reserve	Health Insurance	Total Internal Service Funds
Cash Flows From Operating Activities				
Cash received for interfund services	\$ 588,032	\$ -	\$ 2,087,031	\$ 2,675,063
Miscellaneous receipts & reimbursements	1,115	2,651	-	3,766
Cash paid to employees for services	(288,862)	-	-	(288,862)
Cash paid to suppliers for goods or services	(300,230)	(4,515)	(395,619)	(700,364)
Cash paid for insurance claims	-	(26,835)	(1,615,325)	(1,642,160)
Net cash provided (used) by operating activities	<u>55</u>	<u>(28,699)</u>	<u>76,087</u>	<u>47,443</u>
Cash Flows From Investing Activities				
Investment earnings	-	54,549	15,876	70,425
Net cash provided by investing activities	<u>-</u>	<u>54,549</u>	<u>15,876</u>	<u>70,425</u>
Net Change	55	25,850	91,963	117,868
Equity in Pooled Cash and Investments Beginning of Year	359,947	1,390,405	555,510	2,305,862
Equity in Pooled Cash and Investments End of Year	<u>\$ 360,002</u>	<u>\$ 1,416,255</u>	<u>\$ 647,473</u>	<u>\$ 2,423,730</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (28,508)	\$ (27,837)	\$ 146,363	\$ 90,018
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Decrease in accounts receivables	-	-	29,622	29,622
Increase in inventories	(7,492)	-	-	(7,492)
Decrease in net OPEB Asset	34,503	-	-	34,503
Increase in deferred outflows of resources	(133,815)	-	-	(133,815)
Increase in accounts payable	21,904	420	-	22,324
Increase in salaries and benefits payable	952	-	-	952
Decrease in insurance claims payable	-	(1,282)	(99,898)	(101,180)
Increase in compensated absences payable	3,013	-	-	3,013
Increase in net pension liabilities	278,957	-	-	278,957
Increase in net OPEB liabilities	7,994	-	-	7,994
Decrease in deferred inflows of resources	(177,453)	-	-	(177,453)
Net cash provided (used) by operating activities	<u>\$ 55</u>	<u>\$ (28,699)</u>	<u>\$ 76,087</u>	<u>\$ 47,443</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents:

Financial Trends (Tables 1-4)

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules can be found on pages 108 to 112.

Revenue Capacity (Tables 5-10)

These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, income and property taxes. These schedules can be found on pages 113 to 118.

Debt Capacity (Tables 11-13)

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt as well as the City's ability to issue additional debt in the future. These schedules can be found on pages 119 to 121.

Demographic and Economic Information (Tables 14-15)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. These schedules can be found on pages 122 and 123.

Operating Information (Tables 16-18)

These schedules contain information about the City's operation and resources to help the reader understand how the City's financial information relates to the services proved and activities performed. These schedules can be found on pages 124 to 126.

Sources: Unless otherwise noted, the information in these schedules is derived from the City's annual financial reports for the relevant year.

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

TABLE 1

	<u>2014</u> ⁽¹⁾	<u>2015</u>	<u>2016</u>	<u>2017</u> ⁽²⁾	<u>2018</u> ⁽³⁾	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities										
Net Investment in Capital Assets	\$ 25,033	\$ 24,836	\$ 24,221	\$ 23,229	\$ 23,477	\$ 24,170	\$ 22,659	\$ 20,525	\$ 20,882	\$ 20,202
Restricted for:										
Debt service	137	133	136	144	145	199	208	370	142	146
Special revenue	1,581	1,927	2,146	2,363	1,543	1,507	1,566	1,487	1,466	1,481
Capital projects	3,913	2,753	2,109	2,140	-	112	-	-	-	-
Unrestricted	(8,219)	(6,073)	(4,096)	(16,813)	(14,538)	(3,073)	2,313	13,738	20,417	29,517
Total government activities net position	22,445	23,576	24,516	11,063	10,627	22,915	26,746	36,120	42,907	51,346
Business-type activities										
Unrestricted	609	614	619	623	627	638	769	954	1,525	1,663
Total business-type activities net position	609	614	619	623	627	638	769	954	1,525	1,663
Primary government										
Net Investment in Capital Assets	25,033	24,836	24,221	23,229	23,477	24,170	22,659	20,525	20,882	20,202
Restricted	5,631	4,813	4,391	4,647	1,688	1,818	1,774	1,857	1,608	1,627
Unrestricted	(7,610)	(5,459)	(3,477)	(16,190)	(13,911)	(2,435)	3,082	14,692	21,942	31,180
Total primary government net position	\$ 23,054	\$ 24,190	\$ 25,135	\$ 11,686	\$ 11,254	\$ 23,553	\$ 27,515	\$ 37,074	\$ 44,432	\$ 53,009

