



**CITY OF WAPAKONETA
AUGLAIZE COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CITY OF WAPAKONETA
AUGLAIZE COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	1
Schedule of Findings	3

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Wapakoneta
Auglaize County
P.O. Box 269
701 Parlette Court
Wapakoneta, Ohio 45895

To Members of City Council:

We have audited the financial statements of the City of Wapakoneta, Auglaize County (the City), as of and for the year ended December 31, 2000, and have issued our report thereon dated June 21, 2001. 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.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-20206-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 21, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 21, 2001.

City of Wapakoneta
Report Of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, management and City Council, and is not intended to be and should not be used by anyone other than these specified parties.

JIM PETRO
Auditor of State

June 21, 2001

CITY OF WAPAKONETA
AUGLAIZE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2000

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

Finding Number 2000-20206-001	
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Ohio Rev. Code Sections 135.18 and 135.181 (L) states that the Treasurer of a political subdivision must require the depository to provide as security an amount equal to the funds on deposit at all times. Such security may consist of federal deposit insurance, surety company bonds, or pledged securities. Also, upon request of a treasurer no more often than four times per year, a public depository is required to report: 1) the amount of public monies deposited by the treasurer and secured; and 2) the total value based on the valuations described above, of the pool of securities pledged to secure public monies held by the depository, including those deposited by the treasurer.

Except for the month of January, the City did not have adequate pledged collateral coverage for monies deposited with one of the financial institutions during 2000. In addition, the City did not have on file the detailed summary pledged collateral reports.

Pledged or pooled collateral statements should be obtained from the various financial institutions with which the City deposits their money on at least a quarterly basis. These reports should provide the required information needed by the City to determine if the bank is providing sufficient collateral coverage with eligible securities for the City's funds.

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CITY OF WAPAKONETA, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2000

ISSUED BY
OFFICE OF THE AUDITOR
GAIL E. WALTER
CITY AUDITOR

City of Wapakoneta
Comprehensive Annual Financial Report
For the Year Ended December 31, 2000

Table of Contents

INTRODUCTORY SECTION

Title Page	i
Table of Contents	ii
Letter of Transmittal	v
GFOA Certificate of Achievement for Excellence in Financial Reporting	xiv
List of Principal Officials	xv
Organizational Chart	xvi

FINANCIAL SECTION

Report of Independent Accountants	1
General Purpose Financial Statements (Combined Statements Overview)	
General Purpose Financial Statements Description	3
Combined Balance Sheet - All Fund Types and Account Groups	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	8
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Governmental Fund Types	9
Combined Statement of Revenues, Expenses, and Changes in Fund Equity - All Proprietary Fund Types	13
Combined Statement of Revenues, Expenses, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Proprietary Fund Types	14
Combined Statement of Cash Flows - All Proprietary Fund Types	16
Notes to the General Purpose Financial Statements	18

City of Wapakoneta
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2000

Table of Contents
 (continued)

Combining, Individual Fund, and Account Group Statements and Schedules	51
General Fund	
Fund Description	53
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual	54
Special Revenue Funds	
Fund Descriptions	57
Combining Balance Sheet	58
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	60
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual	62
Debt Service Funds	
Fund Descriptions	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	72
Capital Projects Funds	
Fund Descriptions	73
Combining Balance Sheet	74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	76
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual	78
Enterprise Funds	
Fund Descriptions	83
Combining Balance Sheet	84
Combining Statement of Revenues, Expenses, and Changes in Fund Equity	88
Schedules of Revenues, Expenses, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual	90
Combining Statement of Cash Flows	95
Internal Service Fund	
Fund Description	97

City of Wapakoneta
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2000

Table of Contents
 (continued)

Agency Funds	
Fund Descriptions	98
Combining Statement of Changes in Assets and Liabilities	99
General Fixed Assets Account Group	
General Fixed Assets Account Group Description	100
Schedule of General Fixed Assets by Source	101
Schedule of General Fixed Assets by Program and Department	102
Schedule of Changes in General Fixed Assets by Program and Department	104
 STATISTICAL SECTION	
Statistical Section Description	105
Governmental Fund Type Expenditures by Program - Last Ten Years	106
Governmental Fund Type Revenues by Source - Last Ten Years	108
Property Tax Levies and Collections - Last Ten Years	111
Assessed and Estimated Actual Value of Taxable Property - Last Ten Years	112
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years	114
Principal Real Property Taxpayers	115
Principal Personal Property Taxpayers	116
Special Assessment Billings and Collections - Last Ten Years	117
Computation of Legal Debt Margin	118
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita - Last Ten Years	119
Ratio of Annual Debt Principal for General Bonded Debt to Total Governmental Fund Type Expenditures - Last Nine Years	120
Computation of Direct and Overlapping Debt	121
Revenue Bond Coverage - Sewer Fund - Last Ten Years	122
Demographic Statistics - Last Ten Years	123
Property Value, Construction, and Bank Deposits - Last Ten Years	124
Miscellaneous Statistics	125



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June 21, 2001

Citizens of Wapakoneta
The Honorable Mayor
and Members of City Council
City of Wapakoneta, Ohio

We are pleased to present the City of Wapakoneta's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2000. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City, specifically the City Auditor's Office. To the best of our knowledge, the data presented is accurate in all material respects and is reported in an organized, comprehensive, and informative manner. All information regarding the City's financial activities has been disclosed.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. The Introductory Section includes a table of contents, this letter of transmittal, a Certificate of Achievement for Excellence in Financial Reporting, a list of principal officials, and an organizational chart of the City.
2. The Financial Section includes the report of independent accountants, the general purpose financial statements, and the notes to the financial statements, as well as the statements and schedules for the individual funds and account group.
3. The Statistical Section presents selected financial and demographic information generally presented on a multi-year basis.

The City of Wapakoneta is not required by law to prepare a CAFR. However, the City Council and Administration believe the preparation of a CAFR increases fiscal controls and provides more meaningful financial information to citizens and investors.

CITY ORGANIZATION

The City of Wapakoneta, the county seat of Auglaize County, is located on the banks of the Auglaize River in west-central Ohio. It is approximately fifteen miles southwest of Lima, fifty-five miles north of Dayton, and ninety miles northwest of Columbus. Interstate 75, a major north-south highway, and U.S. 33, an equally important east-west route, intersect at the southeast corner of the City. Four major highway interchanges are located within two miles of this intersection. Over twelve million non-commuters pass through Wapakoneta each year. Wapakoneta comprises five and one-third square miles and is located eight hundred ninety-five feet above sea level. Two-thirds of the nation's population and almost 70 percent of the nation's purchasing power is located within six hundred miles of Wapakoneta.



701 Parlette Court

Operating under the Council/Mayor form of government, the citizens of Wapakoneta elect eight members of council (including the president, three council members-at-large, and four ward council members), a mayor, auditor, treasurer, and law director. “It is the mission of Wapakoneta City government to provide for and promote the general health, safety, and welfare of all residents of the City by delivering services in a professional, impartial, and cost-effective manner and planning for the long-range development and improvement of the City residents, with an awareness of all the City’s collective needs”.

The City’s service responsibilities are administered by a number of different divisions and accounting entities, including police, fire, emergency medical, street maintenance, parks and recreation, engineering (including planning and zoning), electric, water, sewer, and refuse (including recycling), and various support staff, as well as a waste minimization committee and the tree commission. These divisions form the primary administrative unit of the City, responsible to City Council and the Mayor.

The City’s reporting entity has been defined in accordance with principles established by Governmental Accounting Standards Board (GASB) Statement No. 14, “The Financial Reporting Entity”. The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the City. Component units are legally separate organizations that are fiscally dependent on the City or for which the City is financially accountable. There were no component units of the City of Wapakoneta in 2000.

ECONOMIC CONDITION AND OUTLOOK

The City, incorporated in 1848, has been situated as a hub for commerce beginning with its history in 1780 as the capital of the Shawnee Native American Nation led by such recognized leaders as Tecumseh, Blue Jacket, and Blackhoof. Through rail service, the City became a center for shipping grain throughout the country. At present, the City of Wapakoneta is highly aggressive in drawing commerce to the area and maintaining many small and mid-sized industries, retail establishments, and antique dealers.

Industrial tool and die companies and machine shops have been a part of Wapakoneta history. In addition, several general contractors are located in the area, as well as food processing plants, and several firms specializing in furniture and decorating. With recycling being a high priority nationwide, Wapakoneta has two industries dedicated to recycling. There are nine industrial/commercial park sites in Wapakoneta alone. All of these activities together have joined to create a rise economically in the past several years, and the City is committed to the continual rise and revitalization of existing resources while always on the lookout for new ways to improve the economy and community.

In 1991, the City annexed the six hundred eleven acre West Central Ohio Industrial Park (WCOIP) located south of U.S. 33 and west of I-75. It is intersected by the main track line for CSX railroad with spur lines available for companies. City utilities, electric, water, and sewer lines, have been extended to the entire six hundred eleven acres. Curbed streets and service roads were partly financed with a grant from the Ohio Department of Transportation. The WCOIP is now leasing and is aggressively contacting new industry to occupy more space in this location. Amcast Automotive Corporation, an automobile component manufacturing industry, has been a thriving entity since 1997. Other businesses which have constructed buildings and are currently occupying the industrial park are Millers Laundry, CTL Engineering , and On Time Machine.

The City hosts many and varied retail and professional businesses which are of an outstanding quality and commitment to the community. Our “downtown” area is comprised of many specialty shops: antiques, toys, flowers, books, furniture, and crafts to name a few. With the renovation of our downtown, many offices and apartments round out the tree lined streets.

The City issued fifty-six building permits during 2000, including twenty-four for new residences, twenty-three additions to current residences, and nine commercial permits. The future remains bright for the City because of an aggressive effort to address local issues, enhance economic development, provide optimism, and anticipate potential for its citizens.

MAJOR INITIATIVES

Again in 2000, the City of Wapakoneta continued to improve its facilities and infrastructure to serve its citizens. This includes the continuation of the sidewalk, curb, and gutter program and construction and reconstruction of streets within the City, including finishing Middle Street, reconstructing three blocks of Logan Street, installing a cul-de-sac on West Vine Street, and widening West Plum Street and Riverside Drive. A private project, which the City oversees by permits and inspection, was the Clover Ridge Subdivision, which consists of thirty-seven building lots. These private projects included streets, sidewalks, curbs, gutters, water lines, and sanitary and storm sewers. Continuing in 2000, was a program, in conjunction with the sidewalk program, whereby Community Development Block Grant (CDBG) monies are used to construct Americans with Disabilities Act (ADA) intersections.

For the Year The City advertised for bids and hired a contractor to build a 1.5 million gallon water tower for the West Central Ohio Industrial Park (WCOIP) on the southeast side of Wapakoneta. Construction of the water tower began in 2000 and will be completed in 2001 with the painting of the exterior. This is a major structure that is visible from I-75 and U.S. 33 and will certainly make the City noticed more easily by travelers. The WCOIP currently has thirty acres occupied, and the Wapakoneta Industrial Park currently has thirty-nine acres occupied.

In 2000, the City hired an engineering firm to work with our water department and engineering staff to computerize our water distribution system. Hopefully, the same will be done with our sewer, storm sewer, and electrical systems in the near future.

During 2000, the City advertised for bids and hired a contractor to build a wastewater biosolids facility. The cost of the facility will be approximately \$2.2 million and it will be operational in 2001. This new facility will be a terrific asset to the community and should keep the Ohio EPA very satisfied with our biosolids disposal program. It is our goal to develop a market for waste biosolids once everything is completely operational.

The Wapakoneta electric department improved its system reliability during 2000 by building the southeastern 69 KVA loop. This project had been on the drawing board for years. The City now has a 69 KVA loop, which extends from the WCOIP (Amcast substation) east across I-75 to Cemetery Road and North to the Ametek-Westchester Plastics substation. The overall effectiveness of this loop will be magnified further in 2001 when the new Lewis R. Knoch substation is built near our new water tower on Commerce Drive.

The City continued its program of reconstructing sidewalks, curbs, and gutters on selected streets, and 2000 concluded the seventh successful year with an awareness for safety and property improvement. The Vine Street cul-de-sac and Logan Street projects had sidewalks, curbs, and gutters installed this year. The program also evaluated and reconstructed, if necessary, the sidewalks for Washington, South, Lima, and North Streets. Water lines were constructed in the newly annexed Kah Addition. In addition, the engineering department inspected and reviewed streets, sewers, and water lines in the City to make sure that the areas in need of update or change are included in all reviews. Tests and inspections in this area continue.

The City police department's "bike patrol" has helped the department patrol the downtown and be more accessible to the public and their needs. In 2000, the bike patrol logged over 1,000 miles and two hundred sixty-five hours. The patrol consists of three officers who participated in the Celina Lake Festival Bike Competition and received six awards in July.

For the Future. The City of Wapakoneta continues its commitment to such programs as Tree City, the maintenance of our sidewalks, curbs, and gutters, and ADA intersections. One commitment is the replacement of the Water Street bridge. The City has acquired the necessary right-of-ways and early in 2001 the City began to relocate a 69 KVA electric line. This will be an Ohio Department of Transportation project and is anticipated to be completed in 2001. New sidewalks, curbs, gutters, and aprons will be part of the project.

During 2000, progress was made toward investigation and purchase of a new well field. In March 2000, an option-to-purchase agreement was executed for property south of U.S. 33. Drilling was performed and they located an aquifer, which was later pumped at a rate of nearly one million gallons/day for a continuous period of twenty-four hours. The City made an agreement to purchase the property and it should be acquired in 2001. The City also intends to construct a new water treatment plant on this property.

The City continues its relationship with its Sister City, Lengrich, Germany. This is an ongoing partnership which was formally signed in July 1994.

The City of Wapakoneta is committed to keeping the City healthy and beautiful. We received the distinct award of "Tree City" for the thirteenth year. To keep this an ongoing program, the City supports Arbor Day festivities each year with the teachers and students to educate our youth in the importance of trees.

The Administration has determined that outsourcing our utility and EMS bills will be both efficient and cost effective and began this process in 2001. In 2001, the City will also implement direct deposit for payroll. The income tax office is also having booklets printed and mailed for all withholding accounts. These and other time saving techniques will be given serious consideration over the upcoming years. The City of Wapakoneta will continue to strive to stay as current as possible with technology. These improvements help us keep the office staff to a minimum, which helps to keep costs low without sacrificing public service and personnel contact with the customer.

UTILITY SERVICES

The City of Wapakoneta purchases electricity from the Ohio Power Company and from American Municipal Power - Ohio (AMP-OHIO) distributing the power through its own system. The distribution system includes seven substations owned and operated by the City, 9.92 miles of 69,000 KV transmission lines, 12.29 miles of 7,200/12,470 KV lines, and 73.97 miles of 24,000/4,160 KV lines. System usage is 18-24 megawatts per day (MWD) serving 5,065 users; 4,445 residential, 608 commercial, and 12 industrial.

The City's waterworks system operates five wells at all times, with two stand-by wells employed during peak demand. Well capacity is 3,020 gallons per minute. Combined storage at the City's three water towers is 1.52 million gallons, with 400,000 gallons in underground storage. Wapakoneta's water treatment plant currently operates at 1.7063 million gallons per day. The City's water system serves 4,166 customers; 3,754 residential, 393 commercial, and 19 industrial.

The capacity of the City's wastewater treatment plant is four million gallons per day, with an average dry weather flow of 2.39 million gallons per day. Built in 1984, the plant has approximately 220,000 feet of pipe and serves 4,027 customers; 3,650 residential, 359 commercial, and 18 industrial.

The City of Wapakoneta also operates its own refuse collection department, offering the service to all residents of the City as well as to many commercial and industrial establishments. The City serves 4,050 customers; 3,843 residential and 207 commercial. The City had sales of approximately \$207,850 for trash bags in 2000. The City is hauling garbage to Waste Management in Lima, Ohio.

The City of Wapakoneta currently provides curbside recycling service to all residential refuse customers, including those living in apartments. The City has been able to provide this service as a result of two grants received from the Ohio Department of Natural Resources. Several years ago, the State of Ohio mandated the percentage of collected refuse a community has to recycle. In 2000, the City's recycling percentage was 28 percent, which is 1,488 tons of recyclables. Approximately 2,700 gallons of used motor oil was collected and recycled by using it to operate the furnace in the public works building. In 2000, 3,750 tons of refuse was collected and one hundred thirty-four dumpsters were placed within the City at private residences and special events. The compost farm had 5,586 vehicles come to discard composting materials and sold two hundred forty-eight loads of mulch.

FINANCIAL INFORMATION

The City's records are maintained on a cash basis for all fund types. Following year end closing, adjusting entries are prepared for the various funds to convert the cash basis records to the modified accrual basis for all governmental fund types and agency funds and to the accrual basis for proprietary fund types. The modified accrual basis of accounting requires that revenues be recognized when they are both measurable and available. Expenditures, other than interest and principal on long-term debt, are generally recorded as liabilities when incurred. The accrual basis of accounting used for proprietary funds recognizes revenues when earned and expenses when incurred.

Development of the City's accounting system included consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance states that internal controls should be evaluated to insure that the expense associated with providing internal controls does not exceed the benefit expected to be derived from their implementation. This evaluation involves estimates and judgments by the City administration and members of the finance office. The administrative and financial management personnel believe the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase. Each department head is furnished monthly reports showing monthly transactions and summarizing the balances available to be spent from the appropriations for goods and services.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibilities for sound financial management.

General Government Functions

The governmental fund types encompass the general, special revenue, debt service, and capital projects funds. For the year ended December 31, 2000, governmental fund types' revenues, percent of total, change from the prior year, and percent of increase (decrease) from the prior year are summarized below:

<u>Revenue by Source</u>	<u>1999</u>	<u>2000</u>	<u>Percent of Total</u>	<u>Change</u>	<u>Percent of Increase (Decrease)</u>
Property taxes	\$374,954	\$417,206	8.4%	\$42,252	11.27%
Other local taxes	67,572	70,505	1.4	2,933	4.34
Municipal income taxes	1,902,741	1,969,733	39.4	66,992	3.52
Charges for services	227,937	229,286	4.6	1,349	0.59
Licenses and permits	5,218	2,204	0.0	(3,014)	(57.76)
Fines and forfeitures	33,353	31,762	0.6	(1,591)	(4.77)
Special assessments	111,056	130,163	2.6	19,107	17.20
Intergovernmental	1,389,438	1,161,408	23.2	(228,030)	(16.41)
Interest	596,578	947,108	19.0	350,530	58.76
Donations	11,004	16,013	0.3	5,009	45.52
Other	42,576	20,055	0.5	(22,521)	(52.90)
Total revenues	<u>\$4,762,427</u>	<u>\$4,995,443</u>	<u>100.0%</u>	<u>\$233,016</u>	

The decrease in licenses and permits occurred due to a portion of these amounts being allocated to the Engineering internal service fund. The engineering department receives the amount necessary for the department to process and oversee construction.

Special assessments are the amounts certified to the County Auditor for collection, over a period of years, of the property owners portion of curb, sidewalk, and gutter improvements. The number of special assessment projects has increased.

The decrease in intergovernmental revenues is due to decreased local government monies and distributions of license fees from the state and county.

Interest revenue is higher because of the increase in funds invested.

The increase in donations is due to a donation from Wapakoneta Recreation, Inc.

The City received various miscellaneous reimbursements in the prior year that the City did not receive in 2000; therefore, there was a decrease in other revenues.

Governmental fund types' expenditures, percent of total, change from the prior year, and percent of increase (decrease) from the prior year are summarized below:

<u>Expenditures by Program</u>	<u>1999</u>	<u>2000</u>	<u>Percent of Total</u>	<u>Change</u>	<u>Percent of Increase (Decrease)</u>
Security of persons and property	\$1,979,857	\$1,888,102	47.0%	(\$91,755)	(4.63%)
Public health	141,996	140,122	3.5	(1,874)	(1.32)
Leisure time activities	191,946	213,946	5.3	22,000	11.46
Community environment	82,923	80,554	2.0	(2,369)	(2.86)
Transportation	490,793	572,516	14.3	81,723	16.65
General government	273,240	313,240	7.8	40,000	14.64
Capital outlay	629,431	254,739	6.3	(374,692)	(59.53)
Principal retirement	349,048	397,201	9.9	48,153	13.80
Interest and fiscal charges	171,696	157,344	3.9	(14,352)	(8.36)
Total expenditures	<u>\$4,310,930</u>	<u>\$4,017,764</u>	<u>100.0%</u>	<u>\$(293,166)</u>	

The increase in leisure time activities expenditures was the result of an increase in the number of projects in 2000. The City is committed to a continued effort in the parks and other recreation areas of the City.

The increase in transportation expenditures was the result of reconstruction projects.

The increase in general government expenditures was the result of a larger number of refunds in 2000 and the installation of a new siren system.

Capital outlay expenditures represent costs incurred under normal operations of the capital projects funds. The decrease was the result of less intensive street projects.

Overall debt service expenditures (principal retirement and interest and fiscal charges) increased as a result of higher principal amounts in 2000 on the same debt issues as the prior year. In addition, the Police and Fire Pension Liability was retired in full in 2000.

Enterprise Funds

The City's enterprise funds consist of the Electric, Water, Sewer, Storm Sewer, and Refuse funds. The enterprise funds are supported by user fees. Additional refuse charges were enacted in 1993 to defray the costs of landfill closure and postclosure and the disposal of yard waste. The City increased sewer rates in July 1998 in an effort to stay ahead of increasing costs with EPA changes and expanded usage. Also, an increase in water rates was approved effective January 1, 2000. This is the first increase in water charges since 1986.

