

## **City of Moraine, Ohio**

Independent Auditors' Report on  
Internal Controls and Compliance

December 31, 2008





Mary Taylor, CPA  
Auditor of State

Board of Trustees  
City of Moraine  
4200 Dryden Road  
Moraine, Ohio 45439

We have reviewed the *Independent Auditors' Report* of the City of Moraine, Montgomery County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

July 24, 2009

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## TABLE OF CONTENTS

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	1 - 2
Schedule of Findings and Responses .....	3
Schedule of Prior Audit Findings.....	4

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moraine, Ohio (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiency described in the accompanying schedule of findings as item 2008-001 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we consider the significant deficiency described above to be a material weakness.

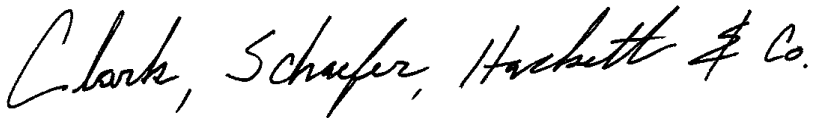
### **Compliance and Other Matters**

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

We noted certain matters that we reported to management of the City of Moraine, Ohio, in a separate letter dated June 25, 2009.

The City of Moraine, Ohio'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.

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

A handwritten signature in black ink that reads "Clark, Schaefer, Hackett & Co." The signature is written in a cursive, flowing style.

Springfield, Ohio  
June 25, 2009

**Finding Number 2008-001**

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

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

The annual audit process should not be considered part of the internal controls to detect misstatements in the amounts reported in the City's financial statements. The City should review all components of the conversion process thoroughly before financial statements are finalized to ensure all necessary journal entries and analyses have been completed to ensure a complete and accurate presentation of the financial information.

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



**Finding Number 2007-001**

The City's 2007 financial statements were adjusted, as a result of audit adjustments, to include the TIF fund as a major special revenue fund and to account for a reversing entry that was not made during the GAAP conversion process.

Status: While these items were corrected in the prior year, audit adjustments were required in 2008 as well – see audit finding 2008-001.



**CITY OF MORAINE, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**



**Prepared by:**  
**Department of Finance**

**James V. Kimmel**  
**Finance Director**



# **CITY OF MORAIN, OHIO**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2008**

### **TABLE OF CONTENTS**

	Page
INTRODUCTORY SECTION	
Letter of Transmittal .....	3
City Officials.....	7
Department of Finance Staff.....	8
City Organizational Chart .....	9
Certificate of Achievement for Excellence in Financial Reporting.....	10
FINANCIAL SECTION	
Independent Auditors' Report.....	12
Management's Discussion and Analysis.....	15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets .....	21
Statement of Activities.....	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	24
Statement of Net Assets – Proprietary Funds .....	25
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds.....	26
Statement of Cash Flows – Proprietary Funds.....	27
Statement of Fiduciary Net Assets – Fiduciary Funds .....	28
Notes to the Basic Financial Statements.....	29
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis)	
– General Fund.....	52
– Parks and Recreation Fund .....	56
– Economic Development Fund.....	57
– T. I. F. Fund .....	58
Notes to Required Supplementary Information .....	59

**CITY OF MORAIN, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**TABLE OF CONTENTS – CONTINUED**

	Page
COMBINING STATEMENTS AND INDIVIDUAL FUND STATEMENTS	
Non-major Governmental Funds:	
Combining Balance Sheet.....	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	63
Non-major Special Revenue Funds:	
Combining Balance Sheet.....	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	65
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Basis)	
- Street Construction and Maintenance Fund.....	66
- State Highway Improvement Fund.....	67
- Cemetery Fund.....	68
- Motor Vehicle License Tax Fund.....	69
- Enforcement and Education Fund.....	70
- Police Pension Fund.....	71
- Fire Pension Fund.....	72
- Federal Law Enforcement Fund.....	73
- State Law Enforcement Fund.....	74
- Drug Law Enforcement Fund.....	75
Debt Service Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis).....	76
Capital Improvement Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Basis).....	77
Internal Service Funds:	
Combining Statement of Net Assets.....	78
Combining Statement of Revenues, Expenses and Changes in Net Assets.....	79
Combining Statement of Cash Flows.....	80
Agency Funds:	
Statement of Changes in Assets and Liabilities.....	81

**CITY OF MORAIN, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**TABLE OF CONTENTS – CONCLUDED**

STATISTICAL SECTION	Table	Page
Net Assets By Component .....	1.....	85
Change in Net Assets .....	2.....	86
Governmental Fund Balances .....	3.....	88
Changes in Governmental Fund Balances .....	4.....	89
General Governmental Tax Revenues by Source .....	5.....	90
Income Tax Rates and Principal Income Tax Payers.....	6.....	91
Assessed Value and Estimated Actual Value of Property .....	7.....	92
Property Tax Rates- Direct and Overlapping Governments .....	8.....	93
Principal Property Taxpayers.....	9.....	94
Property Taxes Levied and Collected .....	10.....	95
Ratios of Outstanding Debt by Type.....	11.....	96
Computation of Direct and Overlapping Debt .....	12.....	97
Legal Debt Margin Information .....	13.....	98
Demographic and Economic Statistics .....	14.....	99
Principal Employers .....	15.....	100
Full-time Equivalent City Government Employees by Function.....	16.....	101
Operating Indicators by Function.....	17.....	102
Capital Assets by Function .....	18.....	103





**CITY OF MORAINE, OHIO**

**INTRODUCTORY SECTION**







# City of Moraine

Finance Department

June 26, 2009

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, 2008, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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, 2008 the City had no component units.

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

## **HISTORY AND BACKGROUND**

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

With the closer of the GM plant in December 2008 the City Manager and the Economic Director as well as others in the surrounding communities have been studying and researching possible reuses for the GM building. In the mean time the city will be using a zero based budgeting processing for its 2010 budget in hope of reducing expenditures to match the reduction in revenues.

The City is actively advertising the Oak Point Subdivision and lowered the price of lots available to spur the build out of the project. This subdivision was financed by a T.I.F. and with a faster build out the City will recoup its investment quicker. The City will be issuing bonds in 2009 to replace the \$5.3 million BAN that the city holds in its portfolio.

The City continues to attract new business and retain others with its innovative forgiveness loan program. The program uses pledged payrolls to offset the loan payments that are forgiven if the pledges are meet.

## **ACCOUNTING SYSTEM AND BUDGETARY CONTROL**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance

recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

### Budgetary Controls

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

### Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Moraine for its comprehensive annual financial report for the year ended December 31, 2007. 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 22 consecutive years (fiscal years ended 1986-2007). We believe our current report will also conform to the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another Certificate.

### Acknowledgments

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

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

Respectfully submitted,

A handwritten signature in blue ink that reads "James V. Kimmel". The signature is written in a cursive style with a large initial "J" and a prominent "V".

---

James V. Kimmel  
Finance Director

# **CITY OF MORAINE, OHIO**

## **CITY COUNCIL**

Regina Matheny, Council Member (At Large) Acting Mayor

Elaine Allison, Council Member (At Large)

Jack Sexton, Council Member (Ward 1)

Robert Rosencrans, Council Member (Ward 2)

Kimberly Misner, Council Member (Ward 3)

Jeanette Marcus, Council Member (Ward 4)

## **APPOINTED OFFICIALS**

David Hicks, City Manager

Robert Portune, Law Director

James V. Kimmel, Finance Director

Stephen French, Clerk of Council

**CITY OF MORAINÉ, OHIO**

DEPARTMENT OF FINANCE

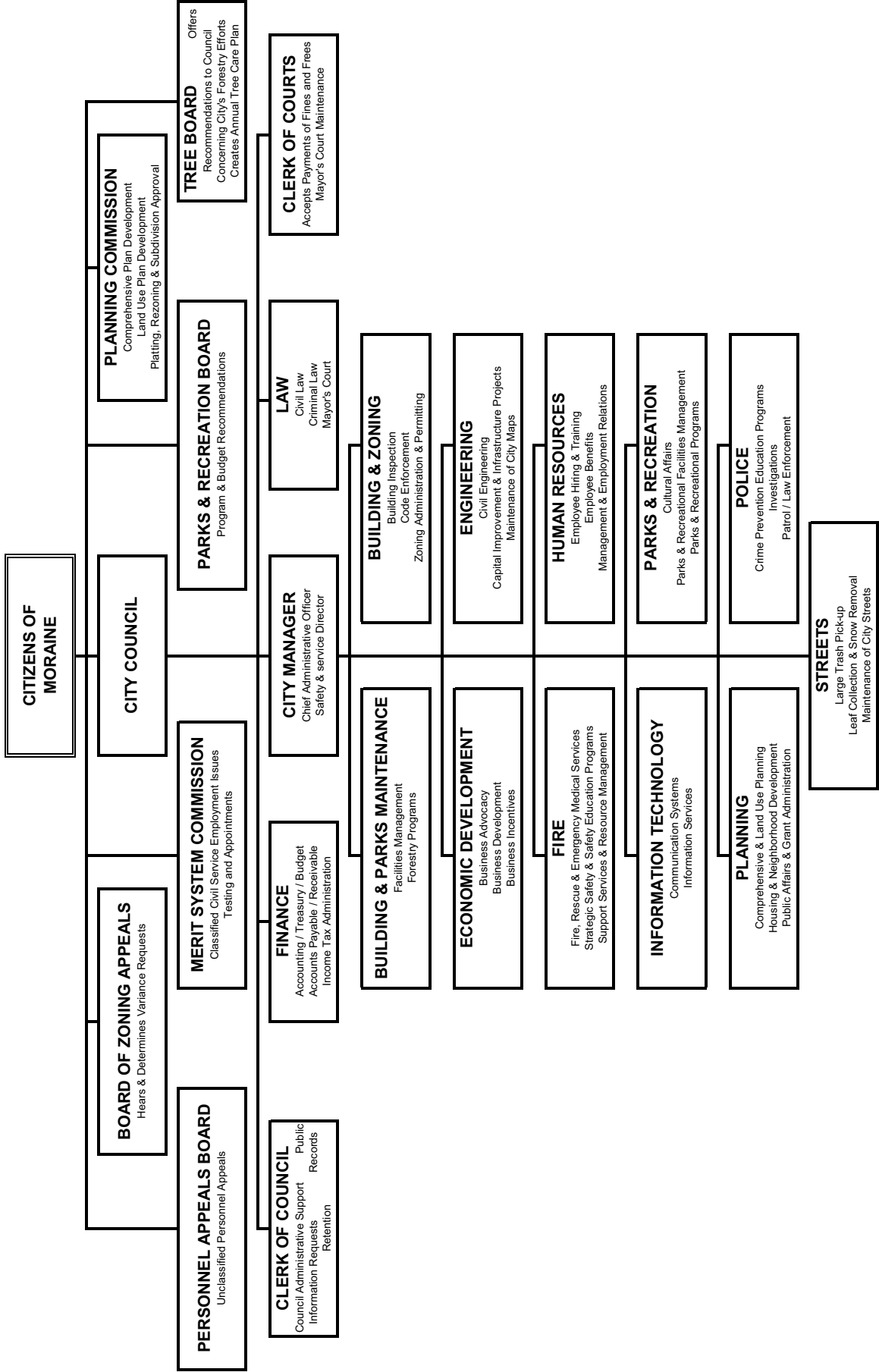
STAFF

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

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



# Organization of the City of Moraine



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Moraine  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2007

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



A handwritten signature in black ink, appearing to read "M. L. R. T.", written in a cursive style.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", written in a cursive style.

Executive Director

**CITY OF MORAINE, OHIO**

**FINANCIAL SECTION**



## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information the of City of Moraine, Ohio (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moraine, Ohio, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 15 through 20 and the budgetary comparison information on pages 52 through 60 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 25, 2009



## **CITY OF MORAINE, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)**

Our discussion and analysis of the City of Moraine's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2008.

### **FINANCIAL HIGHLIGHTS**

1. The City's total net assets decreased by nearly \$1.8 million while actual cash flow decreased by just over \$4 million.
2. The City created a new fund in 2006 to account for Tax Increment Financing (T.I.F.) project within the City. A \$5 Million bond anticipation note (BAN) was issued in 2006 and became due in March 2008. The BAN was reissued in March of 2008 for \$5.3 Million, due December 2008, and purchased into the City's own portfolio. The actual 30 year bond was not issued by the end of 2008 because of market conditions so the BAN was reissued for \$5.3 Million and purchased by the City again.

### **USING THIS ANNUAL FINANCIAL REPORT**

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

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

### **REPORTING THE CITY AS A WHOLE**

#### Statement of Net Assets and the Statement of Activities

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

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

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

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

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

### **Fund Financial Statements**

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

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



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

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

## THE CITY AS A WHOLE

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

**Table 1**  
**Net Assets**

	Governmental Activities		Business-type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Assets:						
Current and Other Assets	\$25,646,695	\$29,696,617	\$529,472	\$500,061	\$26,176,167	\$30,196,678
Capital Assets (Net)	<u>34,167,439</u>	<u>31,549,476</u>			<u>34,167,439</u>	<u>31,549,476</u>
Total Assets	59,814,134	61,246,093	529,472	500,061	60,343,606	61,746,154
Liabilities:						
Current and Other Liabilities	7,860,774	3,340,201			7,860,774	3,340,201
Long-term Liabilities:						
Due within One Year	534,502	5,388,987			534,502	5,388,987
Due in More Than One Year	<u>3,079,114</u>	<u>2,387,973</u>			<u>3,079,114</u>	<u>2,387,973</u>
Total Liabilities	11,474,390	11,117,161			11,474,390	11,117,161
Net Assets:						
Invested in Capital Assets Net of Debt	27,966,210	26,273,936			27,966,210	26,273,936
Restricted:						
Debt Service	138,238	130,693			138,238	130,693
Special Revenue	1,765,133	2,188,196			1,765,133	2,188,196
Capital Projects	3,048,461	3,755,909			3,048,461	3,755,909
Unrestricted	<u>15,421,702</u>	<u>17,780,198</u>	<u>529,472</u>	<u>500,061</u>	<u>15,951,174</u>	<u>18,280,259</u>
Total Net Assets	<u>\$48,339,744</u>	<u>\$50,128,932</u>	<u>\$529,472</u>	<u>\$500,061</u>	<u>\$48,869,216</u>	<u>\$50,628,993</u>

Cash and investments decreased by nearly \$3.9 million, Capital assets grew by over \$2.6 million due mostly to the purchase of land for \$1 million and a fire truck for \$0.7 million. Total liabilities grew due to a capital lease for a fire truck and the increase of the BAN (see note 7 and 8 of the notes to the basic financial statements).

