

**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



CITY OF WAPAKONETA  
AUGLAIZE COUNTY

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

City of Wapakoneta  
Auglaize County  
701 Parlette Court  
Wapakoneta, Ohio 45895

To Members of City Council:

We have audited the general purpose financial statements of the City of Wapakoneta (the City) as of and for the year ended December 31, 1999, and have issued our report thereon dated June 16, 2000. 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.

**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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 16, 2000.

**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 16, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**Jim Petro**  
Auditor of State

June 16, 2000

CITY OF WAPAKONETA  
AUGLAIZE COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 1999

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected</u> ?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u> ; <b><i>Explain:</i></b>
1998-20206-001	Ohio Revised Code Section 5705.39, appropriations exceeding estimated revenue	Yes	Not Applicable





**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
OF THE  
CITY OF WAPAKONETA, OHIO**



**FOR THE  
YEAR ENDED December 31, 1999**



# **INTRODUCTORY SECTION**



CITY OF WAPAKONETA, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 1999

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

City of Wapakoneta  
Comprehensive Annual Financial Report  
For the Year Ended December 31, 1999

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June 16, 2000

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 Tenth Comprehensive Annual Financial Report (CAFR), for the year ended December 31, 1999. 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 that 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 1999.

## **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, 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.

A group of business and community leaders have formed a committee to construct a new museum called “Flags of Freedom”. Plans have been drawn, a location found, and the committee is raising funds. Construction is to begin in the near future. The project will be sponsored by many national organizations, such as the American Legion and the Veteran’s of Foreign Wars to name two. The committee expects the museum to draw large numbers of visitors and tourists from across the country and around the world. This museum, along with the Neil Armstrong museum and the large number of antique stores, gives people another reason to visit our community.

The City issued seventy-two building permits during 1999, including thirty-eight for new residences, additions to current residences, and seven 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 1999, 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 Middle Street, Harrison Street, Vine Street, and Court Street. Private projects, which the City oversees by permits and inspections, included Cheyenne Drive, Sunrise Drive, Carnation Drive, and Apache Trail. These projects included sidewalks, curbs, gutters, water lines, and sanitary and storm sewers.

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) and the southeast side of Wapakoneta. Construction of the water tower begins in 2000. In 1999, the City advertised for bids and hired a contractor to repair, upgrade, and paint the City’s north side 750,000 gallon water tower. This project was completed in 1999. The City also advertised for bids and hired a contractor to install a 69-KV electrical loop (southeast loop), which will connect our existing 69-KV line at Amcast Automotive to the Ametek Westchester Plastics substation on the City’s east side. The WCOIP currently has thirty acres occupied, and the Wapakoneta Industrial Park currently has thirty-nine acres occupied.

The City continued its program of reconstructing sidewalks, curbs, and gutters on selected streets with an awareness for safety and property improvement. Middle Street, one block of Vine Street, and one block of Court Street had sidewalks, curbs, and gutters installed this year. The City also constructed water lines in the newly annexed Kah addition. In addition, the engineering department inspects and reviews 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 continues.

The City has implemented 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. In 1999, a system was installed at the fire department that heats the ADA ramp and stairs to keep snow and ice from forming. Other renovations at this historic building included rebuilding chimneys, repairing gutters, new windows, and a diesel fueled generator with fuel tank. CDBG monies and Ohio Department of Transportation (ODOT) monies were used to renovate restrooms in Veterans Park as well as paving and striping parking lots at Veterans Park and Belcher Park. In addition, twenty-three trees were planted at Veterans Park. Other park improvements included bleachers and benches with concrete pads at the soccer fields and new soccer cages and nets.

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 1999, the department purchased four bicycle racks for the cruisers, and the police auxiliary purchased three new bicycles and gear. The bike patrol logged 1,038 miles and one hundred twenty-four hours in 1999, and the police auxiliary logged four hundred fifty-three miles and approximately seventy-five hours.

For the Future. Many projects are ongoing, such as the sidewalk program, water and sewer line testing, installing ADA intersections, and park improvements. A partial reconstruction of Logan and Ohio Streets, sanitary sewer reconstruction for Ashland and Water Streets, and sealing various streets are scheduled for 2000.

Construction of a new Class A biosolids handling/disposal facility at the wastewater treatment plant is to begin in 2000. The design and engineering plans for the project were completed in 1998. Phase I of the construction will consist of a large storage pad and windrow machine to further condition biosolids. This facility will incorporate the "N-Viro" treatment process and will allow the City to abandon the anaerobic sludge digestion process. The N-Viro system will bring the City into compliance with current OEPA and USEPA regulations for wastewater sludge disposal.