Note:

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

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

	<u>2014</u> ⁽¹⁾	<u>2015</u> ⁽²⁾	<u>2016</u>	<u>2017</u> ⁽³⁾	<u>2018</u> ⁽⁴⁾	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Expenses										
Governmental activities:										
General government	\$ 3,634	\$ 3,735	\$ 4,248	\$ 4,443	\$ 4,696	\$ 4,948	\$ 4,513	\$ 3,010	\$ 4,171	\$ 4,406
Public safety	8,014	8,901	9,601	9,586	10,536	1,800	9,945	8,777	9,704	11,460
Highways and streets	3,612	4,644	5,599	5,018	5,233	3,978	5,039	3,262	4,266	5,406
Sanitation	303	288	287	549	306	380	315	355	356	364
Culture and recreation	991	1,387	1,171	1,426	1,256	1,362	1,197	533	1,001	1,067
Economic development	730	343	1,534	553	629	2,193	851	699	608	1,182
Health and welfare	116	161	152	179	178	-	-	-	2	1
Interest and fiscal charges	248	251	250	384	285	327	267	334	343	337
Total governmental activities expenses	<u>17,648</u>	<u>19,710</u>	<u>22,842</u>	<u>22,138</u>	<u>23,119</u>	<u>14,988</u>	<u>22,127</u>	<u>16,970</u>	<u>20,451</u>	<u>24,223</u>
Business-type activities:										
New community authority	-	-	-	-	-	-	-	14	8	8
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>17,648</u>	<u>19,710</u>	<u>22,842</u>	<u>22,138</u>	<u>23,119</u>	<u>14,988</u>	<u>22,127</u>	<u>16,984</u>	<u>20,459</u>	<u>24,231</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	408	421	498	438	301	505	344	532	456	443
Public safety	295	488	529	392	387	350	321	459	455	561
Sanitation	14	-	-	1	-	-	-	-	-	-
Culture and recreation	195	259	188	187	177	231	33	60	96	111
Economic development	-	-	-	-	-	-	-	-	19	19
Operating grants and contributions	764	823	1,399	785	660	1,016	1,302	811	1,004	1,323
Capital grants and contributions	128	1,810	1,374	-	853	1,669	576	300	1,271	686
Total governmental activities program revenues	<u>1,804</u>	<u>3,801</u>	<u>3,988</u>	<u>1,803</u>	<u>2,378</u>	<u>3,771</u>	<u>2,576</u>	<u>2,162</u>	<u>3,301</u>	<u>3,143</u>
Business-type activities:										
Charges for services:										
New community authority	-	-	-	-	-	-	122	199	471	376
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122</u>	<u>199</u>	<u>471</u>	<u>376</u>
Total primary government program revenues	<u>1,804</u>	<u>3,801</u>	<u>3,988</u>	<u>1,803</u>	<u>2,378</u>	<u>3,771</u>	<u>2,698</u>	<u>2,361</u>	<u>3,772</u>	<u>3,519</u>

Note:

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

TABLE 2 (continued)

