



Dave Yost • Auditor of State

**CITY OF MORAINE
MONTGOMERY COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

City of Moraine
Montgomery County
4200 Dryden Road
Moraine, Ohio 45439

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and 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, Montgomery County, (the City) as of and for the year ended December 31, 2014, 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 26, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. 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. We consider finding 2014-001 described in the accompanying schedule of findings to be a material weakness.

Entity's Response to Findings

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

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 26, 2015

**CITY OF MORAINE
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2014-001

Material Weakness

Management should develop and maintain accounting records which are properly designed to help verify the existence and valuation of assets and liabilities, periodically reconcile activity to the accounting records, and perform analytical procedures to determine the reasonableness of financial data as part of the public office's system of internal control and the specific control activities.

The following errors were noted in the financial statements:

- The City used an average fair value for land which overstated land held for resale on the Balance Sheet by \$35,500 for the TIF Fund.
- The City used an average fair value for land which overstated the gain on the sale of land on the Operating Statement by \$35,500 for the TIF Fund.
- The City understated loans receivable in the Economic Development Fund in the amount of \$200,000, from a new forgiveness loan with a local business approved during 2014.

Posting of inaccurate financial data and activity could lead to materially misstated financial statements and affect the City and the public's decision making process when basing decisions on the financial statements. Adjustments were posted to the accompanying financial statements.

The City should implement procedures for regular review of financial data to provide for accurate posting and presentation on the financial statements.

Officials' Response: The City of Moraine has put in place additional internal controls and reviews to confirm that correct and complete data is used in the compiling of receivables and in determining asset values to ensure accurate reporting of financial information.

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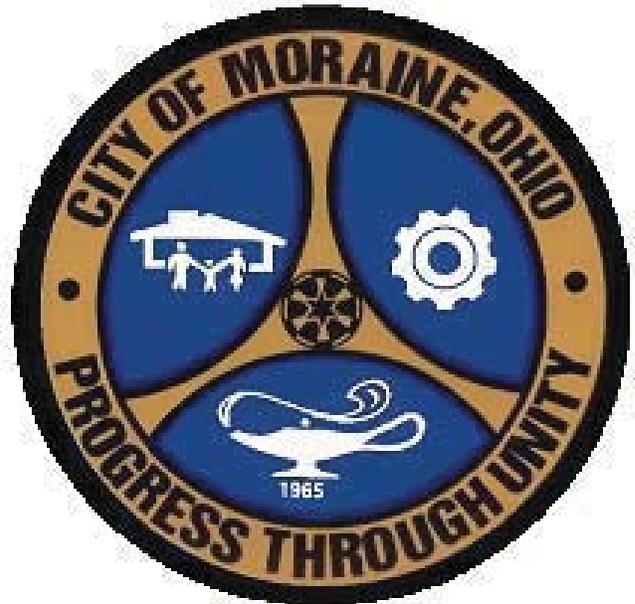
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COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED
DECEMBER 31, 2014

CITY OF MORaine, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

Issued by:
Finance Department

Richard Sexton
Finance Director

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INTRODUCTORY SECTION

CITY OF MORAIN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

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

City of Moraine

Finance Department

June 26, 2015

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

The Comprehensive Annual Financial Report of the City of Moraine, Ohio, for the fiscal year ended December 31, 2014, 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.

The Office of the Auditor of State of Ohio studies the City's system of internal control, conducts such tests that are necessary under the circumstances and renders an opinion based upon the statements when taken in whole. The City has again received an unmodified opinion from the independent auditors that the financial statements are presented fairly. The opinion letter is included in the Financial Section of this report.

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

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 auditor's 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 of its component units, which make up the financial reporting entity for the City. Component units are legally separate entities for which the City is financially responsible. At December 31, 2014 the City had no component units.

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 located 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 6,300 individuals.

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

After several years of diligent City development efforts to attract, expand and grow both existing and new businesses, the City saw much of that hard work come to fruition with the substantial announcement of Fuyao acquiring nearly 1.4 million square feet and over 105 acres of the former Moraine GM Assembly plant in January of 2014. Fuyao's initial project which is currently underway consists of a direct foreign investment of \$240 million with 800 pledged jobs. The announcement is the 8th largest foreign investment in the entire United States over the past 10 years. During 2015 we will see this project come to fruition along with the beginning efforts of the newly announced aftermarket product investment which adds over \$130 million and an additional 750 jobs, bringing Fuyao's commitment to the City and the region to 1,550 jobs and nearly \$400 million in investment. The City, region and State take much pride in this attraction effort.

The Fuyao project was not the only effort underway at the former GM site. During the year, the City welcomed logistics company Star Cartage into a small portion of the remaining building immediately north of Stroop Road, where both Motoman and Dmax continue to lease storage space. On the topic of Dmax, the demand for their award-winning Duramax engine continues to grow thereby encouraging a \$60 million investment and a 10 percent increase in their overall workforce hiring during 2014.

The City also had the pleasure of welcoming PuroClean, Buckeye Power Sales, Acorn Construction, Obie Oil and a few others to the community. PuroClean's effort included acquiring and renovating the former OIP&T building. 2014 also saw the first announcement and acquisition of former Delphi property on Dryden Road. R & J Trucking acquired 17 acres of the Dryden Road site and plans to build a new 12,500 square foot facility in 2015 bringing upwards of 70 jobs during the next two years.

The Economic Development Office worked collaboratively with many entities including JobsOhio West, Ohio Development Services Agency (ODSA) and Montgomery County to secure over \$7.6 million in infrastructure, building improvements, road, and workforce development grants.

Additional assistance includes over \$6.5 million in state job creation credits. The City also actively assisted new and existing businesses with collaborative loan assistance through County Corp and Citywide, as well as in-house incentive programs and site selection.

The past two years are playing a positive role on our community's economic base and have generated well over 600 new jobs, not including the 1,550 pledged to be created over the next several years by Fuyao alone. The Dryden Road and Springboro Pike corridors have been two of the fastest growing revitalization quadrants in the entire Dayton Metropolitan area and we plan to continue that positive economic momentum. We look forward to several other project announcements during 2015.

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.

The City's income tax collections for 2014 were significantly higher than those of the prior few years. The current businesses located in the City continue to report more encouraging employment numbers. The City's management continues to develop stronger performance management methods for reducing the budget and will continue this financial stewardship philosophy even once the revenue stream can adequately sustain the budget. All City employees have participated in a ten percent decrease in compensation since 2009 and have continued this into the 2014 budget year. The Finance Committee continues to meet on a quarterly basis to review the City's finances and to insure that the budget remains on target.

The City coordinates public improvements of all City related entities through adoption of a Capital Improvement Plan (CIP). The goal of the City 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 consist of a five-year plan of capital expenditures for all City projects. The CIP is prepared fully every two years and amended, as necessary, in other years. The amendment process ensures continuity in projects and funding.

In addition to the annual budget preparations and the Capital Improvement Fund budget preparations, the City Manager and Finance Director met with all department heads and completed a Long Range Financial Plan for the City. This was in turn presented to and reviewed by the City Council. The plan includes financial strategies with multiple scenarios as to the City's future revenues and how expenses should be allocated should the finances increase, maintain or decrease.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

Budgetary Controls

Budgetary control is maintained by a yearly appropriation and the encumbrance of appropriate balances with purchase orders before their release to vendors. Purchase orders that exceed appropriated balances are not released until additional appropriations are made available. Open encumbrances are reported as reservations of fund balance at year-end. Activities of the General Fund, Special Revenue Funds, the Debt Service Fund and the Capital Improvement 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

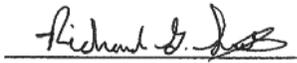
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Moraine for its comprehensive annual financial report for the year ended December 31, 2013. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an informative and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is applicable to one year only. The City of Moraine has received a Certificate of Achievement for the last 28 consecutive years (fiscal years ended 1986-2013). We believe our current report will also conform to the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another Certificate.

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

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

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Richard G. Sexton", is written over a horizontal line.

Richard Sexton
Finance Director

CITY OF MORAINE, OHIO

CITY COUNCIL

Elaine Allison, Mayor

Jim McGuire, Council Member (At Large)

Ora Allen, Council Member (At Large)

Randy Daugherty, Council Member (Ward 1)

Teri Murphy, Council Member (Ward 2)

Shirley Whitt, Council Member (Ward 3)

Jeanette Marcus, Council Member (Ward 4)

APPOINTED OFFICIALS

David Hicks, City Manager

Robert Portune, Law Director

Richard G. Sexton, Finance Director

Diane Werbrich, Clerk of Council

CITY OF MORAINE, OHIO

DEPARTMENT OF FINANCE STAFF

Richard G. Sexton, Finance Director

Lora L. Perry, Deputy Finance Director

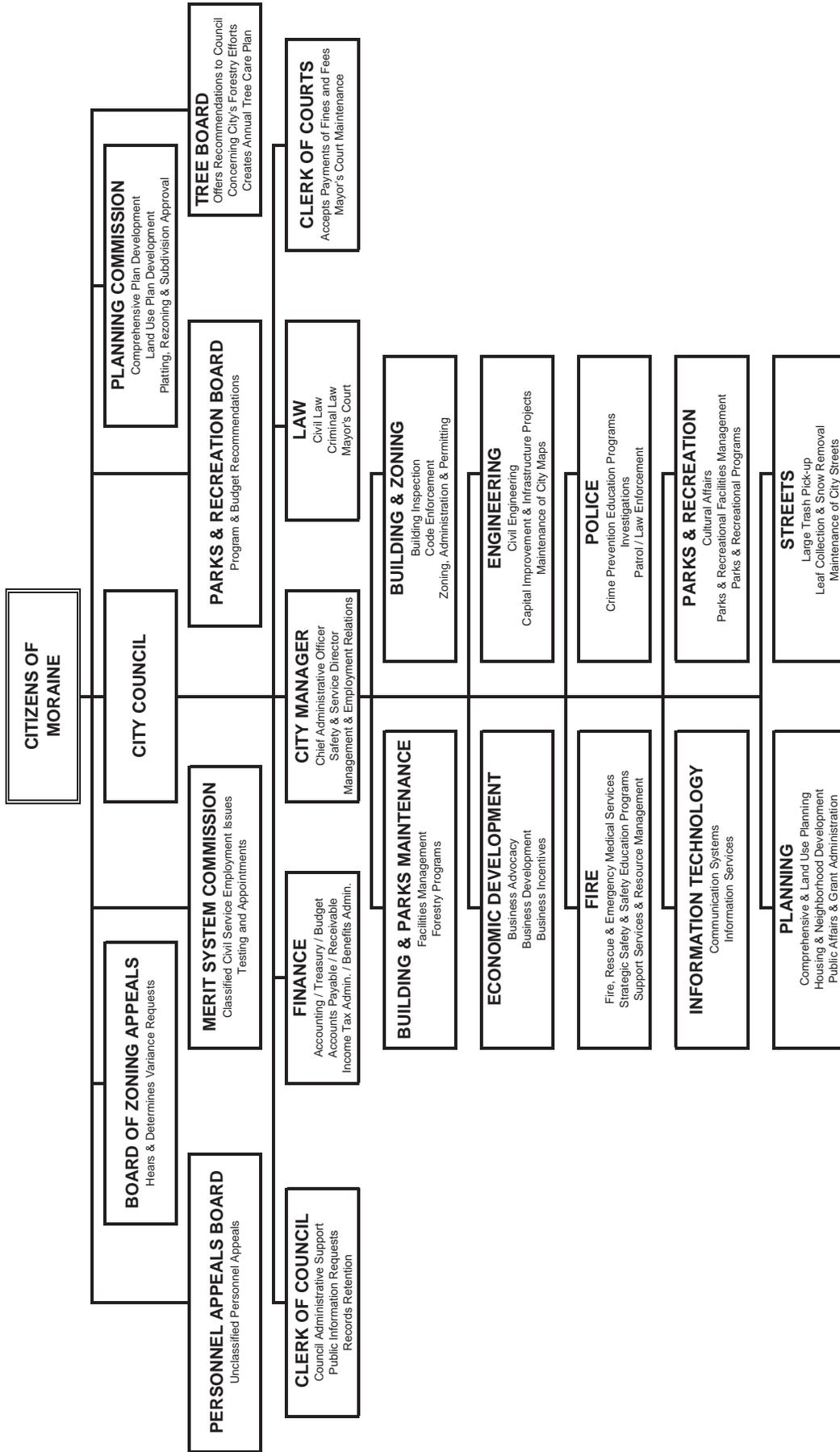
Stephanie L. Violette, Income Tax Administrator

Sherry L. Bosse, Financial Assistant

Paula G. Cox, Financial Assistant

Penny C. Tincher, Financial Assistant

City of Moraine Organization Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Moraine
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

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FINANCIAL SECTION



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Moraine
Montgomery County
4200 Dryden Road
Moraine, Ohio 45439

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moraine, Montgomery County, Ohio (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moraine, Montgomery County, Ohio, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and *Required budgetary comparison schedules* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 26, 2015

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CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(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, 2014. 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, 2014 are as follows:

- Total net position decreased by \$1.5 million which represents a 4.2% decrease from the beginning of 2014. A decrease of \$1.5 million was reported in governmental activities and an increase of \$3,615 was reported in business-type activities.
- Total assets of governmental activities at December 31, 2014 decreased by \$1.8 million from those reported one year prior due primarily to the decreases in capital assets (depreciation expense exceeding current year additions) and intergovernmental receivable being larger than the increase in equity in pooled cash and investments reported at the end of the year. Total liabilities of the governmental activities decreased by approximately \$116,000 due to payments of schedule debt service payments offset by an increase in accrued wages and benefits payable at year end.
- Overall, the net position of the City's business-type activities increased by \$3,615. The increase was less than the increase reported for 2013; however investment earnings was consistently lower for all funds for 2014.
- The \$3.8 million unassigned ending fund balance reported in the General Fund represents 33.4% of the total expenditures reported in the General Fund for 2014 compared with 9.4% 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 2014?" 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

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Unaudited)

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.

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 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, planning and zoning, and general administrative services.
- **Business-Type Activities** – These activities include the Moraine Loan Program. Interest on the principal loaned makes up the charges for this service. The intent of this operation is to have return of principal and interest to cover the cost of the program.

Reporting the City's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about each major fund. The major funds of the City include the General, Economic Development, Capital Improvement, Street Construction and Maintenance and T.I.F. 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. 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 proprietary funds. 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, 2014
(Unaudited)

Fiduciary Funds

The financial activity of custodial funds, for which the City acts as the fiscal agent, is reported separately in the Statement of Assets and Liabilities. This financial activity is excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring the assets reported in these funds are used for their intended purposes.

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 exceeded liabilities and deferred inflows of resources by a total of \$34.7 million at December 31, 2014.

Table 1 provides a summary of the City's net position for 2014 compared to 2013:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 17,138,002	17,218,410	609,166	605,551	17,747,168	17,823,961
Capital Assets	28,320,669	29,999,064	-	-	28,320,669	29,999,064
Total Assets	45,458,671	47,217,474	609,166	605,551	46,067,837	47,823,025
Long-Term Liabilities	9,310,972	9,138,363	-	-	9,310,972	9,138,363
Other Liabilities	1,061,007	1,349,679	-	-	1,061,007	1,349,679
Total Liabilities	10,371,979	10,488,042	-	-	10,371,979	10,488,042
Total Deferred Inflows of Resources	967,960	1,085,799	-	-	967,960	1,085,799
Net Position:						
Net Investment in						
Capital Assets	25,070,786	26,822,047	-	-	25,070,786	26,822,047
Restricted	5,431,074	5,955,997	-	-	5,431,074	5,955,997
Unrestricted	3,616,872	2,865,589	609,166	605,551	4,226,038	3,471,140
Total Net Position	\$ 34,118,732	35,643,633	609,166	605,551	34,727,898	36,249,184

As displayed in Table 1, total governmental net position of the City decreased by \$1.5 million from 2013 to 2014. During 2014, net capital assets decreased as current year depreciation expense (\$1.9 million) exceeded current year capital outlays (\$252,042). Current assets also reported a decrease compared with 2013, but at a much lower amount (\$80,408). Intergovernmental receivable decreased as there were fewer grants outstanding at December 31, 2014 compared with one year prior. Land held for resale at year-end was \$410,500 less than the amount reported one year ago due to the sale of 15 parcels during 2014. Payments in lieu of taxes receivable decreased based on an updated estimate of revenue anticipated to be generated within the TIF for the coming year. These decreases were partially offset by increases reported for the equity in pooled cash and investments and income taxes receivable accounts. Total liabilities for governmental activities reported at end of 2014 were slightly less than those reported for the prior year.