**Table 2  
Changes in Net Assets**

	Governmental Activities		Business-type Activities		Totals	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:						
Program Revenues:						
Charges for Services	\$1,138,959	\$1,216,247	\$795	\$968	\$1,139,754	\$1,217,215
Operating Grants	286,391	382,115			286,391	382,115
Capital Grants	<u>337,354</u>	<u>808,618</u>			<u>337,354</u>	<u>808,618</u>
Total Program Revenues	<u>1,762,704</u>	<u>2,406,980</u>	<u>795</u>	<u>968</u>	<u>1,763,499</u>	<u>2,407,948</u>
General Revenues:						
Income Taxes	15,332,598	19,617,652			15,332,598	19,617,652
Property Taxes	696,967	759,409			696,967	759,409
Other Taxes	66,267	81,527			66,267	81,527
Shared Revenues	1,077,507	870,654			1,077,507	870,654
Special Assessments						
Rents and Royalties						
Misc. Receipts & Reimb.	103,125	300,667			103,125	300,667
Investment Earnings	<u>1,255,221</u>	<u>1,220,862</u>	<u>28,616</u>	<u>24,035</u>	<u>1,283,837</u>	<u>1,244,897</u>
Total General Revenues	<u>18,531,685</u>	<u>22,850,771</u>	<u>28,616</u>	<u>24,035</u>	<u>18,560,301</u>	<u>22,874,806</u>
Total Revenues	<u>20,294,389</u>	<u>25,257,751</u>	<u>29,411</u>	<u>25,003</u>	<u>20,323,800</u>	<u>25,282,754</u>
Program Expenses:						
General Government	5,229,735	5,111,868			5,229,735	5,111,868
Public Safety	9,689,589	9,512,617			9,689,589	9,512,617
Highways & Streets	2,790,134	3,761,148			2,790,134	3,761,148
Sanitation	346,657	339,454			346,657	339,454
Culture & Recreation	2,935,165	2,744,986			2,935,165	2,744,986
Economic Development	676,616	283,208			676,616	283,208
Health and Welfare	94,832	143,740			94,832	143,740
Debt Service	<u>320,849</u>	<u>268,152</u>			<u>320,849</u>	<u>268,152</u>
Total Expenses	<u>22,083,577</u>	<u>22,165,173</u>			<u>22,083,577</u>	<u>22,165,173</u>
Increase (Decrease) in Net Assets	<u>(\$1,789,188)</u>	<u>\$3,092,578</u>	<u>\$29,411</u>	<u>\$25,003</u>	<u>(\$1,759,777)</u>	<u>\$3,117,581</u>

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

	Governmental Activities Total Cost Of Services	Net Cost Of Services
Public Safety	\$9,689,589	\$9,594,443
General Government	5,229,735	4,800,603
Highways & Streets	2,790,134	2,461,330
Culture and Recreation	2,935,165	2,089,160
All Others	1,438,654	1,375,337

## **THE CITY'S FUNDS**

As the City completed the year, its governmental funds (as presented in the Balance Sheet – Governmental Funds page 23) reported a combined fund balance of \$15.09 million, which is 36.2% lower than last year's total of \$23.65 million due almost exclusively to the City issuing short term notes to replace long-term debt in the T.I.F. fund.

The Economic Development Fund issued \$153,300 in new forgiveness loans to assist local business in return of a pledge of maintaining a given level of payroll dollars for a given period of time (see statement on page 57). The City also forgave \$96,070 due to business meeting their pledged payroll dollars in 2008.

### **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 work papers of each department within the General Fund with City Council. City Council then adopts the budget on a fund basis.

The yearly City budget for 2008 was \$54,443,192 which included an original appropriation of \$45,336,149 carry-over encumbrances of \$1,407,243 and supplemental appropriations of \$7,699,800. At the end of the year \$2,342,469 remained encumbered and was added to the 2009 budget. The City expenditures were \$10,524,209 less than its budget in 2008. \$1.6 million of the carry-over encumbrance was from the Capital Improvement Fund for projects that were not completed by years end. Of the \$8.1 million that remained unencumbered over \$1.9 million was from the General Fund, \$2.5 million from the Capital Improvement Fund, \$2.2 million from the T.I.F. Fund.

The City's General Fund out performed the budget by nearly \$2 million or 8.8% of the budgeted expenditures for 2008 (as presented tin the Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual Non-GAAP Basis page 54.)

During 2008, there was one supplemental appropriation made to the General Fund budget for a \$1 million transfer to the Capital Improvement Fund. There was approximately \$108,000 of carryover encumbrances net of releases that affected the final budget of the General Fund.

At years end the general fund had encumbrances of \$366,170 to carry over to the 2009 budget and had expenditures that were \$1.9 million less than its budget in 2008.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### Capital Assets

The increase in governmental activities capital assets was over \$2.6 million due mostly to the expenditures of \$1 million for land and \$700,000 for a fire truck.

### Debt Administration

The City has \$5.3 million in bond anticipation notes outstanding at year-end. The City also has \$207,830 of promissory notes outstanding and a capital lease of 693,399.

The City's overall legal debt margin was \$26.7 million at year-end.

Detailed information relating to capital assets (note 4 page 40) and debt (starting with note 7 on page 42) is presented in the notes to the financial statements.

## **CONTACTING THE CITY'S FINANCE DEPARTMENT**

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

**CITY OF MORAINE, OHIO**  
**Statement of Net Assets**  
**December 31, 2008**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Investments	\$22,072,458	\$524,477	\$22,596,935
Receivables:			
Income Tax	1,767,451		1,767,451
Property Tax	533,590		533,590
Accounts	79,433	25	79,458
Intergovernmental	346,260		346,260
Loans (net of allowance for uncollectible)	465,255	4,970	470,225
Inventories	242,716		242,716
Prepays	139,532		139,532
<b>Total Current Assets</b>	<b>25,646,695</b>	<b>529,472</b>	<b>26,176,167</b>
<b>CAPITAL ASSETS (net of accumulated depreciation)</b>			
Non depreciable Assets:			
Land	13,896,718		13,896,718
Construction in Progress	1,257,487		1,257,487
Depreciable Assets:			
Infrastructure	9,609,440		9,609,440
Buildings and Improvements	6,403,327		6,403,327
Machinery and Equipment	3,000,467		3,000,467
<b>Total Capital Assets</b>	<b>34,167,439</b>		<b>34,167,439</b>
<b>Total Assets</b>	<b>59,814,134</b>	<b>529,472</b>	<b>60,343,606</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	827,071		827,071
Salaries and Benefits Payable	1,013,199		1,013,199
Insurance Claims Payable	186,914		186,914
Unearned Revenue	533,590		533,590
Bond Anticipation Notes Payable	5,300,000		5,300,000
<b>Total Current Liabilities</b>	<b>7,860,774</b>	<b>-</b>	<b>7,860,774</b>
<b>LONG TERM LIABILITIES</b>			
Due within one year	534,502		534,502
Due in more than 1 year	3,079,114		3,079,114
<b>Total Long Term Liabilities</b>	<b>3,613,616</b>		<b>3,613,616</b>
<b>Total Liabilities</b>	<b>11,474,390</b>		<b>11,474,390</b>
<b>NET ASSETS</b>			
Invested in Capital Assets Net of Related Debt	27,966,210		27,966,210
Restricted for:			
Debt Service	138,238		138,238
Special Revenue	1,765,133		1,765,133
Capital Projects	3,048,461		3,048,461
Unrestricted	15,421,702	529,472	15,951,174
<b>Total Net Assets</b>	<b>\$48,339,744</b>	<b>\$529,472</b>	<b>\$48,869,216</b>

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

**CITY OF MORAIN, OHIO**  
**Statement of Activities**  
**For the Year Ended December 31, 2008**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General government	\$5,229,735	\$247,420	\$178,102	\$3,610	(\$4,800,603)		(\$4,800,603)
Public safety	9,689,589	38,523	56,623		(9,594,443)		(9,594,443)
Highways and streets	2,790,134	660		328,144	(2,461,330)		(2,461,330)
Sanitation	346,657				(346,657)		(346,657)
Culture and recreation	2,935,165	794,339	51,666		(2,089,160)		(2,089,160)
Economic development	676,616			5,600	(671,016)		(671,016)
Health and welfare	94,832	58,017			(36,815)		(36,815)
Debt service							
Interest Expense	320,849				(320,849)		(320,849)
<b>Total Governmental Activities</b>	<u>22,083,577</u>	<u>1,138,959</u>	<u>286,391</u>	<u>337,354</u>	<u>(20,320,873)</u>		<u>(20,320,873)</u>
<b>Business Type Activities</b>							
Loan Program		795				\$795	795
<b>Total Business Type Activities</b>		<u>795</u>				<u>795</u>	<u>795</u>
<b>Total Primary Government</b>	<u>\$22,083,577</u>	<u>\$1,139,754</u>	<u>\$286,391</u>	<u>\$337,354</u>	<u>(\$20,320,873)</u>	<u>\$795</u>	<u>(\$20,320,078)</u>
<b>General Revenues</b>							
Income tax					15,332,598		15,332,598
Property tax levied for							
General purposes					567,481		567,481
Police pensions					64,743		64,743
Fire pensions					64,743		64,743
Other taxes					66,267		66,267
Shared revenues (unrestricted)					1,077,507		1,077,507
Miscellaneous receipts & reimbursements					105,050		105,050
Investment earnings					1,255,221	28,616	1,283,837
Loss on the sale of capital assets					(1,925)		(1,925)
<b>Total General Revenues</b>					<u>18,531,685</u>	<u>28,616</u>	<u>18,560,301</u>
Change in Net Assets					(1,789,188)	29,411	(1,759,777)
Net Assets - Beginning					50,128,932	500,061	50,628,993
Net Assets - Ending					<u>\$48,339,744</u>	<u>\$529,472</u>	<u>\$48,869,216</u>

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

**CITY OF MORAIN, OHIO**  
**Balance Sheet - Governmental Funds**  
**December 31, 2008**

	GENERAL FUND	PARKS & RECREATION	ECONOMIC DEVELOPMENT	CAPITAL IMPROVEMENT	T.I.F.	NON-MAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL
<b>ASSETS</b>							
Cash and Investments	\$13,044,590	\$762,595	\$783,017	\$3,114,749	\$285,098	\$2,159,909	\$20,149,958
Receivables:							
Income Tax	1,591,117			176,334			1,767,451
Property Tax	404,104					129,486	533,590
Accounts	78,569	131		683		50	79,433
Intergovernmental	147,674					198,586	346,260
Loans (net of allowance for uncollectible)	845,000		465,255				465,255
Due from Other Funds	1,646						73,018
Inventories	138,040	2,520				68,852	139,448
Prepays	920					488	1,399,413
<b>Total Assets</b>	<u>\$16,250,740</u>	<u>\$766,166</u>	<u>\$1,248,272</u>	<u>\$3,291,766</u>	<u>\$285,098</u>	<u>\$2,557,371</u>	<u>\$24,339,744</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	282,801	15,578	238,400	178,897	18,643	35,749	770,068
Salaries and Benefits Payable	572,536	61,254				362,701	996,491
Compensated Absences Payable	57,770	5,539				5,148	68,457
Due to Other Funds			845,000				845,000
Deferred Revenue	972,029			64,408		295,488	1,331,925
Bond Anticipation Notes Payable					5,300,000		5,300,000
<b>Total Liabilities</b>	<u>1,885,136</u>	<u>82,371</u>	<u>1,083,400</u>	<u>243,305</u>	<u>5,318,643</u>	<u>699,086</u>	<u>9,311,941</u>
<b>FUND BALANCES:</b>							
Reserved for:							
Encumbrances	336,170	83,045		1,613,642	157,359	25,142	2,215,358
Prepays	138,040	920				488	139,448
Inventories	1,646	2,520				68,852	73,018
Loans			465,255				465,255
Reserved for Long Term Receivables	845,000						845,000
Unreserved, Undesignated, Reported in:							
General Fund	13,044,748	597,310	(300,383)		(5,190,904)	1,625,565	13,044,748
Special Revenue Funds							(3,268,412)
Debt Service Fund						138,238	138,238
Capital Projects Fund				1,434,819			1,434,819
<b>Total Fund Balance</b>	<u>14,365,604</u>	<u>683,795</u>	<u>164,872</u>	<u>3,048,461</u>	<u>(5,033,545)</u>	<u>1,858,285</u>	<u>15,087,472</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$16,250,740</u>	<u>\$766,166</u>	<u>\$1,248,272</u>	<u>\$3,291,766</u>	<u>\$285,098</u>	<u>\$2,557,371</u>	<u>\$24,339,744</u>
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds: 34,143,235</p> <p>Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds: 632,333</p> <p>Income tax receivable 166,002</p> <p>Shared taxes receivable</p> <p>Internal service funds are used by management to charge the costs of certain activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets. 1,816,421</p> <p>The following long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:</p> <p>Vacation, sick leave and compensatory time benefits (2,592,670)</p> <p>Notes and Lease payable (901,229)</p> <p>Accrued Interest on Long Term Debt (11,820)</p>							
<b>Net Assets of Governmental Activities</b>							<u>\$48,339,744</u>

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

**CITY OF MORAIN, OHIO**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2008**

	GENERAL FUND	PARKS & RECREATION	ECONOMIC DEVELOPMENT	CAPITAL IMPROVEMENT	T.I.F.	NON-MAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL
<b>REVENUES</b>							
Taxes:							
Income	\$13,828,184			\$1,554,139			\$15,382,323
Property	528,437					\$168,530	696,967
Other	62,093					4,174	66,267
Shared Revenues	754,529			50,726		464,908	1,270,163
Licenses and Permits	22,640					17,899	40,539
Charges for Services	66,241	\$787,462				11,600	865,303
Fines	204,929			9,346			214,275
Investment Earnings	1,113,976	28,156			\$23,774	89,315	1,255,221
Contribution and Donations		21,900					21,900
Rents and Royalties	18,842						18,842
Intergovernmental	84,302	29,766	5,600	331,754			451,422
Miscellaneous Receipts & Reimbursements	84,514	12,000				8,536	105,050
<b>Total Revenues</b>	<u>16,768,687</u>	<u>879,284</u>	<u>5,600</u>	<u>1,945,965</u>	<u>23,774</u>	<u>764,962</u>	<u>20,388,272</u>
<b>EXPENDITURES</b>							
Current:							
General government	4,887,768					5,815	4,893,583
Public Safety	8,080,330					1,012,055	9,092,385
Highways and streets	501,997					2,056,872	2,558,869
Sanitation	346,657						346,657
Economic development	189,523		345,070		105,034		639,627
Health and welfare	84,646						84,646
Culture and recreation	119,310	2,447,849					2,567,159
Debt service:							
Principal				67,710	5,000,000		5,067,710
Interest					300,636		300,636
Capital Outlays:							
General government				304,892			304,892
Public Safety				994,971			994,971
Highways and streets				1,868,399			1,868,399
Economic development				997,924			997,924
Culture and recreation				148,441			148,441
<b>Total Expenditures</b>	<u>14,210,231</u>	<u>2,447,849</u>	<u>345,070</u>	<u>4,382,337</u>	<u>5,405,670</u>	<u>3,074,742</u>	<u>29,865,899</u>
<b>Excess (deficiency) of Revenues Over (under) Expenditures</b>	<u>2,558,456</u>	<u>(1,568,565)</u>	<u>(339,470)</u>	<u>(2,436,372)</u>	<u>(5,381,896)</u>	<u>(2,309,780)</u>	<u>(9,477,627)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in		1,500,000		1,000,000		2,625,000	5,125,000
Transfers out	(5,125,000)						(5,125,000)
Loan proceeds - inception of capital lease				693,399			693,399
Proceeds from the sale of capital assets	44,434			35,525	139,820		219,779
<b>Total Other Financing Sources (Uses)</b>	<u>(5,080,566)</u>	<u>1,500,000</u>		<u>1,728,924</u>	<u>139,820</u>	<u>2,625,000</u>	<u>913,178</u>
<b>Net Change in Fund Balance</b>	<u>(2,522,110)</u>	<u>(68,565)</u>	<u>(339,470)</u>	<u>(707,448)</u>	<u>(5,242,076)</u>	<u>315,220</u>	<u>(8,564,449)</u>
Fund Balance - Beginning	16,887,714	752,360	504,342	3,755,909	208,531	1,543,065	23,651,921
Fund Balance - Ending	<u>\$14,365,604</u>	<u>\$683,795</u>	<u>\$164,872</u>	<u>\$3,048,461</u>	<u>(\$5,033,545)</u>	<u>\$1,858,285</u>	<u>15,087,472</u>

