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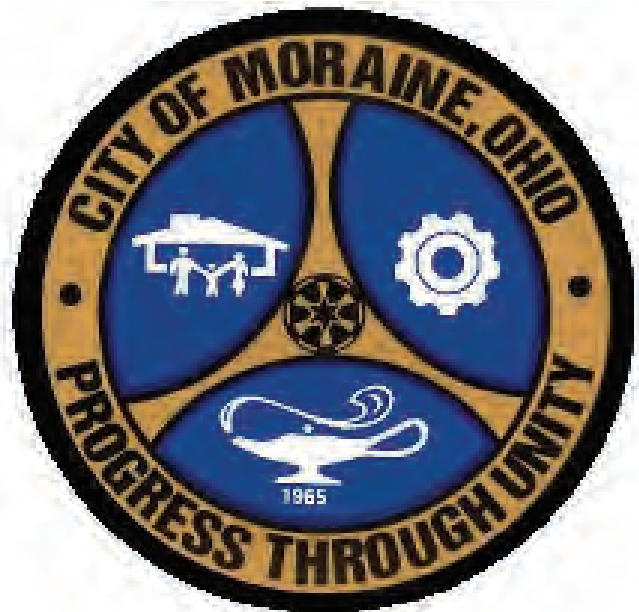
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OHIO



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED
DECEMBER 31, 2019



88 East Broad Street
Columbus, Ohio 43215
IPARReport@ohioauditor.gov
(800) 282-0370

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

We have reviewed the *Independent Auditor's Report* of the City of Moraine, Montgomery County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

July 31, 2020

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CITY OF MORAINÉ, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

Issued by:
Finance Department

Don Buczek
Finance Director

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INTRODUCTORY SECTION

CITY OF MORAINE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

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City of Moraine

Finance Department



June 29, 2020

Honorable Mayor, Chair 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, 2019, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

City Profile

The City provides the following services: public safety (police and fire), highways and streets, sanitation (refuse collection on a contractual basis), parks and recreation, public improvements, planning and zoning, and general administrative services. This report includes all the funds of the City of Moraine and all 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, 2019 the City had no component units.

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

HISTORY AND BACKGROUND

Moraine is located in the heart of the Miami Valley, to the southwest of the Dayton, Ohio metropolitan area. Though the region has been predominantly dependent upon manufacturing, automobile manufacturing most recently, the area is now trending towards a diversification of industries. The City currently occupies a land area of approximately 9.5 square miles, maintains 54 miles of road and serves a population of approximately 6,300 individuals.

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

ECONOMIC CONDITION AND OUTLOOK

Local Economy

2019 was a year of reinvestment for our community. We experienced investments by several of our existing corporate citizens, including Fuyao, Winsupply, Dmax and Fidelity to just name a few. These, along with several new investments, totaled over \$70 million in aggregate and were all successful ventures to allow for continued growth, many being driven by increased supplier need and workforce initiatives.

Fuyao provided a \$1.5 million cafeteria and employee conference area, WinSupply acquired adjacent property, Dmax invested in equipment, and Fidelity made continued renovations to their office buildings on Kettering Boulevard. The Alex-Bell corridor also experienced renewed investment with the complete remodel of McDonalds, the new restaurant entry of Chiapas Mexican Grill, and of course the nearly complete \$4 million Kroger Marketplace which will open in the first quarter of 2020. We also want to extend our appreciation to Apollo Propane for their new headquarters, Oakwood Landscaping for their new building, and D&M Welding for their advance machinery and technology investments.

The City welcomed several new businesses in 2019, including a Red Roof Inn, Flying Ace Car Wash, Circle K, and the Ohio Department of Transportation (ODOT). The ODOT investment

continued our positive momentum along the Dryden Road corridor. Speaking of that corridor, Tyler Way, between Dryden and Interstate 75 is seeing a massive investment by Tyler Technologies that will be complete in 2020. The Tyler project is an investment in excess of \$10 million with an employment pledge of 225 new jobs over the next three years, making it one of only five tech hubs in the Country. The facility is doubling in size, going from 40,000 to 80,000 square feet and will be the envy of new technology office space in the region.

We move into 2020 with some solid momentum.

Long Term Financial Planning

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

During 2019, the City continued to see the positive effects of the temporary half percent income tax rate increase passed by Moraine residents in July 2014. Residents voted to make this increase permanent in 2019. This single action by Moraine residents, coupled together with the continued growth of Moraine businesses and regional economic recovery and improvements, has led to notable improvements in the City's financial numbers and cash balances. City income tax receipt collections for 2019 increased by 10.6% over the previous year and exceeded the \$20.0 million mark in annual receipts on a cash basis for the first time in over a decade. Consistent income tax receipts resulted in the General Fund unencumbered cash balance exceeding \$17.2 million at the end of 2019, continuing the recent trend of increased fund balance. In comparison to past years, the General Fund's unencumbered cash balance increased by 41% over the previous year, due to increased receipts and conservative management of expenditures. The unencumbered cash balance for all funds in total also saw a 35% increase over the previous year and a 57% and has more than doubled since the end of 2015.

The City coordinates public improvements of all City related entities through adoption of a Capital Improvement Plan (CIP). The goal is to improve service to the community by adopting a CIP that is compatible with the City's financial condition and will fund capital improvements at a realistic level. The CIP consists of a five-year plan of capital expenditures for all City projects. The CIP is prepared fully every two years and amended, as necessary, in other years. The amendment process ensures continuity in projects and funding.

In addition to the annual budget preparations and the Capital Improvement Fund budget preparations, in 2015 the City Manager and Finance Director met with all department heads and completed Long Range Financial Planning for the City, looking at current and long-range capital improvement requirements and operational mandates for the City. This plan was in turn presented to and reviewed by the City Council. In 2019, the five-year plan was revised, and the needs and requirements of the City were again reviewed by the City Manager, Finance Director, and Department Heads, and incorporated into the 2019 budget where possible. The City's future revenues and how expenses should be allocated was also discussed and presented to Council for review.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

Accounting System

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

Budgetary Controls

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Moraine for its comprehensive annual financial report for the year ended December 31, 2018. 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 33 consecutive years (fiscal years ended 1986-2018). We believe our current report will also conform to the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another Certificate.

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the Finance Department. I would also like to congratulate Richard Sexton, the former finance director, on his retirement in 2019.

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 "Don B". The signature is stylized with a large, looped "D" and a smaller "B".

Don Buczek
Finance Director

CITY OF MORAINE, OHIO

CITY COUNCIL

Elaine Allison, Mayor

Ora Allen, Council Member (At Large)

Don Burchett, Council Member (At Large)

Randy Daugherty, Council Member (Ward 1)

Teri Murphy, Council Member (Ward 2)

Shirley Whitt, Council Member (Ward 3)

Jeanette Marcus, Council Member (Ward 4)

APPOINTED OFFICIALS

Michael Davis, Acting City Manager (appointed 3-18-19)

Bryan Chodkowski, City Manager (resigned 3-14-19)

Martina Dillon, Law Director

Don Buczek, Finance Director (appointed 2-18-19)

Richard G. Sexton, Finance Director
(moved to special advisor to the Finance Director 2-18-19/retired 4-26-19)

Diane Werbrich, Clerk of Council

CITY OF MORAINÉ, OHIO

DEPARTMENT OF FINANCE STAFF

Richard G. Sexton, Finance Director
(moved to special advisor to the Finance Director 2-18-19/retired 4-26-19)

Don Buczek, Finance Director (appointed 2-18-19)

Lora L. Perry, Deputy Finance Director

Stephanie L. Violette, Income Tax Administrator

Paula G. Cox, Financial Assistant

Penny C. Tincher, Financial Assistant

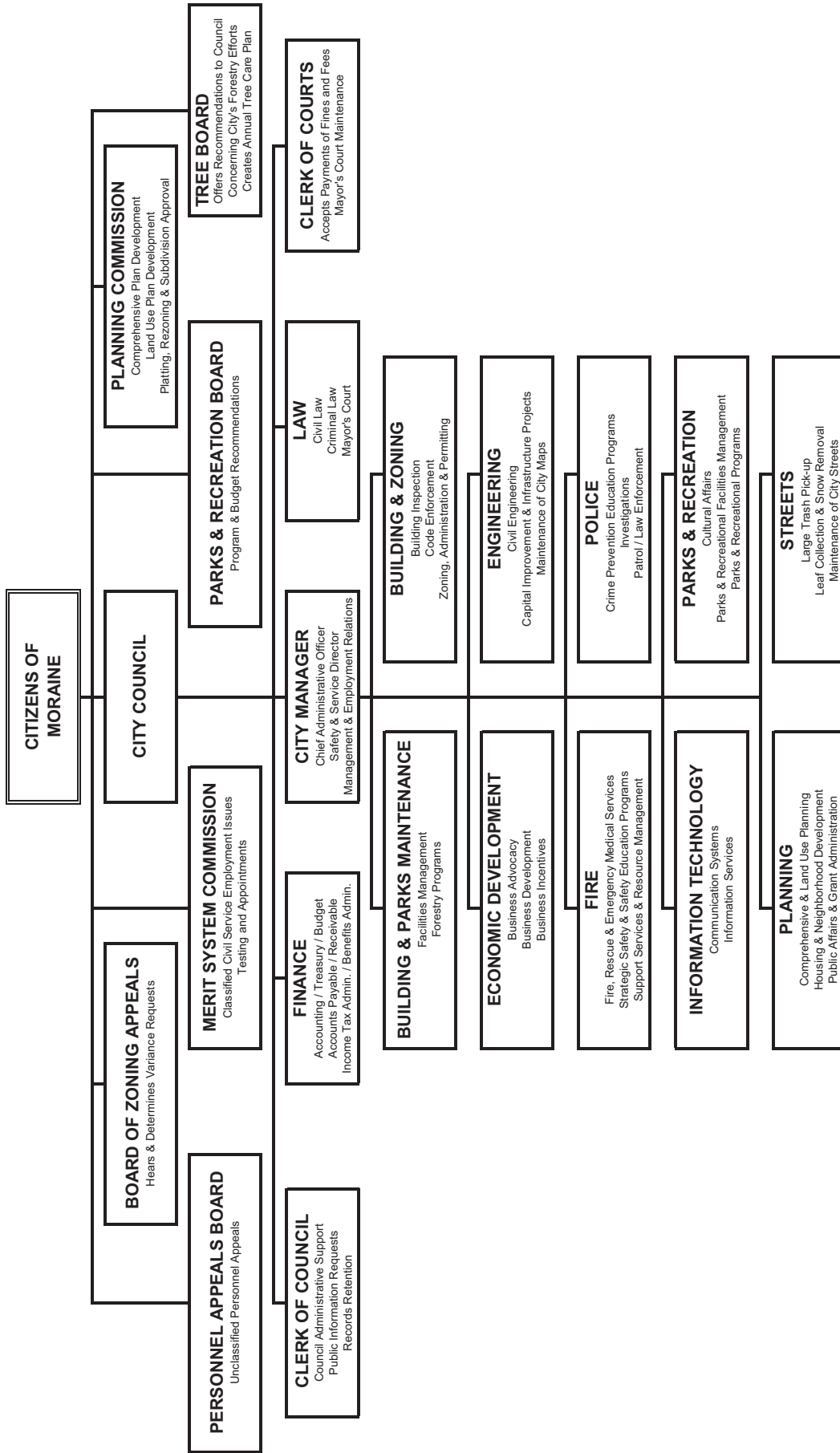
Richard Hisey, Financial Assistant

Sheri Thatcher, Finance Clerk

Marissa Adkins, Finance Clerk (resigned 7-25-19)

Christina Vaughn, Finance Clerk (started 9-16-19)

City of Moraine Organization Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Moraine
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moraine, Ohio (the "City") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Subsequent Event Footnote

As discussed in Note 18 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

During the year ended December 31, 2019, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. As a result of the implementation of GASB Statement No. 84, the City restated net position at January 1, 2019 for the change in accounting principle (See Note 3). Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining statements, individual fund schedules, introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 29, 2020

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CITY OF MORAIN, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)

The discussion and analysis of the City of Moraine, Ohio's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for the year ended December 31, 2019 are as follows:

- Total net position increased by \$12.3 million which represents a 109.3% increase from the restated beginning balance of 2019. An increase of \$12.3 million was reported in governmental activities and an increase of \$10,646 was reported in business-type activities.
- Total assets of governmental activities at December 31, 2019 increased by \$9.1 million from the restated 2018 total assets primarily to the increases reported in cash and investment balances, as well as capital assets (current year additions exceeding depreciation expense) due to various roadway projects underway within the City. Total liabilities of the governmental activities increased by \$724,342 due to the \$4.2 million increase in bond anticipation notes payable issued during the year which was classified as long-term as opposed to the current liability recorded in the prior year.
- Overall, the net position of the City's business-type activities increased by \$10,646. The increase was more than the increase reported for 2018 as investment earnings increased for 2019 compared with the prior year due to the increase in the fair value of the City's investments.
- The \$18.2 million unassigned ending fund balance reported in the General Fund represents 130.0% of the total expenditures, transfers excluded, reported in the General Fund for 2019 compared with 83.7% in the prior year.

Using this Annual Financial Report

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

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

CITY OF MORaine, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)

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

- **Governmental Activities** – Most of the City's services are reported here including public safety (police and fire), highways and streets, sanitation (refuse collection on a contractual basis), parks and recreation, public improvements, planning and zoning, and general administrative services.
- **Business-Type Activities** – The City's only business-type activity is the Moraine Loan Program. Interest on the principal loaned makes up the charges for this service. The intent of this operation is to have return of principal and interest to cover the cost of the program. The City has currently suspended issuing new loans, but anticipates restarting the program in future years.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

When the City charges citizens for the services it provides, with the intent of recouping operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)

Fiduciary Funds

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

The City as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. In the case of the City of Moraine, Ohio, assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by a total of \$23.6 million at December 31, 2019.

Table 1 provides a summary of the City's net position for 2019 compared to 2018.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	Restated				Restated	
	2019	2018			2019	2018
Current and Other Assets	\$ 32,802,396	27,206,167	637,975	627,329	33,440,371	27,833,496
Capital Assets	32,111,891	28,584,611	-	-	32,111,891	28,584,611
Total Assets	<u>64,914,287</u>	<u>55,790,778</u>	<u>637,975</u>	<u>627,329</u>	<u>65,552,262</u>	<u>56,418,107</u>
Deferred Outflows of Resources	8,026,666	4,759,494	-	-	8,026,666	4,759,494
Current and Other Liabilities	1,282,539	5,282,996	-	-	1,282,539	5,282,996
Long-Term Liabilities:						
Net Pension and OPEB Liabilities	28,770,430	31,670,054	-	-	28,770,430	31,670,054
Other Amounts	16,660,089	9,035,666	-	-	16,660,089	9,035,666
Total Liabilities	<u>46,713,058</u>	<u>45,988,716</u>	<u>-</u>	<u>-</u>	<u>46,713,058</u>	<u>45,988,716</u>
Deferred Inflows of Resources	<u>3,313,096</u>	<u>3,934,785</u>	<u>-</u>	<u>-</u>	<u>3,313,096</u>	<u>3,934,785</u>
Net Position:						
Net Investment in						
Capital Assets	24,170,139	23,477,119	-	-	24,170,139	23,477,119
Restricted	1,818,057	1,688,266	-	-	1,818,057	1,688,266
Unrestricted	(3,073,397)	(14,538,614)	637,975	627,329	(2,435,422)	(13,911,285)
Total Net Position	\$ <u>22,914,799</u>	<u>10,626,771</u>	<u>637,975</u>	<u>627,329</u>	<u>23,552,774</u>	<u>11,254,100</u>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2019 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27". In 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", which significantly revised accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)

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

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

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

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

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

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

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

CITY OF MORAIN, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)

As displayed in Table 1, total governmental net position of the City increased by \$12.3 million from 2018 to 2019. The \$12.4 million increase in total assets and deferred outflows of resources was more than the \$102,653 increase in total liabilities and deferred inflows of resources. The increase in assets and deferred outflows of resources was due primarily to the \$5.4 million increase in cash and investments reported at year end, the \$3.5 million increase in capital assets (current year additions exceeding depreciation expense), and the \$3.3 million increase in deferred outflows of resources related to pension and OPEB obligations. The small increase in liabilities and deferred inflows of resources was due to the \$4.2 million increase in bond anticipation notes outstanding and the \$6.5 million increase in net pension liabilities being more than the \$9.4 million decrease in net OPEB liability reported at the end of the year. Cash and investment balances increased due to positive cash flows for the General Fund for the year as well as increased investment earnings. Two significant construction in progress projects (Vance Darroch development and State Route 741 reconstruction) accounted for a majority of the increase in capital assets for the year. Pension liabilities reported for 2019 increased significantly based on retirement system results for the measurement year. OPEB liabilities (specifically Ohio Police and Fire Pension Fund) decreased significantly due to a change from sponsored health care coverage to a stipend model.

The deficit in unrestricted net position reported at the end of 2019 was \$3.1 million which is due recognition of the City's proportionate share of net pension and OPEB liabilities. If the components of the net pension and OPEB liabilities are excluded, the City's unrestricted net position would be a positive \$20.2 million. We feel this important to mention as the management of the City has no control over the management of the State-wide retirement systems or the benefits offered; both of which control the net pension and OPEB liabilities which significantly impacts the City's financial statements.

Table 2 shows the changes in the governmental and business-type net position for the year ended December 31, 2019 compared with the prior year.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	Restated 2018	2019	2018	2019	Restated 2018
Program Revenues:						
Charges for services	\$ 1,085,907	864,259	-	-	1,085,907	864,259
Operating grants and contributions	1,015,857	660,005	-	-	1,015,857	660,005
Capital grants and contributions	1,668,666	852,922	-	-	1,668,666	852,922
Total Program Revenues	3,770,430	2,377,186	-	-	3,770,430	2,377,186
General Revenues:						
Income taxes	20,832,783	18,523,503	-	-	20,832,783	18,523,503
Property and other taxes	612,349	656,533	-	-	612,349	656,533
Payment in lieu of taxes	365,762	361,767	-	-	365,762	361,767
Shared revenues	140,896	112,795	-	-	140,896	112,795
Investment earnings	310,221	145,493	10,646	4,073	320,867	149,566
Miscellaneous	1,243,376	498,018	-	-	1,243,376	498,018
Total General Revenues	23,505,387	20,298,109	10,646	4,073	23,516,033	20,302,182
Total Revenues	27,275,817	22,675,295	10,646	4,073	27,286,463	22,679,368

(continued)

CITY OF MORAINÉ, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities		Business- Type Activities		Total	
	2019	Restated 2018	2019	2018	2019	Restated 2018
Expenses:						
General government	4,948,177	4,695,726	-	-	4,948,177	4,695,726
Public Safety	1,800,396	10,536,238	-	-	1,800,396	10,536,238
Highways & Streets	3,978,601	5,233,382	-	-	3,978,601	5,233,382
Sanitation	379,543	305,834	-	-	379,543	305,834
Culture & Recreation	1,361,775	1,256,262	-	-	1,361,775	1,256,262
Economic Development	2,192,503	628,761	-	-	2,192,503	628,761
Health & Welfare	-	177,446	-	-	-	177,446
Interest and Fiscal Expense	326,794	284,999	-	-	326,794	284,999
Total Expenses	<u>14,987,789</u>	<u>23,118,648</u>	<u>-</u>	<u>-</u>	<u>14,987,789</u>	<u>23,118,648</u>
Change in net position	12,288,028	(443,353)	10,646	4,073	12,298,674	(439,280)
Net Position - Beginning, Restated	<u>10,626,771</u>	<u>11,070,124</u>	<u>627,329</u>	<u>623,256</u>	<u>11,254,100</u>	<u>11,693,380</u>
Net Position - Ending	<u>\$ 22,914,799</u>	<u>10,626,771</u>	<u>637,975</u>	<u>627,329</u>	<u>23,552,774</u>	<u>11,254,100</u>

As noted above, the governmental activities reported an increase in revenues of \$4.6 million and a decrease in expenses of \$8.1 million for the year ended December 31, 2019 compared with those reported for the prior year. These factors resulted in the \$12.3 million increase in net position during calendar year 2019. Some of the more significant factors leading to the increase in net position include:

- Income tax revenue, which represents 76.4 percent of total revenue for governmental activities, increased \$2.3 million (12.5 percent) over those reported for the prior year as improved economic conditions lead to increased income taxes from employee withholdings as well as business net-profit returns.
- 2019 program revenues are \$1.4 million more than 2018 primarily due to increased State gasoline and motor vehicle taxes enacted on July 1, 2019 and the federal funding received from Ohio Department of Transportation related to the State route 741 reconstruction project.
- Miscellaneous revenues increased due to significant sales of property within the Vance Darroch development area during 2019. The area being developed is land the City had previously purchased and recorded as a capital asset, therefore the sale of properties is reported as a gain on sale of asset by the City.
- Public Safety expense decreased by \$8.7 million (82.9 percent) as the City recognized \$9.0 negative OPEB expense for the year as reported by the Ohio Police and Fire Pension Fund due to the transition to a stipend based health care for retirees instead of group sponsored insurance coverage.
- Highway and streets expense decreased by \$1.3 million as major 2019 projects were capitalized as construction in progress as opposed to regular roadway maintenance (resurfacing) that typically occurs.
- Economic development expense increased \$1.6 million over the 2018 amount due to the forgiveness of a significant of an economic development loan (after all established criteria had been met) as well as newly organized City Department to address development within the City.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)

Governmental Activities

Table 3 shows the expenses of each functional area and the net cost of each functional area financed with general revenue for 2019 and 2018.