CITY OF MORAIN, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Unaudited)

Table 2 shows the changes in the governmental and business-type net position for the year ended December 31, 2014 compared with the prior year.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Program Revenues:						
Charges for services	\$ 911,492	1,017,099	-	-	911,492	1,017,099
Operating grants and contributions	764,277	599,852	-	-	764,277	599,852
Capital grants and contributions	128,226	756,659	-	-	128,226	756,659
Total Program Revenues	<u>1,803,995</u>	<u>2,373,610</u>	<u>-</u>	<u>-</u>	<u>1,803,995</u>	<u>2,373,610</u>
General Revenues:						
Income taxes	13,136,740	12,786,187	-	-	13,136,740	12,786,187
Property and other taxes	567,010	519,297	-	-	567,010	519,297
Payment in lieu of taxes	185,332	94,854	-	-	185,332	94,854
Shared revenues	261,322	279,426	-	-	261,322	279,426
Investment earnings	72,544	133,358	3,615	8,065	76,159	141,423
Miscellaneous	259,011	428,968	-	-	259,011	428,968
Total General Revenues	<u>14,481,959</u>	<u>14,242,090</u>	<u>3,615</u>	<u>8,065</u>	<u>14,485,574</u>	<u>14,250,155</u>
Total Revenues	<u>16,285,954</u>	<u>16,615,700</u>	<u>3,615</u>	<u>8,065</u>	<u>16,289,569</u>	<u>16,623,765</u>
Expenses:						
General government	3,634,269	3,356,335	-	-	3,634,269	3,356,335
Public Safety	8,014,374	8,425,952	-	-	8,014,374	8,425,952
Highways & Streets	3,611,591	3,232,816	-	-	3,611,591	3,232,816
Sanitation	303,240	326,057	-	-	303,240	326,057
Culture & Recreation	990,537	1,093,464	-	-	990,537	1,093,464
Economic Development	892,901	252,169	-	-	892,901	252,169
Health & Welfare	116,297	35,588	-	-	116,297	35,588
Interest Expense	247,646	250,046	-	-	247,646	250,046
Total Expenses	<u>17,810,855</u>	<u>16,972,427</u>	<u>-</u>	<u>-</u>	<u>17,810,855</u>	<u>16,972,427</u>
Change in net position	(1,524,901)	(356,727)	3,615	8,065	(1,521,286)	(348,662)
Net Position - Beginning	<u>35,643,633</u>	<u>36,000,360</u>	<u>605,551</u>	<u>597,486</u>	<u>36,249,184</u>	<u>36,597,846</u>
Net Position - Ending	\$ <u>34,118,732</u>	<u>35,643,633</u>	<u>609,166</u>	<u>605,551</u>	<u>34,727,898</u>	<u>36,249,184</u>

As noted in the table above, the City's municipal income tax revenue reported for 2014 increased 2.7 percent over the amount reported for 2013. This increase resulted from a "voter approved" increase in the income tax rate for the last six months of 2014. The total amount of the increase was partially obscured due to the City receiving two large corporate settlements (\$1.5 million) for tax year 2013. Capital grants decreased by \$628,433 over the revenue level received in the prior year due to the significant funding received in 2013 attributed to the traffic signal upgrade project. Overall, total revenue for governmental activities decreased \$329,746, 2.0 percent, from the total revenue reported for 2013.

Total expenses of the governmental activities reported for 2014 were \$838,428 (4.9 percent) more than those reported for 2013. Increase in highway and streets resulted from mainly from an increase of depreciation expense

CITY OF MORaine, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Unaudited)

allocated to that function due to significant infrastructure projects placed into service during 2014. The increase reported for the economic development function was due to significant efforts put into luring a large manufacturing company to choose Moraine as the site for a new operational plant. This was a successful effort, as the company announced it would acquire the necessary space within an existing manufacturing facility during 2015.

Governmental Activities

Table 3 shows the expenses of each functional area and the net cost of each functional area financed with general revenue for 2014 and 2013.

Table 3
Governmental Activities

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2014	2013	2014	2013	2014	2013
General Government	\$ 3,634,269	\$ 3,356,335	\$ 408,128	\$ 444,470	\$ 3,226,141	\$ 2,911,865
Public Safety	8,014,374	8,425,952	299,235	456,746	7,715,139	7,969,206
Highways and Streets	3,611,591	3,232,816	588,466	1,214,945	3,023,125	2,017,871
Sanitation	303,240	326,057	13,863	3,231	289,377	322,826
Culture and Recreation	990,537	1,093,464	243,139	247,218	747,398	846,246
Economic Development	892,901	252,169	251,164	7,000	641,737	245,169
All Others	363,943	285,634	-	-	363,943	285,634
	<u>\$ 17,810,855</u>	<u>\$ 16,972,427</u>	<u>\$ 1,803,995</u>	<u>\$ 2,373,610</u>	<u>\$ 16,006,860</u>	<u>\$ 14,598,817</u>

As indicated by Table 3, the City is spending the majority of its resources on public safety, highways and streets and general government activities. While the operation of the police and fire departments is approximately \$8.0 million, approximately \$300,000 of program revenue is generated to cover department expenses. The remaining \$7.7 million of expenses must be covered by general revenues collected by the City, principally municipal income taxes and property taxes. General government functions, principally legislation and administration, comprise approximately \$3.6 million of the total governmental expenses. Court costs and fees generated by licenses and permits financed approximately \$408,000 of the general government functional expenses while the remaining \$3.2 million comes from general revenue sources. Operating and capital grants received from the State of Ohio and the federal government provided approximately \$589,000 of funding for expenses related to highways and streets.

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 \$16.8 million and expenditures of \$15.9 million. During 2014, the net change in fund balance of the governmental funds increased by approximately \$1.1 million to an ending total fund balance of \$11.3 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.

CITY OF MORAIN, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Unaudited)

The City's General Fund realized an increase of approximately \$2.3 million in fund balance during 2014. The General Fund is the primary fund that finances government services to citizens. The increase in fund balance for the year was due to the \$1.3 million increase in income tax revenues over those reported for the prior year. This increase was the result of a "voter approved" increase in the City's income tax rate from 2.0 percent to 2.5 percent on earned wages. As this rate increase was effective July 1, 2014, only half of the anticipated \$2.5-\$3.0 million increase in revenues was realized for 2014. Total expenditures decreased in the General Fund over those reported for the prior year by 6.0 percent. The public safety function decreased by approximately \$800,000 compared with the prior year as there were individuals within the police department who retired in 2013 and were not replaced, resulting in nearly \$300,000 less in personnel costs and \$275,000 less in anticipated severance payments for the function in 2014. At December 31, 2014 the ending unassigned fund balance of the General Fund was \$3.8 million; a 241 percent increase from the unassigned fund balance reported at December 31, 2013 and represents 33.4 percent of total General Fund expenditures reported for 2014.

The City's other four major funds, the Economic Development, Capital Improvement, Street Construction and Maintenance and T.I.F. funds reported net decreases in fund balances of \$(357,701), \$(326,815), \$(167,726) and \$(206,052), respectively. The decrease in the Economic Development Fund was due to substantial efforts to recruit a potential significant employer to the City during 2014. The fund balance at December 31, 2014 was \$(575,471). This fund also has an outstanding inter-fund payable for a loan made in prior years. The decrease in the Capital Improvement Fund is associated with the implementation of planned capital purchases during the year. The City plans to continue utilizing the carryover fund balance as a means to fund capital expenditures into the future. The fund balance at December 31, 2014 is \$3.8 million compared with the \$4.1 million reported one year prior. The Street Construction and Maintenance Fund's decrease in fund balance resulted from a reduction in the operating transfer from the General Fund for the year. The ending fund balance was \$105,969. The T.I.F fund decrease resulted primarily from the payment of principal and interest on general obligation bonds during the year. All other governmental fund balances decreased by \$138,460 during 2014.

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 must be approved by Council in advance.

General Fund revenues at the beginning of the year were estimated at \$13.9 million and were only modified by \$988 throughout the year. Actual revenues for the year totaled \$14.7 million compared with final anticipated revenues being \$13.9 million. The increase in income tax revenues, for the reasons noted above, resulted in actual revenues being \$827,965 higher than the final revenue estimates made by the City for 2014. On a budgetary basis, actual revenues received during 2014 were 5.4 percent higher than those received in 2013.

The expenditures including transfers for the General Fund were estimated at \$14.5 million at the beginning of the year and increased slightly during the year to \$14.7 million at the close of the year. Actual budgetary expenditures for the year were \$1.4 million less than final budgetary estimates due to management's continued efforts to control spending and reduced transfers throughout the year.

Budgetary fund balance at December 31, 2014 was \$3.0 million compared to the \$866,964 anticipated in the final 2014 budget.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Unaudited)

Capital Assets

At the end of fiscal year 2014, the City had a total of \$63.4 million invested in capital assets less accumulated depreciation of \$35.1 million resulting in a net investment in capital assets of \$28.3 million.

Major capital asset additions for 2014, included reclassifying the \$1.3 million traffic signals systems upgrade project from construction in progress to infrastructure, purchase of two police cruisers and \$50,000 in equipment for medic units. Depreciation expense for 2014 was \$1.9 million, resulting in the overall decrease in the value of the City's capital assets reported at December 31, 2014.

Table 4 shows 2014 balances compared to those of 2013:

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

	Governmental Activities	
	2014	2013
Land	\$ 10,785,745	10,785,745
Construction in progress	-	1,169,835
Building and improvements	4,292,959	4,582,009
Machinery and equipment	1,226,082	1,317,366
Infrastructure	12,015,883	12,144,109
Total	\$ 28,320,669	29,999,064

Additional information on the City's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration

At December 31, 2014, the City had the following outstanding long-term obligations: \$5,625,000 of general obligation bonds and \$781,561 associated with three Ohio Public Works Commission (OPWC) loans.

At December 31, 2014, the City's overall legal debt margin was \$8.1 million and the unvoted debt margin was \$1.6 million. See Notes 10, 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 MORAINÉ, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Investments	\$ 12,442,332	\$ 607,022	\$ 13,049,354
Cash in Segregated Accounts	70,601	-	70,601
Receivables:			
Income Tax	2,340,606	-	2,340,606
Property Tax	540,142	-	540,142
Payment in Lieu of Taxes	266,000	-	266,000
Accounts	336,328	-	336,328
Intergovernmental	433,035	-	433,035
Loans	297,200	2,144	299,344
Inventories	215,176	-	215,176
Prepays	82,082	-	82,082
Land Held for Resale	114,500	-	114,500
Non Depreciable Assets	10,785,745	-	10,785,745
Depreciable Capital Assets, Net of Accumulated Depreciation	17,534,924	-	17,534,924
Total Assets	45,458,671	609,166	46,067,837
LIABILITIES			
Accounts Payable	239,466	-	239,466
Salaries and Benefits Payable	739,989	-	739,989
Accrued Interest Payable	20,839	-	20,839
Insurance Claims Payable	60,713	-	60,713
Long-Term Liabilities:			
Due Within One Year	503,028	-	503,028
Due In More Than One Year	8,807,944	-	8,807,944
Total Liabilities	10,371,979	-	10,371,979
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	501,960	-	501,960
Payments in Lieu of Property Taxes	266,000	-	266,000
Economic Loan Receivable	200,000	-	200,000
Total Deferred Inflows of Resources	967,960	-	967,960
NET POSITION			
Net Investment in Capital Assets	25,070,786	-	25,070,786
Restricted for:			
Capital Projects	3,913,354	-	3,913,354
Streets and Highways	1,014,751	-	1,014,751
Debt Service	136,801	-	136,801
Law Enforcement Programs	224,655	-	224,655
Cemetery Operations	141,513	-	141,513
Unrestricted	3,616,872	609,166	4,226,038
Total Net Position	\$ 34,118,732	\$ 609,166	\$ 34,727,898

See accompanying notes to the basic financial statements.

CITY OF MORAIN, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 3,634,269	\$ 408,128	\$ -	\$ -	\$ (3,226,141)	\$ -	\$ (3,226,141)
Public Safety	8,014,374	295,069	4,166	-	(7,715,139)	-	(7,715,139)
Highways and Streets	3,611,591	-	460,240	128,226	(3,023,125)	-	(3,023,125)
Sanitation	303,240	13,863	-	-	(289,377)	-	(289,377)
Culture and Recreation	990,537	194,432	48,707	-	(747,398)	-	(747,398)
Economic Development	892,901	-	251,164	-	(641,737)	-	(641,737)
Health and Welfare	116,297	-	-	-	(116,297)	-	(116,297)
Debt Service							
Interest and Fiscal Expense	247,646	-	-	-	(247,646)	-	(247,646)
Total Governmental Activities	<u>17,810,855</u>	<u>911,492</u>	<u>764,277</u>	<u>128,226</u>	<u>(16,006,860)</u>	<u>-</u>	<u>(16,006,860)</u>
Business Type Activities							
Loan Program	-	-	-	-	-	-	-
Total Business Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 17,810,855</u>	<u>\$ 911,492</u>	<u>\$ 764,277</u>	<u>\$ 128,226</u>	<u>(16,006,860)</u>	<u>-</u>	<u>(16,006,860)</u>
General Revenues							
Income Tax					13,136,740	-	13,136,740
Property Tax Levied for							
General Purposes					414,922	-	414,922
Police Pensions					66,286	-	66,286
Fire Pensions					66,286	-	66,286
Other Taxes					19,516	-	19,516
Payments in Lieu of Taxes					185,332	-	185,332
Shared Revenues (unrestricted)					261,322	-	261,322
Miscellaneous Receipts					259,011	-	259,011
Investment Earnings					72,544	3,615	76,159
Total General Revenues					<u>14,481,959</u>	<u>3,615</u>	<u>14,485,574</u>
Change in Net Position					(1,524,901)	3,615	(1,521,286)
Net Position - Beginning					<u>35,643,633</u>	<u>605,551</u>	<u>36,249,184</u>
Net Position - Ending					<u>\$ 34,118,732</u>	<u>\$ 609,166</u>	<u>\$ 34,727,898</u>

See accompanying notes to the basic financial statements.