In addition to the biosolids facility construction at the wastewater treatment plant, the City intends to complete the final phase of the southwest interceptor project that started in 1997. The final component of the southwest interceptor project includes installation of approximately six hundred fifty feet of gravity sanitary sewer from south Blackhoof Street, west along Ashland Avenue. When completed, all wastewater from the WCOIP, as well as from all areas served by the Blackhoof Street sewer south of Ashland Avenue, will flow directly to the wastewater treatment plant. This will greatly reduce the hydraulic load on the south Blackhoof Street sanitary sewer and will also remove substantial waste flow from our "combined" sewerage collection system south of the Auglaize river. As part of this sanitary sewer project, new local sewers are scheduled to be installed in the Ashland Avenue allotment.

The year 2000 will also be the year during which the City moves ahead in its endeavors to improve its water resources. The City's existing water treatment plant is approaching its operational capacity. Options for providing additional capacity were closely reviewed during 1999. It is now time to proceed with specifications for a new "satellite" water plant. The current plan to increase water treatment capacity is to build, operate, and maintain a second water treatment plant (approximate capacity of 2.5 million gallons per day), while maintaining current operations at the existing plant.

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 twelfth 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.

## 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, 7.67 miles of 69,000 KV transmission lines, 9.39 miles of 7,200/12,470 KV lines, and 72.46 miles of 24,000/4,160 KV lines. System usage is 18-24 megawatts per day (MWD), serving 5,061 users; 4,458 residential, 591 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 towers is 1.52 million gallons, with 400,000 gallons in underground storage. Wapakoneta's water treatment plant currently operates at 1.8764 million gallons per day. The City's water system serves 4,139 customers; 3,735 residential, 385 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 2.27 million gallons per day. Built in 1984, the plant has approximately 220,000 feet of pipe and serves 4,002 customers; 3,636 residential, 348 commercial, and 18 industrial. In 1998, the City issued bonds, in the amount of \$4,190,000, to advance refund a prior bond issue, and to build a new sludge handling facility and other improvements at the wastewater treatment plant. The bids have been taken and a contract has been signed to build the new facility. The project will begin and be almost entirely completed in 2000.

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 4,026 customers; 3,835 residential and 191 commercial. The City had sales of approximately \$207,650 for trash bags in 1999. 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 1999, the City's recycling percentage was 31 percent, which is 1,495 tons of recyclables. Approximately 3,200 gallons of used motor oil was collected and recycled by using it to operate the furnace in the public works building. In 1999, 3,345 tons of refuse was collected and one hundred twenty-eight dumpsters were placed within the City at private residences and special events. The compost farm had 4,629 vehicles come to discard composting materials and sold two hundred sixty-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 the 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 the 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, 1999, 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>1998</u>	<u>1999</u>	<u>Percent of Total</u>	<u>Change</u>	<u>Percent of Increase (Decrease)</u>
Property and other taxes	\$437,750	\$442,526	9.3%	\$4,776	1.09%
Municipal income taxes	1,788,261	1,902,741	40.0	114,480	6.40
Charges for services	242,497	227,937	4.8	(14,560)	(6.00)
Licenses and permits	7,128	5,218	0.1	(1,910)	(26.80)
Fines and forfeitures	27,789	33,353	0.7	5,564	20.02
Special assessments	132,825	111,056	2.3	(21,769)	(16.39)
Intergovernmental	934,688	1,389,438	29.2	454,750	48.65
Interest	421,455	596,578	12.5	175,123	41.55
Donations	0	11,004	0.2	11,004	100.0
Other	80,129	42,576	0.9	(37,553)	(46.87)
<b>Total revenues</b>	<b><u>\$4,072,522</u></b>	<b><u>\$4,762,427</u></b>	<b><u>100.0%</u></b>	<b><u>\$689,905</u></b>	

Fewer sign permits and amusement licenses were issued in 1999 resulting in a decrease in the licenses and permits revenue source.

The increase in fines and forfeitures is due to increases in fines issued by the Auglaize Municipal court.

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 special assessments are in the later stage of collection, so the amounts due are less.

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

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

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>1998</u>	<u>1999</u>	<u>Percent of Total</u>	<u>Change</u>	<u>Percent of Increase (Decrease)</u>
Security of persons and property	\$1,870,195	\$1,979,857	45.9%	\$109,662	5.86%
Public health	121,343	141,996	3.3	20,653	17.02
Leisure time activities	253,310	191,946	4.5	(61,364)	(24.22)
Community environment	29,133	82,923	1.9	53,790	184.64
Transportation	478,411	490,793	11.4	12,382	2.59
General government	270,558	273,240	6.3	2,682	0.99
Capital outlay	156,855	629,431	14.6	472,576	301.28
Principal retirement	282,849	349,048	8.1	66,199	23.40
Interest and fiscal charges	296,745	171,696	4.0	(125,049)	(42.14)
<b>Total expenditures</b>	<b>\$3,759,399</b>	<b>\$4,310,930</b>	<b>100.0%</b>	<b>\$551,531</b>	

The increase in public health expenditures was primarily due to increased salaries for emergency medical service.