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

Net change in fund balances - total governmental funds (8,564,449)

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of assets:  
Capital outlays 4,462,680  
Depreciation expense (1,612,853)

In the Statement of Activities, only the gain on the sale of city assets is reported, while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differ from the change in fund balance by the net book value of the asset sold. (221,704)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:  
Income taxes receivable and Shared taxes receivable (91,958)

Note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets (693,399)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets 5,067,710

Accrued Interest on Long Term Debt is not an expenditure in the governmental funds 51,388

Some expenditures reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:  
Vacation, sick leave and compensatory time benefits (91,250)

Internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue (expense) of the internal funds is reported with governmental activities (95,353)

**Change in net assets of governmental activities (\$1,789,188)**

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



**CITY OF MORaine, OHIO**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2008**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</b>	<b>GOVERNMENTAL ACTIVITIES</b>
	<b>MORaine LOAN PROGRAM</b>	<b>INTERNAL SERVICE FUNDS</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Investments	\$524,477	\$1,922,500
Receivables	25	
Loans (net of Allowance for uncollectible)	4,970	
Inventories		169,698
Prepays		84
<b>Total Current Assets</b>	<u>529,472</u>	<u>2,092,282</u>
<b>CAPITAL ASSETS</b> (net of accumulated depreciation)		
Machinery and Equipment		24,204
<b>Total Capital Assets</b>		<u>24,204</u>
<b>Total Assets</b>	<u>529,472</u>	<u>2,116,486</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable		45,183
Salaries and Benefits Payable		16,708
Compensated Absences Payable		51,260
Insurance Claims Payable		186,914
<b>Total Current Liabilities</b>		<u>300,065</u>
<b>Total Liabilities</b>		<u>300,065</u>
<b>NET ASSETS</b>		
Invested in Capital Assets		24,204
Unrestricted	529,472	1,792,217
<b>Total Net Assets</b>	<u>\$529,472</u>	<u>\$1,816,421</u>

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

**CITY OF MORaine, OHIO**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2008**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND MORaine LOAN PROGRAM</b>	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>Operating Revenues</b>		
Charges for Services	\$795	\$2,694,658
Miscellaneous Receipts & Reimbursements		82,993
<b>Total Operating Revenues</b>	<u>795</u>	<u>2,777,651</u>
<b>Operating Expenses</b>		
Current:		
Cost of Services		2,948,767
Depreciation		10,160
<b>Total Operating Expenses</b>		<u>2,958,927</u>
<b>Operating Income (Loss)</b>	<u>795</u>	<u>(181,276)</u>
<b>Non-Operating Revenues</b>		
Investment earnings	28,616	85,923
<b>Total Non-Operating Revenues</b>	<u>28,616</u>	<u>85,923</u>
<b>Change in Net Assets</b>	29,411	(95,353)
Total Net Assets - Beginning	500,061	1,911,774
Total Net Assets - Ending	<u>\$529,472</u>	<u>\$1,816,421</u>

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

**CITY OF MORaine, OHIO**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2008**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND MORaine LOAN PROGRAM</b>	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>Cash Flows From Operating Activities</b>		
Cash received for services	\$3,016	\$2,694,658
Miscellaneous receipts & reimbursements		82,993
Cash paid to suppliers for goods or services		(2,718,566)
Cash paid to employees for services		(218,311)
Net cash provided (used) by operating activities	<u>3,016</u>	<u>(159,226)</u>
<b>Cash Flows From Investing Activities</b>		
Investment earnings	28,616	85,923
Net cash provided by investing activities	<u>28,616</u>	<u>85,923</u>
<b>Net Increase (Decrease) in Cash</b>	31,632	(73,303)
<b>Cash and Investments at Beginning of Year</b>	492,845	1,995,803
<b>Cash and Investments at End of Year</b>	<u>\$524,477</u>	<u>\$1,922,500</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>		
Operating income	<u>\$795</u>	<u>(\$181,276)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense		10,160
(Increase) decrease in inventories		(18,931)
(Increase) decrease in prepaid expenses		1
Increase (decrease) in accounts payable		(48,049)
Increase (decrease) in salaries and benefits payable		1,463
Increase (decrease) in compensated absences payable		(7,680)
Increase (decrease) in insurance claims payable		85,086
(Increase) decrease in receivables	2,221	
Net cash provided (used) by operating activities	<u>\$3,016</u>	<u>(\$159,226)</u>

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

**CITY OF MORAIN, OHIO**  
**Statement of Fiduciary Net Assets**  
**FIDUCIARY FUNDS**  
**December 31, 2008**

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash and Investments	\$67,171
<b>Total Assets</b>	<b>\$67,171</b>
 <b>LIABILITIES</b>	
Deposits	\$37,890
Due to Other Governments	3,635
Escrow Bonds and Deposits	25,646
<b>Total Liabilities</b>	<b>\$67,171</b>

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

## **CITY OF MORAIN, OHIO**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### ***A. Reporting Entity***

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

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

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

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

##### ***B. Basis of Presentation***

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

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

### Government-wide Statements

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

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

### Fund Financial Statements

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

## **Fund Accounting**

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

### **Governmental Funds**

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

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

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

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

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

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

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

### **Proprietary Funds**

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

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

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

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

### **Fiduciary Funds**

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

### ***C. Measurement Focus***

#### Government-wide Financial Statements

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

#### Fund Financial Statements

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



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

#### ***D. Basis of Accounting***

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

#### **Revenues – Exchange and Non-exchange Transactions**

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

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

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

### Unearned/Deferred Revenue

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

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

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

### Expenses/Expenditures

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

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

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

### ***E. Cash and Investments***

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

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

The City of Moraine has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2008. STAROhio is an investment pool managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at

STAROhio's share price, which is the price the investment could be sold for on December 31, 2008.

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

#### ***F. Inventory***

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

On fund financial statements, inventories of governmental funds are valued at cost, while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined using the first-in/first-out method. The proprietary fund inventories are recorded as expenses when used. Inventory in governmental funds consists of expandable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are used.

#### ***G. Prepaids***

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

#### ***H. Capital Assets***

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

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

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

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

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

<u>Class</u>	<u>Estimated Useful Life</u>
Land Improvements	20 to 25 years
Building and Improvements	20 to 40 years
Machinery and Equipment	2 to 25 years
Infrastructure	20 to 50 years

***I. Reserves and Designations***

Reserves are portions of fund equity not appropriable for expenditures/expenses or are legally segregated for a specific future use, or both. The City recognizes reserves of fund balances for outstanding encumbrances, prepaid expenses, inventories and long-term loans.

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

***J. Compensated Absences***

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

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

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

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

### ***K. Accrued Liabilities and Long-Term Obligations***

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

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

### ***L. Net Assets***

Net assets represent the difference between asset and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City had no restricted net assets at December 31, 2008.

### ***M. Operating Revenues and Expenses***

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

### ***N. Interfund Activity***

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

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

***O. Extraordinary and Special Items***

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

***P. Estimates***

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

**2. DEPOSITS AND INVESTMENTS**

**Custodial Credit Risk – Deposits:** At-year end, the carrying amount of the City’s deposits was \$1,549,366 and the bank balance was \$1,950,727. Of the bank balance, \$577,075 was covered by the Federal depository insurance. The remaining \$1,373,652 was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent but not in the City’s name. The City requires at a minimum that the depository provide collateral with a single pool of securities pledged toward all deposits of public funds held by the depository. The City also maintains \$6,505 of petty cash in the various departments.

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

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

Investment Type	Rating	Fair Value	Investment Maturing			
			Less than One Year	One to Two Years	Two to Five Years	Percent
Fed Farm Credit Bank	AAA	\$52,610		\$52,610		.2%
Fed Home Loan Bank	AAA	\$1,135,242	\$495,078	88,428	\$551,736	5.4%
Fed Home Loan Mtg Corp	AAA	983,837	304,765	91,710	587,362	4.7%
Fed Natl MTG Assn	AAA	13,051,440	338,429	128,414	12,584,597	61.8%
Government Nat Mort Asso	AAA	18			18	0.0%
US Treasury Notes	N/A	102,051	102,051			0.5%
City of Moraine - BAN	N/A	5,300,000	5,300,000			25.1%
Money Markets	N/A	146,630	146,630			.7%
STAR Ohio	AAAm	<u>336,407</u>	<u>336,407</u>			1.6%
Total Investments		<u>\$21,108,235</u>	<u>\$7,023,360</u>	<u>\$361,162</u>	<u>\$13,723,713</u>	

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from fluctuating interest rates and in accordance with the ORC, the City’s investment policy limits investments in the portfolio to having an average life of five years or less. The investment policy also requires sufficient liquidity to be maintained in the portfolio, and that investments be scheduled to mature concurrently with ongoing cash requirements so that the City’s obligations can be met without selling securities.

The City’s investment policy authorized investment in the following securities and diversification limits:

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

### 3. LOANS RECEIVABLE

The City operates a long-term loan program as an enterprise fund. Loans receivable at December 31, 2008 were:

Loans Receivable	\$8,802
Less Allowance for bad debts	<u>3,832</u>
Net Loans Receivable	<u>\$4,970</u>

There were no outstanding loan commitments at December 31, 2008.

In 2001, as an economic development tool, the City began offering business loans that would be forgiven if the business met certain employment and financial conditions over the life of the loan. The first such loan was made during 2001. The loans receivable in the Economic Fund at December 31, 2008 were as follows:

Loans Receivable 1/1/2008	\$ 408,025
New Loans	153,300
Forgiven Loans	<u>96,070</u>
Loans Receivable 12/31/2008	<u>\$ 465,255</u>

### 4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being Depreciated:				
Land	\$ 12,542,503	\$ 1,575,919	\$221,704	\$ 13,896,718
Construction in Progress	<u>4,630,829</u>	<u>920,740</u>	<u>4,294,082</u>	<u>1,257,487</u>
Subtotal	<u>17,173,332</u>	<u>2,496,659</u>	<u>4,515,786</u>	<u>15,154,205</u>
Capital assets being Depreciated:				
Building and improvements	12,405,500	149,071		12,554,571
Machinery and equipment	9,307,015	1,193,533	396,491	10,104,057
Infrastructure	<u>15,449,816</u>	<u>4,917,499</u>	<u>          </u>	<u>20,367,315</u>
Subtotal	<u>37,162,331</u>	<u>6,260,103</u>	<u>396,491</u>	<u>43,025,943</u>
Accumulated depreciation:				
Buildings and improvements	(5,761,951)	(389,293)		(6,151,244)
Machinery and Equipment	(6,870,592)	(629,489)	(396,491)	(7,103,590)
Infrastructure	<u>(10,153,644)</u>	<u>(604,231)</u>	<u>          </u>	<u>(10,757,875)</u>
Subtotal	<u>(22,786,187)</u>	<u>(1,623,013)</u>	<u>(396,491)</u>	<u>(24,012,709)</u>
Net capital assets being Depreciated	<u>14,376,144</u>	<u>4,637,090</u>		<u>19,013,234</u>
Net capital assets	<u>\$ 31,549,476</u>	<u>\$ 7,133,749</u>	<u>\$ 4,515,786</u>	<u>\$ 34,167,439</u>



Depreciation expense was charged to governmental functions as follows:

General Government	\$ 187,457
Public Safety	418,078
Highways and Streets	747,835
Culture & Recreation	235,256
Health and Welfare	9,655
Garage	10,160
Economic Development	<u>14,572</u>
Total Annual Depreciation	<u>\$1,623,013</u>

Capital assets of the Internal Service City Garage Fund include machinery and equipment with a cost of \$173,851 and accumulated depreciation of \$149,647 or Net Capital Assets of \$24,204.

## 5. PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. Property taxes are levied each January 1 on the assessed value listed as of the prior January. Assessed values are established for real and public utility property at 35% of true value, and for tangible property at 25% of true value (excluding the first \$10,000 of value). Property values are required to be updated every three years and revalued every six years. A reevaluation was completed in 2002 and another is scheduled for January 2008. The property tax calendar is as follows:

Levy date	January 1, 2007
Lien date	January 1, 2008
Tax bill mailed	January 22, 2008
First installment payment due	February 11, 2008
Second installment payment due	July 16, 2008

The assessed values for the City at the lien date of January 1, 2007, were as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$149,193,070
Public Utility Real	349,320
Tangible Personal	27,595,910
Public Utility Personal	<u>45,435,240</u>
<b>Total</b>	<b><u>\$222,573,540</u></b>

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

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

## 6. INCOME TAXES

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

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

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

## 7. LONG-TERM OBLIGATIONS

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Bond Anticipation Note	\$5,000,000		\$5,000,000		
Accrued vacation, sick leave and comp time benefits	2,770,791	\$1,141,407	\$1,199,811	2,712,387	371,792
Ohio Public Works Commission Long-term Promissory Notes, 0.0%	235,540		27,710	207,830	27,710
Kansas State Bank Fire Truck Lease		693,399		693,399	135,000
City of Dayton, Promissory Note, 0.0%	<u>40,000</u>	<u>          </u>	<u>40,000</u>	<u>          </u>	<u>          </u>
Total long-term liabilities	<u>\$8,046,331</u>	<u>\$1,834,806</u>	<u>\$6,267,521</u>	<u>\$3,613,616</u>	<u>\$534,502</u>

The compensated absences are liquidated from the General Fund, Parks, and Recreation Fund and the Street Construction and Maintenance Fund. The remaining debt of \$901,229 will be paid from the Capital Improvement Fund.

## 8. LEASES AND COMMITMENTS

The City entered into one capital lease during 2008. The lease was with Kansas State Bank for a new fire truck. The lease period was for five years with semi-annual interest payments and annual principal payments. The asset was capitalized for \$693,399.

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

Year Ending  
December 31

2009	\$157,848
2010	155,186
2011	152,473
2012	149,707
2013	<u>146,888</u>
Total Minimum Lease Payments	762,102
Less: Amount representing interest	<u>(68,703)</u>
Present value of minimum lease payments	<u>\$693,399</u>

As of December 31, 2008, the City had the following significant construction and other contractual commitments outstanding:

<u>Vendor</u>	<u>Outstanding Commitment</u>
SK Construction	\$983,733
Gudenkauf Corporation	125,000
DP&L Energy Resources, Inc	98,963
Stantec Consulting Services	24,563
P&R Communications Service	23,844
The Armrel Byrnes Company	23,538
ODNR Division-Soil & Water	22,987
Northwest Consultants	22,810
Brumbaugh Construction Company	20,099
Tec Engineering, Inc	15,575
Double Jay Construction, Inc	11,268
Barge, Waggoner, Sumner & Canno	<u>10,340</u>
Total	<u>\$1,382,720</u>

## 9. BOND ANTICIPATION NOTES

During 2008, the City retired the \$5.0 million long-term bond anticipation note (BAN) that matured in March 2008 by issuing a \$5.3 million nine month BAN note which matured in December 2008. Another \$5.3 million BAN was issued in December 2008 to provide financing for the repayment of the BAN issued in March 2008. The December 2008 BAN matures in December 2009 and carries an interest rate of 3.7%. The City anticipates issuing bonds to replace the outstanding BAN during 2009.