Table 3
Governmental Activities

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2019	2018	2019	2018	2019	2018
General Government	\$ 4,948,177	\$ 4,695,726	\$ 505,028	\$ 300,596	\$ 4,443,149	\$ 4,395,130
Public Safety	1,800,396	10,536,238	375,254	477,687	1,425,142	10,058,551
Highways and Streets	3,978,601	5,233,382	2,361,483	1,329,688	1,617,118	3,903,694
Sanitation	379,543	305,834	-	-	379,543	305,834
Culture and Recreation	1,361,775	1,256,262	298,325	225,791	1,063,450	1,030,471
Economic Development	2,192,503	628,761	230,340	43,424	1,962,163	585,337
All Others	326,794	462,445	-	-	326,794	462,445
	<u>\$ 14,987,789</u>	<u>\$ 23,118,648</u>	<u>\$ 3,770,430</u>	<u>\$ 2,377,186</u>	<u>\$ 11,217,359</u>	<u>\$ 20,741,462</u>

As indicated by Table 3, the City is spending the majority (71.6 percent) of its resources on public safety, highways and streets and general government activities. While the expenses of the police and fire departments total approximately \$1.8 million (down significantly due to factor noted above), only \$375,254 of program revenue is generated to cover department expenses. The remaining \$1.4 million of expenses must be covered by general revenues collected by the City, principally municipal income taxes. General government functions, principally legislation and administration, comprise approximately \$4.9 million of the total governmental expenses. Court costs and fees generated by licenses and permits, as well as recreational programs, financed \$505,028 of the general government functional expenses while the remaining \$4.4 million comes from general revenue sources. Increase in capital grants received from the State of Ohio and the federal government, as well as the decrease in functional expenses (described above), compared with the prior year accounts for the 58.6 percent decrease in the net cost related to highways and streets maintenance reported for 2019.

The City's Funds

Information about the City's major governmental funds begins after the Statement of Activities. These funds are reported using the modified accrual basis of accounting. Governmental funds had total revenues of \$25.4 million and expenditures of \$26.0 million. During 2019, the net change in fund balance of the governmental funds was an increase of \$8.3 million resulting in an ending total fund balance of \$25.4 million. While capital assets are included in the Statement of Net Position, expenditures are recognized in the fund statements thereby reducing the amount of resources available for future spending. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's General Fund realized an increase of approximately \$5.1 million in fund balance during 2019. The General Fund is the primary fund that finances government services to citizens. The revenues of the General Fund for 2019 were \$2.5 million more than those reported in the prior year due primarily to the \$2.1 million increase in income taxes as economic conditions continued to improve in the surrounding area. Total expenditures reported for 2019 were virtually the same as those reported for the prior year. Transfers to other funds decreased \$594,285 compared with the amount transferred in 2018. Combined, these factors lead to a \$5.1 million increase in fund balance compared with the \$1.3 million increase reported for the prior period.

CITY OF MORAIN, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)

At December 31, 2019 the ending unassigned fund balance of the General Fund was \$18.2 million; a 55.4 percent increase from the unassigned fund balance reported at December 31, 2018 and represents 130.0 percent of total General Fund expenditures, excluding transfers, reported for 2019.

The City separately reports three other governmental funds as major funds, one of which is a special revenue fund and other two are capital project funds. The Capital Improvement fund reported a decrease in fund balance of \$809,896 which was anticipated in the capital planning due to significant projects undertaken during 2019. Decrease in transfers from the General Fund coupled with increased capital outlay expenditures account for the decrease in fund balance reported for 2019. The revenue of the Street Construction and Maintenance Fund increased due to the increased gas tax and other State shared taxes received in 2019 compared with the prior year as the State tax on gasoline increased July 1, 2019. The Street Department expenditures were consistent with those reported for the prior year. The Vance Darroch Capital fund was created in 2017 to account for the expenditures related to certain infrastructure improvements in development areas in the City. The City issued an additional \$4.2 million in bond anticipation notes during the year, bringing the total bond anticipation notes total to nearly \$8.0 million, to finance these infrastructure improvements. As the notes issued in 2019 were recorded as long-term for the current (due to subsequent refinancing of these notes), the 2018 statements reported notes payable as a fund liability which accounts for the \$5.1 million increase in fund balance for 2019.

General Fund Budgeting Highlights

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

General Fund revenues at the beginning of the year were estimated at \$20.2 million and did not change during the year. Actual revenues for the year totaled \$22.6 million. Of the \$2.4 million positive variance to budgeted revenues, higher than anticipated income taxes receipts account for 77.8 percent with higher than expected investment earning and miscellaneous receipts accounting for the remainder. On a budgetary basis, actual revenues received during 2019 were 11.5 percent higher than those received in 2018.

The expenditures, excluding transfers, for the General Fund were estimated at \$16.6 million at the beginning of the year and increased only \$21,000 during the year. Actual budgetary expenditures for the year were nearly \$3.2 million less than final budgetary estimates due to management's continued efforts to control spending and lower than expected spending levels, especially the public safety and general government functions.

Actual ending budgetary fund balance at December 31, 2019 was \$17.2 million compared to the \$10.8 million anticipated in the final 2019 budget.

Capital Assets

At the end of fiscal year 2019, the City had a total of \$73.0 million invested in capital assets less accumulated depreciation of \$40.9 million resulting in a net investment in capital assets of \$32.1 million. Major capital asset additions for 2019, included recording the addition to construction in progress of \$4.7 million related to infrastructure projects as well as the acquisition of several police cruisers, street maintenance vehicles, and EMS vehicle amounting to \$665,147. Depreciation expense for 2019 was \$1.7 million, resulting in the overall \$3.5 million increase in the value of the City's capital assets reported at December 31, 2019.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Unaudited)

Table 4 shows 2019 balances compared to those of 2018:

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

		Governmental Activities	
		2019	2018
Land	\$	10,921,870	11,039,638
Construction in progress		7,509,846	2,845,029
Building and improvements		3,310,566	3,533,063
Equipment		2,908,753	2,619,475
Infrastructure		7,460,856	8,547,406
Total	\$	32,111,891	28,584,611

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

Debt Administration

At December 31, 2019, the City had the following outstanding long-term obligations: \$4.6 million of general obligation bonds; \$858,386 associated with five Ohio Public Works Commission (OPWC) loans; and \$118,335 of capital lease obligations.

During the year, entered into a capital lease agreement to acquire two police vehicles valued at \$71,645. Also, during the year, the City issued \$8.0 million in one-year BANs which were used to refinance the BANs issued in 2018 as well as provide additional financing for the infrastructure improvements within the Vance Darroch development area. Total principal payments made during the year amounted to \$210,000 related to general obligation bonds, \$63,417 related to OPWC loans, and \$83,867 related to capital leases.

See Notes 11 through 13 of the notes to the basic financial statements for more detailed information on the debt and other long-term obligations of the City.

Current Economic Factors

In March 2020, the State of Ohio declared a state of emergency due to the COVID-19 pandemic. The State's stay-at-home orders closed schools, universities and businesses deemed non-essential. The financial impact to the City, while currently unknown, will certainly reduce certain revenues, like income tax collections, State shared taxes, and investment earnings during calendar year 2020.

Contacting the City's Finance Department

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

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CITY OF MORAINE, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Investments	\$ 26,326,756	\$ 637,975	\$ 26,964,731
Cash in Segregated Accounts	121,982	-	121,982
Receivables:			
Income Tax	2,954,001	-	2,954,001
Property Tax	614,551	-	614,551
Payment in Lieu of Taxes	412,704	-	412,704
Accounts	447,315	-	447,315
Intergovernmental	1,549,801	-	1,549,801
Loans	57,000	-	57,000
Inventories	236,388	-	236,388
Prepays	81,898	-	81,898
Non Depreciable Assets	18,431,716	-	18,431,716
Depreciable Capital Assets, Net of Accumulated Depreciation	13,680,175	-	13,680,175
Total Assets	64,914,287	637,975	65,552,262
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	264,486	-	264,486
Pension and OPEB	7,762,180	-	7,762,180
Total Deferred Outflows of Resources	8,026,666	-	8,026,666
LIABILITIES			
Accounts Payable	420,403	-	420,403
Salaries and Benefits Payable	592,834	-	592,834
Matured Compensated Absences Payable	26,500	-	26,500
Accrued Interest Payable	117,809	-	117,809
Insurance Claims Payable	91,604	-	91,604
Deposits Held Payable	33,389	-	33,389
Long-Term Liabilities:			
Due Within One Year	8,472,813	-	8,472,813
Due In More Than One Year:			
Other Long-Term Liabilities	8,187,276	-	8,187,276
Net OPEB Liability	5,136,839	-	5,136,839
Net Pension Liability	23,633,591	-	23,633,591
Total Liabilities	46,713,058	-	46,713,058
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	592,239	-	592,239
Payments in Lieu of Property Taxes	412,704	-	412,704
Pension and OPEB	2,308,153	-	2,308,153
Total Deferred Inflows of Resources	3,313,096	-	3,313,096
NET POSITION			
Net Investment in Capital Assets	24,170,139	-	24,170,139
Restricted for:			
Capital Projects	112,434	-	112,434
Streets and Highways	853,597	-	853,597
Judiciary Programs	166,050	-	166,050
Debt Service	198,870	-	198,870
Cemetery Operations	154,633	-	154,633
Law Enforcement Programs	324,335	-	324,335
Unclaimed Monies	8,138	-	8,138
Unrestricted	(3,073,397)	637,975	(2,435,422)
Total Net Position	\$ 22,914,799	\$ 637,975	\$ 23,552,774

See accompanying notes to the basic financial statements.

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CITY OF MORAINE, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS							
Governmental Activities:							
General Government	\$ 4,948,177	\$ 505,028	\$ -	\$ -	\$ (4,443,149)	\$ -	\$ (4,443,149)
Public Safety	1,800,396	349,945	25,309	-	(1,425,142)	-	(1,425,142)
Highways and Streets	3,978,601	-	692,817	1,668,666	(1,617,118)	-	(1,617,118)
Sanitation	379,543	-	-	-	(379,543)	-	(379,543)
Culture and Recreation	1,361,775	230,934	67,391	-	(1,063,450)	-	(1,063,450)
Economic Development	2,192,503	-	230,340	-	(1,962,163)	-	(1,962,163)
Debt Service							
Interest and Fiscal Expense	326,794	-	-	-	(326,794)	-	(326,794)
Total Governmental Activities	14,987,789	1,085,907	1,015,857	1,668,666	(11,217,359)	-	(11,217,359)
Business Type Activities							
Loan Program	-	-	-	-	-	-	-
Total Business Type Activities	-	-	-	-	-	-	-
Total	\$ 14,987,789	\$ 1,085,907	\$ 1,015,857	\$ 1,668,666	(11,217,359)	-	(11,217,359)
General Revenues							
Income Tax					20,832,783	-	20,832,783
Property Tax Levied for							
General Purposes					445,310	-	445,310
Police Pensions					71,760	-	71,760
Fire Pensions					71,760	-	71,760
Other Taxes					23,519	-	23,519
Payments in Lieu of Taxes					365,762	-	365,762
Shared Revenues (unrestricted)					140,896	-	140,896
Miscellaneous Receipts					1,243,376	-	1,243,376
Investment Earnings					310,221	10,646	320,867
Total General Revenues					23,505,387	10,646	23,516,033
Change in Net Position					12,288,028	10,646	12,298,674
Net Position - Beginning, Restated					10,626,771	627,329	11,254,100
Net Position - Ending					\$ 22,914,799	\$ 637,975	\$ 23,552,774

See accompanying notes to the basic financial statements.

CITY OF MORAIN, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Major Governmental Funds					Total Governmental Funds
	General Fund	Capital Improvement	Street Construction & Maintenance	Vance Darroch Capital	Other Governmental Funds	
ASSETS						
Equity in Pooled Cash and Investments	\$ 17,660,534	\$ 817,445	\$ 210,060	\$ 2,700,032	\$ 2,595,377	\$ 23,983,448
Cash in Segregated Accounts	121,458	24	-	-	500	121,982
Receivables:						
Income Tax	2,954,001	-	-	-	-	2,954,001
Property Tax	464,993	-	-	-	149,558	614,551
Payment in Lieu of Tax	-	-	-	-	412,704	412,704
Accounts	443,427	-	-	-	-	443,427
Intergovernmental	78,525	1,180,889	258,163	-	32,224	1,549,801
Loans	-	-	-	-	57,000	57,000
Inventories	12,643	-	113,915	-	-	126,558
Prepays	81,898	-	-	-	-	81,898
Restricted Asset:						
Equity in Pooled Cash and Investments	41,527	-	-	-	-	41,527
Total Assets	<u>\$ 21,859,006</u>	<u>\$ 1,998,358</u>	<u>\$ 582,138</u>	<u>\$ 2,700,032</u>	<u>\$ 3,247,363</u>	<u>\$ 30,386,897</u>
LIABILITIES						
Accounts Payable	\$ 154,283	\$ 216,917	\$ 400	\$ 17,322	\$ 12,465	\$ 401,387
Salaries and Benefits Payable	391,201	-	66,160	-	122,576	579,937
Matured Compensated Absences Payable	26,500	-	-	-	-	26,500
Deposits Held Payable	33,389	-	-	-	-	33,389
Total Liabilities	<u>605,373</u>	<u>216,917</u>	<u>66,560</u>	<u>17,322</u>	<u>135,041</u>	<u>1,041,213</u>
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	448,119	-	-	-	144,120	592,239
Payments in Lieu of Taxes	-	-	-	-	412,704	412,704
Unavailable for:						
Income Taxes	1,305,753	-	-	-	-	1,305,753
Delinquent Property Taxes	16,874	-	-	-	5,438	22,312
Intergovernmental	70,248	869,699	211,172	-	26,941	1,178,060
Other Sources	405,069	-	-	-	-	405,069
Total Deferred Inflows of Resources	<u>2,246,063</u>	<u>869,699</u>	<u>211,172</u>	<u>-</u>	<u>589,203</u>	<u>3,916,137</u>
FUND BALANCE						
Nonspendable for:						
Materials and Supplies Inventory	12,643	-	113,915	-	-	126,558
Prepaid Items	81,898	-	-	-	-	81,898
Unclaimed Monies	8,138	-	-	-	-	8,138
Long-term Receivable	-	-	-	-	29,000	29,000
Restricted for:						
Law Enforcement	-	-	-	-	324,335	324,335
Judiciary Programs	-	-	-	-	166,050	166,050
Cemetery Services	-	-	-	-	154,633	154,633
Debt Service	-	-	-	-	217,304	217,304
Capital Projects	-	-	-	2,682,710	-	2,682,710
Street Repair and Maintenance	-	-	190,491	-	829,324	1,019,815
Economic Development	-	-	-	-	618,438	618,438
Committed for:						
Capital Projects	-	911,742	-	-	-	911,742
Economic Development	-	-	-	-	211,471	211,471
Assigned for:						
Unpaid Obligations	411,389	-	-	-	-	411,389
Recreation Services	306,127	-	-	-	-	306,127
Unassigned	18,187,375	-	-	-	(27,436)	18,159,939
Total Fund Balance	<u>19,007,570</u>	<u>911,742</u>	<u>304,406</u>	<u>2,682,710</u>	<u>2,523,119</u>	<u>25,429,547</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 21,859,006</u>	<u>\$ 1,998,358</u>	<u>\$ 582,138</u>	<u>\$ 2,700,032</u>	<u>\$ 3,247,363</u>	<u>\$ 30,386,897</u>

See accompanying notes to the basic financial statements.

CITY OF MORAINE, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019

Total Governmental Fund Balances		\$ 25,429,547
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		32,098,978
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Municipal income taxes	1,305,753	
Property and other taxes	22,312	
Shared revenues and grants	1,178,060	
Charges for services and other sources	<u>405,069</u>	
Total		2,911,194
Deferred outflows of resources from loss on refunding is amortized over the life of the bonds and are not reported in the funds.		264,486
Internal service funds are used by management to charge the costs of providing insurance as well as central services to the individual funds. The assets, liabilities, and deferred outflows and inflows of resources of the internal service funds are included in governmental activities in the statement of net position.		1,747,452
Some liabilities, including long-term debt obligations and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable	(117,809)	
Compensated absences payable	(2,544,128)	
General obligations bonds payable	(4,645,000)	
Premium on bonds	(437,274)	
Capital lease obligation payable	(118,335)	
Bond anticipation notes payable	(7,950,000)	
OPWC loans payable	<u>(858,386)</u>	
Total		(16,670,932)
The net pension and OPEB liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in the governmental funds:		
Deferred outflows - pension and OPEB	7,628,412	
Net OPEB liability	(4,966,100)	
Net pension liability	(23,262,227)	
Deferred inflows - pension and OPEB	<u>(2,266,011)</u>	
Total		<u>(22,865,926)</u>
Governmental Activities' Net Position		<u>\$ 22,914,799</u>

See accompanying notes to the basic financial statements.

CITY OF MORaine, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Major Governmental Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	Capital Improvement	Street Construction & Maintenance	Vance Darroch Capital		
REVENUES						
Taxes:						
Income	\$ 20,599,987	\$ -	\$ -	\$ -	\$ -	\$ 20,599,987
Property	449,472	-	-	-	144,838	594,310
Other	23,519	-	-	-	-	23,519
Payment in Lieu of Taxes	-	-	-	-	366,017	366,017
Shared Revenues	128,705	-	524,621	-	114,341	767,667
Intergovernmental Grants	33,257	848,967	-	-	187,500	1,069,724
Licenses and Permits	165,901	-	-	-	-	165,901
Charges for Services	614,043	-	-	-	3,500	617,543
Fines	262,353	-	-	-	41,613	303,966
Investment Earnings	265,238	-	3,205	-	41,778	310,221
Miscellaneous	349,759	104,692	35,911	58,298	373	549,033
Total Revenues	<u>22,892,234</u>	<u>953,659</u>	<u>563,737</u>	<u>58,298</u>	<u>899,960</u>	<u>25,367,888</u>
EXPENDITURES						
Current:						
General Government	3,650,060	-	-	14,250	16,512	3,680,822
Public Safety	8,102,545	-	-	-	1,044,954	9,147,499
Highways and Streets	224,196	-	2,062,748	-	152,385	2,439,329
Sanitation	379,543	-	-	-	-	379,543
Economic Development	612,626	-	-	-	1,538,102	2,150,728
Health and Welfare	1,017	-	-	-	-	1,017
Culture and Recreation	1,015,917	-	-	-	-	1,015,917
Debt service:						
Principal	-	147,284	-	-	210,000	357,284
Interest	-	4,479	-	56,625	180,600	241,704
Capital Outlays:						
General Government	-	854,132	-	-	-	854,132
Public Safety	-	503,415	-	-	-	503,415
Highways and Streets	-	2,325,775	-	2,826,141	-	5,151,916
Culture and Recreation	-	19,804	-	-	-	19,804
Total Expenditures	<u>13,985,904</u>	<u>3,854,889</u>	<u>2,062,748</u>	<u>2,897,016</u>	<u>3,142,553</u>	<u>25,943,110</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,906,330</u>	<u>(2,901,230)</u>	<u>(1,499,011)</u>	<u>(2,838,718)</u>	<u>(2,242,593)</u>	<u>(575,222)</u>
OTHER FINANCING SOURCES (USES)						
Bond Anticipated Notes Proceeds	-	-	-	7,950,000	-	7,950,000
Sale of Capital Assets	867,080	-	-	-	-	867,080
Inception of Capital Lease	-	71,645	-	-	-	71,645
Insurance Recoveries	-	19,689	-	-	-	19,689
Transfers In	-	2,000,000	1,631,500	-	1,131,835	4,763,335
Transfers Out	(4,711,000)	-	-	(52,335)	-	(4,763,335)
Total Other Financing Sources (Uses)	<u>(3,843,920)</u>	<u>2,091,334</u>	<u>1,631,500</u>	<u>7,897,665</u>	<u>1,131,835</u>	<u>8,908,414</u>
Net Change in Fund Balance	5,062,410	(809,896)	132,489	5,058,947	(1,110,758)	8,333,192
Fund Balance - Beginning, Restated	13,945,160	1,721,638	171,917	(2,376,237)	3,633,877	17,096,355
Fund Balance - Ending	<u>\$ 19,007,570</u>	<u>\$ 911,742</u>	<u>\$ 304,406</u>	<u>\$ 2,682,710</u>	<u>\$ 2,523,119</u>	<u>\$ 25,429,547</u>

See accompanying notes to the basic financial statements

CITY OF MORAINE, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Net Change in Fund Balance - Total Governmental Funds \$ 8,333,192

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

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

Capital outlay	5,392,846	
Depreciation	(1,651,219)	
Book value of disposed capital assets	<u>(227,260)</u>	
Total		3,514,367

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

Bond anticipation note proceeds	(7,950,000)	
Inception of capital lease	(71,645)	
General obligation bond payment	210,000	
Capital lease payment	83,867	
OPWC loan payment	63,417	
Amortization of deferred charge on refunding	(17,632)	
Amortization of premium	<u>32,689</u>	
Total		(7,649,304)

Internal service funds are used by management to charge the cost of certain activities to individual funds.