The decrease in leisure time activities expenditures was the result of a decrease in the number of projects in 1999. The City is committed to a continued effort in the parks and other recreation areas of the City, however, in 1999 the emphasis was on less expensive projects.

Community environment expenditures increased as a result of the installation of the handicap ramp.

Capital outlay expenditures represent costs incurred under normal operations of the capital projects funds. The increase was the result of work on streets, sidewalks, curbs, and gutters.

Overall debt service expenditures (principal retirement and interest and fiscal charges) decreased as a result of lower interest amounts in 1999 on the same debt issues as the prior year.

### **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	\$14,438,119	\$11,920,708	\$1,822,986	12.63%	15.29%
Water	4,093,884	3,405,065	(296,031)	(7.23)	(8.69)
Sewer	8,623,519	4,023,717	375	0.0	0.1
Storm Sewer	1,171,735	1,086,018	43,298	3.70	3.99
Refuse	1,126,194	(783,756)	174,245	15.47	(22.23)

## **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.

	Total Assets	Total Equity	Loss Before Operating Transfers	Return on Assets	Return on Equity
Engineering	\$58,166	\$30,100	(\$12,425)	(21.4%)	(41.3%)

## **DEBT ADMINISTRATION**

At December 31, 1999, the City had outstanding bond anticipation notes, in the amount of \$20,255 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, and in the amount of \$272,500 for landfill closure.

The City's long-term obligations outstanding at December 31, 1999, consisted of \$4,250,083 in general obligation bonds, \$34,917 in special assessment bonds, \$4,055,000 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, 1999, the City's net debt of \$4,149,631 was well below the legal limit of \$11,951,935. A complete discussion of the City's outstanding debt is provided in Notes 15 and 16 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: mutual funds, certificates of deposit, 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 18 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, 1999, 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, 1998. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

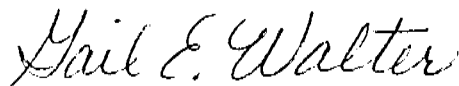
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal 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 nine consecutive years (1990-1998.) 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, 1998

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.