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

	<u>2014</u> ⁽¹⁾	<u>2015</u> ⁽²⁾	<u>2016</u>	<u>2017</u> ⁽³⁾	<u>2018</u> ⁽⁴⁾	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Net (Expense)/Revenue										
Governmental activities	(15,844)	(15,909)	(18,854)	(20,335)	(20,741)	(11,217)	(19,551)	(14,808)	(17,150)	(21,080)
Business-type activities	-	-	-	-	-	-	122	185	463	368
Total net expense	<u>(15,844)</u>	<u>(15,909)</u>	<u>(18,854)</u>	<u>(20,335)</u>	<u>(20,741)</u>	<u>(11,217)</u>	<u>(19,429)</u>	<u>(14,623)</u>	<u>(16,687)</u>	<u>(20,712)</u>
General Revenues										
Governmental activities:										
Taxes										
Income tax	13,137	15,768	18,314	18,308	18,523	20,833	18,845	21,060	21,657	26,021
Property taxes, levied for										
Property taxes, levied for										
General purposes	415	404	419	406	473	445	480	494	508	541
Police pensions	66	65	66	65	76	72	77	80	81	87
Fire pensions	66	65	67	65	76	72	77	80	81	87
Other taxes	20	16	23	21	32	23	40	53	56	18
Payments in lieu of taxes	185	247	292	345	362	366	385	331	363	344
Shared revenues (unrestricted)	261	178	130	98	113	141	134	203	192	140
Other	259	216	384	448	498	1,243	3,044	1,896	1,054	497
Investment earnings	73	81	99	87	145	310	301	(15)	(55)	1,595
Total governmental activities general revenues	<u>14,482</u>	<u>17,040</u>	<u>19,794</u>	<u>19,843</u>	<u>20,298</u>	<u>23,505</u>	<u>23,383</u>	<u>24,182</u>	<u>23,937</u>	<u>29,330</u>
Business-type activities:										
Investment earnings	4	5	5	5	4	11	9	-	(1)	31
Other	-	-	-	-	-	-	-	-	(16)	(261)
Total business-type activities general revenues	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>11</u>	<u>9</u>	<u>-</u>	<u>(17)</u>	<u>(230)</u>
Total primary government general revenues	<u>14,486</u>	<u>17,045</u>	<u>19,799</u>	<u>19,848</u>	<u>20,302</u>	<u>23,516</u>	<u>23,392</u>	<u>24,182</u>	<u>23,920</u>	<u>29,100</u>
Change in Net Position										
Governmental activities	(1,362)	1,131	940	(492)	(443)	12,288	3,832	9,374	6,787	8,250
Business-type activities	4	5	5	5	4	11	131	185	446	138
Total primary government	<u>\$ (1,358)</u>	<u>\$ 1,136</u>	<u>\$ 945</u>	<u>\$ (487)</u>	<u>\$ (439)</u>	<u>\$ 12,299</u>	<u>\$ 3,963</u>	<u>\$ 9,559</u>	<u>\$ 7,233</u>	<u>\$ 8,388</u>

Note:

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

CITY OF MORAINE, OHIO
Governmental Fund Balances
Last Ten Years

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

General Fund	<u>2014</u> ⁽¹⁾	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Nonspendable	\$ 933	\$ 92	\$ 91	\$ 90	\$ 90	\$ 103	\$ 110	\$ 112	\$ 132	\$ 131
Assigned	541	1,029	663	1,797	2,141	718	1,589	493	5,333	3,239
Unassigned	3,762	6,093	9,353	10,782	11,707	18,187	25,659	33,392	31,683	41,301
Total general fund	5,236	7,214	10,107	12,669	13,938	19,008	27,358	33,997	37,148	44,671
All Other Governmental Funds										
Nonspendable	245	534	791	954	134	143	103	113	200	511
Restricted	2,871	2,962	2,606	2,493	2,560	5,183	3,098	2,333	1,899	1,568
Committed	3,762	2,841	2,044	2,097	2,872	1,123	1,285	789	849	1,847
Unassigned	(603)	(9)	(40)	(492)	(2,415)	(27)	-	-	-	(11)
Total all other governmental funds	\$ 6,275	\$ 6,328	\$ 5,401	\$ 5,052	\$ 3,151	\$ 6,422	\$ 4,486	\$ 3,235	\$ 2,948	\$ 3,915

(1) - restated for correction of errors.