The net revenue (expense) of the internal service funds is reported with governmental activities. 148,416

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, rather these revenues are reported as as deferred inflow of resources. On the statement of activities, these amounts are revenues. 1,141,019

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

These activities consist of:

Increase in accrued interest payable	(100,147)	
Decrease in compensated absences payable	<u>13,083</u>	
Total		(87,064)

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

Pensions	1,527,444	
OPEB	<u>23,949</u>	
Total		1,551,393

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

Pensions	(3,556,000)	
OPEB	<u>8,892,009</u>	
Total		<u>5,336,009</u>

Change in Net Position of Governmental Activities \$ 12,288,028

See accompanying notes to the basic financial statements.

CITY OF MORAINE, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

	<u>Enterprise Fund</u> <u>Moraine Loan</u> <u>Program</u>	<u>Internal</u> <u>Service Funds</u>
ASSETS		
Current Assets		
Equity in Pooled Cash and Investments	\$ 637,975	\$ 2,301,781
Receivables:		
Accounts	-	3,888
Inventories	-	109,830
Total Current Assets	<u>637,975</u>	<u>2,415,499</u>
NON-CURRENT ASSETS		
Capital Assets, Net	-	12,913
Total Assets	<u>637,975</u>	<u>2,428,412</u>
Deferred Outflows of Resources		
Pension and OPEB	-	133,768
Total Deferred Outflows of Resources	<u>-</u>	<u>133,768</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	-	19,016
Salaries and Benefits Payable	-	12,897
Compensated Absences Payable	-	6,327
Insurance Claims Payable	-	91,604
Total Current Liabilities	<u>-</u>	<u>129,844</u>
Long-Term Liabilities		
Compensated Absences Payable	-	100,639
Net Pension Liability	-	371,364
Net OPEB Liability	-	170,739
Total Long-Term Liabilities	<u>-</u>	<u>642,742</u>
Total Liabilities	<u>-</u>	<u>772,586</u>
Deferred Inflows of Resources		
Pension and OPEB	-	42,142
Total Deferred Inflows of Resources	<u>-</u>	<u>42,142</u>
NET POSITION		
Investment in Capital Assets	-	12,913
Unrestricted	637,975	1,734,539
Total Net Position	<u>\$ 637,975</u>	<u>\$ 1,747,452</u>

See accompanying notes to the basic financial statements.

CITY OF MORAINE, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Enterprise Fund</u>	
	<u>Moraine Loan</u>	<u>Internal</u>
	<u>Program</u>	<u>Service Funds</u>
Operating Revenues		
Charges for Services	\$ -	\$ 2,951,268
Miscellaneous	-	44,488
Total Operating Revenues	<u>-</u>	<u>2,995,756</u>
Operating Expenses		
Personal Services	-	400,626
Contractual Services	-	476,128
Supplies and Materials	-	185,882
Claims and Judgements	-	1,813,684
Depreciation	-	1,435
Total Operating Expenses	<u>-</u>	<u>2,877,755</u>
Operating Income	<u>-</u>	<u>118,001</u>
Non-Operating Revenues		
Investment earnings	10,646	30,415
Total Non-Operating Revenues	<u>10,646</u>	<u>30,415</u>
Change in Net Position	10,646	148,416
Total Net Position - Beginning	627,329	1,599,036
Total Net Position - Ending	<u>\$ 637,975</u>	<u>\$ 1,747,452</u>

See accompanying notes to the basic financial statements.

CITY OF MORaine, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Enterprise Fund Moraine Loan Program	Internal Service Funds
Cash Flows From Operating Activities		
Cash received for interfund services	\$ -	\$ 2,951,268
Miscellaneous receipts & reimbursements	-	56,100
Cash paid to employees for services	-	(329,428)
Cash paid to suppliers for goods or services	-	(666,235)
Cash paid for insurance claims	-	(1,841,679)
Net cash provided by operating activities	-	170,026
Cash Flows From Capital and Related Financing Activities		
Acquisition of Capital Assets	-	(14,348)
Net cash used by capital and related financing activities	-	(14,348)
Cash Flows From Investing Activities		
Investment earnings	10,646	30,415
Net cash provided by investing activities	10,646	30,415
Net Change	10,646	186,093
Equity in Pooled Cash and Investments Beginning of Year	627,329	2,115,688
Equity in Pooled Cash and Investments End of Year	\$ 637,975	\$ 2,301,781
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ -	\$ 118,001
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	-	1,435
Decrease in accounts receivable	-	11,612
Increase in inventories	-	(11,359)
Increase in deferred outflows of resources	-	(55,767)
Increase in accounts payable	-	7,134
Increase in salaries and benefits payable	-	9,399
Decrease in insurance claims payable	-	(27,995)
Increase in compensated absences payable	-	5,834
Increase in net pension liabilities	-	142,240
Increase in net OPEB liabilities	-	12,692
Decrease in deferred inflows of resources	-	(43,200)
Net cash provided by operating activities	\$ -	\$ 170,026

See accompanying notes to the basic financial statements.

CITY OF MORAIN, OHIO
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
DECEMBER 31, 2019

	Custodial Fund
ASSETS	
Cash in Segregated Accounts	\$ 23,847
Total Assets	23,847
LIABILITIES	
Due to Other Jurisdictions	3,780
Total Liabilities	3,780
FIDUCIARY NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	20,067
Total Fiduciary Net Position	\$ 20,067

See accompanying notes to the basic financial statements.

CITY OF MORAIN, OHIO
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Custodial Fund
ADDITIONS:	
Fines and Forfeitures for Other Jurisdictions	\$ 66,550
Cash and Surety Bonds	183,972
Total Additions	250,522
DEDUCTIONS:	
Fines and Forfeitures Distributions to Other Governments	66,550
Cash and Surety Bonds Returned to Individuals	171,271
Total Deductions	237,821
Change in Fiduciary Net Position	12,701
Total Fiduciary Net Position - Beginning, Restated	7,366
Total Fiduciary Net Position - Ending	\$ 20,067

See accompanying notes to the basic financial statements.

CITY OF MORAINÉ, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – DESCRIPTION OF CITY AND REPORTING ENTITY:

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

Reporting Entity

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

Basis of Presentation

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

Government-wide Financial Statements

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

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City’s governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

therefore clearly identifiable to a particular function. Program revenues include charges paid by a recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business-type activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

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

Vance Darroch Capital Fund – This fund accounts for the construction cost related to installation of infrastructure improvements within the Vance Darroch development area.

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

CITY OF MORAINE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Proprietary Fund Types

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

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City has one enterprise fund, the Moraine Loan Program Fund, which accounts for home improvement and business loans offered to residents and businesses located within the City.

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

Fiduciary Funds

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources along with current liabilities and deferred inflows of resources are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances report the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources along with all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

fund net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

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

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In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of property taxes, pension and OPEB plans, and unavailable revenue. Property taxes and payments in lieu of property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which are levied to finance fiscal year 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes income taxes, delinquent property taxes, shared taxes, intergovernmental grants, and various charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the full accrual statements of net position and are further explained in Notes 7 and 8.

Expenses/Expenditures

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

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

Equity in Pooled Cash and Investments

To improve cash management, cash received by the City is pooled. Money for all funds, except the Health Insurance Program Fund, is maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pooled bank account is presented as "equity in pooled cash and investments" on the financial statements.

During 2019, the City invested in STAROhio. STAROhio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants". The City measures their investment in STAROhio at the net asset value (NAV) per share provided by STAROhio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Investments with an original maturity of three months or less at the time of purchase, and investments of the cash management pool are reported as cash equivalents on the financial statements. Investments are reported at fair value. For the City's investments in STAROhio and open-end mutual funds, fair value is determined by the share price. There are no limitations or restrictions on withdrawals from these investments due to redemption notice periods, liquidity fees, or redemption gates. STAROhio does require notice to be given 24 hours in advance for all deposits or withdrawals exceeding \$25 million. STAROhio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the STAROhio investors will be combined for these purposes.

Interest income is distributed to the funds according to ordinance and statutory requirements. Interest revenue reported in the statement of activities for 2019 amounted to \$320,867.

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Supplies Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets

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

The City defines capital assets as those with an individual cost of more than \$3,000 except for improvements to infrastructure, which is \$50,000. All capital assets are capitalized at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are recorded at the acquisition value as of the date received. Interest on constructed capital assets within the business-type activities is capitalized. When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements. The City's infrastructure consists of bridges, culverts, curbs, storm sewers and streets.

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

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

Compensated Absences

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

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Pensions and OPEB

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

Fund Balance

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

CITY OF MORAINE, OHIO
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Director the authority to constrain monies for intended purposes, which are reported as assigned fund balances. Unassigned fund balance consists of amounts, that are in spendable form, which have not been restricted, committed, or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

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

Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. At December 31, 2019, none of the City's net position is restricted by enabling legislation.

Operating Revenues and Expenses

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

Interfund Activity

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

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

Estimates

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

CITY OF MORAIN, OHIO
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Budgetary Process

All funds anticipating expenditures during the year, are legally required to be budgeted and appropriated, except custodial funds. For 2019, the City did not budget the Mayors' Court Computer and the Clerk of Court Computer funds as no expenditures were anticipated for the year. The major documents prepared are the certificate of estimated resources and the appropriation ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriation ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by the Council at the department level with a detail breakdown by personal services, operating and capital expenditures/expenses. Budgetary control is maintained by not permitting expenditures to exceed appropriations at the department level within each fund. Administrative control is maintained through the establishment of more detailed line-item budgets.

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

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

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES:

For 2019, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations*; Statement No. 84, *Fiduciary Activities*; Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*; and Statement No. 90, *Majority Equity Interests – an amendment to GASB Statement No. 14 and No. 61*.

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the City.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. The City reviewed its agency funds and certain funds will be reported in the new fiduciary classification of custodial funds while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the City's financial statements.

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GASB Statement No. 88 improves the information that is disclosed in the notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement have been incorporated into the City's long-term obligations note disclosure.

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the City.

The implementation of GASB Statement No. 84 had the following effect on the fund balance as reported at December 31, 2018 for the General Fund and Total Governmental Funds balances:

	General Fund	Total Governmental Funds
Fund Balance at December 31, 2018, previously reported	\$ 13,938,085	\$ 17,089,280
Adjustment:		
Fund Reclassification - GASB No. 84	7,075	7,075
Fund Balance at December 31, 2018 as restated	\$ 13,945,160	\$ 17,096,355

The implementation of GASB Statement No. 84 had the following effect on the City's net position as reported at December 31, 2018:

	Governmental Activities	Business-Type Activities
Net Position at December 31, 2018, previously reported	\$ 10,619,696	\$ 1,866,552
Adjustments:		
Fund Reclassification - GASB No. 84	7,075	-
Net Position at December 31, 2018, restated	\$ 10,626,771	\$ 1,866,552

Due to the implementation of GASB Statement No. 84, the new classification of custodial funds is reporting a beginning net position of \$7,366. Also, related to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. At December 31, 2018, the City's agency funds reported assets and liabilities of \$55,485, each.

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NOTE 4 – DEPOSITS AND INVESTMENTS:

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

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

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

Deposits

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

At year end, the City reported a bank balance of \$15,754,453 of which \$366,027 was covered by federal deposit insurance and the remaining \$15,388,426 was exposed to custodial credit risk because it was uninsured and collateralized by specific pledged securities held by the pledging financial institution's trust department or agent, but not in the City's name.

Investments

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

<u>Investment Type</u>	<u>Rating</u>	<u>Measurement Value</u>	<u>Less than One Year</u>	<u>Two to Three Years</u>	<u>Beyond Three Years</u>
Federal Agency Securities	AA+	\$ 2,156,755	\$ -	\$ 999,823	\$ 1,156,932
STAR Ohio	AAAm	342,159	342,159	-	-
Negotiable CD's	N/A	7,415,118	1,231,341	5,936,516	247,261
Mutual Funds	N/A	1,578,142	1,578,142	-	-
		<u>\$ 11,492,174</u>	<u>\$ 3,151,642</u>	<u>\$ 6,936,339</u>	<u>\$ 1,404,193</u>

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

STAR Ohio is managed to maintain a weighted average maturity to reset of 60 days or less and a weighted average maturity to final of 90 days or less, to enhance liquidity and to limit market price exposure to volatile interest rate movements in the market. STAR Ohio had an average maturity of 55.7 days as of December 31, 2019.

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

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

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

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

The following table includes percentage of each investment type held by the City at December 31, 2019:

<u>Investment Type</u>	<u>Measurement Value</u>	<u>Percent of Total</u>
Federal Agency Securities	\$ 2,156,755	18.77%
STAR Ohio	342,159	2.98%
Negotiable CD's	7,415,118	64.52%
Mutual Funds	<u>1,578,142</u>	<u>13.73%</u>
	\$ <u>11,492,174</u>	<u>100.00%</u>

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Fair Value Measurement

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

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

The categorization of investments with the hierarchy is based upon the transparency of the instrument and should not be perceived as the particular investment's risk. The City had the following reoccurring fair value measurements as of December 31, 2019:

<u>Investment Type</u>	<u>Measurement Value</u>	<u>Identical Assets (Level 1)</u>	<u>Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
U.S. Governmental Agencies	\$ 2,156,755	\$ -	\$ 2,156,755	\$ -
Negotiable CD's	7,415,118	-	7,415,118	-
	<u>\$ 9,571,873</u>	<u>\$ -</u>	<u>\$ 9,571,873</u>	<u>\$ -</u>

Investments classified in Level 2 of the fair value hierarchy are valued using pricing sources as provided by the investment managers. The City's investments in STAROhio and mutual funds are measured at amortized cost and therefore are not classified based on the hierarchy above.

NOTE 5 – RECEIVABLES:

Receivables at December 31, 2019 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, and loans.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes were levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of the appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

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The full tax rate for all City operations for the year ended December 31, 2019 was \$2.50 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2019 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 145,913,100
Public Utility Real Property Assessed Valuation	348,800
Public Utility Personal Property Assessed Valuation	<u>103,639,640</u>
Total	<u>\$ 249,901,540</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Moraine. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represents real, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2019, and for which there is an enforceable legal claim. At the fund level, the entire receivable has been offset as a deferred inflow of resources since the current taxes were not levied to finance 2019 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the full accrual basis, collectible delinquent property taxes have been recorded as revenue.

Income Tax

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

During 2019, the income tax rate was two and a half percent of earned income. In accordance with the ordinance adopted by the City Council, 100 percent of income tax revenue is allocated to and maintained by the General Fund.

Loans Receivable

In 2001, as an economic development tool, the City began offering business loans that would be forgiven if the business met certain employment and financial conditions over the life of the loan. The first such loan was made during 2001. The loans receivable in the Economic Development Fund at December 31, 2019 were as follows:

Loans Receivable, 12/31/2018	\$ 1,085,000
New Loans	-
Forgiven Loans	<u>(1,028,000)</u>
Loans Receivable, 12/31/2019	<u>\$ 57,000</u>

In 2014, the City entered into a business loan agreement with a company with an original loan amount of \$1 million, which will be disbursed in five installments of \$200,000 based on certain benchmarks. The fifth, and final, of the disbursements occurred during 2018. As is the policy of the City under this program, the repayment of these loans will be forgiven 100 percent of the loan if the companies satisfy the conditions contained within the agreements and therefore, in 2019 the City recognized the forgiveness of this particular loan, along with others, as an economic development expense.

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NOTE 6 – CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Balance</u> <u>12/31/18</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/19</u>
<i><u>Governmental Activities</u></i>				
Non-depreciable capital assets:				
Land	\$ 11,039,638	\$ 2,091	\$ (119,859)	\$ 10,921,870
Construction in Progress	<u>2,845,029</u>	<u>4,697,109</u>	<u>(32,292)</u>	<u>7,509,846</u>
Non-depreciable capital assets:	<u>13,884,667</u>	<u>4,699,200</u>	<u>(152,151)</u>	<u>18,431,716</u>
Depreciable capital assets:				
Buildings and improvements	12,128,704	-	(11,889)	12,116,815
Equipment	10,853,424	707,994	(438,909)	11,122,509
Infrastructure	<u>31,354,086</u>	<u>-</u>	<u>-</u>	<u>31,354,086</u>
Depreciable capital assets:	<u>54,336,214</u>	<u>707,994</u>	<u>(450,798)</u>	<u>54,593,410</u>
Less: accumulated depreciation				
Buildings and improvements	(8,595,641)	(221,754)	11,146	(8,806,249)
Equipment	(8,233,949)	(344,350)	364,543	(8,213,756)
Infrastructure	<u>(22,806,680)</u>	<u>(1,086,550)</u>	<u>-</u>	<u>(23,893,230)</u>
Accumulated depreciation	<u>(39,636,270)</u>	<u>(1,652,654) *</u>	<u>375,689</u>	<u>(40,913,235)</u>
Depreciable capital assets, net	<u>14,699,944</u>	<u>(944,660)</u>	<u>(75,109)</u>	<u>13,680,175</u>
Governmental activities capital assets, net	<u>\$ 28,584,611</u>	<u>\$ 3,754,540</u>	<u>\$ (227,260)</u>	<u>\$ 32,111,891</u>

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

General Government	\$ 116,235
Public Safety	233,210
Highways and Streets	1,141,864
Culture and Recreation	158,816
Economic Development	<u>1,094</u>
Total depreciation expense - general capital assets	1,651,219
Internal service fund depreciation	<u>1,435</u>
Total depreciation expense - governmental activities	<u>\$ 1,652,654</u>

In 2010, the City decided to close the water park, Splash! Moraine due to budgetary constraints. During the prior year, a significant portion of the former water park's facilities and equipment were disposed of by the City to repurpose the location to better fit the needs of the City's residents. No impairment loss is recognized on the remaining assets as the City is performing normal, routine maintenance to ensure those assets do not lose value, other than normal depreciation, over time until they are reutilized. The carrying value of these assets as of December 31, 2019 is \$14,385, which is reported within the buildings and improvements category.

Capital assets of the Internal Service City Garage Fund include machinery and equipment with a cost of \$150,154 (\$14,348 of current year additions) and accumulated depreciation of \$137,241 (\$1,435 of current year depreciation).

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NOTE 7 – DEFINED BENEFIT PENSION PLANS:

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g., City employees) may elect the Member-Directed Plan and the Combined Plan, the majority of employee members are in OPERS’ Traditional Plan; therefore, the following disclosures focus on the Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code (ORC). OPERS issues a stand-alone financial report that includes financial statements,

CITY OF MORAIN, OHIO
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required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, OH 43215-4642, or by calling 800-222-7377.

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

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

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

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

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

Funding Policy—The ORC provides statutory authority for member and employer contributions. For 2019, member contribution rates were 10% of salary and employer contribution rates were 14%. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$555,101 for 2019. Of this amount, \$44,033 is reported as a component of salaries and benefits payable.

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

City full-time police and firefighters participate in the Ohio Police & Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and

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disability pension 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 (ORC). OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, OH 43215-5164.

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

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

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

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

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

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

	Police		Firefighters	
2019 Statutory Maximum Contribution Rates				
Employer	19.50	%	24.00	%
Employee	12.25	%	12.25	%
 2019 Actual Contribution Rates				
Employer:				
Pension	19.00	%	23.50	%
Post-employment Health Care Benefits	0.50	%	0.50	%
Total Employer	19.50	%	24.00	%
Employee	12.25	%	12.25	%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,001,835 for 2019. Of this amount, \$119,749 is reported as a component of salaries and benefits payable.

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

The net pension liability for OPERS was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018 and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 7,390,147	\$ 16,243,444	\$ 23,633,591
Proportion of the net pension liability			
Current measurement date	0.026983%	0.198997%	
Prior measurement date	0.030042%	0.202243%	
Change in proportionate share	<u>-0.003059%</u>	<u>-0.003246%</u>	
Pension expense	\$ 1,513,523	\$ 2,121,765	\$ 3,635,288

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
<u>Deferred Outflows of Resources:</u>			
Differences between expected and actual experience	\$ 341	\$ 667,379	\$ 667,720
Net difference between projected and actual earnings on pension plan investments	1,003,049	2,001,178	3,004,227
Change in assumptions	643,331	430,636	1,073,967
Change in City's proportionate share and difference in employer contributions	8,059	165,881	173,940
City contributions subsequent to the measurement date	<u>555,101</u>	<u>1,001,835</u>	<u>1,556,936</u>
Total	<u>\$ 2,209,881</u>	<u>\$ 4,266,909</u>	<u>\$ 6,476,790</u>
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 97,036	\$ 15,168	\$ 112,204
Change in City's proportionate share and difference in employer contributions	<u>371,312</u>	<u>532,741</u>	<u>904,053</u>
Total	<u>\$ 468,348</u>	<u>\$ 547,909</u>	<u>\$ 1,016,257</u>

\$1,556,936 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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	OPERS	OP&F	Total
Fiscal Year Ending December 31:			
2020	\$ 449,063	\$ 898,656	\$ 1,347,719
2021	177,824	461,059	638,883
2022	93,053	541,898	634,951
2023	466,492	789,777	1,256,269
2024	-	25,775	25,775
	\$ 1,186,432	\$ 2,717,165	\$ 3,903,597

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75%
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3% simple Post 1/7/2013 retirees: 3% simple through 2018, then 2.15% simple
Investment rate of return:	
Current measurement period	7.20%
Prior measurement period	7.50%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Health Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major

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asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00%	2.79%
Domestic Equities	19.00%	6.21%
Real Estate	10.00%	4.90%
Private Equity	10.00%	10.81%
International Equities	20.00%	7.83%
Other Investments	<u>18.00%</u>	<u>5.50%</u>
Total	<u>100.00%</u>	<u>5.95%</u>

Discount Rate. The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table represents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.20%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6.20%) and one-percentage point higher (8.20%) than the current rate:

	<u>1% Decrease (6.20%)</u>	<u>Current Discount Rate of 7.20%</u>	<u>1% Increase (6.20%)</u>
City's proportionate share of the net pension liability	\$ 10,917,385	\$ 7,390,147	\$ 4,458,967

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Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018 and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past experiences and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2018, are presented below:

Valuation date	January 1, 2018 with actuarial liabilities rolled forward to December 31, 2018
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% to 10.50%
Payroll growth	2.75% plus productivity increase rate of 0.5%
Inflation assumptions	2.75%
Cost of living adjustments	3.0% simple, 2.2% simple for increases based on the lesser of the increase in CPI and 3%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

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

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Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	0.00%	0.80%
Domestic equity	16.00%	5.50%
Non-U.S. equity	16.00%	5.90%
Private markets	8.00%	8.40%
Core fixed income*	23.00%	2.60%
High yield fixed income	7.00%	4.80%
Private credit	5.00%	7.50%
U.S. inflation linked bonds*	17.00%	2.30%
Master limited partnerships	8.00%	6.40%
Real assets	8.00%	7.00%
Private real estate	<u>12.00%</u>	6.10%
Total	<u>120.00%</u>	

Note: Assumptions are geometric. * Levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate. The total pension liability was calculated using the discount rate of 8.0%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.0%. Based on those assumptions, OP&F's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (7.0%) or one-percentage point higher (9.0%) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate of 8.00%	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 21,350,886	\$ 16,243,444	\$ 11,975,436

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NOTE 8 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS:

Net OPEB Liability

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

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

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

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

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

Plan Description—Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan, a cost-sharing, multiple-employer defined benefit plan; the Member-Directed Plan, a defined contribution plan; and the Combined Plan, a cost-sharing, multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan.