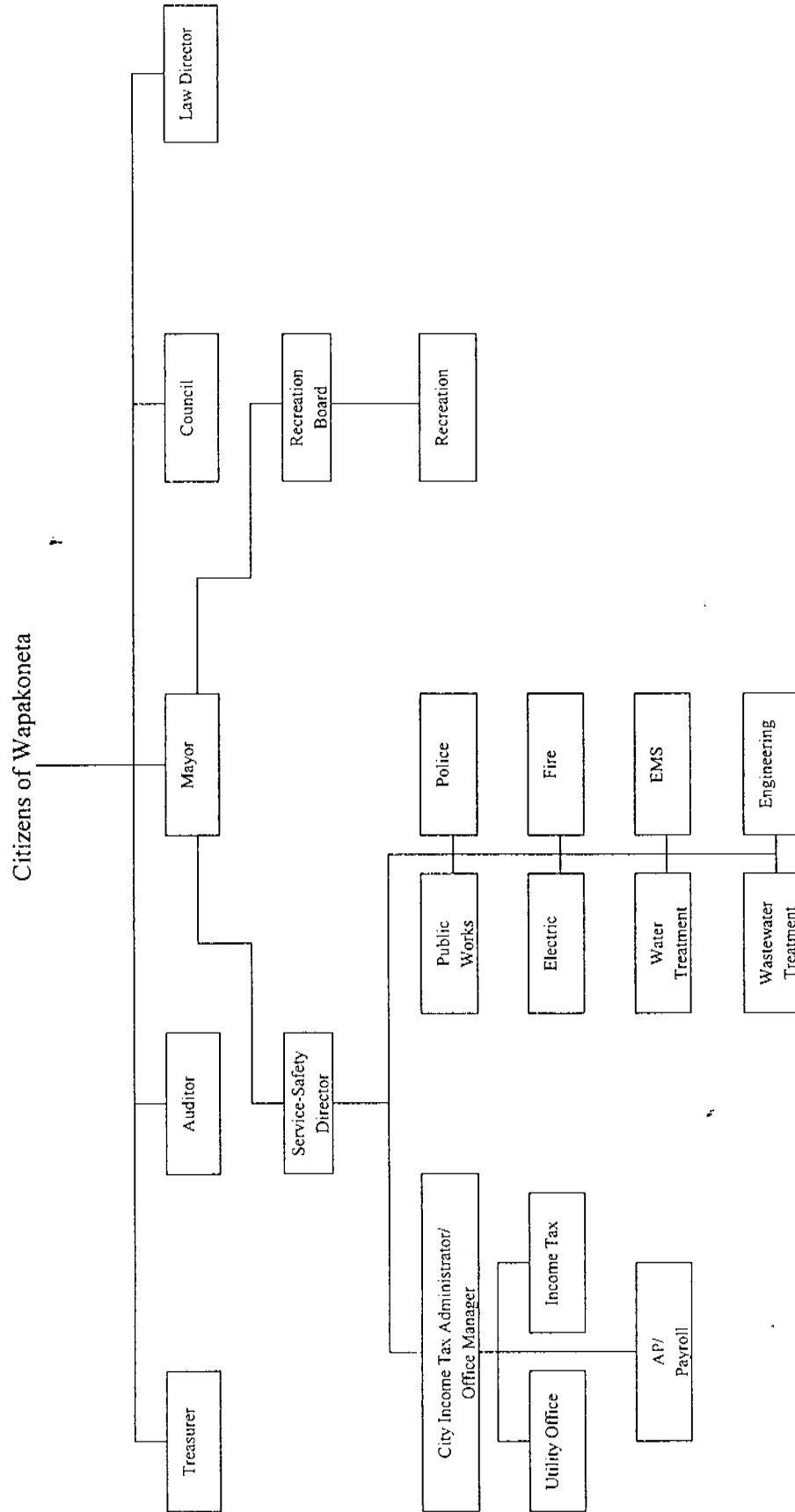
*Cary Brueck*  
President

*Jeffrey L. Essler*  
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	Christopher W. Agnew
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	Elaine D. Sawmiller
Council Clerk	Carlene S. Koch

# City of Wapakoneta Organizational Chart



# **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  
Auglaize County  
701 Parlette Court  
Wapakoneta, Ohio 45895

To Members of Council:

We have audited the accompanying general purpose financial statements of the City of Wapakoneta, Auglaize County, Ohio, (the City) as of and for the year ended December 31, 1999, 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, Ohio, as of December 31, 1999, 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 16, 2000, 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.

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 statistical section 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 16, 2000

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## General Purpose Financial Statements

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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, 1999

	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	\$398,360	\$747,573	\$120,707	\$411,230
Investments	0	773,750	0	0
Receivables:				
Property and other taxes	322,913	103,437	0	0
Municipal income taxes	371,320	0	0	0
Accounts	15,107	0	0	0
Special assessments	0	0	38,518	382,309
Intergovernmental	93,815	20,382	0	275,000
Accrued interest	1,233	0	0	0
Notes	0	32,496	0	0
Interfund	450,792	0	0	0
Due from other funds	0	0	0	0
Materials and supplies inventory	9,928	36,529	0	0
Prepaid items	16,522	2,523	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>\$1,729,990</u>	<u>\$1,716,690</u>	<u>\$159,225</u>	<u>\$1,068,539</u>

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$9,806,943	\$385	\$15,830	\$0	\$0	\$11,501,028
0	0	0	0	0	773,750
0	0	0	0	0	426,350
0	0	0	0	0	371,320
1,419,323	0	0	0	0	1,434,430
0	0	0	0	0	420,827
0	0	0	0	0	389,197
24,917	0	0	0	0	26,150
0	0	0	0	0	32,496
0	0	0	0	0	450,792
21,306	0	0	0	0	21,306
919,047	1,922	0	0	0	967,426
62,595	1,018	0	0	0	82,658
131,923	0	0	0	0	131,923
2,422,603	0	0	0	0	2,422,603
0	0	0	0	0	50,000
136,608	0	0	0	0	136,608
14,508,186	54,841	0	6,102,950	0	20,665,977
0	0	0	0	120,707	120,707
0	0	0	0	4,765,005	4,765,005
0	0	0	0	34,917	34,917
<u>\$29,453,451</u>	<u>\$58,166</u>	<u>\$15,830</u>	<u>\$6,102,950</u>	<u>\$4,920,629</u>	<u>\$45,225,470</u>

(continued)

