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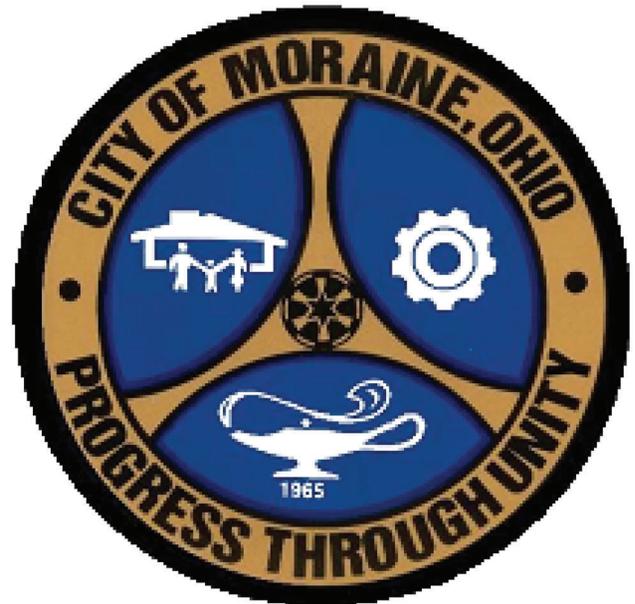
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COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED
DECEMBER 31, 2020

OHIO AUDITOR OF STATE
KEITH FABER



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, 2020 through December 31, 2020. 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 27, 2021

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CITY OF MORAINÉ, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

Issued by:
Finance Department

Don Buczek
Finance Director

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CITY OF MORAINE, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2020

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City of Moraine

Finance Department



June 28, 2021

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, 2020, 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. On December 31, 2020, the City had one blended component unit, the Vance Darroch New Community Authority (see notes to the financial statements for discussion).

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

HISTORY AND BACKGROUND

Moraine is 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 6,600 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

2020 ushered in continued growth for our community. We experienced investments by several of our existing corporate citizens, including Fuyao, Winsupply, Tyler, and Kroger. These, along with several new investments, totaled nearly \$80 million in aggregate and were all successful ventures to allow for continued growth, many being driven by increased supplier need, technology advancements and workforce development initiatives.

Fuyao invested in facility expansions and technology enhancements including research and development. WinSupply acquired adjacent property and initiated the beginnings of what will be the Richard Schwartz Innovation Center. Tyler Technologies completed a 40,000 square foot expansion to their existing facility creating one of five technology hubs across the country. Kroger completed a new Marketplace nearly doubling their former location. The Alex-Bell corridor continues to experience economic momentum with newly available space and property adjacent to the recently added Kroger Fuel center. The City also wants to extend its appreciation to Red Roof Inn for significant upgrades to their Dryden Road location and to MiracleCorp and Kramer Graphics, both on Dorothy Lane, for their continued growth through acquisitions during 2020.

The City welcomed several new businesses in 2020, including Prestige Stone Creations, Warehouse Restaurant Equipment, Sunoco, and Goodman Supply to name a few. All of the above referenced efforts lead to an on-going long-term economic industry diversification which will add several hundred jobs to our local workforce. The City continues to play a vital role in the regional economy through our ongoing residential developments, expanded commercial opportunities, and through our existing businesses and corporate headquarters.

We move into 2021 with continued economic momentum and prosperity.

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 2020, the world experienced a global pandemic that affected every aspect of the City's services. The City experienced decreases in income tax collections and services revenues that can be directly related to the pandemic. In response to anticipated shortfalls, the City reduced planned spending beginning in the second quarter of 2020. Through this difficult time, the local economy showed its resilience and tax collections rebounded towards the end of the year compared to second quarter collections. The City also benefited from one-time funding from both the state and federal governments. Reductions in spending and one-time funding streams, has led to notable improvements in the City's financial numbers and cash balances. City income tax collections (cash basis) for 2020 decreased by 9% over the previous year and were 6% below the revenue budget. Resilient income tax receipts, reduced spending, and one-time funding resulted in the General Fund unencumbered cash balance exceeding \$25 million at the end of 2020, continuing the recent trend of increased fund balance. In comparison to past years, the General Fund's unencumbered cash balance increased by 45% over the previous year, due to one-time funding assistance and conservative management of expenditures. The unencumbered cash balance for all funds in total also saw a 25% increase over the previous year and has more than doubled since the end of 2016.

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

In addition to the 2016 annual budget preparations and the Capital Improvement Fund budget preparations, the City Manager and Finance Director met with all department heads and complete 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 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 2020 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

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, 2019. 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 34 consecutive years (fiscal years ended 1986-2019). We believe our current report will also conform to the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another Certificate.

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

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Don B". The signature is stylized and cursive.

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, City Manager (appointed 2/14/2020)

Martina Dillon, Law Director

Don Buczek, Finance Director

Diane Werbrich, Clerk of Council (resigned 10/2/2020)

Penny Sabin, Acting Clerk of Council (appointed 10/3/2020-12/6/2020)

Amy Brown, Clerk of Council (appointed 12/7/2020)

CITY OF MORAINÉ, OHIO

DEPARTMENT OF FINANCE STAFF

Don Buczek, Finance Director

Lora Perry, Deputy Finance Director

Stephanie Violette, Income Tax Administrator (resigned 01/6/2020)

Sheri Thatcher, Income Tax Administrator (Started 01/27/2020) *

Paula Cox, Financial Assistant

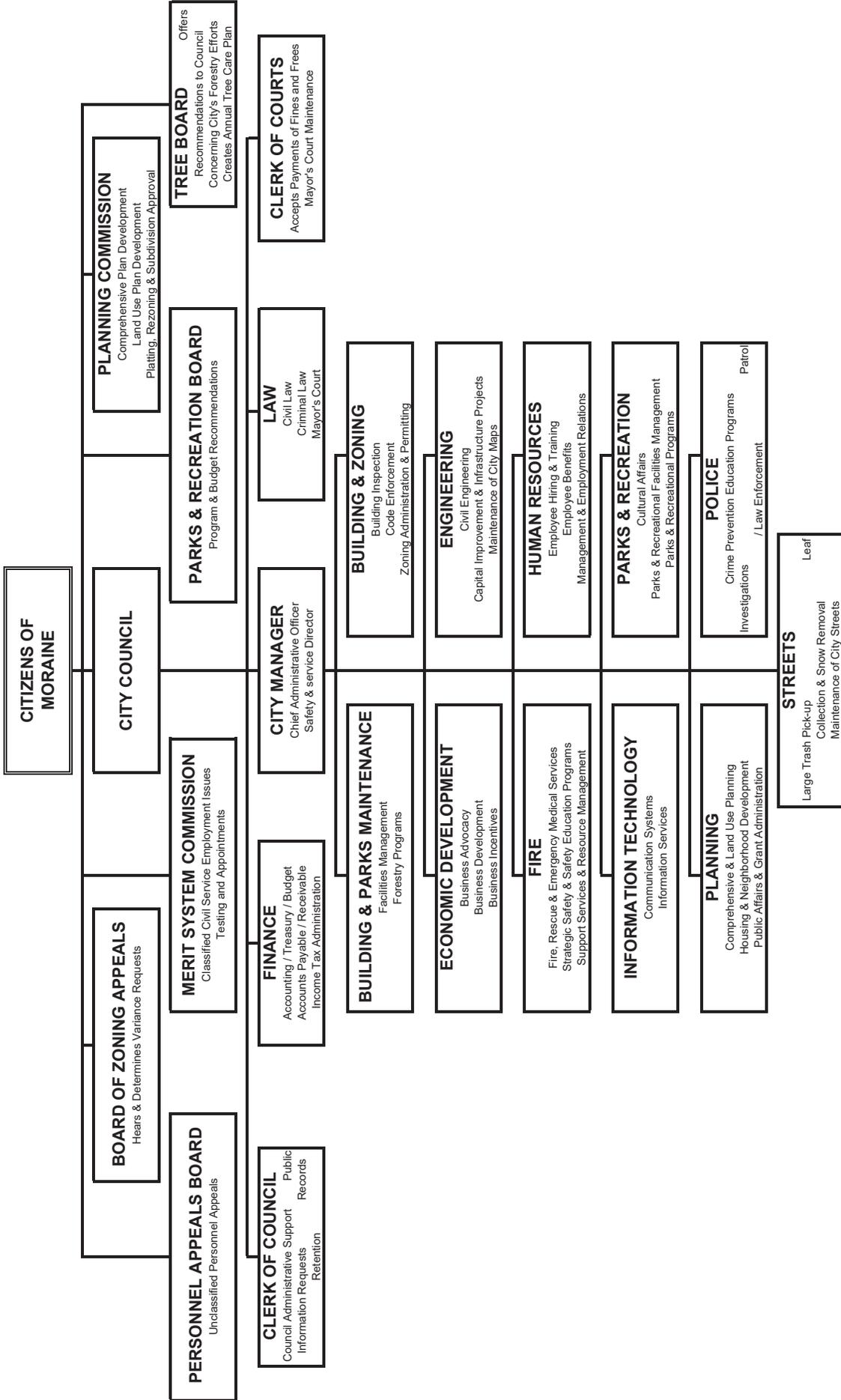
Penny Tincher, Financial Assistant

Richard Hisey, Financial Assistant

Sheri Thatcher, Finance Clerk (01/01/2020-01/26/2020-promoted) *

Christina Vaughn, Finance Clerk

Organization of the City of Moraine





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Moraine
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

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INTRODUCTORY SECTION

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, 2020, 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 auditors' 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, 2020, 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.

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 28, 2021 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 28, 2021

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CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(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, 2020. 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, 2020 are as follows:

- Total net position increased by \$4.0 million which represents a 16.8% increase from the beginning balance of 2020. An increase of \$3.8 million was reported in governmental activities and an increase of \$130,957 was reported in business-type activities.
- Total assets of governmental activities at December 31, 2020 increased by \$4.7 million from the 2019 total assets primarily due to the increase in cash and investments reported at the end of 2020 as the City received significant cash inflows from workers' compensation rebates and sale of property along with less capital outlay during the year. Total liabilities of the governmental activities decreased by \$4.4 million due to the decrease in the net pension liability reported by the City at the end of 2020 compared with one year prior.
- Overall, the net position of the City's business-type activities increased by \$130,957 or 20.5% over the ending balance reported one year prior. The increase during 2020 was due to this being the first year the Vance Darroch New Community Authority (a blended component unit) having financial transactions.
- The \$25.7 million unassigned ending fund balance reported in the General Fund represents 203.0% of the total expenditures, transfers excluded, reported in the General Fund for 2020 compared with 130.0% 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 2020?" 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, 2020
(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 has two activities that are reported as business-type activities, the Moraine Loan Program and the Vance Darroch New Community Authority. The intent of both of these activities is to have operating charges be sufficient to cover the operating cost of each program. The City has currently suspended issuing new loans under the Moraine Loan Program, but anticipates restarting the program in future years. The Vance Darroch New Community Authority is a new fund, blended component unit, for the City in 2020 and charges a development fee to properties to finance certain common used features, such as infrastructure and greenspace.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

When the City charges citizens for the services it provides, with the intent of recouping operating costs, these services are generally reported in 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, 2020
(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 \$27.5 million at December 31, 2020.

Table 1 provides a summary of the City's net position for 2020 compared to 2019.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 37,212,208	32,802,396	768,932	637,975	37,981,140	33,440,371
Capital Assets	32,393,375	32,111,891	-	-	32,393,375	32,111,891
Total Assets	69,605,583	64,914,287	768,932	637,975	70,374,515	65,552,262
Deferred Outflows of Resources	5,659,099	8,026,666	-	-	5,659,099	8,026,666
Current and Other Liabilities	703,047	1,282,539	-	-	703,047	1,282,539
Long-Term Liabilities:						
Net Pension and OPEB Liabilities	25,251,771	28,770,430	-	-	25,251,771	28,770,430
Other Amounts	16,398,292	16,660,089	-	-	16,398,292	16,660,089
Total Liabilities	42,353,110	46,713,058	-	-	42,353,110	46,713,058
Deferred Inflows of Resources	6,165,279	3,313,096	-	-	6,165,279	3,313,096
Net Position:						
Net Investment in						
Capital Assets	22,659,209	24,170,139	-	-	22,659,209	24,170,139
Restricted	1,773,926	1,818,057	-	-	1,773,926	1,818,057
Unrestricted	2,313,158	(3,073,397)	768,932	637,975	3,082,090	(2,435,422)
Total Net Position	\$ 26,746,293	22,914,799	768,932	637,975	27,515,225	23,552,774

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2020 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, 2020
(Unaudited)

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

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

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

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

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

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

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include 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, 2020
(Unaudited)

As displayed in Table 1, total governmental net position of the City increased by \$3.8 million from 2019 to 2020. The \$6.0 million increase in equity in pooled cash and investments was partially offset by the \$2.4 million decrease in deferred outflows of resources. Cash and investments increased during 2020 as the City received a \$1.2 million workers' compensation rebate from the State, \$1.4 million gain from the sale of land being developed within the City limits, as well as fewer major infrastructure projects going on during 2020. Deferred outflows of resources associated with pension and OPEB liabilities decreased based on information provided by the State-wide pension system for the year. Total liabilities decreased by \$4.4 million in 2020 as the City's proportionate share of the net pension liabilities reported at the end of 2020 was \$3.5 million less than those reported one-year prior. The increase in the deferred inflows of resources associated with the net pension and OPEB liabilities amounted to \$2.9 million for the year.

At December 31, 2020, the City reported a positive unrestricted net position amount totaling \$3.0 million compared to the \$2.4 million unrestricted deficit reported one year prior. However, it should be noted that if the components of the net pension and OPEB liabilities are excluded, the City's unrestricted net position would be a positive \$28.2 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, 2020 compared with the prior year.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charges for services	\$ 698,079	1,085,907	121,822	-	819,901	1,085,907
Operating grants and contributions	1,301,549	1,015,857	-	-	1,301,549	1,015,857
Capital grants and contributions	575,985	1,668,666	-	-	575,985	1,668,666
Total Program Revenues	2,575,613	3,770,430	121,822	-	2,697,435	3,770,430
General Revenues:						
Income taxes	18,845,105	20,832,783	-	-	18,845,105	20,832,783
Property and other taxes	674,742	612,349	-	-	674,742	612,349
Payment in lieu of taxes	384,593	365,762	-	-	384,593	365,762
Shared revenues	133,629	140,896	-	-	133,629	140,896
Investment earnings	300,775	310,221	9,170	10,646	309,945	320,867
Miscellaneous	3,044,114	1,243,376	-	-	3,044,114	1,243,376
Total General Revenues	23,382,958	23,505,387	9,170	10,646	23,392,128	23,516,033
Total Revenues	25,958,571	27,275,817	130,992	10,646	26,089,563	27,286,463

(continued)

CITY OF MORAIN, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited)

Table 2
Changes in Net Position
(Continued)

	Governmental Activities		Business- Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Expenses:						
General Government	4,513,626	4,948,177	-	-	4,513,626	4,948,177
Public Safety	9,944,845	1,800,396	-	-	9,944,845	1,800,396
Highways and Streets	5,038,683	3,978,601	-	-	5,038,683	3,978,601
Sanitation	315,002	379,543	-	-	315,002	379,543
Culture and Recreation	1,196,872	1,361,775	-	-	1,196,872	1,361,775
Economic Development	850,837	2,192,503	-	-	850,837	2,192,503
Interest and Fiscal Expense	267,212	326,794	-	-	267,212	326,794
New Community Authority	-	-	35	-	35	-
Total Expenses	<u>22,127,077</u>	<u>14,987,789</u>	<u>35</u>	<u>-</u>	<u>22,127,112</u>	<u>14,987,789</u>
Change in net position	3,831,494	12,288,028	130,957	10,646	3,962,451	12,298,674
Net Position - Beginning	<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>
Net Position - Ending	\$ <u>26,746,293</u>	<u>22,914,799</u>	<u>768,932</u>	<u>637,975</u>	<u>27,515,225</u>	<u>23,552,774</u>

As noted above, the governmental activities reported a decrease in revenues of \$1.3 million and an increase in expenses of \$7.1 million for the year ended December 31, 2020 compared with those reported for the prior year. These factors resulted in the \$3.8 million increase in net position during calendar year 2020 compared to the \$12.3 million increase in net position reported during 2019. Some of the more significant factors attributing to this change in the statement of net position included:

- Income tax revenue, which represents 72.6 percent of total revenue for governmental activities, decreased \$2.0 million (9.5 percent) over those reported for the prior year as economic conditions caused by the global pandemic during the 2nd quarter of 2020 reduced employee withholdings as well as business net-profit returns.
- Capital grants received in 2020 were \$1.1 million (65.5 percent) less than those reported for 2019 as the State Route 741 reconstruction project was completed in early 2020 therefore significantly reducing the funding received from the Ohio Department of Transportation.
- Miscellaneous revenues increased significantly due to the \$1.2 million workers' compensation rebate received from the State during 2020, as well as significant sales of property within the Vance Darroch development area (\$1.4 million) during 2020. 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 increased by \$8.1 million (452.4 percent) as the City recognized \$9.0 million negative OPEB expense in the prior year related the Ohio Police and Fire (OP&F) Pension Fund transition to a stipend-based health care for retirees instead of group sponsored insurance coverage. For 2020, the City recorded a positive \$106,895 for OP&F's OPEB expense; a swing of \$9.1 million in expenses for the public safety function.
- In the prior year, the City recorded forgiveness of an economic development loan of \$1.0 million (after all established criteria had been met) which did not reoccur again in 2020.