A summary of the City's short-term debt obligations occurring during 2008 is as follows:

Issue Date	Maturity Date	Interest Rate	Beginning Balance	Additions	Deletions	Ending Balance
3/08	12/08	4.98%	\$ -	\$ 5,300,000	\$ 5,300,000	\$ -
12/08	12/09	3.70%	-	5,300,000	-	5,300,000
	Total		\$ -	\$ 10,600,000	\$ 5,300,000	\$ 5,300,000

## 10. OTHER LONG-TERM OBLIGATIONS

### Ohio Public Works Commission Long-term Promissory Notes

The following is a summary of debt transactions for the year ended December 31, 2008:

Loans payable, January 1, 2008	\$235,540
Loan payments	<u>27,710</u>
Loans payable December 31, 2008	<u>\$207,830</u>

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

Annual principal payments required on the Dryden Road Loan are:

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>
2009	\$27,710	2013	27,710
2010	27,710	2014	27,710
2011	27,710	2015	27,710
2012	27,710	2016	<u>13,860</u>
Totals			<u>\$207,830</u>

The City has agreed to make the Bond Payments less all hook up fees for a sewer trunk line that Montgomery County installed to benefit a new industrial park in the City limits. The bond payments are billed to the City each year less all hookup fees. The 2008 payment was principal of \$32,000 and interest of \$28,478. These payments are recorded as expenses in the year that they are paid and no asset or long term liability is being carried on the City's books. The sewer belongs to and is maintained by the County.

## **11. PENSION PLAN OBLIGATIONS**

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

### ***A. Ohio Public Employees Retirement System***

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

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

For the year ended December 31, 2008, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.0 percent of their annual covered salaries. The employer contribution rate for 2008 was 14.00 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007 and 2006 were \$757,604, \$732,214 and \$695,894, respectively; equal to the required contribution for each year.

***B. Ohio Police and Fire Pension Fund***

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

Plan members are required to contribute 10 percent of their annual covered salary, while the City is required to contribute 19.5 percent for police officers and 24 percent for firefighters. The City's required contributions to OP&F for police and firefighters were \$992,064 for the year ended December 31, 2008, \$994,722 for 2007 and \$959,207 for 2006; 73 percent has been contributed for 2008. The full amount has been contributed for 2007 and 2006

**12. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

***A. Ohio Public Employees Retirement System***

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local employers contributed at a rate of 14.00 of covered payroll, and public safety and law enforcement employers contributed at 17.40 percent. The ORC currently limits the employer contributions to a rate not to exceed 14.00 percent of covered payroll for state and local employer units and 18.10 percent for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0 percent of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The portion of the City's contributions that was used to fund post-employment benefits for the years ending December 31, 2008, 2007 and 2006, was \$378,802, \$291,645 and \$228,578, respectively.

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

### ***B. Ohio Police and Fire Pension Fund***

The Ohio Police and Fire Pension Fund (OP&F) provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Post employment Benefit (OPEB) as described in GASB Statement No. 45. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care cost paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5

percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 6.75 percent of covered payroll was applied to the post employment health care program during 2008.

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

The City's actual contributions for 2008, 2007 and 2006 that were used to fund post employment benefits were \$309,715, \$310,078 and \$343,560 for police and firefighters, respectively.

### 13. INTERFUND TRANSACTIONS

Interfund receivables and payables at December 31, 2008 were as follows:

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

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

Interfund transfers for 2008 were as follows:

<b>Fund</b>	<b><u>From Other Funds</u></b>	<b><u>To Other Funds</u></b>
General Fund		\$5,125,000
Parks & Rec.Fund	\$1,500,000	
Capital Improvement Fund	1,000,000	
Non-Major Funds	<u>2,625,000</u>	
<b>Total</b>	<b><u>\$5,125,000</u></b>	<b><u>\$5,125,000</u></b>

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

### 14. CONTINGENT LIABILITIES

The City is a defendant in various lawsuits and subject to various claims over which litigation has not yet commenced. Although the outcome of these matters is not presently determinable, in the opinion of management and the law director, the



resolution of these matters will not have a materially adverse affect on the financial condition of the City.

## 15. RISK MANAGEMENT

### Property and Liability Coverage

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; and natural disasters. In 1995 the City joined the Public Entities Pool of Ohio (PEP) for coverage of these risks. The risk of loss is transferred to the pool.

PEP Financial Data As December 31, 2008 and 2007

<u>Casualty Coverage</u>	<u>2008</u>	<u>2007</u>
Assets	\$31,305,230	\$32,931,970
Liabilities	<u>(14,126,746)</u>	<u>(15,888,159)</u>
Net Assets – Unrestricted	17,178,484	17,043,811

### Property Coverage

Assets	4,464,305	4,628,101
Liabilities	<u>(1,183,460)</u>	<u>(1,452,665)</u>
Net Assets – Unrestricted	3,280,845	3,175,436

Unpaid claims to be billed was approximately \$12.9 million in 2008 and \$15.0 million in 2007

The Pool’s membership increased from 443 members in 2007 to 445 members in 2008.

The Pool uses reinsurance and risk-sharing arrangements to reduce its exposure to loss. These arrangements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool’s primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (“APEEP”), which is also administered by ARPCO. APEEP provides the Pool with an excess risk-sharing program. Under the arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2008 the Pool retained \$350,000 for casualty claims and \$100,000 for property claims). The Board of Directors and ARPCO periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

### Health Insurance Coverage

The City provides health insurance coverage for its employees. This program is accounted for in the Internal Service Fund, Health Insurance Program Fund. This

coverage is provided by the City self-funding a portion of the program with the balance of coverage provided by stop loss coverage through Anthem Insurance Company. The stop loss carrier provides coverage as follows: the City pays all claims up to \$60,000 per individual or \$2,028,758 in aggregate during the contract year, which runs from August 1 through July 31 of each year.

Stop loss reimbursement for the past three years:

<u>2006</u>	<u>2007</u>	<u>2008</u>
\$56,992	\$0	\$46,231

Below is a claim history for the past three years:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Claims liability at January 1	\$ 397,109	\$ 90,248	\$ 101,828
Claims incurred	1,167,699	1,617,955	1,851,466
Claims paid	<u>(1,474,560)</u>	<u>(1,606,375)</u>	<u>(1,766,380)</u>
Claims liability at December 31	\$ 90,248	\$ 101,828	\$ 186,914

## 16. CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision, thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

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

## 17. Subsequent Events

The City accepted a Grant & Loan from the Ohio Public Works Commission for resurfacing and improving Springboro West and Kreitzer Roads. The Grant is for \$150,000 and the loan is for \$450,000.00. This transaction is not recorded in the 2008 financial statements because the economic event had not occurred before December 31, 2008.

The City has settled a dispute with its' Investment Broker and was awarded \$1.8 million during mediation. The settlement was received by the City on June 1, 2009.

**CITY OF MORAINE, OHIO**

**REQUIRED**

**SUPPLEMENTARY**

**INFORMATION**



**CITY OF MORaine, OHIO  
GENERAL FUND**

**Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Non-GAAP Basis)  
For Year Ended December 31, 2008**

	Original Budget Amounts	Final Budgets Amounts	Actual Amounts	Variance Actual w/Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Income	\$16,883,500	\$16,883,500	\$13,867,167	(\$3,016,333)
Property	510,300	510,300	528,437	18,137
Other	62,500	62,500	57,993	(4,507)
Shared Revenues	480,220	480,220	741,372	261,152
License and Permits	39,700	39,700	41,251	1,551
Charges for Services	227,100	227,100	68,787	(158,313)
Fines	253,000	253,000	204,210	(48,790)
Investment Earnings	951,100	951,100	1,021,987	70,887
Rents and Royalties	48,000	48,000	18,842	(29,158)
Intergovernmental	142,000	142,000	168,302	26,302
Miscellaneous Receipts & Reimbursements	55,000	55,000	88,778	33,778
<b>Total Revenues</b>	<u>19,652,420</u>	<u>19,652,420</u>	<u>16,807,126</u>	<u>(2,845,294)</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Council:</b>				
Personnel services	16,200	16,150	15,200	950
General operating expenses	120,521	119,803	92,145	27,658
<b>Total Council</b>	<u>136,721</u>	<u>135,953</u>	<u>107,345</u>	<u>28,608</u>
<b>Clerk of Council</b>				
Personnel services	57,630	57,630	47,427	10,203
General operating expenses	5,405	5,300	4,474	826
<b>Total Clerk of Council</b>	<u>63,035</u>	<u>62,930</u>	<u>51,901</u>	<u>11,029</u>
<b>City Manager</b>				
Personnel services	319,000	319,700	294,217	25,483
General operating expenses	47,878	42,906	23,128	19,778
<b>Total City Manager</b>	<u>366,878</u>	<u>362,606</u>	<u>317,345</u>	<u>45,261</u>
<b>Clerk of Courts</b>				
Personnel services	133,750	133,433	125,207	8,226
General operating expenses	43,720	38,839	29,380	9,459
<b>Total Clerk of Courts</b>	<u>177,470</u>	<u>172,272</u>	<u>154,587</u>	<u>17,685</u>
<b>Law Director</b>				
Personnel services				
General operating expenses	220,298	212,329	207,784	4,545
<b>Total Law Director</b>	<u>220,298</u>	<u>212,329</u>	<u>207,784</u>	<u>4,545</u>
<b>Merit Service</b>				
Personnel services				
General operating expenses	7,250	7,250	6,890	360
<b>Total Merit Service</b>	<u>7,250</u>	<u>7,250</u>	<u>6,890</u>	<u>360</u>
<b>Mayor</b>				
Personnel services	13,200	13,200	11,603	1,597
General operating expenses	59,183	58,035	6,774	51,261
<b>Total Mayor</b>	<u>72,383</u>	<u>71,235</u>	<u>18,377</u>	<u>52,858</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, 2008**

(continued)

	Original Budget Amounts	Final Budgets Amounts	Actual Amounts	Variance Actual w/Final Budget Positive (Negative)
<b>Finance</b>				
Personnel services	581,135	581,135	559,324	21,811
General operating expenses	72,161	67,503	46,836	20,667
<b>Total Finance</b>	<u>653,296</u>	<u>648,638</u>	<u>606,160</u>	<u>42,478</u>
<b>Information Center</b>				
Personnel services	152,000	152,000	143,196	8,804
General operating expenses	1,000	1,000		1,000
<b>Total Information Center</b>	<u>153,000</u>	<u>153,000</u>	<u>143,196</u>	<u>9,804</u>
<b>Public Buildings</b>				
Personnel services	1,687,700	1,687,700	1,619,183	68,517
General operating expenses	973,826	958,031	767,916	190,115
<b>Total Public Buildings</b>	<u>2,661,526</u>	<u>2,645,731</u>	<u>2,387,099</u>	<u>258,632</u>
<b>General Miscellaneous</b>				
Personnel services	265,278	273,017	213,169	59,848
General operating expenses	500,647	466,545	429,865	36,680
<b>Total General Miscellaneous</b>	<u>765,925</u>	<u>739,562</u>	<u>643,034</u>	<u>96,528</u>
<b>Information Technology</b>				
Personnel services	114,350	114,890	107,372	7,518
General operating expenses	236,032	227,603	193,772	33,831
<b>Total Information Technology</b>	<u>350,382</u>	<u>342,493</u>	<u>301,144</u>	<u>41,349</u>
<b>Human Resources</b>				
Personnel services	107,550	107,550	106,603	947
General operating expenses	66,397	61,720	40,371	21,349
<b>Total Human Resources</b>	<u>173,947</u>	<u>169,270</u>	<u>146,974</u>	<u>22,296</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>5,802,111</u>	<u>5,723,269</u>	<u>5,091,836</u>	<u>631,433</u>
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
Personnel services	4,106,650	4,091,460	3,938,282	153,178
General operating expenses	717,115	718,269	603,799	114,470
<b>Total Police</b>	<u>4,823,765</u>	<u>4,809,729</u>	<u>4,542,081</u>	<u>267,648</u>
<b>Fire</b>				
Personnel services	3,628,500	3,618,660	3,431,106	187,554
General operating expenses	533,368	491,062	326,903	164,159
<b>Total Fire</b>	<u>4,161,868</u>	<u>4,109,722</u>	<u>3,758,009</u>	<u>351,713</u>
<b>Civil Defense</b>				
Personnel services				
General operating expenses	8,500	8,500	8,403	97
<b>Total Civil Defense</b>	<u>8,500</u>	<u>8,500</u>	<u>8,403</u>	<u>97</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>8,994,133</u>	<u>8,927,951</u>	<u>8,308,493</u>	<u>619,458</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, 2008**

(continued)

	Original Budget Amounts	Final Budgets Amounts	Actual Amounts	Variance Actual w/Final Budget Positive (Negative)
<b>HIGHWAYS AND STREETS</b>				
<b>Engineering</b>				
Personnel services	213,910	227,511	225,764	1,747
General operating expenses	60,339	58,366	52,554	5,812
<b>Total Engineering</b>	<u>274,249</u>	<u>285,877</u>	<u>278,318</u>	<u>7,559</u>
<b>Street Lighting</b>				
Personnel services				
General operating expenses	260,000	260,000	243,639	16,361
<b>Total Street Lighting</b>	<u>260,000</u>	<u>260,000</u>	<u>243,639</u>	<u>16,361</u>
<b>TOTAL HIGHWAYS AND STREETS</b>	<u>534,249</u>	<u>545,877</u>	<u>521,957</u>	<u>23,920</u>
<b>SANITATION</b>				
<b>Waste Collection</b>				
Personnel services				
General operating expenses	397,047	394,534	377,325	17,209
<b>Total Waste Collection</b>	<u>397,047</u>	<u>394,534</u>	<u>377,325</u>	<u>17,209</u>
<b>TOTAL SANITATION</b>	<u>397,047</u>	<u>394,534</u>	<u>377,325</u>	<u>17,209</u>
<b>HEALTH AND WELFARE</b>				
<b>Health &amp; Alcoholism</b>				
Personnel services				
General operating expenses	2,000	2,000	1,484	516
<b>Total Health &amp; Alcoholism</b>	<u>2,000</u>	<u>2,000</u>	<u>1,484</u>	<u>516</u>
<b>Board of Zoning Appeals</b>				
Personnel services				
General operating expenses	1,671	1,200	688	512
<b>Total Board of Zoning Appeals</b>	<u>1,671</u>	<u>1,200</u>	<u>688</u>	<u>512</u>
<b>Building Inspection</b>				
Personnel services	121,630	116,030	72,143	43,887
General operating expenses	44,375	41,274	33,756	7,518
<b>Total Building Inspection</b>	<u>166,005</u>	<u>157,304</u>	<u>105,899</u>	<u>51,405</u>
<b>TOTAL HEALTH AND WELFARE</b>	<u>169,676</u>	<u>160,504</u>	<u>108,071</u>	<u>52,433</u>
<b>CULTURE-RECREATION</b>				
<b>Senior Citizens</b>				
Personnel services				
General operating expenses	12,000	12,000	12,000	
<b>Total Senior Citizens</b>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	
<b>Summer Jobs</b>				
Personnel services	117,800	117,800	90,421	27,379
General operating expenses	1,500	1,500	847	653
<b>Total Summer Jobs</b>	<u>119,300</u>	<u>119,300</u>	<u>91,268</u>	<u>28,032</u>
<b>Fire Works</b>				
Personnel services				
General operating expenses	34,500	17,000	17,000	
<b>Total Fire Works</b>	<u>34,500</u>	<u>17,000</u>	<u>17,000</u>	
<b>TOTAL CULTURE-RECREATION</b>	<u>165,800</u>	<u>148,300</u>	<u>120,268</u>	<u>28,032</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, 2008**