	<u>Total Assets</u>	<u>Total Equity</u>	<u>Income (Loss) Before Operating Transfers</u>	<u>Return on Assets</u>	<u>Return on Equity</u>
Electric	\$15,809,576	\$13,072,319	\$1,014,213	6.42%	7.76%
Water	5,568,709	3,305,940	(147,911)	(2.66)	(4.47)
Sewer	8,975,042	4,038,065	(58,533)	(0.65)	(1.45)
Storm Sewer	1,268,792	1,194,360	22,513	1.77	1.88
Refuse	1,278,387	(589,093)	191,547	14.98	0.00

Internal Service Fund

The City's Engineering internal service fund provides engineering services to all City departments. Departments and capital projects are charged hourly rates for services provided by the engineering staff.

	<u>Total Assets</u>	<u>Total Equity</u>	<u>Income Before Operating Transfers</u>	<u>Return on Assets</u>	<u>Return on Equity</u>
Engineering	\$67,765	\$34,653	\$3,967	5.85%	11.45%

DEBT ADMINISTRATION

At December 31, 2000, the City had outstanding bond anticipation notes, in the amount of \$94,140 for street and sewer improvements, in the amount of \$1,800,000 for construction, installation, and equipping of a new substation and new transmission lines for use in the City's electric system, in the amount of \$1,400,000 for the construction of a 1.5 million gallon water tower in the West Central Ohio Industrial Park, in the amount of \$375,000 for construction of the biosolids plant, and in the amount of \$260,860 for landfill closure.

The City's long-term obligations outstanding at December 31, 2000, consisted of \$3,982,541 in general obligation bonds, \$17,459 in special assessment bonds, \$3,910,000 in mortgage revenue refunding bonds, and \$943,414 in an OWDA loan. The City's 1998 mortgage revenue refunding bonds, the latest bonds issued by the City, received a Baa1 rating from Moody's Investors Service, Inc. Long-term obligations payable from enterprise fund resources are presented as liabilities in the respective enterprise fund.

Under state statutes, the City's debt limitation is 10.5 percent of the total assessed property valuation. As of December 31, 2000, the City's net debt of \$4,012,657 was well below the legal limit of \$13,791,967. A complete discussion of the City's outstanding debt is provided in Notes 14 and 15 to the combined financial statements.

CASH MANAGEMENT

Cash management is a vital component of the City's overall financial strategy. Investment of City funds is a shared responsibility between the City's Auditor and Treasurer. The City has a conservative investment policy to minimize risk, while maintaining competitive yields, and tries to keep the majority of the funds invested locally. The City utilizes a variety of investment tools: certificates of deposit, mutual funds, and the State Treasurer's investment pool. Investment revenue is prorated to funds under Ohio Revised Code Sections 135.21 and 5705.10.

RISK MANAGEMENT

The City maintains various insurance coverages including property, liability, and vehicle insurance. A detailed description of the City's risk management may be found in Note 17 to the general purpose financial statements. The City provides for employee health insurance through Blue Cross/Blue Shield.

The City participates in the Ohio Rural Water Association Workers' Compensation Group Rating Plan, an insurance pool, for workers' compensation.

OTHER INFORMATION

Independent Audit

Included in this report is an unqualified opinion rendered on the City's financial statements for the year ended December 31, 2000, by Jim Petro, Auditor of State. City management plans to continue to subject the City's financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wapakoneta for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 1999. 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 government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Wapakoneta has received a Certificate of Achievement for the last ten consecutive years (1990-1999.) We believe that our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Acknowledgments

Sincere appreciation is extended to the Mayor and the Director of Public Safety and Service for their support, and to City Council for appropriating the funds for this project. This Comprehensive Annual Financial Report was prepared by the City Auditor's Office with the efficient and dedicated services of the entire staff. Appreciation is also extended to all department personnel. Special acknowledgment is extended to Local Government Services of the Office of the Auditor of State for guidance in the preparation of this report.

Respectfully submitted,



Gail E. Walter
City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wapakoneta,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1999

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



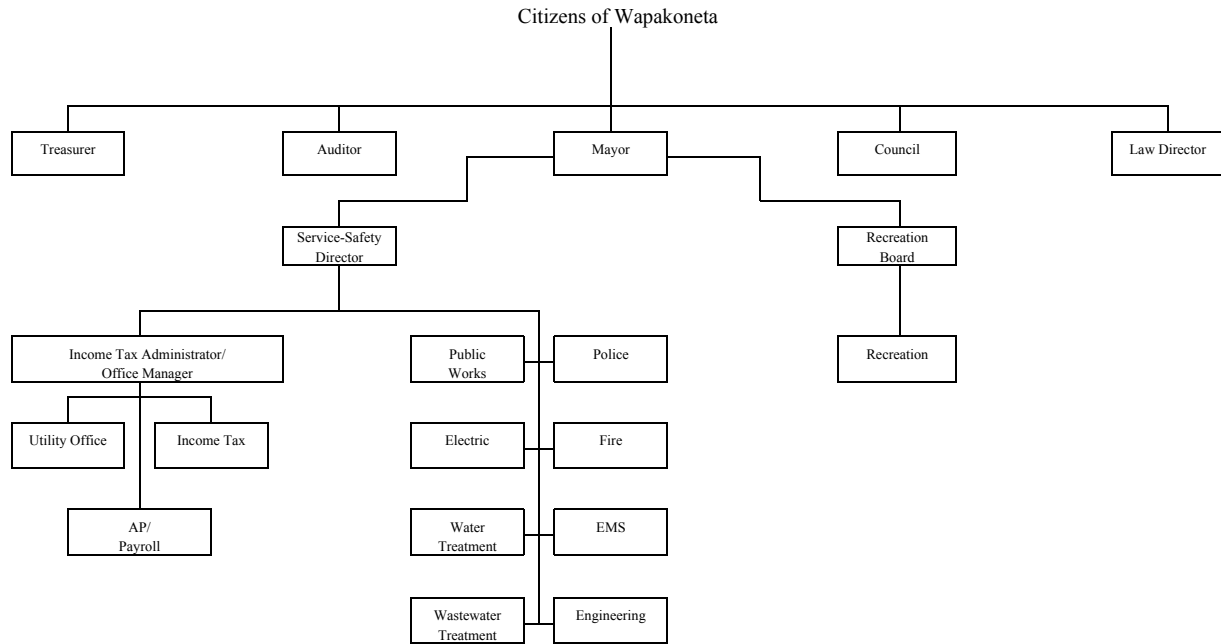
Anne Spray Kinsey
President

Jeffrey L. Esser
Executive Director

CITY OF WAPAKONETA
LIST OF PRINCIPAL OFFICIALS

Mayor	Donald R. Wittwer
Director of Public Service and Safety	Rex A. Katterheinrich
Income Tax/Office Administrator	Diana L. Blackburn
Police Chief	David L. Harrison
Fire Chief	Donald W. Jump
EMS Director	Lynn A. Miller
Recreation Director	Jack R. Hayzlett
Public Works Superintendent	Meril W. Simpson
Light Superintendent	William E. Lambert
Water Superintendent	Ronald T. Klima
Wastewater Superintendent	Robert T. Burns
Engineering Superintendent	Thomas W. Steinke
Auditor	Gail E. Walter
Treasurer	Kathryn E. Metz
Law Director	Dennis P. Faller
President of Council	Stephen E. Henderson
Member of Council	Ruth C. Carter
Member of Council	David B. Campbell
Member of Council	Paul E. Watercutter
Member of Council	Francia L. Engle
Member of Council	Wilbur G. Wells
Member of Council	Rodney C. Metz
Member of Council	Craig F. Wisener
Council Clerk	Carlene S. Koch

City of Wapakoneta Organizational Chart



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FINANCIAL SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

City of Wapakoneta
P.O. Box 269
701 Parlette Court
Wapakoneta, Ohio 45895

To the Members of Council:

We have audited the accompanying general-purpose financial statements of the City of Wapakoneta, Auglaize County, (the City) as of and for the year ended December 31, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Wapakoneta, Auglaize County, as of December 31, 2000 and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2001 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

June 21, 2001

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General Purpose Financial Statements

The general purpose financial statements of the City include the basic financial statements, presented by fund type and account group, and notes to the financial statements that are essential to the fair presentation of financial position and results of operations, and of cash flows of the proprietary fund types.

City of Wapakoneta

Combined Balance Sheet
All Fund Types and Account Groups
December 31, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and other debits</u>				
<u>Assets</u>				
Equity in pooled cash and cash equivalents	\$1,332,494	\$718,248	\$64,024	\$871,307
Investments	0	903,086	0	0
Receivables:				
Property taxes	334,911	102,734	0	0
Other local taxes	0	4,400	0	0
Municipal income taxes	259,473	0	0	0
Accounts	99,109	462	0	0
Special assessments	0	0	18,479	407,857
Intergovernmental	91,976	22,129	0	0
Accrued interest	190	0	0	0
Notes	0	26,395	0	0
Interfund	126,984	0	0	0
Due from other funds	0	0	0	0
Materials and supplies inventory	11,484	34,212	0	0
Prepaid items	14,766	2,293	0	0
Restricted assets:				
Equity in pooled cash and cash equivalents	0	0	0	0
Cash and cash equivalents with fiscal agents	0	0	0	0
Advances to other funds	50,000	0	0	0
Unamortized bond issue costs	0	0	0	0
Fixed assets (net, where applicable, of accumulated depreciation)	0	0	0	0
<u>Other debits</u>				
Amount available in debt service fund for retirement of long-term obligations	0	0	0	0
Amount to be provided for retirement of general long-term obligations	0	0	0	0
Amount to be provided for retirement of special assessment obligations	0	0	0	0
Total assets and other debits	<u>\$2,321,387</u>	<u>\$1,813,959</u>	<u>\$82,503</u>	<u>\$1,279,164</u>

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$11,160,580	\$23,114	\$13,155	\$0	\$0	\$14,182,922
0	0	0	0	0	903,086
0	0	0	0	0	437,645
0	0	0	0	0	4,400
0	0	0	0	0	259,473
1,516,343	207	0	0	0	1,616,121
0	0	0	0	0	426,336
14,475	0	0	0	0	128,580
30,333	0	0	0	0	30,523
0	0	0	0	0	26,395
0	0	0	0	0	126,984
21,133	0	0	0	0	21,133
1,040,421	832	0	0	0	1,086,949
55,018	925	0	0	0	73,002
109,838	0	0	0	0	109,838
818,266	0	0	0	0	818,266
0	0	0	0	0	50,000
134,277	0	0	0	0	134,277
17,999,822	42,687	0	6,316,151	0	24,358,660
0	0	0	0	64,024	64,024
0	0	0	0	4,393,273	4,393,273
0	0	0	0	17,459	17,459
<u>\$32,900,506</u>	<u>\$67,765</u>	<u>\$13,155</u>	<u>\$6,316,151</u>	<u>\$4,474,756</u>	<u>\$49,269,346</u>

(continued)

City of Wapakoneta

Combined Balance Sheet
All Fund Types and Account Groups
December 31, 2000
(continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, fund equity, and other credits</u>				
<u>Liabilities</u>				
Accounts payable	\$14,200	\$10,883	\$0	\$1,738
Contracts payable	0	0	0	0
Retainage payable	0	0	0	0
Accrued wages payable	25,228	2,392	0	0
Compensated absences payable	2,025	6	0	0
Deposits held and due to others	0	0	0	0
Intergovernmental payable	28,343	4,619	0	0
Interfund payable	0	0	0	0
Due to other funds	1,441	439	0	0
Deferred revenue	497,007	103,196	18,479	407,857
Accrued interest payable	0	0	0	1,401
Notes payable	0	0	0	94,140
Payable from restricted assets:				
Refundable deposits	0	0	0	0
Mortgage revenue bonds payable	0	0	0	0
Capital loans payable	0	0	0	0
General obligation bonds payable	0	0	0	0
Special assessment bonds payable				
with governmental commitment	0	0	0	0
Advances from other funds	0	0	0	0
Mortgage revenue bonds payable (net of unamortized loss on advance refunding)	0	0	0	0
Landfill closure/postclosure costs	0	0	0	0
OWDA loan payable	0	0	0	0
Total liabilities	568,244	121,535	18,479	505,136
<u>Fund equity and other credits</u>				
Investment in general fixed assets	0	0	0	0
Retained earnings:				
Reserved for replacement	0	0	0	0
Unreserved (deficit)	0	0	0	0
Contributed capital	0	0	0	0
Fund balance:				
Reserved for notes receivable	0	26,395	0	0
Reserved for inventory	11,484	34,212	0	0
Reserved for advances	50,000	0	0	0
Reserved for encumbrances	63,752	140,737	0	21,884
Unreserved	1,627,907	1,491,080	64,024	752,144
Total fund equity and other credits	1,753,143	1,692,424	64,024	774,028
Total liabilities, fund equity, and other credits	\$2,321,387	\$1,813,959	\$82,503	\$1,279,164

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$868,934	\$1,768	\$0	\$0	\$0	\$897,523
71,785	0	0	0	0	71,785
135,256	0	0	0	0	135,256
28,053	2,587	0	0	0	58,260
231,177	22,516	0	0	360,310	616,034
0	0	13,155	0	0	13,155
98,367	6,030	0	0	84,387	221,746
126,984	0	0	0	0	126,984
19,042	211	0	0	0	21,133
0	0	0	0	0	1,026,539
103,831	0	0	0	0	105,232
3,835,860	0	0	0	0	3,930,000
72,634	0	0	0	0	72,634
150,000	0	0	0	0	150,000
56,370	0	0	0	30,059	86,429
0	0	0	0	3,982,541	3,982,541
0	0	0	0	17,459	17,459
50,000	0	0	0	0	50,000
3,651,085	0	0	0	0	3,651,085
1,436,123	0	0	0	0	1,436,123
943,414	0	0	0	0	943,414
<u>11,878,915</u>	<u>33,112</u>	<u>13,155</u>	<u>0</u>	<u>4,474,756</u>	<u>17,613,332</u>
0	0	0	6,316,151	0	6,316,151
37,204	0	0	0	0	37,204
15,938,566	(44,816)	0	0	0	15,893,750
5,045,821	79,469	0	0	0	5,125,290
0	0	0	0	0	26,395
0	0	0	0	0	45,696
0	0	0	0	0	50,000
0	0	0	0	0	226,373
0	0	0	0	0	3,935,155
<u>21,021,591</u>	<u>34,653</u>	<u>0</u>	<u>6,316,151</u>	<u>0</u>	<u>31,656,014</u>
<u>\$32,900,506</u>	<u>\$67,765</u>	<u>\$13,155</u>	<u>\$6,316,151</u>	<u>\$4,474,756</u>	<u>\$49,269,346</u>

City of Wapakoneta

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended December 31, 2000

	General	Special Revenue	Debt Service	Capital Projects	Total (Memorandum Only)
<u>Revenues</u>					
Property taxes	\$319,119	\$98,087	\$0	\$0	\$417,206
Other local taxes	0	70,505	0	0	70,505
Municipal income taxes	1,969,733	0	0	0	1,969,733
Charges for services	209,010	20,276	0	0	229,286
Licenses and permits	2,204	0	0	0	2,204
Fines and forfeitures	29,638	2,124	0	0	31,762
Special assessments	0	0	86,448	43,715	130,163
Intergovernmental	678,200	483,208	0	0	1,161,408
Interest	727,870	219,238	0	0	947,108
Donations	903	15,110	0	0	16,013
Other	4,993	5,758	0	9,304	20,055
Total revenues	<u>3,941,670</u>	<u>914,306</u>	<u>86,448</u>	<u>53,019</u>	<u>4,995,443</u>
<u>Expenditures</u>					
Current:					
Security of persons and property	1,888,102	0	0	0	1,888,102
Public health	140,122	0	0	0	140,122
Leisure time activities	0	213,946	0	0	213,946
Community environment	32,657	47,897	0	0	80,554
Transportation	0	572,516	0	0	572,516
General government	313,240	0	0	0	313,240
Capital outlay	0	0	0	254,739	254,739
Debt service:					
Principal retirement	96,060	16,141	285,000	0	397,201
Interest and fiscal charges	4,394	1,739	149,130	2,081	157,344
Total expenditures	<u>2,474,575</u>	<u>852,239</u>	<u>434,130</u>	<u>256,820</u>	<u>4,017,764</u>
Excess of revenues over (under) expenditures	<u>1,467,095</u>	<u>62,067</u>	<u>(347,682)</u>	<u>(203,801)</u>	<u>977,679</u>
<u>Other financing sources (uses)</u>					
Operating transfers - in	0	27,000	290,999	596,071	914,070
Operating transfers - out	(1,061,479)	0	0	0	(1,061,479)
Total other financing sources (uses)	<u>(1,061,479)</u>	<u>27,000</u>	<u>290,999</u>	<u>596,071</u>	<u>(147,409)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	405,616	89,067	(56,683)	392,270	830,270
Fund balances at beginning of year	1,345,971	1,605,674	120,707	381,758	3,454,110
Increase (decrease) in reserve for inventory	1,556	(2,317)	0	0	(761)
Fund balances at end of year	<u>\$1,753,143</u>	<u>\$1,692,424</u>	<u>\$64,024</u>	<u>\$774,028</u>	<u>\$4,283,619</u>

See accompanying notes to the general purpose financial statements

City of Wapakoneta

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
All Governmental Fund Types
For the Year Ended December 31, 2000

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Property taxes	\$316,611	\$319,119	\$2,508	\$98,087	\$98,087	\$0
Other local taxes	0	0	0	65,000	70,776	5,776
Municipal income taxes	1,900,000	2,110,738	210,738	0	0	0
Charges for services	212,325	211,439	(886)	20,276	20,276	0
Licenses and permits	4,890	4,890	0	0	0	0
Fines and forfeitures	26,203	27,583	1,380	2,055	2,249	194
Special assessments	0	0	0	0	0	0
Intergovernmental	701,343	725,964	24,621	420,124	481,336	61,212
Interest	500,596	728,775	228,179	74,484	88,317	13,833
Donations	1,953	903	(1,050)	15,110	15,110	0
Revolving loan payments	0	0	0	5,778	7,686	1,908
Other	8,480	4,944	(3,536)	5,758	5,758	0
Total revenues	<u>3,672,401</u>	<u>4,134,355</u>	<u>461,954</u>	<u>706,672</u>	<u>789,595</u>	<u>82,923</u>
<u>Expenditures</u>						
Current:						
Security of persons and property	2,097,900	1,957,544	140,356	4,448	0	4,448
Public health	161,379	139,238	22,141	0	0	0
Leisure time activities	0	0	0	247,900	224,543	23,357
Community environment	49,000	32,641	16,359	138,200	47,897	90,303
Transportation	0	0	0	976,521	685,965	290,556
General government	567,000	329,970	237,030	0	0	0
Debt service:						
Principal retirement	34,856	34,755	101	16,141	16,141	0
Interest and fiscal charges	2,644	2,638	6	1,739	1,739	0
Total expenditures	<u>2,912,779</u>	<u>2,496,786</u>	<u>415,993</u>	<u>1,384,949</u>	<u>976,285</u>	<u>408,664</u>
Excess of revenues over (under) expenditures	<u>759,622</u>	<u>1,637,569</u>	<u>877,947</u>	<u>(678,277)</u>	<u>(186,690)</u>	<u>491,587</u>
<u>Other financing sources (uses)</u>						
Proceeds of notes	0	0	0	0	0	0
Advances - in	275,000	275,000	0	0	0	0
Advances - out	0	0	0	0	0	0
Operating transfers - in	0	0	0	27,000	27,000	0
Operating transfers - out	(1,072,458)	(1,061,479)	10,979	0	0	0
Total other financing sources (uses)	<u>(797,458)</u>	<u>(786,479)</u>	<u>10,979</u>	<u>27,000</u>	<u>27,000</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(37,836)</u>	<u>851,090</u>	<u>888,926</u>	<u>(651,277)</u>	<u>(159,690)</u>	<u>491,587</u>
Fund balances at beginning of year	469,469	469,469	0	740,734	740,734	0
Unexpended prior year encumbrances	12,861	12,861	0	5,685	5,685	0
Fund balances at end of year	<u>\$444,494</u>	<u>\$1,333,420</u>	<u>\$888,926</u>	<u>\$95,142</u>	<u>\$586,729</u>	<u>\$491,587</u>

(continued)

City of Wapakoneta

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
All Governmental Fund Types
For the Year Ended December 31, 2000
(continued)