CITY OF MORAIN, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(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 2020 and 2019.

Table 3
Governmental Activities

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2020	2019	2020	2019	2020	2019
General Government	\$ 4,513,626	\$ 4,948,177	\$ 343,485	\$ 505,028	\$ 4,170,141	\$ 4,443,149
Public Safety	9,944,845	1,800,396	692,508	375,254	9,252,337	1,425,142
Highways and Streets	5,038,683	3,978,601	1,451,751	2,361,483	3,586,932	1,617,118
Sanitation	315,002	379,543	-	-	315,002	379,543
Culture and Recreation	1,196,872	1,361,775	85,615	298,325	1,111,257	1,063,450
Economic Development	850,837	2,192,503	2,254	230,340	848,583	1,962,163
All Others	267,212	326,794	-	-	267,212	326,794
	<u>\$ 22,127,077</u>	<u>\$ 14,987,789</u>	<u>\$ 2,575,613</u>	<u>\$ 3,770,430</u>	<u>\$ 19,551,464</u>	<u>\$ 11,217,359</u>

As indicated by Table 3, the City is spending the majority (88.1 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 \$9.9 million, only \$692,508 of program revenue is generated to cover department expenses. The remaining \$9.3 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 \$4.5 million of the total governmental expenses. Court costs and fees generated by licenses and permits financed \$343,485 of the general government functional expenses while the remaining \$4.2 million comes from general revenue sources. Despite the decrease in capital grants received from the State of Ohio and the federal government, as well as the increase in functional expenses compared with the prior year, program revenues covered approximately 28.8 percent of highways and streets maintenance expense reported for 2020.

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 \$26.0 million and expenditures of \$29.4 million during 2020. The net change in fund balance of the governmental funds was an increase of \$6.4 million, due to the net \$9.7 million of other financing sources, resulting in an ending total fund balance of \$31.8 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 \$8.4 million in fund balance during 2020. The General Fund is the primary fund that finances government services to citizens. The revenues of the General Fund for 2020 were \$546,071 less than those reported in the prior year due despite a \$1.2 million workers' compensation rebate being recorded as miscellaneous revenue during 2020. The decrease in the income tax revenue, as noted above, offset the rebate amount received. Total expenditures reported for 2020 were \$1.3 million less than those reported for the prior year due to reduced operations of the parks department as well as less overtime needed in the public safety functions. The sale of the land for development (noted above) was recorded within the other financing sources of the general fund. Combined, these factors lead to a \$8.4 million increase in fund balance compared with the \$5.1 million increase reported for the prior period.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited)

At December 31, 2020 the ending unassigned fund balance of the General Fund was \$25.7 million; a 41.1 percent increase from the unassigned fund balance reported at December 31, 2019 and represents 203.0 percent of total General Fund expenditures, excluding transfers, reported for 2020.

The City separately reports other governmental funds as major funds, one of which is a special revenue fund, one is a debt service fund, and other two are capital project funds. The Capital Improvement fund reported an increase in fund balance of \$290,218 which was anticipated in the capital planning due to fewer projects undertaken in 2020 compared to prior years. The revenue of the Street Construction and Maintenance Fund increased due to the increased gas tax and other State shared taxes received in 2020 compared with the prior year as this was the first full year of the State additional tax on gasoline. 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. To finance the infrastructure improvements within the Vance Darroch development area, the City has issued a \$8.2 million bond anticipation note, which is reported as a long-term liability within governmental activities. The General Debt Service fund accounts for the roll-over of the aforementioned bond anticipation note and related costs.

The City has two enterprise funds, both of which are reported as major funds. The Moraine Loan Program fund had no activity for the year except for interest earned. The new Vance Darroch New Community Authority fund accounts for the financial activity of the New Community Authority established for the Vance Darroch housing development and is considered a blended component unit of the City. This year was the first year the New Community Authority assessed charges against properties in the development, which accounts for the additional revenue for enterprise funds, or had any financial activity.

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 \$21.7 million and increased only slightly during the year. Actual revenues for the year totaled \$21.8 million. Income tax receipts for 2020 were \$1.1 million, or 5.5 percent, less than those anticipated in the budget due as employment issues caused by the global pandemic resulted in less income tax receipts for the year. The workers' compensation rebate from the State of Ohio accounts for the increase in actual miscellaneous receipts compared with those budgeted. On a budgetary basis, actual revenues received during 2020 were 3.8 percent less than those received in 2019.

The expenditures, excluding transfers, for the General Fund were estimated at \$16.5 million at the beginning of the year and increased only \$109,961 during the year. Actual budgetary expenditures for the year were nearly \$4.2 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, 2020 was \$25.1 million compared to the \$17.8 million anticipated in the final 2020 budget.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited)

Capital Assets

At the end of fiscal year 2020, the City had a total of \$75.2 million invested in capital assets less accumulated depreciation of \$42.8 million resulting in a net investment in capital assets of \$32.4 million. Major capital asset additions for 2020, included recording the addition to construction in progress of \$2.0 million related to infrastructure projects (\$2.5 million moved to infrastructure related to the completion of the State Route 741 reconstruction project) as well as the acquisition of several police cruisers, street maintenance vehicles, and EMS vehicle amounting to \$391,908. Depreciation expense for 2020 was \$2.0 million, resulting in the overall \$281,484 increase in the value of the City's capital assets reported at December 31, 2020.

Table 4 shows 2020 balances compared to those of 2019:

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

	Governmental Activities	
	2020	2019
Land	\$ 10,787,595	10,921,870
Construction in progress	7,076,517	7,509,846
Building and improvements	3,110,390	3,310,566
Equipment	2,699,092	2,908,753
Infrastructure	8,719,781	7,460,856
Total	\$ 32,393,375	32,111,891

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

Debt Administration

At December 31, 2020, the City had the following outstanding long-term obligations: \$4.4 million of general obligation bonds; \$920,708 associated with six Ohio Public Works Commission (OPWC) loans; and \$8.2 million of bond anticipation notes payable.

The City issued \$8.2 million in one-year BANs which were used to refinance the BANs issued in 2019 which are being used to finance the infrastructure improvements within the Vance Darroch development area. In addition, the City took out an OPWC loan totaling \$96,441 to help finance roadway improvements to Dorothy Lane. Total principal payments made during the year amounted to \$220,000 related to general obligation bonds, \$34,119 related to OPWC loans (OPWC deferred June 2020 payments as pandemic assistance to governments), and \$118,335 related to capital leases. During the year, the City repaid both of its previously outstanding capital leases in full, two years prior to maturity.

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.

CITY OF MORAINE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited)

Current Economic Factors

The City continues to navigate through the economic conditions caused by the COVID-19 pandemic and related emergency orders issued by the federal and state governments. Additional funding through federal assistance has been, and will be, received, however the total effect the pandemic has had on the local economy might not be known for yearMs to come.

Contacting the City's Finance Department

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

CITY OF MORAINÉ, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Investments	\$ 32,340,669	\$ 647,145	\$ 32,987,814
Cash in Segregated Accounts	116,532	15,797	132,329
Receivables:			
Income Tax	2,814,247	-	2,814,247
Property Tax	658,721	-	658,721
Payment in Lieu of Taxes	234,706	-	234,706
Accounts	360,855	105,990	466,845
Intergovernmental	370,179	-	370,179
Loans	29,000	-	29,000
Inventories	205,107	-	205,107
Prepays	82,192	-	82,192
Non Depreciable Assets	17,864,112	-	17,864,112
Depreciable Capital Assets, Net of Accumulated Depreciation	14,529,263	-	14,529,263
Total Assets	69,605,583	768,932	70,374,515
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	246,853	-	246,853
Pension and OPEB	5,412,246	-	5,412,246
Total Deferred Outflows of Resources	5,659,099	-	5,659,099
LIABILITIES			
Accounts Payable	231,655	-	231,655
Salaries and Benefits Payable	321,508	-	321,508
Accrued Interest Payable	23,454	-	23,454
Insurance Claims Payable	97,621	-	97,621
Deposits Held Payable	28,809	-	28,809
Long-Term Liabilities:			
Due Within One Year	8,630,048	-	8,630,048
Due In More Than One Year:			
Other Long-Term Liabilities	7,768,244	-	7,768,244
Net OPEB Liability	6,050,545	-	6,050,545
Net Pension Liability	19,201,226	-	19,201,226
Total Liabilities	42,353,110	-	42,353,110
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	617,519	-	617,519
Payments in Lieu of Property Taxes	234,706	-	234,706
Pension and OPEB	5,313,054	-	5,313,054
Total Deferred Inflows of Resources	6,165,279	-	6,165,279
NET POSITION			
Net Investment in Capital Assets	22,659,209	-	22,659,209
Restricted for:			
Streets and Highways	878,865	-	878,865
Judiciary Programs	159,589	-	159,589
Debt Service	207,665	-	207,665
Cemetery Operations	160,979	-	160,979
Law Enforcement Programs	358,665	-	358,665
Unclaimed Monies	8,163	-	8,163
Unrestricted	2,313,158	768,932	3,082,090
Total Net Position	\$ 26,746,293	\$ 768,932	\$ 27,515,225

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, 2020

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
FUNCTIONS/PROGRAMS					
Governmental Activities:					
General Government	\$ 4,513,626	\$ 343,485	\$ -	\$ -	\$ (4,170,141)
Public Safety	9,944,845	321,412	371,096	-	(9,252,337)
Highways and Streets	5,038,683	-	875,766	575,985	(3,586,932)
Sanitation	315,002	-	-	-	(315,002)
Culture and Recreation	1,196,872	33,182	52,433	-	(1,111,257)
Economic Development	850,837	-	2,254	-	(848,583)
Debt Service					
Interest and Fiscal Expense	267,212	-	-	-	(267,212)
Total Governmental Activities	22,127,077	698,079	1,301,549	575,985	(19,551,464)
Business Type Activities					
Loan Program	-	-	-	-	-
New Community Authority	35	121,822	-	-	121,787
Total Business Type Activities	35	121,822	-	-	121,787
Total	\$22,127,112	\$ 819,901	\$ 1,301,549	\$ 575,985	(19,429,677)
General Revenues					
Income Tax					18,845,105
Property Tax Levied for					-
General Purposes					480,412
Police Pensions					77,327
Fire Pensions					77,327
Other Taxes					39,676
Payments in Lieu of Taxes					384,593
Shared Revenues (unrestricted)					133,629
Miscellaneous Receipts					1,691,602
Gain on Sale of Property					1,352,512
Investment Earnings					300,775
Total General Revenues					23,382,958
Change in Net Position					9,170
Net Position - Beginning					3,831,494
Net Position - Ending					22,914,799
					\$ 26,746,293
					\$ 27,515,225

See accompanying notes to the basic financial statements.

CITY OF MORaine, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Major Governmental Funds						Total Governmental Funds
	General Fund	Capital Improvement	Street Construction & Maintenance	Vance Darroch Capital	General Debt Service	Other Governmental Funds	
ASSETS							
Equity in Pooled Cash and Investments	\$ 25,388,163	\$ 1,247,932	\$ 197,588	\$ 686,793	\$ 231,119	\$ 2,178,924	\$ 29,930,519
Cash in Segregated Accounts	115,632	5	-	-	-	895	116,532
Receivables:							
Income Tax	2,814,247	-	-	-	-	-	2,814,247
Property Tax	498,337	-	-	-	-	160,384	658,721
Payment in Lieu of Tax	-	-	-	-	-	234,706	234,706
Accounts	360,855	-	-	-	-	-	360,855
Intergovernmental	61,976	2,385	271,302	-	-	34,516	370,179
Loans	-	-	-	-	-	29,000	29,000
Inventories	19,868	-	98,950	-	-	-	118,818
Prepays	82,192	-	-	-	-	-	82,192
Restricted Asset:							
Equity in Pooled Cash and Investments	36,972	-	-	-	-	-	36,972
Total Assets	<u>\$ 29,378,242</u>	<u>\$ 1,250,322</u>	<u>\$ 567,840</u>	<u>\$ 686,793</u>	<u>\$ 231,119</u>	<u>\$ 2,638,425</u>	<u>\$ 34,752,741</u>
LIABILITIES							
Accounts Payable	\$ 111,396	\$ 45,977	\$ 327	\$ 68,646	\$ -	\$ 5,172	\$ 231,518
Salaries and Benefits Payable	198,722	-	39,323	-	-	76,913	314,958
Deposits Held Payable	28,809	-	-	-	-	-	28,809
Total Liabilities	<u>338,927</u>	<u>45,977</u>	<u>39,650</u>	<u>68,646</u>	<u>-</u>	<u>82,085</u>	<u>575,285</u>
DEFERRED INFLOWS OF RESOURCES							
Property Taxes	467,225	-	-	-	-	150,294	617,519
Payments in Lieu of Taxes	-	-	-	-	-	234,706	234,706
Unavailable for:							
Income Taxes	809,252	-	-	-	-	-	809,252
Delinquent Property Taxes	31,112	-	-	-	-	10,090	41,202
Intergovernmental	53,441	2,385	225,950	-	-	29,348	311,124
Other Sources	319,738	-	-	-	-	-	319,738
Total Deferred Inflows of Resources	<u>1,680,768</u>	<u>2,385</u>	<u>225,950</u>	<u>-</u>	<u>-</u>	<u>424,438</u>	<u>2,333,541</u>
FUND BALANCE							
Nonspendable for:							
Materials and Supplies Inventory	19,868	-	98,950	-	-	-	118,818
Prepaid Items	82,192	-	-	-	-	-	82,192
Unclaimed Monies	8,163	-	-	-	-	-	8,163
Long-term Receivable	-	-	-	-	-	4,000	4,000
Restricted for:							
Law Enforcement	-	-	-	-	-	345,751	345,751
Judiciary Programs	-	-	-	-	-	159,589	159,589
Cemetery Services	-	-	-	-	-	160,979	160,979
Debt Service	-	-	-	-	231,119	-	231,119
Capital Projects	-	-	-	618,147	-	-	618,147
Street Repair and Maintenance	-	-	203,290	-	-	852,341	1,055,631
Economic Development	-	-	-	-	-	526,521	526,521
Committed for:							
Capital Projects	-	1,201,960	-	-	-	-	1,201,960
Economic Development	-	-	-	-	-	82,721	82,721
Assigned for:							
Subsequent Appropriations	1,065,737	-	-	-	-	-	1,065,737
Unpaid Obligations	327,174	-	-	-	-	-	327,174
Recreation Services	196,109	-	-	-	-	-	196,109
Unassigned	25,659,304	-	-	-	-	-	25,659,304
Total Fund Balance	<u>27,358,547</u>	<u>1,201,960</u>	<u>302,240</u>	<u>618,147</u>	<u>231,119</u>	<u>2,131,902</u>	<u>31,843,915</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 29,378,242</u>	<u>\$ 1,250,322</u>	<u>\$ 567,840</u>	<u>\$ 686,793</u>	<u>\$ 231,119</u>	<u>\$ 2,638,425</u>	<u>\$ 34,752,741</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, 2020

Total Governmental Fund Balances		\$ 31,843,915
<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.		32,383,918
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Municipal income taxes	809,252	
Property and other taxes	41,202	
Shared revenues and grants	311,124	
Charges for services and other sources	<u>319,738</u>	
Total		1,481,316
Deferred outflows of resources from loss on refunding is amortized over the life of the bonds and are not reported in the funds.		246,853
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.		1,819,041
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	(23,454)	
Compensated absences payable	(2,448,211)	
General obligations bonds payable	(4,425,000)	
Premium on bonds	(404,585)	
Bond anticipation notes payable	(8,150,000)	
OPWC loans payable	<u>(920,708)</u>	
Total		(16,371,958)
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	5,276,859	
Net OPEB liability	(5,843,487)	
Net pension liability	(18,882,578)	
Deferred inflows - pension and OPEB	<u>(5,207,586)</u>	
Total		<u>(24,656,792)</u>
Governmental Activities' Net Position		<u>\$ 26,746,293</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, 2020