City of Wapakoneta

Combined Balance Sheet  
All Fund Types and Account Groups  
December 31, 1999  
(continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, fund equity, and other credits</u>				
<u>Liabilities</u>				
Accounts payable	\$18,756	\$7,407	\$0	\$8,925
Contracts payable	0	0	0	0
Accrued wages payable	26,302	3,181	0	0
Compensated absences payable	0	0	0	0
Deposits held and due to others	0	0	0	0
Intergovernmental payable	14,769	1,207	0	0
Interfund payable	0	0	0	275,000
Due to other funds	1,279	455	0	0
Deferred revenue	322,913	98,766	38,518	382,309
Accrued interest payable	0	0	0	292
Notes payable	0	0	0	20,255
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
Police and fire pension liability	0	0	0	0
OWDA loan payable	0	0	0	0
Total liabilities	<u>384,019</u>	<u>111,016</u>	<u>38,518</u>	<u>686,781</u>
<u>Fund equity and other credits</u>				
Investment in general fixed assets	0	0	0	0
Contributed capital	0	0	0	0
Retained earnings:				
Reserved for replacement	0	0	0	0
Reserved for operations	0	0	0	0
Unreserved (deficit)	0	0	0	0
Fund balance:				
Reserved for notes receivable	0	32,496	0	0
Reserved for inventory	9,928	36,529	0	0
Reserved for advances	50,000	0	0	0
Reserved for encumbrances	34,640	20,820	0	131,730
Unreserved	1,251,403	1,515,829	120,707	250,028
Total fund equity and other credits	<u>1,345,971</u>	<u>1,605,674</u>	<u>120,707</u>	<u>381,758</u>
Total liabilities, fund equity, and other credits	<u>\$1,729,990</u>	<u>\$1,716,690</u>	<u>\$159,225</u>	<u>\$1,068,539</u>

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	
\$594,390	\$776	\$0	\$0	\$0	\$630,254
21,455	0	0	0	0	21,455
25,945	2,437	0	0	0	57,865
209,509	18,692	0	0	380,275	608,476
0	0	15,830	0	0	15,830
94,509	5,862	0	0	84,244	200,591
175,792	0	0	0	0	450,792
19,273	299	0	0	0	21,306
0	0	0	0	0	842,506
32,799	0	0	0	0	33,091
2,072,500	0	0	0	0	2,092,755
63,110	0	0	0	0	63,110
145,000	0	0	0	0	145,000
104,716	0	0	0	80,955	185,671
0	0	0	0	4,250,083	4,250,083
0	0	0	0	34,917	34,917
50,000	0	0	0	0	50,000
3,791,039	0	0	0	0	3,791,039
1,458,248	0	0	0	0	1,458,248
0	0	0	0	90,155	90,155
943,414	0	0	0	0	943,414
<u>9,801,699</u>	<u>28,066</u>	<u>15,830</u>	<u>0</u>	<u>4,920,629</u>	<u>15,986,558</u>
0	0	0	6,102,950	0	6,102,950
5,141,703	71,087	0	0	0	5,212,790
67,515	0	0	0	0	67,515
1,298	0	0	0	0	1,298
14,441,236	(40,987)	0	0	0	14,400,249
0	0	0	0	0	32,496
0	0	0	0	0	46,457
0	0	0	0	0	50,000
0	0	0	0	0	187,190
0	0	0	0	0	3,137,967
<u>19,651,752</u>	<u>30,100</u>	<u>0</u>	<u>6,102,950</u>	<u>0</u>	<u>29,238,912</u>
<u>\$29,453,451</u>	<u>\$58,166</u>	<u>\$15,830</u>	<u>\$6,102,950</u>	<u>\$4,920,629</u>	<u>\$45,225,470</u>

City of Wapakoneta

Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
All Governmental Fund Types  
For the Year Ended December 31, 1999