	Debt Service Funds			Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Property taxes	\$0	\$0	\$0	\$0	\$0	\$0
Other local taxes	0	0	0	0	0	0
Municipal income taxes	0	0	0	0	0	0
Charges for services	0	0	0	0	0	0
Licenses and permits	0	0	0	0	0	0
Fines and forfeitures	0	0	0	0	0	0
Special assessments	20,000	19,874	(126)	104,679	110,289	5,610
Intergovernmental	0	0	0	275,000	275,000	0
Interest	0	0	0	1,620	0	(1,620)
Donations	0	0	0	0	0	0
Revolving loan payments	0	0	0	0	0	0
Other	0	0	0	0	9,304	9,304
Total revenues	<u>20,000</u>	<u>19,874</u>	<u>(126)</u>	<u>381,299</u>	<u>394,593</u>	<u>13,294</u>
<u>Expenditures</u>						
Current:						
Security of persons and property	0	0	0	111,200	58,949	52,251
Public health	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	0	0	0	0
Transportation	0	0	0	580,500	160,497	420,003
General government	0	0	0	0	0	0
Debt service:						
Principal retirement	136,750	134,477	2,273	87,255	85,255	2,000
Interest and fiscal charges	130,000	122,580	7,420	28,672	27,522	1,150
Total expenditures	<u>266,750</u>	<u>257,057</u>	<u>9,693</u>	<u>807,627</u>	<u>332,223</u>	<u>475,404</u>
Excess of revenues over (under) expenditures	<u>(246,750)</u>	<u>(237,183)</u>	<u>9,567</u>	<u>(426,328)</u>	<u>62,370</u>	<u>488,698</u>
<u>Other financing sources (uses)</u>						
Proceeds of notes	0	0	0	25,371	94,140	68,769
Advances - in	0	0	0	0	0	0
Advances - out	0	0	0	(275,000)	(275,000)	0
Operating transfers - in	180,500	180,500	0	617,500	621,047	3,547
Operating transfers - out	0	0	0	0	0	0
Total other financing sources (uses)	<u>180,500</u>	<u>180,500</u>	<u>0</u>	<u>367,871</u>	<u>440,187</u>	<u>72,316</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(66,250)</u>	<u>(56,683)</u>	<u>9,567</u>	<u>(58,457)</u>	<u>502,557</u>	<u>561,014</u>
Fund balances at beginning of year	120,707	120,707	0	271,600	271,600	0
Unexpended prior year encumbrances	0	0	0	73,528	73,528	0
Fund balances at end of year	<u>\$54,457</u>	<u>\$64,024</u>	<u>\$9,567</u>	<u>\$286,671</u>	<u>\$847,685</u>	<u>\$561,014</u>

See accompanying notes to the general purpose financial statements

Total (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)
\$414,698	\$417,206	\$2,508
65,000	70,776	5,776
1,900,000	2,110,738	210,738
232,601	231,715	(886)
4,890	4,890	0
28,258	29,832	1,574
124,679	130,163	5,484
1,396,467	1,482,300	85,833
576,700	817,092	240,392
17,063	16,013	(1,050)
5,778	7,686	1,908
14,238	20,006	5,768
<u>4,780,372</u>	<u>5,338,417</u>	<u>558,045</u>
2,213,548	2,016,493	197,055
161,379	139,238	22,141
247,900	224,543	23,357
187,200	80,538	106,662
1,557,021	846,462	710,559
567,000	329,970	237,030
275,002	270,628	4,374
163,055	154,479	8,576
<u>5,372,105</u>	<u>4,062,351</u>	<u>1,309,754</u>
<u>(591,733)</u>	<u>1,276,066</u>	<u>1,867,799</u>
25,371	94,140	68,769
275,000	275,000	0
(275,000)	(275,000)	0
825,000	828,547	3,547
<u>(1,072,458)</u>	<u>(1,061,479)</u>	<u>10,979</u>
<u>(222,087)</u>	<u>(138,792)</u>	<u>83,295</u>
(813,820)	1,137,274	1,951,094
1,602,510	1,602,510	0
92,074	92,074	0
<u>\$880,764</u>	<u>\$2,831,858</u>	<u>\$1,951,094</u>

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City of Wapakoneta

Combined Statement of Revenues, Expenses,
and Changes in Fund Equity
All Proprietary Fund Types
For the Year Ended December 31, 2000

	Enterprise	Internal Service	Total (Memorandum Only)
<u>Operating revenues</u>			
Charges for services	\$11,003,930	\$215,019	\$11,218,949
Licenses and permits	0	11,337	11,337
Other operating revenues	95,720	491	96,211
Total operating revenues	<u>11,099,650</u>	<u>226,847</u>	<u>11,326,497</u>
<u>Operating expenses</u>			
Personal services	1,680,631	186,688	1,867,319
Contractual services	6,435,289	9,732	6,445,021
Materials and supplies	776,059	12,548	788,607
Other operating expenses	16,810	0	16,810
Depreciation	821,113	13,912	835,025
Total operating expenses	<u>9,729,902</u>	<u>222,880</u>	<u>9,952,782</u>
Operating income	<u>1,369,748</u>	<u>3,967</u>	<u>1,373,715</u>
<u>Non-operating revenues (expenses)</u>			
Loss on disposal of fixed assets	(11,426)	0	(11,426)
Grants	2,125	0	2,125
Interest revenue	120,282	0	120,282
Interest expense	(458,900)	0	(458,900)
Total non-operating revenues (expenses)	<u>(347,919)</u>	<u>0</u>	<u>(347,919)</u>
Income before operating transfers	1,021,829	3,967	1,025,796
Operating transfers - in	232,932	0	232,932
Operating transfers - out	<u>(85,523)</u>	<u>0</u>	<u>(85,523)</u>
Net income	1,169,238	3,967	1,173,205
Depreciation on fixed assets acquired by contributed capital	325,005	0	325,005
Retained earnings (deficit) at beginning of year	14,510,049	(40,987)	14,469,062
Residual equity transfers - out	<u>(28,522)</u>	<u>(7,796)</u>	<u>(36,318)</u>
Retained earnings (deficit) at end of year	<u>15,975,770</u>	<u>(44,816)</u>	<u>15,930,954</u>
Contributed capital at beginning of year	5,141,703	71,087	5,212,790
Contributed from governmental funds	2,376	1,280	3,656
Contributed from proprietary funds	17,021	7,102	24,123
Contributed from developers	209,726	0	209,726
Depreciation on fixed assets acquired by contributed capital	<u>(325,005)</u>	<u>0</u>	<u>(325,005)</u>
Contributed capital at end of year	<u>5,045,821</u>	<u>79,469</u>	<u>5,125,290</u>
Total fund equity at end of year	<u>\$21,021,591</u>	<u>\$34,653</u>	<u>\$21,056,244</u>

See accompanying notes to the general purpose financial statements

City of Wapakoneta

Combined Statement of Revenues, Expenses,
and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
All Proprietary Fund Types
For the Year Ended December 31, 2000

	Enterprise Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for services	\$11,017,951	\$10,903,316	(\$114,635)
Licenses and permits	0	0	0
Utility deposits	22,000	14,582	(7,418)
Other revenues	68,524	85,012	16,488
Grants	0	2,125	2,125
Interest	114,623	114,866	243
Proceeds of notes	4,035,859	3,835,860	(199,999)
Total revenues	<u>15,258,957</u>	<u>14,955,761</u>	<u>(303,196)</u>
<u>Expenses</u>			
Personal services	1,931,899	1,688,921	242,978
Contractual services	9,160,726	6,636,068	2,524,658
Materials and supplies	1,053,475	786,516	266,959
Utility refunds	20,000	5,058	14,942
Other expenses	3,404,642	16,810	3,387,832
Capital outlay	6,947,381	4,372,304	2,575,077
Debt service:			
Principal retirement	2,375,414	2,353,869	21,545
Interest expense	386,447	375,141	11,306
Total expenses	<u>25,279,984</u>	<u>16,234,687</u>	<u>9,045,297</u>
Excess of revenues over (under) expenses	(10,021,027)	(1,278,926)	8,742,101
Operating transfers - in	<u>240,942</u>	<u>232,932</u>	<u>(8,010)</u>
Excess of revenues over (under) expenses and operating transfers	(9,780,085)	(1,045,994)	8,734,091
Fund balances (deficit) at beginning of year	10,895,510	10,895,510	0
Unexpended prior year encumbrances	124,557	124,557	0
Fund balances at end of year	<u>\$1,239,982</u>	<u>\$9,974,073</u>	<u>\$8,734,091</u>

See accompanying notes to the general purpose financial statements

Internal Service Fund			Total (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$202,371	\$215,012	\$12,641	\$11,220,322	\$11,118,328	(\$101,994)
11,137	11,137	0	11,137	11,137	0
0	0	0	22,000	14,582	(7,418)
491	491	0	69,015	85,503	16,488
0	0	0	0	2,125	2,125
0	0	0	114,623	114,866	243
0	0	0	4,035,859	3,835,860	(199,999)
<u>213,999</u>	<u>226,640</u>	<u>12,641</u>	<u>15,472,956</u>	<u>15,182,401</u>	<u>(290,555)</u>
185,500	179,338	6,162	2,117,399	1,868,259	249,140
10,149	9,395	754	9,170,875	6,645,463	2,525,412
12,551	11,232	1,319	1,066,026	797,748	268,278
0	0	0	20,000	5,058	14,942
100	0	100	3,404,742	16,810	3,387,932
1,200	1,172	28	6,948,581	4,373,476	2,575,105
0	0	0	2,375,414	2,353,869	21,545
0	0	0	386,447	375,141	11,306
<u>209,500</u>	<u>201,137</u>	<u>8,363</u>	<u>25,489,484</u>	<u>16,435,824</u>	<u>9,053,660</u>
4,499	25,503	21,004	(10,016,528)	(1,253,423)	8,763,105
0	0	0	240,942	232,932	(8,010)
4,499	25,503	21,004	(9,775,586)	(1,020,491)	8,755,095
(4,300)	(4,300)	0	10,891,210	10,891,210	0
154	154	0	124,711	124,711	0
<u>\$353</u>	<u>\$21,357</u>	<u>\$21,004</u>	<u>\$1,240,335</u>	<u>\$9,995,430</u>	<u>\$8,755,095</u>

City of Wapakoneta

Combined Statement of Cash Flows
All Proprietary Fund Types
For the Year Ended December 31, 2000

	Enterprise	Internal Service	Total (Memorandum Only)
Increases (decreases) in cash and cash equivalents			
<u>Cash flows from operating activities</u>			
Cash received from customers	\$10,903,316	\$12,607	\$10,915,923
Cash received from quasi-external transactions with other funds	0	213,542	213,542
Cash received from utility deposits	14,582	0	14,582
Cash received from other revenues	85,012	491	85,503
Cash payments for personal services	(1,658,942)	(182,521)	(1,841,463)
Cash payments for contractual services	(6,169,716)	(9,257)	(6,178,973)
Cash payments to vendors for materials and supplies	(657,937)	(10,961)	(668,898)
Cash payments for utility refunds	(5,058)	0	(5,058)
Cash payments for quasi-external transactions with other funds	(51,273)	0	(51,273)
Cash payments for other expenses	(16,810)	0	(16,810)
Net cash provided by operating activities	<u>2,443,174</u>	<u>23,901</u>	<u>2,467,075</u>
<u>Cash flows from noncapital financing activities</u>			
Cash received from grants	2,125	0	2,125
Cash received from other funds	76,984	0	76,984
Cash payments to other funds	(125,792)	0	(125,792)
Cash received from operating transfers - in	232,932	0	232,932
Cash payments for operating transfers - out	(85,523)	0	(85,523)
Net cash provided by noncapital financing activities	<u>100,726</u>	<u>0</u>	<u>100,726</u>
<u>Cash flows from capital and related financing activities</u>			
Acquisition of fixed assets	(4,123,574)	(1,172)	(4,124,746)
Proceeds of notes	3,835,860	0	3,835,860
Principal paid on intergovernmental payable	(2,500)	0	(2,500)
Principal paid on notes	(2,072,500)	0	(2,072,500)
Principal paid on capital loans	(48,346)	0	(48,346)
Principal paid on mortgage revenue bonds	(145,000)	0	(145,000)
Interest paid on notes	(92,093)	0	(92,093)
Interest paid on capital loans	(5,813)	0	(5,813)
Interest paid on mortgage revenue bonds	(186,348)	0	(186,348)
Interest paid on general obligation bonds	(81,721)	0	(81,721)
Interest paid on OWDA loan	(9,516)	0	(9,516)
Net cash used for capital and related financing activities	<u>(2,931,551)</u>	<u>(1,172)</u>	<u>(2,932,723)</u>
<u>Cash flows from investing activities</u>			
Cash received from interest	<u>114,866</u>	<u>0</u>	<u>114,866</u>
Net increase (decrease) in cash and cash equivalents	(272,785)	22,729	(250,056)
Cash and cash equivalents at beginning of year	<u>12,361,469</u>	<u>385</u>	<u>12,361,854</u>
Cash and cash equivalents at end of year	<u>\$12,088,684</u>	<u>\$23,114</u>	<u>\$12,111,798</u>

(continued)

City of Wapakoneta

Combined Statement of Cash Flows
 All Proprietary Fund Types
 For the Year Ended December 31, 2000
 (continued)

	Enterprise	Internal Service	Total (Memorandum Only)
<u>Reconciliation of operating income to net cash provided by operating activities</u>			
Operating income	\$1,369,748	\$3,967	\$1,373,715
<u>Adjustments to reconcile operating income to net cash provided by operating activities</u>			
Depreciation	821,113	13,912	835,025
Changes in assets and liabilities:			
Increase in accounts receivable	(97,020)	(207)	(97,227)
Increase in intergovernmental receivable	(14,475)	0	(14,475)
Decrease in due from other funds	173	0	173
(Increase) decrease in materials and supplies inventory	(121,374)	1,090	(120,284)
Decrease in prepaid items	7,577	93	7,670
Increase in accounts payable	274,544	992	275,536
Increase in contracts payable	50,330	0	50,330
Increase in retainage payable	135,256	0	135,256
Increase in accrued wages payable	2,108	150	2,258
Increase in compensated absences payable	21,668	3,824	25,492
Increase in intergovernmental payable	6,358	168	6,526
Decrease in due to other funds	(231)	(88)	(319)
Increase in refundable deposits payable from restricted assets	9,524	0	9,524
Decrease in landfill closure/postclosure costs	(22,125)	0	(22,125)
Net cash provided by operating activities	<u>\$2,443,174</u>	<u>\$23,901</u>	<u>\$2,467,075</u>

Non-Cash Transactions

During 2000, the general fixed assets account group transferred fixed assets to the Electric and Water enterprise funds with a net book value of \$1,998 and \$378, respectively. The Water enterprise fund transferred fixed assets to the Electric enterprise fund with a net book value of \$9,225, and the Engineering internal service fund transferred fixed assets to the Water enterprise fund with a net book value of \$7,796. The Water, Sewer, and Storm Sewer enterprise funds had fixed assets donated by developers, in the amount of \$49,645, \$80,752, and \$79,329, respectively.

During 2000, the general fixed assets account group and Water enterprise fund transferred fixed assets to the Engineering internal service fund with a net book value of \$1,280 and \$7,102, respectively.

See accompanying notes to the general purpose financial statements

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 1 - REPORTING ENTITY

The City of Wapakoneta is a home rule municipal corporation established and operated under the laws of the State of Ohio. The City operates under a Council/Mayor form of government.

The City is segmented into many different activities and smaller accounting entities. These include police, fire, emergency medical, street maintenance, parks and recreation, engineering, electric, water, sewer, refuse, and a staff to provide essential support to these service providers. These activities comprise the primary government of the City and represent activities which are directly responsible to City Council and the Mayor.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. There were no component units of the City of Wapakoneta in 2000.

The City serves as a custodian of public funds and holds on deposit the monies of the Police Auxiliary, a non-profit organization. The City serves as fiscal agent, but the organization is not considered part of the City. Accordingly, the activity of the Police Auxiliary is presented as an agency fund within the combined financial statements.

The City is associated with the Ohio Rural Water Association Workers' Compensation Group Rating Plan, an insurance pool. This organization is more fully described in Note 20 to the combined financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements.

A. Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories of governmental, proprietary, and fiduciary.

Governmental Fund Types Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The following are the City's governmental fund types:

General Fund This fund is used to account for all financial resources of the City, 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.

Special Revenue Funds These funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds These funds are used to account for the accumulation of resources for, and the payment of, general and special assessment long-term obligation principal, interest, and related costs.

Capital Projects Funds These funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

Proprietary Fund Types Proprietary funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The following are the City's proprietary fund types:

Enterprise Funds These funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Fund This fund is used to account for the financing of services provided by one department or agency to other departments or agencies of the City, or to other governmental units on a cost-reimbursement basis.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary Fund Type Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City's fiduciary funds are agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to a specific fund and those of a general nature, the following account groups are used:

General Fixed Assets Account Group The general fixed assets account group is used to account for all fixed assets of the City, except those accounted for in the proprietary funds.

General Long-Term Obligations Account Group The general long-term obligations account group is used to account for all long-term obligations of the City, except those accounted for in the proprietary funds.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types are accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements of these funds present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental fund types and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The available period for the City is thirty-one days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: income taxes withheld by employers, charges for current services, fines and forfeitures, intergovernmental revenues (including motor vehicle license fees, gasoline tax, and local government assistance), reimbursements due from federally funded projects for which corresponding expenditures have been made, and earnings on investments. Major revenue sources not susceptible to accrual include income taxes other than those withheld by employers, licenses and permits, donations, and other revenues which are not considered measurable until received.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of December 31, 2000, and delinquent property taxes, whose availability is indeterminate and which are not intended to finance the current year, have been recorded as deferred revenue. Special assessments are also recorded as deferred revenue because they do not meet the availability criteria.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. Principal and interest on general and special assessment long-term obligations are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available expendable resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The proprietary funds are reported using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. Unbilled service charges receivable are recognized as revenue at year end.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

Tax Budget A budget of estimated revenues and expenditures for all funds is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year. The budget includes proposed expenditures and the means of financing for all funds. The express purpose of this budget document is to reflect the need for existing or increased tax rates.

Estimated Resources The County Budget Commission reviews the estimated revenues and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The County Budget Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the estimated beginning of year fund balance and projected revenue of each fund. Prior to December 31, the City must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On or about January 1, the certificate of estimated resources is amended to include the actual unencumbered fund balances from the preceding year. The certificate of estimated resources may be further amended during the year if the City Auditor determines that revenue to be collected will be greater than or less than prior estimates and the County Budget Commission finds the revised estimates to be reasonable. The amounts set forth in the combined financial statements represent estimates from the final amended official certificate of estimated resources issued during 2000.

Appropriations A temporary appropriations ordinance to control the level of expenditures for all funds may be passed on or about January 1 of each year, for the period January 1 to March 31. An annual appropriations ordinance must be passed by April 1 of each year, for the period January 1 to December 31. Appropriations may not exceed estimated resources as established in the amended official certificate of estimated resources. The allocation of appropriations among departments and objects within a fund may be modified during the year with City Council approval. Several supplemental appropriations ordinances were legally enacted by City Council during the year. The budget figures which appear in the statements of budgetary comparisons represent the appropriated budget amounts and all supplemental appropriations.

Budgeted Level of Expenditures Administrative control is maintained through the establishment of detailed line-item budgets. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation adopted by City Council. For all funds, council appropriations are made to salaries, materials and supplies, contractual services, capital outlay, other expenditures, debt retirement, and transfer accounts for each department. The appropriations set by City Council must remain fixed unless amended by council resolution. More detailed appropriation allocations may be made by the City Auditor as long as the allocations are within City Council's appropriated amount.

Encumbrances As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balance for subsequent-year expenditures for governmental fund types and reported in the notes to the financial statements for proprietary fund types.

Lapsing of Appropriations At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding year and are not reappropriated.

D. Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet.

Cash and cash equivalents that are held separately for the City by fiscal agents and not held with the City Treasurer are recorded on the combined balance sheet as "Cash and Cash Equivalents with Fiscal Agents".

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

During 2000, investments were limited to Telephone Service Company stock, mutual funds, non-negotiable certificates of deposit, and STAR Ohio. Telephone Service Company stock is valued according to a formula using historical earnings, capitalized dividend yield, and book value. Since the Telephone Service Company's stock is not publically traded, this approach utilizes an industry price earnings ratio by averaging the latest price earnings ratio of publically traded communications companies that are the most representative of the Telephone Service Company. Mutual funds are reported at fair value, which is based on current share price. Non-negotiable certificates of deposit are reported at cost. STAR 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. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2000.

Interest earnings are allocated to City funds according to state statutes, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2000 was \$727,870, which includes \$679,234 assigned from other City funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months, and are not purchased from the pool, are reported as investments.

E. Notes Receivable

Notes receivable represent the right to receive repayment for certain loans made by the City. These loans are based upon written agreements between the City and the various loan recipients.

F. Materials and Supplies Inventory

Inventory in the governmental funds is stated at cost while inventory in the proprietary funds is stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used. Reported materials and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2000, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Restricted Assets

Certain proceeds of enterprise fund mortgage revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the combined balance sheet because their use is limited by applicable bond covenants.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City has utility deposits from customers that are classified as restricted assets on the combined balance sheet because their use is limited to the payment of unpaid utility bills or refunding of the deposit to the customer.

I. Unamortized Bond Issuance Costs

For governmental fund types, bond issuance costs are recognized in the current period. Bond issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method.

J. Unamortized Gain/Loss on Advance Refunding

For advance refundings resulting in the defeasance of debt reported in the enterprise funds, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction of the face amount of the new debt.

The Sewer enterprise fund's sewer system mortgage revenue bonds advance refunded outstanding sewer mortgage revenue bonds in a prior year. These bonds are presented on the combined balance sheet net of an unamortized loss, in the amount of \$108,915. The loss is being amortized over the remaining nine year life of the bonds.

K. Fixed Assets and Depreciation

Fixed asset values were initially determined at December 31, 1987, assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were used. For certain fixed assets, the estimates were determined by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at fair market value on the date donated.

The costs of normal maintenance and repairs that do not increase the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost.