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

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In order to qualify for postemployment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an other post employment benefit (OPEB) as described in GASB Statement No. 75. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy—The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of Traditional Pension and Combined plans' employer contributions allocated to health care was zero in 2019. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0%.

The City's contractually required contribution to OPERS was \$400 for 2019.

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

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined postemployment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B premiums to retirees, qualifying benefit recipients and their eligible dependents.

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of the employer contributions allocated to health care was 0.5% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$23,571 for 2019. Of this amount, \$2,827 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018 and was determined by rolling forward the total OPEB liability as of January 1, 2018 to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the respective retirement systems relative to the contributions of all participating entities. The following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate share of the net OPEB liability	\$ 3,324,662	\$ 1,812,177	\$ 5,136,839
Proportion of the net OPEB liability			
Current measurement date	0.025501%	0.198997%	
Prior measurement date	0.028416%	0.202243%	
Change in proportionate share	<u>-0.002915%</u>	<u>-0.003246%</u>	
OPEB expense/(negative expense)	\$ 116,472	\$ (9,002,290)	\$ (8,885,818)

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At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
<u>Deferred Outflows of Resources:</u>			
Differences between expected and actual experience	\$ 1,125	\$ -	\$ 1,125
Net difference between projected and actual earnings on OPEB plan investments	152,415	61,343	213,758
Change in assumptions	107,190	939,346	1,046,536
City contributions subsequent to the measurement date	<u>400</u>	<u>23,571</u>	<u>23,971</u>
Total	<u>\$ 261,130</u>	<u>\$ 1,024,260</u>	<u>\$ 1,285,390</u>
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 9,022	\$ 48,554	\$ 57,576
Change in assumptions	-	501,695	501,695
Change in City's proportionate share and difference in employer contributions	<u>255,986</u>	<u>476,639</u>	<u>732,625</u>
Total	<u>\$ 265,008</u>	<u>\$ 1,026,888</u>	<u>\$ 1,291,896</u>

\$23,971 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Fiscal Year Ending December 31:			
2020	\$ (25,399)	\$ (277)	\$ (25,676)
2021	(77,576)	(277)	(77,853)
2022	21,915	(277)	21,638
2023	76,782	18,278	95,060
2024	-	(10,974)	(10,974)
Thereafter	<u>-</u>	<u>(32,672)</u>	<u>(32,672)</u>
	<u>\$ (4,278)</u>	<u>\$ (26,199)</u>	<u>\$ (30,477)</u>

Actuarial Assumptions—OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December

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31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

Wage inflation	3.25%
Projected salary increase	3.25% to 10.75%, including wage inflation
Single discount rate:	
Current measurement period	3.96%
Prior measurement period	3.85%
Investment rate of return:	
Current measurement period	6.00%
Prior measurement period	6.50%
Municipal bond rate:	
Current measurement period	3.71%
Prior measurement period	3.31%
Health care cost trend rate:	
Current measurement period	10.0% initial, 3.25% ultimate in 2029
Prior measurement period	7.5% initial, 3.25% ultimate in 2028
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.60% for 2018.

The allocation of investment assets within the Health Care portfolio is approved by the OPERS Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of

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continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the OPERS Board-approved asset allocation policy for 2018 and the long-term expected real rates of return.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00%	2.42%
Domestic Equities	21.00%	6.21%
REITs	6.00%	5.98%
International Equities	22.00%	7.83%
Other Investments	<u>17.00%</u>	<u>5.57%</u>
Total	<u>100.00%</u>	<u>5.16%</u>

Discount Rate. A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the City's proportionate share of the net OPEB liability if it were calculated using a discount rate that is 1.0% point lower (2.96%) or 1.0% point higher (4.96%) than the current rate:

	<u>1% Decrease (2.96%)</u>	<u>Current Discount Rate of 3.96%</u>	<u>1% Increase (4.96%)</u>
City's proportionate share of the net pension liability	\$ 4,253,364	\$ 3,324,662	\$ 2,585,933

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

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Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net pension liability	\$ 3,195,633	\$ 3,324,662	\$ 3,473,071

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018 and rolled forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

Actuarial valuation date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% to 10.50%
Payroll growth	Inflation rate of 2.75%, plus productivity increase rate of 0.50%

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Single discount rate:	
Current measurement rate	4.66%
Prior measurement rate	3.24%
Municipal bond rate:	
Current measurement rate	4.13%
Prior measurement rate	3.16%
Cost of living adjustments	3.00% simple, 2.2% simple for increase based on the lesser of the increases in CPI and 3.00%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and cash equivalents	0.00%	0.80%
Domestic equity	16.00%	5.50%
Non-U.S. equity	16.00%	5.90%
Private markets	8.00%	8.40%
Core fixed income*	23.00%	2.60%

(continued)

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
High yield fixed income	7.00%	4.80%
Private credit	5.00%	7.50%
U.S. inflation linked bonds*	17.00%	2.30%
Master limited partnerships	8.00%	6.40%
Real assets	8.00%	7.00%
Private real estate	<u>12.00%</u>	6.10%
Total	<u>120.00%</u>	

Note: Assumptions are geometric. * Levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate. Total OPEB liability was calculated using the discount rate of 4.66%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.0%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017 was blended with the long-term rate of 8.0%, which resulted in a blended discount rate of 4.66% at December 31, 2018 and 3.24% at December 31, 2017.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower (3.66%) and 1% point higher (5.66%) than the current discount rate.

	1% Decrease (3.66%)	Current Discount Rate of 4.66%	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$ 2,207,726	\$ 1,812,177	\$ 1,480,148

Changes Subsequent to the Measurement Date. Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend-based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

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NOTE 9 – COMPENSATED ABSENCES:

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

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. At termination or retirement, employees are paid at their full rate for 100% of their unused vacation. The obligation for accrued unpaid vacation time for the City as a whole amounted to \$937,557 at December 31, 2019.

Accumulated Unpaid Sick Leave

City employees earn sick leave at varying rates based upon length of service and when the employee was hired. Employees who have completed ten to twenty years of service and were hired prior to April 11, 1993 and have a sick leave balance are able to receive payment upon retirement of one hour for each two hours accumulated. For service beyond twenty years an employee would receive payment for each hour accumulated in that time. Employees hired after April 11, 1993 who have completed ten to twenty years of service are able to receive payment upon retirement of one hour for each three hours up to a maximum of 720 hours. For service beyond twenty years an employee would receive payment upon retirement of one hour for every three accumulated up to a maximum of 960 hours. Individuals leaving the employment of the City prior to retirement or at retirement with less than ten years of service lose their accumulated sick leave. The obligation for accrued unpaid sick leave for the City as a whole amounted to \$1,740,037 at December 31, 2019.

NOTE 10 – RISK MANAGEMENT:

Casualty & Property Coverage

The City is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. In 1995 the City joined the Public Entities Pool of Ohio (PEP) for coverage of these risks. The risk of loss is transferred to the Pool. PEP financial data as of December 31, 2019 and 2018 follows:

	<u>2019</u>	<u>2018</u>
Assets	\$ 54,973,597	\$ 49,921,998
Liabilities	<u>(16,440,940)</u>	<u>(14,676,199)</u>
Net Position - Unrestricted	<u>\$ 38,532,657</u>	<u>\$ 35,245,799</u>

The Pool's membership increased from 538 members in 2018 to 553 members in 2019.

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York Risk Pooling Services, Inc (YORK). APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. At December 31, 2019 the Pool retained \$500,000 for casualty claims and \$250,000 for property claims. The Board of Directors and YORK periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

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Unpaid claims of the Pool that will be billed in the future were approximately \$13.7 million and \$11.8 million at December 31, 2019 and 2018, respectively. Coverage has not changed and losses have not exceeded that coverage over the last three years.

Health Insurance Coverage

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

The City has not received any significant stop loss reimbursement in the past three years.

Below is a claims history for the past three years:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Claims liability at January 1	\$ 112,509	\$ 123,439	\$ 147,829
Claims incurred	1,786,479	1,684,530	1,719,327
Claims paid	<u>(1,807,384)</u>	<u>(1,695,460)</u>	<u>(1,743,717)</u>
Claims liability at December 31	<u>\$ 91,604</u>	<u>\$ 112,509</u>	<u>\$ 123,439</u>

NOTE 11 - LONG-TERM OBLIGATIONS:

Long-term obligations activity for the year ended December 31, 2019, is as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>	<u>Due within</u> <u>One Year</u>
<i>Governmental Activities:</i>					
General Obligation Bonds	\$ 4,855,000	\$ -	\$ 210,000	\$ 4,645,000	\$ 220,000
Premium on Bonds	469,963	-	32,689	437,274	-
Total General Obligation Bonds	<u>5,324,963</u>	<u>-</u>	<u>242,689</u>	<u>5,082,274</u>	<u>220,000</u>
Direct Borrowings:					
Loans Payable - OWPC	921,803	-	63,417	858,386	63,418
Direct Placement:					
Bond Anticipation Note	-	7,950,000	-	7,950,000	7,950,000
Other Long-Term Obligations:					
Capital Lease Obligation	130,557	71,645	83,867	118,335	82,587
Compensated Absences	2,658,347	102,830	110,083	2,651,094	156,808
Net Pension Liability:					
OPERS	4,712,950	2,677,197	-	7,390,147	-
OP&F	<u>12,412,541</u>	<u>3,830,903</u>	<u>-</u>	<u>16,243,444</u>	<u>-</u>
Total Net Pension Liability	<u>17,125,491</u>	<u>6,508,100</u>	<u>-</u>	<u>23,633,591</u>	<u>-</u>
Net OPEB Liability:					
OPERS	3,085,782	238,880	-	3,324,662	-
OP&F	<u>11,458,781</u>	<u>-</u>	<u>9,646,604</u>	<u>1,812,177</u>	<u>-</u>
Total Net OPEB Liability	<u>14,544,563</u>	<u>238,880</u>	<u>9,646,604</u>	<u>5,136,839</u>	<u>-</u>
Total Governmental Activities	<u>\$ 40,705,724</u>	<u>\$ 14,871,455</u>	<u>\$ 10,146,660</u>	<u>\$ 45,430,519</u>	<u>\$ 8,472,813</u>

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General Obligation Bonds

During 2017, the City issued \$4,425,000 of general obligation various purpose infrastructure and improvement refunding bonds, series 2017. The proceeds were used to refund \$4,420,000 of the 2010 various infrastructure and improvement general obligation bonds. Interest rates on the series 2017 bonds range from 2.00% to 4.00% and the bonds mature on December 1, 2034. The total issuance net proceeds, including premium less issuance cost, totaling \$4,781,629 were placed into an irrevocable trust with an escrow agent to provide funds to call the refunded debt on December 1, 2019.

On January 7, 2010 the City issued \$5,805,000 in various purpose infrastructure and improvement general obligation bonds. These bonds were issued to retire outstanding notes of \$5,300,000 that were originally issued for the purpose of designing, engineering, constructing and improving new and existing infrastructure. The issue is made up of serial and term bonds with interest rates between 2% and 5%. In 2017, the City advanced refunded \$4,420,000 of these bonds and the remaining portion will mature on December 1, 2020.

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

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

Year	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2020	\$ 220,000	\$ 172,200
2021	255,000	161,200
2022	255,000	156,100
2023	265,000	151,000
2024	275,000	140,400
2025-2029	1,535,000	534,000
2030-2034	1,840,000	226,000
2035-2038	-	-
Total	<u>\$ 4,645,000</u>	<u>\$ 1,540,900</u>

Loans Payable

At December 31, 2019, the City has five outstanding loans, all of which are direct borrowings, from the Ohio Public Works Commission (OPWC) to finance various projects; \$450,000 for improvements to Springboro Pike West during 2009; \$402,492 for improvements to the traffic signals throughout the City during 2015; \$266,579 for roadway improvements to Stroop Road during 2016; \$86,891 for resurfacing of Northlawn Avenue during 2017; and \$62,407 for improvements to East River Road in 2018. All five of these loans carried an interest rate of zero percent and have maturities of 20 years. At December 31, 2019 the outstanding balance on these loans totaled \$858,386.

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

<u>Governmental Activities</u>	
<u>Year</u>	<u>OPWC Loans Principal</u>
2020	\$ 63,418
2021	63,419
2022	63,418
2023	63,420
2024	63,418
2025-2029	317,092
2030-2034	204,587
2035-2038	19,614
Total	<u>\$ 858,386</u>

Bond Anticipation Notes Payable

A summary of the City's bond anticipation notes transactions for the year ended December 31, 2019 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<i>Governmental Activities:</i>				
2018 Infrastructure Improvement BAN - 3.0%	\$ 3,775,000	\$ -	\$ 3,775,000	\$ -
2019 Infrastructure Improvement BAN - 2.5%	<u>-</u>	<u>7,950,000</u>	<u>-</u>	<u>7,950,000</u>
Total Notes Payable	<u>\$ 3,775,000</u>	<u>\$ 7,950,000</u>	<u>\$ 3,775,000</u>	<u>\$ 7,950,000</u>

During 2019, the City issued \$7,950,000 of bond anticipate notes to provide financing for infrastructure improvements within the Vance Darroch development area, as well as provide resources to retire the 2018 BAN when due. The 2019 notes were sold through a negotiated sale (direct placement) at a stated coupon rate of 2.50 percent. The 2019 notes will mature on June 25, 2020 and may not be redeemed prior to maturity. As the refinancing of the notes took was finalized prior to the date of these statements (see Note 18), the 2019 bond anticipation note has been recorded as a long-term obligation at December 31, 2019. The 2018 bond anticipation note was recorded as a fund liability within the Vance Darroch Capital Fund.

Capital Lease Obligations

During the year, the City entered into a lease agreement for the purpose of providing financing for the acquisition of specific public safety equipment (police vehicles). The terms of this agreement provide a purchase option at the end of the lease where ownership of the vehicles will revert to the City. This agreement, as well as another agreement entered into in a prior year, represent direct borrowings for the City and meets the definition of a capital leases in which the lease agreement transfers benefits and risk of ownership to the City. Lease payments are made from the Capital Improvement Fund when required and the equipment acquired through these agreements amount to \$382,246. Lease payments will continue through 2022.

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Annual debt service requirements to maturity for the capital lease obligation are as follows:

Calendar Year	Amount
2020	\$ 88,345
2021	19,689
2022	19,690
Total minimum lease payments	127,724
Less: amount representing interest	(9,389)
Present value of minimum lease payments	<u>\$ 118,335</u>

Other Long-Term Obligations

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

NOTE 12 – CONDUIT DEBT OBLIGATIONS:

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

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

NOTE 13 – OTHER LONG-TERM OBLIGATION:

The City has agreed to make the Bond payments less all hook-up fees for a sewer trunk line that Montgomery County installed to benefit a new industrial park in the City limits. The bond payments are billed to the City each year less all hook-up fees. The 2019 payment was \$75,464 and included \$51,000 in principal and \$24,464 in interest. These payments are recorded as expenses in the year that they are paid and no asset or long-term liability is being carried on the City's books. The sewer belongs to, and is maintained by, Montgomery County.

NOTE 14 – ACCOUNTABILITY:

At December 31, 2019, the Police Pension and Fire Pension Funds (non-major special revenue funds), reported deficit fund balances of \$11,299 and \$16,137, respectively. The deficits occurred as a result of current year accruals being recognized and deficits do not exist on a cash basis. The General Fund provides transfers to cover fund deficit balances; however, this is done when cash is needed and not when accruals occur.

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 15 – INTERFUND ACTIVITY:

Interfund transfers for the year ended December 31, 2019, consisted of the following:

<u>Transfer to Fund</u>	<u>Transfer from Fund</u>	<u>Amount</u>
Street Construction and Maintenance	General	\$ 1,631,500
Capital Improvement	General	2,000,000
Nonmajor - Economic Development	General	180,000
Nonmajor - Police Pension	General	395,000
Nonmajor - Fire Pension	General	504,500
Nonmajor - Debt Service	Vance-Darroch Capital	52,335
		<u>\$ 4,763,335</u>

Transfers are used to move unrestricted general fund revenues to finance various programs and projects that the City must account for in other funds in accordance with budgetary authorization. The transfer from the Vance-Darroch Fund to the other governmental funds was related to debt service payments made out of the Debt Service Fund.

NOTE 16 – COMMITMENTS:

Encumbrances

Outstanding encumbrances at year-end include:

<u>Fund</u>	<u>Encumbrance</u> <u>Outstanding</u>
General	\$ 447,135
Capital Improvement	399,700
Street Construction & Maintenance	7,211
Vance Darroch Capital	197,799
Other Governmental Funds	17,144
	<u>\$ 1,068,989</u>

NOTE 17 – CONTINGENT LIABILITIES:

Litigation

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

Federal and State Grants

For the period January 1, 2019 to December 31, 2019, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

CITY OF MORAINÉ, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 18 – SUBSEQUENT EVENTS:

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and the investments of the retirement systems in which the City participates are subject to market conditions which saw significant declines at the beginning of the pandemic. Volatile market conditions may continue throughout 2020 and therefore the amount of losses the City will recognize in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues and any recovery from emergency fund, either federal or state, cannot be estimated at this time.