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

TABLE 4

	2014(1)	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES										
Income Taxes	\$ 13,452	\$ 15,721	\$ 18,104	\$ 18,486	\$ 18,495	\$ 20,600	\$ 19,342	\$ 20,505	\$ 21,276	\$ 24,878
Property Taxes	544	529	540	561	628	594	616	654	687	717
Other Taxes	19	16	23	21	32	24	40	53	54	18
Payment in lieu of taxes	185	247	292	343	363	366	385	331	358	350
Shared Revenues	715	825	630	689	611	768	842	910	925	929
License and Permits	148	113	198	112	79	166	124	211	156	205
Charges for Services	516	646	621	606	527	617	450	510	587	648
Fines	275	326	232	264	245	304	203	266	268	220
Investment Earnings	72	81	99	86	146	310	301	(15)	(55)	1,595
Intergovernmental	592	1,601	2,087	177	1,127	1,070	2,023	365	1,463	1,155
Miscellaneous	306	271	474	501	423	549	1,710	444	307	187
Total Revenues	16,824	20,376	23,300	21,846	22,676	25,368	26,036	24,234	26,026	30,902
EXPENDITURES										
Current:										
General government	3,343	3,536	3,562	3,495	4,188	3,681	3,683	3,915	4,519	4,100
Public Safety	7,519	8,397	8,398	8,535	8,797	9,147	8,510	9,568	10,012	9,792
Highways & Streets	2,558	3,198	2,310	2,304	2,484	2,439	2,149	2,351	2,505	2,398
Sanitation	303	288	287	275	306	380	314	355	356	364
Economic Development	684	327	1,151	509	557	2,151	774	783	794	1,092
Health and Welfare	112	162	144	153	158	1	-	-	2	1
Culture and Recreation	760	1,176	1,097	1,097	1,034	1,016	811	853	1,029	1,026
Capital Improvements	66	1,292	3,858	2,849	5,357	6,529	4,418	2,011	4,271	3,230
Debt Service:										
Principal	110	269	318	315	329	357	8,324	8,473	348	368
Interest & Fiscal Charges	252	250	256	399	301	242	377	487	383	378
Total Expenditures	15,707	18,895	21,381	19,931	23,511	25,943	29,360	28,796	24,219	22,749
Excess (deficiency) of revenues over expenditures	1,117	1,481	1,919	1,915	(835)	(575)	(3,324)	(4,562)	1,807	8,153
OTHER FINANCIAL SOURCES (USES)										
Long-term bonds/notes issued	187	267	-	4,961	-	7,950	8,150	8,270	-	-
Loans issued	-	-	-	87	63	-	96	-	-	-
Payments to Refunding Escrow Agent	-	-	-	(4,782)	-	-	-	-	-	-
Transfers In	1,860	3,135	4,310	4,825	5,305	4,763	2,845	3,833	5,701	6,466
Transfers Out	(1,860)	(3,175)	(4,310)	(4,825)	(5,305)	(4,763)	(2,845)	(3,833)	(5,685)	(6,205)
Inception of capital leases	-	310	-	-	-	72	-	-	-	-
Other financing sources	2	14	47	32	140	886	1,492	1,680	1,041	75
Total Other Financing Sources (Uses)	189	551	47	298	203	8,908	9,738	9,950	1,057	336
Net Change in Fund Balance	\$ 1,306	\$ 2,032	\$ 1,966	\$ 2,213	\$ (632)	\$ 8,333	\$ 6,414	\$ 5,388	\$ 2,864	\$ 8,489
Debt service as a percentage of noncapital expenditures (2)	2.49%	2.78%	2.86%	3.77%	3.17%	2.91%	32.31%	31.24%	3.32%	3.38%

(1) - restated for correction of errors.

(2) - high percentage in 2020 and 2021 due to retirement of short-term BANs bonded in 2021.

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

TABLE 5

Year	Municipal Income Taxes	Property and Other Local Taxes	State Shared Taxes and Permits	Total
2014	\$ 13,136,740 (1)	\$ 752,342	\$ 261,322	\$ 14,150,404
2015	15,767,651	796,719	178,221	16,742,591
2016	18,313,736	867,766	129,356	19,310,858
2017	18,308,167	902,163	98,415	19,308,745
2018	18,523,503	1,018,300	112,795	19,654,598
2019	20,832,783	978,111	140,896	21,951,790
2020	18,845,105 (2)	1,059,335	133,629	20,038,069
2021	21,060,368	1,036,734	202,737	22,299,839
2022	21,656,654	1,089,385	191,680	22,937,719
2023	26,020,719 (3)	1,077,398	140,184	27,238,301

Source: City of Moraine, Department of Finance

- (1) Income tax rate increased 1/2% to 2.5% effective July 1, 2014, with 2015 being the first full year of collection using new rate.
- (2) Decrease in income taxes due to COVID-19 pandemic.
- (3) Increases in income taxes were noted in all collection areas, especially related to withholdings and business returns.

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

TABLE 6

<u>Year</u>	<u>Amount</u>
2014	\$ 13,244,913 ⁽²⁾
2015	15,581,691
2016	18,415,382
2017	18,891,767
2018	18,863,425
2019	21,057,723
2020	19,259,384 ⁽³⁾
2021	21,062,778
2022	21,275,939
2023	24,878,304 ⁽⁴⁾

Source: City of Moraine, Department of Finance

- (1) Includes all governmental fund types.
- (2) Income tax rate increased 1/2% to 2.5% effective July 1, 2014. 2015 is first full year of collection using new rate.
- (3) Decrease due to COVID-19 pandemic.
- (4) Increases in income taxes were noted in all collection areas, especially related to withholdings and business returns.