General Fixed Assets General fixed assets (fixed assets used in governmental fund type operations) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in the governmental funds, and the related assets are reported in the general fixed assets account group. Assets in the general fixed assets account group are not depreciated. Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, and lighting systems are not capitalized or reported as these assets are immovable and of value only to the City.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary Fund Fixed Assets Fixed assets associated with proprietary fund activities are accounted for in the respective fund. Depreciation is calculated using the straight-line method over the assets' estimated useful lives. Depreciation expense on assets constructed or acquired through capital grants is closed to contributed capital. Proprietary fund assets are depreciated over the following estimated useful lives:

Asset Category	Estimated Lives
Buildings	45 years
Electric, water, and sewer lines	30 years
Furniture and fixtures	20 years
Equipment	5-15 years
Vehicles	3-6 years

Capitalization of Interest Interest is capitalized on proprietary fund fixed assets acquired with tax-exempt debt. The City's policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project from the date of borrowing until completion of the project and the interest earned from temporary investment of the debt proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2000, no interest was incurred on proprietary fund construction projects.

L. Interfund Assets/Liabilities

Short-term interfund loans or the short-term portion of advances are classified as "Interfund receivables/payables". Receivables and payables arising between funds for goods provided or services rendered are classified as "Due from/to other funds" on the combined balance sheet.

Long-term interfund loans are reported as "Advances to/from other funds" and are equally offset by a fund balance reserve account in the governmental funds which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

M. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments. Accumulated unused sick leave is paid to employees who retire at various rates depending on department and length of service.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For government funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "Compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

N. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions are reported as liabilities in the general long-term obligations account group to the extent that they will not be paid with current available expendable resources. Payments made more than thirty-one days after year end are generally considered not to have been paid with current available expendable resources. Long-term loans and bonds are recognized as liabilities in the general long-term obligations account group until due. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary fund.

Under Ohio law, a debt service fund may be created and used for the payment of all debt principal and interest. Generally accepted accounting principles require the allocation of the debt liability among the appropriate funds and the general long-term obligations account group, with principal and interest payments on matured general long-term debt being reported in the debt service fund. To comply with GAAP reporting requirements, the City's debt service funds have been split among the appropriate funds and general long-term obligations account group. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

O. Contributed Capital

Contributed capital represents contributions made by the City, other governments, and developers. These assets are recorded at their fair market value on the date contributed and are not subject to repayment. Depreciation on assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end, except for depreciation on assets acquired through capital grants which are expensed and closed to contributed capital at year end.

Prior to 1987, the City had not prepared its financial statements in accordance with generally accepted accounting principles. Therefore, the exact amount of contributed capital pertaining to years prior to 1987 cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to the proprietary funds have been classified as retained earnings.

P. Reserves of Fund Equity

Proprietary fund retained earnings balances are reserved for replacement, which represents amounts accumulated as restricted assets in accordance with the terms of the bond indenture.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City records reservations for portions of fund balance that are segregated for specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for notes receivable, inventory, advances, and encumbrances.

Q. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, entitlements, and shared revenues are recorded as receivables and revenues when measurable and available. Reimbursement-type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants, entitlements, and shared revenues received for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable. Such resources restricted for the construction of capital assets are recorded as contributed capital.

R. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Residual equity transfers also include the transfer of fixed assets between the proprietary funds and the general fixed assets account group. Fixed assets transferred into proprietary fund types are recorded as capital contributions rather than residual equity transfers in and as additions to fixed assets in the general fixed assets account group.

S. Estimates

The preparation of 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.

T. Total Columns on Combined Financial Statements

Total columns on the combined statements overview are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

The Refuse enterprise fund had deficit retained earnings, in the amount of \$652,329, as a result of recording estimated landfill postclosure costs. The City has instituted a monthly landfill closure surcharge to the residents' refuse bills to finance postclosure costs.

The Engineering internal service fund had deficit retained earnings, in the amount of \$44,816, as a result of accumulated operating losses.

B. Compliance

The Law Enforcement special revenue fund had appropriations in excess of estimated resources plus available balances, in the amount of \$545, for the year ended December 31, 2000.

At various times throughout the year, the City's deposits were not insured or collateralized as required by the Ohio Revised Code.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balances/retained earnings 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 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Governmental Fund Types and the Combined Statement of Revenues, Expenses, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Proprietary Fund Types are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. Outstanding year end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for the governmental fund types (GAAP basis). Material encumbrances are disclosed in the notes for the proprietary fund types (GAAP basis).
4. Under Ohio law, debt transactions may be recorded in a debt service fund (budget basis) as opposed to allocating the payments to the fund in which the proceeds were recorded (GAAP basis).
5. For proprietary funds, the acquisition and construction of fixed assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP Basis).

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

	Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses All Governmental Fund Types		
	General	Special Revenue	Capital Projects
GAAP basis	\$405,616	\$89,067	\$392,270
<u>Increases (decreases) due to</u>			
Revenue accruals:			
Accrued 1999, received in cash 2000	481,475	676,993	275,000
Accrued 2000, not yet received in cash	(288,652)	(807,805)	0
Expenditure accruals:			
Accrued 1999, paid in cash 2000	(61,106)	(12,250)	(9,217)
Accrued 2000, not yet paid in cash	71,237	18,339	3,139
Cash adjustments:			
Unrecorded activity 1999	(1,197)	0	0
Unrecorded activity 2000	1,479	0	0
Prepaid items	1,756	230	0
Notes receivable:			
Repayments	0	6,101	0
Notes payable:			
Additions	0	0	94,140
Reductions	0	0	(20,255)
Bonds payable:			
Reductions	0	0	(65,000)
Interest and fiscal charges	0	0	(26,550)
Advances - in	275,000	0	0
Advances - out	0	0	(275,000)
Encumbrances outstanding at year end (budget basis)	(77,537)	(153,119)	(23,622)
Disbursed against prior year encumbrances	43,019	22,754	66,102
Reallocation of debt activity	0	0	91,550
Budget basis	<u>\$851,090</u>	<u>(\$159,690)</u>	<u>\$502,557</u>

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

	Enterprise	Internal Service
Net Income/Excess of Revenues Over (Under) Expenses and Operating Transfers All Proprietary Fund Types		
GAAP basis	\$1,169,238	\$3,967
<u>Increases (decreases) due to</u>		
Revenue accruals:		
Accrued 1999, received in cash 2000	1,465,546	0
Accrued 2000, not yet received in cash	(1,567,702)	(207)
Expense accruals:		
Accrued 1999, paid in cash 2000	(964,130)	(28,066)
Accrued 2000, not yet paid in cash	1,530,183	33,112
Cash adjustments:		
Unrecorded activity 1999	(2,215)	0
Materials and supplies inventory	(121,374)	1,090
Prepaid items	7,577	93
Landfill closure/postclosure costs	(22,125)	0
Acquisition of fixed assets	(4,123,574)	(1,172)
Depreciation expense	821,113	13,912
Loss on disposal of fixed assets	11,426	0
Notes payable:		
Additions	3,835,860	0
Reductions	(2,072,500)	0
Intergovernmental payable:		
Reductions	(2,500)	0
Capital loans payable:		
Reductions	(48,346)	0
Mortgage revenue bonds payable:		
Reductions	(145,000)	0
Unamortized issuance costs	2,331	0

(continued)

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

Net Income/Excess of Revenues Over (Under)
Expenses and Operating Transfers
All Proprietary Fund Types
(continued)

	Enterprise	Internal Service
Encumbrances outstanding at year end (budget basis)	(\$2,037,627)	(\$1,757)
Disbursed against prior year encumbrances	1,217,825	4,531
Budget basis	(\$1,045,994)	\$25,503

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that City Council has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State as to which there is no default of principal, interest, or coupons; and
3. Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

At year end, the City had \$975 in undeposited cash on hand which is included on the combined balance sheet of the City as part of “Equity in pooled cash and cash equivalents”.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, “Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements”.

At year end, the carrying amount of the City’s deposits was \$4,262,939 and the bank balance was \$4,510,134. Of the bank balance, \$300,011 was covered by federal depository insurance. The remaining amount was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

The City’s investments are categorized to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered for which the securities are held by the City or the City’s agent in the City’s name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty’s trust department or agent in the City’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City’s name. STAR Ohio and mutual funds are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 1	Fair Value
Telephone Service Company Stock	\$881,486	\$881,486
Mutual Funds		818,255
STAR Ohio		10,050,457
Total		\$11,750,198

The classification of cash and cash equivalents and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9, “Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting”.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

A reconciliation between the classification of cash and cash equivalents and investments on the combined balance sheet and the classification of deposits and investments according to GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$15,111,026	\$903,086
Cash on Hand	(975)	0
Investments:		
Certificate of Deposit	21,600	(21,600)
Mutual Funds	(818,255)	818,255
STAR Ohio	(10,050,457)	10,050,457
GASB Statement No. 3	\$4,262,939	\$11,750,198

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Real property tax revenues received in 2000 represent the collection of 1999 taxes. For 2000, real property taxes were levied after October 1, 2000, on the assessed values as of January 1, 2000, the lien date. These taxes will be collected in and are intended to finance 2001 operations. Assessed values for real property taxes are established by state statute at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 1996. Real property taxes are payable annually or semiannually. 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 real and tangible personal property taxes were levied after October 1, 2000, on the assessed values as of December 31, 1999. These taxes will be collected in and are intended to finance 2001 operations. Public utility real property is assessed at 35 percent of true value; tangible personal property is currently assessed at varying percentages of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in 2000 (other than public utility property) represent the collection of 2000 taxes. For 2000, tangible personal property taxes were levied after October 1, 1999, on the true value as of December 31, 1999. Tangible personal property is currently assessed at 25 percent of true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. The first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Wapakoneta. The County Auditor periodically remits to the City its portion of the taxes collected.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 6 - PROPERTY TAXES (continued)

Accrued property taxes receivable represents delinquent taxes outstanding and real, public utility, and tangible personal property taxes which were measurable as of December 31, 2000. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2000 operations.

The full tax rate for all City operations the year ended December 31, 2000, was \$3.75 per \$1,000 of assessed value. The assessed values of real, public utility, and tangible personal property upon which 2000 property tax receipts were based are as follows:

Category	Assessed Value
Real estate	
Agricultural/residential	\$72,754,680
Commercial/industrial	32,587,890
Public utility real	87,770
Public utility personal	3,802,580
Tangible personal	22,119,150
Total	\$131,352,070

NOTE 7 - MUNICIPAL INCOME TAXES

The City levies an income tax of 1 percent on all income earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. Income tax revenues and expenditures for collecting, administering, and enforcing the tax are recorded in the General Fund.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2000, consisted of taxes; accounts (billings for user charged services, including unbilled utility services); special assessments; intergovernmental receivables arising from grants, entitlements, and shared revenues; accrued interest; notes; interfund; and services charged to other funds. All receivables are considered fully collectible.

Notes receivable represent low interest loans for development projects and home improvements granted to eligible City residents and businesses under the Federal Community Development Block Grant program. The notes have an annual interest rate of 5.25 percent and are repaid over periods ranging from five to seven years.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 8 - RECEIVABLES (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
General Fund	
Estate tax	\$78,125
Lodging tax	657
Grant	6,708
Local government	2,478
Personal property tax exemption	4,008
Total General Fund	91,976
Special Revenue Funds	
Street Maintenance	
Gasoline tax	8,956
Motor vehicle license tax	10,092
State Highway	
Gasoline tax	726
Motor vehicle license tax	818
Recreation	
Personal property tax exemption	1,469
Enforcement and Education	
County municipal court	10
Drug Law Enforcement	
County municipal court	58
Total Special Revenue Funds	22,129
Enterprise Fund	
Refuse	
Auglaize County reimbursement	14,475
Total All Funds	\$128,580

By statute, local property taxes have been reduced 10 percent, with additional reductions for the elderly and the disabled. The amount of these reductions, estimated to be \$52,094, will be paid to the City by the State of Ohio in the latter part of 2001.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 9 - FIXED ASSETS

A. General Fixed Assets

A summary of the changes in general fixed assets during 2000 is as follows:

	Balance 12/31/99	Additions	Reductions	Balance 12/31/00
Land	\$193,991	\$0	\$0	\$193,991
Land improvements	184,819	9,100	0	193,919
Buildings	3,207,473	113,119	0	3,320,592
Improvements other than buildings	28,833	11,790	0	40,623
Furniture and fixtures	10,036	0	0	10,036
Equipment	688,003	106,460	73,277	721,186
Vehicles	1,789,795	69,479	23,470	1,835,804
Total	\$6,102,950	\$309,948	\$96,747	\$6,316,151

B. Fund Fixed Assets

A summary of the enterprise and internal service funds' fixed assets at December 31, 2000, follows:

	Enterprise	Internal Service
Land	\$379,368	\$0
Buildings	8,051,499	60,011
Electric, water, and sewer lines	14,270,418	0
Furniture and fixtures	51,943	0
Equipment	5,365,777	80,888
Vehicles	1,718,764	54,946
Construction in progress	3,530,681	0
Total fixed assets	33,368,450	195,845
Less accumulated depreciation	15,368,628	153,158
Total fund fixed assets net of accumulated depreciation	\$17,999,822	\$42,687

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 10 - INTERFUND ASSETS/LIABILITIES

At December 31, 2000, the General Fund had advances to other funds and the Refuse enterprise fund had advances from other funds, in the amount of \$50,000. Other interfund receivable/payables at December 31, 2000, were as follows:

	Due To/From Other Funds		Interfund	
	Receivable	Payable	Receivable	Payable
General Fund	\$0	\$1,441	\$126,984	\$0
Special Revenue Funds				
Street Maintenance	0	338	0	0
Recreation	0	101	0	0
Total Special Revenue Funds	0	439	0	0
Enterprise Funds				
Electric	19,482	1,358	0	0
Water	497	6,012	0	0
Sewer	847	11,399	0	76,984
Storm Sewer	68	0	0	0
Refuse	239	273	0	50,000
Total Enterprise Funds	21,133	19,042	0	126,984
Internal Service Fund				
Engineering	0	211	0	0
Total All Funds	\$21,133	\$21,133	\$126,984	\$126,984

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

The City contributes to the Public Employees Retirement System of Ohio (the "System"), a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Board. The System provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. The System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the City is required to contribute 10.84 percent; 6.54 percent was the portion used to fund pension obligations for 2000. The employer contribution rate for 2000 represents a temporary rate reduction from the 1999 contribution rate of 13.55 percent. Contributions are authorized by state statute. The contribution rates are determined actuarially. The City's contributions to the System for the years ended December 31, 2000, 1999, and 1998, were \$129,528, \$187,733, and \$179,757, respectively; 77 percent has been contributed for 2000 and 100 percent has been contributed for 1999 and 1998. The unpaid contribution for 2000, in the amount of \$30,299, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (the "Fund"), a cost-sharing multiple employer defined benefit pension plan administered by the Fund's Board of Trustees. The Fund provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. The Fund issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.5 percent for police (12.25 percent was the portion used to fund pension obligations); and 24 percent for firefighters (16.75 percent was the portion used to fund pension obligations). Contributions are authorized by state statute. The City's contributions to the Fund for the years ended December 31, 2000, 1999, and 1998, were \$154,959, \$157,143, and \$157,349, respectively; 69 percent has been contributed for 2000 and 100 percent has been contributed for 1999 and 1998. The unpaid contribution for 2000, in the amount of \$47,464, is recorded as a liability within the respective funds and the general long-term obligations account group.

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System

The Public Employees Retirement System of Ohio (the "System") provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the System is set aside for the funding of postretirement health care based on authority granted by state statute. The employer contribution rate was 10.84 percent of covered payroll; 4.3 percent was the portion used to fund health care for 2000. In 1999, the employer contribution rate was 13.55 percent of covered payroll; 4.2 percent was the portion used to fund health care.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

Benefits are advance funded using the entry age normal cost method (For 2000, the System returned to an actuarially prefunded disclosure because this provides a better presentation of the System's actual funding methodology. In prior years, the disclosure was based on a pay-as-you-go basis.). Significant actuarial assumptions include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually, and an additional increase in total payroll of .54 percent to 5.1 percent based on additional pay increases. Health care premiums were assumed to increase 4.75 percent annually.

OPB are financed through employer contributions and investment earnings. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

At December 31, 1999, the total number of benefit recipients eligible for OPB through the System was 401,339. As of December 31, 1999, the actuarial value of net assets available for future OPB payments were \$10,085.5 million. The actuarially accrued liability and the unfunded actuarial liability were \$12,473.6 million and \$1,668.1 million, respectively. The City's actual contributions for 2000 which were used to fund OPB were \$85,164.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (the "Fund") provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check, or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of eighteen, whether or not the child is attending school, or under the age of twenty-two if attending school full-time or on a two-thirds basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Fund's Board of Trustees to provide health care coverage and states that health care costs paid from the Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate was 19.5 percent of covered payroll and the firefighter employer contribution rate was 24 percent; 7.25 percent was the portion used to fund health care for 2000. The portion used to fund health care was 7 percent in 1999. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The number of participants eligible to receive health care benefits as of December 31, 1999, was 12,467 for police and 9,807 for firefighters. The City's actual contributions for 2000 that were used to fund postemployment benefits were \$37,696 for police and \$39,503 for firefighters. The Fund's total health care expenses for the year ended December 31, 1999, (the latest information available) were \$95,004,633, which was net of member contributions of \$5,518,098.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 13 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave components is derived from negotiated agreements and state laws.

City employees earn vacation at varying rates depending upon length of service and standard work week. Current policy permits two weeks of vacation to be carried forward to the following year. Employees are paid for 100 percent of earned unused vacation leave upon termination.

Sick leave is earned at various rates as defined by City policy and union contracts. Non-union employees earn sick leave at a rate of four and six-tenths hours for every eighty hours worked. Current policy permits sick leave to be accumulated without limit. Each non-union employee hired prior to January 1, 1988, with ten or more years of service with the City or other political subdivision within the State of Ohio, is paid for one-half of their earned, unused sick leave upon retirement. Each non-union employee hired after January 1, 1988, at the time of retirement from active service with the City, is paid 25 percent of their earned, unused sick leave, up to a maximum of one hundred twenty accrued sick days (thirty days total maximum payment).

Bargaining-unit employees earn sick leave at a rate of three and eight-tenths hours for every eighty hours worked. Current policy permits sick leave to be accumulated without limit. Each bargaining-unit employee, at the time of retirement from active service with the City, is paid for one-half of their earned, unused sick leave, up to a maximum of 1,040 accrued sick hours (one hundred thirty days total maximum payment).

NOTE 14 - SHORT-TERM OBLIGATIONS

The City's short-term obligations activity for the year ended December 31, 2000, was as follows:

	Interest Rate	Balance 12/31/99	Additions	Reductions	Balance 12/31/00
<u>Capital Projects Fund</u>					
Street and Sewer Improvement					
1999 Special Assessment Bond Anticipation Note	4.80%	\$20,255	\$0	\$20,255	\$0
2000 Special Assessment Bond Anticipation Note	5.20	0	94,140	0	94,140
Total Capital Projects Fund		<u>20,255</u>	<u>94,140</u>	<u>20,255</u>	<u>94,140</u>
<u>Enterprise Funds</u>					
Electric					
1999 AMP - OHIO Bond Anticipation Note	3.75	1,800,000	0	1,800,000	0
2000 AMP - OHIO Bond Anticipation Note	4.65	0	1,800,000	0	1,800,000
Total Electric Fund		<u>1,800,000</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,800,000</u>

(continued)

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 14 - SHORT-TERM OBLIGATIONS (continued)

	Interest Rate	Balance 12/31/99	Additions	Reductions	Balance 12/31/00
<u>Enterprise Funds</u> (continued)					
Water					
2000 Bond Anticipation Note	4.75%	\$0	\$1,400,000	\$0	\$1,400,000
Sewer					
2000 Bond Anticipation Note	5.25	0	375,000	0	375,000
Refuse					
1999 Landfill Closure Bond Anticipation Note	4.80	272,500	0	272,500	0
2000 Landfill Closure Bond Anticipation Note	5.20	0	260,860	0	260,860
Total Refuse Fund		272,500	260,860	272,500	260,860
Total Enterprise Funds		2,072,500	3,835,860	2,072,500	3,835,860
Total Notes Payable		<u>\$2,092,755</u>	<u>\$3,930,000</u>	<u>\$2,092,755</u>	<u>\$3,930,000</u>

According to Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. The City has issued bond anticipation notes with a maturity of one year or less which will be reissued until paid in full or bonds are issued.