	Governmental Fund Types			Capital Projects	Total (Memorandum Only)
	General	Special Revenue	Debt Service		
<u>Revenues</u>					
Property and other taxes	\$280,099	\$162,427	\$0	\$0	\$442,526
Municipal income taxes	1,902,741	0	0	0	1,902,741
Charges for services	212,409	15,528	0	0	227,937
Licenses and permits	5,218	0	0	0	5,218
Fines and forfeitures	30,948	2,405	0	0	33,353
Special assessments	0	0	86,762	24,294	111,056
Intergovernmental	662,142	452,296	0	275,000	1,389,438
Interest	444,714	149,861	754	1,249	596,578
Donations	944	10,060	0	0	11,004
Other	21,091	21,485	0	0	42,576
Total revenues	<u>3,560,306</u>	<u>814,062</u>	<u>87,516</u>	<u>300,543</u>	<u>4,762,427</u>
<u>Expenditures</u>					
Current:					
Security of persons and property	1,976,639	3,218	0	0	1,979,857
Public health	141,996	0	0	0	141,996
Leisure time activities	0	191,946	0	0	191,946
Community environment	24,815	58,108	0	0	82,923
Transportation	0	490,793	0	0	490,793
General government	273,240	0	0	0	273,240
Capital outlay	0	0	0	629,431	629,431
Debt service:					
Principal retirement	63,678	15,370	270,000	0	349,048
Interest and fiscal charges	9,359	2,511	159,534	292	171,696
Total expenditures	<u>2,489,727</u>	<u>761,946</u>	<u>429,534</u>	<u>629,723</u>	<u>4,310,930</u>
Excess of revenues over (under) expenditures	<u>1,070,579</u>	<u>52,116</u>	<u>(342,018)</u>	<u>(329,180)</u>	<u>451,497</u>
<u>Other financing sources (uses)</u>					
Sale of fixed assets	510	25,000	0	0	25,510
Operating transfers - in	0	2,048	280,929	400,665	683,642
Operating transfers - out	(830,500)	0	0	0	(830,500)
Total other financing sources (uses)	<u>(829,990)</u>	<u>27,048</u>	<u>280,929</u>	<u>400,665</u>	<u>(121,348)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>240,589</u>	<u>79,164</u>	<u>(61,089)</u>	<u>71,485</u>	<u>330,149</u>
Fund balances at beginning of year	1,136,223	1,517,090	181,796	310,273	3,145,382
Increase (decrease) in reserve for inventory	<u>(30,841)</u>	<u>9,420</u>	<u>0</u>	<u>0</u>	<u>(21,421)</u>
Fund balances at end of year	<u>\$1,345,971</u>	<u>\$1,605,674</u>	<u>\$120,707</u>	<u>\$381,758</u>	<u>\$3,454,110</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, 1999

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Property and other taxes	\$280,099	\$280,099	\$0	\$162,256	\$162,256	\$0
Municipal income taxes	1,878,816	1,878,816	0	0	0	0
Charges for services	215,683	215,683	0	15,528	15,528	0
Licenses and permits	6,382	6,382	0	0	0	0
Fines and forfeitures	28,237	28,237	0	2,336	2,237	(99)
Special assessments	0	0	0	0	0	0
Intergovernmental	625,885	625,885	0	451,815	451,815	0
Interest	443,336	443,336	0	86,489	86,489	0
Donations	944	944	0	10,060	10,060	0
Revolving loan payments	0	0	0	10,699	10,699	0
Other	21,091	21,091	0	21,485	21,485	0
Total revenues	<u>3,500,473</u>	<u>3,500,473</u>	<u>0</u>	<u>760,668</u>	<u>760,569</u>	<u>(99)</u>
<u>Expenditures</u>						
Current:						
Security of persons and property	2,077,399	2,000,878	76,521	1,700	548	1,152
Public health	164,520	141,384	23,136	0	0	0
Leisure time activities	0	0	0	283,124	202,523	80,601
Community environment	42,100	24,843	17,257	170,000	69,993	100,007
Transportation	0	0	0	1,021,101	498,053	523,048
General government	342,200	281,271	60,929	0	0	0
Debt service:						
Principal retirement	62,661	62,327	334	15,386	15,370	16
Interest and fiscal charges	5,814	5,793	21	2,514	2,511	3
Total expenditures	<u>2,694,694</u>	<u>2,516,496</u>	<u>178,198</u>	<u>1,493,825</u>	<u>788,998</u>	<u>704,827</u>
Excess of revenues over (under) expenditures	<u>805,779</u>	<u>983,977</u>	<u>178,198</u>	<u>(733,157)</u>	<u>(28,429)</u>	<u>704,728</u>
<u>Other financing sources (uses)</u>						
Proceeds of notes	0	0	0	0	0	0
Sale of fixed assets	510	510	0	25,000	25,000	0
Advances - in	50,000	50,000	0	0	0	0
Advances - out	(275,000)	(275,000)	0	0	0	0
Operating transfers - in	0	0	0	2,048	2,048	0
Operating transfers - out	(830,500)	(830,500)	0	0	0	0
Total other financing sources (uses)	<u>(1,054,990)</u>	<u>(1,054,990)</u>	<u>0</u>	<u>27,048</u>	<u>27,048</u>	<u>0</u>
Excess of revenues and other financing sources under expenditures and other financing uses	<u>(249,211)</u>	<u>(71,013)</u>	<u>178,198</u>	<u>(706,109)</u>	<u>(1,381)</u>	<u>704,728</u>
Fund balances at beginning of year	539,571	539,571	0	742,101	742,101	0
Unexpended prior year encumbrances	911	911	0	14	14	0
Fund balances at end of year	<u>\$291,271</u>	<u>\$469,469</u>	<u>\$178,198</u>	<u>\$36,006</u>	<u>\$740,734</u>	<u>\$704,728</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, 1999  
(continued)