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

<u>2014</u>		<u>2023 Rank</u>	<u>2023</u>	
<u>Rank</u>	<u>Name</u>		<u>Rank</u>	<u>Name</u>
1	Dmax	2	1	Fuyao Glass America
2	Dayton Power and Light	5	2	Dmax Ltd.
3	WinSupply Inc	3	3	WinSupply Inc
4	Vivial Media LLC	-	4	Heidelberg Distributing
5	Lastar	-	5	Dayton Power and Light
6	Compunet Clinical Laboratories	6	6	Compunet Clinical Laboratories
7	BWI North American Inc	-	7	Fidelity Healthcare Inc
8	Heidelberg Distributing	4	8	City of Moraine
9	City of Moraine	8	9	Tyler Technology
10	Berry Network Inc	-	10	Walmart Associates Inc

Source: City of Moraine, Department of Finance

Note: Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of the withholding by taxpayer. The City chose not to disclose percentages and number of filers.

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

<u>Year</u>	<u>Agricultural</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Total Taxable Assessed</u>	<u>Total Direct Tax</u>	<u>Estimated Actual Taxable</u>	<u>Taxable Assessed Value as a Percentage of</u>
2014	\$ 1,451,150	\$ 49,545,830	\$ 53,776,430	\$ 33,006,830	\$ 137,780,240	2.50	\$ 393,657,829	35%
2015	1,915,020	43,571,810	51,698,110	32,169,850	129,354,790	2.50	369,585,114	35%
2016	1,915,580	44,220,900	51,301,380	38,018,300	135,456,160	2.50	387,017,600	35%
2017	1,915,580	43,492,750	56,009,460	35,779,990	137,197,780	2.50	391,993,657	35%
2018	1,794,650	47,964,760	57,288,890	36,338,140	143,386,440	2.50	409,675,543	35%
2019	1,794,650	48,008,700	58,636,580	37,473,170	145,913,100	2.50	416,894,571	35%
2020	1,794,650	48,604,170	57,286,800	38,062,750	145,748,370	2.50	416,423,914	35%
2021	1,686,510	55,047,990	59,001,910	40,027,590	155,764,000	2.50	445,040,000	35%
2022	1,727,250	57,542,930	60,006,320	39,043,270	158,319,770	2.50	452,342,200	35%
2023	1,636,490	58,309,740	69,139,720	42,035,070	171,121,020	2.50	488,917,200	35%

Source: Montgomery County Auditor's Office

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
MUNICIPAL UNITS:										
General Fund	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90
Police Pension Fund	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Fire Pension Fund	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Total Municipal Rates	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>
COUNTY UNITS:										
General Fund	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Developmental Disabilities	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Conservancy Tax										
Human Services Levy A	8.21	8.21	8.21	8.21	8.21	8.21	8.21	8.21	8.21	8.21
Human Services Levy B	6.03	6.03	6.03	6.03	6.03	6.03	6.03	6.03	6.03	6.03
Total County Rates	<u>16.94</u>	<u>16.94</u>	<u>16.94</u>	<u>16.94</u>	<u>16.94</u>	<u>16.94</u>	<u>16.94</u>	<u>16.94</u>	<u>16.94</u>	<u>16.94</u>
OTHER UNITS:										
Montgomery County Community College	3.20	3.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	3.20
Montgomery County Park District	1.80	1.80	1.80	1.80	1.80	2.00	2.00	2.00	2.00	2.00
Dayton - Montgomery Library	3.31	3.31	3.31	3.31	3.31	3.31	3.15	3.15	3.09	3.04
SCHOOL DISTRICT:										
Kettering / Moraine Community	82.99	82.99	82.99	85.39	85.26	91.03	91.03	90.50	90.18	96.17
West Carrollton Community	72.05	72.05	72.05	77.55	77.55	83.15	83.15	82.15	82.15	82.15
Jefferson Local School	61.40	61.40	61.40	61.40	61.40	61.40	61.40	61.40	61.40	61.40
Joint Vocational School	2.58	2.58	2.58	2.58	4.01	4.01	4.01	3.96	3.96	3.93