The special assessment notes are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 15 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2000, was as follows:

	Interest Rate	Balance 12/31/99	Additions	Reductions	Balance 12/31/00
<u>General Long-Term Obligations</u>					
<u>General Obligation Bonds</u>					
1991 Downtown Improvement	5.30 - 7.10%	\$1,165,083	\$0	\$77,542	\$1,087,541
1993 Various Purpose	2.80 - 5.45	2,410,000	0	125,000	2,285,000
1998 Various Purpose	3.30 - 4.25	675,000	0	65,000	610,000
Total General Obligation Bonds		<u>4,250,083</u>	<u>0</u>	<u>267,542</u>	<u>3,982,541</u>
<u>Special Assessment Bonds</u>					
1991 Downtown Improvement	5.30 - 7.10	34,917	0	17,458	17,459
<u>Other Long-Term Obligations</u>					
Compensated Absences Payable		380,275	0	19,965	360,310
Intergovernmental Payable		84,244	84,387	84,244	84,387
Capital Loans Payable		80,955	0	50,896	30,059
Police and Fire Pension Liability		90,155	0	90,155	0
Total Other Long-Term Obligations		<u>635,629</u>	<u>84,387</u>	<u>245,260</u>	<u>474,756</u>
Total General Long-Term Obligations		<u>4,920,629</u>	<u>84,387</u>	<u>530,260</u>	<u>4,474,756</u>
<u>Enterprise Fund Obligations</u>					
<u>Mortgage Revenue Bonds</u>					
1998 Sewer System Mortgage Revenue Refunding Bonds	3.30 - 4.95	4,055,000	0	145,000	3,910,000
<u>Other Long-Term Obligations</u>					
Compensated Absences Payable		209,509	21,668	0	231,177
Intergovernmental Payable		33,750	0	2,500	31,250
Capital Loans Payable		104,716	0	48,346	56,370
Landfill Closure/Postclosure Costs		1,458,248	0	22,125	1,436,123
OWDA Loan Payable		943,414	0	0	943,414
Total Other Long-Term Obligations		<u>2,749,637</u>	<u>21,668</u>	<u>72,971</u>	<u>2,698,334</u>
Total Enterprise Fund Obligations		<u>6,804,637</u>	<u>21,668</u>	<u>217,971</u>	<u>6,608,334</u>
Total Long-Term Obligations		<u>\$11,725,266</u>	<u>\$106,055</u>	<u>\$748,231</u>	<u>\$11,083,090</u>

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

1991 Downtown Improvement General Obligation Bonds On June 1, 1991, the City issued \$1,655,000 in unvoted general obligation bonds to pay part of the cost of separating storm and sanitary sewers and constructing and reconstructing certain streets, sidewalks, curbs, and gutters on Auglaize, Perry, and Willipie Streets. The bonds were issued for a fifteen year period with maturity beginning October 1, 1992. The bonds will be paid from the General Fund and from special assessments. The special assessment portion of the bonds matures in ten years from the date of issuance, or 2001. The general obligation portion of the bonds maturing on or after October 1, 2001, are subject to optional redemption at the direction of the City, either in whole or in part, in integral multiples of \$5,000 on any October 1, commencing October 1, 2001, at the redemption prices (expressed as percentages of the principal amount redeemed) set forth below:

Redemption Dates (Dates Inclusive)	Redemption Prices
October 1, 2001, through September 30, 2002	102%
October 1, 2002, through September 30, 2003	101
October 1, 2003, and thereafter	100

1993 Various Purpose General Obligation Bonds On November 1, 1993, the City issued \$3,080,000 in unvoted general obligation bonds to pay for the cost of constructing and equipping a police/EMS/administration building, provide funds to pay the cost of closing a landfill, and refund outstanding bond anticipation notes originally issued for paying the cost of acquiring, constructing, and equipping improvements on Bellefontaine Street. The bonds were issued for a twenty year period with maturity beginning December 1, 1994. The bonds will be paid from the General Fund and Electric, Water, Sewer, and Refuse enterprise funds. The bonds maturing on or after December 1, 2004, are subject to optional redemption prior to maturity, commencing December 1, 2003, either in whole or in part, in inverse order of maturity and by lot within any maturity, at the redemption prices (expressed as percentages of the principal amount redeemed) plus accrued interest to the date of redemption as set forth below:

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2003, through November 30, 2004	102%
December 1, 2004, through November 30, 2005	101
December 1, 2005, and thereafter	100

1998 Various Purpose General Obligation Bonds On November 1, 1998, the City issued \$735,000 in unvoted general obligation bonds to refund outstanding bond anticipation notes originally issued to pay for street, sewer, sidewalk, curb, and gutter improvements, and paying the costs of issuance associated with the bonds. The bonds were issued for a ten year period with maturity beginning December 1, 1999. The bonds will be paid through debt service funds. The bonds are not subject to optional redemption prior to maturity.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

Special Assessment Bonds The special assessment bonds are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments or insufficient amounts are assessed to fund the debt, the City will be required to pay the related debt.

Other Long-Term Obligations Compensated absences are presented at net because it is not practical to determine the actual increases and decreases. Compensated absences and the intergovernmental payable, representing the City's contractually required pension contributions, will be paid from the fund from which the employees' salaries are paid.

Capital Loans Payable Loans have been entered into with local banks for the purchase of equipment. The City is paying each loan in equal monthly or yearly payments over the life of the loan. They range in length from three to five years depending on the amount of the loan. The loans are being repaid from resources of the General Fund, Street Maintenance special revenue fund, and enterprise funds.

Police and Fire Pension Liability On April 28, 2000, the City paid, in full, the balance of the police and fire pension liability that occurred when the State of Ohio established the statewide pension system for police and fire in 1967. As a result of the early retirement of the liability, the City's payment was reduced by \$28,850.

Mortgage Revenue Bonds On November 30, 1998, the City issued \$4,190,000 in sewer system mortgage revenue bonds to advance refund 1990 sewer mortgage revenue bonds and pay the costs of certain other improvements to the sewer system. The refunding bonds include serial and term bonds. The bonds are reported on the combined balance sheet net of the unamortized loss on advance refunding of \$108,915 in the Sewer enterprise fund. The bonds were issued for a twenty year period, with final maturity during 2018.

The term bonds maturing on December 1, 2018, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the City. The mandatory redemption is to occur on December 1, in each of the years 2010 through 2017 (with the balance of \$315,000 to be paid at stated maturity in 2018), at a redemption priced equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Amount</u>
2010	\$210,000
2011	225,000
2012	235,000
2013	245,000
2014	255,000
2015	270,000
2016	285,000
2017	300,000
2018	315,000

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

The bonds maturing on or after December 1, 2009, are subject to optional redemption prior to maturity, commencing December 1, 2008, either in whole or in part, in inverse order of maturity and by lot within any maturity, at the redemption prices (expressed as percentages of the principal amount redeemed) plus accrued interest to the date of redemption as set forth below:

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2008, through November 30, 2009	101%
December 1, 2009, through November 30, 2010	100.5
December 1, 2010, and thereafter	100

The refunding bonds pledge Sewer enterprise fund income to pay the debt service. The Sewer enterprise fund's bond indenture has certain restrictive covenants which principally require that bond reserve accounts be maintained and charges for services to customers be in sufficient amounts, as defined, to satisfy the obligations under the indenture agreement. In addition, special provisions exist regarding covenant violations, redemptions of principal, and maintenance of properties.

In conjunction with the issuance of the sewer system mortgage revenue refunding bonds, the City entered into a trust agreement with a commercial bank. This trust agreement, along with the bond indenture, require that the City establish various funds for the repayment of debt. The restricted assets in the Sewer enterprise fund segregates funds held by the City from funds held by the trustees in accordance with the trust agreement. Restricted assets relating to the sewer system mortgage revenue refunding bonds at December 31, 2000, were \$818,266.

The sewer system mortgage revenue refunding bonds defeased, in-substance, \$1,345,000 in sewer system mortgage revenue bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2000, \$1,175,000 of this debt was still outstanding.

Intergovernmental Payable The intergovernmental payable is the result of a joint project with Auglaize County for a sanitary sewer and interceptor replacement. The project was materially funded with a non-interest bearing loan through the Ohio Public Works Commission in Auglaize County's name. The agreement stipulates the City pay 50 percent of the loan. The liability is for a period of twenty years and will be paid from the Sewer enterprise fund.

OWDA Loan In order to encourage Amcast Automotive Corporation to bring employment to the City, an agreement was reached to install water and sewer lines which were financed with an OWDA loan. The City received \$943,414 in 1997. The repayment schedule is based on 1 percent annual interest payments due semi-annually. The final payment is due in 2002 which will include the final interest payment plus the entire principal balance. The loan is being repaid from resources of the Water and Sewer enterprise funds.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

The City's legal debt margin was \$9,779,310 at December 31, 2000.

Principal and interest requirements to retire general long-term obligations outstanding at December 31, 2000, were as follows:

Year	General Obligation Bonds	Special Assessment Bonds	Capital Loans	Total
2001	\$493,748	\$18,347	\$31,656	\$543,751
2002	482,762	0	0	482,762
2003	484,315	0	0	484,315
2004	484,734	0	0	484,734
2005	483,943	0	0	483,943
2006 to 2010	2,214,882	0	0	2,214,882
2011 to 2015	883,432	0	0	883,432
Total	<u>\$5,527,816</u>	<u>\$18,347</u>	<u>\$31,656</u>	<u>\$5,577,819</u>

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2000, from the enterprise funds were as follows:

Year	Mortgage Revenue Refunding Bonds	Intergovern- mental	Capital Loans	OWDA Loan	Total
2001	\$341,667	\$2,500	\$30,542	\$9,517	\$384,226
2002	341,426	2,500	30,542	948,173	1,322,641
2003	341,437	2,500	0	0	343,937
2004	340,510	2,500	0	0	343,010
2005	345,049	2,500	0	0	347,549
2006 to 2010	1,713,322	12,500	0	0	1,725,822
2011 to 2015	1,698,199	6,250	0	0	1,704,449
2016 to 2018	1,032,547	0	0	0	1,032,547
Total	<u>\$6,154,157</u>	<u>\$31,250</u>	<u>\$61,084</u>	<u>\$957,690</u>	<u>\$7,204,181</u>

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 16 - LANDFILL CLOSURE/POSTCLOSURE COSTS

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City stopped accepting waste at its landfill in 1994. The Ohio EPA approved the final closure and postclosure plan in July 1998. The \$1,436,126 reported as landfill closure/postclosure costs at December 31, 2000, represents the costs of maintenance and monitoring through 2028. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to provide assurances that financial resources will be available to provide for postclosure care and remediation or containment of environmental hazards at the landfill. The City has passed the financial accountability test proving the ability to self-fund these future costs.

NOTE 17 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2000, the City contracted for the following insurance coverages:

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Property	\$21,191,812	\$1,000
Liability	7,000,000	0
Wrongful acts	7,000,000	2,500
Law enforcement	7,000,000	2,500
Automobile	7,000,000	50-250
Bond	25,000	0
Crime	20,000	0
Inland marine	4,551,397	250
Fire vehicle	1,470,786	100
Electronic data processing	280,740	250

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has not been any significant reduction in coverage from the prior year.

For 2000, the City participated in the Ohio Rural Water Association Workers' Compensation Group Rating Plan (the Plan), an insurance pool. The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan. To maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to participants that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the City pays an enrollment fee to the Plan to cover the costs of administering the program.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 17 - RISK MANAGEMENT (continued)

The City may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline to the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows representatives of the Plan to access loss experience for three years following the last year of participation.

NOTE 18 - CONTRACTUAL COMMITMENTS

At December 31, 2000, the City had contractual commitments as follows:

Company	Project	Amount Remaining on Contract
GPD Associates	69KV electrical loop	\$53,662
Peterson Construction Co.	Bio solids plant	242,374
Pitt-Des Moines	Water tower	274,900
Sanderson CMI, Inc.	Software update	95,478
Vaughn Industries, Inc.	69KV electrical loop	7,446

NOTE 19 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City's enterprise funds account for the provision of electric, water, sewer, storm sewer, and refuse services. Financial segment information as of and for the year ended December 31, 2000, was as follows:

	Electric	Water	Sewer	Storm Sewer	Refuse	Total
Operating revenues	\$7,942,366	\$961,523	\$1,196,829	\$149,526	\$849,406	\$11,099,650
Depreciation	253,476	189,685	283,146	68,977	25,829	821,113
Operating income (loss)	1,138,598	(63,474)	48,160	27,063	219,401	1,369,748
Grants	0	0	0	0	2,215	2,125
Operating transfers - in	160,122	32,441	13,410	6,500	20,459	232,932
Operating transfers - out	33,494	17,343	17,343	0	17,343	85,523
Net income (loss)	1,140,841	(132,813)	(62,466)	29,013	194,663	1,169,238
Current contributed capital	11,223	57,819	80,752	79,329	0	229,123
Fixed assets:						
Additions	736,964	1,175,534	2,269,980	145,824	58,585	4,386,887
Reductions	74,547	115,702	10,468	0	0	200,717
Depreciation on contributed assets	0	243	322,415	0	2,347	325,005

(continued)

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 19 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS (continued)

	Electric	Water	Sewer	Storm Sewer	Refuse	Total
Net working capital	\$8,551,940	(\$31,624)	(\$457,338)	\$164,463	\$322,093	\$8,549,534
Long-term obligations:						
Compensated absences payable	77,725	54,241	77,198	0	20,033	229,197
Intergovernmental payable	0	0	28,750	0	0	28,750
Capital loans payable	0	0	0	28,943	0	28,943
Advances from other funds	0	0	0	0	50,000	50,000
Mortgage revenue bonds payable (net of unamortized loss on advance refunding)	0	0	3,651,085	0	0	3,651,085
Landfill closure/postclosure costs	0	0	0	0	1,436,123	1,436,123
OWDA loan payable	0	584,917	358,497	0	0	943,414
Total long-term liabilities	77,725	639,158	4,115,530	28,943	1,506,156	6,367,512
Total assets	15,809,576	5,568,709	8,975,042	1,268,792	1,278,387	32,900,506
Total equity (deficit)	13,072,319	3,305,940	4,038,065	1,194,360	(589,093)	21,021,591
Encumbrances outstanding at year end (budget basis)	1,138,954	410,359	388,868	54,462	44,984	2,037,627

NOTE 20 - INSURANCE POOL

The City participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Rural Water Association Workers' Compensation Group Rating Plan is an insurance purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participating members.

NOTE 21 - CONTINGENT LIABILITIES

The City is party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The City management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

For the period January 1, 2000, to December 31, 2000, the City received state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. 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 disallowances, if any, would be immaterial.

NOTE 22 - SUBSEQUENT EVENT

On February 1, 2001, the City issued \$1,400,000 in bond anticipation notes for constructing improvements to the water system. The notes have an interest rate of 3.85 percent and mature on February 1, 2002.

**COMBINING,
INDIVIDUAL FUND,
AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES**

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General Fund

General Fund

To account for all financial resources of the City, except those required to be accounted for in another fund.

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property taxes	\$316,611	\$319,119	\$2,508
Municipal income taxes	1,900,000	2,110,738	210,738
Charges for services	212,325	211,439	(886)
Licenses and permits	4,890	4,890	0
Fines and forfeitures	26,203	27,583	1,380
Intergovernmental	701,343	725,964	24,621
Interest	500,596	728,775	228,179
Donations	1,953	903	(1,050)
Other	8,480	4,944	(3,536)
Total revenues	3,672,401	4,134,355	461,954
<u>Expenditures</u>			
Current:			
Security of persons and property			
Police department			
Salaries	994,300	926,691	67,609
Materials and supplies	23,100	19,673	3,427
Contractual services	81,200	77,238	3,962
Capital outlay	40,000	28,338	11,662
Fire department			
Salaries	861,400	821,500	39,900
Materials and supplies	26,350	20,426	5,924
Contractual services	42,350	36,175	6,175
Capital outlay	17,500	16,800	700
Safety director			
Salaries	3,800	3,703	97
Materials and supplies	800	0	800
Contractual services	7,100	7,000	100
Total security of persons and property	2,097,900	1,957,544	140,356
Public health			
Emergency medical			
Salaries	112,600	105,632	6,968
Materials and supplies	7,650	4,946	2,704
Contractual services	22,949	17,951	4,998
Capital outlay	6,700	6,152	548
Other	1,000	926	74

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000
(continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Miscellaneous			
Contractual services	\$3,500	\$601	\$2,899
Capital outlay	6,980	3,030	3,950
Total public health	<u>161,379</u>	<u>139,238</u>	<u>22,141</u>
Community environment			
Boards and commissions			
Materials and supplies	8,300	343	7,957
Contractual services	33,200	32,298	902
Capital outlay	7,500	0	7,500
Total community environment	<u>49,000</u>	<u>32,641</u>	<u>16,359</u>
General government			
Council			
Salaries	27,300	27,300	0
Materials and supplies	6,385	5,402	983
Other	400	176	224
Clerk of council			
Salaries	2,900	2,900	0
Materials and supplies	200	0	200
Contractual services	2,415	2,106	309
Administrative			
Salaries	25,950	19,365	6,585
Materials and supplies	11,900	7,725	4,175
Contractual services	10,500	9,716	784
Capital outlay	3,500	3,500	0
Finance			
Salaries	27,000	25,000	2,000
Materials and supplies	1,027	318	709
Contractual services	48,973	43,960	5,013
Income tax			
Salaries	51,700	41,831	9,869
Materials and supplies	11,800	9,901	1,899
Contractual services	6,800	5,261	1,539
Capital outlay	12,500	12,500	0
Income tax refunds	72,000	70,689	1,311

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000
(continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Law director			
Salaries	\$20,000	\$20,000	\$0
Materials and supplies	500	0	500
Contractual services	2,000	0	2,000
Civil service			
Salaries	900	900	0
Materials and supplies	2,500	2,491	9
Elections			
Contractual services	2,500	1,801	699
Auglaize County			
Contractual services	18,900	17,128	1,772
Administrative support			
Other	196,450	0	196,450
Total general government	<u>567,000</u>	<u>329,970</u>	<u>237,030</u>
Debt service:			
Principal retirement	34,856	34,755	101
Interest and fiscal charges	2,644	2,638	6
Total debt service	<u>37,500</u>	<u>37,393</u>	<u>107</u>
Total expenditures	<u>2,912,779</u>	<u>2,496,786</u>	<u>415,993</u>
Excess of revenues over expenditures	<u>759,622</u>	<u>1,637,569</u>	<u>877,947</u>
<u>Other financing sources (uses)</u>			
Advances - in	275,000	275,000	0
Operating transfers - out	<u>(1,072,458)</u>	<u>(1,061,479)</u>	<u>10,979</u>
Total other financing sources (uses)	<u>(797,458)</u>	<u>(786,479)</u>	<u>10,979</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(37,836)	851,090	888,926
Fund balance at beginning of year	469,469	469,469	0
Unexpended prior year encumbrances	<u>12,861</u>	<u>12,861</u>	<u>0</u>
Fund balance at end of year	<u>\$444,494</u>	<u>\$1,333,420</u>	<u>\$888,926</u>

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

Street Maintenance Fund

To account for 92.5 percent of the state gasoline and motor vehicle registration fees designated for street maintenance and repair.

State Highway Fund

To account for 7.5 percent of the state gasoline and motor vehicle registration fees designated for maintenance and repair of state highways within the City.

Motor Vehicle Permissive Tax Fund

To account for additional motor vehicle registration fees designated for street maintenance and repair.

Community Block Grant Fund

To account for monies received from the federal government under the Community Development Block Grant Program as well as the revolving loan program.

Recreation Fund

To account for monies received for use on recreation activities.

Law Enforcement Fund

To account for fines and forfeitures designated for law enforcement activities.

Enforcement and Education Fund

To account for fines and forfeitures charged for driving under the influence arrests. These resources are designated for enforcement and education programs to prevent occurrences of driving under the influence.

Drug Law Enforcement Fund

To account for the sale of confiscated property for use on drug law enforcement activities.

Recreation Trust Fund

To account for donations given by the Haus-Helms Foundation for use on recreation activities.