	Debt Service Funds			Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Property and other 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	20,067	20,067	0	90,989	90,989	0
Intergovernmental	0	0	0	14,371	14,371	0
Interest	754	754	0	1,249	1,249	0
Donations	0	0	0	0	0	0
Revolving loan payments	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total revenues	<u>20,821</u>	<u>20,821</u>	<u>0</u>	<u>106,609</u>	<u>106,609</u>	<u>0</u>
<u>Expenditures</u>						
Current:						
Security of persons and property	0	0	0	102,000	84,751	17,249
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	713,000	665,068	47,932
General government	0	0	0	0	0	0
Debt service:						
Principal retirement	131,430	131,406	24	63,100	60,000	3,100
Interest and fiscal charges	<u>131,004</u>	<u>131,004</u>	<u>0</u>	<u>28,850</u>	<u>28,530</u>	<u>320</u>
Total expenditures	<u>262,434</u>	<u>262,410</u>	<u>24</u>	<u>906,950</u>	<u>838,349</u>	<u>68,601</u>
Excess of revenues over (under) expenditures	<u>(241,613)</u>	<u>(241,589)</u>	<u>24</u>	<u>(800,341)</u>	<u>(731,740)</u>	<u>68,601</u>
<u>Other financing sources (uses)</u>						
Proceeds of notes	0	0	0	20,255	20,255	0
Sale of fixed assets	0	0	0	0	0	0
Advances - in	0	0	0	275,000	275,000	0
Advances - out	0	0	0	0	0	0
Operating transfers - in	180,500	180,500	0	422,500	422,500	0
Operating transfers - out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>180,500</u>	<u>180,500</u>	<u>0</u>	<u>717,755</u>	<u>717,755</u>	<u>0</u>
Excess of revenues and other financing sources under expenditures and other financing uses	<u>(61,113)</u>	<u>(61,089)</u>	<u>24</u>	<u>(82,586)</u>	<u>(13,985)</u>	<u>68,601</u>
Fund balances at beginning of year	181,796	181,796	0	284,626	284,626	0
Unexpended prior year encumbrances	<u>0</u>	<u>0</u>	<u>0</u>	<u>959</u>	<u>959</u>	<u>0</u>
Fund balances at end of year	<u>\$120,683</u>	<u>\$120,707</u>	<u>\$24</u>	<u>\$202,999</u>	<u>\$271,600</u>	<u>\$68,601</u>

See accompanying notes to the general purpose financial statements



Total (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)
\$442,355	\$442,355	\$0
1,878,816	1,878,816	0
231,211	231,211	0
6,382	6,382	0
30,573	30,474	(99)
111,056	111,056	0
1,092,071	1,092,071	0
531,828	531,828	0
11,004	11,004	0
10,699	10,699	0
42,576	42,576	0
<u>4,388,571</u>	<u>4,388,472</u>	<u>(99)</u>
2,181,099	2,086,177	94,922
164,520	141,384	23,136
283,124	202,523	80,601
212,100	94,836	117,264
1,734,101	1,163,121	570,980
342,200	281,271	60,929
272,577	269,103	3,474
<u>168,182</u>	<u>167,838</u>	<u>344</u>
<u>5,357,903</u>	<u>4,406,253</u>	<u>951,650</u>
<u>(969,332)</u>	<u>(17,781)</u>	<u>951,551</u>
20,255	20,255	0
25,510	25,510	0
325,000	325,000	0
(275,000)	(275,000)	0
605,048	605,048	0
(830,500)	(830,500)	0
<u>(129,687)</u>	<u>(129,687)</u>	<u>0</u>
(1,099,019)	(147,468)	951,551
1,748,094	1,748,094	0
1,884	1,884	0
<u>\$650,959</u>	<u>\$1,602,510</u>	<u>\$951,551</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, 1999