On June 17, 2020, the City closed on the renewal of the infrastructure improvement bond anticipation note for \$8,150,000 to retire the \$7,950,000 bond anticipation notes issued in June 2019. The 2020 bond anticipation notes were sold through a negotiated sale (direct placement) at a stated coupon rate of 1.00 percent. The 2020 bond anticipation notes mature on June 17, 2021 and may not be redeemed prior to maturity.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF MORAIN, OHIO
GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Income	\$ 18,660,000	\$ 18,660,000	\$ 20,542,559	\$ 1,882,559
Property	441,414	441,414	449,472	8,058
Other	30,000	30,000	16,289	(13,711)
Shared Revenues	107,552	107,552	126,475	18,923
Intergovernmental	8,200	8,200	8,957	757
License and Permits	82,450	82,450	165,901	83,451
Charges for Services	396,700	396,700	424,103	27,403
Fines	253,500	253,500	259,529	6,029
Investment Earnings	145,000	145,000	318,894	173,894
Rents and Royalties	13,600	13,600	15,595	1,995
Miscellaneous	54,912	54,912	284,948	230,036
Total Revenues	<u>20,193,328</u>	<u>20,193,328</u>	<u>22,612,722</u>	<u>2,419,394</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Council				
Personnel services	15,783	15,783	13,915	1,868
General operating expenses	61,879	61,879	17,104	44,775
Total Council	<u>77,662</u>	<u>77,662</u>	<u>31,019</u>	<u>46,643</u>
Clerk of Council				
Personnel services	77,255	77,255	74,702	2,553
General operating expenses	21,635	21,635	9,526	12,109
Total Clerk of Council	<u>98,890</u>	<u>98,890</u>	<u>84,228</u>	<u>14,662</u>
City Manager				
Personnel services	346,540	346,540	232,789	113,751
General operating expenses	224,196	224,196	31,481	192,715
Total City Manager	<u>570,736</u>	<u>570,736</u>	<u>264,270</u>	<u>306,466</u>
Clerk of Courts				
Personnel services	175,470	178,070	172,814	5,256
General operating expenses	59,863	57,263	25,271	31,992
Total Clerk of Courts	<u>235,333</u>	<u>235,333</u>	<u>198,085</u>	<u>37,248</u>
Law Director				
General operating expenses	253,685	253,685	192,237	61,448
Total Law Director	<u>253,685</u>	<u>253,685</u>	<u>192,237</u>	<u>61,448</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, 2019
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Merit Service				
General operating expenses	15,000	15,000	6,903	8,097
Total Merit Service	<u>15,000</u>	<u>15,000</u>	<u>6,903</u>	<u>8,097</u>
Mayor				
Personnel services	6,486	6,486	4,899	1,587
General operating expenses	1,150	1,150	449	701
Total Mayor	<u>7,636</u>	<u>7,636</u>	<u>5,348</u>	<u>2,288</u>
Finance				
Personnel services	725,784	725,784	641,027	84,757
General operating expenses	95,026	95,026	65,444	29,582
Total Finance	<u>820,810</u>	<u>820,810</u>	<u>706,471</u>	<u>114,339</u>
Information Center				
Personnel services	51,481	51,481	39,193	12,288
Total Information Center	<u>51,481</u>	<u>51,481</u>	<u>39,193</u>	<u>12,288</u>
Public Buildings				
Personnel services	663,579	660,079	487,762	172,317
General operating expenses	781,247	784,747	539,518	245,229
Total Public Buildings	<u>1,444,826</u>	<u>1,444,826</u>	<u>1,027,280</u>	<u>417,546</u>
General Miscellaneous				
Personnel services	652,298	664,298	277,059	387,239
General operating expenses	641,885	641,885	493,887	147,998
Total General Miscellaneous	<u>1,294,183</u>	<u>1,306,183</u>	<u>770,946</u>	<u>535,237</u>
Information Technology				
Personnel services	238,699	238,699	227,608	11,091
General operating expenses	395,950	395,950	279,205	116,745
Total Information Technology	<u>634,649</u>	<u>634,649</u>	<u>506,813</u>	<u>127,836</u>
Human Resources				
General operating expenses	96,387	96,387	58,769	37,618
Total Human Resources	<u>96,387</u>	<u>96,387</u>	<u>58,769</u>	<u>37,618</u>
TOTAL GENERAL GOVERNMENT	<u>5,601,278</u>	<u>5,613,278</u>	<u>3,891,562</u>	<u>1,721,716</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, 2019
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
PUBLIC SAFETY				
Police				
Personnel services	4,372,089	4,362,089	3,889,206	472,883
General operating expenses	709,224	717,224	559,077	158,147
Total Police	<u>5,081,313</u>	<u>5,079,313</u>	<u>4,448,283</u>	<u>631,030</u>
Fire				
Personnel services	3,964,806	3,958,806	3,461,132	497,674
General operating expenses	367,974	384,974	285,331	99,643
Total Fire	<u>4,332,780</u>	<u>4,343,780</u>	<u>3,746,463</u>	<u>597,317</u>
Civil Defense				
General operating expenses	11,750	11,750	9,863	1,887
Total Civil Defense	<u>11,750</u>	<u>11,750</u>	<u>9,863</u>	<u>1,887</u>
TOTAL PUBLIC SAFETY	<u>9,425,843</u>	<u>9,434,843</u>	<u>8,204,609</u>	<u>1,230,234</u>
HIGHWAYS AND STREETS				
Engineering				
General operating expenses	31,437	31,437	22,992	8,445
Total Engineering	<u>31,437</u>	<u>31,437</u>	<u>22,992</u>	<u>8,445</u>
Street Lighting				
General operating expenses	275,511	275,511	249,648	25,863
Total Street Lighting	<u>275,511</u>	<u>275,511</u>	<u>249,648</u>	<u>25,863</u>
TOTAL HIGHWAYS AND STREETS	<u>306,948</u>	<u>306,948</u>	<u>272,640</u>	<u>34,308</u>
SANITATION				
Waste Collection				
General operating expenses	397,395	397,395	389,909	7,486
Total Waste Collection	<u>397,395</u>	<u>397,395</u>	<u>389,909</u>	<u>7,486</u>
TOTAL SANITATION	<u>397,395</u>	<u>397,395</u>	<u>389,909</u>	<u>7,486</u>
HEALTH AND WELFARE				
Health & Alcoholism				
General operating expenses	2,000	2,000	1,759	241
Total Health & Alcoholism	<u>2,000</u>	<u>2,000</u>	<u>1,759</u>	<u>241</u>
Board of Zoning Appeals				
General operating expenses	450	450	-	450
Total Board of Zoning Appeals	<u>450</u>	<u>450</u>	<u>-</u>	<u>450</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, 2019
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive Negative
Building Inspection				
Personnel services	45	45	-	45
General operating expenses	9,095	9,095	1,792	7,303
Total Building Inspection	9,140	9,140	1,792	7,348
TOTAL HEALTH AND WELFARE	11,590	11,590	3,551	8,039
ECONOMIC DEVELOPMENT AND ASSISTANCE				
Planning				
Personnel services	80	80	-	80
General operating expenses	1,234	1,234	1,134	100
Total Planning	1,314	1,314	1,134	180
Planning Commission				
General operating expenses	4,000	4,000	2,901	1,099
Total Planning Commission	4,000	4,000	2,901	1,099
Community Development				
Personnel services	462,256	462,256	383,211	79,045
General operating expenses	216,305	216,305	124,870	91,435
Total Community Development	678,561	678,561	508,081	170,480
Economic Development				
Personnel services	108,241	108,241	106,165	2,076
General operating expenses	20,610	20,610	6,314	14,296
Total Economic Development	128,851	128,851	112,479	16,372
TOTAL ECONOMIC DEVELOPMENT AND ASSISTANCE	812,726	812,726	624,595	188,131
TOTAL EXPENDITURES	16,555,780	16,576,780	13,386,866	3,189,914
Excess (deficiency) of revenues over (under) expenditures	3,637,548	3,616,548	9,225,856	5,609,308
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,420,000)	(6,420,000)	(5,521,500)	898,500
Advances in	-	-	698,024	698,024
Advances out	-	-	(698,024)	(698,024)
Proceeds from the sale of capital assets	920,000	920,000	867,080	(52,920)
Total Other Financing Sources (Uses)	(5,500,000)	(5,500,000)	(4,654,420)	845,580
Net Change in Fund Balance	(1,862,452)	(1,883,452)	4,571,436	6,454,888
Fund Balance - Beginning	12,209,573	12,209,573	12,209,573	-
Prior Year Encumbrances Appropriated	425,611	425,611	425,611	-
Fund Balance - Ending	<u>\$ 10,772,732</u>	<u>\$ 10,751,732</u>	<u>\$ 17,206,620</u>	<u>\$ 6,454,888</u>

See accompanying notes to the required supplementary information.

CITY OF MORAIN, OHIO
STREET CONSTRUCTION AND MAINTENANCE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 435,000	\$ 435,000	\$ 510,287	\$ 75,287
Investment Earnings	1,500	1,500	4,036	2,536
Miscellaneous	2,500	2,500	35,911	33,411
Total Revenues	<u>439,000</u>	<u>439,000</u>	<u>550,234</u>	<u>111,234</u>
EXPENDITURES				
HIGHWAY AND STREETS				
Streets Department				
Personnel Services	2,035,903	2,005,903	1,750,883	255,020
General Operating Expenses	421,836	451,836	368,582	83,254
Total Expenditures	<u>2,457,739</u>	<u>2,457,739</u>	<u>2,119,465</u>	<u>338,274</u>
Excess (deficiency) of revenues over (under)	<u>(2,018,739)</u>	<u>(2,018,739)</u>	<u>(1,569,231)</u>	<u>449,508</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,900,000	1,900,000	1,631,500	(268,500)
Total Other Financing Sources (Uses)	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,631,500</u>	<u>(268,500)</u>
Net Change in Fund Balance	(118,739)	(118,739)	62,269	181,008
Fund Balance - Beginning	131,195	131,195	131,195	-
Prior Year Encumbrances Appropriated	11,487	11,487	11,487	-
Fund Balance - Ending	<u>\$ 23,943</u>	<u>\$ 23,943</u>	<u>\$ 204,951</u>	<u>\$ 181,008</u>

See accompanying notes to the required supplementary information.

CITY OF MORAINE, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - TRADITIONAL PENSION PLAN
LAST SIX YEARS (1) (2)

	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.026116%	\$ 3,078,736	\$ 2,932,369	104.99%	86.36%
2015	0.026116%	3,151,149	3,201,850	98.42%	86.45%
2016	0.028964%	5,016,862	3,610,042	138.97%	81.08%
2017	0.031272%	7,101,268	4,038,675	175.83%	77.25%
2018	0.030042%	4,712,950	3,976,331	118.53%	84.66%
2019	0.026983%	7,390,147	4,093,286	180.54%	74.70%

(1) Information prior to 2014 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

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

Notes to Schedule:

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

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

CITY OF MORAINE, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO POLICE AND FIRE PENSION FUND
LAST SIX YEARS (1) (2)

	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.205342%	\$ 10,000,780	\$ 4,471,557	223.65%	73.00%
2015	0.205342%	10,637,551	4,220,732	252.03%	71.71%
2016	0.205708%	13,233,339	4,538,940	291.55%	66.77%
2017	0.211297%	13,383,401	4,721,005	283.49%	68.36%
2018	0.202243%	12,412,541	4,662,051	266.25%	70.91%
2019	0.198997%	16,243,444	4,464,941	363.80%	63.07%

(1) Information prior to 2014 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

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

Notes to Schedule:

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

CITY OF MORAIN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - TRADITIONAL PENSION PLAN
LAST SEVEN YEARS (1)

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013	\$ 381,208	\$ (381,208)	\$ -	\$ 2,932,369	13.00%
2014	384,222	(384,222)	-	3,201,850	12.00%
2015	433,205	(433,205)	-	3,610,042	12.00%
2016	484,641	(484,641)	-	4,038,675	12.00%
2017	516,923	(516,923)	-	3,976,331	13.00%
2018	573,060	(573,060)	-	4,093,286	14.00%
2019	555,101	(555,101)	-	3,965,007	14.00%

(1) Information prior to 2013 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

CITY OF MORAIN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO POLICE AND FIRE PENSION FUND
LAST SEVEN YEARS (1)

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013	\$ 763,742	\$ (763,742)	-	\$ 4,471,557	17.08%
2014	859,341	(859,341)	-	4,220,732	20.36%
2015	911,873	(911,873)	-	4,538,940	20.09%
2016	948,450	(948,450)	-	4,721,005	20.09%
2017	936,606	(936,606)	-	4,662,051	20.09%
2018	944,982	(944,982)	-	4,464,941	21.16%
2019	1,001,835	(1,001,835)	-	4,986,735	20.09%

(1) Information prior to 2013 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

CITY OF MORAIN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE YEARS (1) (2)

	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.029640%	\$ 2,993,762	\$ 4,038,675	74.13%	54.05%
2018	0.028416%	3,085,782	3,976,331	77.60%	54.14%
2019	0.025501%	3,324,662	4,093,286	81.22%	46.33%

(1) Information prior to 2017 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

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

Notes to Schedule:

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

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

CITY OF MORAINÉ, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO POLICE AND FIRE PENSION FUND
LAST THREE YEARS (1) (2)

	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.211298%	\$ 10,029,839	\$ 4,721,005	212.45%	15.96%
2018	0.202243%	11,458,781	4,662,051	245.79%	14.13%
2019	0.198997%	1,812,177	4,464,941	40.59%	46.57%

(1) Information prior to 2017 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

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

Notes to Schedule:

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

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

Change in benefits. Starting January 1, 2019, OP&F changed its retire health care model from the previous self-insured health care plan offered to a stipend-based health care model. The stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result from changing from the self-insured health care plan to the stipend-based health care model, OP&F expects that it will be able to provide stipends to eligible participants for the next 15 years.

CITY OF MORaine, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FIVE YEARS (1)

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 73,158	\$ (73,158)	-	\$ 3,610,042	2.00%
2016	81,881	(81,881)	-	4,038,675	2.00%
2017	40,250	(40,250)	-	3,976,331	1.00%
2018	-	-	-	4,093,286	0.00%
2019	400	(400)	-	3,965,007	0.01%

(1) Information prior to 2015 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

CITY OF MORAIN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO POLICE AND FIRE PENSION FUND
LAST FIVE YEARS (1)

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 21,060	\$ (21,060)	-	\$ 4,538,940	0.46%
2016	35,887	(35,887)	-	4,721,005	0.76%
2017	22,036	(22,036)	-	4,662,051	0.47%
2018	22,325	(22,325)	-	4,464,941	0.50%
2019	23,571	(23,571)	-	4,986,735	0.47%

(1) Information prior to 2015 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

CITY OF MORAINE, OHIO
Notes to Required Supplementary Information
For the Year Ended December 31, 2019

NOTE A-BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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

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

	Net Change in Fund Balance	
	General	Street Construction and Maintenance
GAAP Basis	\$ 5,062,410	\$ 132,489
Revenue Accruals	(12,718)	(13,503)
Expenditure Accruals	(5,490)	(49,506)
Encumbrances	(411,389)	(7,211)
Funds Budgeted Elsewhere	(61,377)	-
Budget Basis	\$ 4,571,436	\$ 62,269

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

**COMBINING FINANCIAL STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

CITY OF MORAINÉ, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS			
Equity in Pooled Cash and Investments	\$ 2,378,073	\$ 217,304	\$ 2,595,377
Cash in Segregated Accounts	500	-	500
Receivables:			
Property Tax	149,558	-	149,558
Payment in Lieu of Taxes	412,704	-	412,704
Intergovernmental	32,224	-	32,224
Loans	57,000	-	57,000
Total Assets	<u>\$ 3,030,059</u>	<u>\$ 217,304</u>	<u>\$ 3,247,363</u>
LIABILITIES			
Accounts Payable	\$ 12,465	\$ -	\$ 12,465
Salaries and Benefits Payable	122,576	-	122,576
Total Liabilities	<u>135,041</u>	<u>-</u>	<u>135,041</u>
DEFERRED INFLOWS OF RESOURCES:			
Property Taxes	144,120	-	144,120
Payment in Lieu of Taxes	412,704	-	412,704
Unavailable for:			
Delinquent Property Taxes	5,438	-	5,438
Intergovernmental	26,941	-	26,941
Total Deferred Inflows of Resources	<u>589,203</u>	<u>-</u>	<u>589,203</u>
FUND BALANCES			
Nonspendable:			
Long-term Receivables	29,000	-	29,000
Restricted for:			
Law Enforcement	324,335	-	324,335
Judiciary Programs	166,050	-	166,050
Cemetery Services	154,633	-	154,633
Debt Service	-	217,304	217,304
Street Repair and Maintenance	829,324	-	829,324
Economic Development	618,438	-	618,438
Committed for:			
Economic Development	211,471	-	211,471
Unassigned	(27,436)	-	(27,436)
Total Fund Balances	<u>2,305,815</u>	<u>217,304</u>	<u>2,523,119</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,030,059</u>	<u>\$ 217,304</u>	<u>\$ 3,247,363</u>

CITY OF MORAIN, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	State Highway Improvement	Cemetery	Motor Vehicle License Tax	Enforcement and Education	Mayor's Court Computer
ASSETS					
Equity in Pooled Cash and Investments	\$ 756,849	\$ 154,633	\$ 73,270	\$ 62,503	\$ 99,327
Cash in Segregated Accounts	-	-	-	-	300
Receivables:					
Property Tax	-	-	-	-	-
Payment in Lieu of Taxes	-	-	-	-	-
Intergovernmental	20,934	-	8,622	-	-
Loans	-	-	-	-	-
Total Assets	<u>\$ 777,783</u>	<u>\$ 154,633</u>	<u>\$ 81,892</u>	<u>\$ 62,503</u>	<u>\$ 99,627</u>
LIABILITIES					
Accounts Payable	\$ 2,646	\$ -	\$ 3,432	\$ -	\$ -
Salaries and Benefits Payable	-	-	-	-	-
Total Liabilities	<u>2,646</u>	<u>-</u>	<u>3,432</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	-	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-	-
Unavailable for:					
Delinquent Property Taxes	-	-	-	-	-
Intergovernmental	17,124	-	7,149	-	-
Total Deferred Inflows of Resources	<u>17,124</u>	<u>-</u>	<u>7,149</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Nonspendable					
Long-term Receivable	-	-	-	-	-
Restricted for:					
Law Enforcement	-	-	-	62,503	-
Judiciary Programs	-	-	-	-	99,627
Cemetery Services	-	154,633	-	-	-
Street Repair and Maintenance	758,013	-	71,311	-	-
Economic Development	-	-	-	-	-
Committed for:					
Economic Development	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	<u>758,013</u>	<u>154,633</u>	<u>71,311</u>	<u>62,503</u>	<u>99,627</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 777,783</u>	<u>\$ 154,633</u>	<u>\$ 81,892</u>	<u>\$ 62,503</u>	<u>\$ 99,627</u>

(continued)

CITY OF MORAIN, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019
(continued)

	Clerk of Court Computer	Economic Development	T.I.F.	Police Pension	Fire Pension
ASSETS					
Equity in Pooled Cash and Investments	\$ 66,223	\$ 189,858	\$ 618,438	\$ 45,540	\$ 49,600
Cash in Segregated Accounts	200	-	-	-	-
Receivables:					
Property Tax	-	-	-	74,779	74,779
Payment in Lieu of Taxes	-	-	412,704	-	-
Intergovernmental	-	-	-	1,334	1,334
Loans	-	57,000	-	-	-
Total Assets	<u>\$ 66,423</u>	<u>\$ 246,858</u>	<u>\$ 1,031,142</u>	<u>\$ 121,653</u>	<u>\$ 125,713</u>
LIABILITIES					
Accounts Payable	\$ -	\$ 6,387	\$ -	\$ -	\$ -
Salaries and Benefits Payable	-	-	-	56,839	65,737
Total Liabilities	<u>-</u>	<u>6,387</u>	<u>-</u>	<u>56,839</u>	<u>65,737</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	-	-	-	72,060	72,060
Payments in Lieu of Taxes	-	-	412,704	-	-
Unavailable for:					
Delinquent Property Taxes	-	-	-	2,719	2,719
Intergovernmental	-	-	-	1,334	1,334
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>412,704</u>	<u>76,113</u>	<u>76,113</u>
FUND BALANCE					
Nonspendable					
Long-term Receivable	-	29,000	-	-	-
Restricted for:					
Law Enforcement	-	-	-	-	-
Judiciary Programs	66,423	-	-	-	-
Cemetery Services	-	-	-	-	-
Street Repair and Maintenance	-	-	-	-	-
Economic Development	-	-	618,438	-	-
Committed for:					
Economic Development	-	211,471	-	-	-
Unassigned	-	-	-	(11,299)	(16,137)
Total Fund Balance	<u>66,423</u>	<u>240,471</u>	<u>618,438</u>	<u>(11,299)</u>	<u>(16,137)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 66,423</u>	<u>\$ 246,858</u>	<u>\$ 1,031,142</u>	<u>\$ 121,653</u>	<u>\$ 125,713</u>

(continued)

CITY OF MORAINE, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019
(continued)

	Federal Law Enforcement	State Law Enforcement	Drug Law Enforcement	Total Nonmajor Special Revenue Funds
ASSETS				
Equity in Pooled Cash and Investments	\$ 50,241	\$ 171,581	\$ 40,010	\$ 2,378,073
Cash in Segregated Accounts	-	-	-	500
Receivables:				
Property Tax	-	-	-	149,558
Payment in Lieu of Taxes	-	-	-	412,704
Intergovernmental	-	-	-	32,224
Loans	-	-	-	57,000
Total Assets	<u>\$ 50,241</u>	<u>\$ 171,581</u>	<u>\$ 40,010</u>	<u>\$ 3,030,059</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 12,465
Salaries and Benefits Payable	-	-	-	122,576
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,041</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	-	-	144,120
Payments in Lieu of Taxes	-	-	-	412,704
Unavailable for:				
Delinquent Property Taxes	-	-	-	5,438
Intergovernmental	-	-	-	26,941
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>589,203</u>
FUND BALANCE				
Nonspendable				
Long-term Receivable	-	-	-	29,000
Restricted for:				
Law Enforcement	50,241	171,581	40,010	324,335
Judiciary Programs	-	-	-	166,050
Cemetery Services	-	-	-	154,633
Street Repair and Maintenance	-	-	-	829,324
Economic Development	-	-	-	618,438
Committed for:				
Economic Development	-	-	-	211,471
Unassigned	-	-	-	(27,436)
Total Fund Balance	<u>50,241</u>	<u>171,581</u>	<u>40,010</u>	<u>2,305,815</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 50,241</u>	<u>\$ 171,581</u>	<u>\$ 40,010</u>	<u>\$ 3,030,059</u>

(concluded)

CITY OF MORAIN, OHIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES			
Taxes:			
Property	\$ 144,838	\$ -	\$ 144,838
Payment in Lieu of Taxes	366,017	-	366,017
Shared Revenues	114,341	-	114,341
Intergovernmental Grants	187,500	-	187,500
Charges for Services	3,500	-	3,500
Fines	41,613	-	41,613
Investment Earnings	39,127	2,651	41,778
Miscellaneous	373	-	373
Total Revenues	897,309	2,651	899,960
EXPENDITURES			
Current:			
General government	16,512	-	16,512
Public Safety	1,044,954	-	1,044,954
Highways and streets	152,385	-	152,385
Economic Development	1,538,102	-	1,538,102
Debt service			
Principal	210,000	-	210,000
Interest	180,600	-	180,600
Total Expenditures	3,142,553	-	3,142,553
Excess (deficiency) of revenues over (under) expenditures	(2,245,244)	2,651	(2,242,593)
OTHER FINANCING SOURCES			
Transfers in	1,079,500	52,335	1,131,835
Total Other Financing Sources	1,079,500	52,335	1,131,835
Net Change in Fund Balance	(1,165,744)	54,986	(1,110,758)
Fund Balance - Beginning	3,471,559	162,318	3,633,877
Fund Balance - Ending	\$ 2,305,815	\$ 217,304	\$ 2,523,119