CITY OF MORAIN, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	Major Governmental Funds					Other Governmental Funds	Total Governmental Funds
	General Fund	Economic Development	Capital Improvement	Street Construction and Maintenance	T.I.F.		
ASSETS							
Equity in Pooled Cash and Investments	\$ 3,475,328	\$ 238,484	\$ 3,696,168	\$ 117,307	\$ 1,177,606	\$ 1,582,025	\$ 10,286,918
Cash in Segregated Accounts	70,601	-	-	-	-	-	70,601
Receivables:							
Income Tax	2,340,606	-	-	-	-	-	2,340,606
Property Tax	409,338	-	-	-	-	130,804	540,142
Payment in Lieu of Tax	-	-	-	-	266,000	-	266,000
Accounts	334,673	-	-	-	-	1,655	336,328
Intergovernmental	122,985	-	100,000	184,712	-	25,338	433,035
Loans	-	297,200	-	-	-	-	297,200
Due from Other Funds	845,000	-	-	-	-	-	845,000
Inventories	6,151	-	-	45,076	-	-	51,227
Prepays	82,082	-	-	-	-	-	82,082
Land Held for Resale	-	-	-	-	114,500	-	114,500
Total Assets	<u>\$ 7,686,764</u>	<u>\$ 535,684</u>	<u>\$ 3,796,168</u>	<u>\$ 347,095</u>	<u>\$ 1,558,106</u>	<u>\$ 1,739,822</u>	<u>\$ 15,663,639</u>
LIABILITIES							
Accounts Payable	\$ 127,952	\$ 66,155	\$ 34,417	\$ 67	\$ -	\$ 2,597	\$ 231,188
Salaries and Benefits Payable	544,230	-	-	86,375	-	93,241	723,846
Due to Other Funds	-	845,000	-	-	-	-	845,000
Total Liabilities	<u>672,182</u>	<u>911,155</u>	<u>34,417</u>	<u>86,442</u>	<u>-</u>	<u>95,838</u>	<u>1,800,034</u>
DEFERRED INFLOWS OF RESOURCES							
Property Taxes	380,320	-	-	-	-	121,640	501,960
Payments in Lieu of Taxes	-	-	-	-	266,000	-	266,000
Economic Loan	-	200,000	-	-	-	-	200,000
Unavailable for:							
Income Taxes	966,207	-	-	-	-	-	966,207
Delinquent Property Taxes	29,018	-	-	-	-	9,164	38,182
Intergovernmental	94,821	-	-	154,684	-	21,473	270,978
Other Sources	308,039	-	-	-	-	1,655	309,694
Total Deferred Inflows of Resources	<u>1,778,405</u>	<u>200,000</u>	<u>-</u>	<u>154,684</u>	<u>266,000</u>	<u>153,932</u>	<u>2,553,021</u>
FUND BALANCE							
Nonspendable for:							
Materials and Supplies Inventory	6,151	-	-	45,076	-	-	51,227
Prepaid Items	82,082	-	-	-	-	-	82,082
Long-term Receivable	845,000	-	-	-	-	-	845,000
Restricted for:							
Law Enforcement	-	-	-	-	-	224,655	224,655
Cemetery Services	-	-	-	-	-	139,858	139,858
Debt Service	-	-	-	-	-	157,640	157,640
Street Repair and Maintenance	-	-	-	60,893	-	995,828	1,056,721
Economic Development	-	-	-	-	1,292,106	-	1,292,106
Committed for:							
Capital Projects	-	-	3,761,751	-	-	-	3,761,751
Assigned for:							
Subsequent Appropriations	47,338	-	-	-	-	-	47,338
Unpaid Obligations	320,079	-	-	-	-	-	320,079
Recreation Services	173,282	-	-	-	-	-	173,282
Unassigned	3,762,245	(575,471)	-	-	-	(27,929)	3,158,845
Total Fund Balance	<u>5,236,177</u>	<u>(575,471)</u>	<u>3,761,751</u>	<u>105,969</u>	<u>1,292,106</u>	<u>1,490,052</u>	<u>11,310,584</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,686,764</u>	<u>\$ 535,684</u>	<u>\$ 3,796,168</u>	<u>\$ 347,095</u>	<u>\$ 1,558,106</u>	<u>\$ 1,739,822</u>	<u>\$ 15,663,639</u>

See accompanying notes to the basic financial statements.

CITY OF MORAIN, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014

Total Governmental Fund Balances \$ 11,310,584

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 28,320,669

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Municipal income taxes	966,207
Property and other taxes	38,182
Shared revenues and grants	270,978
Charges for services and other sources	<u>309,694</u>

Total 1,585,061

Internal service fund is used by management to charge the costs of providing insurance as well as central services to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

2,170,799

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	(20,839)
Compensated absences payable	(2,765,178)
General obligations bonds payable	(5,625,000)
Premium on bonds	(75,803)
OPWC loans payable	<u>(781,561)</u>
Total	<u>(9,268,381)</u>

Governmental Activities' Net Position \$ 34,118,732

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, 2014

	Major Governmental Funds					Other Governmental Funds	Total Governmental Funds
	General Fund	Economic Development	Capital Improvement	Street Construction and Maintenance	T.I.F.		
REVENUES							
Taxes:							
Income	\$ 13,451,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,451,675
Property	412,062	-	-	-	-	131,668	543,730
Other	19,516	-	-	-	-	-	19,516
Payment in Lieu of Taxes	-	-	-	-	185,332	-	185,332
Shared Revenues	231,153	-	-	407,959	-	75,497	714,609
Intergovernmental Grants	60,718	251,164	279,829	-	-	-	591,711
Licenses and Permits	148,012	-	-	-	-	-	148,012
Charges for Services	512,339	-	-	-	-	3,780	516,119
Fines	257,316	-	-	-	-	17,369	274,685
Investment Earnings	51,219	-	-	1,573	7,460	12,292	72,544
Miscellaneous	278,330	10,004	9,599	5,280	-	2,399	305,612
Total Revenues	15,422,340	261,168	289,428	414,812	192,792	243,005	16,823,545
EXPENDITURES							
Current:							
General Government	3,186,596	-	148,268	-	1,696	5,900	3,342,460
Public Safety	6,427,465	-	91,473	-	-	1,000,338	7,519,276
Highways and Streets	307,517	-	432,265	1,702,538	-	115,227	2,557,547
Sanitation	303,240	-	-	-	-	-	303,240
Economic Development	179,924	618,869	-	-	85,587	-	884,380
Health and Welfare	112,073	-	-	-	-	-	112,073
Culture and Recreation	745,097	-	15,100	-	-	-	760,197
Debt service:							
Principal	-	-	50,210	-	60,000	-	110,210
Interest	-	-	-	-	251,561	-	251,561
Capital Outlays:							
Highways and Streets	-	-	16,538	-	-	-	16,538
Public Safety	-	-	-	-	-	-	-
General Government	-	-	49,255	-	-	-	49,255
Total Expenditures	11,261,912	618,869	803,109	1,702,538	398,844	1,121,465	15,906,737
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	4,160,428	(357,701)	(513,681)	(1,287,726)	(206,052)	(878,460)	916,808
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	1,120,000	-	740,000	1,860,000
Transfers Out	(1,860,000)	-	-	-	-	-	(1,860,000)
Issuance of Loan	-	-	186,866	-	-	-	186,866
Proceeds from the sale of capital assets	2,763	-	-	-	-	-	2,763
Total Other Financing Sources (Uses)	(1,857,237)	-	186,866	1,120,000	-	740,000	189,629
Net Change in Fund Balance	2,303,191	(357,701)	(326,815)	(167,726)	(206,052)	(138,460)	1,106,437
Fund Balance - Beginning	2,932,986	(217,770)	4,088,566	273,695	1,498,158	1,628,512	10,204,147
Fund Balance - Ending	\$ 5,236,177	\$ (575,471)	\$ 3,761,751	\$ 105,969	\$ 1,292,106	\$ 1,490,052	\$ 11,310,584

See accompanying notes to the basic financial statements.

CITY OF MORAINE, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Net Change in Fund Balance - Total Governmental Funds \$ 1,106,437

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	252,042	
Depreciation	(1,930,437)	
Total		(1,678,395)

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:

Loan proceeds	(186,866)	
General Obligation Bond payment	60,000	
Amortization of premium	3,790	
OPWC loan payment	50,210	
Total		(72,866)

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. (248,018)

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. (540,354)

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	125	
Increase in compensated absences payable	(91,830)	
Total		(91,705)

Change in Net Position of Governmental Activities \$ (1,524,901)

See accompanying notes to the basic financial statements.

CITY OF MORAINE, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014

	<u>Enterprise Fund</u> <u>Moraine Loan</u> <u>Program</u>	<u>Internal</u> <u>Service Funds</u>
ASSETS		
CURRENT ASSETS		
Equity in Pooled Cash and Investments	\$ 607,022	\$ 2,155,414
Receivables:		
Loans (net of Allowance for uncollectible)	2,144	-
Inventories	-	163,949
Total Assets	<u>609,166</u>	<u>2,319,363</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	-	8,278
Salaries and Benefits Payable	-	16,143
Compensated Absences Payable	-	6,343
Insurance Claims Payable	-	60,713
Total Current Liabilities	<u>-</u>	<u>91,477</u>
LONG-TERM LIABILITIES		
Compensated Absences Payable	-	57,087
Total Liabilities	<u>-</u>	<u>148,564</u>
NET POSITION		
Unrestricted	609,166	2,170,799
Total Net Position	<u>\$ 609,166</u>	<u>\$ 2,170,799</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, 2014

	<u>Enterprise Fund</u>	
	Moraine Loan Program	Internal Service Funds
Operating Revenues		
Charges for Services	\$ -	\$ 2,007,817
Miscellaneous	-	2,288
Total Operating Revenues	<u>-</u>	<u>2,010,105</u>
Operating Expenses		
Personal Services	-	264,515
Contractual Services	-	319,641
Supplies and Materials	-	349,358
Claims and Judgements	-	1,335,325
Total Operating Expenses	<u>-</u>	<u>2,268,839</u>
Operating Income	<u>-</u>	<u>(258,734)</u>
Non-Operating Revenues		
Investment earnings	3,615	10,716
Total Non-Operating Revenues	<u>3,615</u>	<u>10,716</u>
Change in Net Position	3,615	(248,018)
Total Net Position - Beginning	605,551	2,418,817
Total Net Position - Ending	<u>\$ 609,166</u>	<u>\$ 2,170,799</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, 2014

	Enterprise Fund	
	Moraine Loan Program	Internal Service Funds
Cash Flows From Operating Activities		
Cash received for interfund services	\$ -	\$ 2,007,817
Miscellaneous receipts & reimbursements	-	2,288
Cash paid to employees for services	-	(254,863)
Cash paid to suppliers for goods or services	-	(621,994)
Cash paid for insurance claims	-	(1,384,262)
Net cash used by operating activities	-	(251,014)
Cash Flows From Non-Capital Financing Activities		
Repayment of loan principal	1,822	-
Net cash provided by non-capital financing activities	1,822	-
Cash Flows From Investing Activities		
Investment earnings	3,615	10,716
Net cash provided by investing activities	3,615	10,716
Net Change	5,437	(240,298)
Equity in Pooled Cash and Investments Beginning of Year	601,585	2,395,712
Equity in Pooled Cash and Investments End of Year	\$ 607,022	\$ 2,155,414
Reconciliation of Operating Loss to Net Cash Used by Operating Activities		
Operating loss	\$ -	\$ (258,734)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Decrease in inventories	-	42,255
Increase in accounts payable	-	4,750
Increase in salaries and benefits payable	-	1,739
Increase in compensated absences payable	-	7,913
(Decrease) in insurance claims payable	-	(48,937)
Net cash used by operating activities	\$ -	\$ (251,014)

See accompanying notes to the basic financial statements.

CITY OF MORAINÉ, OHIO
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2014

		Agency Funds
ASSETS		
Equity in Pooled Cash and Investments	\$	46,163
Cash in Segregated Accounts		47,976
Total Assets	\$	94,139
 LIABILITIES		
Deposits	\$	63,496
Due to Other Governments		26,685
Escrow Bonds and Deposits		3,958
Total Liabilities	\$	94,139

See accompanying notes to the basic financial statements.

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CITY OF MORAINE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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 currently has no component units.

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.

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

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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.

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

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).

Street Construction and Maintenance Fund - This fund is used to account for revenues and expenditures associated with construction and maintenance of the City's transportation infrastructure.

T.I.F. Fund - This fund is used to account for revenues and expenditures associated with a redevelopment of an area financed by tax increment financing and economic development of other areas within the City.

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

The other governmental funds of the City account for grants and other resources whose use is restricted, committed or assigned 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 one enterprise fund, the Moraine Loan Program fund, which accounts for home improvement and business loans offered to residents and businesses located within the City.

Internal Service Funds – An internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City has three internal service funds. They are the City Garage Fund used to account for the cost of servicing the vehicles and maintenance equipment of City departments, the Health Insurance Program Fund used to accumulate and account for monies for the payment of health insurance costs for the employees of City departments and the Insurance Reserve Fund used to account for monies to cover legal services related to lawsuits and other expenditures where reimbursement is received from 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 agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The City's fiduciary funds include agency funds only and account for undistributed receipts of the Moraine Mayor's Court and miscellaneous deposits received by the City.

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 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.

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

Like the government-wide statements, all proprietary 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate category for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The City reported no amounts which are classified as deferred outflows of resources at December 31, 2014.

CITY OF MORAINÉ, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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 position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then. For the City, deferred inflows of resources include property taxes, payment in lieu of taxes, economic loan receivable and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is a legally enforceable claim as of December 31, 2014, but which were levied to finance subsequent year operations. Certain benchmarks in the economic loan agreement must be met before revenue or expense is recorded. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund balance sheet. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, intergovernmental grants, charges for services and other revenue sources. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

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 Health Insurance Program Fund, 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.

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

During the year, the City's investments included STAROhio. STAROhio is an investment pool managed by the State of Ohio's Treasurer's Office, which allows governments within Ohio to pool their funds for investment purposes. STAROhio is not registered with the Securities and Exchange Commission (SEC) as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2014.

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.

Interest income is distributed to the funds according to ordinance and statutory requirements. Interest revenue reported in the statement of activities for 2014 amounted to \$76,159.

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.

CITY OF MORAINE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2014, 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.

Land Held for Resale

The City owns property that it has determined holds value to private developers. As a result, the City intends to sell the land and has classified the land as land held for resale in the T.I.F. fund at the net realizable value, which approximates fair market value as determined by the City at year end.

Capital Assets

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

The City defines capital assets as those with an individual cost of more than \$3,000 except for improvements to infrastructure, which is \$50,000. All capital assets are capitalized at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are recorded at their fair market values as of the date received. Interest on constructed capital assets within the business-type activities is capitalized. 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:

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

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.

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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. 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.

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 unreserved 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, that 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.

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

Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. At December 31, 2014, 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.

Interfund receivables and payables between governmental and business-type activities have been 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, except for agency funds, are legally required to be budgeted and appropriated. 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

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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 – DEPOSITS AND INVESTMENTS:

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

The provisions of the Charter and Codified Ordinances of the City and the Ohio Revised Code govern the investment and deposit of City monies. In accordance with these provisions, only financial institutions located in Ohio, as well as primary and regional securities dealers are eligible to hold public deposits. The provisions also permit the City to invest its monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (STAROhio), obligations of the United States government or certain agencies thereof, bankers 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, the face value of which is at least 105 percent of the total value of public monies on deposit at the institution.

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. Collateral is held by trustees including the Federal Reserve Bank and designated third parties of the financial institution.

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At year end, the City reported a bank balance of \$2,746,206 of which \$352,101 was covered by federal deposit insurance and the remaining \$2,394,105 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>Fair Value</u>	<u>Less than One Year</u>	<u>Two to Three Years</u>	<u>Beyond Three Years</u>
Federal Home Loan Mortgage	AA+	\$ 1,113,157	\$ 448,306	\$ 50,016	\$ 614,835
Federal National Mortgage	AA+	1,921,232	348,677	79,996	1,492,559
Federal Home Loan Bank	AA+	2,399,616	820,295	54,991	1,524,330
Federal Farm Credit Bank	AA+	257,075	257,075	-	-
STAR Ohio	AAA _m	322,828	322,828	-	-
Negotiable CD's	N/A	1,662,514	490,172	1,172,342	-
Mutual Funds	N/A	2,851,234	2,851,234	-	-
US Treasury Notes	N/A	40,032	40,032	-	-
		<u>\$ 10,567,688</u>	<u>\$ 5,578,619</u>	<u>\$ 1,357,345</u>	<u>\$ 3,631,724</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.

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 per cent 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 Bankers Acceptance	25%

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STAR Ohio	100%
Prime Commercial Paper	25%

The following table includes percentage of each investment type held by the City at December 31, 2014:

Investment Type	Fair Value	Percent of Total
Federal Home Loan Mortgage	\$ 1,113,157	10.54%
Federal National Mortgage	1,921,232	18.18%
Federal Home Loan Bank Notes	2,399,616	22.71%
Federal Farm Credit Bank	257,075	2.43%
STAR Ohio	322,828	3.05%
Negotiable CD's	1,662,514	15.73%
Mutual Funds	2,851,234	26.98%
US Treasury Notes	40,032	0.38%
	\$ 10,567,688	100.00%

NOTE 4 – RECEIVABLES:

Receivables at December 31, 2014 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 2014 for real and public utility property taxes represents collections of 2013 taxes.

2014 real property taxes were levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of the appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

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. 2014 public utility property taxes which became a lien December 31, 2013, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2014 was \$2.50 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2014 property tax receipts were based are as follows:

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Real Property Tax Assessed Valuation	\$ 137,780,240
Public Utility Real Property Assessed Valuation	421,330
Public Utility Personal Property Assessed Valuation	<u>92,129,300</u>
Total	<u>\$ 230,330,870</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, 2014, 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 2014 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 2014, the income tax rate was two percent of earned income January 1, 2014 through June 30, 2014 and two and a half percent of earned income July 1, 2014 through December 31, 2014. The additional one half of one percent rate increase was approved by voters in May 2014. 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

The City operates a long-term home improvement loan program as an enterprise fund. Loans receivable at December 31, 2014 were \$2,144.