City of Wapakoneta
Special Revenue Funds

Combining Balance Sheet
December 31, 2000

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Motor Vehicle Permissive Tax</u>	<u>Community Block Grant</u>
<u>Assets</u>				
Equity in pooled cash and cash equivalents	\$45,281	\$17,727	\$439,840	\$147,152
Investments	0	0	0	0
Receivables:				
Property taxes	0	0	0	0
Other local taxes	0	0	4,400	0
Accounts	462	0	0	0
Intergovernmental	19,048	1,544	0	0
Notes	0	0	0	26,395
Materials and supplies inventory	33,792	0	0	0
Prepays items	2,132	0	0	0
Total assets	<u>\$100,715</u>	<u>\$19,271</u>	<u>\$444,240</u>	<u>\$173,547</u>
<u>Liabilities</u>				
Accounts payable	\$6,586	\$0	\$545	\$0
Accrued wages payable	2,142	0	0	0
Compensated absences payable	6	0	0	0
Intergovernmental payable	2,683	0	0	0
Due to other funds	338	0	0	0
Deferred revenue	462	0	0	0
Total liabilities	<u>12,217</u>	<u>0</u>	<u>545</u>	<u>0</u>
<u>Fund equity</u>				
Fund balance:				
Reserved for notes receivable	0	0	0	26,395
Reserved for inventory	33,792	0	0	0
Reserved for encumbrances	2,191	633	121,347	0
Unreserved	52,515	18,638	322,348	147,152
Total fund equity	<u>88,498</u>	<u>19,271</u>	<u>443,695</u>	<u>173,547</u>
Total liabilities and fund equity	<u>\$100,715</u>	<u>\$19,271</u>	<u>\$444,240</u>	<u>\$173,547</u>

<u>Recreation</u>	<u>Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Drug Law Enforcement</u>	<u>Recreation Trust</u>	<u>Total</u>
\$56,510	\$548	\$7,976	\$3,214	\$0	\$718,248
881,486	0	0	0	21,600	903,086
102,734	0	0	0	0	102,734
0	0	0	0	0	4,400
0	0	0	0	0	462
1,469	0	10	58	0	22,129
0	0	0	0	0	26,395
420	0	0	0	0	34,212
161	0	0	0	0	2,293
<u>\$1,042,780</u>	<u>\$548</u>	<u>\$7,986</u>	<u>\$3,272</u>	<u>\$21,600</u>	<u>\$1,813,959</u>
\$3,752	\$0	\$0	\$0	\$0	\$10,883
250	0	0	0	0	2,392
0	0	0	0	0	6
1,936	0	0	0	0	4,619
101	0	0	0	0	439
102,734	0	0	0	0	103,196
<u>108,773</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>121,535</u>
0	0	0	0	0	26,395
420	0	0	0	0	34,212
16,566	0	0	0	0	140,737
917,021	548	7,986	3,272	21,600	1,491,080
<u>934,007</u>	<u>548</u>	<u>7,986</u>	<u>3,272</u>	<u>21,600</u>	<u>1,692,424</u>
<u>\$1,042,780</u>	<u>\$548</u>	<u>\$7,986</u>	<u>\$3,272</u>	<u>\$21,600</u>	<u>\$1,813,959</u>

City of Wapakoneta
Special Revenue Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2000

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Motor Vehicle Permissive Tax</u>	<u>Community Block Grant</u>
<u>Revenues</u>				
Property taxes	\$0	\$0	\$0	\$0
Other local taxes	0	0	70,505	0
Charges for services	20,276	0	0	0
Fines and forfeitures	0	0	0	0
Intergovernmental	274,961	22,294	77,323	63,500
Interest	4,421	959	27,707	10,674
Donations	0	0	0	0
Other	5,296	0	0	0
Total revenues	<u>304,954</u>	<u>23,253</u>	<u>175,535</u>	<u>74,174</u>
<u>Expenditures</u>				
Current:				
Leisure time activities	0	0	0	0
Community environment	0	0	0	47,897
Transportation	344,763	20,110	207,643	0
Debt service:				
Principal retirement	16,141	0	0	0
Interest and fiscal charges	1,739	0	0	0
Total expenditures	<u>362,643</u>	<u>20,110</u>	<u>207,643</u>	<u>47,897</u>
Excess of revenues over (under) expenditures	(57,689)	3,143	(32,108)	26,277
<u>Other financing sources</u>				
Operating transfers - in	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures	(57,689)	3,143	(32,108)	26,277
Fund balances at beginning of year	147,575	16,128	475,803	147,270
Decrease in reserve for inventory	(1,388)	0	0	0
Fund balances at end of year	<u>\$88,498</u>	<u>\$19,271</u>	<u>\$443,695</u>	<u>\$173,547</u>

<u>Recreation</u>	<u>Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Drug Law Enforcement</u>	<u>Recreation Trust</u>	<u>Total</u>
\$98,087	\$0	\$0	\$0	\$0	\$98,087
0	0	0	0	0	70,505
0	0	0	0	0	20,276
0	0	929	1,195	0	2,124
45,130	0	0	0	0	483,208
175,477	0	0	0	0	219,238
15,110	0	0	0	0	15,110
462	0	0	0	0	5,758
<u>334,266</u>	<u>0</u>	<u>929</u>	<u>1,195</u>	<u>0</u>	<u>914,306</u>
213,946	0	0	0	0	213,946
0	0	0	0	0	47,897
0	0	0	0	0	572,516
0	0	0	0	0	16,141
0	0	0	0	0	1,739
<u>213,946</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>852,239</u>
120,320	0	929	1,195	0	62,067
27,000	0	0	0	0	27,000
147,320	0	929	1,195	0	89,067
787,616	548	7,057	2,077	21,600	1,605,674
(929)	0	0	0	0	(2,317)
<u>\$934,007</u>	<u>\$548</u>	<u>\$7,986</u>	<u>\$3,272</u>	<u>\$21,600</u>	<u>\$1,692,424</u>

City of Wapakoneta
Street Maintenance Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Charges for services	\$20,276	\$20,276	\$0
Intergovernmental	259,207	274,588	15,381
Interest	4,421	4,421	0
Other	5,296	5,296	0
Total revenues	<u>289,200</u>	<u>304,581</u>	<u>15,381</u>
<u>Expenditures</u>			
Current:			
Transportation			
Street maintenance			
Salaries	199,925	195,444	4,481
Materials and supplies	73,877	66,515	7,362
Contractual services	61,524	61,282	242
Capital outlay	15,995	15,991	4
Total transportation	<u>351,321</u>	<u>339,232</u>	<u>12,089</u>
Debt service:			
Principal retirement	16,141	16,141	0
Interest and fiscal charges	1,739	1,739	0
Total debt service	<u>17,880</u>	<u>17,880</u>	<u>0</u>
Total expenditures	<u>369,201</u>	<u>357,112</u>	<u>12,089</u>
Excess of revenues under expenditures	(80,001)	(52,531)	27,470
Fund balance at beginning of year	88,198	88,198	0
Unexpended prior year encumbrances	719	719	0
Fund balance at end of year	<u>\$8,916</u>	<u>\$36,386</u>	<u>\$27,470</u>

City of Wapakoneta
State Highway Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$21,200	\$22,264	\$1,064
Interest	1,500	959	(541)
Total revenues	22,700	23,223	523
<u>Expenditures</u>			
Current:			
Transportation			
State highway			
Contractual services	6,000	1,011	4,989
Capital outlay	26,700	16,732	9,968
Total expenditures	32,700	17,743	14,957
Excess of revenues over (under) expenditures	(10,000)	5,480	15,480
Fund balance at beginning of year	11,614	11,614	0
Fund balance at end of year	\$1,614	\$17,094	\$15,480

City of Wapakoneta
Motor Vehicle Permissive Tax Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other local taxes	\$65,000	\$70,776	\$5,776
Intergovernmental	50,000	77,323	27,323
Interest	17,500	27,707	10,207
Total revenues	132,500	175,806	43,306
<u>Expenditures</u>			
Current:			
Transportation			
Motor vehicle permissive tax			
Contractual services	20,000	860	19,140
Capital outlay	572,500	328,130	244,370
Total expenditures	592,500	328,990	263,510
Excess of revenues under expenditures	(460,000)	(153,184)	306,816
Fund balance at beginning of year	471,132	471,132	0
Fund balance at end of year	\$11,132	\$317,948	\$306,816

City of Wapakoneta
Community Block Grant Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Intergovernmental	\$42,500	\$63,500	\$21,000
Interest	4,922	9,089	4,167
Revolving loan payments	5,778	7,686	1,908
Total revenues	<u>53,200</u>	<u>80,275</u>	<u>27,075</u>
<u>Expenditures</u>			
Current:			
Community environment			
Community block grant			
Contractual services	<u>138,200</u>	<u>47,897</u>	<u>90,303</u>
Excess of revenues over (under) expenditures	(85,000)	32,378	117,378
Fund balance at beginning of year	<u>114,774</u>	<u>114,774</u>	<u>0</u>
Fund balance at end of year	<u><u>\$29,774</u></u>	<u><u>\$147,152</u></u>	<u><u>\$117,378</u></u>

City of Wapakoneta
Recreation Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Property taxes	\$98,087	\$98,087	\$0
Intergovernmental	47,217	43,661	(3,556)
Interest	46,141	46,141	0
Donations	15,110	15,110	0
Other	462	462	0
Total revenues	<u>207,017</u>	<u>203,461</u>	<u>(3,556)</u>
<u>Expenditures</u>			
Current:			
Leisure time activities			
Recreation			
Salaries	45,200	41,042	4,158
Materials and supplies	22,350	15,980	6,370
Contractual services	61,250	49,352	11,898
Capital outlay	119,100	118,169	931
Total expenditures	<u>247,900</u>	<u>224,543</u>	<u>23,357</u>
Excess of revenues under expenditures	(40,883)	(21,082)	19,801
<u>Other financing sources</u>			
Operating transfers - in	<u>27,000</u>	<u>27,000</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures	(13,883)	5,918	19,801
Fund balance at beginning of year	24,475	24,475	0
Unexpended prior year encumbrances	4,418	4,418	0
Fund balance at end of year	<u>\$15,010</u>	<u>\$34,811</u>	<u>\$19,801</u>

City of Wapakoneta
Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Fines and forfeitures	\$255	\$0	(\$255)
<u>Expenditures</u>			
Current:			
Security of persons and property			
Law enforcement			
Materials and supplies	1,348	0	1,348
Excess of revenues under expenditures	(1,093)	0	1,093
Fund balance at beginning of year	0	0	0
Unexpended prior year encumbrances	548	548	0
Fund balance (deficit) at end of year	(\$545)	\$548	\$1,093

City of Wapakoneta
Enforcement and Education Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Fines and forfeitures	<u>\$600</u>	<u>\$969</u>	<u>\$369</u>
<u>Expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues over expenditures	600	969	369
Fund balance at beginning of year	<u>7,007</u>	<u>7,007</u>	<u>0</u>
Fund balance at end of year	<u><u>\$7,607</u></u>	<u><u>\$7,976</u></u>	<u><u>\$369</u></u>

City of Wapakoneta
Drug Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Fines and forfeitures	\$1,200	\$1,280	\$80
<u>Expenditures</u>			
Current:			
Security of persons and property			
Drug law enforcement			
Materials and supplies	1,100	0	1,100
Capital outlay	2,000	0	2,000
Total expenditures	3,100	0	3,100
Excess of revenues over (under) expenditures	(1,900)	1,280	3,180
Fund balance at beginning of year	1,934	1,934	0
Fund balance at end of year	\$34	\$3,214	\$3,180

City of Wapakoneta
Recreation Trust Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Excess of revenues over expenditures	0	0	0
Fund balance at beginning of year	21,600	21,600	0
Fund balance at end of year	\$21,600	\$21,600	\$0

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general and special assessment long-term obligation principal, interest, and related costs.

A combining balance sheet is not being presented since the balance sheet for the Downtown fund is the same as that presented in the combined financial statements. There is no balance sheet for the Debt Service fund.

The activity of the Debt Service fund is reported on a GAAP basis only.

Downtown Fund

To account for special assessments and transfers from the General Fund used to pay debt principal and interest.

Debt Service Fund

To account for special assessments and transfers from the Street and Sewer Improvement and Bellefontaine Street capital project funds used to pay debt principal and interest.

City of Wapakoneta
Debt Service Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2000

	<u>Downtown</u>	<u>Debt Service</u>	<u>Total</u>
<u>Revenues</u>			
Special assessments	<u>\$19,874</u>	<u>\$66,574</u>	<u>\$86,448</u>
<u>Expenditures</u>			
Debt service:			
Principal retirement	220,000	65,000	285,000
Interest and fiscal charges	<u>122,580</u>	<u>26,550</u>	<u>149,130</u>
Total expenditures	<u>342,580</u>	<u>91,550</u>	<u>434,130</u>
Excess of revenues under expenditures	(322,706)	(24,976)	(347,682)
<u>Other financing sources</u>			
Operating transfers - in	<u>266,023</u>	<u>24,976</u>	<u>290,999</u>
Excess of revenues and other financing sources under expenditures	(56,683)	0	(56,683)
Fund balances at beginning of year	<u>120,707</u>	<u>0</u>	<u>120,707</u>
Fund balances at end of year	<u><u>\$64,024</u></u>	<u><u>\$0</u></u>	<u><u>\$64,024</u></u>

Capital Projects Funds

Capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

Street and Sewer Improvement Fund

To account for the residents' portion of special assessments for curbs and gutters, the issuance of notes to pay for projects prior to the assessment of property owners, and transfers from the General Fund for improvements to streets and sewers that are not assessed to the property owners.

Safety Building Fund

To account for capital improvements to the safety building that are financed by General Fund transfers.

Issue II Fund

To account for grant resources and General Fund transfers used for Issue II construction projects.

Capital Fire Truck Fund

To account for the purchase or repair of fire trucks financed by General Fund transfers.

Bellefontaine Street Fund

To account for special assessments and transfers from the General fund used for reconstruction of the roadway on Bellefontaine Street.

City of Wapakoneta
Capital Projects Funds

Combining Balance Sheet
December 31, 2000

	<u>Street and Sewer Improvement</u>	<u>Safety Building</u>	<u>Capital Fire Truck</u>
<u>Assets</u>			
Equity in pooled cash and cash equivalents	\$658,831	\$72,961	\$124,432
Receivables:			
Special assessments	<u>258,825</u>	<u>0</u>	<u>0</u>
Total assets	<u><u>\$917,656</u></u>	<u><u>\$72,961</u></u>	<u><u>\$124,432</u></u>
<u>Liabilities</u>			
Accounts payable	\$0	\$1,738	\$0
Deferred revenue	258,825	0	0
Accrued interest payable	1,401	0	0
Notes payable	<u>94,140</u>	<u>0</u>	<u>0</u>
Total liabilities	<u><u>354,366</u></u>	<u><u>1,738</u></u>	<u><u>0</u></u>
<u>Fund equity</u>			
Fund balance:			
Reserved for encumbrances	1,963	19,921	0
Unreserved	<u>561,327</u>	<u>51,302</u>	<u>124,432</u>
Total fund equity	<u><u>563,290</u></u>	<u><u>71,223</u></u>	<u><u>124,432</u></u>
Total liabilities and fund equity	<u><u>\$917,656</u></u>	<u><u>\$72,961</u></u>	<u><u>\$124,432</u></u>

<u>Bellefontaine Street</u>	<u>Total</u>
\$15,083	\$871,307
<u>149,032</u>	<u>407,857</u>
<u>\$164,115</u>	<u>\$1,279,164</u>
\$0	\$1,738
149,032	407,857
0	1,401
0	94,140
<u>149,032</u>	<u>505,136</u>
0	21,884
<u>15,083</u>	<u>752,144</u>
<u>15,083</u>	<u>774,028</u>
<u>\$164,115</u>	<u>\$1,279,164</u>

City of Wapakoneta
Capital Projects Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2000

	<u>Street and Sewer Improvement</u>	<u>Safety Building</u>	<u>Capital Fire Truck</u>
<u>Revenues</u>			
Special assessments	\$43,715	\$0	\$0
Other	9,304	0	0
Total revenues	<u>53,019</u>	<u>0</u>	<u>0</u>
<u>Expenditures</u>			
Capital outlay	210,038	44,701	0
Debt service:			
Interest and fiscal charges	2,081	0	0
Total expenditures	<u>212,119</u>	<u>44,701</u>	<u>0</u>
Excess of revenues under expenditures	(159,100)	(44,701)	0
<u>Other financing sources</u>			
Operating transfers - in	<u>522,547</u>	<u>30,000</u>	<u>40,000</u>
Excess of revenues and other financing sources over (under) expenditures	363,447	(14,701)	40,000
Fund balances at beginning of year	199,843	85,924	84,432
Fund balances at end of year	<u><u>\$563,290</u></u>	<u><u>\$71,223</u></u>	<u><u>\$124,432</u></u>

<u>Bellefontaine Street</u>	<u>Total</u>
\$0	\$43,715
<u>0</u>	<u>9,304</u>
<u>0</u>	<u>53,019</u>
0	254,739
<u>0</u>	<u>2,081</u>
<u>0</u>	<u>256,820</u>
0	(203,801)
<u>3,524</u>	<u>596,071</u>
3,524	392,270
<u>11,559</u>	<u>381,758</u>
<u>\$15,083</u>	<u>\$774,028</u>

City of Wapakoneta
Street and Sewer Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Special assessments	\$81,679	\$88,574	\$6,895
Other	0	9,304	9,304
Total revenues	<u>81,679</u>	<u>97,878</u>	<u>16,199</u>
<u>Expenditures</u>			
Current:			
Transportation			
Street and sewer improvement			
Materials and supplies	500	159	341
Contractual services	80,000	67,028	12,972
Capital outlay	500,000	93,310	406,690
Total transportation	<u>580,500</u>	<u>160,497</u>	<u>420,003</u>
Debt service:			
Principal retirement	54,105	52,105	2,000
Interest and fiscal charges	14,672	13,981	691
Total debt service	<u>68,777</u>	<u>66,086</u>	<u>2,691</u>
Total expenditures	<u>649,277</u>	<u>226,583</u>	<u>422,694</u>
Excess of revenues under expenditures	<u>(567,598)</u>	<u>(128,705)</u>	<u>438,893</u>
<u>Other financing sources</u>			
Proceeds of notes	25,371	94,140	68,769
Operating transfers - in	519,000	522,547	3,547
Total other financing sources	<u>544,371</u>	<u>616,687</u>	<u>72,316</u>
Excess of revenues and other financing sources over (under) expenditures	(23,227)	487,982	511,209
Fund balance at beginning of year	95,724	95,724	0
Unexpended prior year encumbrances	73,162	73,162	0
Fund balance at end of year	<u>\$145,659</u>	<u>\$656,868</u>	<u>\$511,209</u>

City of Wapakoneta
Safety Building Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Interest	\$1,320	\$0	(\$1,320)
<u>Expenditures</u>			
Current:			
Security of persons and property			
Safety building			
Materials and supplies	500	0	500
Contractual services	8,300	7,043	1,257
Capital outlay	102,400	51,906	50,494
Total expenditures	111,200	58,949	52,251
Excess of revenues under expenditures	(109,880)	(58,949)	50,931
<u>Other financing sources</u>			
Operating transfers - in	30,000	30,000	0
Excess of revenues and other financing sources under expenditures	(79,880)	(28,949)	50,931
Fund balance at beginning of year	79,885	79,885	0
Unexpended prior year encumbrances	366	366	0
Fund balance at end of year	\$371	\$51,302	\$50,931

City of Wapakoneta
Issue II Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$275,000	\$275,000	\$0
<u>Expenditures</u>	0	0	0
Excess of revenues over expenditures	275,000	275,000	0
<u>Other financing uses</u>			
Advances - out	(275,000)	(275,000)	0
Excess of revenues over expenditures and other financing uses	0	0	0
Fund balance at beginning of year	0	0	0
Fund balance at end of year	\$0	\$0	\$0

City of Wapakoneta
Capital Fire Truck Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Interest	\$300	\$0	(\$300)
<u>Expenditures</u>	0	0	0
Excess of revenues over expenditures	300	0	(300)
<u>Other financing sources</u>			
Operating transfers - in	40,000	40,000	0
Excess of revenues and other financing sources over expenditures	40,300	40,000	(300)
Fund balance at beginning of year	84,432	84,432	0
Fund balance at end of year	\$124,732	\$124,432	(\$300)

City of Wapakoneta
Bellefontaine Street Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special assessments	\$23,000	\$21,715	(\$1,285)
<u>Expenditures</u>			
Debt service:			
Principal retirement	33,150	33,150	0
Interest and fiscal charges	14,000	13,541	459
Total expenditures	47,150	46,691	459
Excess of revenues under expenditures	(24,150)	(24,976)	(826)
<u>Other financing sources</u>			
Operating transfers - in	28,500	28,500	0
Excess of revenues and other financing sources over expenditures	4,350	3,524	(826)
Fund balance at beginning of year	11,559	11,559	0
Fund balance at end of year	\$15,909	\$15,083	(\$826)

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Electric Fund

To account for the provision of electricity to residential and commercial users living within the City.

Water Fund

To account for the provision of water treatment and distribution to residential and commercial users within the City.

Sewer Fund

To account for the provision of sanitary sewer service to residential and commercial users within the City.

Storm Sewer Fund

To account for the provision of storm sewer service to residential and commercial users within the City.

Refuse Fund

To account for the provision of refuse collection services to residential and commercial users living within the City.