	Major Governmental Funds						Total Governmental Funds
	General Fund	Capital Improvement	Street Construction & Maintenance	Vance Darroch Capital	General Debt Service	Other Governmental Funds	
REVENUES							
Taxes:							
Income	\$ 19,341,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,341,606
Property	466,174	-	-	-	-	150,002	616,176
Other	39,676	-	-	-	-	-	39,676
Payment in Lieu of Taxes	-	-	-	-	-	384,593	384,593
Shared Revenues	119,637	-	592,483	-	-	129,820	841,940
Intergovernmental Grants	64,954	1,585,068	-	-	-	373,502	2,023,524
Licenses and Permits	124,149	-	-	-	-	-	124,149
Charges for Services	446,481	-	-	-	-	4,100	450,581
Fines	194,853	-	-	-	-	8,070	202,923
Investment Earnings	264,361	-	3,471	-	3,112	29,831	300,775
Miscellaneous	1,284,272	320,715	62,130	-	40,953	1,924	1,709,994
Total Revenues	22,346,163	1,905,783	658,084	-	44,065	1,081,842	26,035,937
EXPENDITURES							
Current:							
General Government	3,632,847	-	-	-	31,500	19,066	3,683,413
Public Safety	7,202,312	-	-	-	-	1,307,903	8,510,215
Highways and Streets	204,463	-	1,885,250	-	-	59,492	2,149,205
Sanitation	314,455	-	-	-	-	-	314,455
Economic Development	476,859	-	-	-	-	297,094	773,953
Culture and Recreation	811,037	-	-	-	-	-	811,037
Debt service:							
Principal	-	152,454	-	-	7,950,000	220,000	8,322,454
Interest	-	5,673	-	-	198,750	172,200	376,623
Capital Outlays:							
General Government	-	267,625	-	-	-	-	267,625
Public Safety	-	398,444	-	-	-	-	398,444
Highways and Streets	-	1,616,098	-	2,064,563	-	-	3,680,661
Culture and Recreation	-	71,712	-	-	-	-	71,712
Total Expenditures	12,641,973	2,512,006	1,885,250	2,064,563	8,180,250	2,075,755	29,359,797
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	9,704,190	(606,223)	(1,227,166)	(2,064,563)	(8,136,185)	(993,913)	(3,323,860)
OTHER FINANCING SOURCES (USES)							
Bond Anticipated Notes Issuance	-	-	-	-	8,150,000	-	8,150,000
Loan Issuance	-	96,441	-	-	-	-	96,441
Sale of Capital Assets	1,491,787	-	-	-	-	-	1,491,787
Transfers In	-	800,000	1,225,000	-	-	820,000	2,845,000
Transfers Out	(2,845,000)	-	-	-	-	-	(2,845,000)
Total Other Financing Sources (Uses)	(1,353,213)	896,441	1,225,000	-	8,150,000	820,000	9,738,228
Net Change in Fund Balance	8,350,977	290,218	(2,166)	(2,064,563)	13,815	(173,913)	6,414,368
Fund Balance - Beginning	19,007,570	911,742	304,406	2,682,710	217,304	2,305,815	25,429,547
Fund Balance - Ending	\$ 27,358,547	\$ 1,201,960	\$ 302,240	\$ 618,147	\$ 231,119	\$ 2,131,902	\$ 31,843,915

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, 2020

Net Change in Fund Balance - Total Governmental Funds \$ 6,414,368

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	2,429,570	
Depreciation	(2,005,355)	
Book value of disposed capital assets	<u>(139,275)</u>	
Total		284,940

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 issuance	(8,150,000)	
OPWC loan issuance	(96,441)	
Bond anticipation note payment	7,950,000	
General obligation bond payment	220,000	
Capital lease payment	118,335	
OPWC loan payment	34,119	
Amortization of deferred charge on refunding	(17,633)	
Amortization of premium	<u>32,689</u>	
Total		91,069

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.

71,589

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.

(1,429,878)

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

These activities consist of:

Decrease in accrued interest payable	94,355	
Decrease in compensated absences payable	<u>95,917</u>	
Total		190,272

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

Pensions	1,459,394	
OPEB	<u>25,713</u>	
Total		1,485,107

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	(2,670,370)	
OPEB	<u>(605,603)</u>	
Total		<u>(3,275,973)</u>

Change in Net Position of Governmental Activities \$ 3,831,494

See accompanying notes to the basic financial statements.

CITY OF MORAINE, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

	Enterprise Funds		Total	Internal Service Funds
	Moraine Loan Program	Vance Darroch New Community Authority		
ASSETS				
Current Assets				
Equity in Pooled Cash and Investments	\$ 647,145	\$ -	\$ 647,145	\$ 2,373,178
Cash in Segregated Accounts	-	15,797	15,797	
Receivables:				
Accounts	-	105,990	105,990	-
Inventories	-	-	-	86,289
Total Current Assets	<u>647,145</u>	<u>121,787</u>	<u>768,932</u>	<u>2,459,467</u>
NON-CURRENT ASSETS				
Capital Assets, Net	-	-	-	9,457
Total Assets	<u>647,145</u>	<u>121,787</u>	<u>768,932</u>	<u>2,468,924</u>
Deferred Outflows of Resources				
Pension and OPEB	-	-	-	135,387
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,387</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	-	-	-	137
Salaries and Benefits Payable	-	-	-	6,550
Compensated Absences Payable	-	-	-	3,125
Insurance Claims Payable	-	-	-	97,621
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,433</u>
Long-Term Liabilities				
Compensated Absences Payable	-	-	-	46,663
Net Pension Liability	-	-	-	318,648
Net OPEB Liability	-	-	-	207,058
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>572,369</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>679,802</u>
Deferred Inflows of Resources				
Pension and OPEB	-	-	-	105,468
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,468</u>
NET POSITION				
Investment in Capital Assets	-	-	-	9,457
Unrestricted	647,145	121,787	768,932	1,809,584
Total Net Position	<u>\$ 647,145</u>	<u>\$ 121,787</u>	<u>768,932</u>	<u>\$ 1,819,041</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, 2020

	Enterprise Funds			Internal Service Funds
	Moraine Loan Program	Vance Darroch New Community Authority	Total	
Operating Revenues				
Charges for Services	\$ -	\$ -	\$ -	\$ 2,381,313
Development Charges	-	121,822	121,822	-
Miscellaneous	-	-	-	25,708
Total Operating Revenues	<u>-</u>	<u>121,822</u>	<u>121,822</u>	<u>2,407,021</u>
Operating Expenses				
Personal Services	-	-	-	227,331
Contractual Services	-	35	35	376,725
Supplies and Materials	-	-	-	188,467
Claims and Judgements	-	-	-	1,562,196
Depreciation	-	-	-	3,456
Total Operating Expenses	<u>-</u>	<u>35</u>	<u>35</u>	<u>2,358,175</u>
Operating Income	<u>-</u>	<u>121,787</u>	<u>121,787</u>	<u>48,846</u>
Non-Operating Revenues				
Investment earnings	9,170	-	9,170	22,743
Total Non-Operating Revenues	<u>9,170</u>	<u>-</u>	<u>9,170</u>	<u>22,743</u>
Change in Net Position	9,170	121,787	130,957	71,589
Total Net Position - Beginning	637,975	-	637,975	1,747,452
Total Net Position - Ending	<u>\$ 647,145</u>	<u>\$ 121,787</u>	<u>\$ 768,932</u>	<u>\$ 1,819,041</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, 2020

	Enterprise Funds			Internal Service Funds
	Moraine Loan Program	Vance Darroch New Community Authority	Total	
Cash Flows From Operating Activities				
Cash received for interfund services	\$ -	\$ -	\$ -	\$ 2,381,313
Cash received for development charges	-	15,832	15,832	0
Miscellaneous receipts & reimbursements	-	-	-	29,596
Cash paid to employees for services	-	-	-	(245,546)
Cash paid to suppliers for goods or services	-	(35)	(35)	(560,530)
Cash paid for insurance claims	-	-	-	(1,556,179)
Net cash provided by operating activities	<u>-</u>	<u>15,797</u>	<u>15,797</u>	<u>48,654</u>
Cash Flows From Investing Activities				
Investment earnings	9,170	-	9,170	22,743
Net cash provided by investing activities	<u>9,170</u>	<u>-</u>	<u>9,170</u>	<u>22,743</u>
Net Change	9,170	15,797	24,967	71,397
Equity in Pooled Cash and Investments Beginning of Year	637,975	-	637,975	2,301,781
Equity in Pooled Cash and Investments End of Year	<u>\$ 647,145</u>	<u>\$ 15,797</u>	<u>\$ 662,942</u>	<u>\$ 2,373,178</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	\$ -	\$ 121,787	\$ 121,787	\$ 48,846
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	-	-	-	3,456
(Increase) Decrease in accounts receivable	-	(105,990)	(105,990)	3,888
Decrease in inventories	-	-	-	23,541
Increase in deferred outflows of resources	-	-	-	(1,619)
Decrease in accounts payable	-	-	-	(18,879)
Decrease in salaries and benefits payable	-	-	-	(6,347)
Increase in insurance claims payable	-	-	-	6,017
Decrease in compensated absences payable	-	-	-	(57,178)
Decrease in net pension liabilities	-	-	-	(52,716)
Increase in net OPEB liabilities	-	-	-	36,319
Increase in deferred inflows of resources	-	-	-	63,326
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ 15,797</u>	<u>\$ 15,797</u>	<u>\$ 48,654</u>

See accompanying notes to the basic financial statements.

CITY OF MORaine, OHIO
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
DECEMBER 31, 2020

	Custodial Fund
ASSETS	
Cash in Segregated Accounts	\$ 5,271
Total Assets	5,271
LIABILITIES	
Due to Other Jurisdictions	3,913
Total Liabilities	3,913
FIDUCIARY NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	1,358
Total Fiduciary Net Position	\$ 1,358

See accompanying notes to the basic financial statements.

CITY OF MORaine, OHIO
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Custodial Fund
ADDITIONS:	
Fines and Forfeitures for Other Jurisdictions	\$ 43,305
Cash and Surety Bonds	82,919
Total Additions	126,224
DEDUCTIONS:	
Fines and Forfeitures Distributions to Other Governments	43,172
Cash and Surety Bonds Returned to Individuals	101,761
Total Deductions	144,933
Change in Fiduciary Net Position	(18,709)
Total Fiduciary Net Position - Beginning	20,067
Total Fiduciary Net Position - Ending	\$ 1,358

See accompanying notes to the basic financial statements.

CITY OF MORAINE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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. Based on the upon this criteria, the City’s financial reporting entity includes a blended component unit, the Vance Darroch New Community Authority. Separately issued financial statements can be obtained from the Vance Darroch New Community Authority, 4200 Dryden Road, Moraine, OH 45439.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

Basis of Presentation

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

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, 2020

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.

General Debt Service Fund – This fund accounts the general debt service activity of the City, including the refinancing of the long-term bond anticipation note payable.

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, 2020

Proprietary Fund Types

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

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

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

Fiduciary Funds

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources along with all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e.,

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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, 2020, but which are levied to finance fiscal year 2021 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 2020, 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 \$100 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 2020 amounted to \$309,945.

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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, 2020, 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. 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. If any, these amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee who have accumulated leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds the entire amount of compensated absences is reported as a fund liability.

Accrued Liabilities and Long-Term Obligations

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

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

Pensions and OPEB

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

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

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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, if any.

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

Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. 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, 2020, 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 are eliminated in the government-wide statement of net position. These eliminations minimize the duplicate effect on assets and liabilities within the governmental and business-type activities total column; however, the interfund services provided and used are not eliminated in the process of consolidation. Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Estimates

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

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Budgetary Process

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

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

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

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES:

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which provided temporary relief to governments due to the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that were scheduled to be implemented for periods being after June 15, 2018 and later.

GASB Statement No. 95 implementation resulted in the following guidance being postponed by one year for the City: GASB Statement No. 91, *Conduit Debt Obligations*; GASB Statement No. 92, *Omnibus 2020*; and GASB Statement No 93, *Replacement of Interbank Offered Rates*.

Furthermore, GASB Statement No. 95 postponed the implementation of GASB Statement No. 87, *Leases*, for the City by eighteen (18) months.

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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 \$21,481,695 of which \$4,386,492 was covered by federal deposit insurance and the remaining \$17,095,200 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+	\$ 494,521	\$ -	\$ -	\$ 494,521
STAR Ohio	AAAm	345,133	345,133	-	-
Negotiable CD's	N/A	9,768,789	3,988,485	5,037,096	743,208
Mutual Funds	N/A	1,210,793	1,210,793	-	-
		<u>\$ 11,819,236</u>	<u>\$ 5,544,411</u>	<u>\$ 5,037,096</u>	<u>\$ 1,237,729</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 55.8 days as of December 31, 2020.

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, 2020:

<u>Investment Type</u>	<u>Measurement Value</u>	<u>Percent of Total</u>
Federal Agency Securities	\$ 494,521	4.18%
STAR Ohio	345,133	2.92%
Negotiable CD's	9,768,789	82.65%
Mutual Funds	<u>1,210,793</u>	<u>10.25%</u>
	\$ <u>11,819,236</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, 2020:

Investment Type	Measurement Value	Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
U.S. Governmental Agencies	\$ 494,521	\$ -	\$ 494,521	\$ -
Negotiable CD's	9,768,789	-	9,768,789	-
	<u>\$ 10,263,310</u>	<u>\$ -</u>	<u>\$ 10,263,310</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, 2020 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 2020 for real and public utility property taxes represents collections of 2019 taxes.

2020 real property taxes were levied after October 1, 2020, on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of the appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

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. 2020 public utility property taxes which became a lien December 31, 2019, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

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The full tax rate for all City operations for the year ended December 31, 2020 was \$2.50 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2020 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 145,748,370
Public Utility Real Property Assessed Valuation	350,030
Public Utility Personal Property Assessed Valuation	<u>116,458,790</u>
Total	<u>\$ 262,557,190</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, 2020, 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 2020 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 2020, 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, 2020 were as follows:

Loans Receivable, 12/31/2019	\$ 57,000
New Loans	-
Forgiven Loans	<u>(28,000)</u>
Loans Receivable, 12/31/2020	<u>\$ 29,000</u>

CITY OF MORAINE, OHIO
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NOTE 6 – CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2020 was as follows:

	<u>Balance</u> 12/31/19	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> 12/31/20
<i><u>Governmental Activities</u></i>				
Non-depreciable capital assets:				
Land	\$ 10,921,870	\$ 5,000	\$ (139,275)	\$ 10,787,595
Construction in Progress	7,509,846	2,032,662	(2,465,991)	7,076,517
Non-depreciable capital assets:	<u>18,431,716</u>	<u>2,037,662</u>	<u>(2,605,266)</u>	<u>17,864,112</u>
Depreciable capital assets:				
Buildings and improvements	12,116,815	-	-	12,116,815
Equipment	11,122,509	391,908	(81,898)	11,432,519
Infrastructure	31,354,086	2,465,991	-	33,820,077
Depreciable capital assets:	<u>54,593,410</u>	<u>2,857,899</u>	<u>(81,898)</u>	<u>57,369,411</u>
Less: accumulated depreciation				
Buildings and improvements	(8,806,249)	(200,176)	-	(9,006,425)
Equipment	(8,213,756)	(601,569)	81,898	(8,733,427)
Infrastructure	(23,893,230)	(1,207,066)	-	(25,100,296)
Accumulated depreciation	<u>(40,913,235)</u>	<u>(2,008,811) *</u>	<u>81,898</u>	<u>(42,840,148)</u>
Depreciable capital assets, net	<u>13,680,175</u>	<u>849,088</u>	<u>-</u>	<u>14,529,263</u>
Governmental activities capital assets, net	<u>\$ 32,111,891</u>	<u>\$ 2,886,750</u>	<u>\$ (2,605,266)</u>	<u>\$ 32,393,375</u>

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

General Government	\$ 139,776
Public Safety	403,002
Highways and Streets	1,268,896
Culture and Recreation	193,134
Economic Development	547
Total depreciation expense - general capital assets	2,005,355
Internal service fund depreciation	3,456
Total depreciation expense - governmental activities	<u>\$ 2,008,811</u>

Capital assets of the Internal Service City Garage Fund include machinery and equipment with a cost of \$150,154 and accumulated depreciation of \$140,697 (\$3,456 of current year depreciation).

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

Net Pension Liability

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

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

Ohio Revised Code 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,

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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' financial report referenced above for additional information):

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those 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 2020, 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 \$527,356 for 2020. Of this amount, \$40,881 is reported as salaries and benefits payable.

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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 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:

	<u>Police</u>	<u>Firefighters</u>
2020 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2020 Actual Contribution Rates		
Employer		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	<u>0.50%</u>	<u>0.50%</u>
Total Employer	<u>19.50%</u>	<u>24.00%</u>
Employee	<u>12.25%</u>	<u>12.25%</u>

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Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution was \$955,407 for 2020. Of this amount, \$64,095 is reported as salaries and benefits payable.

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, 2019 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, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. 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	\$ 6,200,508	\$ 13,000,718	\$ 19,201,226
Proportion of the net pension liability			
Current measurement date	0.031370%	0.192988%	
Prior measurement date	0.026983%	0.198997%	
Change in proportionate share	<u>0.004387%</u>	<u>-0.006009%</u>	
Pension expense	\$ 1,141,957	\$ 1,574,123	\$ 2,716,080

At December 31, 2020, 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	\$ -	\$ 492,118	\$ 492,118
Change in assumptions	331,180	319,134	650,314
Change in City's proportionate share and difference in employer contributions	539,731	111,617	651,348
City contributions subsequent to the measurement date	<u>527,356</u>	<u>955,407</u>	<u>1,482,763</u>
Total	<u>\$ 1,398,267</u>	<u>\$ 1,878,276</u>	<u>\$ 3,276,543</u>
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 78,397	\$ 670,499	\$ 748,896
Net difference between projected and actual earnings on pension plan investments	1,236,863	628,039	1,864,902
Change in City's proportionate share and difference in employer contributions	<u>145,714</u>	<u>722,180</u>	<u>867,894</u>
Total	<u>\$ 1,460,974</u>	<u>\$ 2,020,718</u>	<u>\$ 3,481,692</u>

\$1,482,763 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, 2021. 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:			
2021	\$ 56,544	\$ (246,959)	\$ (190,415)
2022	(206,709)	(168,624)	(375,333)
2023	51,218	70,350	121,568
2024	(491,116)	(667,730)	(1,158,846)
2025	-	(84,886)	(84,886)
	\$ (590,063)	\$ (1,097,849)	\$ (1,687,912)

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, 2019 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: 1.4% simple through 2020, then 2.15% simple
Investment rate of return	7.20%
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 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.