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, 2014 were as follows:

Loans Receivable, 12/31/2013	\$ 138,400
New Loans	200,000
Forgiven Loans	<u>(41,200)</u>
Loans Receivable, 12/31/2014	<u>\$ 297,200</u>

During 2014, the City entered into a business loan agreement with a company with an original loan amount of \$1 million, which will be disbursed in five installments of \$200,000 based on certain benchmarks, the first disbursement occurred during 2014. The City will forgive 100 percent of the loan if the company satisfies the conditions contained within the agreement.

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NOTE 5 – CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2014 was as follows:

	Balance <u>12/31/13</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>12/31/14</u>
<i>Governmental Activities</i>				
Non-depreciable capital assets:				
Land	\$ 10,785,745	\$ -	\$ -	\$ 10,785,745
Construction in Progress	1,169,835	-	(1,169,835)	-
Non-depreciable capital assets:	<u>11,955,580</u>	<u>-</u>	<u>(1,169,835)</u>	<u>10,785,745</u>
Depreciable capital assets:				
Buildings and improvements	12,554,571	-	-	12,554,571
Equipment	9,871,841	166,556	(53,823)	9,984,574
Infrastructure	28,787,338	1,255,321	-	30,042,659
Depreciable capital assets:	<u>51,213,750</u>	<u>1,421,877</u>	<u>(53,823)</u>	<u>52,581,804</u>
Less: accumulated depreciation				
Buildings and improvements	(7,972,562)	(289,050)	-	(8,261,612)
Equipment	(8,554,475)	(257,840)	53,823	(8,758,492)
Infrastructure	(16,643,229)	(1,383,547)	-	(18,026,776)
Accumulated depreciation	<u>(33,170,266)</u>	<u>(1,930,437) *</u>	<u>53,823</u>	<u>(35,046,880)</u>
Depreciable capital assets, net	<u>18,043,484</u>	<u>(508,560)</u>	<u>-</u>	<u>17,534,924</u>
Governmental activities capital assets, net	<u>\$ 29,999,064</u>	<u>\$ (508,560)</u>	<u>\$ (1,169,835)</u>	<u>\$ 28,320,669</u>

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

General Government	\$ 148,456
Public Safety	419,269
Highways and Streets	1,119,721
Culture and Recreation	223,922
Health and Welfare	6,253
Economic Development	12,816
Total depreciation expense - governmental activities	<u>\$ 1,930,437</u>

Prior to the start of the 2010 season, the City decided not to open its water park, Splash! Moraine, due to budgetary constraints. While the City hopes to re-open the facility in the future, there is no current timetable to do so. No impairment loss is recognized since the City is still performing normal, routine maintenance to ensure the asset does not lose value, other than normal depreciation, over time. The carrying value of this asset as of December 31, 2014 is \$204,965, of which, \$200,025 and \$4,940 is related to buildings and equipment, respectively.

Capital assets of the Internal Service City Garage Fund include machinery and equipment with a cost of \$173,851 and accumulated depreciation of \$173,851.

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NOTE 6 – DEFINED BENEFIT PENSION PLANS:

Both the Ohio Police and Fire Pension Fund and the Ohio Public Employees Retirement System are reported using GASB Statement No. 27 “Accounting for Pensions by State and Local Governmental Employers”. Substantially all City employees are covered by one of the two cost-sharing multiple-employer defined benefit pension plans, namely, the Ohio Police and Fire Pension Fund or the Ohio Public Employees Retirement System of Ohio. Both funds provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, member and employer contribution rates were consistent across all three plans discussed above. Separate divisions for law enforcement and public safety divisions exist only within the Traditional Plan. The 2014 member contribution rates were 10% of their annual salary for members in state and local classifications. Public safety and law enforcement members contributed 12.0% and 13.0%, respectively. The City was required to contribute 14.00% of covered payroll for employees and 18.10% for employees engaged in law enforcement and public safety. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2014, 2013, and 2012 were \$659,461, \$711,953 and \$753,600, respectively; 90.3% has been contributed for 2014 and 100% for 2013 and 2012. The balance of the 2014 required contribution is reported as a component of the salaries and benefits liability.

Ohio Police and Fire Pension Fund

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

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plan. That report may be obtained by writing to Ohio Police & Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

From January 1, 2014 thru July 1, 2014, plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 thru December 31, 2014, plan members were required to contribute 11.5% of their annual covered salary. Throughout 2014, employers were required to contribute 19.5% and 24% respectively for police officers and firefighters. The City's contributions OP&F for police officers for the years ending December 31, 2014, 2013 and 2012 were \$1,338,359, \$1,014,618 and \$923,258, respectively; 91.2% has been contributed for 2014 and 100% for 2013 and 2012. The balance of the 2014 required contribution is reported as a component of the salaries and benefits liability.

NOTE 7 – POSTEMPLOYMENT BENEFITS:

Statement 45 of the Governmental Accounting Standards Board (GASB), "Accounting and Financial Reporting by Employers for Post-employment benefits other than Pension," establishes standards for disclosure information for postemployment benefits other than pension benefits. Both OPERS and OP&F have post-employment benefits that meet the definition as described in GASB Statement 45.

Ohio Public Employees Retirement System

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

In order to qualify for postemployment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care coverage. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed at a rate of 14% of covered payroll, and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members was 2.0% during calendar year 2014. Effective January 1, 2014, the portion of employer contributions allocated to healthcare remains at 2.0%, as recommended by the OPERS Actuary. The OPERS Retirement Board is also authorized to establish rules for the payment of a

CITY OF MORAINÉ, OHIO
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portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Actual employer contributions for 2014, 2013 and 2012 which were used to fund postemployment benefits were \$94,209, \$50,854 and \$215,314, respectively; 90.3% has been contributed for 2014 and 100% for 2013 and 2012. The balance of the 2014 required contribution is reported as a component of the salaries and benefits liability.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2013, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependent.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described by GASB Statement 45.

The Ohio Revised Code 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 are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

The Ohio Revised Code 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 payroll of active pension members, currently 19.5% and 24% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% and 24% of covered payroll for police and fire employer units, respectively. Active members do not make contributions to the OPEB Plan.

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

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. The portion of employer contributions allocated to health care was 0.5% of covered payroll from January 1, 2014 thru December 31, 2014. 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 Sections 115 and 401(h).

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The OP&F Board of Trustees also is 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 actual contributions for 2014, 2013 and 2012 that were used to fund postemployment benefits were \$31,100, \$166,055 and \$287,989 for police and firefighters, respectively; 91.2% has been contributed for 2014 and 100% for 2013 and 2012. The balance of the 2014 required contribution is reported as a component of the salaries and benefits liability.

NOTE 8 – 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 \$828,003 at December 31, 2014.

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 that have completed ten to twenty years of service are able to receive payment upon retirement of one hour for each three hours up to a maximum of 720 hours. For service beyond twenty years an employee would receive payment upon retirement of one hour for every three accumulated up to a maximum of 960 hours. Individuals leaving the employment of the City prior to retirement or at retirement with less than ten years of service lose their accumulated sick leave. The obligation for accrued unpaid sick leave for the City as a whole amounted to \$1,979,380 at December 31, 2014.

NOTE 9 – RISK MANAGEMENT:

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, 2013 and 2012 (most recent information available) follows:

Casualty & Property Coverage

	<u>2013</u>	<u>2012</u>
Assets	\$ 34,411,883	\$ 34,389,569
Liabilities	<u>(12,760,194)</u>	<u>(14,208,353)</u>
Net Position - Unrestricted	<u>\$ 21,651,689</u>	<u>\$ 20,181,216</u>

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FOR THE YEAR ENDED DECEMBER 31, 2014

Unpaid claims to be billed were approximately \$11.1 million in 2013 and \$12.6 million in 2013. The Pool's membership increased from 466 members in 2013 to 475 members in 2013.

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York Risk Pooling Services, Inc (YORK). APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. At December 31, 2013 the Pool retained \$350,000 for casualty claims and \$100,000 for property claims. The Board of Directors and YORK periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain. 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 \$100,000 per subscriber or \$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.

Stop loss reimbursement for the past three years:

<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ -	\$ 72,655	\$ 17,790

Below is a claims history for the past three years:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Claims liability at January 1	\$ 109,650	\$ 51,802	\$ 53,087
Claims incurred	1,331,617	1,483,738	1,475,154
Claims paid	<u>(1,380,554)</u>	<u>(1,425,890)</u>	<u>(1,476,439)</u>
Claims liability at December 31	<u>\$ 60,713</u>	<u>\$ 109,650</u>	<u>\$ 51,802</u>

NOTE 10 - LONG-TERM OBLIGATIONS:

On January 7, 2010 the City issued \$5,805,000 in various purpose infrastructure and improvement general obligation bonds. These bonds were issued to retire outstanding notes of \$5,300,000 that were originally issued for the purpose of designing, engineering, constructing and improving new and existing infrastructure. The issue is made up of serial and term bonds with interest rates between 2% and 5%. The bonds will mature on December 1, 2034. A portion of the debt service on the 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.

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

At December 31, 2014, the City has three outstanding loans from the Ohio Public Works Commission (OPWC) to finance various projects; \$784,000 for Dryden Road improvements in 1996, \$450,000 for improvements to Springboro Pike West during 2009, and \$402,492 was borrowed (total loan authorized up to \$569,797) to finance improvements to the traffic signals throughout the City. All three of these loans carried an interest rate of zero percent and will mature over a 30 year period.

The changes in the City's long-term liabilities for the year ended December 31, 2014, were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
<i>Governmental Activities:</i>					
General Obligation Bonds	\$ 5,685,000	\$ -	\$ 60,000	\$ 5,625,000	\$ 185,000
Premium on Bonds	79,593	-	3,790	75,803	-
Ohio Public Works Commission	644,905	186,866	50,210	781,561	35,167
Compensated Absences	<u>2,728,865</u>	<u>421,817</u>	<u>322,074</u>	<u>2,828,608</u>	<u>282,861</u>
Total Governmental Activities	<u>\$ 9,138,363</u>	<u>\$ 608,683</u>	<u>\$ 436,074</u>	<u>\$ 9,310,972</u>	<u>\$ 503,028</u>

The compensated absences are liquidated from the General, Parks and Recreation Fund, Street Construction and Maintenance, and City Garage Funds.

Principal and interest requirement to retire the City's future long-term debt funding requirements are as follows:

Calendar Year	Governmental Activities		
	General Obligation Bonds		OPWC Loans
	Principal	Interest	Principal
2015	\$ 185,000	\$ 250,061	\$ 35,167
2016	190,000	244,974	70,338
2017	195,000	239,274	42,625
2018	205,000	232,448	42,625
2019	210,000	224,761	42,625
2020-2024	1,215,000	966,555	213,124
2025-2029	1,525,000	651,706	213,124
2030-2034	1,900,000	276,440	111,873
2035	-	-	10,060
Total	<u>\$ 5,625,000</u>	<u>\$ 3,086,219</u>	<u>\$ 781,561</u>

Also, during 2014 the City entered into a fourth agreement with the OPWC to provide \$100,000 in grant revenue and a loan amount not to exceed \$300,000 to provide financing for the Stroop Road resurfacing and improvement project. The loan portion of this agreement calls for zero percent interest and a repayment period of twenty years. As of December 31, 2014, the City had not drawn any funds available through the loan agreement with OPWC.

CITY OF MORAINE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 11 – CONDUIT DEBT OBLIGATIONS:

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issue. The City, the State, nor any political subdivision, thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 1997, there were eleven series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the eleven series issued prior to January 1, 1997 could not be determined; however, their original issue amounts totaled \$32.9 million. There were no series issued after January 1, 1997.

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 2014 payment was \$76,496 and included \$42,000 in principal and \$34,496 in interest. These payments are recorded as expenses in the year that they are paid and no asset or long term liability is being carried on the City's books. The sewer belongs to, and is maintained by, Montgomery County.

NOTE 13 – INTERFUND ACTIVITY:

Interfund transfers for the year ended December 31, 2014, consisted of the following:

Transfer to Fund	Transfer from Fund	Amount
Street Construction and Maintenance	General	\$ 1,120,000
Nonmajor - Police Pension	General	340,000
Nonmajor - Fire Pension	General	400,000
		\$ 1,860,000

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

Due From/To Other Funds is recorded in the General Fund and Economic Development Fund for \$845,000. The outstanding balance between funds is the result of a working capital loan to the Economic Development Fund. None of the balance is scheduled to be collected in the subsequent year.

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 14 – 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 is not presently determinable, 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, 2014 to December 31, 2014, 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 15 – ACCOUNTABILITY:

At December 31, 2014, the Economic Development, Police Pension, and Fire Pension Funds reported deficit fund balances of \$575,471, \$21,563, and \$6,366 respectively. The deficits occurred as a result of current year accruals being recognized and deficits do not exist on a cash basis. The General Fund provides transfers to cover fund deficit balances; however, this is done when cash is needed and not when accruals occur.

NOTE 16 – COMMITMENTS:

Encumbrances

Outstanding encumbrances at year-end include:

<u>Fund</u>	<u>Encumbrance Outstanding</u>
General	\$ 320,079
Capital Improvement	2,046,111
Street Construction & Maintenance	14,758
Other Governmental Funds	45,997
	<u>\$ 2,426,945</u>

CITY OF MORAINE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLES:

During the year ended December 31, 2014, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 69, *Government Combinations and Disposals of Government Operations*, and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Neither of these Statements required the City to restate any prior year balances or impacted the City's financial statements for the current year.

In addition, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, has been issued by the GASB but is not required to be implemented by the City until calendar year 2015. Management has not yet determined the impact these new GASB Standards will have on the City's financial statements however it is anticipated to be significant.

NOTE 18 – SUBSEQUENT EVENTS:

In November 2014, City Council passed a resolution tentatively accepted a donation of nearly thirty acres of property from a local corporation contingent upon receipt of a satisfactory Phase I environmental review, confirmation that all real estate taxes and assessments were paid through the date of title transfer and that there were no outstanding mortgages, claims and/or liens on the property. The appraised value of the donated land was stated to be \$1,085,000. The City closed and obtained the property in February 2015 and is currently discussing possible uses for the property.