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 2023</u>		
<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Total Taxable Valuation</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Valuation</u>
Dayton Power & Light Company	Gas and Electric Utility	\$ 84,981,520	1	28.01%
Tait Electric Generation Station	Utility	25,371,090	2	8.36%
Vectren Energy	Utility	25,242,560	3	8.32%
Dovetree Apartments	Real Estate	10,508,750	4	3.46%
Heidelberg Distributing RE LLC	Beverage Wholesale	5,290,200	5	1.74%
General Motors Company	Manufacturing	3,289,280	6	1.08%
Premier Creekside Ohio LLC	Real Estate/Development	3,023,550	7	1.00%
Kroger Limited Partnership	Retail Sales	2,866,670	8	0.94%
WMSSMDOM LLC	Publisher/Marketing	2,467,070	9	0.81%
Moraine 3535 Kettering LLC	Real Estate	2,212,000	10	0.73%
	Subtotal	<u>165,252,690</u>		<u>54.45%</u>
	All Others	<u>138,192,400</u>		<u>45.55%</u>
	Total Taxable Assessed (1)	<u><u>\$ 303,445,090</u></u>		<u><u>100.00%</u></u>

		<u>Calendar Year 2014</u>		
<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Total Taxable Valuation</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Valuation</u>
Dayton Power & Light Company	Gas and Electric Utility	\$87,089,590	1	37.81%
Vectren Energy	Utility	7,486,420	2	3.25%
Dovetree Apartments	Real Estate	3,397,120	3	1.47%
Walmart Stores	Retail Sales	3,162,270	4	1.37%
3601 Dryden LLC	Retail Sales	2,537,500	5	1.10%
Berry LM Services Inc.	Publisher/Marketing	2,142,750	6	0.93%
IRG Moraine LLC	Real Estate/Development	2,107,640	7	0.92%
Dryden Service Center Dayton LLC	Real Estate	1,835,030	8	0.80%
Woodbine Partners LTD	Retail Sales	1,748,930	9	0.76%
PDQ Bell Plaza LLC	Retail Sales	1,603,710	10	0.70%
	Subtotal	<u>113,110,960</u>		<u>49.11%</u>
	All Others	<u>117,219,910</u>		<u>50.89%</u>
	Total Taxable Assessed (1)	<u><u>\$ 230,330,870</u></u>		<u><u>100.00%</u></u>

Source: Montgomery County Auditor's Office

(1) - Total taxable assessed property includes real property and public utility property.

CITY OF MORAIN, OHIO
Property Taxes Levied and Collected
Last Ten Fiscal Years

<u>TAX YEAR</u>	<u>YEAR</u>	<u>TOTAL LEVIED</u>	<u>TOTAL COLLECTED</u>	<u>PERCENTAGE COLLECTED</u>	<u>DELINQUENT COLLECTIONS</u>	<u>TOTAL COLLECTIONS</u>	<u>TOTAL AS LEVIED</u>	<u>PERCENTAGE AS LEVIED</u>	<u>OUTSTANDING TAXES</u>	<u>OUTSTANDING DELINQUENT TAXES AS PERCENTAGE LEVIED</u>
2013/2014	2014	\$ 570,034	\$ 549,675	96%	\$ 16,493	\$ 566,168	99%	99%	\$ 30,368	5%
2014/2015	2015	550,881	528,894	96%	20,970	549,864	100%	100%	34,676	6%
2015/2016	2016	572,820	534,548	93%	25,574	560,122	98%	98%	47,511	8%
2016/2017	2017	574,992	558,261	97%	22,813	581,073	101%	101%	23,067	4%
2017/2018	2018	608,516	593,664	98%	55,847	649,511	107%	107%	20,606	3%
2018/2019	2019	614,324	600,067	98%	15,803	615,870	100%	100%	15,126	2%
2019/2020	2020	646,757	630,792	98%	6,220	637,012	98%	98%	33,961	5%
2020/2021	2021	680,272	662,251	97%	14,129	713,915	105%	105%	32,880	5%
2021/2022	2022	697,080	693,871	100%	15,629	709,500	102%	102%	22,956	3%
2022/2023	2023	749,019	721,411	96%	17,765	739,176	99%	99%	16,507	2%

Source: Montgomery County Auditor's Office.