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During 2019, 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 17.2% for 2019.

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 2019 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	25.00%	1.83%
Domestic Equities	19.00%	5.75%
Real Estate	10.00%	5.20%
Private Equity	12.00%	10.70%
International Equities	21.00%	7.66%
Other Investments	<u>13.00%</u>	4.98%
Total	<u>100.00%</u>	5.61%

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 (8.20%)</u>
City's proportionate share of the net pension liability	\$ 10,226,995	\$ 6,200,508	\$ 2,581,218

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Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2019, 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, 2019, are presented below:

Valuation date	January 1, 2019 with actuarial liabilities rolled forward to December 31, 2019
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, 2019 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	0.00%	1.00%
Domestic equity	16.00%	5.40%
Non-U.S. equity	16.00%	5.80%
Private markets	8.00%	8.00%
Core fixed income*	23.00%	2.70%
High yield fixed income	7.00%	4.70%
Private credit	5.00%	5.50%
U.S. inflation linked bonds*	17.00%	2.50%
Master limited partnerships	8.00%	6.60%
Real assets	8.00%	7.40%
Private real estate	<u>12.00%</u>	6.40%
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	\$ 18,018,545	\$ 13,000,718	\$ 8,803,806

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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 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' financial report 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 2020, 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 2020. 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 2020 was 4.0%.

The City's contractually required contribution to OPERS was \$3,392 for 2020.

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. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees.

On January 1, 2019, OP&F changed the way it supports retiree health care. A stipend-based health care model has replaced the self-insured group health care plan that had been in place. OP&F has contracted with a vendor who can assist eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a health reimbursement arrangement and can be used to reimburse retirees for qualified health care expenses.

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 2020, 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 \$22,471 for 2020; \$2,818 is reported as accrued salaries and benefits 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, 2018, rolled forward to the measurement date of December 31, 2019, 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, 2019 and was determined by rolling forward the total OPEB liability as of January 1, 2019 to December 31, 2019. 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:

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	OPERS	OP&F	Total
Proportionate share of the net OPEB liability	\$ 4,144,259	\$ 1,906,286	\$ 6,050,545
Proportion of the net OPEB liability			
Current measurement date	0.030004%	0.192988%	
Prior measurement date	0.025501%	0.198997%	
Change in proportionate share	<u>0.004503%</u>	<u>-0.006009%</u>	
OPEB expense	\$ 521,827	\$ 106,895	\$ 628,722

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
<u>Deferred Outflows of Resources:</u>			
Differences between expected and actual experience	\$ 111	\$ -	\$ 111
Change in assumptions	655,992	1,114,488	1,770,480
Change in City's proportionate share and difference in employer contributions	339,249	-	339,249
City contributions subsequent to the measurement date	<u>3,392</u>	<u>22,471</u>	<u>25,863</u>
Total	<u>\$ 998,744</u>	<u>\$ 1,136,959</u>	<u>\$ 2,135,703</u>
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 379,011	\$ 205,004	\$ 584,015
Net difference between projected and actual earnings on OPEB plan investments	211,025	87,720	298,745
Change in assumptions	-	406,257	406,257
Change in City's proportionate share and difference in employer contributions	<u>111,424</u>	<u>430,921</u>	<u>542,345</u>
Total	<u>\$ 701,460</u>	<u>\$ 1,129,902</u>	<u>\$ 1,831,362</u>

\$25,863 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Fiscal Year Ending December 31:			
2021	\$ 198,988	\$ (12,677)	\$ 186,311
2022	184,909	(12,677)	172,232
2023	168	5,317	5,485
2024	(90,173)	(23,051)	(113,224)
2025	-	(3,407)	(3,407)
Thereafter	<u>-</u>	<u>31,081</u>	<u>31,081</u>
	<u>\$ 293,892</u>	<u>\$ (15,414)</u>	<u>\$ 278,478</u>

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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 OBEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. 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	3.16%
Prior measurement period	3.96%
Investment rate of return:	6.00%
Municipal bond rate:	
Current measurement period	2.75%
Prior measurement period	3.71%
Health care cost trend rate:	
Current measurement period	10.5% initial, 3.50% ultimate in 2030
Prior measurement period	10.0% initial, 3.25% ultimate in 2029
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 2019, 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

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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 19.7% for 2019.

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 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 2019 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	36.00%	1.53%
Domestic Equities	21.00%	5.75%
REITs	6.00%	5.69%
International Equities	23.00%	7.66%
Other Investments	<u>14.00%</u>	4.90%
Total	<u>100.00%</u>	4.55%

Discount Rate. A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 2.75%. 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 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, 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 3.16%, 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 (2.16%) or 1.0% point higher (4.16%) than the current rate:

	<u>1% Decrease (2.16%)</u>	<u>Current Discount Rate of 3.16%</u>	<u>1% Increase (4.16%)</u>
City's proportionate share of the net OPEB liability	\$ 5,423,270	\$ 4,144,259	\$ 3,119,970

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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.

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 2020 is 10.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City’s proportionate share of the net OPEB liability	\$ 4,021,848	\$ 4,144,259	\$ 4,264,869

Changes Subsequent to the Measurement Date. On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current measurement period, but are expected to decrease the associated OPEB liability.

Actuarial Assumptions - OP&F

OP&F’s total OPEB liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2019 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.

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

Actuarial valuation date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% to 10.50%
Payroll growth	3.25%
Single discount rate:	
Current measurement rate	3.56%
Prior measurement rate	4.66%
Municipal bond rate:	
Current measurement rate	2.75%
Prior measurement rate	4.13%
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, 2019 are summarized as follows:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and cash equivalents	0.00%	1.00%
Domestic equity	16.00%	5.40%
Non-U.S. equity	16.00%	5.80%
Private markets	8.00%	8.00%
Core fixed income*	23.00%	2.70%
High yield fixed income	7.00%	4.70%
Private credit	5.00%	5.50%
U.S. inflation linked bonds*	17.00%	2.50%
Master limited partnerships	8.00%	6.60%
Real assets	8.00%	7.40%
Private real estate	<u>12.00%</u>	6.40%
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 3.56%. 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 2.75% at December 31, 2019 and 4.13% at December 31, 2018 was blended with the long-term rate of 8.0%, which resulted in a blended discount rate of 3.56% at December 31, 2019 and 4.66% at December 31, 2018.

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 3.56%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower (2.56%) and 1% point higher (4.56%) than the current discount rate.

	<u>1% Decrease (2.56%)</u>	<u>Current Discount Rate of 3.56%</u>	<u>1% Increase (4.56%)</u>
City's proportionate share of the net OPEB liability	\$ 2,363,672	\$ 1,906,286	\$ 1,526,230

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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 \$1,006,843 at December 31, 2020.

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 \$1,491,156 at December 31, 2020.

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, 2020 and 2019 follows:

	<u>2020</u>	<u>2019</u>
Assets	\$ 57,336,499	\$ 54,973,597
Liabilities	<u>(16,156,805)</u>	<u>(16,440,940)</u>
Net Position - Unrestricted	<u>\$ 41,179,694</u>	<u>\$ 38,532,657</u>

The Pool's membership increased from 553 members in 2019 to 571 members in 2020.

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

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Unpaid claims of the Pool that will be billed in the future were approximately \$14.1 million and \$14.7 million at December 31, 2020 and 2019, 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>2020</u>	<u>2019</u>	<u>2018</u>
Claims liability at January 1	\$ 91,604	\$ 112,509	\$ 123,439
Claims incurred	1,532,749	1,786,479	1,684,530
Claims paid	<u>(1,527,732)</u>	<u>(1,807,384)</u>	<u>(1,695,460)</u>
Claims liability at December 31	<u>\$ 96,621</u>	<u>\$ 91,604</u>	<u>\$ 112,509</u>

NOTE 11 - LONG-TERM OBLIGATIONS:

Long-term obligations activity for the year ended December 31, 2020, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
<i>Governmental Activities:</i>					
General Obligation Bonds	\$ 4,645,000	\$ -	\$ 220,000	\$ 4,425,000	\$ 255,000
Premium on Bonds	<u>437,274</u>	<u>-</u>	<u>32,689</u>	<u>404,585</u>	<u>-</u>
Total General Obligation Bonds	5,082,274	-	252,689	4,829,585	255,000
Direct Borrowings:					
Loans Payable - OPWC	858,386	96,441	34,119	920,708	68,241
Direct Placement:					
Bond Anticipation Note	7,950,000	8,150,000	7,950,000	8,150,000	8,150,000
Other Long-Term Obligations:					
Capital Lease Obligation	118,335	-	118,335	-	-
Compensated Absences	2,651,094	105,830	258,925	2,497,999	156,807
Net Pension Liability:					
OPERS	7,390,147	-	1,189,639	6,200,508	-
OP&F	<u>16,243,444</u>	<u>-</u>	<u>3,242,726</u>	<u>13,000,718</u>	<u>-</u>
Total Net Pension Liability	<u>23,633,591</u>	<u>-</u>	<u>4,432,365</u>	<u>19,201,226</u>	<u>-</u>
Net OPEB Liability:					
OPERS	3,324,662	819,597	-	4,144,259	-
OP&F	<u>1,812,177</u>	<u>94,109</u>	<u>-</u>	<u>1,906,286</u>	<u>-</u>
Total Net OPEB Liability	<u>5,136,839</u>	<u>913,706</u>	<u>-</u>	<u>6,050,545</u>	<u>-</u>
Total Governmental Activities	<u>\$ 45,430,519</u>	<u>\$ 9,265,977</u>	<u>\$ 13,046,433</u>	<u>\$ 41,650,063</u>	<u>\$ 8,630,048</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.

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:

Governmental Activities		
General Obligation Bonds		
Year	Principal	Interest
2021	\$ 255,000	\$ 161,200
2022	255,000	156,100
2023	265,000	151,000
2024	275,000	140,400
2025	285,000	129,400
2026-2030	1,590,000	478,200
2031-2035	1,500,000	152,400
Total	<u>\$ 4,425,000</u>	<u>\$ 1,368,700</u>

Loans Payable

At December 31, 2020, the City has six outstanding loans, all of which are direct borrowings, from the Ohio Public Works Commission (OPWC) to finance various projects; \$450,000 for improvements to Springboro Pike West during 2009; \$402,492 for improvements to the traffic signals throughout the City during 2015; \$266,579 for roadway improvements to Stroop Road during 2016; \$86,891 for resurfacing of Northlawn Avenue during 2017; \$62,407 for improvements to East River Road in 2018; and \$96,441 for improvements to Dorothy Lane in 2020. All six of these loans carried interest rates of zero percent and have maturities of 20 years. At December 31, 2020 the outstanding balance on these loans totaled \$920,708. Principal and interest requirement to retire the City's long-term payable are as follows:

Governmental Activities	
OPWC Loans	
Year	Principal
2021	\$ 68,241
2022	68,240
2023	68,242
2024	68,240
2025	68,240
2026-2030	329,951
2031-2035	211,975
2036-2040	37,579
Total	<u>\$ 920,708</u>

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Bond Anticipation Notes Payable

A summary of the City's bond anticipation notes transactions for the year ended December 31, 2020 follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
<i>Governmental Activities:</i>				
2019 Infrastructure Improvement BAN - 2.5%	\$ 7,950,000	\$ -	\$ 7,950,000	\$ -
2020 Infrastructure Improvement BAN - 1.0%	-	8,150,000	-	8,150,000
Total Notes Payable	<u>\$ 7,950,000</u>	<u>\$ 8,150,000</u>	<u>\$ 7,950,000</u>	<u>\$ 8,150,000</u>

During 2020, the City issued \$8,150,000 of bond anticipate notes to provide financing for infrastructure improvements within the Vance Darroch development area, as well as provide resources to retire the 2019 BAN when due. The 2020 notes were sold through a negotiated sale (direct placement) at a stated coupon rate of 1.0 percent. The 2020 notes will mature on June 17, 2021 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 2020 bond anticipation note has been recorded as a long-term obligation at December 31, 2020 and not as a fund liability within the Vance Darroch Capital Fund.

Capital Lease Obligations

In prior years, the City entered into lease agreement for the purpose of providing financing for the acquisition of specific public safety equipment as well as police vehicles. The terms of these agreements provide a purchase option at the end of the leases where ownership of the equipment and vehicles will revert to the City. These agreements represented direct borrowings for the City and meet the definition of capital leases in that the lease agreements transfers the 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. During 2020, the City paid off both lease agreement by making principal payments of \$118,335.

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.

CITY OF MORAIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 2020 payment was \$76,220 and included \$54,000 in principal and \$22,220 in interest. These payments are recorded as expenses in the year paid and no asset or long-term liability is being carried on the City's books. The sewer belongs to, and is maintained by, Montgomery County.

NOTE 14 – INTERFUND ACTIVITY:

Interfund transfers for the year ended December 31, 2020, consisted of the following:

Transfer to Fund	Transfer from Fund	Amount
Street Construction and Maintenance	General	\$ 1,225,000
Capital Improvement	General	800,000
Nonmajor - Police Pension	General	355,000
Nonmajor - Fire Pension	General	465,000
		\$ 2,845,000

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.

NOTE 15 – COMMITMENTS:

Encumbrances

Outstanding encumbrances at year-end include:

Fund	Encumbrance Outstanding
General	\$ 355,464
Capital Improvement	145,564
Street Construction & Maintenance	2,264
Vance Darroch Capital	232,780
Other Governmental Funds	182,209
	\$ 918,281

NOTE 16 – CONTINGENT LIABILITIES:

Litigation

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

CITY OF MORAINE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal and State Grants

For the period January 1, 2020 to December 31, 2020, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 17 – COVID-19:

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 may impact subsequent periods of the City. The ultimate impact on the City's future operating costs, receipts, and any recovery from emergency funding, either federal or state, cannot be reasonably estimated at this time.

NOTE 18 – SUBSEQUENT EVENT:

On June 9, 2021, the City closed on the issuance of \$7.7 million of infrastructure improvement bonds which were used to retire the \$8.2 million in long-term bond anticipation notes payable issued in June 2020. The 2021 infrastructure improvement bonds were sold through a negotiated sale (direct placement) at varying interest rates between 2.0 percent and 3.0 percent, and mature in 2041.