**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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Income	\$ 11,875,000	\$ 11,875,000	\$ 12,986,287	\$ 1,111,287
Property	427,544	427,544	428,922	1,378
Other	42,000	42,000	33,380	(8,620)
Shared Revenues	341,816	341,816	213,395	(128,421)
Intergovernmental	-	-	3,282	3,282
License and Permits	81,407	81,407	148,012	66,605
Charges for Services	355,525	355,525	341,697	(13,828)
Fines	259,000	259,000	257,316	(1,684)
Investment Earnings	150,000	150,000	67,224	(82,776)
Rents and Royalties	12,200	12,200	12,815	615
Miscellaneous	345,473	346,461	226,588	(119,873)
Total Revenues	<u>13,889,965</u>	<u>13,890,953</u>	<u>14,718,918</u>	<u>827,965</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Council				
Personnel services	21,015	21,015	13,933	7,082
General operating expenses	19,411	25,611	17,552	8,059
Total Council	<u>40,426</u>	<u>46,626</u>	<u>31,485</u>	<u>15,141</u>
Clerk of Council				
Personnel services	65,853	65,853	51,782	14,071
General operating expenses	14,845	14,845	9,910	4,935
Total Clerk of Council	<u>80,698</u>	<u>80,698</u>	<u>61,692</u>	<u>19,006</u>
City Manager				
Personnel services	297,837	304,837	294,329	10,508
General operating expenses	40,315	40,315	33,110	7,205
Total City Manager	<u>338,152</u>	<u>345,152</u>	<u>327,439</u>	<u>17,713</u>
Clerk of Courts				
Personnel services	126,162	126,162	121,261	4,901
General operating expenses	31,466	31,466	25,249	6,217
Total Clerk of Courts	<u>157,628</u>	<u>157,628</u>	<u>146,510</u>	<u>11,118</u>
Law Director				
General operating expenses	187,114	187,114	119,096	68,018
Total Law Director	<u>187,114</u>	<u>187,114</u>	<u>119,096</u>	<u>68,018</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, 2014
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Merit Service				
General operating expenses	10,000	10,000	2,419	7,581
Total Merit Service	<u>10,000</u>	<u>10,000</u>	<u>2,419</u>	<u>7,581</u>
Mayor				
Personnel services	12,737	25,437	22,790	2,647
General operating expenses	6,900	6,900	3,478	3,422
Total Mayor	<u>19,637</u>	<u>32,337</u>	<u>26,268</u>	<u>6,069</u>
Finance				
Personnel services	508,385	506,885	457,475	49,410
General operating expenses	72,942	72,942	56,901	16,041
Total Finance	<u>581,327</u>	<u>579,827</u>	<u>514,376</u>	<u>65,451</u>
Information Center				
Personnel services	115,637	115,637	110,810	4,827
Total Information Center	<u>115,637</u>	<u>115,637</u>	<u>110,810</u>	<u>4,827</u>
Public Buildings				
Personnel services	506,327	506,327	469,099	37,228
General operating expenses	511,783	511,783	393,426	118,357
Total Public Buildings	<u>1,018,110</u>	<u>1,018,110</u>	<u>862,525</u>	<u>155,585</u>
General Miscellaneous				
Personnel services	329,658	401,658	339,748	61,910
General operating expenses	518,424	523,424	428,294	95,130
Total General Miscellaneous	<u>848,082</u>	<u>925,082</u>	<u>768,042</u>	<u>157,040</u>
Information Technology				
Personnel services	106,258	106,258	104,447	1,811
General operating expenses	254,504	254,504	207,314	47,190
Total Information Technology	<u>360,762</u>	<u>360,762</u>	<u>311,761</u>	<u>49,001</u>
Human Resources				
General operating expenses	82,880	82,880	63,772	19,108
Total Human Resources	<u>82,880</u>	<u>82,880</u>	<u>63,772</u>	<u>19,108</u>
TOTAL GENERAL GOVERNMENT	<u>3,840,453</u>	<u>3,941,853</u>	<u>3,346,195</u>	<u>595,658</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, 2014
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
PUBLIC SAFETY				
Police				
Personnel services	3,276,278	3,276,320	3,068,463	207,857
General operating expenses	535,069	535,027	497,142	37,885
Total Police	<u>3,811,347</u>	<u>3,811,347</u>	<u>3,565,605</u>	<u>245,742</u>
Fire				
Personnel services	2,993,996	3,048,996	2,879,514	169,482
General operating expenses	321,275	321,275	285,439	35,836
Total Fire	<u>3,315,271</u>	<u>3,370,271</u>	<u>3,164,953</u>	<u>205,318</u>
Civil Defense				
General operating expenses	13,875	13,875	9,283	4,592
Total Civil Defense	<u>13,875</u>	<u>13,875</u>	<u>9,283</u>	<u>4,592</u>
TOTAL PUBLIC SAFETY	<u>7,140,493</u>	<u>7,195,493</u>	<u>6,739,841</u>	<u>455,652</u>
HIGHWAYS AND STREETS				
Engineering				
Personnel services	57,466	61,966	60,378	1,588
General operating expenses	75,445	75,445	48,221	27,224
Total Engineering	<u>132,911</u>	<u>137,411</u>	<u>108,599</u>	<u>28,812</u>
Street Lighting				
General operating expenses	269,248	269,248	230,000	39,248
Total Street Lighting	<u>269,248</u>	<u>269,248</u>	<u>230,000</u>	<u>39,248</u>
TOTAL HIGHWAYS AND STREETS	<u>402,159</u>	<u>406,659</u>	<u>338,599</u>	<u>68,060</u>
SANITATION				
Waste Collection				
General operating expenses	398,453	398,453	334,749	63,704
Total Waste Collection	<u>398,453</u>	<u>398,453</u>	<u>334,749</u>	<u>63,704</u>
TOTAL SANITATION	<u>398,453</u>	<u>398,453</u>	<u>334,749</u>	<u>63,704</u>
HEALTH AND WELFARE				
Health & Alcoholism				
General operating expenses	4,000	4,000	2,530	1,470
Total Health & Alcoholism	<u>4,000</u>	<u>4,000</u>	<u>2,530</u>	<u>1,470</u>
Board of Zoning Appeals				
General operating expenses	450	450	100	350
Total Board of Zoning Appeals	<u>450</u>	<u>450</u>	<u>100</u>	<u>350</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, 2014
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Building Inspection				
Personnel services	86,216	86,216	78,601	7,615
General operating expenses	75,930	75,930	61,752	14,178
Total Building Inspection	162,146	162,146	140,353	21,793
TOTAL HEALTH AND WELFARE	166,596	166,596	142,983	23,613
ECONOMIC DEVELOPMENT AND ASSISTANCE				
Planning				
Personnel services	163,250	165,750	163,533	2,217
General operating expenses	26,635	26,635	13,348	13,287
Total Planning	189,885	192,385	176,881	15,504
Planning Commission				
General operating expenses	3,940	3,940	3,151	789
Total Planning Commission	3,940	3,940	3,151	789
TOTAL ECONOMIC DEVELOPMENT AND ASSISTANCE	193,825	196,325	180,032	16,293
TOTAL EXPENDITURES	12,141,979	12,305,379	11,082,399	1,222,980
Excess (deficiency) of revenues over (under) expenditures	1,747,986	1,585,574	3,636,519	2,050,945
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,395,000)	(2,395,000)	(2,255,000)	140,000
Proceeds from the sale of assets	25,000	25,000	2,763	(22,237)
Total Other Financing Sources (Uses)	(2,370,000)	(2,370,000)	(2,252,237)	117,763
Net Change in Fund Balance	(622,014)	(784,426)	1,384,282	2,168,708
Fund Balance - Beginning	1,197,712	1,197,712	1,197,712	-
Encumbrances	453,678	453,678	453,678	-
Fund Balance - Ending	<u>\$ 1,029,376</u>	<u>\$ 866,964</u>	<u>\$ 3,035,672</u>	<u>\$ 2,168,708</u>

See accompanying notes to the required supplementary information.

CITY OF MORAIN, OHIO
ECONOMIC DEVELOPMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 251,164	\$ 251,164
Total Revenues	<u>-</u>	<u>-</u>	<u>251,164</u>	<u>251,164</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Economic Development				
General operating expenses	260,000	695,000	511,514	183,486
Total Expenditures	<u>260,000</u>	<u>695,000</u>	<u>511,514</u>	<u>183,486</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(260,000)</u>	<u>(695,000)</u>	<u>(260,350)</u>	<u>434,650</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	350,000	350,000	10,004	(339,996)
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>350,000</u>	<u>10,004</u>	<u>(339,996)</u>
Net Change in Fund Balance	90,000	(345,000)	(250,346)	94,654
Fund Balance - Beginning	488,829	488,829	488,829	-
Fund Balance - Ending	<u>\$ 578,829</u>	<u>\$ 143,829</u>	<u>\$ 238,483</u>	<u>\$ 94,654</u>

See accompanying notes to the required supplementary information.

CITY OF MORAIN, 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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 390,000	\$ 390,000	\$ 407,517	\$ 17,517
Investment Earnings	1,750	1,750	1,627	(123)
Miscellaneous	1,200	1,200	5,280	4,080
Total Revenues	<u>392,950</u>	<u>392,950</u>	<u>414,424</u>	<u>21,474</u>
EXPENDITURES				
HIGHWAY AND STREETS				
Streets Department				
Personnel Services	1,402,695	1,419,195	1,390,118	29,077
General Operating Expenses	374,822	374,822	329,111	45,711
Total Expenditures	<u>1,777,517</u>	<u>1,794,017</u>	<u>1,719,229</u>	<u>74,788</u>
Excess (deficiency) of revenues over (under)	<u>(1,384,567)</u>	<u>(1,401,067)</u>	<u>(1,304,805)</u>	<u>96,262</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,140,000	1,140,000	1,120,000	(20,000)
Total Other Financing Sources (Uses)	<u>1,140,000</u>	<u>1,140,000</u>	<u>1,120,000</u>	<u>(20,000)</u>
Net Change in Fund Balance	(244,567)	(261,067)	(184,805)	76,262
Fund Balance - Beginning	256,610	256,610	256,610	-
Encumbrances	31,128	31,128	31,128	-
Fund Balance - Ending	<u>\$ 43,171</u>	<u>\$ 26,671</u>	<u>\$ 102,933</u>	<u>\$ 76,262</u>

See accompanying notes to the required supplementary information.

CITY OF MORAINÉ, 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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Payments in lieu of taxes	\$ 153,000	\$ 153,000	\$ 185,332	\$ 32,332
Investment Earnings	15,000	15,000	10,204	(4,796)
Total Revenues	<u>168,000</u>	<u>168,000</u>	<u>195,536</u>	<u>27,536</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
 Engineer				
General operating expenses	85,000	85,000	59,946	25,054
DEBT SERVICE				
Principal Retirement	60,000	60,000	60,000	-
Interest	251,562	251,562	251,561	1
Total Expenditures	<u>396,562</u>	<u>396,562</u>	<u>371,507</u>	<u>25,055</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(228,562)</u>	<u>(228,562)</u>	<u>(175,971)</u>	<u>52,591</u>
OTHER FINANCING SOURCES				
Proceeds from the sale of assets	400,000	400,000	383,163	(16,837)
Total Other Financing Sources	<u>400,000</u>	<u>400,000</u>	<u>383,163</u>	<u>(16,837)</u>
Net Change in Fund Balance	171,438	171,438	207,192	35,754
Fund Balance - Beginning	974,280	974,280	974,280	-
Fund Balance - Ending	<u>\$ 1,145,718</u>	<u>\$ 1,145,718</u>	<u>\$ 1,181,472</u>	<u>\$ 35,754</u>

See accompanying notes to the required supplementary information.

CITY OF MORaine, OHIO
Notes to Required Supplementary Information
For the Year Ended December 31, 2014

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 major funds.

	Net Change in Fund Balance			
	General	Economic Development	Street Construction and Maintenance	T.I.F.
GAAP Basis	\$ 2,303,191	\$ (357,701)	\$ (167,726)	\$ (206,052)
Revenue Accruals	(424,344)	-	(388)	2,744
Expenditure Accruals	(245,505)	107,355	(1,933)	27,337
Encumbrances	(320,079)	-	(14,758)	-
Other Financing Sources	-	-	-	383,163
Funds Budgeted Elsewhere	71,019	-	-	-
Budget Basis	\$ 1,384,282	\$ (250,346)	\$ (184,805)	\$ 207,192

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

**COMBINING FINANCIAL STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

CITY OF MORAIN, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Equity in Pooled Cash and Investments	\$ 1,424,385	\$ 157,640	\$ 1,582,025
Receivables:			
Property Tax	130,804	-	130,804
Accounts	1,655	-	1,655
Intergovernmental	25,338	-	25,338
Total Assets	<u>\$ 1,582,182</u>	<u>\$ 157,640</u>	<u>\$ 1,739,822</u>
LIABILITIES			
Accounts Payable	\$ 2,597	\$ -	\$ 2,597
Salaries and Benefits Payable	93,241	-	93,241
Total Liabilities	<u>95,838</u>	<u>-</u>	<u>95,838</u>
DEFERRED INFLOWS OF RESOURCES:			
Property Taxes	121,640	-	121,640
Unavailable for:			
Delinquent Property Taxes	9,164	-	9,164
Intergovernmental	21,473	-	21,473
Other Sources	1,655	-	1,655
Total Deferred Inflows of Resources	<u>153,932</u>	<u>-</u>	<u>153,932</u>
FUND BALANCES			
Restricted for:			
Law Enforcement	224,655	-	224,655
Cemetery Services	139,858	-	139,858
Debt Service	-	157,640	157,640
Street Repair and Maintenance	995,828	-	995,828
Unassigned	(27,929)	-	(27,929)
Total Fund Balances	<u>1,332,412</u>	<u>157,640</u>	<u>1,490,052</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,582,182</u>	<u>\$ 157,640</u>	<u>\$ 1,739,822</u>

CITY OF MORAIN, OHIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Taxes:			
Property	\$ 131,668	\$ -	\$ 131,668
Shared Revenues	75,497	-	75,497
Charges for Services	3,780	-	3,780
Fines	17,369	-	17,369
Investment Earnings	11,172	1,120	12,292
Miscellaneous	2,399	-	2,399
Total Revenues	<u>241,885</u>	<u>1,120</u>	<u>243,005</u>
EXPENDITURES			
Current:			
General government	5,900	-	5,900
Public Safety	1,000,338	-	1,000,338
Highways and streets	115,227	-	115,227
Total Expenditures	<u>1,121,465</u>	<u>-</u>	<u>1,121,465</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(879,580)</u>	<u>1,120</u>	<u>(878,460)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	740,000	-	740,000
Total Other Financing Sources (Uses)	<u>740,000</u>	<u>-</u>	<u>740,000</u>
Net Change in Fund Balance	(139,580)	1,120	(138,460)
Fund Balance - Beginning	1,471,992	156,520	1,628,512
Fund Balance - Ending	<u>\$ 1,332,412</u>	<u>\$ 157,640</u>	<u>\$ 1,490,052</u>

CITY OF MORAINE, OHIO
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2014

	State Highway Improvement	Cemetery	Motor Vehicle License Tax	Enforcement and Education	Police Pension	Fire Pension	Federal Law Enforcement	State Law Enforcement	Drug Law Enforcement	Total Nonmajor Special Revenue Funds
ASSETS										
Equity in Pooled Cash and Investments	\$ 843,996	\$ 139,858	\$ 148,434	\$ 59,948	\$ 28,821	\$ 36,491	\$ 42,348	\$ 86,283	\$ 38,206	\$ 1,424,385
Receivables:										
Property Tax	-	-	-	-	65,402	65,402	-	-	-	130,804
Accounts	-	1,655	-	-	-	-	-	-	-	1,655
Intergovernmental	13,618	-	9,170	-	1,275	1,275	-	-	-	25,338
Total Assets	\$ 857,614	\$ 141,513	\$ 157,604	\$ 59,948	\$ 95,498	\$ 103,168	\$ 42,348	\$ 86,283	\$ 38,206	\$ 1,582,182
LIABILITIES										
Accounts Payable	\$ 89	\$ -	\$ 378	\$ 1,967	\$ -	\$ -	\$ 163	\$ -	\$ -	\$ 2,597
Salaries and Benefits Payable	-	-	-	-	50,384	42,857	-	-	-	93,241
Total Liabilities	89	-	378	1,967	50,384	42,857	163	-	-	95,838
DEFERRED INFLOWS OF RESOURCES:										
Property Taxes	-	-	-	-	60,820	60,820	-	-	-	121,640
Unavailable for:										
Delinquent Property Taxes	-	-	-	-	4,582	4,582	-	-	-	9,164
Intergovernmental	11,183	-	7,740	-	1,275	1,275	-	-	-	21,473
Other Sources	-	1,655	-	-	-	-	-	-	-	1,655
Total Deferred Inflows of Resources	11,183	1,655	7,740	-	66,677	66,677	-	-	-	153,932
FUND BALANCE										
Restricted for:										
Law Enforcement	-	-	-	57,981	-	-	42,185	86,283	38,206	224,655
Cemetery Services	-	139,858	-	-	-	-	-	-	-	139,858
Street Repair and Maintenance	846,342	-	149,486	-	-	-	-	-	-	995,828
Unassigned	-	-	-	-	(21,563)	(6,366)	-	-	-	(27,929)
Total Fund Balance	846,342	139,858	149,486	57,981	(21,563)	(6,366)	42,185	86,283	38,206	1,332,412
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 857,614	\$ 141,513	\$ 157,604	\$ 59,948	\$ 95,498	\$ 103,168	\$ 42,348	\$ 86,283	\$ 38,206	\$ 1,582,182