CITY OF MORAIN, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	State Highway Improvement	Cemetery	Motor Vehicle License Tax	Enforcement and Education	Mayors' Court Computer
REVENUES					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Payment in Lieu of Taxes	-	-	-	-	-
Shared Revenues	42,537	-	23,592	-	-
Intergovernmental Grants	-	-	-	-	-
Charges for Services	-	3,500	-	-	-
Fines	-	-	-	1,204	5,951
Investment Earnings	13,531	2,527	1,412	1,032	-
Miscellaneous	-	373	-	-	-
Total Revenues	<u>56,068</u>	<u>6,400</u>	<u>25,004</u>	<u>2,236</u>	<u>5,951</u>
EXPENDITURES					
Current:					
General Government	-	1,562	-	-	8,970
Public Safety	-	-	-	-	-
Highways and Streets	111,448	-	40,937	-	-
Economic Development	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>111,448</u>	<u>1,562</u>	<u>40,937</u>	<u>-</u>	<u>8,970</u>
Excess (deficiency) of Revenues Over (under) Expenditures	<u>(55,380)</u>	<u>4,838</u>	<u>(15,933)</u>	<u>2,236</u>	<u>(3,019)</u>
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(55,380)	4,838	(15,933)	2,236	(3,019)
Fund Balance - Beginning	813,393	149,795	87,244	60,267	102,646
Fund Balance - Ending	<u>\$ 758,013</u>	<u>\$ 154,633</u>	<u>\$ 71,311</u>	<u>\$ 62,503</u>	<u>\$ 99,627</u>

(continued)

CITY OF MORAIN, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019
(Continued)

	Clerk of Court Computer	Economic Development	T.I.F.	Police Pension	Fire Pension
REVENUES					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ 72,419	\$ 72,419
Payment in Lieu of Taxes	-	893	365,124	-	-
Shared Revenues	-	-	42,840	2,686	2,686
Intergovernmental Grants	-	187,500	-	-	-
Charges for Services	-	-	-	-	-
Fines	3,906	-	-	-	-
Investment Earnings	-	-	15,639	552	560
Miscellaneous	-	-	-	-	-
Total Revenues	<u>3,906</u>	<u>188,393</u>	<u>423,603</u>	<u>75,657</u>	<u>75,665</u>
EXPENDITURES					
Current:					
General Government	5,980	-	-	-	-
Public Safety	-	-	-	466,037	573,099
Highways and Streets	-	-	-	-	-
Economic Development	-	1,335,309	202,793	-	-
Debt service					
Principal	-	-	210,000	-	-
Interest	-	-	180,600	-	-
Total Expenditures	<u>5,980</u>	<u>1,335,309</u>	<u>593,393</u>	<u>466,037</u>	<u>573,099</u>
Excess (deficiency) of Revenues Over (under) Expenditures	<u>(2,074)</u>	<u>(1,146,916)</u>	<u>(169,790)</u>	<u>(390,380)</u>	<u>(497,434)</u>
OTHER FINANCING SOURCES					
Transfers in	-	180,000	-	395,000	504,500
Total Other Financing Sources	<u>-</u>	<u>180,000</u>	<u>-</u>	<u>395,000</u>	<u>504,500</u>
Net Change in Fund Balance	(2,074)	(966,916)	(169,790)	4,620	7,066
Fund Balance - Beginning	68,497	1,207,387	788,228	(15,919)	(23,203)
Fund Balance - Ending	<u>\$ 66,423</u>	<u>\$ 240,471</u>	<u>\$ 618,438</u>	<u>\$ (11,299)</u>	<u>\$ (16,137)</u>

(continued)

CITY OF MORAIN, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019
(Continued)

	<u>Federal Law Enforcement</u>	<u>State Law Enforcement</u>	<u>Drug Law Enforcement</u>	<u>Total Nonmajor Special Revenue Funds</u>
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 144,838
Payment in Lieu of Taxes	-	-	-	366,017
Shared Revenues	-	-	-	114,341
Intergovernmental Grants	-	-	-	187,500
Charges for Services	-	-	-	3,500
Fines	-	30,552	-	41,613
Investment Earnings	838	2,368	668	39,127
Miscellaneous	-	-	-	373
Total Revenues	<u>838</u>	<u>32,920</u>	<u>668</u>	<u>897,309</u>
EXPENDITURES				
Current:				
General government	-	-	-	16,512
Public Safety	-	5,818	-	1,044,954
Highways and streets	-	-	-	152,385
Economic development	-	-	-	1,538,102
Debt service				
Principal	-	-	-	210,000
Interest	-	-	-	180,600
Total Expenditures	<u>-</u>	<u>5,818</u>	<u>-</u>	<u>3,142,553</u>
Excess (deficiency) of Revenues Over (under) Expenditures	<u>838</u>	<u>27,102</u>	<u>668</u>	<u>(2,245,244)</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	-	1,079,500
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,079,500</u>
Net Change in Fund Balance	838	27,102	668	(1,165,744)
Fund Balance - Beginning	49,403	144,479	39,342	3,471,559
Fund Balance - Ending	<u>\$ 50,241</u>	<u>\$ 171,581</u>	<u>\$ 40,010</u>	<u>\$ 2,305,815</u>

(concluded)

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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 34,000	\$ 34,000	\$ 41,375	\$ 7,375
Investment Earnings	7,500	7,500	13,819	6,319
Total Revenues	<u>41,500</u>	<u>41,500</u>	<u>55,194</u>	<u>13,694</u>
EXPENDITURES				
HIGHWAY AND STREETS				
Street Department				
General Operating Expenses	155,569	155,569	114,359	41,210
Total Expenditures	<u>155,569</u>	<u>155,569</u>	<u>114,359</u>	<u>41,210</u>
Net Change in Fund Balance	(114,069)	(114,069)	(59,165)	54,904
Fund Balance - Beginning	794,742	794,742	794,742	-
Prior Year Encumbrances Appropriated	23,369	23,369	23,369	-
Fund Balance - Ending	<u>\$ 704,042</u>	<u>\$ 704,042</u>	<u>\$ 758,946</u>	<u>\$ 54,904</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 5,500	\$ 5,500	\$ 3,500	\$ (2,000)
Investment Earnings	1,200	1,200	2,729	1,529
Miscellaneous	500	500	373	(127)
Total Revenues	<u>7,200</u>	<u>7,200</u>	<u>6,602</u>	<u>(598)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Building and Park Maintenance				
General Operating Expenses	12,500	12,500	3,011	9,489
Total Expenditures	<u>12,500</u>	<u>12,500</u>	<u>3,011</u>	<u>9,489</u>
Net Change in Fund Balance	(5,300)	(5,300)	3,591	8,891
Fund Balance - Beginning	149,890	149,890	149,890	-
Prior Year Encumbrances Appropriated	1,250	1,250	1,250	-
Fund Balance - Ending	<u>\$ 145,840</u>	<u>\$ 145,840</u>	<u>\$ 154,731</u>	<u>\$ 8,891</u>

CITY OF MORAINÉ, 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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 23,500	\$ 23,500	\$ 23,702	\$ 202
Investment Earnings	800	800	1,373	573
Total Revenues	<u>24,300</u>	<u>24,300</u>	<u>25,075</u>	<u>775</u>
EXPENDITURES				
HIGHWAY AND STREETS				
Street Department				
General Operating Expenses	62,016	62,016	45,863	16,153
Total Expenditures	<u>62,016</u>	<u>62,016</u>	<u>45,863</u>	<u>16,153</u>
Net Change in Fund Balance	(37,716)	(37,716)	(20,788)	16,928
Fund Balance - Beginning	75,454	75,454	75,454	-
Prior Year Encumbrances Appropriated	11,216	11,216	11,216	
Fund Balance - Ending	<u>\$ 48,954</u>	<u>\$ 48,954</u>	<u>\$ 65,882</u>	<u>\$ 16,928</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Fines	\$ 600	\$ 600	\$ 1,204	\$ 604
Investment Earnings	500	500	1,116	616
Total Revenues	<u>1,100</u>	<u>1,100</u>	<u>2,320</u>	<u>1,220</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
General Operating Expenses	4,500	4,500	-	4,500
Total Expenditures	<u>4,500</u>	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Net Change in Fund Balance	(3,400)	(3,400)	2,320	5,720
Fund Balance - Beginning	60,810	60,810	60,810	-
Fund Balance - Ending	<u>\$ 57,410</u>	<u>\$ 57,410</u>	<u>\$ 63,130</u>	<u>\$ 5,720</u>

CITY OF MORAINE, OHIO
MAYOR'S COURT COMPUTER FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Fines	\$ 6,000	\$ 6,000	\$ 5,731	\$ (269)
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>5,731</u>	<u>(269)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Mayor's Court				
General Operating Expenses	-	16,800	10,230	6,570
Total Expenditures	<u>-</u>	<u>16,800</u>	<u>10,230</u>	<u>6,570</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,000</u>	<u>(10,800)</u>	<u>(4,499)</u>	<u>6,301</u>
Net Change in Fund Balance	6,000	(10,800)	(4,499)	6,301
Fund Balance - Beginning	102,566	102,566	102,566	-
Fund Balance - Ending	<u>\$ 108,566</u>	<u>\$ 91,766</u>	<u>\$ 98,067</u>	<u>\$ 6,301</u>

CITY OF MORAIN, OHIO
CLERK OF COURTS COMPUTER FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Fines	\$ 4,000	\$ 4,000	\$ 3,826	\$ (174)
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>3,826</u>	<u>(174)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Clerk of Courts				
General Operating Expenses	11,200	11,200	6,820	4,380
Total Expenditures	<u>11,200</u>	<u>11,200</u>	<u>6,820</u>	<u>4,380</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,200)</u>	<u>(7,200)</u>	<u>(2,994)</u>	<u>4,206</u>
Net Change in Fund Balance	(7,200)	(7,200)	(2,994)	4,206
Fund Balance - Beginning	68,377	68,377	68,377	-
Fund Balance - Ending	<u>\$ 61,177</u>	<u>\$ 61,177</u>	<u>\$ 65,383</u>	<u>\$ 4,206</u>

CITY OF MORAIN, OHIO
ECONOMIC DEVELOPMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Payment in lieu of taxes	\$ -	\$ -	\$ 893	\$ 893
Intergovernmental	250,000	250,000	187,500	(62,500)
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>188,393</u>	<u>(61,607)</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Economic Development				
General operating expenses	314,000	314,000	300,922	13,078
Total Expenditures	<u>314,000</u>	<u>314,000</u>	<u>300,922</u>	<u>13,078</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(64,000)</u>	<u>(64,000)</u>	<u>(112,529)</u>	<u>(48,529)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	350,000	350,000	180,000	(170,000)
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>350,000</u>	<u>180,000</u>	<u>(170,000)</u>
Net Change in Fund Balance	286,000	286,000	67,471	(218,529)
Fund Balance - Beginning	122,389	122,389	122,389	-
Fund Balance - Ending	<u>\$ 408,389</u>	<u>\$ 408,389</u>	<u>\$ 189,860</u>	<u>\$ (218,529)</u>

CITY OF MORaine, 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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Payments in lieu of taxes	\$ 360,000	\$ 360,000	\$ 365,124	\$ 5,124
Intergovernmental Grants	42,000	42,000	42,840	840
Investment Earnings	8,000	8,000	14,745	6,745
Total Revenues	<u>410,000</u>	<u>410,000</u>	<u>422,709</u>	<u>12,709</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Engineer				
General operating expenses	128,700	210,700	202,793	7,907
DEBT SERVICE				
Principal Retirement	210,000	210,000	210,000	-
Interest	180,600	180,600	180,600	-
Total Expenditures	<u>519,300</u>	<u>601,300</u>	<u>593,393</u>	<u>7,907</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(109,300)</u>	<u>(191,300)</u>	<u>(170,684)</u>	<u>20,616</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	150,000	150,000	-	(150,000)
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
Net Change in Fund Balance	40,700	(41,300)	(170,684)	(129,384)
Fund Balance - Beginning	795,312	795,312	795,312	-
Fund Balance - Ending	<u>\$ 836,012</u>	<u>\$ 754,012</u>	<u>\$ 624,628</u>	<u>\$ (129,384)</u>

CITY OF MORAINE, OHIO
POLICE PENSION FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 71,272	\$ 71,272	\$ 72,419	\$ 1,147
Intergovernmental	2,550	2,550	2,686	136
Investment Earnings	275	275	687	412
Total Revenues	<u>74,097</u>	<u>74,097</u>	<u>75,792</u>	<u>1,695</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
Personnel	545,240	545,240	459,717	85,523
General operating expense	1,500	1,500	1,098	402
Total Expenditures	<u>546,740</u>	<u>546,740</u>	<u>460,815</u>	<u>85,925</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(472,643)</u>	<u>(472,643)</u>	<u>(385,023)</u>	<u>87,620</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	490,000	490,000	395,000	(95,000)
Total Other Financing Sources (Uses)	<u>490,000</u>	<u>490,000</u>	<u>395,000</u>	<u>(95,000)</u>
Net Change in Fund Balance	17,357	17,357	9,977	(7,380)
Fund Balance - Beginning	36,019	36,019	36,019	-
Fund Balance - Ending	<u>\$ 53,376</u>	<u>\$ 53,376</u>	<u>\$ 45,996</u>	<u>\$ (7,380)</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 71,272	\$ 71,272	\$ 72,419	\$ 1,147
Intergovernmental	2,550	255	2,686	2,431
Investment Earnings	250	250	728	478
Total Revenues	<u>74,072</u>	<u>71,777</u>	<u>75,833</u>	<u>4,056</u>
EXPENDITURES				
PUBLIC SAFETY				
Fire				
Personnel	601,910	601,910	565,990	35,920
General operating expense	1,500	1,500	1,098	402
Total Expenditures	<u>603,410</u>	<u>603,410</u>	<u>567,088</u>	<u>36,322</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(529,338)</u>	<u>(531,633)</u>	<u>(491,255)</u>	<u>40,378</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	530,000	530,000	504,500	(25,500)
Total Other Financing Sources (Uses)	<u>530,000</u>	<u>530,000</u>	<u>504,500</u>	<u>(25,500)</u>
Net Change in Fund Balance	662	(1,633)	13,245	14,878
Fund Balance - Beginning	36,852	36,852	36,852	-
Fund Balance - Ending	<u>\$ 37,514</u>	<u>\$ 35,219</u>	<u>\$ 50,097</u>	<u>\$ 14,878</u>

CITY OF MORAINÉ, 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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 400	\$ 400	\$ 898	\$ 498
Fines	5,000	5,000	-	(5,000)
Total Revenues	<u>5,400</u>	<u>5,400</u>	<u>898</u>	<u>(4,502)</u>
EXPENDITURES				
PUBLIC SAFETY				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	5,400	5,400	898	(4,502)
Fund Balance - Beginning	49,846	49,846	49,846	-
Fund Balance - Ending	<u>\$ 55,246</u>	<u>\$ 55,246</u>	<u>\$ 50,744</u>	<u>\$ (4,502)</u>

CITY OF MORAIN, OHIO
STATE LAW ENFORCEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Fines	\$ 5,000	\$ 5,000	\$ 30,552	\$ 25,552
Investment Earnings	1,000	1,000	2,787	1,787
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>33,339</u>	<u>27,339</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
General operating expense	29,100	29,100	5,818	23,282
Total Expenditures	<u>29,100</u>	<u>29,100</u>	<u>5,818</u>	<u>23,282</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,100)</u>	<u>(23,100)</u>	<u>27,521</u>	<u>50,621</u>
Net Change in Fund Balance	(23,100)	(23,100)	27,521	50,621
Fund Balance - Beginning	145,776	145,776	145,776	-
Fund Balance - Ending	<u>\$ 122,676</u>	<u>\$ 122,676</u>	<u>\$ 173,297</u>	<u>\$ 50,621</u>

CITY OF MORAIN, OHIO
DRUG LAW ENFORCEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 325	\$ 325	\$ 715	\$ 390
Total Revenues	<u>325</u>	<u>325</u>	<u>715</u>	<u>390</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
General operating expense	7,000	7,000	-	7,000
Total Expenditures	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Net Change in Fund Balance	(6,675)	(6,675)	715	7,390
Fund Balance - Beginning	39,695	39,695	39,695	-
Fund Balance - Ending	<u>\$ 33,020</u>	<u>\$ 33,020</u>	<u>\$ 40,410</u>	<u>\$ 7,390</u>

CITY OF MORAINE, 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 204,100	\$ 204,100	\$ 182,735	\$ (21,365)
Investment Earnings	2,000	2,000	4,154	2,154
Grants	28,000	28,000	30,537	2,537
Miscellaneous	2,000	2,000	11,970	9,970
Total Revenues	<u>236,100</u>	<u>236,100</u>	<u>229,396</u>	<u>(6,704)</u>
EXPENDITURES				
CULTURE AND RECREATION				
Civic Center				
Personnel services	352,555	352,555	221,461	131,094
General operating expenses	64,972	64,972	43,095	21,877
Total Civic Center	<u>417,527</u>	<u>417,527</u>	<u>264,556</u>	<u>152,971</u>
Recreational Center				
Personnel services	644,133	644,133	565,565	78,568
General operating expenses	208,248	208,248	142,038	66,210
Total Recreational Center	<u>852,381</u>	<u>852,381</u>	<u>707,603</u>	<u>144,778</u>
Parks & Recreation Programs				
General operating expenses	79,936	79,936	50,845	29,091
Total Parks & Recreation Programs	<u>79,936</u>	<u>79,936</u>	<u>50,845</u>	<u>29,091</u>
Total Expenditures	<u>1,349,844</u>	<u>1,349,844</u>	<u>1,023,004</u>	<u>326,840</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,113,744)</u>	<u>(1,113,744)</u>	<u>(793,608)</u>	<u>320,136</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,025,000	1,025,000	810,500	(214,500)
Total Other Financing Sources (Uses)	<u>1,025,000</u>	<u>1,025,000</u>	<u>810,500</u>	<u>(214,500)</u>
Net Change in Fund Balance	(88,744)	(88,744)	16,892	105,636
Fund Balance - Beginning	133,900	133,900	133,900	-
Prior Year Encumbrances Appropriated	46,762	46,762	46,762	-
Fund Balance - Ending	<u>\$ 91,918</u>	<u>\$ 91,918</u>	<u>\$ 197,554</u>	<u>\$ 105,636</u>

CITY OF MORaine, OHIO
CITY DEPOSITS FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Miscellaneous	\$ 11,100	\$ 11,100	\$ 11,932	\$ 832
Total Revenues	<u>11,100</u>	<u>11,100</u>	<u>11,932</u>	<u>832</u>
EXPENDITURES				
GENERAL GOVERNMENT				
General operating expenses	250	250	-	250
Total General Government	<u>250</u>	<u>250</u>	<u>-</u>	<u>250</u>
CULTURE AND RECREATION				
General operating expenses	18,000	18,000	13,575	4,425
Total Culture and Recreation	<u>18,000</u>	<u>18,000</u>	<u>13,575</u>	<u>4,425</u>
Total Expenditures	<u>18,250</u>	<u>18,250</u>	<u>13,575</u>	<u>4,675</u>
Net Change in Fund Balance	(7,150)	(7,150)	(1,643)	5,507
Fund Balance - Beginning	43,170	43,170	43,170	-
Fund Balance - Ending	<u>\$ 36,020</u>	<u>\$ 36,020</u>	<u>\$ 41,527</u>	<u>\$ 5,507</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 1,350	\$ 1,350	\$ 3,367	\$ 2,017
Total Revenues	<u>1,350</u>	<u>1,350</u>	<u>3,367</u>	<u>2,017</u>
EXPENDITURES				
DEBT SERVICE				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,350</u>	<u>1,350</u>	<u>3,367</u>	<u>2,017</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	52,335	52,335
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>52,335</u>	<u>52,335</u>
Net Change in Fund Balance	1,350	1,350	55,702	54,352
Fund Balance - Beginning	163,777	163,777	163,777	-
Fund Balance - Ending	<u>\$ 165,127</u>	<u>\$ 165,127</u>	<u>\$ 219,479</u>	<u>\$ 54,352</u>

CITY OF MORAIN, OHIO
CAPITAL IMPROVEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 38,500	\$ 38,500	\$ 50,000	\$ 11,500
Grants	1,782,943	1,782,943	828,566	(954,377)
Miscellaneous	300,000	300,000	105,121	(194,879)
Total Revenues	<u>2,121,443</u>	<u>2,121,443</u>	<u>983,687</u>	<u>(1,137,756)</u>
EXPENDITURES				
CAPITAL OUTLAY				
General Government	1,162,896	1,162,896	915,668	247,228
Public Safety	635,178	507,178	459,969	47,209
Highways and Streets	2,998,019	3,096,719	2,527,081	569,638
Health and Welfare	144,480	144,480	47,256	97,224
Culture-Recreation	3,288	153,288	19,804	133,484
Economic Development	72,500	72,500	-	72,500
DEBT SERVICE				
Principal	183,420	183,420	183,074	346
Interest	24,464	24,464	24,464	-
Total Expenditures	<u>5,224,245</u>	<u>5,344,945</u>	<u>4,177,316</u>	<u>1,167,629</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,102,802)</u>	<u>(3,223,502)</u>	<u>(3,193,629)</u>	<u>29,873</u>
OTHER FINANCING SOURCES				
Transfers in	3,000,000	3,000,000	2,000,000	(1,000,000)
Total Other Financing Sources	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,000,000</u>	<u>(1,000,000)</u>
Net Change in Fund Balance	(102,802)	(223,502)	(1,193,629)	(970,127)
Fund Balance - Beginning	484,813	484,813	484,813	-
Prior Year Encumbrances Appropriated	1,126,561	1,126,561	1,126,561	-
Fund Balance - Ending	<u>\$ 1,508,572</u>	<u>\$ 1,387,872</u>	<u>\$ 417,745</u>	<u>\$ (970,127)</u>