City of Wapakoneta
Enterprise Funds

Combining Balance Sheet
December 31, 2000

	Electric	Water	Sewer	Storm Sewer
<u>Assets</u>				
Current assets:				
Equity in pooled cash and cash equivalents	\$9,211,876	\$1,176,163	\$0	\$194,807
Receivables:				
Accounts	1,090,428	152,209	174,197	15,077
Intergovernmental	0	0	0	0
Accrued interest	22,750	7,583	0	0
Due from other funds	19,482	497	847	68
Materials and supplies inventory	781,049	230,701	26,897	0
Prepaid items	27,054	11,033	12,168	0
Total current assets	<u>11,152,639</u>	<u>1,578,186</u>	<u>214,109</u>	<u>209,952</u>
Restricted assets:				
Equity in pooled cash and cash equivalents	58,833	13,801	37,204	0
Cash and cash equivalents with fiscal agents	0	0	818,266	0
Total restricted assets	<u>58,833</u>	<u>13,801</u>	<u>855,470</u>	<u>0</u>
Noncurrent assets:				
Unamortized bond issue costs	0	0	134,277	0
Fixed assets (net of accumulated depreciation)	4,598,104	3,976,722	7,771,186	1,058,840
Total noncurrent assets	<u>4,598,104</u>	<u>3,976,722</u>	<u>7,905,463</u>	<u>1,058,840</u>
Total assets	<u>\$15,809,576</u>	<u>\$5,568,709</u>	<u>\$8,975,042</u>	<u>\$1,268,792</u>

<u>Refuse</u>	<u>Total</u>
\$577,734	\$11,160,580
84,432	1,516,343
14,475	14,475
0	30,333
239	21,133
1,774	1,040,421
4,763	55,018
<u>683,417</u>	<u>13,838,303</u>
0	109,838
<u>0</u>	<u>818,266</u>
<u>0</u>	<u>928,104</u>
0	134,277
<u>594,970</u>	<u>17,999,822</u>
<u>594,970</u>	<u>18,134,099</u>
<u>\$1,278,387</u>	<u>\$32,900,506</u>

(continued)

City of Wapakoneta
Enterprise Funds

Combining Balance Sheet
December 31, 2000
(continued)

	Electric	Water	Sewer	Storm Sewer
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$723,114	\$69,477	\$26,744	\$18,062
Contracts payable	0	112	71,673	0
Retainage payable	0	51,600	83,656	0
Accrued wages payable	9,905	6,885	6,513	0
Compensated absences payable	881	275	276	0
Intergovernmental payable	28,938	13,752	17,452	0
Interfund payable	0	0	76,984	0
Due to other funds	1,358	6,012	11,399	0
Accrued interest payable	36,503	61,697	1,750	0
Notes payable	1,800,000	1,400,000	375,000	0
Capital loans payable	0	0	0	27,427
Total current liabilities	<u>\$2,600,699</u>	<u>\$1,609,810</u>	<u>\$671,447</u>	<u>\$45,489</u>
Payable from restricted assets:				
Refundable deposits	58,833	13,801	0	0
Mortgage revenue bonds payable	0	0	150,000	0
Total payable from restricted assets	<u>58,833</u>	<u>13,801</u>	<u>150,000</u>	<u>0</u>
Noncurrent liabilities:				
Compensated absences payable	77,725	54,241	77,198	0
Intergovernmental payable	0	0	28,750	0
Capital loans payable	0	0	0	28,943
Advances from other funds	0	0	0	0
Mortgage revenue bonds payable (net of unamortized loss on advance refunding)	0	0	3,651,085	0
Landfill closure/postclosure costs	0	0	0	0
OWDA loan payable	0	584,917	358,497	0
Total noncurrent liabilities	<u>77,725</u>	<u>639,158</u>	<u>4,115,530</u>	<u>28,943</u>
Total liabilities	<u>2,737,257</u>	<u>2,262,769</u>	<u>4,936,977</u>	<u>74,432</u>
<u>Fund equity</u>				
Retained earnings:				
Reserved for replacement	0	0	37,204	0
Unreserved (deficit)	12,948,074	2,424,727	757,031	461,063
Contributed capital	124,245	881,213	3,243,830	733,297
Total fund equity (deficit)	<u>13,072,319</u>	<u>3,305,940</u>	<u>4,038,065</u>	<u>1,194,360</u>
Total liabilities and fund equity	<u>\$15,809,576</u>	<u>\$5,568,709</u>	<u>\$8,975,042</u>	<u>\$1,268,792</u>

<u>Refuse</u>	<u>Total</u>
\$31,537	\$868,934
0	71,785
0	135,256
4,750	28,053
548	1,980
9,475	69,617
50,000	126,984
273	19,042
3,881	103,831
260,860	3,835,860
<u>0</u>	<u>27,427</u>
<u>\$361,324</u>	<u>\$5,288,769</u>
0	72,634
<u>0</u>	<u>150,000</u>
<u>0</u>	<u>222,634</u>
20,033	229,197
0	28,750
0	28,943
50,000	50,000
0	3,651,085
1,436,123	1,436,123
<u>0</u>	<u>943,414</u>
<u>1,506,156</u>	<u>6,367,512</u>
<u>1,867,480</u>	<u>11,878,915</u>
0	37,204
(652,329)	15,938,566
<u>63,236</u>	<u>5,045,821</u>
<u>(589,093)</u>	<u>21,021,591</u>
<u>\$1,278,387</u>	<u>\$32,900,506</u>

City of Wapakoneta
Enterprise Funds

Combining Statement of Revenues, Expenses,
and Changes in Fund Equity
For the Year Ended December 31, 2000

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm Sewer</u>
<u>Operating revenues</u>				
Charges for services	\$7,917,949	\$961,400	\$1,181,298	\$149,526
Other operating revenues	<u>24,417</u>	<u>123</u>	<u>15,531</u>	<u>0</u>
Total operating revenues	<u>7,942,366</u>	<u>961,523</u>	<u>1,196,829</u>	<u>149,526</u>
<u>Operating expenses</u>				
Personal services	647,821	338,587	429,991	0
Contractual services	5,676,471	173,108	294,004	0
Materials and supplies	215,147	322,535	136,653	53,486
Other operating expenses	10,853	1,082	4,875	0
Depreciation	<u>253,476</u>	<u>189,685</u>	<u>283,146</u>	<u>68,977</u>
Total operating expenses	<u>6,803,768</u>	<u>1,024,997</u>	<u>1,148,669</u>	<u>122,463</u>
Operating income (loss)	<u>1,138,598</u>	<u>(63,474)</u>	<u>48,160</u>	<u>27,063</u>
<u>Non-operating revenues (expenses)</u>				
Loss on disposal of fixed assets	(10,426)	(1,000)	0	0
Grants	0	0	0	0
Interest revenue	4,062	1,354	114,866	0
Interest expense	<u>(118,021)</u>	<u>(84,791)</u>	<u>(221,559)</u>	<u>(4,550)</u>
Total non-operating revenues (expenses)	<u>(124,385)</u>	<u>(84,437)</u>	<u>(106,693)</u>	<u>(4,550)</u>
Income (loss) before operating transfers	1,014,213	(147,911)	(58,533)	22,513
Operating transfers - in	160,122	32,441	13,410	6,500
Operating transfers - out	<u>(33,494)</u>	<u>(17,343)</u>	<u>(17,343)</u>	<u>0</u>
Net income (loss)	1,140,841	(132,813)	(62,466)	29,013
Depreciation on fixed assets acquired by contributed capital	0	243	322,415	0
Retained earnings (deficit) at beginning of year	11,807,686	2,581,428	538,224	432,050
Residual equity transfers - out	<u>(453)</u>	<u>(24,131)</u>	<u>(3,938)</u>	<u>0</u>
Retained earnings (deficit) at end of year	<u>12,948,074</u>	<u>2,424,727</u>	<u>794,235</u>	<u>461,063</u>
Contributed capital at beginning of year	113,022	823,637	3,485,493	653,968
Contributed from governmental funds	1,998	378	0	0
Contributed from proprietary funds	9,225	7,796	0	0
Contributed from developers	0	49,645	80,752	79,329
Depreciation on fixed assets acquired by contributed capital	<u>0</u>	<u>(243)</u>	<u>(322,415)</u>	<u>0</u>
Contributed capital at end of year	<u>124,245</u>	<u>881,213</u>	<u>3,243,830</u>	<u>733,297</u>
Total fund equity (deficit) at end of year	<u>\$13,072,319</u>	<u>\$3,305,940</u>	<u>\$4,038,065</u>	<u>\$1,194,360</u>

<u>Refuse</u>	<u>Total</u>
\$793,757	\$11,003,930
<u>55,649</u>	<u>95,720</u>
<u>849,406</u>	<u>11,099,650</u>
264,232	1,680,631
291,706	6,435,289
48,238	776,059
0	16,810
<u>25,829</u>	<u>821,113</u>
<u>630,005</u>	<u>9,729,902</u>
<u>219,401</u>	<u>1,369,748</u>
0	(11,426)
2,125	2,125
0	120,282
<u>(29,979)</u>	<u>(458,900)</u>
<u>(27,854)</u>	<u>(347,919)</u>
191,547	1,021,829
20,459	232,932
<u>(17,343)</u>	<u>(85,523)</u>
194,663	1,169,238
2,347	325,005
(849,339)	14,510,049
<u>0</u>	<u>(28,522)</u>
<u>(652,329)</u>	<u>15,975,770</u>
65,583	5,141,703
0	2,376
0	17,021
0	209,726
<u>(2,347)</u>	<u>(325,005)</u>
<u>63,236</u>	<u>5,045,821</u>
<u>(\$589,093)</u>	<u>\$21,021,591</u>

City of Wapakoneta
Electric Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Charges for services	\$7,984,079	\$7,872,004	(\$112,075)
Utility deposits	17,820	11,811	(6,009)
Other revenues	23,721	24,390	669
Interest income	7,000	0	(7,000)
Proceeds of notes	1,800,000	1,800,000	0
Total revenues	<u>9,832,620</u>	<u>9,708,205</u>	<u>(124,415)</u>
<u>Expenses</u>			
Personal services	830,699	693,939	136,760
Contractual services	7,899,200	5,731,603	2,167,597
Materials and supplies	550,700	375,847	174,853
Utility refunds	16,200	4,097	12,103
Other expenses	3,157,200	10,853	3,146,347
Capital outlay	2,240,550	366,915	1,873,635
Debt service:			
Principal retirement	1,843,290	1,842,437	853
Interest expense	118,160	110,393	7,767
Total expenses	<u>16,655,999</u>	<u>9,136,084</u>	<u>7,519,915</u>
Excess of revenues over (under) expenses	(6,823,379)	572,121	7,395,500
Operating transfers - in	<u>165,324</u>	<u>160,122</u>	<u>(5,202)</u>
Excess of revenues over (under) expenses and and operating transfers	(6,658,055)	732,243	7,390,298
Fund balance at beginning of year	7,362,493	7,362,493	0
Unexpended prior year encumbrances	37,019	37,019	0
Fund balance at end of year	<u>\$741,457</u>	<u>\$8,131,755</u>	<u>\$7,390,298</u>

City of Wapakoneta
Water Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Charges for services	\$1,006,616	\$927,379	(\$79,237)
Utility deposits	4,180	2,771	(1,409)
Other revenues	123	123	0
Interest	1,500	0	(1,500)
Proceeds of notes	1,400,000	1,400,000	0
Total revenues	<u>2,412,419</u>	<u>2,330,273</u>	<u>(82,146)</u>
<u>Expenses</u>			
Personal services	360,000	308,174	51,826
Contractual services	315,450	169,465	145,985
Materials and supplies	285,950	250,853	35,097
Utility refunds	3,800	961	2,839
Other expenses	43,642	1,082	42,560
Capital outlay	2,079,015	1,535,473	543,542
Debt service:			
Principal retirement	24,049	24,049	0
Interest expense	23,146	23,094	52
Total expenses	<u>3,135,052</u>	<u>2,313,151</u>	<u>821,901</u>
Excess of revenues over (under) expenses	(722,633)	17,122	739,755
Operating transfers - in	<u>32,441</u>	<u>32,441</u>	<u>0</u>
Excess of revenues over (under) expenses and operating transfers	(690,192)	49,563	739,755
Fund balance at beginning of year	727,133	727,133	0
Unexpended prior year encumbrances	2,909	2,909	0
Fund balance at end of year	<u>\$39,850</u>	<u>\$779,605</u>	<u>\$739,755</u>

City of Wapakoneta
Sewer Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Charges for services	\$1,169,901	\$1,170,724	\$823
Other revenues	8,306	15,531	7,225
Interest	106,123	114,866	8,743
Proceeds of notes	575,000	375,000	(200,000)
Total revenues	<u>1,859,330</u>	<u>1,676,121</u>	<u>(183,209)</u>
<u>Expenses</u>			
Personal services	458,500	417,906	40,594
Contractual services	411,825	381,012	30,813
Materials and supplies	138,275	106,768	31,507
Other expenses	5,500	4,875	625
Capital outlay	2,365,078	2,300,719	64,359
Debt service:			
Principal retirement	169,315	169,313	2
Interest expense	207,439	207,082	357
Total expenses	<u>3,755,932</u>	<u>3,587,675</u>	<u>168,257</u>
Excess of revenues under expenses	(1,896,602)	(1,911,554)	(14,952)
Operating transfers - in	<u>16,215</u>	<u>13,410</u>	<u>(2,805)</u>
Excess of revenues under expenses and operating transfers	(1,880,387)	(1,898,144)	(17,757)
Fund balance at beginning of year	2,245,618	2,245,618	0
Unexpended prior year encumbrances	42,144	42,144	0
Fund balance at end of year	<u>\$407,375</u>	<u>\$389,618</u>	<u>(\$17,757)</u>

City of Wapakoneta
Storm Sewer Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Charges for services	<u>\$142,100</u>	<u>\$145,221</u>	<u>\$3,121</u>
<u>Expenses</u>			
Contractual services	25,000	0	25,000
Materials and supplies	10,000	5,400	4,600
Capital outlay	235,900	149,781	86,119
Debt service:			
Principal retirement	26,040	25,992	48
Interest expense	<u>4,560</u>	<u>4,550</u>	<u>10</u>
Total expenses	<u>301,500</u>	<u>185,723</u>	<u>115,777</u>
Excess of revenues under expenses	(159,400)	(40,502)	118,898
Operating transfers - in	<u>6,500</u>	<u>6,500</u>	<u>0</u>
Excess of revenues under expenses and operating transfers	(152,900)	(34,002)	118,898
Fund balance at beginning of year	152,923	152,923	0
Unexpended prior year encumbrances	<u>21,424</u>	<u>21,424</u>	<u>0</u>
Fund balance at end of year	<u><u>\$21,447</u></u>	<u><u>\$140,345</u></u>	<u><u>\$118,898</u></u>

City of Wapakoneta
Refuse Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Charges for services	\$715,255	\$787,988	\$72,733
Other revenues	36,374	44,968	8,594
Grants	0	2,125	2,125
Proceeds of notes	260,859	260,860	1
Total revenues	<u>1,012,488</u>	<u>1,095,941</u>	<u>83,453</u>
<u>Expenses</u>			
Personal services	282,700	268,902	13,798
Contractual services	509,251	353,988	155,263
Materials and supplies	68,550	47,648	20,902
Other expenses	198,300	0	198,300
Capital outlay	26,838	19,416	7,422
Debt service:			
Principal retirement	312,720	292,078	20,642
Interest expense	33,142	30,022	3,120
Total expenses	<u>1,431,501</u>	<u>1,012,054</u>	<u>419,447</u>
Excess of revenues over (under) expenses	(419,013)	83,887	502,900
Operating transfers - in	<u>20,462</u>	<u>20,459</u>	<u>(3)</u>
Excess of revenues over (under) expenses and operating transfers	(398,551)	104,346	502,897
Fund balance at beginning of year	407,343	407,343	0
Unexpended prior year encumbrances	21,061	21,061	0
Fund balance at end of year	<u>\$29,853</u>	<u>\$532,750</u>	<u>\$502,897</u>

City of Wapakoneta
Enterprise Funds

Combining Statement of Cash Flows
For the Year Ended December 31, 2000

	Electric	Water	Sewer	Storm Sewer	Refuse	Total
Increases (decreases) in cash and cash equivalents						
<u>Cash flows from operating activities</u>						
Cash received from customers	\$7,872,004	\$927,379	\$1,170,724	\$145,221	\$787,988	\$10,903,316
Cash received from utility deposits	11,811	2,771	0	0	0	14,582
Cash received from other revenues	24,390	123	15,531	0	44,968	85,012
Cash payments for personal services	(663,066)	(309,087)	(417,915)	0	(268,874)	(1,658,942)
Cash payments for contractual services	(5,403,580)	(240,264)	(183,103)	(30,664)	(312,105)	(6,169,716)
Cash payments to vendors for materials and supplies	(286,758)	(225,463)	(91,168)	(8,115)	(46,433)	(657,937)
Cash payments for utility refunds	(4,097)	(961)	0	0	0	(5,058)
Cash payments for quasi-external transactions with other funds	(9,040)	(24,774)	(13,635)	0	(3,824)	(51,273)
Cash payments for other expenses	(10,853)	(1,082)	(4,875)	0	0	(16,810)
Net cash provided by operating activities	<u>1,530,811</u>	<u>128,642</u>	<u>475,559</u>	<u>106,442</u>	<u>201,720</u>	<u>2,443,174</u>
<u>Cash flows from noncapital financing activities</u>						
Cash received from grants	0	0	0	0	2,125	2,125
Cash received from other funds	0	0	76,984	0	0	76,984
Cash payments to other funds	0	0	(125,792)	0	0	(125,792)
Cash received from operating transfers - in	160,122	32,441	13,410	6,500	20,459	232,932
Cash payments for operating transfers - out	(33,494)	(17,343)	(17,343)	0	(17,343)	(85,523)
Net cash provided by (used for) noncapital financing activities	<u>126,628</u>	<u>15,098</u>	<u>(52,741)</u>	<u>6,500</u>	<u>5,241</u>	<u>100,726</u>
<u>Cash flows from capital and related financing activities</u>						
Acquisition of fixed assets	(695,837)	(1,113,429)	(2,189,228)	(66,495)	(58,585)	(4,123,574)
Proceeds of notes	1,800,000	1,400,000	375,000	0	260,860	3,835,860
Principal paid on intergovernmental payable	0	0	(2,500)	0	0	(2,500)
Principal paid on notes	(1,800,000)	0	0	0	(272,500)	(2,072,500)
Principal paid on capital loans	(8,943)	(6,706)	(4,470)	(25,992)	(2,235)	(48,346)
Principal paid on mortgage revenue bonds	0	0	(145,000)	0	0	(145,000)
Interest paid on notes	(79,013)	0	0	0	(13,080)	(92,093)
Interest paid on capital loans	(504)	(379)	(253)	(4,550)	(127)	(5,813)
Interest paid on mortgage revenue bonds	0	0	(186,348)	0	0	(186,348)
Interest paid on general obligation bonds	(30,876)	(16,815)	(17,215)	0	(16,815)	(81,721)
Interest paid on OWDA loan	0	(5,900)	(3,616)	0	0	(9,516)
Net cash provided by (used for) capital and related financing activities	<u>(815,173)</u>	<u>256,771</u>	<u>(2,173,630)</u>	<u>(97,037)</u>	<u>(102,482)</u>	<u>(2,931,551)</u>
<u>Cash flows from investing activities</u>						
Cash received from interest	<u>0</u>	<u>0</u>	<u>114,866</u>	<u>0</u>	<u>0</u>	<u>114,866</u>
Net increase (decrease) in cash and cash equivalents	842,266	400,511	(1,635,946)	15,905	104,479	(272,785)
Cash and cash equivalents at beginning of year	<u>8,428,443</u>	<u>789,453</u>	<u>2,491,416</u>	<u>178,902</u>	<u>473,255</u>	<u>12,361,469</u>
Cash and cash equivalents at end of year	<u><u>\$9,270,709</u></u>	<u><u>\$1,189,964</u></u>	<u><u>\$855,470</u></u>	<u><u>\$194,807</u></u>	<u><u>\$577,734</u></u>	<u><u>\$12,088,684</u></u>

(continued)

City of Wapakoneta
Enterprise Funds

Combining Statement of Cash Flows
For the Year Ended December 31, 2000
(continued)

	Electric	Water	Sewer	Storm Sewer	Refuse	Total
<u>Reconciliation of operating income (loss) to net cash provided by operating activities</u>						
Operating income (loss)	\$1,138,598	(\$63,474)	\$48,160	\$27,063	\$219,401	\$1,369,748
<u>Adjustments to reconcile operating income (loss) to net cash provided by operating activities</u>						
Depreciation	253,476	189,685	283,146	68,977	25,829	821,113
Changes in assets and liabilities:						
Increase in accounts receivable	(45,504)	(34,058)	(11,102)	(4,299)	(2,057)	(97,020)
Increase in intergovernmental receivable	0	0	0	0	(14,475)	(14,475)
(Increase) decrease in due from other funds	(468)	37	528	(6)	82	173
(Increase) decrease in materials and supplies inventory	(41,193)	(83,605)	2,322	0	1,102	(121,374)
Decrease in prepaid items	4,741	1,098	1,348	0	390	7,577
Increase (decrease) in accounts payable	222,463	35,736	3,406	14,707	(1,768)	274,544
Increase in contracts payable	0	112	50,218	0	0	50,330
Increase in retainage payable	0	51,600	83,656	0	0	135,256
Increase (decrease) in accrued wages payable	(1,098)	2,382	119	0	705	2,108
Increase (decrease) in compensated absences payable	(9,972)	25,590	11,861	0	(5,811)	21,668
Increase in intergovernmental payable	1,887	3,962	89	0	420	6,358
Increase (decrease) in due to other funds	167	(2,233)	1,808	0	27	(231)
Increase in refundable deposits payable from restricted assets	7,714	1,810	0	0	0	9,524
Decrease in landfill closure/postclosure costs	0	0	0	0	(22,125)	(22,125)
Net cash provided by operating activities	<u>\$1,530,811</u>	<u>\$128,642</u>	<u>\$475,559</u>	<u>\$106,442</u>	<u>\$201,720</u>	<u>\$2,443,174</u>

Non-Cash Transactions

During 2000, the general fixed assets account group transferred fixed assets to the Electric and Water enterprise funds with a net book value of \$1,998 and \$378, respectively. The Water enterprise fund transferred fixed assets to the Electric enterprise fund with a net book value of \$9,225, and the Engineering internal service fund transferred fixed assets to the Water enterprise fund with a net book value of \$7,796. The Water, Sewer, and Storm Sewer enterprise funds had fixed assets donated by developers, in the amount of \$49,645, \$80,752, and \$79,329, respectively.

During 2000, the general fixed assets account group and Water enterprise fund transferred fixed assets to the Engineering internal service fund with a net book value of \$1,280 and \$7,102, respectively.

Internal Service Fund

The internal service fund is used to account for the financing of services provided by one department or agency to other departments or agencies of the City, or to other governmental units on a cost-reimbursement basis.

Engineering Fund

To account for engineering services that are provided to the other departments of the City, or to other governmental units. Monthly fees are paid on an hourly scale and any balance on hand is held until used. The activity reported at the legal level of budgetary control for this fund is the same level reported in the combined financial statements, and therefore, no budgetary statement is presented here.

Agency Funds

Agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Dependent Coverage Fund

To account for funds deducted from employees' payroll for dependent, copayment, and COBRA insurance coverage.

Police Auxiliary Fund

To account for police auxiliary monies earned by acting as security personnel at various functions within the City and neighboring cities and villages.

City of Wapakoneta
Agency Funds

Combining Statement of Changes
in Assets and Liabilities
December 31, 2000

	<u>Balance 12/31/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/00</u>
<u>Dependent Coverage</u>				
<u>Assets</u>				
Equity in pooled cash and cash equivalents	\$356	\$68,474	\$68,830	\$0
<u>Liabilities</u>				
Deposits held and due to others	\$356	\$68,474	\$68,830	\$0
 <u>Police Auxiliary</u>				
<u>Assets</u>				
Equity in pooled cash and cash equivalents	\$15,474	\$19,076	\$21,395	\$13,155
<u>Liabilities</u>				
Deposits held and due to others	\$15,474	\$19,076	\$21,395	\$13,155
 <u>Total All Agency Funds</u>				
<u>Assets</u>				
Equity in pooled cash and cash equivalents	\$15,830	\$87,550	\$90,225	\$13,155
<u>Liabilities</u>				
Deposits held and due to others	\$15,830	\$87,550	\$90,225	\$13,155

General Fixed Assets Account Group

To account for all fixed assets of the City, except those accounted for in the proprietary funds.