CITY OF MORAINE, OHIO
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2014

	State Highway Improvement	Cemetery	Motor Vehicle License Tax	Enforcement and Education	Police Pension	Fire Pension	Federal Law Enforcement	State Law Enforcement	Drug Law Enforcement	Total Nonmajor Special Revenue Funds
REVENUES										
Taxes:										
Property	\$ -	\$ -	\$ -	\$ -	\$ 65,834	\$ 65,834	\$ -	\$ -	\$ -	\$ 131,668
Shared Revenues	33,078	-	22,859	-	13,029	6,531	-	-	-	75,497
Charges for Services	-	3,780	-	-	-	-	-	-	-	3,780
Fines	-	-	-	380	-	-	400	16,589	-	17,369
Investment Earnings	5,946	994	1,551	441	309	360	635	621	315	11,172
Miscellaneous	-	639	-	-	-	-	-	1,760	-	2,399
Total Revenues	39,024	5,413	24,410	821	79,172	72,725	1,035	18,970	315	241,885
EXPENDITURES										
Current:										
General government	-	5,900	-	-	-	-	-	-	-	5,900
Public Safety	-	-	-	3,883	428,923	467,932	42,566	52,034	5,000	1,000,338
Highways and streets	23,869	-	91,358	-	-	-	-	-	-	115,227
Total Expenditures	23,869	5,900	91,358	3,883	428,923	467,932	42,566	52,034	5,000	1,121,465
Excess (deficiency) of Revenues Over (under) Expenditures	15,155	(487)	(66,948)	(3,062)	(349,751)	(395,207)	(41,531)	(33,064)	(4,685)	(879,580)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	340,000	400,000	-	-	-	740,000
Total Other Financing Sources (Uses)	-	-	-	-	340,000	400,000	-	-	-	740,000
Net Change in Fund Balance	15,155	(487)	(66,948)	(3,062)	(9,751)	4,793	(41,531)	(33,064)	(4,685)	(139,580)
Fund Balance - Beginning	831,187	140,345	216,434	61,043	(11,812)	(11,159)	83,716	119,347	42,891	1,471,992
Fund Balance - Ending	\$ 846,342	\$ 139,858	\$ 149,486	\$ 57,981	\$ (21,563)	\$ (6,366)	\$ 42,185	\$ 86,283	\$ 38,206	\$ 1,332,412

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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 31,000	\$ 31,000	\$ 33,042	\$ 2,042
Investment Earnings	10,000	10,000	7,760	(2,240)
Total Revenues	<u>41,000</u>	<u>41,000</u>	<u>40,802</u>	<u>(198)</u>
EXPENDITURES				
HIGHWAY AND STREETS				
Street Department				
General Operating Expenses	27,600	35,600	30,346	5,254
Total Expenditures	<u>27,600</u>	<u>35,600</u>	<u>30,346</u>	<u>5,254</u>
Net Change in Fund Balance	13,400	5,400	10,456	5,056
Fund Balance - Beginning	829,744	829,744	829,744	-
Fund Balance - Ending	<u>\$ 843,144</u>	<u>\$ 835,144</u>	<u>\$ 840,200</u>	<u>\$ 5,056</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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 6,000	\$ 6,000	\$ 3,780	\$ (2,220)
Investment Earnings	2,000	2,000	1,291	(709)
Miscellaneous	500	500	639	139
Total Revenues	<u>8,500</u>	<u>8,500</u>	<u>5,710</u>	<u>(2,790)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Building and Park Maintenance				
General Operating Expenses	7,975	7,975	7,100	875
Total Expenditures	<u>7,975</u>	<u>7,975</u>	<u>7,100</u>	<u>875</u>
Net Change in Fund Balance	525	525	(1,390)	(1,915)
Fund Balance - Beginning	139,981	139,981	139,981	-
Encumbrances	525	525	525	-
Fund Balance - Ending	<u>\$ 141,031</u>	<u>\$ 141,031</u>	<u>\$ 139,116</u>	<u>\$ (1,915)</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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 21,000	\$ 21,000	\$ 22,868	\$ 1,868
Investment Earnings	2,500	2,500	1,790	(710)
Total Revenues	<u>23,500</u>	<u>23,500</u>	<u>24,658</u>	<u>1,158</u>
EXPENDITURES				
HIGHWAY AND STREETS				
Street Department				
General Operating Expenses	106,400	114,400	100,014	14,386
Total Expenditures	<u>106,400</u>	<u>114,400</u>	<u>100,014</u>	<u>14,386</u>
Net Change in Fund Balance	(82,900)	(90,900)	(75,356)	15,544
Fund Balance - Beginning	215,242	215,242	215,242	-
Fund Balance - Ending	<u>\$ 132,342</u>	<u>\$ 124,342</u>	<u>\$ 139,886</u>	<u>\$ 15,544</u>

CITY OF MORAIN, OHIO
ENFORCEMENT AND EDUCATION FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
License and Permits	\$ 700	\$ 700	\$ 380	\$ (320)
Investment Earnings	900	900	568	(332)
Total Revenues	<u>1,600</u>	<u>1,600</u>	<u>948</u>	<u>(652)</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
General Operating Expenses	4,000	4,000	1,916	2,084
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>1,916</u>	<u>2,084</u>
Net Change in Fund Balance	(2,400)	(2,400)	(968)	1,432
Fund Balance - Beginning	59,113	59,113	59,113	-
Encumbrances	2,001	2,001	2,001	
Fund Balance - Ending	<u>\$ 58,714</u>	<u>\$ 58,714</u>	<u>\$ 60,146</u>	<u>\$ 1,432</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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 65,450	\$ 65,844	\$ 65,835	\$ (9)
Intergovernmental	4,350	4,150	13,028	8,878
Investment Earnings	2,500	2,500	366	(2,134)
Total Revenues	<u>72,300</u>	<u>72,494</u>	<u>79,229</u>	<u>6,735</u>
EXPENDITURES				
 PUBLIC SAFETY				
 Police				
Personnel	425,000	425,000	422,000	3,000
General operating expense	1,500	1,500	1,241	259
Total Expenditures	<u>426,500</u>	<u>426,500</u>	<u>423,241</u>	<u>3,259</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(354,200)</u>	<u>(354,006)</u>	<u>(344,012)</u>	<u>9,994</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	350,000	350,000	340,000	(10,000)
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>350,000</u>	<u>340,000</u>	<u>(10,000)</u>
Net Change in Fund Balance	(4,200)	(4,006)	(4,012)	(6)
Fund Balance - Beginning	32,928	32,928	32,928	-
Fund Balance - Ending	<u>\$ 28,728</u>	<u>\$ 28,922</u>	<u>\$ 28,916</u>	<u>\$ (6)</u>

CITY OF MORAIN, OHIO
FIRE PENSION FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 65,450	\$ 65,844	\$ 65,835	\$ (9)
Intergovernmental	4,350	4,150	6,530	2,380
Investment Earnings	1,500	1,500	434	(1,066)
Total Revenues	<u>71,300</u>	<u>71,494</u>	<u>72,799</u>	<u>1,305</u>
EXPENDITURES				
PUBLIC SAFETY				
Fire				
Personnel	510,000	510,000	474,580	35,420
General operating expense	1,500	1,500	1,241	259
Total Expenditures	<u>511,500</u>	<u>511,500</u>	<u>475,821</u>	<u>35,679</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(440,200)</u>	<u>(440,006)</u>	<u>(403,022)</u>	<u>36,984</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	425,000	425,000	400,000	(25,000)
Total Other Financing Sources (Uses)	<u>425,000</u>	<u>425,000</u>	<u>400,000</u>	<u>(25,000)</u>
Net Change in Fund Balance	(15,200)	(15,006)	(3,022)	11,984
Fund Balance - Beginning	39,634	39,634	39,634	-
Fund Balance - Ending	<u>\$ 24,434</u>	<u>\$ 24,628</u>	<u>\$ 36,612</u>	<u>\$ 11,984</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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 1,200	\$ 1,200	\$ 677	\$ (523)
Fines	5,000	5,000	400	(4,600)
Total Revenues	<u>6,200</u>	<u>6,200</u>	<u>1,077</u>	<u>(5,123)</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
General operating expense	48,000	48,000	43,913	4,087
Total Expenditures	<u>48,000</u>	<u>48,000</u>	<u>43,913</u>	<u>4,087</u>
Net Change in Fund Balance	(41,800)	(41,800)	(42,836)	(1,036)
Fund Balance - Beginning	83,812	83,812	83,812	-
Fund Balance - Ending	<u>\$ 42,012</u>	<u>\$ 42,012</u>	<u>\$ 40,976</u>	<u>\$ (1,036)</u>

CITY OF MORaine, OHIO
STATE LAW ENFORCEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 1,500	\$ 1,500	\$ 766	\$ (734)
Miscellaneous	-	-	1,760	1,760
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>2,526</u>	<u>1,026</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
General operating expense	70,000	70,000	52,034	17,966
Total Expenditures	<u>70,000</u>	<u>70,000</u>	<u>52,034</u>	<u>17,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(68,500)</u>	<u>(68,500)</u>	<u>(49,508)</u>	<u>18,992</u>
OTHER FINANCING SOURCES (USES)				
Sale of Forfeited Property	-	-	16,589	16,589
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>16,589</u>	<u>16,589</u>
Net Change in Fund Balance	(68,500)	(68,500)	(32,919)	35,581
Fund Balance - Beginning	119,485	119,485	119,485	-
Fund Balance - Ending	<u>\$ 50,985</u>	<u>\$ 50,985</u>	<u>\$ 86,566</u>	<u>\$ 35,581</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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 750	\$ 750	\$ 391	\$ (359)
Total Revenues	<u>750</u>	<u>750</u>	<u>391</u>	<u>(359)</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
General operating expense	1,500	5,000	5,000	-
Total Expenditures	<u>1,500</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net Change in Fund Balance	(750)	(4,250)	(4,609)	(359)
Fund Balance - Beginning	42,940	42,940	42,940	-
Fund Balance - Ending	<u>\$ 42,190</u>	<u>\$ 38,690</u>	<u>\$ 38,331</u>	<u>\$ (359)</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 208,850	\$ 208,850	\$ 188,831	\$ (20,019)
Investment Earnings	3,500	3,500	1,633	(1,867)
Grants	25,000	25,000	48,707	23,707
Miscellaneous	23,000	23,000	38,926	15,926
Total Revenues	<u>260,350</u>	<u>260,350</u>	<u>278,097</u>	<u>17,747</u>
EXPENDITURES				
CULTURE AND RECREATION				
Civic Center				
Personnel services	231,373	231,373	164,000	67,373
General operating expenses	51,958	65,608	48,651	16,957
Total Civic Center	<u>283,331</u>	<u>296,981</u>	<u>212,651</u>	<u>84,330</u>
Parks & Recreation Programs				
Personnel services	439,984	439,984	418,059	21,925
General operating expenses	188,917	188,917	139,449	49,468
Total Parks & Recreation Programs	<u>628,901</u>	<u>628,901</u>	<u>557,508</u>	<u>71,393</u>
Recreational Center				
General operating expenses	47,205	47,205	33,938	13,267
Total Recreational Center	<u>47,205</u>	<u>47,205</u>	<u>33,938</u>	<u>13,267</u>
Total Expenditures	<u>959,437</u>	<u>973,087</u>	<u>804,097</u>	<u>168,990</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(699,087)</u>	<u>(712,737)</u>	<u>(526,000)</u>	<u>186,737</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	480,000	480,000	395,000	(85,000)
Total Other Financing Sources (Uses)	<u>480,000</u>	<u>480,000</u>	<u>395,000</u>	<u>(85,000)</u>
Net Change in Fund Balance	(219,087)	(232,737)	(131,000)	101,737
Fund Balance - Beginning	213,415	213,415	213,415	-
Encumbrances	49,634	49,634	49,634	-
Fund Balance - Ending	<u>\$ 43,962</u>	<u>\$ 30,312</u>	<u>\$ 132,049</u>	<u>\$ 101,737</u>

CITY OF MORAIN, OHIO
DEBT SERVICE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 2,000	\$ 2,000	\$ 1,457	\$ (543)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>1,457</u>	<u>(543)</u>
EXPENDITURES				
Debt Service	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	2,000	2,000	1,457	(543)
Fund Balance - Beginning	156,699	156,699	156,699	-
Fund Balance - Ending	<u>\$ 158,699</u>	<u>\$ 158,699</u>	<u>\$ 158,156</u>	<u>\$ (543)</u>

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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Grants	\$ 1,298,000	\$ 1,298,000	\$ 337,523	\$ (960,477)
Miscellaneous	10,000	10,000	9,599	(401)
Total Revenues	<u>1,308,000</u>	<u>1,308,000</u>	<u>347,122</u>	<u>(960,878)</u>
EXPENDITURES				
CAPITAL OUTLAY				
General Government	208,527	208,527	145,264	63,263
Public Safety	466,500	466,500	91,829	374,671
Highways and Streets	1,975,160	2,490,829	2,467,608	23,221
Culture-Recreation	38,386	38,386	15,100	23,286
Economic Development	34,205	34,205	20,205	14,000
DEBT SERVICE				
Principal	121,201	121,201	121,200	1
Interest	34,500	34,500	34,496	4
Total Expenditures	<u>2,878,479</u>	<u>3,394,148</u>	<u>2,895,702</u>	<u>498,446</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,570,479)</u>	<u>(2,086,148)</u>	<u>(2,548,580)</u>	<u>(462,432)</u>
OTHER FINANCING SOURCES				
Loan Proceeds	640,000	640,000	186,866	(453,134)
Total Other Financing Sources	<u>640,000</u>	<u>640,000</u>	<u>186,866</u>	<u>(453,134)</u>
Net Change in Fund Balance	(930,479)	(1,446,148)	(2,361,714)	(915,566)
Fund Balance - Beginning	3,247,811	3,247,811	3,247,811	-
Encumbrances	763,960	763,960	763,960	-
Fund Balance - Ending	<u>\$ 3,081,292</u>	<u>\$ 2,565,623</u>	<u>\$ 1,650,057</u>	<u>\$ (915,566)</u>

CITY OF MORAIN, OHIO
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2014

	<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	\$ 283,893	\$ 1,467,472	\$ 404,049	\$ 2,155,414
Inventories	163,949	-	-	163,949
Total Current Assets	<u>447,842</u>	<u>1,467,472</u>	<u>404,049</u>	<u>2,319,363</u>
Total Assets	<u>447,842</u>	<u>1,467,472</u>	<u>404,049</u>	<u>2,319,363</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	-	8,278	-	8,278
Salaries and Benefits Payable	16,143	-	-	16,143
Compensated Absences Payable	6,343	-	-	6,343
Insurance Claims Payable	-	-	60,713	60,713
Total Current Liabilities	<u>22,486</u>	<u>8,278</u>	<u>60,713</u>	<u>91,477</u>
LONG-TERM LIABILITIES				
Compensated Absences Payable	57,087	-	-	57,087
Total Liabilities	<u>79,573</u>	<u>8,278</u>	<u>60,713</u>	<u>148,564</u>
NET POSITION				
Unrestricted	368,269	1,459,194	343,336	2,170,799
Total Net Position	<u>\$ 368,269</u>	<u>\$ 1,459,194</u>	<u>\$ 343,336</u>	<u>\$ 2,170,799</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, 2014

	City Garage	Insurance Reserve	Health Insurance	Total Internal Service Funds
Operating Revenues				
Charges for Services	\$ 585,098	\$ -	\$ 1,422,719	\$ 2,007,817
Miscellaneous	1,867	421	-	2,288
Total Operating Revenues	<u>586,965</u>	<u>421</u>	<u>1,422,719</u>	<u>2,010,105</u>
Operating Expenses				
Personal Services	264,515	-	-	264,515
Contractual Services	23,919	34,104	261,618	319,641
Supplies and Materials	349,358	-	-	349,358
Claims and Judgements	-	3,708	1,331,617	1,335,325
Total Operating Expenses	<u>637,792</u>	<u>37,812</u>	<u>1,593,235</u>	<u>2,268,839</u>
Operating Income (Loss)	<u>(50,827)</u>	<u>(37,391)</u>	<u>(170,516)</u>	<u>(258,734)</u>
Non-operating Revenues				
Investment Earnings	-	10,636	80	10,716
Total Non-operating Revenues	<u>-</u>	<u>10,636</u>	<u>80</u>	<u>10,716</u>
Change in Net Position	(50,827)	(26,755)	(170,436)	(248,018)
Total Net Position - Beginning	419,096	1,485,949	513,772	2,418,817
Total Net Position - Ending	<u>\$ 368,269</u>	<u>\$ 1,459,194</u>	<u>\$ 343,336</u>	<u>\$ 2,170,799</u>