CITY OF MORAINÉ, OHIO
VANCE DARROCH CAPITAL PROJECT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
CAPITAL OUTLAY				
Highways and Streets	2,961,127	3,759,151	3,280,421	478,730
DEBT SERVICE				
Principal	3,775,000	3,775,000	3,775,000	-
Interest	113,250	113,250	113,250	-
Cost of Issuance	15,000	15,000	14,250	750
Total Expenditures	<u>6,864,377</u>	<u>7,662,401</u>	<u>7,182,921</u>	<u>479,480</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,864,377)</u>	<u>(7,662,401)</u>	<u>(7,182,921)</u>	<u>479,480</u>
OTHER FINANCING SOURCES				
Proceeds from debt issuance	5,000,000	5,000,000	8,000,000	3,000,000
Premium on debt issuance	-	-	8,298	8,298
Transfers in	1,000,000	3,700,000	-	(3,700,000)
Transfers out	-	(52,340)	(52,335)	5
Advances in	-	-	698,024	698,024
Advances out	-	-	(698,024)	(698,024)
Total Other Financing Sources	<u>6,000,000</u>	<u>8,647,660</u>	<u>7,955,963</u>	<u>(691,697)</u>
Net Change in Fund Balance	(864,377)	985,259	773,042	(212,217)
Fund Balance - Beginning	973,064	973,064	973,064	-
Prior Year Encumbrances Appropriated	756,127	756,127	756,127	-
Fund Balance - Ending	<u>\$ 864,814</u>	<u>\$ 2,714,450</u>	<u>\$ 2,502,233</u>	<u>\$ (212,217)</u>

CITY OF MORAIN, OHIO
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2019

	<u>City Garage</u>	<u>Insurance Reserve</u>	<u>Health Insurance</u>	<u>Total Internal Service Funds</u>
ASSETS				
CURRENT ASSETS				
Equity in Pooled Cash and Investments	\$ 352,432	\$ 1,407,319	\$ 542,030	\$ 2,301,781
Receivables:				
Accounts	-	3,888	-	3,888
Inventories	109,830	-	-	109,830
Total Current Assets	<u>462,262</u>	<u>1,411,207</u>	<u>542,030</u>	<u>2,415,499</u>
NON-CURRENT ASSETS				
Capital Assets, Net	12,913	-	-	12,913
Total Assets	<u>475,175</u>	<u>1,411,207</u>	<u>542,030</u>	<u>2,428,412</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Pensions and OPEB	133,768	-	-	133,768
Total Deferred Outflows of Resources	<u>133,768</u>	<u>-</u>	<u>-</u>	<u>133,768</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	18,928	88	-	19,016
Salaries and Benefits Payable	12,897	-	-	12,897
Compensated Absences Payable	6,327	-	-	6,327
Insurance Claims Payable	-	-	91,604	91,604
Total Current Liabilities	<u>38,152</u>	<u>88</u>	<u>91,604</u>	<u>129,844</u>
LONG-TERM LIABILITIES				
Compensated Absences Payable	100,639	-	-	100,639
Net Pension Liability	371,364	-	-	371,364
Net OPEB Liability	170,739	-	-	170,739
Total Long-Term Liabilities	<u>642,742</u>	<u>-</u>	<u>-</u>	<u>642,742</u>
Total Liabilities	<u>680,894</u>	<u>88</u>	<u>91,604</u>	<u>772,586</u>
DEFERRED INFLOWS OF RESOURCES:				
Pensions and OPEB	42,142	-	-	42,142
Total Deferred Inflows of Resources	<u>42,142</u>	<u>-</u>	<u>-</u>	<u>42,142</u>
NET POSITION				
Investment in Capital Assets	12,913	-	-	12,913
Unrestricted	(127,006)	1,411,119	450,426	1,734,539
Total Net Position	<u>\$ (114,093)</u>	<u>\$ 1,411,119</u>	<u>\$ 450,426</u>	<u>\$ 1,747,452</u>

CITY OF MORAIN, OHIO
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2019

	<u>City Garage</u>	<u>Insurance Reserve</u>	<u>Health Insurance</u>	<u>Total Internal Service Funds</u>
Operating Revenues				
Charges for Services	\$ 559,787	\$ -	\$ 2,391,481	\$ 2,951,268
Miscellaneous	5,265	39,223	-	44,488
Total Operating Revenues	<u>565,052</u>	<u>39,223</u>	<u>2,391,481</u>	<u>2,995,756</u>
Operating Expenses				
Personal Services	400,626	-	-	400,626
Contractual Services	26,763	33,195	416,170	476,128
Supplies and Materials	185,882	-	-	185,882
Claims and Judgements	-	27,205	1,786,479	1,813,684
Depreciation Expense	1,435	-	-	1,435
Total Operating Expenses	<u>614,706</u>	<u>60,400</u>	<u>2,202,649</u>	<u>2,877,755</u>
Operating Income (Loss)	<u>(49,654)</u>	<u>(21,177)</u>	<u>188,832</u>	<u>118,001</u>
Non-operating Revenues				
Investment Earnings	-	23,675	6,740	30,415
Total Non-operating Revenues	<u>-</u>	<u>23,675</u>	<u>6,740</u>	<u>30,415</u>
Change in Net Position	<u>(49,654)</u>	<u>2,498</u>	<u>195,572</u>	<u>148,416</u>
Total Net Position - Beginning	<u>(64,439)</u>	<u>1,408,621</u>	<u>254,854</u>	<u>1,599,036</u>
Total Net Position - Ending	<u>\$ (114,093)</u>	<u>\$ 1,411,119</u>	<u>\$ 450,426</u>	<u>\$ 1,747,452</u>

CITY OF MORAINE, OHIO
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2019

	City Garage	Insurance Reserve	Health Insurance	Total Internal Service Funds
Cash Flows From Operating Activities				
Cash received for interfund services	\$ 559,787	\$ -	\$ 2,391,481	\$ 2,951,268
Miscellaneous receipts & reimbursements	5,265	50,835	-	56,100
Cash paid to employees for services	(329,428)	-	-	(329,428)
Cash paid to suppliers for goods or services	(205,156)	(44,532)	(416,547)	(666,235)
Cash paid for insurance claims	-	(34,295)	(1,807,384)	(1,841,679)
Net cash provided (used) by operating activities	<u>30,468</u>	<u>(27,992)</u>	<u>167,550</u>	<u>170,026</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition of Capital Assets	(14,348)	-	-	(14,348)
Net cash used by capital and related financing activities	<u>(14,348)</u>	<u>-</u>	<u>-</u>	<u>(14,348)</u>
Cash Flows From Investing Activities				
Investment earnings	-	23,675	6,740	30,415
Net cash provided by investing activities	<u>-</u>	<u>23,675</u>	<u>6,740</u>	<u>30,415</u>
Net Change	16,120	(4,317)	174,290	200,441
Equity in Pooled Cash and Investments Beginning of Year	336,312	1,411,636	367,740	2,115,688
Equity in Pooled Cash and Investments End of Year	<u>\$ 352,432</u>	<u>\$ 1,407,319</u>	<u>\$ 542,030</u>	<u>\$ 2,316,129</u>
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (49,654)	\$ (21,177)	\$ 188,832	\$ 118,001
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1,435	-	-	1,435
Decrease in accounts receivables	-	11,612	-	11,612
Increase in inventories	(11,359)	-	-	(11,359)
Increase in deferred outflows of resources	(55,767)	-	-	(55,767)
Increase (decrease) in accounts payable	18,848	(11,337)	(377)	7,134
Increase in salaries and benefits payable	9,399	-	-	9,399
Decrease in insurance claims payable	-	(7,090)	(20,905)	(27,995)
Increase in compensated absences payable	5,834	-	-	5,834
Increase in net pension liabilities	142,240	-	-	142,240
Increase in net OPEB liabilities	12,692	-	-	12,692
Decrease in deferred inflows of resources	(43,200)	-	-	(43,200)
Net cash provided (used) by operating activities	<u>\$ 30,468</u>	<u>\$ (27,992)</u>	<u>\$ 167,550</u>	<u>\$ 170,026</u>

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STATISTICAL SECTION

STATISTICAL SECTION

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

Contents:

Financial Trends (Tables 1-4)

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules can be found on pages 113 to 117.

Revenue Capacity (Tables 5-10)

These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, income and property taxes. These schedules can be found on pages 118 to 123.

Debt Capacity (Tables 11-13)

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt as well as the City's ability to issue additional debt in the future. These schedules can be found on pages 124 to 126.

Demographic and Economic Information (Tables 14-15)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. These schedules can be found on pages 127 and 128.

Operating Information (Tables 16-18)

These schedules contain information about the City's operation and resources to help the reader understand how the City's financial information relates to the services provided and activities performed. These schedules can be found on pages 129 to 131.

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

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

TABLE 1

	<u>2010</u> ⁽¹⁾	<u>2011</u> ⁽¹⁾	<u>2012</u>	<u>2013</u>	<u>2014</u> ⁽²⁾	<u>2015</u>	<u>2016</u>	<u>2017</u> ⁽³⁾	<u>2018</u> ⁽⁴⁾	<u>2019</u>
Governmental activities										
Net Investment in Capital Assets	\$ 29,438	\$ 29,263	\$ 27,607	\$ 26,822	\$ 25,033	\$ 24,836	\$ 24,221	\$ 23,229	\$ 23,477	\$ 24,170
Restricted for:										
Debt service	0	0	131	136	137	133	136	144	145	199
Special revenue	2,382	1,947	1,498	1,580	1,581	1,927	2,146	2,363	1,543	1,507
Capital projects	3,464	4,475	4,924	4,240	3,913	2,753	2,109	2,140	0	112
Unrestricted	8,942	5,018	1,840	2,866	(8,219)	(6,073)	(4,096)	(16,813)	(14,538)	(3,073)
Total government activities net position	<u>44,226</u>	<u>40,703</u>	<u>36,000</u>	<u>35,644</u>	<u>22,445</u>	<u>23,576</u>	<u>24,516</u>	<u>11,063</u>	<u>10,627</u>	<u>22,915</u>
Business-type activities										
Unrestricted	581	594	598	605	609	614	619	623	627	638
Total business-type activities net position	<u>581</u>	<u>594</u>	<u>598</u>	<u>605</u>	<u>609</u>	<u>614</u>	<u>619</u>	<u>623</u>	<u>627</u>	<u>638</u>
Primary government										
Net Investment in Capital Assets	29,438	29,263	27,607	26,822	25,033	24,836	24,221	23,229	23,477	24,170
Restricted	5,846	6,422	6,553	5,956	5,631	4,813	4,391	4,647	1,688	1,818
Unrestricted	9,523	5,612	2,438	3,471	(7,610)	(5,459)	(3,477)	(16,190)	(13,911)	(2,435)
Total primary government net position	<u>\$ 44,807</u>	<u>\$ 41,297</u>	<u>\$ 36,598</u>	<u>\$ 36,249</u>	<u>\$ 23,054</u>	<u>\$ 24,190</u>	<u>\$ 25,135</u>	<u>\$ 11,686</u>	<u>\$ 11,254</u>	<u>\$ 23,553</u>

Note:

- (1) - restated for implementation of GASB 65.
- (2) - restated for implementation of GASB 68 and certain other corrections.
- (3) - restated for implementation of GASB 75.
- (4) - restated for implementation of GASB 84 and correction of misclassification.

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

	<u>2010</u> ⁽¹⁾	<u>2011</u> ⁽¹⁾	<u>2012</u>	<u>2013</u>	<u>2014</u> ⁽²⁾	<u>2015</u> ⁽³⁾	<u>2016</u>	<u>2017</u> ⁽⁴⁾	<u>2018</u> ⁽⁵⁾	<u>2019</u>
Expenses										
Governmental activities:										
General government	\$ 4,079	\$ 3,277	\$ 3,663	\$ 3,356	\$ 3,634	\$ 3,735	\$ 4,248	\$ 4,443	\$ 4,696	\$ 4,948
Public safety	8,731	8,852	8,147	8,426	8,014	8,901	9,601	9,586	10,536	1,800
Highways and streets	3,658	3,638	3,415	3,233	3,612	4,644	5,599	5,018	5,233	3,978
Sanitation	346	284	308	326	303	288	287	549	306	380
Culture and recreation	1,249	1,113	1,109	1,093	991	1,387	1,171	1,426	1,256	1,362
Economic development	326	1,005	479	252	730	343	1,534	553	629	2,193
Health and welfare	83	86	213	36	116	161	152	179	178	-
Interest and fiscal charges	265	302	294	250	248	251	250	384	285	327
Total governmental activities expenses	<u>18,737</u>	<u>18,557</u>	<u>17,628</u>	<u>16,972</u>	<u>17,648</u>	<u>19,710</u>	<u>22,842</u>	<u>22,138</u>	<u>23,119</u>	<u>14,988</u>
Total primary government expenses	<u>18,737</u>	<u>18,557</u>	<u>17,628</u>	<u>16,972</u>	<u>17,648</u>	<u>19,710</u>	<u>22,842</u>	<u>22,138</u>	<u>23,119</u>	<u>14,988</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	410	650	477	444	408	421	498	438	301	505
Public safety	372	612	429	354	295	488	529	392	387	350
Sanitation	-	-	6	3	14	-	-	1	-	-
Culture and recreation	-	-	207	215	195	259	188	187	177	231
Operating grants and contributions	351	72	451	600	764	823	1,399	785	660	1,016
Capital grants and contributions	1,044	1,950	382	757	128	1,810	1,374	-	853	1,669
Total governmental activities program revenues	<u>2,177</u>	<u>3,284</u>	<u>1,952</u>	<u>2,373</u>	<u>1,804</u>	<u>3,801</u>	<u>3,988</u>	<u>1,803</u>	<u>2,378</u>	<u>3,771</u>
Business-type activities:										
Charges for services:	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenues	<u>2,177</u>	<u>3,284</u>	<u>1,952</u>	<u>2,373</u>	<u>1,804</u>	<u>3,801</u>	<u>3,988</u>	<u>1,803</u>	<u>2,378</u>	<u>3,771</u>

Note:

- (1) - restated for implementation of GASB 65.
- (2) - restated for correction of errors. Information necessary to restate the 2014 beginning balance and 2014 pension expense amounts for he effects of the initial implementation of GASB 68 was not available.
- (3) - implementation of GASB 68.
- (4) - information necessary to restate the 2017 beginning balance and 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 was not available.
- (5) - implementation of GASB 75.

TABLE 2 (continued)

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

	<u>2010</u> ⁽¹⁾	<u>2011</u> ⁽¹⁾	<u>2012</u>	<u>2013</u>	<u>2014</u> ⁽²⁾	<u>2015</u> ⁽³⁾	<u>2016</u>	<u>2017</u> ⁽⁴⁾	<u>2018</u> ⁽⁵⁾	<u>2019</u>
Net (Expense)/Revenue										
Governmental activities	(16,560)	(15,273)	(15,676)	(14,599)	(15,844)	(15,909)	(18,854)	(20,335)	(20,741)	(11,217)
Business-type activities										
Total net expense	<u>(16,542)</u>	<u>(15,281)</u>	<u>(15,673)</u>	<u>(14,599)</u>	<u>(15,844)</u>	<u>(15,909)</u>	<u>(18,854)</u>	<u>(20,335)</u>	<u>(20,741)</u>	<u>(11,217)</u>
General Revenues										
Governmental activities:										
Taxes										
Income tax	9,853	9,542	10,046	12,786	13,137	15,768	18,314	18,308	18,523	20,833
Property taxes, levied for										
Property taxes, levied for										
General purposes	388	421	350	380	415	404	419	406	473	445
Police pensions	90	89	70	61	66	65	66	65	76	72
Fire pensions	90	89	70	61	66	65	67	65	76	72
Other taxes	18	50	24	18	20	16	23	21	32	23
Payments in lieu of taxes	41	43	33	95	185	247	292	345	362	366
Shared revenues (unrestricted)	719	657	223	279	261	178	130	98	113	141
Intergovernmental	444	92	-	-	-	-	-	-	-	-
Miscellaneous	577	530	126	429	259	216	384	448	498	1,243
Investment earnings	410	237	31	133	73	81	99	87	145	310
Total governmental activities general revenues	<u>12,630</u>	<u>11,750</u>	<u>10,973</u>	<u>14,242</u>	<u>14,482</u>	<u>17,040</u>	<u>19,794</u>	<u>19,843</u>	<u>20,298</u>	<u>23,505</u>
Business-type activities:										
Investment earnings	18	14	3	8	4	5	5	5	4	11
Total business-type activities general revenues	<u>18</u>	<u>14</u>	<u>3</u>	<u>8</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>11</u>
Total primary government general revenues	<u>12,648</u>	<u>11,764</u>	<u>10,976</u>	<u>14,250</u>	<u>14,486</u>	<u>17,045</u>	<u>19,799</u>	<u>19,848</u>	<u>20,302</u>	<u>23,516</u>
Change in Net Position										
Governmental activities	(3,930)	(3,523)	(4,703)	(357)	(1,362)	1,131	940	(492)	(443)	12,288
Business-type activities	18	14	3	8	4	5	5	5	4	11
Total primary government	<u>\$ (3,912)</u>	<u>\$ (3,517)</u>	<u>\$ (4,700)</u>	<u>\$ (349)</u>	<u>\$ (1,358)</u>	<u>\$ 1,136</u>	<u>\$ 945</u>	<u>\$ (487)</u>	<u>\$ (439)</u>	<u>\$ 12,299</u>

Note:

- (1) - restated for implementation of GASB 65.
- (2) - restated for correction of errors. Information necessary to restate the 2014 beginning balance and 2014 pension expense amounts for the effects of the initial implementation of GASB 68 was not available.
- (3) - implementation of GASB 68.
- (4) - information necessary to restate the 2017 beginning balance and 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 was not available.
- (5) - implementation of GASB 75.

CITY OF MORAINE, OHIO
Governmental Fund Balances
Last Ten Years

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u> ⁽¹⁾	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Reserved	\$ 1,120	\$ 88	\$ 88	\$ 935	\$ 933	\$ 92	\$ 91	\$ 90	\$ 90	\$ 103
Unreserved	7,608									
Nonspendable		694	1,720	866	541	1,029	663	1,797	2,141	718
Assigned		5,283	978	1,132	3,762	6,093	9,353	10,782	11,707	18,187
Unassigned										
Total general fund	8,728	6,065	2,786	2,933	5,236	7,214	10,107	12,669	13,938	19,008
All Other Governmental Funds										
Reserved	2,725									
Unreserved, reported in:										
Special revenue funds	2,016									
Capital projects fund	1,128									
Debt service fund	150									
Nonspendable		1,928	1,156	44	245	534	791	954	134	143
Restricted		2,020	2,397	3,379	2,871	2,962	2,606	2,493	2,560	5,183
Committed		4,249	5,019	4,089	3,762	2,841	2,044	2,097	2,872	1,123
Unassigned		(210)	(506)	(241)	(603)	(9)	(40)	(492)	(2,415)	(27)
Total all other governmental funds	\$ 6,019	\$ 7,987	\$ 8,066	\$ 7,271	\$ 6,275	\$ 6,328	\$ 5,401	\$ 5,052	\$ 3,151	\$ 6,422

Note:

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

(1) - restated for correction of errors.

CITY OF MORAINE, OHIO
Changes in Governmental Fund Balances
Last Ten Years

TABLE 4

(modified accrual basis of accounting)
(amounts expressed in thousands)

	2010	2011	2012	2013	2014(1)	2015	2016	2017	2018	2019
REVENUES										
Income Taxes	\$ 9,760	\$ 9,699	\$ 10,029	\$ 12,141	\$ 13,452	\$ 15,721	\$ 18,104	\$ 18,486	\$ 18,495	\$ 20,600
Property Taxes	526	596	479	514	544	529	540	561	628	594
Other Taxes	2	50	24	18	19	16	23	21	32	24
Payment in lieu of taxes	41	43	33	95	185	247	292	343	363	366
Shared Revenues	708	656	725	724	715	825	630	689	611	768
License and Permits	15	11	106	129	148	113	198	112	79	166
Charges for Services	575	782	535	627	516	646	621	606	527	617
Fines	75	343	266	227	275	326	232	264	245	304
Investment Earnings	410	237	31	133	72	81	99	86	146	310
Contributions and Donations	23	-	-	-	-	-	-	-	-	-
Rents and Royalties	20	12	-	-	-	-	-	-	-	-
Intergovernmental	1,565	2,219	492	751	592	1,601	2,087	177	1,127	1,070
Miscellaneous	509	500	198	340	306	271	474	501	423	549
Total Revenues	14,229	15,148	12,918	15,699	16,824	20,376	23,300	21,846	22,676	25,368
EXPENDITURES										
Current:										
General government	3,868	3,154	3,314	2,978	3,343	3,536	3,562	3,495	4,188	3,681
Public Safety	8,311	8,433	7,784	8,144	7,519	8,397	8,398	8,535	8,797	9,147
Highways & Streets	2,319	2,637	2,251	2,121	2,558	3,198	2,310	2,304	2,484	2,439
Sanitation	346	284	308	326	303	288	287	275	306	380
Economic Development	299	990	473	302	684	327	1,151	509	557	2,151
Health and Welfare	76	79	206	28	112	162	144	153	158	1
Culture and Recreation	1,000	886	870	906	760	1,176	1,097	1,097	1,034	1,016
Capital Improvements	1,712	1,688	381	1,542	66	1,292	3,858	2,849	5,357	6,529
Debt Service:										
Principal	5,475	205	232	269	110	269	318	315	329	357
Interest & Fiscal Charges	248	307	300	255	252	250	256	399	301	242
Total Expenditures	23,654	18,663	16,119	16,871	15,707	18,895	21,381	19,931	23,511	25,943
Excess (deficiency) of revenues over expenditures	(9,425)	(3,515)	(3,201)	(1,172)	1,117	1,481	1,919	1,915	(835)	(575)
OTHER FINANCIAL SOURCES (USES)										
Long-term bonds/notes issued	5,805	-	-	216	187	267	-	4,961	-	7,950
Loans issued	-	-	-	-	-	-	-	87	63	-
Payments to Refunding Escrow Agent	-	-	-	-	-	-	-	(4,782)	-	-
Transfers In	2,805	2,100	2,000	2,235	1,860	3,135	4,310	4,825	5,305	4,763
Transfers Out	(2,805)	(2,200)	(2,000)	(2,235)	(1,860)	(3,175)	(4,310)	(4,825)	(5,305)	(4,763)
Inception of capital leases	94	-	-	-	-	310	-	-	-	72
Other financing sources	260	18	-	308	2	14	47	32	140	886
Total Other Financing Sources (Uses)	6,159	(82)	-	524	189	551	47	298	203	8,908
Net Change in Fund Balance	(3,266)	(3,597)	(3,201)	(648)	1,306	2,032	1,966	2,213	(632)	8,333
Debt service as a percentage of non-capital expenditures	2.28%	25.09%	3.02%	3.35%	2.49%	2.78%	2.86%	3.77%	3.17%	2.91%

(1) - restated for correction of errors.