(continued)

	Original Budget Amounts	Final Budgets Amounts	Actual Amounts	Variance Actual w/Final Budget Positive (Negative)
<b>ECONOMIC DEVELOPMENT AND ASSISTANCE</b>				
<b>Planning</b>				
Personnel services	167,545	172,145	163,989	8,156
General operating expenses	67,576	59,188	41,128	18,060
<b>Total Planning</b>	<u>235,121</u>	<u>231,333</u>	<u>205,117</u>	<u>26,216</u>
<b>Planning Commission</b>				
Personnel services				
General operating expenses	9,962	8,100	4,451	3,649
<b>Total Planning Commission</b>	<u>9,962</u>	<u>8,100</u>	<u>4,451</u>	<u>3,649</u>
<b>TOTAL ECONOMIC DEVELOPMENT AND ASSISTANCE</b>	<u>245,083</u>	<u>239,433</u>	<u>209,568</u>	<u>29,865</u>
<b>TOTAL EXPENDITURES</b>	<u>16,308,099</u>	<u>16,139,868</u>	<u>14,737,518</u>	<u>1,402,350</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>3,344,321</u>	<u>3,512,552</u>	<u>2,069,608</u>	<u>(1,442,944)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,600,000	1,600,000		(1,600,000)
Transfers out	(4,625,000)	(5,625,000)	(5,125,000)	500,000
Proceeds from the sale of capital assets	15,000	15,000	44,434	29,434
<b>Total Other Financing Sources (Uses)</b>	<u>(3,010,000)</u>	<u>(4,010,000)</u>	<u>(5,080,566)</u>	<u>(1,070,566)</u>
<b>Net Change in Fund Balance</b>	<u>334,321</u>	<u>(497,448)</u>	<u>(3,010,958)</u>	<u>(2,513,510)</u>
Fund Balance - Beginning	15,527,757	15,527,757	15,527,757	
Encumbrances	336,170	336,170	336,170	
Fund Balance - Ending	<u>\$16,198,248</u>	<u>\$15,366,479</u>	<u>\$12,852,969</u>	<u>(\$2,513,510)</u>

See accompanying notes to the required supplementary information.

**CITY OF MORAIN, OHIO**  
**PARKS AND RECREATION FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Basis)**  
**For Year Ended December 31, 2008**

	<u>Original Budget Amounts</u>	<u>Final Budgets Amounts</u>	<u>Actual Amounts</u>	<u>Variance Actual w/Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Charges for Services	\$786,850	\$786,850	\$793,436	\$6,586
Investment Earnings	38,400	38,400	24,722	(13,678)
Contributions and Donations			53,340	53,340
Intergovernmental	51,000	51,000	29,766	(21,234)
Miscellaneous Receipts & Reimbursements			12,000	12,000
<b>Total Revenues</b>	<u>876,250</u>	<u>876,250</u>	<u>913,264</u>	<u>37,014</u>
<b>EXPENDITURES</b>				
Culture-Recreation				
Civic Center				
Personnel services	360,800	360,800	334,529	26,271
General operating expenses	95,041	92,915	56,864	36,051
Total Civic Center	<u>455,841</u>	<u>453,715</u>	<u>391,393</u>	<u>62,322</u>
Parks & Recreation Programs				
Personnel services				
General operating expenses	91,537	90,200	82,902	7,298
Total Parks & Recreation Programs	<u>91,537</u>	<u>90,200</u>	<u>82,902</u>	<u>7,298</u>
Water Park				
Personnel services	658,600	607,600	594,316	13,284
General operating expenses	458,589	499,766	490,012	9,754
Total Water Park	<u>1,117,189</u>	<u>1,107,366</u>	<u>1,084,328</u>	<u>23,038</u>
Recreational Center				
Personnel services	761,750	760,790	694,765	66,025
General operating expenses	364,872	350,794	294,447	56,347
Total Recreational Center	<u>1,126,622</u>	<u>1,111,584</u>	<u>989,212</u>	<u>122,372</u>
Total Culture-Recreation	<u>2,791,189</u>	<u>2,762,865</u>	<u>2,547,835</u>	<u>215,030</u>
<b>Total Expenses</b>	<u>2,791,189</u>	<u>2,762,865</u>	<u>2,547,835</u>	<u>215,030</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,914,939)</u>	<u>(1,886,615)</u>	<u>(1,634,571)</u>	<u>252,044</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,000,000	2,000,000	1,500,000	(500,000)
<b>Total Other Financing Sources (Uses)</b>	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,500,000</u>	<u>(500,000)</u>
<b>Net Change in Fund Balance</b>	85,061	113,385	(134,571)	(247,956)
Fund Balance - Beginning	801,123	801,123	801,123	
Encumbrances	83,045	83,045	83,045	
Fund Balance - Ending	<u>\$969,229</u>	<u>\$997,553</u>	<u>\$749,597</u>	<u>(\$247,956)</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, 2008**

	<u>Original Budget Amounts</u>	<u>Final Budgets Amounts</u>	<u>Actual Amounts</u>	<u>Variance Actual w/Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$500,000	\$500,000	\$5,600	(\$494,400)
<b>Total Revenues</b>	<u>500,000</u>	<u>500,000</u>	<u>5,600</u>	<u>(494,400)</u>
<b>EXPENDITURES</b>				
Economic Development	865,000	865,000	\$307,300	557,700
<b>Total Expenses</b>	<u>865,000</u>	<u>865,000</u>	<u>307,300</u>	<u>557,700</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(365,000)</u>	<u>(365,000)</u>	<u>(301,700)</u>	<u>63,300</u>
<b>Net Change in Fund Balance</b>	<u>(365,000)</u>	<u>(365,000)</u>	<u>(301,700)</u>	<u>63,300</u>
Fund Balance - Beginning	1,071,317	1,071,317	1,071,317	
Encumbrances	13,400	13,400	13,400	
Fund Balance - Ending	<u>\$719,717</u>	<u>\$719,717</u>	<u>\$783,017</u>	<u>\$63,300</u>

See accompanying notes to the required supplementary information.

**CITY OF MORAIN, OHIO**  
**T. I. F. FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Basis)**  
**For Year Ended December 31, 2008**

	Original Budget Amounts	Final Budgets Amounts	Actual Amounts	Variance Actual w/Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$32,000	\$32,000	\$22,439	(\$9,561)
<b>Total Revenues</b>	<u>32,000</u>	<u>32,000</u>	<u>22,439</u>	<u>(9,561)</u>
<b>EXPENDITURES</b>				
Capital Outlays:				
Economic Development	643,871	443,469	259,126	184,343
Interest notes	520,000	520,000	300,636	219,364
<b>Total Expenses</b>	<u>1,163,871</u>	<u>963,469</u>	<u>559,762</u>	<u>403,707</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,131,871)</u>	<u>(931,469)</u>	<u>(537,323)</u>	<u>394,146</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the sale of bond anticipation notes	8,000,000	14,100,000	10,600,000	(3,500,000)
Proceeds from the sale of capital assets	980,000	980,000	139,820	(840,180)
Payoff of bond anticipation notes	(5,000,000)	(10,100,000)	(10,300,000)	(200,000)
<b>Total Other Financing Sources (Uses)</b>	<u>3,980,000</u>	<u>4,980,000</u>	<u>439,820</u>	<u>(4,540,180)</u>
<b>Net Change in Fund Balance</b>	<u>2,848,129</u>	<u>4,048,531</u>	<u>(97,503)</u>	<u>(4,146,034)</u>
Fund Balance - Beginning	222,866	222,866	222,866	
Encumbrances	157,359	157,359	157,359	
<b>Fund Balance - Ending</b>	<u>\$3,228,354</u>	<u>\$4,428,756</u>	<u>\$282,722</u>	<u>(\$4,146,034)</u>

See accompanying notes to the required supplementary information.

## **CITY OF MORAIN, OHIO**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2008**

#### **1. Budgets and Budgetary Accounting**

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

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

A temporary appropriations ordinance to control expenditures may be passed on or about January 1 of each year for the period of January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriations ordinance generally controls expenditures at the department level and may be amended or supplemented by Council during the year as required. Amendments to the appropriations ordinance made during the year increased original appropriations by approximately 17%. Total expenditures in any fund cannot exceed the estimated resources for that fund. Unencumbered appropriations lapse at year-end, while encumbered amounts are reappropriated in the following year's budget.

The City Manager acts as budget officer for the City and submits a proposed operating budget to the City Council on an annual basis. Public hearings are held to obtain taxpayer comments. The Council enacts the budget through passage of an ordinance. The City's expenditure budget and appropriations ordinance are the same document. The appropriations ordinance controls expenditures at the departmental level with a detail breakdown by personal services, operating and capital expenditures/expenses. Supplemental appropriations are made to the budget during the year by the passage of ordinances. These supplemental appropriations are recommended by management to the City Council, but can only be adopted by formal passage of an

ordinance by City Council. The only authority that management has is to make transfers between accounts within the departmental appropriations. Any increase or decrease in appropriations for any department takes official Council action. During 2008, there were six supplemental appropriations made totaling \$7,675,152.

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

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

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

**Net Change in Fund Balance**

	<u>General</u>	<u>Parks &amp; Recreation</u>	<u>Economic Development</u>	<u>T. I. F.</u>
GAAP Basis	(\$2,522,110)	(\$68,565)	(\$339,470)	\$57,924
Net Adjustment for Revenue Accruals	38,439	33,980		(1,335)
Net Adjustment for Expenditure Accruals	<u>(527,287)</u>	<u>(99,986)</u>	<u>37,770</u>	<u>(154,092)</u>
Budget Basis	<u>(\$3,010,958)</u>	<u>(\$134,571)</u>	<u>(\$301,700)</u>	<u>(\$97,503)</u>

**CITY OF MORaine, OHIO**  
**COMBINING STATEMENTS**  
**AND**  
**INDIVIDUAL FUND STATEMENTS**



**CITY OF MORaine, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2008**

	<b>NONMAJOR SPECIAL REVENUE FUNDS</b>	<b>NONMAJOR DEBT SERVICE FUND</b>	<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>			
Cash and Investments	\$2,021,671	\$138,238	\$2,159,909
Receivables:			
Property Tax	129,486		129,486
Accounts	50		50
Intergovernmental	198,586		198,586
Inventories	68,852		68,852
Prepays	488		488
<b>Total Assets</b>	<u>2,419,133</u>	<u>138,238</u>	<u>2,557,371</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	35,749		35,749
Salaries and Benefits Payable	362,701		362,701
Compensated Absences Payable	5,148		5,148
Deferred Revenue	295,488		295,488
<b>Total Current Liabilities</b>	<u>699,086</u>		<u>699,086</u>
<b>FUND BALANCES</b>			
Reserved For:			
Encumbrances	25,142		25,142
Prepays	488		488
Inventories	68,852		68,852
Unreserved	1,625,565	138,238	1,763,803
<b>Total Fund Balance</b>	<u>1,720,047</u>	<u>138,238</u>	<u>1,858,285</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$2,419,133</u>	<u>\$138,238</u>	<u>\$2,557,371</u>

**CITY OF MORAINE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Ended December 31, 2008**

	<u>NONMAJOR SPECIAL REVENUE FUNDS</u>	<u>NONMAJOR DEBT SERVICE FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<b>REVENUES</b>			
Taxes:			
Property	\$168,530		\$168,530
Other	4,174		4,174
Shared Revenues	464,908		464,908
Licenses and Permits	17,899		17,899
Charges for Services	11,600		11,600
Investment Earnings	81,770	\$7,545	89,315
Miscellaneous Receipts & Reimbursements	8,536		8,536
<b>Total Revenues</b>	<u>757,417</u>	<u>7,545</u>	<u>764,962</u>
<b>EXPENDITURES</b>			
General government	5,815		5,815
Public Safety	1,012,055		1,012,055
Highways and streets	2,056,872		2,056,872
<b>Total Expenditures</b>	<u>3,074,742</u>		<u>3,074,742</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,317,325)</u>	<u>7,545</u>	<u>(2,309,780)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,625,000		2,625,000
<b>Total Other Financing Sources (Uses)</b>	<u>2,625,000</u>		<u>2,625,000</u>
<b>Net Change in Fund Balance</b>	<u>307,675</u>	<u>7,545</u>	<u>315,220</u>
Fund Balance - Beginning	1,412,372	130,693	1,543,065
Fund Balance - Ending	<u>\$1,720,047</u>	<u>\$138,238</u>	<u>\$1,858,285</u>

**CITY OF MORAINE, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**December 31, 2008**

	STREET CONSTRUCTION AND MAINTENANCE	STATE HIGHWAY IMPROVEMENT	CEMETERY	MOTOR VEHICLE LICENSE TAX	ENFORCEMENT AND EDUCATION	POLICE PENSION	FIRE PENSION	FEDERAL LAW ENFORCEMENT	STATE LAW ENFORCEMENT	DRUG LAW ENFORCEMENT	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
<b>ASSETS</b>											
Cash and Investments	\$648,897	\$586,623	\$104,318	\$99,477	\$53,620	\$155,429	\$237,584	\$30,379	\$82,647	\$22,697	\$2,021,671
Receivables:											
Property Tax						64,743	64,743				129,486
Accounts	175,553	14,235		8,798	50						50
Intergovernmental	68,852										198,586
Inventories	488										68,852
Prepays											488
<b>Total Assets</b>	<b>893,790</b>	<b>600,858</b>	<b>104,318</b>	<b>108,275</b>	<b>53,670</b>	<b>220,172</b>	<b>302,327</b>	<b>30,379</b>	<b>82,647</b>	<b>22,697</b>	<b>2,419,133</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>CURRENT LIABILITIES</b>											
Accounts Payable	34,943			606							35,749
Salaries and Benefits Payable	83,609		200			136,683	142,409				362,701
Compensated Absences Payable	5,148										5,148
Deferred Revenue	146,620	11,889		7,493		64,743	64,743				295,488
<b>Total Current Liabilities</b>	<b>270,320</b>	<b>11,889</b>	<b>200</b>	<b>8,099</b>		<b>201,426</b>	<b>207,152</b>				<b>699,086</b>
<b>FUND BALANCES</b>											
Reserved For:											
Encumbrances	17,003										25,142
Prepays	488		5,885	2,254							488
Inventories	68,852										68,852
Unreserved	537,127	588,969	98,233	97,922	53,670	18,746	95,175	30,379	82,647	22,697	1,625,565
<b>Total Fund Balance</b>	<b>623,470</b>	<b>588,969</b>	<b>104,118</b>	<b>100,176</b>	<b>53,670</b>	<b>18,746</b>	<b>95,175</b>	<b>30,379</b>	<b>82,647</b>	<b>22,697</b>	<b>1,720,047</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$893,790</b>	<b>\$600,858</b>	<b>\$104,318</b>	<b>\$108,275</b>	<b>\$53,670</b>	<b>\$220,172</b>	<b>\$302,327</b>	<b>\$30,379</b>	<b>\$82,647</b>	<b>\$22,697</b>	<b>\$2,419,133</b>