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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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Income	\$ 20,100,000	\$ 20,100,000	\$ 18,984,859	\$ (1,115,141)
Property	449,445	449,445	466,174	16,729
Other	18,000	18,000	32,381	14,381
Shared Revenues	134,410	134,410	119,152	(15,258)
Intergovernmental	28,345	28,345	22,903	(5,442)
License and Permits	107,250	107,250	124,149	16,899
Charges for Services	374,700	374,700	375,313	613
Fines	252,500	252,500	198,468	(54,032)
Investment Earnings	200,000	200,000	184,003	(15,997)
Rents and Royalties	12,800	12,800	13,934	1,134
Miscellaneous	59,918	609,306	1,237,283	627,977
Total Revenues	<u>21,737,368</u>	<u>22,286,756</u>	<u>21,758,619</u>	<u>(528,137)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Council				
Personnel services	15,910	15,910	13,656	2,254
General operating expenses	39,700	15,250	3,583	11,667
Total Council	<u>55,610</u>	<u>31,160</u>	<u>17,239</u>	<u>13,921</u>
Clerk of Council				
Personnel services	87,185	87,185	66,337	20,848
General operating expenses	20,607	21,231	5,896	15,335
Total Clerk of Council	<u>107,792</u>	<u>108,416</u>	<u>72,233</u>	<u>36,183</u>
City Manager				
Personnel services	317,105	314,605	264,044	50,561
General operating expenses	63,167	59,186	13,556	45,630
Total City Manager	<u>380,272</u>	<u>373,791</u>	<u>277,600</u>	<u>96,191</u>
Clerk of Courts				
Personnel services	176,230	175,230	162,825	12,405
General operating expenses	29,939	34,425	16,202	18,223
Total Clerk of Courts	<u>206,169</u>	<u>209,655</u>	<u>179,027</u>	<u>30,628</u>
Law Director				
General operating expenses	261,543	267,986	142,528	125,458
Total Law Director	<u>261,543</u>	<u>267,986</u>	<u>142,528</u>	<u>125,458</u>

(continued)

CITY OF MORAIN, OHIO
GENERAL FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2020
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Merit Service				
General operating expenses	12,000	12,000	3,070	8,930
Total Merit Service	<u>12,000</u>	<u>12,000</u>	<u>3,070</u>	<u>8,930</u>
Mayor				
Personnel services	7,130	7,130	4,816	2,314
General operating expenses	1,150	1,150	360	790
Total Mayor	<u>8,280</u>	<u>8,280</u>	<u>5,176</u>	<u>3,104</u>
Finance				
Personnel services	707,660	703,160	599,958	103,202
General operating expenses	90,633	87,418	71,806	15,612
Total Finance	<u>798,293</u>	<u>790,578</u>	<u>671,764</u>	<u>118,814</u>
Information Center				
Personnel services	50,195	50,195	36,826	13,369
Total Information Center	<u>50,195</u>	<u>50,195</u>	<u>36,826</u>	<u>13,369</u>
Public Buildings				
Personnel services	574,870	570,870	420,239	150,631
General operating expenses	756,222	804,032	541,773	262,259
Total Public Buildings	<u>1,331,092</u>	<u>1,374,902</u>	<u>962,012</u>	<u>412,890</u>
General Miscellaneous				
Personnel services	972,246	1,037,923	464,078	573,845
General operating expenses	630,990	637,840	479,663	158,177
Total General Miscellaneous	<u>1,603,236</u>	<u>1,675,763</u>	<u>943,741</u>	<u>732,022</u>
Information Technology				
Personnel services	274,730	292,735	265,089	27,646
General operating expenses	394,434	413,692	264,783	148,909
Total Information Technology	<u>669,164</u>	<u>706,427</u>	<u>529,872</u>	<u>176,555</u>
Human Resources				
General operating expenses	93,603	94,741	63,654	31,087
Total Human Resources	<u>93,603</u>	<u>94,741</u>	<u>63,654</u>	<u>31,087</u>
TOTAL GENERAL GOVERNMENT	<u>5,577,249</u>	<u>5,703,894</u>	<u>3,904,742</u>	<u>1,799,152</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, 2020
(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	4,317,175	4,264,170	3,550,253	713,917
General operating expenses	734,044	771,495	491,359	280,136
Total Police	<u>5,051,219</u>	<u>5,035,665</u>	<u>4,041,612</u>	<u>994,053</u>
Fire				
Personnel services	4,002,905	3,972,405	3,196,128	776,277
General operating expenses	410,606	437,781	213,020	224,761
Total Fire	<u>4,413,511</u>	<u>4,410,186</u>	<u>3,409,148</u>	<u>1,001,038</u>
Civil Defense				
General operating expenses	11,250	11,250	4,953	6,297
Total Civil Defense	<u>11,250</u>	<u>11,250</u>	<u>4,953</u>	<u>6,297</u>
TOTAL PUBLIC SAFETY	<u>9,475,980</u>	<u>9,457,101</u>	<u>7,455,713</u>	<u>2,001,388</u>
HIGHWAYS AND STREETS				
Engineering				
General operating expenses	2,889	5,006	2,117	2,889
Total Engineering	<u>2,889</u>	<u>5,006</u>	<u>2,117</u>	<u>2,889</u>
Street Lighting				
General operating expenses	265,513	265,513	205,359	60,154
Total Street Lighting	<u>265,513</u>	<u>265,513</u>	<u>205,359</u>	<u>60,154</u>
TOTAL HIGHWAYS AND STREETS	<u>268,402</u>	<u>270,519</u>	<u>207,476</u>	<u>63,043</u>
SANITATION				
Waste Collection				
General operating expenses	402,110	402,320	342,948	59,372
Total Waste Collection	<u>402,110</u>	<u>402,320</u>	<u>342,948</u>	<u>59,372</u>
TOTAL SANITATION	<u>402,110</u>	<u>402,320</u>	<u>342,948</u>	<u>59,372</u>
HEALTH AND WELFARE				
Health & Alcoholism				
General operating expenses	2,000	2,000	1,360	640
Total Health & Alcoholism	<u>2,000</u>	<u>2,000</u>	<u>1,360</u>	<u>640</u>
Board of Zoning Appeals				
General operating expenses	150	150	-	150
Total Board of Zoning Appeals	<u>150</u>	<u>150</u>	<u>-</u>	<u>150</u>
TOTAL HEALTH AND WELFARE	<u>2,150</u>	<u>2,150</u>	<u>1,360</u>	<u>790</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, 2020
(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive Negative
ECONOMIC DEVELOPMENT AND ASSISTANCE				
Planning Commission				
General operating expenses	3,750	3,750	2,901	849
Total Planning Commission	<u>3,750</u>	<u>3,750</u>	<u>2,901</u>	<u>849</u>
Community Development				
Personnel services	582,590	578,590	402,988	175,602
General operating expenses	213,103	216,971	97,062	119,909
Total Community Development	<u>795,693</u>	<u>795,561</u>	<u>500,050</u>	<u>295,511</u>
TOTAL ECONOMIC DEVELOPMENT AND ASSISTANCE	<u>799,443</u>	<u>799,311</u>	<u>502,951</u>	<u>296,360</u>
TOTAL EXPENDITURES	<u>16,525,334</u>	<u>16,635,295</u>	<u>12,415,190</u>	<u>4,220,105</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,212,034</u>	<u>5,651,461</u>	<u>9,343,429</u>	<u>3,691,968</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,790,000)	(6,790,000)	(3,395,000)	3,395,000
Proceeds from the sale of capital assets	1,302,500	1,302,500	1,491,787	189,287
Total Other Financing Sources (Uses)	<u>(5,487,500)</u>	<u>(5,487,500)</u>	<u>(1,903,213)</u>	<u>3,584,287</u>
Net Change in Fund Balance	(275,466)	163,961	7,440,216	7,276,255
Fund Balance - Beginning	17,206,620	17,206,620	17,206,620	-
Prior Year Encumbrances Appropriated	411,389	411,389	411,389	-
Fund Balance - Ending	<u>\$ 17,342,543</u>	<u>\$ 17,781,970</u>	<u>\$ 25,058,225</u>	<u>\$ 7,276,255</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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 626,160	\$ 626,160	\$ 594,122	\$ (32,038)
Investment Earnings	3,000	3,000	2,186	(814)
Miscellaneous	2,500	2,500	62,130	59,630
Total Revenues	<u>631,660</u>	<u>631,660</u>	<u>658,438</u>	<u>26,778</u>
EXPENDITURES				
HIGHWAY AND STREETS				
Streets Department				
Personnel Services	1,955,340	1,955,340	1,595,963	359,377
General Operating Expenses	411,900	412,300	303,496	108,804
Total Expenditures	<u>2,367,240</u>	<u>2,367,640</u>	<u>1,899,459</u>	<u>468,181</u>
Excess (deficiency) of revenues over (under)	<u>(1,735,580)</u>	<u>(1,735,980)</u>	<u>(1,241,021)</u>	<u>494,959</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,740,000	1,740,000	1,225,000	(515,000)
Total Other Financing Sources (Uses)	<u>1,740,000</u>	<u>1,740,000</u>	<u>1,225,000</u>	<u>(515,000)</u>
Net Change in Fund Balance	4,420	4,020	(16,021)	(20,041)
Fund Balance - Beginning	204,951	204,951	204,951	-
Prior Year Encumbrances Appropriated	7,211	7,211	7,211	-
Fund Balance - Ending	<u>\$ 216,582</u>	<u>\$ 216,182</u>	<u>\$ 196,141</u>	<u>\$ (20,041)</u>

See accompanying notes to the required supplementary information.

CITY OF MORAIN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - TRADITIONAL PENSION PLAN
LAST SEVEN 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%
2020	0.031370%	6,200,508	3,965,007	156.38%	82.17%

(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 SEVEN 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%
2020	0.192988%	13,000,718	4,986,735	260.71%	69.89%

(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 EIGHT 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%
2020	527,356	(527,356)	-	3,766,829	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 EIGHT 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%
2020	955,407	(955,407)	-	4,755,635	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 MORAINE, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FOUR 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%
2020	0.030004%	4,144,259	3,965,007	104.52%	47.80%

(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.

In 2020, the single discount rate changed from 3.96% to 3.16% and the health care cost trend rate changed from 10.0% initial, 3.25% ultimate in 2029 to 10.5% initial, 3.50% ultimate in 2030.

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 FOUR 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%
2020	0.192988%	1,906,286	4,986,735	38.23%	47.08%

(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%.

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

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 MORAIN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SIX 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%
2020	3,392	(3,392)	-	3,766,829	0.09%

(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 SIX 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%
2020	22,471	(22,471)	-	4,755,635	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, 2020

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	\$ 8,350,977	\$ (2,166)
Revenue Accruals	(436,411)	354
Expenditure Accruals	(257,169)	(11,945)
Encumbrances	(327,174)	(2,264)
Funds Budgeted Elsewhere	109,993	-
Budget Basis	\$ 7,440,216	\$ (16,021)

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 MORAIN, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	State Highway Improvement	Cemetery	Motor Vehicle License Tax	Enforcement and Education	Mayor's Court Computer
ASSETS					
Equity in Pooled Cash and Investments	\$ 769,764	\$ 160,979	\$ 82,581	\$ 63,748	\$ 95,214
Cash in Segregated Accounts	-	-	-	-	356
Receivables:					
Property Tax	-	-	-	-	-
Payment in Lieu of Taxes	-	-	-	-	-
Intergovernmental	22,000	-	9,692	-	-
Loans	-	-	-	-	-
Total Assets	<u>\$ 791,764</u>	<u>\$ 160,979</u>	<u>\$ 92,273</u>	<u>\$ 63,748</u>	<u>\$ 95,570</u>
LIABILITIES					
Accounts Payable	\$ 4,138	\$ -	\$ 1,034	\$ -	\$ -
Salaries and Benefits Payable	-	-	-	-	-
Total Liabilities	<u>4,138</u>	<u>-</u>	<u>1,034</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	-	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-	-
Unavailable for:					
Delinquent Property Taxes	-	-	-	-	-
Intergovernmental	18,322	-	8,202	-	-
Total Deferred Inflows of Resources	<u>18,322</u>	<u>-</u>	<u>8,202</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Nonspendable					
Long-term Receivable	-	-	-	-	-
Restricted for:					
Law Enforcement	-	-	-	63,748	-
Judiciary Programs	-	-	-	-	95,570
Cemetery Services	-	160,979	-	-	-
Street Repair and Maintenance	769,304	-	83,037	-	-
Economic Development	-	-	-	-	-
Committed for:					
Economic Development	-	-	-	-	-
Total Fund Balance	<u>769,304</u>	<u>160,979</u>	<u>83,037</u>	<u>63,748</u>	<u>95,570</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 791,764</u>	<u>\$ 160,979</u>	<u>\$ 92,273</u>	<u>\$ 63,748</u>	<u>\$ 95,570</u>

(continued)

CITY OF MORAIN, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020
(continued)

	Clerk of Court Computer	Economic Development	T.I.F.	Police Pension	Fire Pension
ASSETS					
Equity in Pooled Cash and Investments	\$ 63,480	\$ 57,721	\$ 526,521	\$ 41,239	\$ 50,632
Cash in Segregated Accounts	539	-	-	-	-
Receivables:					
Property Tax	-	-	-	80,192	80,192
Payment in Lieu of Taxes	-	-	234,706	-	-
Intergovernmental	-	-	-	1,412	1,412
Loans	-	29,000	-	-	-
Total Assets	<u>\$ 64,019</u>	<u>\$ 86,721</u>	<u>\$ 761,227</u>	<u>\$ 122,843</u>	<u>\$ 132,236</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and Benefits Payable	-	-	-	35,510	41,403
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,510</u>	<u>41,403</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	-	-	-	75,147	75,147
Payments in Lieu of Taxes	-	-	234,706	-	-
Unavailable for:					
Delinquent Property Taxes	-	-	-	5,045	5,045
Intergovernmental	-	-	-	1,412	1,412
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>234,706</u>	<u>81,604</u>	<u>81,604</u>
FUND BALANCE					
Nonspendable					
Long-term Receivable	-	4,000	-	-	-
Restricted for:					
Law Enforcement	-	-	-	5,729	9,229
Judiciary Programs	64,019	-	-	-	-
Cemetery Services	-	-	-	-	-
Street Repair and Maintenance	-	-	-	-	-
Economic Development	-	-	526,521	-	-
Committed for:					
Economic Development	-	82,721	-	-	-
Total Fund Balance	<u>64,019</u>	<u>86,721</u>	<u>526,521</u>	<u>5,729</u>	<u>9,229</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 64,019</u>	<u>\$ 86,721</u>	<u>\$ 761,227</u>	<u>\$ 122,843</u>	<u>\$ 132,236</u>

(continued)

CITY OF MORAIN, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020
(continued)

	<u>Federal Law Enforcement</u>	<u>State Law Enforcement</u>	<u>Drug Law Enforcement</u>	<u>Local Coronavirus Relief Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS					
Equity in Pooled Cash and Investments	\$ 51,894	\$ 174,566	\$ 40,585	\$ -	\$ 2,178,924
Cash in Segregated Accounts	-	-	-	-	895
Receivables:					
Property Tax	-	-	-	-	160,384
Payment in Lieu of Taxes	-	-	-	-	234,706
Intergovernmental	-	-	-	-	34,516
Loans	-	-	-	-	29,000
Total Assets	<u>\$ 51,894</u>	<u>\$ 174,566</u>	<u>\$ 40,585</u>	<u>\$ -</u>	<u>\$ 2,638,425</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 5,172
Salaries and Benefits Payable	-	-	-	-	76,913
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,085</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	-	-	-	-	150,294
Payments in Lieu of Taxes	-	-	-	-	234,706
Unavailable for:					
Delinquent Property Taxes	-	-	-	-	10,090
Intergovernmental	-	-	-	-	29,348
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>424,438</u>
FUND BALANCE					
Nonspendable					
Long-term Receivable	-	-	-	-	4,000
Restricted for:					
Law Enforcement	51,894	174,566	40,585	-	345,751
Judiciary Programs	-	-	-	-	159,589
Cemetery Services	-	-	-	-	160,979
Street Repair and Maintenance	-	-	-	-	852,341
Economic Development	-	-	-	-	526,521
Committed for:					
Economic Development	-	-	-	-	82,721
Total Fund Balance	<u>51,894</u>	<u>174,566</u>	<u>40,585</u>	<u>-</u>	<u>2,131,902</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 51,894</u>	<u>\$ 174,566</u>	<u>\$ 40,585</u>	<u>\$ -</u>	<u>\$ 2,638,425</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, 2020

	<u>State Highway Improvement</u>	<u>Cemetery</u>	<u>Motor Vehicle License Tax</u>	<u>Enforcement and Education</u>	<u>Mayors' Court Computer</u>
REVENUES					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Payment in Lieu of Taxes	-	-	-	-	-
Shared Revenues	48,040	-	22,578	-	-
Intergovernmental Grants	-	-	-	-	-
Charges for Services	-	4,100	-	-	-
Fines	-	-	-	347	3,581
Investment Earnings	10,864	2,218	1,027	898	-
Miscellaneous	-	1,924	-	-	-
Total Revenues	<u>58,904</u>	<u>8,242</u>	<u>23,605</u>	<u>1,245</u>	<u>3,581</u>
EXPENDITURES					
Current:					
General Government	-	1,896	-	-	7,638
Public Safety	-	-	-	-	-
Highways and Streets	47,613	-	11,879	-	-
Economic Development	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>47,613</u>	<u>1,896</u>	<u>11,879</u>	<u>-</u>	<u>7,638</u>
Excess (deficiency) of Revenues Over (under) Expenditures	<u>11,291</u>	<u>6,346</u>	<u>11,726</u>	<u>1,245</u>	<u>(4,057)</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	11,291	6,346	11,726	1,245	(4,057)
Fund Balance - Beginning	758,013	154,633	71,311	62,503	99,627
Fund Balance - Ending	<u>\$ 769,304</u>	<u>\$ 160,979</u>	<u>\$ 83,037</u>	<u>\$ 63,748</u>	<u>\$ 95,570</u>

(continued)

CITY OF MORAIN, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020
(Continued)

	Clerk of Court Computer	Economic Development	T.I.F.	Police Pension	Fire Pension
REVENUES					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ 75,001	\$ 75,001
Payment in Lieu of Taxes	-	1,250	383,343	-	-
Shared Revenues	-	-	53,868	2,667	2,667
Intergovernmental Grants	-	-	-	-	-
Charges for Services	-	-	-	-	-
Fines	2,688	-	-	-	-
Investment Earnings	-	-	9,606	669	716
Miscellaneous	-	-	-	-	-
Total Revenues	<u>2,688</u>	<u>1,250</u>	<u>446,817</u>	<u>78,337</u>	<u>78,384</u>
EXPENDITURES					
Current:					
General Government	5,092	-	4,440	-	-
Public Safety	-	-	-	416,309	518,018
Highways and Streets	-	-	-	-	-
Economic Development	-	155,000	142,094	-	-
Debt service					
Principal	-	-	220,000	-	-
Interest	-	-	172,200	-	-
Total Expenditures	<u>5,092</u>	<u>155,000</u>	<u>538,734</u>	<u>416,309</u>	<u>518,018</u>
Excess (deficiency) of Revenues Over (under) Expenditures	<u>(2,404)</u>	<u>(153,750)</u>	<u>(91,917)</u>	<u>(337,972)</u>	<u>(439,634)</u>
OTHER FINANCING SOURCES					
Transfers in	-	-	-	355,000	465,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>355,000</u>	<u>465,000</u>
Net Change in Fund Balance	(2,404)	(153,750)	(91,917)	17,028	25,366
Fund Balance - Beginning	66,423	240,471	618,438	(11,299)	(16,137)
Fund Balance - Ending	<u>\$ 64,019</u>	<u>\$ 86,721</u>	<u>\$ 526,521</u>	<u>\$ 5,729</u>	<u>\$ 9,229</u>