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

TABLE 5

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property and Other Local Taxes</u>	<u>State Shared Taxes and Permits</u>	<u>Total</u>
2010	\$ 9,852,558	\$ 568,599	\$ 718,455	\$ 11,139,612
2011	9,541,527	600,521	657,429	10,799,477
2012	10,045,847	547,175	222,897	10,815,919
2013	12,786,187	614,151	279,426	13,679,764
2014	13,136,740 (1)	752,342	261,322	14,150,404
2015	15,767,651	796,719	178,221	16,742,591
2016	18,313,736	867,766	129,356	19,310,858
2017	18,308,167	902,163	98,415	19,308,745
2018	18,523,503	1,018,300	112,795	19,654,598
2019	20,832,783	978,111	140,896	21,951,790

Source: City of Moraine, Department of Finance

(1) Income tax rate increased 1/2% to 2.5% effective July 1, 2014, with 2015 being the first full year of collection using new rate.

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

TABLE 6

<u>Year</u>	<u>Amount</u>
2010	\$ 9,760,045
2011	9,699,479
2012	10,028,922
2013	12,141,049
2014	13,451,675 ⁽³⁾
2015	15,721,498
2016	18,103,691
2017	18,485,982
2018	18,495,136
2019	20,599,987

Source: City of Moraine, Department of Finance

- (1) Includes all governmental fund types.
(2) City's largest employer ceased operations during 2009.
(3) Income tax rate increased 1/2% to 2.5% effective July 1, 2014. 2015 is first full year of collection using new rate.

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

<u>2010</u>			<u>2019</u>	
<u>Rank</u>	<u>Name</u>	<u>2019 Rank</u>	<u>Rank</u>	<u>Name</u>
1	Dmax	2	1	Fuyao Glass America
2	Dayton Power and Light	4	2	Dmax
3	Win Wholesale	3	3	WinSupply
4	Lastar Inc.	-	4	Dayton Power and Light
5	Compunet Clinical Laboratories	7	5	Fidelity Healthcare
6	LM Berry	-	6	Heidelberg Distributing
7	Berry Network	-	7	Compunet Clinical Laboratories
8	City of Moraine	10	8	Tyler Technologies
9	BWI North America	-	9	South Community
10	Walmart	-	10	City of Moraine

Source: City of Moraine, Department of Finance

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

<u>Year</u>	<u>Agricultural</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Total Taxable Assessed</u>	<u>Total Direct Tax</u>	<u>Estimated Actual Taxable</u>	<u>Taxable Assessed Value as a Percentage of</u>
2010	\$ 1,207,550	\$ 52,349,240	\$ 55,915,630	\$ 42,568,540	\$ 152,040,960	2.50	\$ 434,402,743	35%
2011	1,334,070	52,112,240	59,096,180	42,410,040	154,952,530	2.50	442,721,514	35%
2012	1,485,130	49,529,340	53,772,660	40,605,060	145,392,190	2.50	415,406,257	35%
2013	1,440,480	49,394,930	53,135,260	32,607,220	136,577,890	2.50	390,222,543	35%
2014	1,451,150	49,545,830	53,776,430	33,006,830	137,780,240	2.50	393,657,829	35%
2015	1,915,020	43,571,810	51,698,110	32,169,850	129,354,790	2.50	369,585,114	35%
2016	1,915,580	44,220,900	51,301,380	38,018,300	135,456,160	2.50	387,017,600	35%
2017	1,915,580	43,492,750	56,009,460	35,779,990	137,197,780	2.50	391,993,657	35%
2018	1,794,650	47,964,760	57,288,890	36,338,140	143,386,440	2.50	409,675,543	35%
2019	1,794,650	48,008,700	58,636,580	37,473,170	145,913,100	2.50	416,894,571	35%

Source: Montgomery County Auditor's Office

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
MUNICIPAL UNITS:										
General Fund	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90
Police Pension Fund	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Fire Pension Fund	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Total Municipal Rates	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>
COUNTY UNITS:										
General Fund	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Developmental Disabilities Conservancy Tax	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Human Services Levy A	7.21	7.21	7.21	7.21	8.21	8.21	8.21	8.21	8.21	8.21
Human Services Levy B	6.03	6.03	6.03	6.03	6.03	6.03	6.03	6.03	6.03	6.03
Total County Rates	<u>15.94</u>	<u>15.94</u>	<u>15.94</u>	<u>15.94</u>	<u>16.94</u>	<u>16.94</u>	<u>16.94</u>	<u>16.94</u>	<u>16.94</u>	<u>16.94</u>
OTHER UNITS:										
Montgomery County Community College	4.20	3.20	3.20	3.20	3.20	3.20	4.20	4.20	4.20	4.20
Montgomery County Park District	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	2.00
Dayton - Montgomery Library	1.75	1.75	1.75	3.31	3.31	3.31	3.31	3.31	3.31	3.31
SCHOOL DISTRICT:										
Kettering / Moraine Community	78.00	78.00	78.00	78.00	82.99	82.99	82.99	85.39	85.26	91.03
West Carrollton Community	72.05	72.05	72.05	72.05	72.05	72.05	72.05	77.55	77.55	83.15
Jefferson Local School	66.90	66.90	66.90	66.90	61.40	61.40	61.40	61.40	61.40	61.40
Joint Vocational School	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	4.01	4.01

Source: Montgomery County Auditor's Office

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

TABLE 9

		<u>Calendar Year 2019</u>		
<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Taxable</u> <u>Valuation</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total City</u> <u>Taxable</u> <u>Valuation</u>
Dayton Power & Light Company	Gas and Electric Utility	\$ 69,640,400	1	27.87%
AES Ohio Generation LLC	Utility	19,848,950	2	7.94%
Vectren Energy	Utility	16,336,310	3	6.54%
General Motors Company	Manufacturing	3,639,090	3	1.46%
Dovetree Apartments	Real Estate	3,371,130	3	1.35%
Premier WASECA LLC	Real Estate/Development	2,780,830	6	1.11%
Premier Highland Park LLC	Apartments	2,677,500	7	1.07%
VonMil Realty LLC	Real Estate	2,493,480	8	1.00%
Kroger Limited Partnership	Retail Sales	2,426,340	9	0.97%
WMSSMDOM LLC	Publisher/Marketing	2,400,430	10	0.96%
	Subtotal	<u>125,614,460</u>		<u>50.27%</u>
	All Others	<u>124,287,080</u>		<u>49.73%</u>
	Total	<u><u>\$ 249,901,540</u></u>		<u><u>100.00%</u></u>

		<u>Calendar Year 2010</u>		
<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Taxable</u> <u>Assessed</u> <u>Valuation</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total City</u> <u>Taxable</u> <u>Assessed</u> <u>Valuation</u>
Dayton Power & Light Company	Gas and Electric Utility	\$57,484,550	1	28.26%
General Motors Corporation	Automotive Manufacturer	9,311,730	2	4.58%
Vectren Energy	Utility	5,658,850	3	2.78%
Dovetree Apartments	Real Estate	3,959,830	4	1.95%
Walmart Stores	Retail Sales	3,562,680	5	1.75%
3601 Dryden LLC	Retail Sales	2,584,230	6	1.27%
PDQ Bell Plaza LLC	Retail Sales	2,170,000	7	1.07%
Woodbine Partners LTD	Retail Sales	1,821,800	8	0.90%
S&G Investments	Real Estate	1,360,310	9	0.67%
Cole St Moraine Oh LLC	Real Estate	1,328,990	10	0.65%
	Subtotal	<u>89,242,970</u>		<u>43.87%</u>
	All Others	<u>114,186,390</u>		<u>56.13%</u>
	Total	<u><u>\$ 203,429,360</u></u>		<u><u>100.00%</u></u>

Source: Montgomery County Auditor's Office

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

TABLE 10

TAX YEAR	YEAR	TOTAL		PERCENTAGE COLLECTED	DELINQUENT COLLECTIONS	TOTAL COLLECTIONS	TOTAL COLLECTIONS AS LEVIED		OUTSTANDING TAXES	OUTSTANDING DELINQUENT TAXES AS PERCENTAGE LEVIED	
		LEVIED	COLLECTED				PERCENTAGE	LEVIED		PERCENTAGE	LEVIED
2009/2010	2010	\$ 515,207	\$ 516,538	100%	\$ 17,152	\$ 533,690	104% ⁽¹⁾	\$ 53,901	10%		
2010/2011	2011	536,361	503,251	94%	23,254	526,505	98%	47,609	9%		
2011/2012	2012	516,689	478,482	93%	19,005	497,487	96%	39,553	8%		
2012/2013	2013	546,775	531,633	97%	5,424	537,057	98%	26,503	5%		
2013/2014	2014	570,034	549,675	96%	16,493	566,168	99%	30,368	5%		
2014/2015	2015	550,881	528,894	96%	20,970	549,864	100%	34,676	6%		
2015/2016	2016	572,820	534,548	93%	25,574	560,122	98%	47,511	8%		
2016/2017	2017	574,992	558,261	97%	22,813	581,074	101% ⁽¹⁾	23,067	4%		
2017/2018	2018	608,664	593,664	98%	55,847	649,511	107% ⁽¹⁾	20,606	3%		
2018/2019	2019	614,324	600,067	98%	15,803	615,870	100% ⁽¹⁾	15,126	2%		

Source: Montgomery County Auditor's Office

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

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

TABLE 11

Year	BAN (3) and OPWC Note	Various Purpose Bonds (1)	Capital Leases	Total Primary Government	Personal Income (2) <small>(thousands of dollars)</small>	Percentage Personal Income	Total Debt Per Capita (2)
2010	\$ 591,160	\$ 5,895,963	\$ 424,020	\$ 6,911,143	\$ 106,462,435	6.49%	\$ 1,095.79
2011	554,805	5,862,173	285,385	6,702,363	106,462,435	6.30%	1,062.69
2012	504,595	5,818,383	144,060	6,467,038	106,462,435	6.07%	1,025.37
2013	644,905	5,764,593	-	6,409,498	106,462,435	6.02%	1,016.25
2014	781,561	5,700,803	-	6,482,364	106,462,435	6.09%	1,027.80
2015	964,476	5,512,013	310,601	6,787,090	106,462,435	6.38%	1,076.12
2016	894,663	5,318,223	252,599	6,465,485	106,462,435	6.07%	1,025.13
2017	921,255	5,562,652	192,607	6,676,514	106,462,435	6.27%	1,058.59
2018	921,803	5,324,963	130,557	6,377,323	106,462,435	5.99%	1,011.15
2019	8,808,386	5,082,274	118,335	14,008,995	106,462,435	13.16%	2,221.18

(1) Bond amounts include unamortized premiums

(2) See Table 14 for demographic data

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

CITY OF MORaine, OHIO
Computation of Direct and Overlapping Debt
December 31, 2019

Jurisdiction	Total GO Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Moraine, Ohio
<i>DIRECT DEBT</i>			
CITY OF MORaine	\$ 14,008,995	100.00%	\$ 14,008,995
<i>OVERLAPPING</i>			
DAYTON METRO LIBRARY	148,000,000	3.36%	4,972,800
WEST CARROLLTON CITY SCHOOL DISTRICT	700,000	57.90%	405,300
KETTERING CITY SCHOOL DISTRICT	54,809,986	18.19%	9,969,936
MIAMI VALLEY CAREER CENTER - JT. VOC. SCHOOL DISTRICT	128,422,994	1.06%	1,361,284
<i>TOTAL OVERLAPPING DEBT</i>	331,932,980		16,709,320
TOTAL	\$ 345,941,975		\$ 30,718,315

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

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$16,270	\$15,266	\$14,341	\$14,341	\$13,582	\$14,467	\$13,582	\$14,223	\$15,056	\$15,321
Legal Debt Margin	<u>10,465</u>	<u>9,491</u>	<u>8,760</u>	<u>8,939</u>	<u>8,115</u>	<u>9,160</u>	<u>8,468</u>	<u>9,306</u>	<u>10,056</u>	<u>2,925</u>
Total net debt applicable to the limit as a percentage of debt limit	35.68%	37.83%	39.99%	39.64%	41.42%	36.68%	37.65%	34.57%	33.21%	19.09%

Legal Debt Margin Calculation for Calendar Year 2019

Total Assessed Value (tax year 2018)	145,913
Debt limit (10.5% of total assessed value)	15,321
Debt applicable to limit:	
General Obligation Bonds	4,645
General Obligation Notes	7,950
Less: Amount restricted for repayment of general obligation debt	<u>199</u>
Total net debt applicable to limit	<u>12,396</u>
Legal debt margin	<u>\$2,925</u>

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

TABLE 14

Calendar Year	(1) Population	(1) Personal Income <small>(thousands of dollars)</small>	(1) Per Capita Personal Income	(1) Median Age	(2) Unemployment Rate
2010	6,307	\$ 106,462	\$ 16,880	37.0	9.8%
2011	6,307	106,462	16,880	37.0	8.2%
2012	6,307	106,462	16,880	37.0	7.0%
2013	6,307	106,462	16,880	37.0	7.1%
2014	6,307	106,462	16,880	37.0	4.8%
2015	6,307	106,462	16,880	37.0	4.7%
2016	6,307	106,462	16,880	37.0	4.6%
2017	6,307	106,462	16,880	37.0	4.4%
2018	6,307	106,462	16,880	37.0	4.7%
2018	6,307	106,462	16,880	37.0	3.8%

Sources:

(1) 2010 United States Census Bureau.

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

CITY OF MORAINE, OHIO
Principal Employers

TABLE 15

Current Year and Nine Years Ago

	<u>2019</u>	<u>2010</u>	<u>Number of Employees</u>
Fuyao Glass America	3,513		633
Dmax Ltd.	952		515
Fidelity Healthcare	775		487
Compunet Clinical Laboratories	494		481
Walmart	462		411
Heidelberg Distributing	437		350
Dayton Power and Light	416		347
WinSupply	334		300
South Community	289		228
Minute Men Select	263		213
			10
			1
			2
			3
			4
			5
			6
			7
			8
			9
			10

Source: City of Moraine, Department of Finance

Note: Total employment within the City is not available.

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

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government										
Clerk of Council	1	1	1	1	1	1	1	1	1	1
City Manager	7	7	6	6	6	6	6	7	7	6
Clerk of Courts	0	2	2	2	2	2	2	2	2	2
Law	0	0	0	0	0	0	0	0	0	0
Finance	6	6	6	6	6	6	6	7	7	7
Public Buildings	0	12 (1)	5	6	6	6	6	6	6	6
Public Safety										
Police	44	49	38	37	32	34	34	35	34	30
Fire	45	36	32	33	25	27	24	30	27	28
Other										
Highways and Streets	0	26 (1)	15	16	18	18	16	15	15	17
Community Development	0	5	3	3	3	3	3	3	4	4
Recreation and Culture	39	22	19	18	18	20	21	21	19	19
Garage	0	4	3	3	3	3	3	3	3	3
Total	142	170	130	131	120	126	122	130	125	123

Source: City of Moraine, Department of Finance

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

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

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Warrants served	1,128	1,266	905	822	899	1,041	872	977	628	724
Felony arrests	92	131	177	157	252	293	273	261	169	197
Arrests made	1,702	778	1,753	1,535	1,771	1,800	1,700	1,839	1,347	1,403
Traffic citations issued	1,568	3,205	2,653	1,944	2,537	2,523	2,799	3,329	2,581	2,981
Miles Patrolled	237,841	272,940	260,804	253,927	224,694	233,288	207,661	216,938	188,208	195,008
Fire										
Fire calls	112	92	566	637	80	722	801	797	815	826
EMS calls	1,567	1,619	1,689	1,565	1,705	2,069	2,152	2,188	2,008	2,307
Fire Inspections	961	1,043	1,012	1,032	920	749	799	663	833	759
Child Safety Seat Inspections	31	20	25	25	26	16	52	71	87	56
Highways and Streets										
Gallons of street paint used	1,040	865	1,353	1,045	1,050	1,115	1,040	1,540	1,435	1,300
Tons of snow melting salt used	1,200	953	338	332	854	657	578	322	700	757
Community Development										
Building Inspections	177	481	787	965	797	737	686	561	637	691
Residential Building Permits Issued	75	103	196	208	129	118	106	129	107	310
Commercial Building Permits Issued	95	105	174	199	190	206	308	192	216	198
Culture and Recreation										
Payne Recreation Center Attendance	138,939	175,000	136,512	141,620	175,386	185,276	192,765	195,151	30,416	20,325
Civic Center Attendance (estimated)	31,061	55,000	77,935	106,260	112,868	108,215	110,013	107,144	25,289	15,656
Youth and Day Camps Attendance	752	824	342	203	210	340	481	766	965	1,253

(N/A) Not Available

Source - Various City of Moraine departments

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	28	24	22	21	21	19	18	18	18	19
Fire:										
Stations	3	2	2	2	2	2	2	2	2	2
Emergency Response Vehicles	10	12 (1)	12 (1)	12	12	13	13	13	12	13
Highways and Streets										
Miles of Streets (Center Line Miles)	276.65	276.65	276.65	276.65	276.65	276.65	276.65	276.65	276.65	276.65
Number of Streetlights (Non-special assessment)	1,226	1,356	1,356	1,356	1,356	1,356	1,357	1,316	1,316	1,316
Culture and Recreation										
Parks (2)	13	13	13	13	12	12	12	12	12	12
Civic Centers	1	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Swimming Pools	1	1	1	1	1	1	1	1	- (3)	-
Water Parks	1	1	1	1	1	1	1	1	- (3)	-

Source - Various City of Moraine Departments

- (1) 2 Deputy Chief vehicles have been reclassified as emergency response vehicles due to manning reductions. No new vehicles have been acquired.
- (2) Represents the number of City owned and maintained parks.
- (3) The former water park was demolished in 2017

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City of Moraine
Montgomery County, Ohio

Independent Auditors' Reports on
Internal Controls and Compliance
and Schedule of Expenditures of Federal Awards

For Year Ended December 31, 2019

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**INDEPENDENT AUDITORS' 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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 29, 2020, wherein we noted the City implemented GASB Statement No. 84 and the potential impact of COVID-19 on future periods.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 29, 2020

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Moraine, Ohio's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2019. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 29, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 29, 2020

City of Moraine, Ohio
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended December 31, 2019

Federal Grantor/Program Title	Federal CFDA Number	Pass Through Entity Number	Award Disbursements
<u>DEPARTMENT OF AGRICULTURE</u>			
<i>Passed Through Ohio Department of Education</i>			
Child and Adult Care Food Program	10.558	(1)	\$ 4,997
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	(1)	<u>15,553</u>
Total Department of Agriculture			<u>20,550</u>
<u>U.S. DEPARTMENT OF INTERIOR</u>			
<i>Passed through the Ohio Department Of Natural Resources</i>			
Fish and Wildlife Cluster:			
Sport Fish Restoration Program	15.605	DNRPIOAX01	<u>1,302</u>
Total U.S. Department of Interior			<u>1,302</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Bulletproof Vest Partnership Program	16.607		<u>3,980</u>
Total U.S. Department of Justice			<u>3,980</u>
<u>DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed through the Ohio Department of Transportation</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	PID# 100178	<u>917,471</u>
Total U.S. Department of Transportation			<u>917,471</u>
TOTAL FEDERAL AWARD EXPENDITURES			<u>\$ 943,303</u>

(1) Pass Through Entity Number Unknown

See notes to the Schedule of Expenditures of Federal Awards.

**CITY OF MORAINE
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Moraine (the “City”) under programs of the federal government for the year ended December 31, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Noncompliance material to financial statements noted?	None noted

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	None noted
Identification of major programs:	
Highway Planning and Construction Cluster:	
CFDA 20.205 – Highway Planning and Construction	
Dollar threshold to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None noted

Section III – Federal Awards Findings and Questioned Costs

None noted



OHIO AUDITOR OF STATE KEITH FABER



**CITY OF MORAINE
MONTGOMERY COUNTY**

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/13/2020

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

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