**CITY OF MORaine, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended December 31, 2008**

	STREET CONSTRUCTION AND MAINTENANCE	STATE HIGHWAY IMPROVEMENT	CEMETERY	MOTOR VEHICLE LICENSE TAX	ENFORCEMENT AND EDUCATION	POLICE PENSION	FIRE PENSION	FEDERAL LAW ENFORCEMENT	STATE LAW ENFORCEMENT	DRUG LAW ENFORCEMENT	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
<b>REVENUES</b>											
Taxes:											
Property						\$84,265	\$84,265				\$168,530
Other		\$33,284		\$21,128		2,087	2,087				4,174
Shared Revenues	\$410,496				\$17,899						464,908
Licenses and Permits											17,899
Charges for Services	18,641	31,216		5,051	2,848	4,544	6,436	\$1,663	\$4,466	\$1,386	11,600
Investment Earnings											81,770
Miscellaneous Receipts & Reimbursements			2,201						6,335		8,536
<b>Total Revenues</b>	<u>429,137</u>	<u>64,500</u>	<u>19,320</u>	<u>26,179</u>	<u>20,747</u>	<u>90,896</u>	<u>92,788</u>	<u>1,663</u>	<u>10,801</u>	<u>1,386</u>	<u>757,417</u>
<b>EXPENDITURES</b>											
General government											5,815
Public Safety					3,372	478,487	525,196			5,000	1,012,055
Highways and streets	2,050,504			6,368							2,056,872
<b>Total Expenditures</b>	<u>2,050,504</u>			<u>6,368</u>	<u>3,372</u>	<u>478,487</u>	<u>525,196</u>			<u>5,000</u>	<u>3,074,742</u>
<b>Excess (deficiency) of Revenues Over (under) Expenditures</b>	<u>(1,621,367)</u>	<u>64,500</u>	<u>13,505</u>	<u>19,811</u>	<u>17,375</u>	<u>(387,591)</u>	<u>(432,408)</u>	<u>1,663</u>	<u>10,801</u>	<u>(3,614)</u>	<u>(2,317,325)</u>
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers in	1,750,000						475,000				2,625,000
<b>Total Other Financing Sources (Uses)</b>	<u>1,750,000</u>						<u>475,000</u>				<u>2,625,000</u>
<b>Net Change in Fund Balance</b>	<u>128,633</u>	<u>64,500</u>	<u>13,505</u>	<u>19,811</u>	<u>17,375</u>	<u>12,409</u>	<u>42,592</u>	<u>1,663</u>	<u>10,801</u>	<u>(3,614)</u>	<u>307,675</u>
Fund Balance - Beginning	494,837	524,469	90,613	80,365	36,295	6,337	52,583	28,716	71,846	26,311	1,412,372
Fund Balance - Ending	<u>\$623,470</u>	<u>\$588,969</u>	<u>\$104,118</u>	<u>\$100,176</u>	<u>\$53,670</u>	<u>\$18,746</u>	<u>\$95,175</u>	<u>\$30,379</u>	<u>\$82,647</u>	<u>\$22,697</u>	<u>\$1,720,047</u>

**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, 2008**

	Original Budget Amounts	Final Budgets Amounts	Actual Amounts	Variance Actual w/Final Budget Positive (Negative)
<b>REVENUES</b>				
Shared Revenues	\$420,000	\$420,000	\$413,313	(\$6,687)
Investment Earnings	17,000	17,000	15,624	(1,376)
<b>Total Revenues</b>	<u>437,000</u>	<u>437,000</u>	<u>428,937</u>	<u>(8,063)</u>
<b>EXPENDITURES</b>				
Highways and Streets				
Personnel Services	1,488,450	1,554,590	1,543,349	11,241
General Operating Expenses	628,043	580,766	499,379	81,387
Total Highways and Streets	<u>2,116,493</u>	<u>2,135,356</u>	<u>2,042,728</u>	<u>92,628</u>
<b>Total Expenditures</b>	<u>2,116,493</u>	<u>2,135,356</u>	<u>2,042,728</u>	<u>92,628</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,679,493)</u>	<u>(1,698,356)</u>	<u>(1,613,791)</u>	<u>84,565</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,750,000	1,750,000	1,750,000	
<b>Total Other Financing Sources (Uses)</b>	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,750,000</u>	
<b>Net Change in Fund Balance</b>	70,507	51,644	136,209	84,565
Fund Balance - Beginning	490,379	490,379	490,379	
Encumbrances	17,003	17,003	17,003	
<b>Fund Balance - Ending</b>	<u>\$577,889</u>	<u>\$559,026</u>	<u>\$643,591</u>	<u>\$84,565</u>

**CITY OF MORAIN, OHIO**  
**STATE HIGHWAY IMPROVEMENT FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Basis)**  
**For Year Ended December 31, 2008**

	<u>Original Budget Amounts</u>	<u>Final Budgets Amounts</u>	<u>Actual Amounts</u>	<u>Variance Actual w/Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Shared Revenues	\$33,000	\$33,000	\$33,512	\$512
Investment Earnings	21,600	21,600	28,378	6,778
<b>Total Revenues</b>	54,600	54,600	61,890	7,290
<b>Excess (deficiency) of revenues over (under) expenditures</b>	54,600	54,600	61,890	7,290
<b>Net Change in Fund Balance</b>	54,600	54,600	61,890	7,290
Fund Balance - Beginning	519,469	519,469	519,469	
Fund Balance - Ending	<u>\$574,069</u>	<u>\$574,069</u>	<u>\$581,359</u>	<u>\$7,290</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, 2008**

	Original Budget Amounts	Final Budgets Amounts	Actual Amounts	Variance Actual w/Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$4,000	\$4,000	\$8,500	\$4,500
Investment Earnings	3,800	3,800	5,019	1,219
Miscellaneous Receipts & Reimbursements	6,000	6,000	5,301	(699)
<b>Total Revenues</b>	<u>13,800</u>	<u>13,800</u>	<u>18,820</u>	<u>5,020</u>
<b>EXPENDITURES</b>				
General Government	15,963	15,000	11,500	3,500
<b>Total Expenditures</b>	<u>15,963</u>	<u>15,000</u>	<u>11,500</u>	<u>3,500</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,163)</u>	<u>(1,200)</u>	<u>7,320</u>	<u>8,520</u>
<b>Net Change in Fund Balance</b>	<u>(2,163)</u>	<u>(1,200)</u>	<u>7,320</u>	<u>8,520</u>
Fund Balance - Beginning	90,191	90,191	90,191	
Encumbrances	5,885	5,885	5,885	
Fund Balance - Ending	<u>\$93,913</u>	<u>\$94,876</u>	<u>\$103,396</u>	<u>\$8,520</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, 2008**

	Original Budget Amounts	Final Budgets Amounts	Actual Amounts	Variance Actual w/Final Budget Positive (Negative)
<b>REVENUES</b>				
Shared Revenues	\$21,000	\$21,000	\$21,135	\$135
Investment Earnings	3,000	3,000	4,583	1,583
<b>Total Revenues</b>	<u>24,000</u>	<u>24,000</u>	<u>25,718</u>	<u>1,718</u>
<b>EXPENDITURES</b>				
Highways and Streets	9,788	8,534	8,534	
<b>Total Expenditures</b>	<u>9,788</u>	<u>8,534</u>	<u>8,534</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>14,212</u>	<u>15,466</u>	<u>17,184</u>	<u>1,718</u>
<b>Net Change in Fund Balance</b>	<u>14,212</u>	<u>15,466</u>	<u>17,184</u>	<u>1,718</u>
Fund Balance - Beginning	79,201	79,201	79,201	
Encumbrances	2,254	2,254	2,254	
Fund Balance - Ending	<u>\$95,667</u>	<u>\$96,921</u>	<u>\$98,639</u>	<u>\$1,718</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, 2008**

	Original Budget Amounts	Final Budgets Amounts	Actual Amounts	Variance Actual w/Final Budget Positive (Negative)
<b>REVENUES</b>				
License and Permits	\$10,000	\$10,000	\$17,924	\$7,924
Investment Earnings	1,100	1,100	2,600	1,500
<b>Total Revenues</b>	<u>11,100</u>	<u>11,100</u>	<u>20,524</u>	<u>9,424</u>
<b>EXPENDITURES</b>				
Public Safety	13,790	13,790	7,162	6,628
<b>Total Expenses</b>	13,790	13,790	7,162	6,628
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,690)</u>	<u>(2,690)</u>	<u>13,362</u>	<u>16,052</u>
<b>Net Change in Fund Balance</b>	<u>(2,690)</u>	<u>(2,690)</u>	<u>13,362</u>	<u>16,052</u>
Fund Balance - Beginning	39,824	39,824	39,824	
Fund Balance - Ending	<u>\$37,134</u>	<u>\$37,134</u>	<u>\$53,186</u>	<u>\$16,052</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, 2008**

	Original Budget Amounts	Final Budgets Amounts	Actual Amounts	Variance Actual w/Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property	\$82,250	\$82,250	\$84,265	\$2,015
Other	2,000	2,000	2,087	87
Investment Earnings	6,200	6,200	3,773	(2,427)
<b>Total Revenues</b>	<u>90,450</u>	<u>90,450</u>	<u>90,125</u>	<u>(325)</u>
<b>EXPENDITURES</b>				
Public Safety				
Personnel	493,400	493,400	469,843	23,557
General operating expense	1,500	1,500	1,123	377
Total Public Safety	<u>494,900</u>	<u>494,900</u>	<u>470,966</u>	<u>23,934</u>
<b>Total Expenditures</b>	<u>494,900</u>	<u>494,900</u>	<u>470,966</u>	<u>23,934</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(404,450)</u>	<u>(404,450)</u>	<u>(380,841)</u>	<u>23,609</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	400,000	400,000	400,000	
<b>Total Other Financing Sources (Uses)</b>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	
<b>Net Change in Fund Balance</b>	<u>(4,450)</u>	<u>(4,450)</u>	<u>19,159</u>	<u>23,609</u>
Fund Balance - Beginning	134,869	134,869	134,869	
Fund Balance - Ending	<u>\$130,419</u>	<u>\$130,419</u>	<u>\$154,028</u>	<u>\$23,609</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, 2008**

	Original Budget Amounts	Final Budgets Amounts	Actual Amounts	Variance Actual w/Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property	\$82,250	\$82,250	\$84,265	\$2,015
Other	2,000	2,000	2,087	87
Investment Earnings	5,600	5,600	5,333	(267)
<b>Total Revenues</b>	<u>89,850</u>	<u>89,850</u>	<u>91,685</u>	<u>1,835</u>
<b>EXPENDITURES</b>				
Public Safety:				
Personnel	547,800	547,800	524,540	23,260
General operating expense	1,500	1,500	1,122	378
Total Public Safety	<u>549,300</u>	<u>549,300</u>	<u>525,662</u>	<u>23,638</u>
<b>Total Expenses</b>	<u>549,300</u>	<u>549,300</u>	<u>525,662</u>	<u>23,638</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(459,450)</u>	<u>(459,450)</u>	<u>(433,977)</u>	<u>25,473</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	475,000	475,000	475,000	
<b>Total Other Financing Sources (Uses)</b>	<u>475,000</u>	<u>475,000</u>	<u>475,000</u>	
<b>Net Change in Fund Balance</b>	15,550	15,550	41,023	25,473
Fund Balance - Beginning	194,551	194,551	194,551	
Fund Balance - Ending	<u>\$210,101</u>	<u>\$210,101</u>	<u>\$235,574</u>	<u>\$25,473</u>



**CITY OF MORaine, 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, 2008**

	Original Budget Amounts	Final Budgets Amounts	Actual Amounts	Variance Actual w/Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$1,200	\$1,200	\$1,513	\$313
<b>Total Revenues</b>	<u>1,200</u>	<u>1,200</u>	<u>1,513</u>	<u>313</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,200</u>	<u>1,200</u>	<u>1,513</u>	<u>313</u>
<b>Net Change in Fund Balance</b>	1,200	1,200	1,513	313
Fund Balance - Beginning	28,583	28,583	28,583	
Fund Balance - Ending	<u>\$29,783</u>	<u>\$29,783</u>	<u>\$30,096</u>	<u>\$313</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, 2008**

	Original Budget Amounts	Final Budgets Amounts	Actual Amounts	Variance Actual w/Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment Earnings	\$3,100	\$3,100	\$4,069	\$969
Miscellaneous Receipts & Reimbursements			6,335	6,335
<b>Total Revenues</b>	<u>3,100</u>	<u>3,100</u>	<u>10,404</u>	<u>7,304</u>
<b>EXPENDITURES</b>				
Public Safety	50,000	50,000		50,000
<b>Total Expenditures</b>	<u>50,000</u>	<u>50,000</u>		<u>50,000</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(46,900)</u>	<u>(46,900)</u>	10,404	57,304
<b>Net Change in Fund Balance</b>	<u>(46,900)</u>	<u>(46,900)</u>	10,404	57,304
Fund Balance - Beginning	71,512	71,512	71,512	
Fund Balance - Ending	<u>\$24,612</u>	<u>\$24,612</u>	<u>\$81,916</u>	<u>\$57,304</u>

**CITY OF MORaine, 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, 2008**

	<u>Original Budget Amounts</u>	<u>Final Budgets Amounts</u>	<u>Actual Amounts</u>	<u>Variance Actual w/Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Investment Earnings	\$1,200	\$1,200	\$1,267	\$67
<b>Total Revenues</b>	<u>1,200</u>	<u>1,200</u>	<u>1,267</u>	<u>67</u>
<b>EXPENDITURES</b>				
Public Safety	5,000	5,000	5,000	
<b>Total Expenditures</b>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(3,800)</u>	<u>(3,800)</u>	<u>(3,733)</u>	<u>67</u>
<b>Net Change in Fund Balance</b>	<u>(3,800)</u>	<u>(3,800)</u>	<u>(3,733)</u>	<u>67</u>
Fund Balance - Beginning	26,189	26,189	26,189	
Fund Balance - Ending	<u>\$22,389</u>	<u>\$22,389</u>	<u>\$22,456</u>	<u>\$67</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, 2008**

	<u>Original Budget Amounts</u>	<u>Final Budgets Amounts</u>	<u>Actual Amounts</u>	<u>Variance Actual w/Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Investment Earnings	\$5,700	\$5,700	\$6,865	\$1,165
<b>Total Revenues</b>	<u>5,700</u>	<u>5,700</u>	<u>6,865</u>	<u>1,165</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>5,700</u>	<u>5,700</u>	<u>6,865</u>	<u>1,165</u>
<b>Net Change in Fund Balance</b>	5,700	5,700	6,865	1,165
Fund Balance - Beginning	130,085	130,085	130,085	0
Fund Balance - Ending	<u>\$135,785</u>	<u>\$135,785</u>	<u>\$136,950</u>	<u>\$1,165</u>

**CITY OF MORAINÉ, OHIO**  
**CAPITAL IMPROVEMENT FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Basis)**  
**For Year Ended December 31, 2008**