(continued)

CITY OF MORAINE, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020
(Continued)

	Federal Law Enforcement	State Law Enforcement	Drug Law Enforcement	Local Coronavirus Relief Fund	Total Nonmajor Governmental Funds
REVENUES					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ 150,002
Payment in Lieu of Taxes	-	-	-	-	384,593
Shared Revenues	-	-	-	-	129,820
Intergovernmental Grants	-	-	-	373,502	373,502
Charges for Services	-	-	-	-	4,100
Fines	934	520	-	-	8,070
Investment Earnings	719	2,465	575	74	29,831
Miscellaneous	-	-	-	-	1,924
Total Revenues	<u>1,653</u>	<u>2,985</u>	<u>575</u>	<u>373,576</u>	<u>1,081,842</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	19,066
Public Safety	-	-	-	373,576	1,307,903
Highways and streets	-	-	-	-	59,492
Economic development	-	-	-	-	297,094
Debt service					
Principal	-	-	-	-	220,000
Interest	-	-	-	-	172,200
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>373,576</u>	<u>2,075,755</u>
Excess (deficiency) of Revenues Over (under) Expenditures	<u>1,653</u>	<u>2,985</u>	<u>575</u>	<u>-</u>	<u>(993,913)</u>
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	820,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>820,000</u>
Net Change in Fund Balance	1,653	2,985	575	-	(173,913)
Fund Balance - Beginning	50,241	171,581	40,010	-	2,305,815
Fund Balance - Ending	<u>\$ 51,894</u>	<u>\$ 174,566</u>	<u>\$ 40,585</u>	<u>\$ -</u>	<u>\$ 2,131,902</u>

(concluded)

CITY OF MORAIN, OHIO
CAPITAL IMPROVEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 73,290	\$ 73,290	\$ 141,769	\$ 68,479
Grants	-	1,999,455	1,850,930	(148,525)
Miscellaneous	41,210	322,985	320,734	(2,251)
Total Revenues	<u>114,500</u>	<u>2,395,730</u>	<u>2,313,433</u>	<u>(82,297)</u>
EXPENDITURES				
CAPITAL OUTLAY				
General Government	574,528	803,942	415,787	388,155
Public Safety	525,199	525,199	431,647	93,552
Highways and Streets	1,614,826	1,932,746	1,668,637	264,109
Health and Welfare	21,833	28,213	6,380	21,833
Culture-Recreation	85,000	85,000	71,712	13,288
Economic Development	15,000	-	-	-
DEBT SERVICE				
Principal	238,040	238,040	208,732	29,308
Interest	25,705	25,705	25,615	90
Total Expenditures	<u>3,100,131</u>	<u>3,638,845</u>	<u>2,828,510</u>	<u>810,335</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,985,631)</u>	<u>(1,243,115)</u>	<u>(515,077)</u>	<u>728,038</u>
OTHER FINANCING SOURCES				
Transfers in	2,600,000	2,600,000	800,000	(1,800,000)
Total Other Financing Sources	<u>2,600,000</u>	<u>2,600,000</u>	<u>800,000</u>	<u>(1,800,000)</u>
Net Change in Fund Balance	(385,631)	1,356,885	284,923	(1,071,962)
Fund Balance - Beginning	417,745	417,745	417,745	-
Prior Year Encumbrances Appropriated	399,701	399,701	399,701	-
Fund Balance - Ending	<u>\$ 431,815</u>	<u>\$ 2,174,331</u>	<u>\$ 1,102,369</u>	<u>\$ (1,071,962)</u>

CITY OF MORAIN, 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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
CAPITAL OUTLAY				
Highways and Streets	2,497,799	2,497,799	2,246,019	251,780
Total Expenditures	2,497,799	2,497,799	2,246,019	251,780
Net Change in Fund Balance	(2,497,799)	(2,497,799)	(2,246,019)	251,780
Fund Balance - Beginning	2,502,233	2,502,233	2,502,233	-
Prior Year Encumbrances Appropriated	197,799	197,799	197,799	-
Fund Balance - Ending	<u>\$ 202,233</u>	<u>\$ 202,233</u>	<u>\$ 454,013</u>	<u>\$ 251,780</u>

CITY OF MORAINÉ, OHIO
DEBT SERVICE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Special Assessments	\$ 30,500	\$ 30,500	\$ -	\$ (30,500)
Investment Earnings	2,200	2,200	1,893	(307)
Total Revenues	<u>32,700</u>	<u>32,700</u>	<u>1,893</u>	<u>(30,807)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
General operating expenses	25,000	25,000	15,000	10,000
Total General Government	<u>25,000</u>	<u>25,000</u>	<u>15,000</u>	<u>10,000</u>
DEBT SERVICE				
Principal	7,950,000	7,950,000	7,950,000	-
Interest	218,750	218,750	215,250	3,500
Total Expenditures	<u>8,193,750</u>	<u>8,193,750</u>	<u>8,180,250</u>	<u>13,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,161,050)</u>	<u>(8,161,050)</u>	<u>(8,178,357)</u>	<u>(17,307)</u>
OTHER FINANCING SOURCES (USES)				
Note Issuance	8,200,000	8,200,000	8,190,953	(9,047)
Total Other Financing Sources (Uses)	<u>8,200,000</u>	<u>8,200,000</u>	<u>8,190,953</u>	<u>(9,047)</u>
Net Change in Fund Balance	38,950	38,950	12,596	(26,354)
Fund Balance - Beginning	219,479	219,479	219,479	-
Fund Balance - Ending	<u>\$ 258,429</u>	<u>\$ 258,429</u>	<u>\$ 232,075</u>	<u>\$ (26,354)</u>

CITY OF MORAIN, OHIO
STATE HIGHWAY IMPROVEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 50,230	\$ 50,230	\$ 48,172	\$ (2,058)
Investment Earnings	10,000	10,000	6,474	(3,526)
Total Revenues	<u>60,230</u>	<u>60,230</u>	<u>54,646</u>	<u>(5,584)</u>
EXPENDITURES				
HIGHWAY AND STREETS				
Street Department				
General Operating Expenses	179,076	179,076	63,701	115,375
Total Expenditures	<u>179,076</u>	<u>179,076</u>	<u>63,701</u>	<u>115,375</u>
Net Change in Fund Balance	(118,846)	(118,846)	(9,055)	109,791
Fund Balance - Beginning	758,946	758,946	758,946	-
Prior Year Encumbrances Appropriated	5,476	5,476	5,476	-
Fund Balance - Ending	<u>\$ 645,576</u>	<u>\$ 645,576</u>	<u>\$ 755,367</u>	<u>\$ 109,791</u>

CITY OF MORAINÉ, OHIO
CEMETERÝ FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 2,500	\$ 2,500	\$ 4,100	\$ 1,600
Investment Earnings	1,900	1,900	1,336	(564)
Miscellaneous	500	500	1,924	1,424
Total Revenues	<u>4,900</u>	<u>4,900</u>	<u>7,360</u>	<u>2,460</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Building and Park Maintenance				
General Operating Expenses	22,350	22,350	3,095	19,255
Total Expenditures	<u>22,350</u>	<u>22,350</u>	<u>3,095</u>	<u>19,255</u>
Net Change in Fund Balance	(17,450)	(17,450)	4,265	21,715
Fund Balance - Beginning	154,731	154,731	154,731	-
Prior Year Encumbrances Appropriated	1,450	1,450	1,450	-
Fund Balance - Ending	<u>\$ 138,731</u>	<u>\$ 138,731</u>	<u>\$ 160,446</u>	<u>\$ 21,715</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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Shared Revenues	\$ 23,500	\$ 23,500	\$ 22,561	\$ (939)
Investment Earnings	1,000	1,000	636	(364)
Total Revenues	<u>24,500</u>	<u>24,500</u>	<u>23,197</u>	<u>(1,303)</u>
EXPENDITURES				
HIGHWAY AND STREETS				
Street Department				
General Operating Expenses	51,519	54,265	19,196	35,069
Total Expenditures	<u>51,519</u>	<u>54,265</u>	<u>19,196</u>	<u>35,069</u>
Net Change in Fund Balance	(27,019)	(29,765)	4,001	33,766
Fund Balance - Beginning	65,882	65,882	65,882	-
Prior Year Encumbrances Appropriated	8,119	8,119	8,119	
Fund Balance - Ending	<u>\$ 46,982</u>	<u>\$ 44,236</u>	<u>\$ 78,002</u>	<u>\$ 33,766</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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Fines	\$ 1,000	\$ 1,000	\$ 347	\$ (653)
Investment Earnings	800	800	536	(264)
Total Revenues	<u>1,800</u>	<u>1,800</u>	<u>883</u>	<u>(917)</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	(2,700)	(2,700)	883	3,583
Fund Balance - Beginning	63,130	63,130	63,130	-
Fund Balance - Ending	<u>\$ 60,430</u>	<u>\$ 60,430</u>	<u>\$ 64,013</u>	<u>\$ 3,583</u>

CITY OF MORAIN, 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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Fines	\$ 6,000	\$ 6,000	\$ 3,525	\$ (2,475)
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>3,525</u>	<u>(2,475)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Mayor's Court				
General Operating Expenses	10,650	18,060	8,898	9,162
Total Expenditures	<u>10,650</u>	<u>18,060</u>	<u>8,898</u>	<u>9,162</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,650)</u>	<u>(12,060)</u>	<u>(5,373)</u>	<u>6,687</u>
Net Change in Fund Balance	(4,650)	(12,060)	(5,373)	6,687
Fund Balance - Beginning	98,067	98,067	98,067	-
Encumbrances	1,260	1,260	1,260	
Fund Balance - Ending	<u>\$ 94,677</u>	<u>\$ 87,267</u>	<u>\$ 93,954</u>	<u>\$ 6,687</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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Fines	\$ 4,000	\$ 4,000	\$ 2,349	\$ (1,651)
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>2,349</u>	<u>(1,651)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Clerk of Courts				
General Operating Expenses	7,100	7,940	5,932	2,008
Total Expenditures	<u>7,100</u>	<u>7,940</u>	<u>5,932</u>	<u>2,008</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,100)</u>	<u>(3,940)</u>	<u>(3,583)</u>	<u>357</u>
Net Change in Fund Balance	(3,100)	(3,940)	(3,583)	357
Fund Balance - Beginning	65,383	65,383	65,383	-
Encumbrances	840	840	840	
Fund Balance - Ending	<u>\$ 63,123</u>	<u>\$ 62,283</u>	<u>\$ 62,640</u>	<u>\$ 357</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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Payment in lieu of taxes	\$ -	\$ -	\$ 1,250	\$ 1,250
Intergovernmental	250,000	250,000	-	(250,000)
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>1,250</u>	<u>(248,750)</u>
EXPENDITURES				
ECONOMIC DEVELOPMENT				
Economic Development				
General operating expenses	484,000	484,000	133,387	350,613
Total Expenditures	<u>484,000</u>	<u>484,000</u>	<u>133,387</u>	<u>350,613</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(234,000)</u>	<u>(234,000)</u>	<u>(132,137)</u>	<u>101,863</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	240,000	240,000	-	(240,000)
Total Other Financing Sources (Uses)	<u>240,000</u>	<u>240,000</u>	<u>-</u>	<u>(240,000)</u>
Net Change in Fund Balance	6,000	6,000	(132,137)	(138,137)
Fund Balance - Beginning	189,860	189,860	189,860	-
Fund Balance - Ending	<u>\$ 195,860</u>	<u>\$ 195,860</u>	<u>\$ 57,723</u>	<u>\$ (138,137)</u>

CITY OF MORAINÉ, OHIO
T. I. F. FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Payments in lieu of taxes	\$ 360,000	\$ 360,000	\$ 383,343	\$ 23,343
Shared Revenues	42,000	42,000	53,868	11,868
Investment Earnings	11,000	11,000	5,595	(5,405)
Total Revenues	<u>413,000</u>	<u>413,000</u>	<u>442,806</u>	<u>29,806</u>
EXPENDITURES				
 ECONOMIC DEVELOPMENT				
 Engineer				
General operating expenses	139,500	149,500	146,534	2,966
 DEBT SERVICE				
Principal Retirement	220,000	220,000	220,000	-
Interest	172,200	172,200	172,200	-
Total Expenditures	<u>531,700</u>	<u>541,700</u>	<u>538,734</u>	<u>2,966</u>
Net Change in Fund Balance	(118,700)	(128,700)	(95,928)	32,772
Fund Balance - Beginning	624,628	624,628	624,628	-
Fund Balance - Ending	<u>\$ 505,928</u>	<u>\$ 495,928</u>	<u>\$ 528,700</u>	<u>\$ 32,772</u>

CITY OF MORAIN, OHIO
POLICE PENSION FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 72,164	\$ 72,410	\$ 75,001	\$ 2,591
Intergovernmental	2,665	2,665	2,667	2
Investment Earnings	550	550	384	(166)
Total Revenues	<u>75,379</u>	<u>75,625</u>	<u>78,052</u>	<u>2,427</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
Personnel	492,450	492,450	436,582	55,868
General operating expense	1,500	1,500	1,056	444
Total Expenditures	<u>493,950</u>	<u>493,950</u>	<u>437,638</u>	<u>56,312</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(418,571)</u>	<u>(418,325)</u>	<u>(359,586)</u>	<u>58,739</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	420,000	420,000	355,000	(65,000)
Total Other Financing Sources (Uses)	<u>420,000</u>	<u>420,000</u>	<u>355,000</u>	<u>(65,000)</u>
Net Change in Fund Balance	1,429	1,675	(4,586)	(6,261)
Fund Balance - Beginning	45,996	45,996	45,996	-
Fund Balance - Ending	<u>\$ 47,425</u>	<u>\$ 47,671</u>	<u>\$ 41,410</u>	<u>\$ (6,261)</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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 72,164	\$ 72,410	\$ 75,001	\$ 2,591
Intergovernmental	2,665	2,665	2,667	2
Investment Earnings	600	600	429	(171)
Total Revenues	<u>75,429</u>	<u>75,675</u>	<u>78,097</u>	<u>2,422</u>
EXPENDITURES				
PUBLIC SAFETY				
Fire				
Personnel	590,525	590,525	541,296	49,229
General operating expense	1,500	1,500	1,056	444
Total Expenditures	<u>592,025</u>	<u>592,025</u>	<u>542,352</u>	<u>49,673</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(516,596)</u>	<u>(516,350)</u>	<u>(464,255)</u>	<u>52,095</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	525,000	525,000	465,000	(60,000)
Total Other Financing Sources (Uses)	<u>525,000</u>	<u>525,000</u>	<u>465,000</u>	<u>(60,000)</u>
Net Change in Fund Balance	8,404	8,650	745	(7,905)
Fund Balance - Beginning	50,097	50,097	50,097	-
Fund Balance - Ending	<u>\$ 58,501</u>	<u>\$ 58,747</u>	<u>\$ 50,842</u>	<u>\$ (7,905)</u>

CITY OF MORAIN, OHIO
FEDERAL LAW ENFORCEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ -	\$ 600	\$ 431	\$ (169)
Fines	-	5,000	934	(4,066)
Total Revenues	<u>-</u>	<u>5,600</u>	<u>1,365</u>	<u>(4,235)</u>
EXPENDITURES				
PUBLIC SAFETY				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	5,600	1,365	(4,235)
Fund Balance - Beginning	50,744	50,744	50,744	-
Fund Balance - Ending	<u>\$ 50,744</u>	<u>\$ 56,344</u>	<u>\$ 52,109</u>	<u>\$ (4,235)</u>

CITY OF MORaine, OHIO
STATE LAW ENFORCEMENT FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Fines	\$ 5,000	\$ 5,000	\$ 520	\$ (4,480)
Investment Earnings	600	600	1,470	870
Total Revenues	<u>5,600</u>	<u>5,600</u>	<u>1,990</u>	<u>(3,610)</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
General operating expense	29,100	-	-	-
Total Expenditures	<u>29,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,500)</u>	<u>5,600</u>	<u>1,990</u>	<u>(3,610)</u>
Net Change in Fund Balance	(23,500)	5,600	1,990	(3,610)
Fund Balance - Beginning	173,297	173,297	173,297	-
Fund Balance - Ending	<u>\$ 149,797</u>	<u>\$ 178,897</u>	<u>\$ 175,287</u>	<u>\$ (3,610)</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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 500	\$ 500	\$ 343	\$ (157)
Total Revenues	<u>500</u>	<u>500</u>	<u>343</u>	<u>(157)</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	(6,500)	(6,500)	343	6,843
Fund Balance - Beginning	40,410	40,410	40,410	-
Fund Balance - Ending	<u>\$ 33,910</u>	<u>\$ 33,910</u>	<u>\$ 40,753</u>	<u>\$ 6,843</u>