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

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

TABLE 11

Year	BAN (3) and OPWC Note		Various Purpose Bonds (1)		Financed Purchase		Total Primary Government		Personal Income (2) <small>(thousands of dollars)</small>		Percentage Personal Income		Total Debt Per Capita (2)	
	\$		\$		\$		\$		\$		%		\$	
2014	\$	781,561	\$	5,700,803	\$	-	\$	6,482,364	\$	106,462		6.09%		1,027.80
2015		964,476		5,512,013		310,601		6,787,090		106,462		6.38%		1,076.12
2016		894,663		5,318,223		252,599		6,465,485		106,462		6.07%		1,025.13
2017		921,255		5,562,652		192,607		6,676,514		106,462		6.27%		1,058.59
2018		921,803		5,324,963		130,557		6,377,323		106,462		5.99%		1,011.15
2019		8,808,386		5,082,274		118,335		14,008,995		106,462		13.16%		2,221.18
2020		9,070,708		4,829,585		-		13,900,293		135,794		10.24%		2,174.30
2021		852,467		12,801,489		-		13,653,956		135,794		10.05%		2,135.77
2022		784,227		12,464,087		-		13,248,314		135,794		9.76%		2,072.32
2023		715,987		12,106,685		-		12,822,672		135,794		9.44%		2,005.74

(1) Bond amounts include unamortized premiums

(2) See Table 14 for demographic data

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

CITY OF MORaine, OHIO
Computation of Direct and Overlapping Debt
December 31, 2023

Jurisdiction	Total GO Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Moraine, Ohio
<i>DIRECT DEBT</i>			
CITY OF MORaine	\$ 12,822,672	100.00%	\$ 12,822,672
<i>OVERLAPPING</i>			
DAYTON METRO LIBRARY	118,369,986	2.96%	3,503,752
MIAMI TOWNSHIP	18,815,000	0.07%	13,171
WEST CARROLLTON CITY SCHOOL DISTRICT	39,465,000	16.58%	6,543,297
KETTERING CITY SCHOOL DISTRICT	36,428,000	10.94%	3,985,223
MIAMI VALLEY CAREER CENTER - JT. VOC. SCHOOL DISTRICT	116,770,000	1.09%	1,272,793
<i>TOTAL OVERLAPPING DEBT</i>	<u>329,847,986</u>		<u>15,318,236</u>
TOTAL	<u>\$ 342,670,658</u>		<u>\$ 28,140,908</u>

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

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$13,582	\$14,467	\$13,582	\$14,223	\$15,056	\$15,321	\$15,304	\$16,355	\$16,624	\$17,968
Legal Debt Margin	<u>8,115</u>	<u>9,160</u>	<u>8,468</u>	<u>9,306</u>	<u>10,056</u>	<u>2,925</u>	<u>2,960</u>	<u>12,588</u>	<u>12,879</u>	<u>14,464</u>

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

	41.42%	36.68%	37.65%	34.57%	33.21%	80.91%	80.66%	23.03%	22.53%	19.50%
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Legal Debt Margin Calculation for Calendar Year 2023

Total Assessed Value (tax year 2021)	171,121
Debt limit (10.5% of total assessed value)	17,968
Debt applicable to limit:	
Total Bonded Obligations	11,290
Less: Self-Supported Bonded Debt	7,640
Less: Amount restricted for repayment of general obligation debt	146
Total net debt applicable to limit	<u>3,504</u>
Legal debt margin	<u>\$14,464</u>

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

TABLE 14

Calendar Year	(1) Population	(1) Personal Income <small>(thousands of dollars)</small>	(1) Per Capita Personal Income	(1) Median Age	(2) Unemployment Rate
2014	6,307	\$ 106,462	\$ 16,880	37.0	4.8%
2015	6,307	106,462	16,880	37.0	4.7%
2016	6,307	106,462	16,880	37.0	4.6%
2017	6,307	106,462	16,880	37.0	4.4%
2018	6,307	106,462	16,880	37.0	4.7%
2019	6,307	106,462	16,880	37.0	3.8%
2020	6,393	135,794	21,241	35.7	5.4%
2021	6,393	135,794	21,241	35.7	3.6%
2022	6,393	135,794	21,241	35.7	3.7%
2023	6,393	135,794	21,241	35.7	3.3%

Sources:

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

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

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

CITY OF MORAINE, OHIO
Principal Employers

TABLE 15

Current Year and Nine Years Ago

	2023	2014	Number of Employees
Fuyao Glass America	2,988	1	Dmax Ltd. 522 1
Dmax Ltd.	1,366	2	Dayton Power and Light 470 2
Heidelberg Distributing	912	3	Walmart 384 3
Fidelity Healthcare Inc	706	4	Heidelberg 367 4
Walmart Associates Inc	614	5	Berry 1 Company 341 5
Compunet Clinical Laboratories	519	6	Compunet Labs 336 6
WinSupply Inc	475	7	Provider Services 206 7
Dayton Power and Light	456	8	Win Wholesale 201 8
Kroger Limited Partnership	382	9	South Community 198 9
South Community	246	10	Lastar 194 10

Source: City of Moraine, Department of Finance

Note: Total employment within the City is not available.