CITY OF MORAIN, OHIO
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2014

	City Garage	Insurance Reserve	Health Insurance	Total Internal Service Funds
Cash Flows From Operating Activities				
Cash received for interfund services	\$ 585,098	\$ -	\$ 1,422,719	\$ 2,007,817
Miscellaneous receipts & reimbursements	1,867	421	-	2,288
Cash paid to employees for services	(254,863)	-	-	(254,863)
Cash paid to suppliers for goods or services	(331,582)	(28,794)	(261,618)	(621,994)
Cash paid for insurance claims	-	(3,708)	(1,380,554)	(1,384,262)
Net cash provided (used) by operating activities	<u>520</u>	<u>(32,081)</u>	<u>(219,453)</u>	<u>(251,014)</u>
Cash Flows From Investing Activities				
Investment earnings	-	10,636	80	10,716
Net cash from investing activities	<u>-</u>	<u>10,636</u>	<u>80</u>	<u>10,716</u>
Net Change	520	(21,445)	(219,373)	(240,298)
Equity in Pooled Cash and Investments Beginning of Year	283,373	1,488,917	623,422	2,395,712
Equity in Pooled Cash and Investments End of Year	<u>\$ 283,893</u>	<u>\$ 1,467,472</u>	<u>\$ 404,049</u>	<u>\$ 2,155,414</u>
Reconciliation of Operating Income (Loss) to Net Cash				
Provided (Used) by Operating Activities				
Operating income (loss)	\$ (50,827)	\$ (37,391)	\$ (170,516)	\$ (258,734)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Decrease in inventories	42,255	-	-	42,255
Increase (decrease) in accounts payable	(560)	5,310	-	4,750
Increase in salaries and benefits payable	1,739	-	-	1,739
Increase in compensated absences payable	7,913	-	-	7,913
(Decrease) in insurance claims payable	-	-	(48,937)	(48,937)
Net cash provided (used) by operating activities	<u>\$ 520</u>	<u>\$ (32,081)</u>	<u>\$ (219,453)</u>	<u>\$ (251,014)</u>

CITY OF MORAIN, OHIO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2014

	Balance December 31, 2013	Additions	Deductions	Balance December 31, 2014
Miscellaneous Agency Fund				
Assets				
Equity in Pooled Cash and Investments	\$ 45,609	\$ 6,204	\$ (5,650)	\$ 46,163
Total Assets	<u>45,609</u>	<u>6,204</u>	<u>(5,650)</u>	<u>46,163</u>
Liabilities				
Deposits	45,609	6,204	(5,650)	46,163
Total Liabilities	<u>45,609</u>	<u>6,204</u>	<u>(5,650)</u>	<u>46,163</u>
Mayor's Court				
Assets				
Cash in Segregated Accounts	26,941	307,110	(286,075)	47,976
Total Assets	<u>26,941</u>	<u>307,110</u>	<u>(286,075)</u>	<u>47,976</u>
Liabilities				
Due to Other Governments	20,670	297,349	(291,334)	26,685
Deposits	2,635	17,333	(2,635)	17,333
Escrow Bonds	3,636	9,761	(9,439)	3,958
Total Liabilities	<u>26,941</u>	<u>324,443</u>	<u>(303,408)</u>	<u>47,976</u>
Totals - All Agency Funds				
Assets				
Equity in Pooled Cash and Investments	45,609	6,204	(5,650)	46,163
Cash in Segregated Accounts	26,941	307,110	(286,075)	47,976
Total Assets	<u>72,550</u>	<u>313,314</u>	<u>(291,725)</u>	<u>94,139</u>
Liabilities				
Deposits	48,244	23,537	(8,285)	63,496
Due to Other Governments	20,670	297,349	(291,334)	26,685
Escrow Bonds	3,636	9,761	(9,439)	3,958
Total Liabilities	<u>\$ 72,550</u>	<u>\$ 330,647</u>	<u>\$ (309,058)</u>	<u>\$ 94,139</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

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 75 to 79.

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 80 to 85.

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 86 to 88.

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 89 and 90.

Operating Information (Tables 16-18)

These schedules contain information about the City's operation and resources to help the reader understand how the City's financial information relates to the services provided and activities performed. These schedules can be found on pages 91 to 93.

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

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

TABLE 1

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010(1)</u>	<u>2011(1)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities										
Net Investment in Capital Assets	\$ 23,959	\$ 23,020	\$ 26,274	\$ 27,966	\$ 30,033	\$ 29,438	\$ 29,263	\$ 27,607	\$ 26,822	\$ 25,071
Restricted for:										
Debt service	121	124	131	138	147	0	0	131	136	137
Special revenue	764	1,976	2,188	1,765	1,999	2,382	1,947	1,498	1,580	1,381
Capital projects	3,491	4,054	3,756	3,048	2,848	3,464	4,475	4,924	4,240	3,913
Unrestricted	15,701	17,862	17,780	15,422	13,129	8,942	5,018	1,840	2,866	3,617
Total government activities net position	<u>44,036</u>	<u>47,036</u>	<u>50,129</u>	<u>48,339</u>	<u>48,156</u>	<u>44,226</u>	<u>40,703</u>	<u>36,000</u>	<u>35,644</u>	<u>34,119</u>
Business-type activities										
Unrestricted	460	475	500	529	563	581	594	598	605	609
Total business-type activities net position	<u>460</u>	<u>475</u>	<u>500</u>	<u>529</u>	<u>563</u>	<u>581</u>	<u>594</u>	<u>598</u>	<u>605</u>	<u>609</u>
Primary government										
Net Investment in Capital Assets	23,959	23,020	26,274	27,966	30,033	29,438	29,263	27,607	26,822	25,071
Restricted	4,376	6,154	6,075	4,951	4,994	5,846	6,422	6,553	5,956	5,431
Unrestricted	16,161	18,337	18,280	15,951	13,692	9,523	5,612	2,438	3,471	4,226
Total primary government net position	<u>\$ 44,496</u>	<u>\$ 47,511</u>	<u>\$ 50,629</u>	<u>\$ 48,868</u>	<u>\$ 48,719</u>	<u>\$ 44,807</u>	<u>\$ 41,297</u>	<u>\$ 36,598</u>	<u>\$ 36,249</u>	<u>\$ 34,728</u>

Note:

(1) - restated for implementation of GASB 65

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

TABLE 2

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u> (1)	<u>2011</u> (1)	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses										
Governmental activities:										
General government	\$ 4,845	\$ 4,953	\$ 5,112	\$ 5,230	\$ 4,523	\$ 4,079	\$ 3,277	\$ 3,663	\$ 3,356	\$ 3,634
Public safety	9,521	9,460	9,513	9,689	9,456	8,731	8,852	8,147	8,426	8,014
Highways and streets	3,391	3,345	3,761	2,790	879	3,658	3,638	3,415	3,233	3,612
Sanitation	256	305	339	347	419	346	284	308	326	303
Culture and recreation	3,188	2,882	2,745	2,935	2,312	1,249	1,113	1,109	1,093	991
Economic development	541	998	283	677	935	326	1,005	479	252	893
Health and welfare	159	133	144	95	93	83	86	213	36	116
Interest and fiscal charges	2	165	268	321	221	265	302	294	250	248
Total governmental activities expenses	<u>21,903</u>	<u>22,241</u>	<u>22,165</u>	<u>22,084</u>	<u>18,838</u>	<u>18,737</u>	<u>18,557</u>	<u>17,628</u>	<u>16,972</u>	<u>17,811</u>
Total primary government expenses	<u>21,903</u>	<u>22,241</u>	<u>22,165</u>	<u>22,084</u>	<u>18,838</u>	<u>18,737</u>	<u>18,557</u>	<u>17,628</u>	<u>16,972</u>	<u>17,811</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	263	328	285	248	452	410	650	477	444	408
Public safety	9	18	46	39	31	372	612	429	354	295
Highways and streets	41	33	33	1	194	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	6	3	14
Culture and recreation	868	790	813	794	723	-	-	207	215	195
Health and welfare	112	71	39	58	56	-	-	-	-	-
Operating grants and contributions	247	233	382	286	200	351	72	451	600	764
Capital grants and contributions	449	1,487	809	337	784	1,044	1,950	382	757	128
Total governmental activities program revenues	<u>1,989</u>	<u>2,927</u>	<u>2,407</u>	<u>1,763</u>	<u>2,440</u>	<u>2,177</u>	<u>3,284</u>	<u>1,952</u>	<u>2,373</u>	<u>1,804</u>
Business-type activities:										
Loan program charges for services	2	1	1	1	-	-	-	-	-	-
Investment earnings	3	13	24	28	33	18	14	3	8	4
Total business-type activities program revenues	<u>5</u>	<u>14</u>	<u>25</u>	<u>29</u>	<u>33</u>	<u>18</u>	<u>14</u>	<u>3</u>	<u>8</u>	<u>4</u>
Total primary government program revenues	<u>1,994</u>	<u>2,941</u>	<u>2,432</u>	<u>1,792</u>	<u>2,473</u>	<u>2,195</u>	<u>3,298</u>	<u>1,955</u>	<u>2,381</u>	<u>1,808</u>

Note:

(1) - restated for implementation of GASB 65

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

TABLE 2 (continued)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010(1)	2011(1)	2012	2013	2014
Net (Expense)/Revenue										
Governmental activities	(19,914)	(19,314)	(19,758)	(20,321)	(16,398)	(16,560)	(15,281)	(15,676)	(14,599)	(16,007)
Business-type activities	5	14	25	29	33	18	-	3	8	4
Total primary government net expense	<u>(19,909)</u>	<u>(19,300)</u>	<u>(19,733)</u>	<u>(20,292)</u>	<u>(16,365)</u>	<u>(16,542)</u>	<u>(15,281)</u>	<u>(15,673)</u>	<u>(14,591)</u>	<u>(16,003)</u>
General Revenues										
Taxes										
Income tax	18,712	19,867	19,618	15,333	11,817	9,853	9,542	10,046	12,786	13,137
Property taxes, levied for										
Property taxes, levied for										
General purposes	512	545	619	567	345	388	421	350	380	415
Police pensions	85	81	70	65	64	90	89	70	61	66
Fire pensions	85	81	70	65	64	90	89	70	61	66
Other taxes	98	103	82	66	11	18	50	24	18	20
Payments in lieu of taxes	-	-	-	-	-	41	43	33	95	185
Shared revenues	774	775	871	1,078	713	719	657	223	279	261
Intergovernmental	-	-	-	-	260	444	92	-	-	-
Rents and royalties	35	-	-	-	-	-	-	-	-	-
Miscellaneous	261	232	233	105	1,967	577	530	126	429	259
Investment earnings	188	494	1,221	1,255	961	410	237	31	133	73
Gain on the sale of capital assets	29	137	67	(2)	13	-	-	-	-	-
	<u>20,779</u>	<u>22,315</u>	<u>22,851</u>	<u>18,532</u>	<u>16,215</u>	<u>12,630</u>	<u>11,750</u>	<u>10,973</u>	<u>14,242</u>	<u>14,482</u>
Change in Net Position										
Governmental activities	865	3,001	3,093	(1,789)	(183)	(3,930)	(3,531)	(4,703)	(357)	(1,525)
Business-type activities	5	14	25	29	33	18	14	3	8	4
Total primary government	<u>\$ 870</u>	<u>\$ 3,015</u>	<u>\$ 3,118</u>	<u>\$ (1,760)</u>	<u>\$ (150)</u>	<u>\$ (3,912)</u>	<u>\$ (3,517)</u>	<u>\$ (4,700)</u>	<u>\$ (349)</u>	<u>\$ (1,521)</u>

Note:

(1) - restated for implementation of GASB 65

TABLE 3

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

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund	\$ 428	\$ 375	\$ 393	\$ 1,321	\$ 1,230	\$ 1,120				
Reserved										
Unreserved	14,749	17,139	16,495	13,045	11,551	7,608				
Nonspendable							88	\$ 88	\$ 935	\$ 933
Assigned							694	1,720	866	541
Unassigned							5,283	978	1,132	3,762
Total general fund	15,177	17,514	16,888	14,366	12,781	8,728	6,065	2,786	2,933	5,236
All Other Governmental Funds										
Reserved	1,650	2,832	1,825	2,418	6,465	2,725				
Unreserved, reported in:										
Special revenue funds	764	1,976	2,188	(3,268)	(4,022)	2,016				
Capital projects fund	2,419	2,103	2,620	1,435	2,642	1,128				
Debt service fund	121	125	131	138	147	150				
Nonspendable							1,928	1,156	44	45
Restricted							2,020	2,397	3,379	2,871
Committed							4,249	5,019	4,089	3,762
Unassigned							(210)	(506)	(241)	(603)
Total all other governmental funds	\$ 4,954	\$ 7,036	\$ 6,764	\$ 723	\$ 5,232	\$ 6,019	\$ 7,987	\$ 8,066	\$ 7,271	\$ 6,075

Note:

The City implemented the provisions of GASB Statement No. 54 for 2011 which changed the manner in which governmental funds were reported.

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

TABLE 4

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES										
Income Taxes	\$ 19,129	\$ 20,328	\$ 19,244	\$ 15,382	\$ 11,657	\$ 9,760	\$ 9,699	\$ 10,029	\$ 12,141	\$ 13,452
Property Taxes	682	723	772	697	474	526	596	479	514	544
Other Taxes	98	86	69	66	11	2	50	24	18	19
Payment in lieu of taxes	-	-	-	-	-	41	43	33	95	185
Shared Revenues	875	929	1,022	1,270	852	708	656	725	724	715
License and Permits	97	35	98	41	232	15	11	106	129	148
Charges for Services	945	855	842	866	948	575	782	535	627	516
Fines	251	279	240	214	257	75	343	266	227	275
Investment Earnings	188	494	1,221	1,255	960	410	237	31	133	72
Contributions and Donations	3	26	32	22	9	23	-	-	-	-
Rents and Royalties	35	38	36	19	18	20	12	-	-	-
Intergovernmental	557	1,561	1,024	451	1,107	1,565	2,219	492	751	592
Miscellaneous	261	232	233	105	1,966	509	500	198	340	306
Total Revenues	<u>23,121</u>	<u>25,586</u>	<u>24,833</u>	<u>20,388</u>	<u>18,491</u>	<u>14,229</u>	<u>15,148</u>	<u>12,918</u>	<u>15,699</u>	<u>16,824</u>
EXPENDITURES										
Current:										
General government	4,322	4,565	4,859	4,893	4,290	3,868	3,154	3,314	2,978	3,343
Public Safety	8,610	9,064	9,509	9,092	8,860	8,311	8,433	7,784	8,144	7,519
Highways & Streets	2,238	2,748	2,399	2,559	2,371	2,319	2,637	2,251	2,121	2,558
Sanitation	256	305	340	347	419	346	284	308	326	303
Economic Development	400	511	3,132	639	944	299	990	473	302	884
Health and Welfare	159	133	133	85	86	76	79	206	28	112
Culture and Recreation	2,706	2,389	2,593	2,567	2,108	1,000	886	870	906	760
Capital Improvements	3,882	2,144	2,645	4,315	1,890	1,712	1,688	381	1,542	66
Debt Service:										
Principal	4,691	4,249	169	5,068	161	5,475	205	232	269	110
Interest & Fiscal Charges	121	165	205	301	227	248	307	300	255	252
Total Expenditures	<u>27,385</u>	<u>26,273</u>	<u>25,984</u>	<u>29,866</u>	<u>21,356</u>	<u>23,654</u>	<u>18,663</u>	<u>16,119</u>	<u>16,871</u>	<u>15,907</u>
Excess (deficiency) of revenues over expenditures	(4,264)	(687)	(1,151)	(9,478)	(2,865)	(9,425)	(3,515)	(3,201)	(1,172)	917
OTHER FINANCIAL SOURCES (USES)										
General long-term debt issued	3,700	5,000			5,300	5,805	-	-	216	187
Transfers In	3,699	4,462	6,025	5,125	3,150	2,805	2,100	2,000	2,235	1,860
Transfers Out	(3,699)	(4,462)	(6,025)	(5,125)	(3,150)	(2,805)	(2,200)	(2,000)	(2,235)	(1,860)
Proceeds from capital leases		80		693	450	94	-	-	-	-
Proceeds from the sale of assets	29	146	253	220	41	260	18	-	308	2
Total Other Financing Sources (Uses)	<u>3,729</u>	<u>5,226</u>	<u>253</u>	<u>913</u>	<u>5,791</u>	<u>6,159</u>	<u>(82)</u>	<u>-</u>	<u>524</u>	<u>189</u>
Net Change in Fund Balance	<u>\$ (535)</u>	<u>\$ 4,539</u>	<u>\$ (898)</u>	<u>\$ (8,565)</u>	<u>\$ 2,926</u>	<u>\$ (3,266)</u>	<u>\$ (3,597)</u>	<u>\$ (3,201)</u>	<u>\$ (648)</u>	<u>\$ 1,106</u>
Debt service as a percentage of noncapital expenditures	19.95%	17.82%	1.77%	21.14%	2.28%	25.09%	3.02%	3.35%	3.34%	2.31%