CITY OF MORAINÉ, OHIO
LOCAL CORONAVIRUS RELIEF FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 93,209	\$ 373,502	\$ 373,502	\$ -
Interest	-	74	74	-
Total Revenues	<u>93,209</u>	<u>373,576</u>	<u>373,576</u>	<u>-</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
General operating expense	93,209	373,364	373,576	(212)
Total Expenditures	<u>93,209</u>	<u>373,364</u>	<u>373,576</u>	<u>(212)</u>
Net Change in Fund Balance	-	212	-	(212)
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 212</u>	<u>\$ -</u>	<u>\$ (212)</u>

CITY OF MORAIN, OHIO
PARKS AND RECREATION FUND
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Basis)
For Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 175,500	\$ 175,500	\$ 72,817	\$ (102,683)
Investment Earnings	3,400	3,400	1,664	(1,736)
Grants	30,000	30,000	42,051	12,051
Miscellaneous	2,000	2,000	25,402	23,402
Total Revenues	<u>210,900</u>	<u>210,900</u>	<u>141,934</u>	<u>(68,966)</u>
EXPENDITURES				
CULTURE AND RECREATION				
Civic Center				
Personnel services	378,290	375,790	205,741	170,049
General operating expenses	58,818	61,362	33,747	27,615
Total Civic Center	<u>437,108</u>	<u>437,152</u>	<u>239,488</u>	<u>197,664</u>
Recreational Center				
Personnel services	678,730	673,730	439,437	234,293
General operating expenses	210,483	230,264	121,845	108,419
Total Recreational Center	<u>889,213</u>	<u>903,994</u>	<u>561,282</u>	<u>342,712</u>
Parks & Recreation Programs				
General operating expenses	78,340	78,340	37,909	40,431
Total Parks & Recreation Programs	<u>78,340</u>	<u>78,340</u>	<u>37,909</u>	<u>40,431</u>
Total Expenditures	<u>1,404,661</u>	<u>1,419,486</u>	<u>838,679</u>	<u>580,807</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,193,761)</u>	<u>(1,208,586)</u>	<u>(696,745)</u>	<u>511,841</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,160,000	1,190,000	550,000	(640,000)
Total Other Financing Sources (Uses)	<u>1,160,000</u>	<u>1,190,000</u>	<u>550,000</u>	<u>(640,000)</u>
Net Change in Fund Balance	(33,761)	(18,586)	(146,745)	(128,159)
Fund Balance - Beginning	197,554	197,554	197,554	-
Prior Year Encumbrances Appropriated	35,746	35,746	35,746	-
Fund Balance - Ending	<u>\$ 199,539</u>	<u>\$ 214,714</u>	<u>\$ 86,555</u>	<u>\$ (128,159)</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ 11,100	\$ 11,100	\$ 6,201	\$ (4,899)
Total Revenues	<u>11,100</u>	<u>11,100</u>	<u>6,201</u>	<u>(4,899)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
General operating expenses	250	250	36	214
Total General Government	<u>250</u>	<u>250</u>	<u>36</u>	<u>214</u>
CULTURE AND RECREATION				
General operating expenses	15,000	15,000	10,720	4,280
Total Culture and Recreation	<u>15,000</u>	<u>15,000</u>	<u>10,720</u>	<u>4,280</u>
Total Expenditures	<u>15,250</u>	<u>15,250</u>	<u>10,756</u>	<u>4,494</u>
Net Change in Fund Balance	(4,150)	(4,150)	(4,555)	(405)
Fund Balance - Beginning	41,527	41,527	41,527	-
Fund Balance - Ending	<u>\$ 37,377</u>	<u>\$ 37,377</u>	<u>\$ 36,972</u>	<u>\$ (405)</u>

CITY OF MORAINE, OHIO
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2020

	<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	\$ 358,622	\$ 1,420,252	\$ 594,304	\$ 2,373,178
Receivables:				
Accounts	-	-	-	-
Inventories	86,289	-	-	86,289
Total Current Assets	<u>444,911</u>	<u>1,420,252</u>	<u>594,304</u>	<u>2,459,467</u>
NON-CURRENT ASSETS				
Capital Assets, Net	9,457	-	-	9,457
Total Assets	<u>454,368</u>	<u>1,420,252</u>	<u>594,304</u>	<u>2,468,924</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Pensions and OPEB	135,387	-	-	135,387
Total Deferred Outflows of Resources	<u>135,387</u>	<u>-</u>	<u>-</u>	<u>135,387</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	137	-	-	137
Salaries and Benefits Payable	6,550	-	-	6,550
Compensated Absences Payable	3,125	-	-	3,125
Insurance Claims Payable	-	1,000	96,621	97,621
Total Current Liabilities	<u>9,812</u>	<u>1,000</u>	<u>96,621</u>	<u>107,433</u>
LONG-TERM LIABILITIES				
Compensated Absences Payable	46,663	-	-	46,663
Net Pension Liability	318,648	-	-	318,648
Net OPEB Liability	207,058	-	-	207,058
Total Long-Term Liabilities	<u>572,369</u>	<u>-</u>	<u>-</u>	<u>572,369</u>
Total Liabilities	<u>582,181</u>	<u>1,000</u>	<u>96,621</u>	<u>679,802</u>
DEFERRED INFLOWS OF RESOURCES:				
Pensions and OPEB	105,468	-	-	105,468
Total Deferred Inflows of Resources	<u>105,468</u>	<u>-</u>	<u>-</u>	<u>105,468</u>
NET POSITION				
Investment in Capital Assets	9,457	-	-	9,457
Unrestricted	(107,351)	1,419,252	497,683	1,809,584
Total Net Position	<u>\$ (97,894)</u>	<u>\$ 1,419,252</u>	<u>\$ 497,683</u>	<u>\$ 1,819,041</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, 2020

	City Garage	Insurance Reserve	Health Insurance	Total Internal Service Funds
Operating Revenues				
Charges for Services	\$ 454,445	\$ -	\$ 1,926,868	\$ 2,381,313
Miscellaneous	-	25,708	-	25,708
Total Operating Revenues	<u>454,445</u>	<u>25,708</u>	<u>1,926,868</u>	<u>2,407,021</u>
Operating Expenses				
Personal Services	227,331	-	-	227,331
Contractual Services	18,992	8,394	349,339	376,725
Supplies and Materials	188,467	-	-	188,467
Claims and Judgements	-	29,447	1,532,749	1,562,196
Depreciation Expense	3,456	-	-	3,456
Total Operating Expenses	<u>438,246</u>	<u>37,841</u>	<u>1,882,088</u>	<u>2,358,175</u>
Operating Income (Loss)	<u>16,199</u>	<u>(12,133)</u>	<u>44,780</u>	<u>48,846</u>
Non-operating Revenues				
Investment Earnings	-	20,266	2,477	22,743
Total Non-operating Revenues	<u>-</u>	<u>20,266</u>	<u>2,477</u>	<u>22,743</u>
Change in Net Position	16,199	8,133	47,257	71,589
Total Net Position - Beginning	(114,093)	1,411,119	450,426	1,747,452
Total Net Position - Ending	<u>\$ (97,894)</u>	<u>\$ 1,419,252</u>	<u>\$ 497,683</u>	<u>\$ 1,819,041</u>

CITY OF MORAIN, OHIO
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2020

	City Garage	Insurance Reserve	Health Insurance	Total Internal Service Funds
Cash Flows From Operating Activities				
Cash received for interfund services	\$ 454,445	\$ -	\$ 1,926,868	\$ 2,381,313
Miscellaneous receipts & reimbursements	-	29,596	-	29,596
Cash paid to employees for services	(245,546)	-	-	(245,546)
Cash paid to suppliers for goods or services	(202,709)	(8,482)	(349,339)	(560,530)
Cash paid for insurance claims	-	(28,447)	(1,527,732)	(1,556,179)
Net cash provided (used) by operating activities	<u>6,190</u>	<u>(7,333)</u>	<u>49,797</u>	<u>48,654</u>
Cash Flows From Investing Activities				
Investment earnings	-	20,266	2,477	22,743
Net cash provided by investing activities	<u>-</u>	<u>20,266</u>	<u>2,477</u>	<u>22,743</u>
Net Change	6,190	12,933	52,274	71,397
Equity in Pooled Cash and Investments Beginning of Year	352,432	1,407,319	542,030	2,301,781
Equity in Pooled Cash and Investments End of Year	<u>\$ 358,622</u>	<u>\$ 1,420,252</u>	<u>\$ 594,304</u>	<u>\$ 2,373,178</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 16,199	\$ (12,133)	\$ 44,780	\$ 48,846
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	3,456	-	-	3,456
Decrease in accounts receivables	-	3,888	-	3,888
Decrease in inventories	23,541	-	-	23,541
Increase in deferred outflows of resources	(1,619)	-	-	(1,619)
Decrease in accounts payable	(18,791)	(88)	-	(18,879)
Decrease in salaries and benefits payable	(6,347)	-	-	(6,347)
Increase in insurance claims payable	-	1,000	5,017	6,017
Decrease in compensated absences payable	(57,178)	-	-	(57,178)
Decrease in net pension liabilities	(52,716)	-	-	(52,716)
Increase in net OPEB liabilities	36,319	-	-	36,319
Increase in deferred inflows of resources	63,326	-	-	63,326
Net cash provided (used) by operating activities	<u>\$ 6,190</u>	<u>\$ (7,333)</u>	<u>\$ 49,797</u>	<u>\$ 48,654</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents:

Financial Trends (Tables 1-4)

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules can be found on pages 109 to 113.

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 114 to 119.

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 120 to 122.

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 123 and 124.

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 125 to 127.

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>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>	<u>2020</u>
Governmental activities										
Net Investment in Capital Assets	\$ 29,263	\$ 27,607	\$ 26,822	\$ 25,033	\$ 24,836	\$ 24,221	\$ 23,229	\$ 23,477	\$ 24,170	\$ 22,659
Restricted for:										
Debt service	-	131	136	137	133	136	144	145	199	208
Special revenue	1,947	1,498	1,580	1,581	1,927	2,146	2,363	1,543	1,507	1,566
Capital projects	4,475	4,924	4,240	3,913	2,753	2,109	2,140	-	112	-
Unrestricted	5,018	1,840	2,866	(8,219)	(6,073)	(4,096)	(16,813)	(14,538)	(3,073)	2,313
Total governmental activities net position	40,703	36,000	35,644	22,445	23,576	24,516	11,063	10,627	22,915	26,746
Business-type activities										
Unrestricted	594	598	605	609	614	619	623	627	638	769
Total business-type activities net position	594	598	605	609	614	619	623	627	638	769
Primary government										
Net Investment in Capital Assets	29,263	27,607	26,822	25,033	24,836	24,221	23,229	23,477	24,170	22,659
Restricted	6,422	6,553	5,956	5,631	4,813	4,391	4,647	1,688	1,818	1,774
Unrestricted	5,612	2,438	3,471	(7,610)	(5,459)	(3,477)	(16,190)	(13,911)	(2,435)	3,082
Total primary government net position	\$ 41,297	\$ 36,598	\$ 36,249	\$ 23,054	\$ 24,190	\$ 25,135	\$ 11,686	\$ 11,254	\$ 23,553	\$ 27,515

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>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>	<u>2020</u>
Expenses										
Governmental activities:										
General government	\$ 3,277	\$ 3,663	\$ 3,356	\$ 3,634	\$ 3,735	\$ 4,248	\$ 4,443	\$ 4,696	\$ 4,948	\$ 4,513
Public safety	8,852	8,147	8,426	8,014	8,901	9,601	9,586	10,536	1,800	9,945
Highways and streets	3,638	3,415	3,233	3,612	4,644	5,599	5,018	5,233	3,978	5,039
Sanitation	284	308	326	303	288	287	549	306	380	315
Culture and recreation	1,113	1,109	1,093	991	1,387	1,171	1,426	1,256	1,362	1,197
Economic development	1,005	479	252	730	343	1,534	553	629	2,193	851
Health and welfare	86	213	36	116	161	152	179	178	-	-
Interest and fiscal charges	302	294	250	248	251	250	384	285	327	267
Total governmental activities expenses	<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>	<u>22,127</u>
Business-type activities:										
New community authority	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>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>	<u>22,127</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	650	477	444	408	421	498	438	301	505	344
Public safety	612	429	354	295	488	529	392	387	350	321
Sanitation	-	6	3	14	-	-	1	-	-	-
Culture and recreation	-	207	215	195	259	188	187	177	231	33
Operating grants and contributions	72	451	600	764	823	1,399	785	660	1,016	1,302
Capital grants and contributions	1,950	382	757	128	1,810	1,374	-	853	1,669	576
Total governmental activities program revenues	<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>	<u>2,576</u>
Business-type activities:										
Charges for services:										
New community authority	-	-	-	-	-	-	-	-	-	122
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>122</u>
Total primary government program revenues	<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>	<u>2,698</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 MORAINE, OHIO
Changes in Net Position
Last Ten Years
(accrual basis of accounting)
(reported in thousands)

	<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>	<u>2020</u>
Net (Expense)/Revenue										
Governmental activities	(15,273)	(15,676)	(14,599)	(15,844)	(15,909)	(18,854)	(20,335)	(20,741)	(11,217)	(19,551)
Business-type activities	-	-	-	-	-	-	-	-	-	122
Total net expense	<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>	<u>(19,429)</u>
General Revenues										
Governmental activities:										
Taxes										
Income tax	9,542	10,046	12,786	13,137	15,768	18,314	18,308	18,523	20,833	18,845
Property taxes, levied for										
Property taxes, levied for										
General purposes	421	350	380	415	404	419	406	473	445	480
Police pensions	89	70	61	66	65	66	65	76	72	77
Fire pensions	89	70	61	66	65	67	65	76	72	77
Other taxes	50	24	18	20	16	23	21	32	23	40
Payments in lieu of taxes	43	33	95	185	247	292	345	362	366	385
Shared revenues (unrestricted)	657	223	279	261	178	130	98	113	141	134
Intergovernmental	92	-	-	-	-	-	-	-	-	-
Miscellaneous	530	126	429	259	216	384	448	498	1,243	3,044
Investment earnings	237	31	133	73	81	99	87	145	310	301
Total governmental activities general revenues	<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>	<u>23,383</u>
Business-type activities:										
Investment earnings	14	3	8	4	5	5	5	4	11	9
Total business-type activities general revenues	<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>	<u>9</u>
Total primary government general revenues	<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>	<u>23,392</u>
Change in Net Position										
Governmental activities	(3,523)	(4,703)	(357)	(1,362)	1,131	940	(492)	(443)	12,288	3,832
Business-type activities	14	3	8	4	5	5	5	4	11	131
Total primary government	<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>	<u>\$ 3,963</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>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>	<u>2020</u>
General Fund	\$ 88	\$ 88	\$ 935	\$ 933	\$ 92	\$ 91	\$ 90	\$ 90	\$ 103	\$ 110
Reserved	694	1,720	866	541	1,029	663	1,797	2,141	718	1,589
Unreserved	5,283	978	1,132	3,762	6,093	9,353	10,782	11,707	18,187	25,659
Nonspendable										
Assigned										
Unassigned										
Total general fund	6,065	2,786	2,933	5,236	7,214	10,107	12,669	13,938	19,008	27,358
All Other Governmental Funds										
Nonspendable	1,928	1,156	44	245	534	791	954	134	143	103
Restricted	2,020	2,397	3,379	2,871	2,962	2,606	2,493	2,560	5,183	3,098
Committed	4,249	5,019	4,089	3,762	2,841	2,044	2,097	2,872	1,123	1,285
Unassigned	(210)	(506)	(241)	(603)	(9)	(40)	(492)	(2,415)	(27)	-
Total all other governmental funds	\$ 7,987	\$ 8,066	\$ 7,271	\$ 6,275	\$ 6,328	\$ 5,401	\$ 5,052	\$ 3,151	\$ 6,422	\$ 4,486

(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)