City of Wapakoneta

Schedule of General Fixed Assets
by Source
December 31, 2000

	<u>Amounts</u>
<u>General fixed assets</u>	
Land	\$193,991
Land improvements	193,919
Buildings	3,320,592
Improvements other than buildings	40,623
Furniture and fixtures	10,036
Equipment	721,186
Vehicles	1,835,804
Total general fixed assets	<u>\$6,316,151</u>
 <u>Investment in general fixed assets from</u>	
General fund	\$2,236,084
Special revenue funds	820,367
Capital projects funds	32,860
Enterprise funds	2,418,498
Expendable trust funds	8,289
General fixed assets acquired prior to 1986	<u>800,053</u>
Total investment in general fixed assets	<u>\$6,316,151</u>

City of Wapakoneta

Schedule of General Fixed Assets
by Program and Department
December 31, 2000

<u>Program/Department</u>	<u>Total</u>	<u>Land</u>	<u>Land Improvements</u>
Security of persons and property			
Police	\$332,937	\$47,202	\$0
Fire	1,466,548	47,202	0
Total security of persons and property	<u>1,799,485</u>	<u>94,404</u>	<u>0</u>
Public health			
Emergency medical	<u>190,780</u>	<u>0</u>	<u>0</u>
Leisure time activities			
Recreation	<u>562,728</u>	<u>63,300</u>	<u>193,919</u>
Transportation			
Street	<u>1,085,924</u>	<u>35,860</u>	<u>0</u>
General government			
City offices	<u>2,677,234</u>	<u>427</u>	<u>0</u>
Total	<u>\$6,316,151</u>	<u>\$193,991</u>	<u>\$193,919</u>

<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Furniture and Fixtures</u>	<u>Equipment</u>	<u>Vehicles</u>
\$0	\$0	\$3,873	\$152,646	\$129,216
<u>374,663</u>	<u>0</u>	<u>1,666</u>	<u>196,092</u>	<u>846,925</u>
<u>374,663</u>	<u>0</u>	<u>5,539</u>	<u>348,738</u>	<u>976,141</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>55,051</u>	<u>135,729</u>
<u>131,755</u>	<u>36,941</u>	<u>0</u>	<u>133,837</u>	<u>2,976</u>
<u>248,003</u>	<u>3,682</u>	<u>560</u>	<u>93,169</u>	<u>704,650</u>
<u>2,566,171</u>	<u>0</u>	<u>3,937</u>	<u>90,391</u>	<u>16,308</u>
<u><u>\$3,320,592</u></u>	<u><u>\$40,623</u></u>	<u><u>\$10,036</u></u>	<u><u>\$721,186</u></u>	<u><u>\$1,835,804</u></u>

City of Wapakoneta

Schedule of Changes in General Fixed Assets
by Program and Department
For the Year Ended December 31, 2000

<u>Program/Department</u>	<u>Balance 12/31/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/00</u>
Security of persons and property				
Police	\$354,284	\$7,162	\$28,509	\$332,937
Fire	1,370,228	113,195	16,875	1,466,548
Total security of persons and property	<u>1,724,512</u>	<u>120,357</u>	<u>45,384</u>	<u>1,799,485</u>
Public Health				
Emergency medical	<u>181,598</u>	<u>9,182</u>	<u>0</u>	<u>190,780</u>
Leisure time activities				
Recreation	<u>451,225</u>	<u>111,503</u>	<u>0</u>	<u>562,728</u>
Transportation				
Street	<u>1,038,577</u>	<u>52,482</u>	<u>5,135</u>	<u>1,085,924</u>
General government				
City offices	<u>2,707,038</u>	<u>16,424</u>	<u>46,228</u>	<u>2,677,234</u>
Total general fixed assets	<u>\$6,102,950</u>	<u>\$309,948</u>	<u>\$96,747</u>	<u>\$6,316,151</u>

Statistical Section

The following unaudited statistical tables reflect social and economic data, financial trends, and fiscal capacity of the City.

STATISTICAL SECTION

City of Wapakoneta
 Governmental Fund Type Expenditures by Program
 Last Ten Years

Year	Security of Persons and Property	Public Health	Leisure Time Activities	Community Environment
1991	\$1,402,179	\$102,078	\$23,763	\$13,319
1992	1,522,604	112,806	43,177	43,227
1993	1,544,062	108,930	57,878	54,427
1994	1,559,341	120,938	36,923	86,915
1995	1,687,127	133,284	59,305	57,416
1996	1,780,377	154,653	50,181	42,359
1997	1,772,509	123,076	138,973	68,861
1998	1,870,195	121,343	253,310	29,133
1999	1,979,857	141,996	191,946	82,923
2000	1,888,102	140,122	213,946	80,554

Source: City of Wapakoneta records

<u>Transportation</u>	<u>General Government</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
\$189,477	\$136,416	\$1,151,055	\$199,058	\$3,217,345
376,746	232,278	322,193	223,833	2,876,864
400,089	231,310	739,491	281,259	3,417,446
311,585	224,653	922,319	482,457	3,745,131
232,141	299,992	2,842,425	394,383	5,706,073
348,028	244,355	973,791	434,077	4,027,821
285,896	236,900	450,940	468,538	3,545,693
478,411	270,558	156,855	579,594	3,759,399
490,793	273,240	629,431	520,744	4,310,930
572,516	313,240	254,739	554,545	4,017,764

City of Wapakoneta
 Governmental Fund Type Revenues by Source
 Last Ten Years

Year	Taxes	Charges for Services	Licenses, Permits, Fines, and Forfeitures	Special Assessments
1991	\$1,516,403	\$178,297	\$58,272	\$64,350
1992	1,605,645	147,667	47,723	44,351
1993	1,825,084	158,691	55,427	43,538
1994	1,727,996	208,796	53,620	66,930
1995	1,858,916	185,316	38,711	63,428
1996	1,920,284	141,219	28,103	63,337
1997	2,189,965	161,602	32,096	69,230
1998	2,226,011	242,497	34,917	132,825
1999	2,345,267	227,937	38,571	111,056
2000	2,457,444	229,286	33,966	130,163

Source: City of Wapakoneta records

<u>Intergovern- mental</u>	<u>Interest</u>	<u>Donations and Other</u>	<u>Total</u>
\$970,977	\$177,067	\$5,224	\$2,970,590
725,774	140,002	3,215	2,714,377
1,182,939	156,509	10,942	3,433,130
838,216	207,573	3,287	3,106,418
847,936	188,360	34,814	3,217,481
1,196,380	132,557	7,568	3,489,448
967,649	155,542	63,115	3,639,199
934,688	421,455	80,129	4,072,522
1,389,438	596,578	53,580	4,762,427
1,161,408	947,108	36,068	4,995,443

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City of Wapakoneta
Property Tax Levies and Collections
Last Ten Years

Collection Year	Current Tax Levy	Current Tax Collections	Percent Collected	Total Tax Collections	Total Tax Collections to Current Tax Levy	Total Outstanding Delinquent Taxes
1991	\$280,816	\$266,733	94.98%	\$266,733	94.98%	\$9,102
1992	263,593	248,759	94.37	248,759	94.37	14,834
1993	265,507	248,318	93.53	248,318	93.53	17,189
1994	279,004	273,887	98.17	273,887	98.17	5,117
1995	269,065	264,722	98.39	264,722	98.39	4,343
1996	273,485	266,229	97.35	266,229	97.35	7,256
1997	397,875	384,411	96.62	384,411	96.62	13,464
1998	407,044	405,461	99.61	405,461	99.61	12,246
1999	424,489	408,828	96.31	408,828	96.31	9,381
2000	461,863	456,994	98.95	456,994	98.95	8,545

Source: Auglaize County Auditor

City of Wapakoneta
Assessed and Estimated Actual Value
of Taxable Property
Last Ten Years

Collection Year	Real		Public Utility Personal	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1991	\$64,126,820	\$183,219,486	\$3,739,730	\$4,249,693
1992	65,499,510	187,141,457	4,028,940	4,578,341
1993	66,331,110	189,517,457	5,447,650	6,190,511
1994	73,409,430	209,741,229	4,846,400	5,507,273
1995	74,472,650	212,779,000	5,341,230	6,069,580
1996	75,629,200	216,083,429	4,414,810	5,016,830
1997	84,256,070	240,731,629	4,347,540	4,940,386
1998	85,677,490	244,792,830	4,781,650	5,433,690
1999	89,023,800	254,353,714	4,623,490	5,253,966
2000	105,430,340	301,229,543	3,802,580	4,321,114

Source: Auglaize County Auditor

Tangible Personal		Total		Ratio of Assessed Value to Estimated Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$18,538,265	\$66,208,089	\$86,404,815	\$253,677,268	34%
19,136,811	68,345,754	88,665,261	260,065,552	34
18,989,204	67,818,586	90,767,964	263,526,554	34
18,680,052	66,714,471	96,935,882	281,962,973	34
18,466,993	65,953,546	98,280,873	284,802,126	35
19,861,835	70,935,125	99,905,845	292,035,384	34
19,951,835	71,256,554	108,555,445	316,928,569	34
22,239,512	79,426,828	112,698,652	329,653,348	34
20,180,660	80,722,640	113,827,950	340,330,320	33
22,119,150	88,476,600	131,352,070	394,027,257	33

City of Wapakoneta
Property Tax Rates - Direct and Overlapping Governments
Per \$1,000 of Assessed Valuation
Last Ten Years

Year	City of Wapakoneta			Wapakoneta	Auglaize	Apollo Joint	Duchouquet	Total
	General	Special Revenue	Total	City School District	County Commissioners	Vocational School District	Township	
1991	\$2.75	\$0.50	\$3.25	\$35.50	\$6.56	\$1.70	\$0.20	\$47.21
1992	2.75	0.00	2.75	35.50	7.56	1.70	0.20	47.71
1993	2.75	0.00	2.75	35.30	7.56	1.70	0.20	47.51
1994	2.75	0.00	2.75	35.30	7.56	1.70	0.20	47.51
1995	2.75	0.00	2.75	33.50	7.61	1.70	0.20	45.76
1996	2.75	0.00	2.75	33.50	7.61	1.70	0.20	45.76
1997	2.75	1.00	3.75	32.30	9.50	2.20	0.20	47.95
1998	2.75	1.00	3.75	32.00	9.50	2.20	0.20	47.65
1999	2.75	1.00	3.75	31.80	9.50	2.20	0.20	47.45
2000	2.75	1.00	3.75	30.70	9.40	2.20	0.20	46.25

Source: Auglaize County Auditor

City of Wapakoneta
Principal Real Property Taxpayers
December 31, 2000

Taxpayer	Type of Business	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Schlenker Developments	Land Developments, Apartments	\$2,011,870	1.91%
Ametek, Inc.	Plastic Compounds	1,328,890	1.26
Normandy Ridge Limited	Residential Apartments	1,202,280	1.14
LRV Acquisition	Hotel Properties	975,080	0.93
Quaker Run Farms	Warehousing and Distribution	943,650	0.90
L & G Truckers	Truck Stop	875,810	0.83
Auglaize Investment Company	Big Bear Department Store	801,830	0.76
Quaker Run	Residential Apartments	795,420	0.75
WBW LLC	Hotel Properties	656,020	0.62
JB Tool and Machine Company	Metal Stamping and Turning	600,700	0.57
	Total	<u>\$10,191,550</u>	<u>9.67%</u>
	Total Assessed Valuation	<u>\$105,430,340</u>	

Source: Auglaize County Auditor

City of Wapakoneta
Principal Personal Property Taxpayers
December 31, 2000

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Personal Property Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
JB Tool and Machine Company	Metal Stamping and Turning	\$2,837,010	12.83%
American Trim Limited	Liability Company	1,549,980	7.01
LRV Acquisition	Hotel Properties	1,254,900	5.67
Occidental Chemical Corporation	Buyer and Seller of Real Estate	1,459,490	6.60
Superior Metal Products, Inc.	Metal Stamping and Turning	1,111,100	5.02
Ametek, Inc.	Plastic Compounds	772,610	3.49
Penn Traffic Company	Retail Grocery and Department Store	713,970	3.22
Midwest Elastomers	Rubber Products	710,170	3.21
Ramsey Silas	Food Products	623,240	2.82
Miller's Textile Services	Laundry Service	567,760	2.57
	Total	<u>\$11,600,230</u>	<u>52.44%</u>
	Total Assessed Valuation	<u>\$22,119,150</u>	

Source: Auglaize County Auditor

City of Wapakoneta
Special Assessment Billings and Collections
Last Ten Years

Collection Year	Total Billed (1)	Amount Collected (1)	Percent Collected
1991	\$18,121	\$2,111	11.65%
1992	38,800	36,521	94.13
1993	42,570	43,538	102.27
1994	50,478	42,525	84.24
1995	57,937	48,009	82.86
1996	62,627	55,229	88.19
1997	53,241	58,786	110.41
1998	74,399	73,481	98.77
1999	103,418	106,611	103.09
2000	102,564	98,625	96.16

Source: Auglaize County Auditor

(1) Amounts represented are current amounts billed and collected from the Auglaize County Auditor and do not represent prepayments to the City or County.

City of Wapakoneta
 Computation of Legal Debt Margin
 December 31, 2000

Total Assessed Valuation		\$131,352,070
Overall Debt Limitation - 10 1/2% of Assessed Valuation		13,791,967
Gross Indebtedness	12,869,843	
Less Debt Outside Limitation		
Bond Anticipation Notes	3,835,860	
Capital Loans	86,429	
Special Assessment Bonds	17,459	
Mortgage Revenue Refunding Bonds	3,910,000	
OWDA Loan	<u>943,414</u>	
Net Indebtedness	4,076,681	
Less Fund Balance in Debt Service Fund	64,024	
Net Debt Within 10 1/2% Limitation		<u>4,012,657</u>
Legal Debt Margin Within 10 1/2% Limitation		<u><u>\$9,779,310</u></u>

Unvoted Debt Limitation - 5 1/2% of Assessed Valuation		\$7,224,364
Gross Indebtedness	12,869,843	
Less Debt Outside Limitation		
Bond Anticipation Notes	3,835,860	
Capital Loans	86,429	
Special Assessment Bonds	17,459	
Mortgage Revenue Refunding Bonds	3,910,000	
OWDA Loan	<u>943,414</u>	
Net Indebtedness	4,076,681	
Less Fund Balance in Debt Service Fund	64,024	
Net Debt Within 5 1/2% Limitation		<u>4,012,657</u>
Legal Debt Margin Within 5 1/2% Limitation		<u><u>\$3,211,707</u></u>

Source: City of Wapakoneta records
 Auglaize County Auditor

City of Wapakoneta
Ratio of Net General Bonded Debt to Assessed
Value and Net Bonded Debt Per Capita
Last Ten Years

Year	Population	Assessed Value	Gross (1) Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1991	9,214	\$86,404,815	\$1,162,778	\$53,722	\$1,109,056	1.28%	\$120.37
1992	9,480	88,665,261	1,199,230	0	1,199,230	1.35	126.50
1993	9,648	90,767,964	3,428,755	0	3,428,755	3.78	355.39
1994	9,648	96,935,882	3,324,500	45,066	3,279,434	3.38	339.91
1995	9,648	98,280,873	3,335,250	123,098	3,212,152	3.27	332.93
1996	10,303	99,905,845	3,202,709	185,689	3,017,020	3.02	292.83
1997	10,303	108,555,445	3,055,709	240,432	2,815,277	2.59	273.25
1998	10,303	112,698,652	4,555,000	181,796	4,373,204	3.88	424.46
1999	10,303	113,827,950	4,250,083	120,707	4,129,376	3.63	400.79
2000	9,474	131,352,070	3,982,541	64,024	3,918,517	2.98	413.61

Source: City of Wapakoneta Records
Auglaize County Auditor

(1) Includes general obligation bonds only.

City of Wapakoneta
Ratio of Annual Debt Principal
for General Bonded Debt to Total Governmental Fund Type Expenditures
Last Nine Years (1)

Year	Debt Principal	Governmental Fund Type Expenditures	Ratio of Debt Principal to Governmental Fund Type Expenditures
1992	\$4,282	\$2,876,864	0.15%
1993	34,255	3,417,446	1.00
1994	104,255	3,745,131	2.78
1995	92,540	5,706,073	1.62
1996	132,541	4,027,821	3.29
1997	147,000	3,545,693	4.15
1998	188,100	3,759,399	5.00
1999	252,542	4,310,930	5.86
2000	267,542	4,017,764	6.66

Source: City of Wapakoneta records

(1) The first bond issue was sold in 1991 and the first principal payment was made in 1992.

City of Wapakoneta
 Computation of Direct and Overlapping Debt
 December 31, 2000

Jurisdiction	General Tax Supported Debt	Percentage Applicable to City of Wapakoneta (1)	Amount Applicable to City of Wapakoneta
City of Wapakoneta	\$3,982,541	100.00%	\$3,982,541
Wapakoneta City School District	5,000,000	49.04	2,452,000
Auglaize County	4,552,915	16.92	770,353
Total	<u>13,535,456</u>		<u>\$7,204,894</u>

Source: City of Wapakoneta records
 Ohio Municipal Advisory Council

(1) The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

City of Wapakoneta
Revenue Bond Coverage
Sewer Fund
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1991	\$926,588	\$562,139	\$364,449	\$50,000	\$126,442	\$176,442	2.07
1992	972,950	624,150	348,800	50,000	123,442	173,442	2.01
1993	913,623	690,261	223,362	55,000	120,393	175,393	1.27
1994	1,072,734	743,943	328,791	60,000	116,983	176,983	1.86
1995	1,145,780	848,345	297,435	60,000	113,203	173,203	1.72
1996	1,317,483	695,594	621,889	65,000	109,363	174,363	3.57
1997	1,337,755	974,294	363,461	70,000	105,137	175,137	2.08
1998	1,383,945	1,039,990	343,955	75,000	100,517	175,517	1.96
1999	1,312,885	831,324	481,561	135,000	188,600	323,600	1.49
2000	1,311,695	865,523	446,172	145,000	186,348	331,348	1.35

Source: City of Wapakoneta records

- (1) Includes operating revenues and interest.
- (2) Total operating expenses exclusive of depreciation.

City of Wapakoneta
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Auglaize County (3)</u>
1988	9,110	3,478	5.50
1990	9,214	3,926	5.90
1992	9,480	3,904	6.80
1994	9,648	3,761	5.70
1995	9,648	3,703	5.10
1996	10,303	2,949	4.50
1997	10,303	3,479	4.80
1998	10,303	3,610	4.90
1999	10,303	3,455	2.90
2000	9,474	3,334	2.80

Source: (1) Chamber of Commerce
(2) Wapakoneta City Board of Education
(3) Ohio Bureau of Employment Services

City of Wapakoneta
Property Value, Construction, and Bank Deposits
Last Ten Years

Year	Number of Building Permits Issued	Value of Building Permits Issued	Property Values	Auglaize County Bank Deposits	City of Wapakoneta Bank Deposits (1)
1991	71	\$4,195,562	\$86,404,815	\$140,534,000	\$0
1992	62	3,320,735	88,665,261	164,642,000	0
1993	81	4,116,500	90,767,964	166,193,000	0
1994	73	4,245,000	96,935,882	178,395,000	0
1995	81	4,259,000	98,280,873	193,586,000	0
1996	79	4,657,000	99,905,845	206,817,000	0
1997	168	5,710,000	108,555,445	230,673,000	0
1998	147	11,338,000	112,698,652	245,527,000	0
1999	72	10,731,600	113,827,950	266,386,000	0
2000	56	11,763,800	131,352,070	279,928,000	0

Source: City of Wapakoneta Engineering Department
Federal Reserve Bank of Cleveland

(1) No commercial banks in Wapakoneta, all banks are branches.

City of Wapakoneta
Miscellaneous Statistics
December 31, 2000

Date of Incorporation	1848
Founded in 1833 - Duchouquet Township	
Status: Village 1853, City 1910	
Population Estimated	9,474
Form of Government	Statutory - Council/Mayor
Area	5.30 Square Miles
Miles of Streets	46.0
Fire Protection:	
Number of Stations	1
Number of Firemen and Chief	14
Number of Auxiliary Firemen	14
Police Protection:	
Number of Stations	1
Number of Policemen and Chief	13
Number of Auxiliary Policemen	15
Number of Dispatchers	5
Number of EMS	8
Sewer System:	
Sanitary Sewers	47.05 Miles
Storm Sewers	25.40 Miles
Number of Treatment Plants	1
Daily Average Treatment	2,390,200 Gallons
Maximum Daily Capacity of Treatment Plant	4,000,000 Gallons
Water System:	
Water Lines	58.27 Miles
Number of Water Treatment Plants	1
Daily Average Consumption	1,706,300 Gallons
Maximum Daily Capacity of Treatment Plant	2,722,000 Gallons
Electric System:	
Electric Lines	96.18 Miles
Number of Substations	7
Culture and Recreation:	
Number of Parks	3
Park Acreage	33
Number of Swimming Pools	2
Number of Tennis Courts	8
Number of Museums	2
Number of Campgrounds	5
Facilities and Services Not Included in the Reporting Entity:	
Education:	
Number of Elementary Schools (Public and Parochial)	5
Number of Middle and High Schools	2
Total Enrollment	3,334
Total School Instructors	195
Number of Public Libraries	1

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STATE OF OHIO
OFFICE OF THE AUDITOR

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CITY OF WAPAKONETA

AUGLAIZE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 26, 2001**