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

TABLE 5

Fiscal Year	Municipal Income Taxes	Property and Other Local Taxes	State Shared Taxes and Permits	Total
2005	\$ 18,711,202 (1)	\$ 779,864	\$ 774,274	\$ 20,265,340
2006	19,866,552	810,408	775,190	21,452,150
2007	19,617,652	840,936	870,654	21,329,242
2008	15,332,598 (2)	696,967	1,077,507	17,107,072
2009	11,817,442 (2)	473,697	712,879	13,004,018
2010	9,852,558	568,599	718,455	11,139,612
2011	9,541,527	600,521	657,429	10,799,477
2012	10,045,847	547,175	222,897	10,815,919
2013	12,786,187	614,151	279,426	13,679,764
2014	13,136,740 (3)	752,342	261,322	14,150,404

Source: City of Moraine, Department of Finance

- (1) Income tax rate increased 1/2% to 2% in 2005
- (2) City's largest employer ceased operations during 2008 and 2009
- (3) Income tax rate increased 1/2% to 2.5% effective July 1, 2014

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

TABLE 6

<u>Fiscal Year</u>	<u>Amount</u>
2005	\$ 19,128,239 ⁽²⁾
2006	20,328,322
2007	19,244,218
2008	15,382,323
2009	11,657,120
2010	9,760,045
2011	9,699,479
2012	10,028,922
2013	12,141,049
2014	13,451,675 ⁽³⁾

Source: City of Moraine, Department of Finance

- (1) Includes all governmental fund types.
(2) Income tax rate increased 1/2% to 2% in 2005
(3) Income tax rate increased 1/2% to 2.5% on July 1, 2014

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

<u>2005</u>			<u>2014</u>		
<u>Rank</u>	<u>Name</u>	<u>2014 Rank</u>	<u>Rank</u>	<u>Name</u>	
1	General Motors Corporation	-	1	Dmax	
2 ⁽¹⁾	Delphi Automotive	-	2	Win Wholesale	
3	Dmax	1	3	Dayton Power and Light	
4	A T & T Resources	-	4	Heidelberg Distributing	
5	Dayton Power and Light	3	5	Lastar	
6	City of Moraine	8	6	Compunet Labs	
7	Win Wholesale	2	7	BWI North America	
8	Compunet Clinical Laboratories	6	8	City of Moraine	
9	Walmart	-	9	Berry 1 Company	
10	Elder Beerman	-	10	Tyler Technologies	

Source: City of Moraine, Department of Finance

- (1) Delphi is a spinoff of General Motors Corporation

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

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

<u>Fiscal</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>
2005	\$ 1,090,890	\$ 42,924,680	\$ 51,816,170	\$ 47,588,840	\$ 143,420,580	2.50	\$ 409,773,086	0.35
2006	1,011,590	48,710,040	53,443,470	43,938,250	147,103,350	2.50	420,295,286	0.35
2007	1,047,510	48,894,860	55,008,990	44,009,840	148,961,200	2.50	425,603,429	0.35
2008	1,040,330	49,019,710	55,504,680	43,628,350	149,193,070	2.50	426,265,914	0.35
2009	1,237,860	52,743,290	53,981,150	42,698,100	151,250,300	2.50	432,143,714	0.35
2010	1,207,550	52,349,240	55,915,630	42,568,540	152,040,960	2.50	434,402,743	0.35
2011	1,334,070	52,112,240	59,096,180	42,410,040	154,952,530	2.50	442,721,514	0.35
2012	1,485,130	49,529,340	53,772,660	40,605,060	145,392,190	2.50	415,406,257	0.35
2013	1,440,480	49,394,930	53,135,260	32,607,220	136,577,890	2.50	390,222,543	0.35
2014	1,451,150	49,545,830	53,776,430	33,006,830	137,780,240	2.50	393,657,829	0.35

Source: Montgomery County Auditor's Office

TABLE 8

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MUNICIPAL UNITS:										
General Fund	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Police Pension Fund	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Fire Pension Fund	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total Municipal Rates	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
COUNTY UNITS:										
General Fund	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Mental Retardation D & D	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Conservancy Tax										
Human Services Levy A	5.21	5.21	5.21	7.21	7.21	7.21	7.21	7.21	7.21	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	13.94	13.94	13.94	15.94	15.94	15.94	15.94	15.94	15.94	16.94
OTHER UNITS:										
Montgomery County Community College	2.5	2.5	2.5	2.5	3.2	3.2	3.2	3.2	3.2	3.2
Montgomery County Park District	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Dayton - Montgomery Library	1.25	1.25	1.25	1.25	1.75	1.75	1.75	1.75	3.31	3.31
SCHOOL DISTRICT:										
Kettering / Moraine Community	67.8	67.8	67.8	71.3	73.1	78	78	78	78	82.89
West Carrollton Community	65.55	65.55	65.55	72.05	72.05	72.05	72.05	72.05	72.05	72.05
Jefferson Local School	61.9	61.9	61.9	61.9	66.9	66.9	66.9	66.9	66.9	61.4
Joint Vocational School	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58

Source: Montgomery County Auditor's Office

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

TABLE 9

		<u>Calendar Year 2014</u>		
<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Taxable Valuation</u>	<u>Rank</u>	<u>Percentage of Total City Taxable 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 L M 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	<u><u>\$ 230,330,870</u></u>		<u><u>100.00%</u></u>

		<u>Calendar Year 2005</u>		
<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Valuation</u>
Dayton Power & Light Company	Gas and Electric Utility	\$37,869,810	1	13.66%
General Motors Corporation	Automotive Manufacturer	11,711,020	2	4.22%
Vectren Energy	Utility	5,092,040	3	1.84%
Kettering Dayton Operations	Automotive Parts	3,966,360	4	1.43%
IRG Moraine LLC	Real Estate/Development	3,477,050	5	1.25%
Cooper Tire Company	Tires	2,790,930	6	1.01%
L M Berry Services	Publisher & Marketing	2,094,320	7	0.76%
Barbara Benz Trust	Automotive Parts Plant	1,773,680	8	0.64%
Mantiff Dayton Hospital	Health Care	1,489,480	9	0.54%
Nursing Home Purchasing, Inc.	Health Care	1,488,200	10	0.54%
	Subtotal	<u>71,752,890</u>		<u>25.89%</u>
	All Others	<u>205,436,937</u>		<u>74.11%</u>
	Total	<u><u>\$ 277,189,827</u></u>		<u><u>100.00%</u></u>

Source: Montgomery County Auditor's Office

CITY OF MORAINE, 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 COLLECTIONS AS LEVIED</u>	<u>PERCENTAGE AS LEVIED</u>	<u>OUTSTANDING TAXES</u>	<u>OUTSTANDING DELINQUENT TAXES AS PERCENTAGE LEVIED</u>
2004/2005	2005	\$ 688,522	\$ 643,426	93%	\$ 32,657	\$ 676,083		98%	\$ 85,108	12%
2005/2006	2006	634,977	601,054	95%	34,215	635,269		100%	96,769	15%
2006/2007	2007	588,657	567,763	96%	69,988	637,751	(1)	108%	39,375	7%
2007/2008	2008	551,362	512,629	93%	13,459	526,088		95%	41,536	8%
2008/2009	2009	502,096	481,108	96%	18,004	499,112		99%	49,320	10%
2009/2010	2010	515,207	516,538	100%	17,152	533,690	(1)	104%	53,901	10%
2010/2011	2011	536,361	503,251	94%	23,254	526,505		98%	47,609	9%
2011/2012	2012	516,689	478,482	93%	19,005	497,487		96%	39,553	8%
2012/2013	2013	546,775	531,633	97%	5,424	537,057		98%	26,503	5%
2013/2014	2014	570,034	549,675	96%	16,493	566,168		99%	30,368	5%

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.

TABLE 11

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

Fiscal Year	Special Assessment Bonds	BAN and OPWC Note	Various Purpose Bonds (1)	Capital Leases	Total Primary Government	Personal Income (2) <small>(thousands of dollars)</small>	Percentage Personal Income	Total Debt Per Capita (2)
	\$	\$	\$	\$	\$	\$	%	\$
2005	20,000	-	-	127,507	147,507	116,421,360	0.13%	21.39
2006	-	2,700,000	-	26,594	2,726,594	116,421,360	2.34%	395.33
2007	-	5,000,000	-	-	5,000,000	116,421,360	4.29%	724.95
2008	-	5,300,000	-	693,399	5,993,399	110,327,680	5.43%	916.98
2009	-	5,300,000	-	560,008	5,860,008	110,327,680	5.31%	896.57
2010	-	591,160	5,895,963	424,020	6,911,143	106,462,435	6.49%	1,095.79
2011	-	554,805	5,862,173	285,385	6,702,363	106,462,435	6.30%	1,062.69
2012	-	504,595	5,818,383	144,060	6,467,038	106,462,435	6.07%	1,025.37
2013	-	644,905	5,764,593	-	6,409,498	106,462,435	6.02%	1,016.25
2014	-	781,561	5,700,803	-	6,482,364	106,462,435	6.09%	1,027.80

(1) Bond amounts include unamortized premiums

(2) See Table 14 for demographic data

CITY OF MORAINE, OHIO
Computation of Direct and Overlapping Debt
December 31, 2014

Jurisdiction	Net Outstanding Debt	Percentage Applicable to City (1)	Amount Applicable to City of Moraine, Ohio
<i>DIRECT DEBT</i>			
CITY OF MORAINÉ	\$ 6,482,364	100.00%	\$ 6,482,364
<i>OVERLAPPING</i>			
MONTGOMERY COUNTY	40,798,567	3.36%	1,370,832
DAYTON METRO LIBRARY	174,480,000	3.36%	5,862,528
WEST CARROLLTON CITY SCHOOL DISTRICT	1,540,000	57.90%	891,660
KETTERING CITY SCHOOL DISTRICT	85,211,083	18.19%	15,499,896
<i>TOTAL OVERLAPPING DEBT</i>	<u>302,029,650</u>		<u>23,624,916</u>
TOTAL	<u>\$ 308,512,014</u>		<u>\$ 30,107,280</u>

Source: Individual Jurisdictions

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

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$29,105	\$26,669	\$24,936	\$23,370	\$21,885	\$16,270	\$15,266	\$14,341	\$14,341	\$13,582
Legal Debt Margin	<u>29,105</u>	<u>26,669</u>	<u>24,936</u>	<u>23,370</u>	<u>21,885</u>	<u>10,465</u>	<u>9,491</u>	<u>8,760</u>	<u>8,939</u>	<u>8,115</u>
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	5,805	5,775	5,735	5,685	5,625

Legal Debt Margin Calculation for Fiscal Year 2014

Total Assessed Value	129,355
Debt limit (10.5% of total assessed value)	13,582
Debt applicable to limit:	
General Obligation Bonds	5,625
Less: Amount reserved for repayment of general obligation debt	(158)
Total net debt applicable to limit	<u>5,467</u>
Legal debt margin	<u>\$8,115</u>

CITY OF MORAINÉ, 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
2005	6,897	\$ 116,421	\$ 16,880	32.5	5.8%
2006	6,897	116,421	16,880	32.5	5.9%
2007	6,897	116,421	16,880	32.5	6.2%
2008	6,536	110,328	16,880	32.5	8.5%
2009	6,536	110,328	16,880	32.5	11.8%
2010	6,307	106,462	16,880	37.0	9.8%
2011	6,307	106,462	16,880	37.0	8.2%
2012	6,307	106,462	16,880	37.0	7.0%
2013	6,307	106,462	16,880	37.0	7.1%
2014	6,307	106,462	16,880	37.0	4.8%

Sources:

(1) 2000 and 2010 United States Census Bureau.

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

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General government										
Clerk of Council	4	1	1	1	1	1	1	1	1	1
City Manager	6	8	8	8	8	7	7	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	7	8	8	8	7	6	6	6	6	6
Public Buildings	22	21	23	22	21	21	12 (1)	5	6	6
Public Safety										
Police	44	64	48	48	45	44	49	38	37	32
Fire	49	50	52	51	46	45	36	32	33	25
Other										
Highways and Streets	18	18	18	19	18	18	26 (1)	15	16	18
Community Development	6	6	6	6	6	6	5	3	3	3
Recreation and Culture	61	58	57	54	42	39	22	19	18	18
Garage	4	4	4	4	4	4	4	3	3	3
Total	<u>223</u>	<u>240</u>	<u>227</u>	<u>223</u>	<u>200</u>	<u>193</u>	<u>170</u>	<u>130</u>	<u>131</u>	<u>120</u>

Source: City of Moraine, Department of Finance

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation, holiday, sick leave and comp time). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080. However, in Fiscal Year 2010, full-time employees worked 1,872 hours annually. Therefore, full-time employment for 2010 is calculated by dividing total labor hours by 1,872.

(1) During 2011, 6 public buildings employees were transferred to the highways and streets department

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

TABLE 17

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Warrants served	1,653	1,594	1,345	1,347	N/A	1,128	1,266	905	822	822
Felony arrests	249	N/A	N/A	120	N/A	92	131	177	157	252
Arrests made	1,184	1,593	1,292	1,198	N/A	1,702	778	1,753	1,535	1,771
Traffic citations issued	3,323	3,314	2,808	2,398	N/A	1,568	3,205	2,653	1,944	2,537
Miles Patrolled	426,785	364,544	375,637	294,281	N/A	237,841	272,940	260,804	253,927	224,694
Fire										
Fire calls	115	117	118	133	100	112	92	566	637	80
EMS calls	1,875	1,769	1,708	1,755	1,357	1,567	1,619	1,689	1,565	1,705
Fire Inspections	950	955	929	909	976	961	1,043	1,012	1,032	920
Child Safety Seat Inspections	75	59	51	48	60	31	20	25	25	26
Highways and Streets										
Gallons of street paint used	10,080	1,880	1,880	1,456	1,750	1,040	865	1,353	1,045	1,050
Tons of snow melting salt used	451	797	797	1,000	1,200	1,200	953	338	332	854
Community Development										
Building Inspections	344	360	236	245	328	177	481	787	965	797
Residential Building Permits Issued	49	57	84	74	65	75	103	196	208	129
Commercial Building Permits Issued	138	126	105	96	108	95	105	174	199	190
Culture and Recreation										
Payne Recreation Center Attendance	110,000	100,000	90,605	89,590	82,467	138,939	175,000	136,512	141,620	175,386
Splash! Moraine Attendance	79,718	65,685	64,333	62,703	56,092	- (2)	-	-	-	-
Civic Center Attendance (estimated)	29,000	20,000	25,979	43,686	40,992	31,061	55,000	77,935	106,260	112,868
Natorium Attendance	14,732 (1)	-	-	-	-	-	-	-	-	-
Youth and Day Camps Attendance	1,454	1,606	1,013	1,098	885	752	824	342	203	210

(1) The Natatorium ceased operation September 2005.

(2) Splash! Moraine ceased operation September 2009.

(N/A) Not Available

Source - Various City of Moraine departments

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

TABLE 18

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	23	28	28	28	28	28	24	22	21	21
Fire:										
Stations	3	3	3	3	3	3	2	2	2	2
Emergency Response Vehicles	10	10	10	10	10	10	12 (1)	12	12	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	276.65	276.65
Number of Streetlights (Non-special assessment)	1,313	1,313	1,313	1,313	1,226	1,226	1,356	1,356	1,356	1,356
Culture and Recreation										
Parks	(2)	14	13	13	13	13	13	13	13	12
Civic Centers	1	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Water Parks	1	1	1	1	1	1	1	1	1	1

Source - Various City of Moraine Departments

(1) 2 Deputy Chief vehicles have been reclassified as emergency response vehicles due to manning reductions. No new vehicles have been acquired.

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

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Dave Yost • Auditor of State

CITY OF MORaine

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 23, 2015**