	Original Budget Amounts	Final Budgets Amounts	Actual Amounts	Variance Actual w/Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Income	\$1,906,667	\$1,906,667	\$1,567,179	(\$339,488)
Fines	14,000	14,000	9,384	(4,616)
Intergovernmental	1,187,504	1,187,504	398,080	(789,424)
Miscellaneous Receipts & Reimbursements				
<b>Total Revenues</b>	<u>3,108,171</u>	<u>3,108,171</u>	<u>1,974,643</u>	<u>(1,133,528)</u>
<b>EXPENDITURES</b>				
Capital Outlays:				
General Government	610,269	607,487	414,831	192,656
Public Safety	1,077,364	1,059,123	991,422	67,701
Highways and Streets	5,969,200	5,898,215	3,840,897	2,057,318
Culture-Recreation	182,086	182,086	136,742	45,344
Economic Development		1,000,000	991,328	8,672
Debt Service:				
Principal	206,801	206,801	165,278	41,523
Interest	122,710	122,710	11,333	111,377
<b>Total Expenses</b>	<u>8,168,430</u>	<u>9,076,422</u>	<u>6,551,831</u>	<u>2,524,591</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,060,259)</u>	<u>(5,968,251)</u>	<u>(4,577,188)</u>	<u>1,391,063</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the sale of capital lease	750,000	750,000	693,399	(56,601)
Proceeds from the sale of notes	1,039,000	1,039,000		(1,039,000)
Proceeds from the sale of capital assets			35,525	35,525
Transfers in		1,000,000	1,000,000	
<b>Total Other Financing Sources (Uses)</b>	<u>1,789,000</u>	<u>2,789,000</u>	<u>1,728,924</u>	<u>(1,060,076)</u>
<b>Net Change in Fund Balance</b>	<u>(3,271,259)</u>	<u>(3,179,251)</u>	<u>(2,848,264)</u>	<u>330,987</u>
Fund Balance - Beginning	4,349,371	4,349,371	4,349,371	
Encumbrances	1,613,642	1,613,642	1,613,642	
Fund Balance - Ending	<u>\$2,691,754</u>	<u>\$2,783,762</u>	<u>\$3,114,749</u>	<u>\$330,987</u>

**CITY OF MORAIN, OHIO**  
**Combining Statement of Net Assets**  
**INTERNAL SERVICE FUNDS**  
**December 31, 2008**

	<u>CITY GARAGE</u>	<u>INSURANCE RESERVE</u>	<u>HEALTH INSURANCE</u>	<u>TOTALS</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Investments	\$183,704	\$1,417,709	\$321,087	\$1,922,500
Inventories	169,698			169,698
Prepays	84			84
<b>Total Current Assets</b>	<u>353,486</u>	<u>1,417,709</u>	<u>321,087</u>	<u>2,092,282</u>
<b>CAPITAL ASSETS</b> (net of accumulated depreciation)				
Machinery and Equipment	24,204			24,204
<b>Total Capital Assets</b>	<u>24,204</u>			<u>24,204</u>
<b>Total Assets</b>	<u>377,690</u>	<u>1,417,709</u>	<u>321,087</u>	<u>2,116,486</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	5,421	39,762		45,183
Salaries and Benefits Payable	16,708			16,708
Compensated Absences Payable	51,260			51,260
Insurance Claims Payable			186,914	186,914
<b>Total Current Liabilities</b>	<u>73,389</u>	<u>39,762</u>	<u>186,914</u>	<u>300,065</u>
<b>NET ASSETS</b>				
Invested in Capital Assets	24,204			24,204
Unreserved	280,097	1,377,947	134,173	1,792,217
<b>Total Net Assets</b>	<u>\$304,301</u>	<u>\$1,377,947</u>	<u>\$134,173</u>	<u>\$1,816,421</u>

**CITY OF MORAIN, OHIO**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended December 31, 2008**

	<u>CITY GARAGE</u>	<u>INSURANCE RESERVE</u>	<u>HEALTH INSURANCE</u>	<u>TOTALS</u>
<b>Operating Revenues</b>				
Charges for Services	\$761,801		\$1,932,857	\$2,694,658
Miscellaneous Receipts & Reimbursements		\$82,993		82,993
<b>Total Operating Revenues</b>	<u>761,801</u>	<u>82,993</u>	<u>1,932,857</u>	<u>2,777,651</u>
<b>Operating Expenses</b>				
Current:				
Cost of Services	714,487	99,652	2,134,628	2,948,767
Depreciation	10,160			10,160
<b>Total Operating Expenses</b>	<u>724,647</u>	<u>99,652</u>	<u>2,134,628</u>	<u>2,958,927</u>
<b>Operating Income (Loss)</b>	<u>37,154</u>	<u>(16,659)</u>	<u>(201,771)</u>	<u>(181,276)</u>
<b>Non-operating Revenues</b>				
Investment Earnings		77,786	8,137	85,923
<b>Total Non-operating Revenues</b>		<u>77,786</u>	<u>8,137</u>	<u>85,923</u>
<b>Change in Net Assets</b>	<u>37,154</u>	<u>61,127</u>	<u>(193,634)</u>	<u>(95,353)</u>
Total Net Assets - Beginning	267,147	1,316,820	327,807	1,911,774
Total Net Assets - Ending	<u>\$304,301</u>	<u>\$1,377,947</u>	<u>\$134,173</u>	<u>\$1,816,421</u>

**CITY OF MORAIN, OHIO**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2008**

	<u>City Garage</u>	<u>Insurance Reserve</u>	<u>Health Insurance Program</u>	<u>Totals</u>
<b>Cash Flows From Operating Activities</b>				
Cash received for inter fund services	\$761,801		\$1,932,857	\$2,694,658
Miscellaneous receipts & reimbursements		\$82,993		82,993
Cash paid to suppliers for goods or services	(543,490)	(116,638)	(2,058,438)	(2,718,566)
Cash paid to employees for services	(218,311)			(218,311)
Net cash provided (used) by operating activities	<u>0</u>	<u>(33,645)</u>	<u>(125,581)</u>	<u>(159,226)</u>
<b>Cash Flows From Capital Assets and Related Financing Activities</b>				
Acquisition of capital assets				0
Net cash used by capital assets and related financing activities	<u>0</u>			<u>0</u>
<b>Cash Flows From Investing Activities</b>				
Investment earnings		77,786	8,137	85,923
Net Cash provided by investing activities		<u>77,786</u>	<u>8,137</u>	<u>85,923</u>
<b>Net increase in cash</b>	0	44,141	(117,444)	(73,303)
<b>Cash and Investments at Beginning of Year</b>	183,704	1,373,568	438,531	1,995,803
<b>Cash and Investments at end of Year</b>	<u>\$183,704</u>	<u>\$1,417,709</u>	<u>\$321,087</u>	<u>\$1,922,500</u>
<b>Reconciliation of Operating Income (loss) to Net Cash Provided (used) by Operating Activities</b>				
Operating income (loss)	\$37,154	(\$16,659)	(\$201,771)	(\$181,276)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	10,160			10,160
(Increase) decrease in inventories	(18,931)			(18,931)
(Increase) decrease in prepaid expenses	1			1
Increase (decrease) in accounts payable	(22,167)	(16,986)	(8,896)	(48,049)
Increase (decrease) in salaries and benefits payable	1,463			1,463
Increase (decrease) in compensated absences payable	(7,680)			(7,680)
Increase (decrease) in insurance claims payable			85,086	85,086
Net cash provided (used) by operating activities	<u>\$0</u>	<u>(\$33,645)</u>	<u>(\$125,581)</u>	<u>(\$159,226)</u>



**CITY OF MORAIN, OHIO**  
**Statement of Changes in Assets and Liabilities**  
**AGENCY FUNDS**  
**For the Year Ended December 31, 2008**

	Balance December 31, 2007	Additions	Deductions	Balance December 31, 2008
<b>Miscellaneous Agency Fund</b>				
Assets				
Cash and Investments	\$40,415	\$20,825	(\$23,350)	\$37,890
Total Assets	<u>40,415</u>	<u>20,825</u>	<u>(23,350)</u>	<u>37,890</u>
Liabilities				
Deposits	40,415	20,825	(23,350)	37,890
Total Liabilities	<u>40,415</u>	<u>20,825</u>	<u>(23,350)</u>	<u>37,890</u>
<b>Mayor's Court</b>				
Assets				
Cash and Investments	29,466	448,082	(448,267)	29,281
Total Assets	<u>29,466</u>	<u>448,082</u>	<u>(448,267)</u>	<u>29,281</u>
Liabilities				
Due to Other Governments	3,022	41,732	(41,119)	3,635
Escrow Bonds	26,444	406,350	(407,148)	25,646
Total Liabilities	<u>29,466</u>	<u>448,082</u>	<u>(448,267)</u>	<u>29,281</u>
<b>Totals - All Agency Funds</b>				
Assets				
Cash and Investments	69,881	468,907	(471,617)	67,171
Total Assets	<u>69,881</u>	<u>468,907</u>	<u>(471,617)</u>	<u>67,171</u>
Liabilities				
Deposits	40,415	20,825	(23,350)	37,890
Due to Other Governments	3,022	41,732	(41,119)	3,635
Escrow Bonds	26,444	406,350	(407,148)	25,646
Total Liabilities	<u>\$69,881</u>	<u>\$468,907</u>	<u>(\$471,617)</u>	<u>\$67,171</u>



# CITY OF MORaine, OHIO

## STATISTICAL SECTION

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

### Category

#### **Financial Trends** (tables 1 – 4)

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

#### **Revenue Capacity** (tables 5 – 6)

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

#### **Debt Capacity** (tables 7 – 13)

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

#### **Economic and Demographic Information** (tables 14 – 15)

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

#### **Operating Information** (tables 16 – 18)

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



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

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

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

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

TABLE 2

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

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

TABLE 2 (continued)

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

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

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

	<b>Fiscal Year</b>									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	
General Fund										
Reserved	\$439	\$391	\$349	\$344	\$272	\$316	\$428	\$375	\$393	\$1,321
Unreserved	11,238	14,021	14,184	13,943	12,301	11,959	14,749	17,139	16,495	13,045
Total general fund	11,677	14,412	14,533	14,287	12,573	12,275	15,177	17,514	16,888	14,366
All Other Governmental Funds										
Reserved	8,183	1,095	1,124	1,945	1,374	915	1,650	2,832	1,825	2,418
Unreserved, reported in:										
Special revenue funds	2,188	1,547	1,768	1,808	1,801	1,330	764	1,976	2,188	(3,268)
Capital projects fund	1,154	3,051	4,165	4,348	4,632	6,026	2,419	2,103	2,620	1,435
Debt service fund					141	141	121	125	131	138
Total all other governmental funds	\$11,525	\$5,693	\$7,057	\$8,101	\$7,948	\$8,412	\$4,954	\$7,036	\$6,764	\$723



**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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>REVENUES</b>										
Income Taxes	\$15,857	\$16,529	\$15,071	\$15,612	\$15,610	\$14,614	\$19,129	\$20,328	\$19,244	\$15,382
Property Taxes	0	0	0	0	699	632	682	723	772	697
Other Taxes	727	804	769	602	104	92	98	86	69	66
Shared Revenues	994	1,030	883	789	775	973	875	929	1,022	1,270
Special Assessments	53	31	25	20	18	16				
License and Permits					42	61	97	35	98	41
Charges for Services	90	612	945	970	800	757	945	855	842	866
Fines	318	265	256	370	333	286	251	279	240	214
Investment Earnings	688	1,456	779	532	(55)	352	188	494	1,221	1,255
Contributions and Donations					2	2	3	26	32	22
Rents and Royalties					12	65	35	38	36	19
Intergovernmental	1,396	1,056	394	31	728	701	557	1,561	1,024	451
Miscellaneous	243	437	767	735	103	136	261	232	233	105
<b>Total Revenues</b>	<b>20,366</b>	<b>22,220</b>	<b>19,889</b>	<b>19,661</b>	<b>19,171</b>	<b>18,687</b>	<b>23,121</b>	<b>25,586</b>	<b>24,833</b>	<b>20,388</b>
<b>EXPENDITURES</b>										
Current:										
General government	2,771	3,512	4,315	4,153	4,132	4,148	4,322	4,565	4,859	4,893
Public Safety	6,874	7,116	6,993	7,434	7,746	8,081	8,610	9,064	9,509	9,092
Highways & Streets	1,720	1,777	1,777	1,912	2,132	2,077	2,238	2,748	2,399	2,559
Sanitation					327	266	256	305	340	347
Economic Development	2,628	929	655	159	158	284	400	511	3,132	639
Health and Welfare	530	524	535	611	151	162	159	133	133	85
Culture and Recreation	900	2,217	2,726	2,796	2,672	2,601	2,706	2,389	2,593	2,567
Capital Improvements	5,766	9,029	1,466	1,423	3,888	5,634	3,882	2,144	2,645	4,315
Debt Service:										
Principal	15	15	48	43	103	837	4,691	4,249	169	5,068
Interest	11	10	9	7	5	3	121	165	205	301
<b>Total Expenditures</b>	<b>21,215</b>	<b>25,129</b>	<b>18,524</b>	<b>18,538</b>	<b>21,314</b>	<b>24,093</b>	<b>27,385</b>	<b>26,273</b>	<b>25,984</b>	<b>29,866</b>
Excess (deficiency) of revenues over expenditures	(849)	(2,909)	1,365	1,123	(2,143)	(5,406)	(4,264)	(687)	(1,151)	(9,478)
<b>OTHER FINANCIAL SOURCES (USES)</b>										
General long-term debt issued										
Transfers In	9,560	3,270	3,890	3,933	323	5,550	3,700	5,000	6,025	5,125
Transfers Out	(9,810)	(3,520)	(4,184)	(4,318)	(4,435)	(3,450)	(3,699)	(4,462)	(6,025)	(5,125)
Proceeds from capital leases					193	31	29	80	253	693
Proceeds from the sale of assets					75			146		
<b>Total Other Financing Sources (Uses)</b>	<b>(224)</b>	<b>(188)</b>	<b>120</b>	<b>(325)</b>	<b>206</b>	<b>5,431</b>	<b>3,729</b>	<b>5,226</b>	<b>253</b>	<b>913</b>
<b>Net Change in Fund Balance</b>	<b>(\$1,075)</b>	<b>(\$3,097)</b>	<b>\$1,485</b>	<b>\$798</b>	<b>(\$1,937)</b>	<b>\$25</b>	<b>(\$535)</b>	<b>\$4,539</b>	<b>(\$898)</b>	<b>(\$8,565)</b>
Debt service as a percentage of noncapital expenditures	0.16%	0.13%	0.33%	0.28%	0.60%	4.67%	19.95%	17.82%	1.77%	26.60%

**CITY OF MORAIN, OHIO**  
**General Governmental Tax Revenues by Source <sup>(1)</sup>**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting) <sup>(2)</sup>**

Fiscal Year	Municipal Income Taxes	Other Local Taxes	State Shared Taxes and Permits	Total
1999	\$13,474,430	\$726,875	\$793,608	\$14,994,913
2000	14,048,786	803,800	829,820	\$15,682,406
2001	12,780,377	769,017	882,968	\$14,432,362
2002	13,272,808	601,889	788,633	\$14,663,330
2003	15,424,540	803,868	737,456	\$16,965,864
2004	14,508,566	723,595	829,436	\$16,061,597
2005	18,711,202 <sup>(3)</sup>	779,864	774,274	\$20,265,340
2006	19,866,552	810,408	775,190	\$21,452,150
2007	19,617,652	840,936	870,654	\$21,329,242
2008	15,332,598	696,967	1,077,507	\$17,107,072

Source: City of Moraine, Department of Finance

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

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

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

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

<u>Fiscal Year</u>	<u>Amount</u>
1999	\$15,857,815
2000	16,529,110
2001	15,070,764
2002	15,611,943
2003	15,610,407
2004	14,614,100
2005	19,128,239 (2)
2006	20,328,322
2007	19,244,218
2008	15,382,323

Source: City of Moraine, Department of Finance

(1) Includes all governmental fund types.