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government										
Clerk of Council	1	1	1	1	1	1	1	1	1	1
City Manager	6	6	6	7	7	6	6	6	6	6
Clerk of Courts	2	2	2	2	2	2	2	2	2	2
Law	0	0	0	0	0	0	0	0	0	0
Finance	6	6	6	7	7	7	7	7	7	7
Public Buildings	6	6	6	6	6	6	6	6	6	6
Public Safety										
Police	32	34	34	35	34	30	30	32	35	35
Fire	25	27	24	30	27	28	28	27	24	28
Other										
Highways and Streets	18	18	16	15	15	17	17	16	17	17
Community Development	3	3	3	3	4	4	4	4	5	5
Recreation and Culture	18	20	21	21	19	19	13	15	13	16
Garage	3	3	3	3	3	3	3	3	3	3
Total	120	126	122	130	125	123	117	119	119	126

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.

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Warrants served	899	1,041	872	977	628	724	675	933	1,058	684
Felony arrests	252	293	273	261	169	197	160	214	331	244
Arrests made	1,771	1,800	1,700	1,839	1,347	1,403	1,020	1,146	1,207	1,220
Traffic citations issued	2,537	2,523	2,799	3,329	2,581	2,981	1,615	3,635	2,580	2,493
Miles Patrolled	224,694	233,288	207,661	216,938	188,208	195,008	153,059	222,702	237,619	232,542
Fire										
Fire calls	80	722	801	797	815	826	889	497	499	941
EMS calls	1,705	2,069	2,152	2,188	2,008	2,307	2,034	2,300	2,339	2,181
Fire Inspections	920	749	799	663	833	759	747	764	796	758
Child Safety Seat Inspections	26	16	52	71	87	56	26	32	34	26
Highways and Streets										
Gallons of street paint used	1,050	1,115	1,040	1,540	1,435	1,300	1,145	685	293	505
Tons of snow melting salt used	854	657	578	322	700	757	392	900	785	282
Community Development										
Building Inspections	797	737	686	561	637	691	801	929	566	682
Residential Building Permits Issued	129	118	106	129	107	310	380	470	258	248
Commercial Building Permits Issued	190	206	308	192	216	198	112	232	166	158
Culture and Recreation										
Payne Recreation Center Attendance (estimated)	175,386	185,276	192,765	195,151	30,416	20,325	11,679	17,628	21,623	23,917
Civic Center Attendance (estimated)	112,868	108,215	110,013	107,144	25,289	15,656	4,505	7,667	7,020	1,390
Youth and Day Camps Attendance (estimated)	210	340	481	766	965	1,253	588	578	444	64

Source - Various City of Moraine departments

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

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	21	19	18	18	18	19	19	21	20	20
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Emergency Response Vehicles	12	13	13	13	12	13	12	13	13	12
Highways and Streets										
Miles of Streets (Center Line Miles)	276.65	276.65	276.65	276.65	276.65	276.65	276.65	276.65	27.11 (1)	27.11
Number of Streetlights (Non-special assessment)	1,356	1,356	1,357	1,316	1,316	1,316	1,377	1,377	1,567	1,567
Culture and Recreation										
Parks (2)	12	12	12	12	12	12	12	12	12	12
Civic Centers	1	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Swimming Pools (3)	1	1	1	1	-	-	-	-	-	-
Water Parks (3)	1	1	1	1	-	-	-	-	-	-

Source - Various City of Moraine Departments

(1) The City changed the method in which center lane miles were calculated in 2022 based on new technology.

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

(3) The former water park was demolished in 2017.



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

**CITY OF MORAINE
MONTGOMERY COUNTY, OHIO**

REGULAR AUDIT

FOR YEAR ENDED DECEMBER 31, 2023

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FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 21, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 21, 2024

OHIO AUDITOR OF STATE KEITH FABER



CITY OF MORaine

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/3/2024

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

This report is a matter of public record and is available online at
www.ohioauditor.gov