	2011	2012	2013	2014(1)	2015	2016	2017	2018	2019	2020
REVENUES										
Income Taxes	\$ 9,699	\$ 10,029	\$ 12,141	\$ 13,452	\$ 15,721	\$ 18,104	\$ 18,486	\$ 18,495	\$ 20,600	\$ 19,342
Property Taxes	596	479	514	544	529	540	561	628	594	616
Other Taxes	50	24	18	19	16	23	21	32	24	40
Payment in lieu of taxes	43	33	95	185	247	292	343	363	366	385
Shared Revenues	656	725	724	715	825	630	689	611	768	842
License and Permits	11	106	129	148	113	198	112	79	166	124
Charges for Services	782	535	627	516	646	621	606	527	617	450
Fines	343	266	227	275	326	232	264	245	304	203
Investment Earnings	237	31	133	72	81	99	86	146	310	301
Rents and Royalties	12	-	-	-	-	-	-	-	-	-
Intergovernmental	2,219	492	751	592	1,601	2,087	177	1,127	1,070	2,023
Miscellaneous	500	198	340	306	271	474	501	423	549	1,710
Total Revenues	15,148	12,918	15,699	16,824	20,376	23,300	21,846	22,676	25,368	26,036
EXPENDITURES										
Current:										
General government	3,154	3,314	2,978	3,343	3,536	3,562	3,495	4,188	3,681	3,683
Public Safety	8,433	7,784	8,144	7,519	8,397	8,398	8,535	8,797	9,147	8,510
Highways & Streets	2,637	2,251	2,121	2,558	3,198	2,310	2,304	2,484	2,439	2,149
Sanitation	284	308	326	303	288	287	275	306	380	314
Economic Development	990	473	302	684	327	1,151	509	557	2,151	774
Health and Welfare	79	206	28	112	162	144	153	158	1	-
Culture and Recreation	886	870	906	760	1,176	1,097	1,097	1,034	1,016	811
Capital Improvements	1,688	381	1,542	66	1,292	3,858	2,849	5,357	6,529	4,418
Debt Service:										
Principal	205	232	269	110	269	318	315	329	357	8,324
Interest & Fiscal Charges	307	300	255	252	250	256	399	301	242	377
Total Expenditures	18,663	16,119	16,871	15,707	18,895	21,381	19,931	23,511	25,943	29,360
Excess (deficiency) of revenues over expenditures	(3,515)	(3,201)	(1,172)	1,117	1,481	1,919	1,915	(835)	(575)	(3,324)
OTHER FINANCIAL SOURCES (USES)										
Long-term bonds/notes issued	-	-	216	187	267	-	4,961	-	7,950	8,150
Loans issued	-	-	-	-	-	-	87	63	-	96
Payments to Refunding Escrow Agent	-	-	-	-	-	-	(4,782)	-	-	-
Transfers In	2,100	2,000	2,235	1,860	3,135	4,310	4,825	5,305	4,763	2,845
Transfers Out	(2,200)	(2,000)	(2,235)	(1,860)	(3,175)	(4,310)	(4,825)	(5,305)	(4,763)	(2,845)
Inception of capital leases	-	-	-	-	310	-	-	-	72	-
Other financing sources	18	-	308	2	14	47	32	140	886	1,492
Total Other Financing Sources (Uses)	(82)	-	524	189	551	47	298	203	8,908	9,738
Net Change in Fund Balance	\$ (3,597)	\$ (3,201)	\$ (648)	\$ 1,306	\$ 2,032	\$ 1,966	\$ 2,213	\$ (632)	\$ 8,333	\$ 6,414
Debt service as a percentage of noncapital expenditures	25.09%	3.02%	3.35%	2.49%	2.78%	2.86%	3.77%	3.17%	2.91%	32.31%

(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

Year	Municipal Income Taxes	Property and Other Local Taxes	State Shared Taxes and Permits	Total
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
2020	18,845,105 (2)	1,059,335	133,629	20,038,069

Source: City of Moraine, Department of Finance

- (1) Income tax rate increased 1/2% to 2.5% effective July 1, 2014, with 2015 being the first full year of collection using new rate.
- (2) Decrease in income taxes due to COVID-19 pandemic.

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

TABLE 6

<u>Year</u>	<u>Amount</u>
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
2020	19,341,606 ⁽⁴⁾

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.
(4) Decrease due to COVID-19 pandemic.

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

<u>2011</u>			<u>2020</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	Winsupply Inc.	3	3	WinSupply
4	Lastar Inc.	-	4	Dayton Power and Light
5	Compunet Clinical Laboratories	7	5	Heidelberg Distributing
6	Berry Network Inc.	-	6	Fidelity Healthcare
7	The Berry Company	-	7	Compunet Clinical Laboratories
8	City of Moraine	10	8	Tyler Technologies
9	BWI North America Inc.	-	9	South Community
10	Walmart Associates Inc.	-	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>
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%
2020	1,794,650	48,604,170	57,286,800	38,062,750	145,748,370	2.50	416,423,914	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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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>									
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	8.21	8.21	8.21	8.21	8.21	8.21	8.21
Human Services Levy B	6.03	6.03	6.03	6.03	6.03	6.03	6.03	6.03	6.03	6.03
Total County Rates	<u>15.94</u>	<u>15.94</u>	<u>15.94</u>	<u>16.94</u>						
OTHER UNITS:										
Montgomery County Community College	3.20	3.20	3.20	3.20	3.20	4.20	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	2.00	2.00
Dayton - Montgomery Library	1.75	1.75	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.15
SCHOOL DISTRICT:										
Kettering / Moraine Community	78.00	78.00	78.00	82.99	82.99	82.99	85.39	85.26	91.03	91.03
West Carrollton Community	72.05	72.05	72.05	72.05	72.05	72.05	77.55	77.55	83.15	83.15
Jefferson Local School	66.90	66.90	66.90	61.40	61.40	61.40	61.40	61.40	61.40	61.40
Joint Vocational School	2.58	2.58	2.58	2.58	2.58	2.58	2.58	4.01	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>Taxpayer</u>	<u>Nature of Business</u>	<u>Calendar Year 2020</u>		
		<u>Taxable Valuation</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Valuation</u>
Dayton Power & Light Company	Gas and Electric Utility	\$ 75,747,950	1	28.85%
AES Ohio Generation LLC	Utility	26,334,700	2	10.03%
Vectren Energy	Utility	20,811,900	3	7.93%
General Motors Company	Manufacturing	3,289,280	3	1.25%
Dovetree Apartments	Real Estate	3,222,640	3	1.23%
Premier Creekside Ohio LLC	Real Estate/Development	3,023,550	6	1.15%
Premier Highland Park LLC	Apartments	2,863,120	7	1.09%
VonMil Realty LLC	Real Estate	2,467,070	8	0.94%
Kroger Limited Partnership	Retail Sales	2,493,480	9	0.95%
WMSSMDOM LLC	Publisher/Marketing	2,024,280	10	0.77%
	Subtotal	142,277,970		54.19%
	All Others	120,279,220		45.81%
	Total	<u>\$ 262,557,190</u>		<u>100.00%</u>

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Calendar Year 2011</u>		
		<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Valuation</u>
Dayton Power & Light Company	Gas and Electric Utility	\$59,517,960	1	40.94%
General Motors Corporation	Automotive Manufacturer	9,594,710	2	6.60%
Vectren Energy	Utility	6,145,950	3	4.23%
Dovetree Apartments	Real Estate	3,801,440	4	2.61%
Walmart Stores	Retail Sales	3,279,060	5	2.26%
3601 Dryden LLC	Retail Sales	2,485,220	6	1.71%
PDQ Bell Plaza LLC	Retail Sales	1,835,030	7	1.26%
Woodbine Partners LTD	Retail Sales	1,822,210	8	1.25%
S&G Investments	Real Estate	1,748,930	9	1.20%
Cole St Moraine Oh LLC	Real Estate	1,273,850	10	0.88%
	Subtotal	91,504,360		62.94%
	All Others	53,887,830		37.06%
	Total	<u>\$ 145,392,190</u>		<u>100.00%</u>

Source: Montgomery County Auditor's Office

TABLE 10

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

<u>TAX YEAR</u>	<u>YEAR</u>	<u>TOTAL LEVIED</u>	<u>TOTAL COLLECTED</u>	<u>PERCENTAGE COLLECTED</u>	<u>DELINQUENT COLLECTIONS</u>	<u>TOTAL COLLECTIONS</u>	<u>TOTAL COLLECTIONS AS PERCENTAGE LEVIED</u>	<u>OUTSTANDING TAXES</u>	<u>OUTSTANDING DELINQUENT TAXES AS PERCENTAGE LEVIED</u>
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%
2019/2020	2020	646,757	630,792	98%	6,220	637,012	98% ⁽¹⁾	33,961	5%

Source: Montgomery County Auditor's Office

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

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)
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
2019	9,070,708	4,829,585	-	13,900,293	106,462,435	13.06%	2,203.95

(1) Bond amounts include unamortized premiums

(2) See Table 14 for demographic data

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

CITY OF MORaine, OHIO
Computation of Direct and Overlapping Debt
December 31, 2020

Jurisdiction	Total GO Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Moraine, Ohio
<i>DIRECT DEBT</i>			
CITY OF MORaine	\$ 13,900,293	100.00%	\$ 13,900,293
<i>OVERLAPPING</i>			
DAYTON METRO LIBRARY	141,664,986	3.48%	4,929,942
MIAMI TOWNSHIP	24,265,000	0.14%	33,971
WEST CARROLLTON CITY SCHOOL DISTRICT	42,900,000	16.65%	7,142,850
KETTERING CITY SCHOOL DISTRICT	50,655,000	13.78%	6,980,259
MIAMI VALLEY CAREER CENTER - JT. VOC. SCHOOL DISTRICT	125,612,994	1.05%	1,318,936
<i>TOTAL OVERLAPPING DEBT</i>	360,832,980		20,371,987
TOTAL	\$ 374,733,273		\$ 34,306,251

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$15,266	\$14,341	\$14,341	\$13,582	\$14,467	\$13,582	\$14,223	\$15,056	\$15,321
Legal Debt Margin	<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	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 2019)	145,748
Debt limit (10.5% of total assessed value)	15,304
Debt applicable to limit:	
General Obligation Bonds	4,425
General Obligation Notes	8,150
Less: Amount restricted for repayment of general obligation debt	<u>231</u>
Total net debt applicable to limit	<u>12,344</u>
Legal debt margin	<u>\$2,960</u>

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

TABLE 14

Calendar Year	(1) Population	(1) Personal Income <small>(thousands of dollars)</small>	(1) Per Capita Personal Income	(1) Median Age	(2) Unemployment Rate
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%
2019	6,307	106,462	16,880	37.0	3.8%
2020	6,307 ⁽³⁾	106,462	16,880	37.0	5.4% ⁽⁴⁾

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

(3) Results of 2020 census were not available at time of preparation.

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

CITY OF MORAINE, OHIO
Principal Employers

TABLE 15

Current Year and Nine Years Ago

	<u>2020</u>	<u>2010</u>	
	<u>Number of Employees</u>		<u>Number of Employees</u>
Fuyao Glass America	2,697		519
Dmax Ltd.	939	Dmax Ltd.	515
Fidelity Healthcare Inc.	781	Dayton Power and Light	481
Dayton Power and Light	473	Lastar	361
Heidelberg Distributing	404	Compunet Clinical Laboratories	350
WinSupply Inc.	334	Berry Network Inc.	347
South Community	277	The Berry Co.	228
Compunet Clinical Laboratories	202	BWI North America Inc.	213
City of Moraine	173	Walmart Associates Inc.	197
Tyler Technology	161	City of Moraine	195
		WinSupply	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>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>	<u>2020</u>
General government										
Clerk of Council	1	1	1	1	1	1	1	1	1	1
City Manager	7	6	6	6	6	6	7	7	6	6
Clerk of Courts	2	2	2	2	2	2	2	2	2	2
Law	0	0	0	0	0	0	0	0	0	0
Finance	6	6	6	6	6	6	7	7	7	7
Public Buildings	12 (1)	5	6	6	6	6	6	6	6	6
Public Safety										
Police	49	38	37	32	34	34	35	34	30	30
Fire	36	32	33	25	27	24	30	27	28	28
Other										
Highways and Streets	26 (1)	15	16	18	18	16	15	15	17	17
Community Development	5	3	3	3	3	3	3	4	4	4
Recreation and Culture	22	19	18	18	20	21	21	19	19	13
Garage	4	3	3	3	3	3	3	3	3	3
Total	170	130	131	120	126	122	130	125	123	117

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020⁽¹⁾
Police										
Warrants served	1,266	905	822	899	1,041	872	977	628	724	675
Felony arrests	131	177	157	252	293	273	261	169	197	160
Arrests made	778	1,753	1,535	1,771	1,800	1,700	1,839	1,347	1,403	1,020
Traffic citations issued	3,205	2,653	1,944	2,537	2,523	2,799	3,329	2,581	2,981	1,615
Miles Patrolled	272,940	260,804	253,927	224,694	233,288	207,661	216,938	188,208	195,008	153,059
Fire										
Fire calls	92	566	637	80	722	801	797	815	826	889
EMS calls	1,619	1,689	1,565	1,705	2,069	2,152	2,188	2,008	2,307	2,034
Fire Inspections	1,043	1,012	1,032	920	749	799	663	833	759	747
Child Safety Seat Inspections	20	25	25	26	16	52	71	87	56	26
Highways and Streets										
Gallons of street paint used	865	1,353	1,045	1,050	1,115	1,040	1,540	1,435	1,300	1,145
Tons of snow melting salt used	953	338	332	854	657	578	322	700	757	392
Community Development										
Building Inspections	481	787	965	797	737	686	561	637	691	801
Residential Building Permits Issued	103	196	208	129	118	106	129	107	310	380
Commercial Building Permits Issued	105	174	199	190	206	308	192	216	198	112
Culture and Recreation										
Payne Recreation Center Attendance	175,000	136,512	141,620	175,386	185,276	192,765	195,151	30,416	20,325	11,679
Civic Center Attendance (estimated)	55,000	77,935	106,260	112,868	108,215	110,013	107,144	25,289	15,656	4,505
Youth and Day Camps Attendance	824	342	203	210	340	481	766	965	1,253	588

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

Source - Various City of Moraine departments

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	24	22	21	21	19	18	18	18	19	19
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Emergency Response Vehicles	12 (1)	12 (1)	12	12	13	13	13	12	13	12
Highways and Streets										
Miles of Streets (Center Line Miles)	276.65	276.65	276.65	276.65	276.65	276.65	276.65	276.65	276.65	276.65
Number of Streetlights (Non-special assessment)	1,356	1,356	1,356	1,356	1,356	1,357	1,316	1,316	1,316	1,377
Culture and Recreation										
Parks (2)	13	13	13	12	12	12	12	12	12	12
Civic Centers	1	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Swimming Pools	1	1	1	1	1	1	1	- (3)	-	-
Water Parks	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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CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

**CITY OF MORAINE
MONTGOMERY COUNTY, OHIO**

SINGLE AUDIT

FOR YEAR ENDED DECEMBER 31, 2020

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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, 2020, 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 28, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

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

City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 28, 2021

**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, 2020. 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, 2020.

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 28, 2021, 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 28, 2021

City of Moraine, Ohio
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended December 31, 2020

Federal Grantor/Program Title	Assistance Listing Number	Pass Through Entity Number	Award Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed Through Ohio Department of Education</i>			
Child and Adult Care Food Program	10.558	(1)	\$ 616
COVID-19 - Child and Adult Care Food Program		(1)	184
Total Child and Adult Care Food Program			<u>800</u>
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	(1)	2,936
COVID-19 - Summer Food Service Program for Children		(1)	15,481
Total Child Nutrition Cluster			<u>18,417</u>
Total U.S. Department of Agriculture			<u>19,217</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Bulletproof Vest Partnership Program	16.607		<u>8,999</u>
Total U.S. Department of Justice			<u>8,999</u>
<u>U.S. 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	38,149
		PID 108105	255,013
Total Highway Planning and Construction Cluster			<u>293,162</u>
Total U.S. Department of Transportation			<u>293,162</u>
<u>U.S. DEPARTMENT OF THE TREASURY</u>			
<i>Passed Through Ohio Office of Budget and Management</i>			
COVID-19 - Coronavirus Relief Fund	21.019	(1)	<u>373,576</u>
Total U.S. Department of the Treasury			<u>373,576</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
COVID-19 - Provider Relief Fund	93.498		<u>6,828</u>
Total U.S. Department of Health and Human Services			<u>6,828</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Assistance to Firefighters Grant	97.044		<u>95,238</u>
Total U.S. Department of Homeland Security			<u>95,238</u>
TOTAL FEDERAL AWARD EXPENDITURES			<u>\$ 797,020</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, 2020**

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, 2020. 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?	Yes
• 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:	
CFDA 21.019 – Coronavirus Relief Fund	
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

2020-001: Material Weakness – Financial Reporting

While the City contracts with an outside firm to complete the compilation of its annual financial statements, responsibility for those statements and related note disclosures remain with the City's management. Thus, it is important to develop appropriate control procedures related to drafting financial statements and disclosures which enables errors to be prevented, or detected and corrected, on a timely basis.

As the result of audit procedures performed, it was determined that the City did not appropriately present the Debt Service Fund as a major fund. A major fund is defined as those funds whose revenues, expenditures/expenses, assets and deferred outflows of resources or liabilities and deferred inflows of resources, are at least 10 percent of the total for their fund category (governmental or enterprise) and 5 percent of the aggregate of all governmental and enterprise funds in total.

The City should ensure financial reporting procedures are implemented to detect errors and omissions in the financial statements prior to presenting them for audit.

City's Response: The City acknowledges the errors noted above. We will continue to improve financial reporting procedures to ensure such issues are not repeated in the future.

Section III – Federal Awards Findings and Questioned Costs

None noted

City of Moraine

Finance Department



June 28, 2021

Clark, Schaefer, Hackett & Co.
Springfield, Ohio

City of Moraine, Ohio
Corrective Action Plan
December 31, 2020

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2020-001	Since the error was in how the Debt Service Fund was presented in the statements, the City will note the issue to make sure all funds are properly displayed in future statements.	Immediately	Don Buczek Finance Director dbuczek@moraineoh.org



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 8/10/2021

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