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

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

<u>1999</u>			<u>2008</u>	
<u>Rank</u>	<u>Name</u>	<u>2008 Rank</u>	<u>Rank</u>	<u>Name</u>
1	General Motors Corporation	1	1	General Motors Corporation
2 (1)	Delphi Automotive	-	2	Dmax
3	Dayton Power and Light	4	3	L M Berry
4	Elder Beerman Stores	-	4	Dayton Power and Light
5	LM Berry	3	5	Win Wholesale
6	Merritor Heavy Vehicle	-	6	GMC Sub Benefit
7	EDS	-	7	Berry Network
8	Reynolds & Reynolds	-	8	Compunet Clinical Laboratories
9	Berry Network	7	9	City of Moraine
10	Montgomery County Employees	-	10	Lastar Inc

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**

<b>Fiscal Year</b>	<b>Agricultural Property</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Total Taxable Assessed Value</b>		<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
					<b>Value</b>	<b>Value</b>			
1999	\$942,410	\$37,696,600	\$35,872,030	\$58,362,520	\$132,873,560	2.50	\$379,638,743	0.35	
2000	852,560	37,704,690	38,638,460	64,889,530	142,085,240	2.50	405,957,829	0.35	
2001	884,650	37,977,860	39,063,230	48,801,860	126,727,600	2.50	362,078,857	0.35	
2002	929,410	42,544,330	48,892,150	51,310,370	143,676,260	2.50	410,503,600	0.35	
2003	1,005,570	42,919,710	46,188,040	45,961,020	136,074,340	2.50	388,783,829	0.35	
2004	1,090,890	42,924,680	51,816,170	47,588,840	143,420,580	2.50	409,773,086	0.35	
2005	1,011,590	48,710,040	53,443,470	43,938,250	147,103,350	2.50	420,295,286	0.35	
2006	1,047,510	48,894,860	55,008,990	44,009,840	148,961,200	2.50	425,603,429	0.35	
2007	1,040,330	49,019,710	55,504,680	43,628,350	149,193,070	2.50	426,265,914	0.35	
2008	1,237,860	52,743,290	53,981,150	42,698,100	150,660,400	2.50	430,458,286	0.35	

Source: Montgomery County Auditor's Office

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>MUNICIPAL UNITS:</b>										
General Fund	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Police Pension Fund	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Fire Pension Fund	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
<b>Total Municipal Rates</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>
<b>COUNTY UNITS:</b>										
General Fund	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Mental Retardation D & D	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Conservancy Tax										
Human Services Levy A	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21
Human Services Levy B	5.03	5.03	5.03	5.03	5.03	6.03	6.03	6.03	6.03	6.03
Human Services Levy III										
Human Services Levy IV										
<b>Total County Rates</b>	<b>12.94</b>	<b>12.94</b>	<b>12.94</b>	<b>12.94</b>	<b>12.94</b>	<b>13.94</b>	<b>13.94</b>	<b>13.94</b>	<b>13.94</b>	<b>15.94</b>
<b>OTHER UNITS:</b>										
Montgomery County Community College	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Montgomery County Park District	1.2	1.2	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Dayton - Montgomery Library	0.26	0.26	0.26	0.26	0.26	1.25	1.25	1.25	1.25	1.25
<b>SCHOOL DISTRICT:</b>										
Kettering / Moraine Community	53.1	53.1	56.3	56.3	60.9	67.8	67.8	67.8	67.8	71.3
West Carrollton Community	53.26	53.26	60.66	59.67	65.55	65.55	65.55	65.55	65.55	72.05
Jefferson Local School	61.9	61.9	61.9	61.9	61.9	61.9	61.9	61.9	61.9	61.9
Joint Vocational School	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58

Source: Montgomery County Auditor's Office

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

TABLE 9

		<u>Calendar Year 2008</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	\$ 47,222,130	1	21.22%
General Motors Corporation	Automotive Manufacturer	14,496,510	2	6.51%
Vectren Energy	Utility	5,409,790	3	2.43%
Walmart Stores	Retail Sales	5,409,790	4	2.43%
L.M. Berry Company	Printing	2,681,110	5	1.20%
Dmax Ltd	Automotive Parts Manufacturer	2,580,570	6	1.16%
Barbara Benz Trust	Automotive Parts Manufacturer	2,142,390	7	0.96%
Gray Properties LTD	Steel	2,966,530	8	1.33%
Mantiff Dayton Hospital	Health Care	1,824,930	9	0.82%
Dayton-Point Weat Real Estate	Real Estate Holding Company	1,504,120	10	0.68%
Subtotal		<u>86,237,870</u>		<u>38.74%</u>
All Others		136,335,670		61.26%
Total		<u><u>\$ 222,573,540</u></u>		<u><u>100.00%</u></u>

		<u>Calendar Year 1999</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	\$ 54,036,300	1	17.75%
General Motors Corporation	Automotive Manufacturer	30,950,350	2	10.17%
Cooper Tire Company	Tires	2,683,270	3	0.88%
Berry L. M. Services, Inc.	Printing	2,173,360	4	0.71%
Ohio Bell Telephone Company	Telephone Utility	2,077,870	5	0.68%
Cobblegate Square Limited	Apartments	1,755,250	6	0.58%
Barbara Benz Trust	Automotive Parts Plant	1,600,280	7	0.53%
Lance Shaner Hotel	Hotel	1,304,150	8	0.43%
S & G Investments	Real Estate	1,257,830	9	0.41%
Nursing Home Purchasing, Inc.	Health Care	1,227,810	10	0.40%
Subtotal		<u>99,066,470</u>		<u>32.54%</u>
All Others		205,372,018		67.46%
Total		<u><u>\$ 304,438,488</u></u>		<u><u>100.00%</u></u>

Source: Montgomery County Auditor's Office

TABLE 10

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

TAX YEAR	COLLECTION YEAR	TOTAL TAX LEVIED	TOTAL TAX COLLECTED	PERCENTAGE OF LEVIED COLLECTED	PERCENTAGE DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	TOTAL COLLECTIONS AS		OUTSTANDING DELINQUENT TAXES AS PERCENTAGE OF CURRENT LEVIED
							PERCENTAGE OF CURRENT LEVIED	OUTSTANDING DELINQUENT TAXES	
1998/1999	1999	761,096	712,028	94%	22,549	734,577	94%	44,027	6%
1999/2000	2000	785,637	774,640	99%	21,396	796,036	92%	58,536	7%
2000/2001	2001	865,439	772,975	89%	4,861	777,836	90%	41,851	5%
2001/2002	2002	702,168	659,482	94%	17,413	676,895	96%	39,328	6%
2002/2003	2003	704,496	667,730	95%	20,189	687,919	98%	44,630	6%
2003/2004	2004	676,191	656,554	97%	7,553	664,107	98%	94,508	14%
2004/2005	2005	688,522	643,426	93%	32,657	676,083	98%	85,108	12%
2005/2006	2006	634,977	601,054	95%	34,215	635,269	100%	96,769	15%
2006/2007	2007	588,657	567,763	96%	69,988	637,751	108%	39,375	7%
2007/2008	2008	551,362	512,629	93%	13,459	526,088	95%	41,536	8%

Source: Montgomery County Auditor's Office

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

<b>Fiscal Year</b>	<b>Special Assessment Bonds</b>	<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Percentage Personal Income</b>	<b>Per Capita</b>
1999	115,000		115,000	0.13%	148
2000	100,000		100,000	0.12%	123
2001	85,000		85,000	0.10%	89
2002	65,000		65,000	0.06%	36
2003	50,000	193,109	243,109	0.21%	508
2004	35,000	228,421	263,421	0.23%	596
2005	20,000	127,507	147,507	0.13%	187
2006		26,594	26,594	0.02%	6
2007		0	0	0.00%	0
2008		693,399	693,399	0.63%	4,358



**CITY OF MORaine, OHIO**  
**Computation of Direct and Overlapping Debt**  
**December 31, 2008**

Jurisdiction	Net Outstanding Debt	Percentage Applicable to City of Moraine, Ohio	Amount Applicable to City of Moraine, Ohio
CITY OF MORaine	\$6,201,229	100.00%	\$6,201,229
MONTGOMERY COUNTY	44,137,933	4.12%	1,818,483
WEST CARROLLTON CITY SCHOOL DISTRICT	100,000	78.68%	78,680
KETTERING CITY SCHOOL DISTRICT	103,649,982	18.14%	18,802,107
MIAMI VALLEY REGIONAL TRANSIT AUTHORITY	3,885,000	4.12%	160,062
<b>TOTAL</b>			<b>\$27,060,561</b>

Source: Individual Jurisdictions

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit	\$31,966	\$32,997	\$36,503	\$29,491	\$29,771	\$27,366	\$29,105	\$26,669	\$24,936	\$23,370
Total net debt applicable to limit										
Legal Debt Margin	<u>31,966</u>	<u>32,997</u>	<u>36,503</u>	<u>29,491</u>	<u>29,771</u>	<u>27,366</u>	<u>29,105</u>	<u>26,669</u>	<u>24,936</u>	<u>23,370</u>

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

-	-	-	-	-	-	-	-	-	-	-
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**Legal Debt Margin Calculation for Fiscal Year 2008**

Total Assessed Value	222,574
Debt limit (10.5% of total assessed value)	23,370
Debt applicable to limit:	
General Obligation Bonds	-
Less: Amount reserved for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	<u><u>\$23,370</u></u>

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

Calendar Year	(1) Population	(1)		(1) Median Age	(2) Unemployment Rate
		Personal Income (thousands of dollars)	Per Capita Personal Income		
1999	7,568	\$89,242	\$11,792	32.9	3.1%
2000	6,897	81,329	11,792	32.9	3.7%
2001	6,897	81,329	11,792	32.9	4.4%
2002	6,897	116,421	16,880	32.5	5.6%
2003	6,897	116,421	16,880	32.5	6.3%
2004	6,897	116,421	16,880	32.5	6.2%
2005	6,897	116,421	16,880	32.5	5.8%
2006	6,897	116,421	16,880	32.5	5.9%
2007	6,897	116,421	16,880	32.5	6.2%
2008	6,536	110,328	16,880	32.5	8.5%

Sources:

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

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

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

<u>2008</u>		<u>1999</u>	
<u>Employer</u>	<u>Number of Employees</u>	<u>Employer</u>	<u>Number of Employees</u>
	<u>Rank</u>		<u>Rank</u>
NAO Compensation Operations - GM	4,683	NAO Compensation Operations - GM	7,525
GMC Sub Benefit	2,189	Delphi Automotive	4,695
DMAX Ltd.	1,131	Metropolitan Life Insurance	877
Walmart	571	Dayton Power and Light	856
Dayton Power and Light	525	CBS Personnel Services	650
City of Moraine	472	Globe Staffing	504
L M Berry	441	Ohio Relay Services	498
Compunet Clinical Laboratories	404	L. M. Berry Company	484
Maxim Healthcare Services	391	MV Commercial Construction	400
Local Insight Berry Holiday	390	Crown Personnel Services	400

Source: City of Moraine, Department of Finance

Note: Total district employment is not available.

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General government										
Clerk of Council	1	1	1	1	1	2	4	1	1	1
City Manger	5	5	6	7	8	8	6	8	8	8
Clerk of Courts	2	1	2	2	2	2	2	2	2	2
Law	0	0	0	0	0	0	0	0	0	0
Finance	6	8	7	8	9	9	7	8	8	8
Public Buildings	14	21	28	27	27	26	22	21	23	22
Public Safety										
Police	66	63	44	43	65	44	44	64	48	48
Fire	47	44	50	53	56	47	49	50	52	51
Other										
Highways and Streets	20	18	19	19	19	18	18	18	18	19
Community Development	3	4	4	5	8	7	6	6	6	6
Recreation and Culture	23	38	60	66	64	63	61	58	57	54
Garage	4	4	4	4	4	4	4	4	4	4
<b>Total</b>	<b>191</b>	<b>207</b>	<b>225</b>	<b>235</b>	<b>263</b>	<b>230</b>	<b>223</b>	<b>240</b>	<b>227</b>	<b>223</b>

Source: City of Moraine, Department of Finance

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

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

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Warrants served	1,112	1,008	1,005	483	N/A	975	1,653	1,594	1,345	1,347
Felony arrests	172	147	185	239	239	236	249	N/A	N/A	120
Arrests made	1,668	1,419	1,545	1,753	1,842	907	1,184	1,593	1,292	1,198
Traffic citations issued	4,309	3,658	4,439	5,125	4,665	3,645	3,323	3,314	2,808	2,398
Miles Patrolled	368,989	339,104	351,575	384,302	350,265	N/A	426,785	364,544	375,637	294,281
Fire										
Fire calls	475	984	606	136	159	209	115	117	118	133
EMS calls	1,533	1,724	2,052	1,897	1,664	1,764	1,875	1,769	1,708	1,755
Fire Inspections	1,166	850	845	821	809	1,314	950	955	929	909
Child Safety Seat Installations	N/A	N/A	100+	240	347	129	75	59	51	48
Highways and Streets										
Gallons of street paint used	N/A	N/A	7,535	9,560	2,750	1,830	10,080	1,880	1,880	1,456
Tons of snow melting salt used	N/A	N/A	485	1,744	N/A	1,071	451	797	797	1,000
Community Development										
Building Inspections	500	529	439	310	808	476	344	360	236	245
Residential Building Permits Issued	103	75	86	78	67	84	49	57	84	74
Commercial Building Permits Issued	186	146	143	189	171	175	138	126	105	96
Culture and Recreation										
Payne Recreation Center Attendance	N/A	1,318 <sup>(1)</sup>	133,000	150,000	170,000	150,000	110,000	100,000	90,605	89,590
Splash! Moraine Attendance	N/A	85,000	98,140	95,763	64,605	61,166	79,718	65,685	64,333	62,703
Civic Center Attendance (estimated)	171,250	128,000	93,924	47,667	48,207	33,150	29,000	20,000	4,059	12,407
Natorium Attendance	29,712	313 <sup>(2)</sup>	24,000	55,395	23,950	26,095	14,732 <sup>(3)</sup>			
Youth and Day Camps Attendance	219	90	92	57	6,172	1,068	1,454	1,606	1,013	1,098

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

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

(3) The Natatorium ceased operation September 2005.

(N/A) Not Available

Source - Various City of Moraine departments

TABLE 18

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

Function	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	28	31	35	31	31	31	23	28	28	28
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Emergency Response Vehicles	11	11	11	11	11	11	10	10	10	10
Highways and Streets										
Miles of Streets (Center Line Miles)	275.65	275.65	275.65	275.65	275.65	275.65	276.65	276.65	276.65	276.65
Number of Streetlights (Non-special assessment)	1,205	1,314	1,315	1,315	1,315	1,315	1,313	1,313	1,313	1,313
Culture and Recreation										
Parks	13	13	13	14	14	14	14	14	13	13
Civic Centers	1	1	1	1	1	1	1	1	1	1
Recreation Centers		1	1	1	1	1	1	1	1	1
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Water Parks		1	1	1	1	1	1	1	1	1







Mary Taylor, CPA  
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**  
**AUGUST 6, 2009**