	Enterprise	Internal Service	Total (Memorandum Only)
<u>Operating revenues</u>			
Charges for services	\$10,937,579	\$174,438	\$11,112,017
Licenses and permits	0	13,447	13,447
Other operating revenues	491,463	0	491,463
Total operating revenues	<u>11,429,042</u>	<u>187,885</u>	<u>11,616,927</u>
<u>Operating expenses</u>			
Personal services	1,769,783	174,755	1,944,538
Contractual services	6,022,574	9,300	6,031,874
Materials and supplies	895,492	4,660	900,152
Other operating expenses	13,399	0	13,399
Depreciation	803,512	11,595	815,107
Total operating expenses	<u>9,504,760</u>	<u>200,310</u>	<u>9,705,070</u>
Operating income (loss)	<u>1,924,282</u>	<u>(12,425)</u>	<u>1,911,857</u>
<u>Non-operating revenues (expenses)</u>			
Gain on disposal of fixed assets	14,407	0	14,407
Grants	10,294	0	10,294
Interest revenue	150,889	0	150,889
Interest expense	(354,999)	0	(354,999)
Total non-operating revenues (expenses)	<u>(179,409)</u>	<u>0</u>	<u>(179,409)</u>
Income (loss) before operating transfers	1,744,873	(12,425)	1,732,448
Operating transfers - in	225,452	0	225,452
Operating transfers - out	(78,594)	0	(78,594)
Net income (loss)	1,891,731	(12,425)	1,879,306
Depreciation on fixed assets acquired by contributed capital	325,005	0	325,005
Retained earnings (deficit) at beginning of year - restated (note 3)	12,317,307	(28,562)	12,288,745
Residual equity transfers - out	(23,994)	0	(23,994)
Retained earnings (deficit) at end of year	<u>14,510,049</u>	<u>(40,987)</u>	<u>14,469,062</u>
Contributed capital at beginning of year	5,235,096	62,766	5,297,862
Contributed from governmental funds	17,632	4,000	21,632
Contributed from proprietary funds	0	4,321	4,321
Contributed from other developers	213,980	0	213,980
Depreciation on fixed assets acquired by contributed capital	(325,005)	0	(325,005)
Contributed capital at end of year	<u>5,141,703</u>	<u>71,087</u>	<u>5,212,790</u>
Total fund equity at end of year	<u>\$19,651,752</u>	<u>\$30,100</u>	<u>\$19,681,852</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, 1999

	Enterprise Funds		Variance Favorable (Unfavorable)
	Budget	Actual	
<u>Revenues</u>			
Charges for services	\$10,705,830	\$10,705,814	(\$16)
Licenses and permits	0	0	0
Utility deposits	19,497	19,497	0
Other revenues	491,463	491,463	0
Sale of fixed assets	32,829	32,829	0
Grants	10,294	10,294	0
Interest	125,972	125,972	0
Proceeds of notes	2,072,500	2,072,500	0
Total revenues	<u>13,458,385</u>	<u>13,458,369</u>	<u>(16)</u>
<u>Expenses</u>			
Personal services	1,980,995	1,830,588	150,407
Contractual services	7,936,551	6,026,127	1,910,424
Materials and supplies	1,066,196	773,151	293,045
Utility refunds	25,000	6,969	18,031
Other expenses	1,310,000	13,399	1,296,601
Capital outlay	3,229,541	1,419,808	1,809,733
Debt service:			
Principal retirement	541,414	536,885	4,529
Interest and fiscal charges	327,262	318,508	8,754
Total expenses	<u>16,416,959</u>	<u>10,925,435</u>	<u>5,491,524</u>
Excess of revenues over (under) expenses	(2,958,574)	2,532,934	5,491,508
Advances - out	(50,000)	(50,000)	0
Operating transfers - in	<u>221,089</u>	<u>225,452</u>	<u>4,363</u>
Excess of revenues over (under) expenses, advances, and operating transfers	(2,787,485)	2,708,386	5,495,871
Fund balances at beginning of year	8,152,132	8,152,132	0
Unexpended prior year encumbrances	<u>34,992</u>	<u>34,992</u>	<u>0</u>
Fund balances (deficit) at end of year	<u>\$5,399,639</u>	<u>\$10,895,510</u>	<u>\$5,495,871</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)
\$181,168	\$174,438	(\$6,730)	\$10,886,998	\$10,880,252	(\$6,746)
13,625	13,447	(178)	13,625	13,447	(178)
0	0	0	19,497	19,497	0
0	0	0	491,463	491,463	0
0	0	0	32,829	32,829	0
0	0	0	10,294	10,294	0
0	0	0	125,972	125,972	0
0	0	0	2,072,500	2,072,500	0
<u>194,793</u>	<u>187,885</u>	<u>(6,908)</u>	<u>13,653,178</u>	<u>13,646,254</u>	<u>(6,924)</u>
193,031	171,097	21,934	2,174,026	2,001,685	172,341
10,715	9,505	1,210	7,947,266	6,035,632	1,911,634
10,007	8,872	1,135	1,076,203	782,023	294,180
0	0	0	25,000	6,969	18,031
0	0	0	1,310,000	13,399	1,296,601
3,247	2,897	350	3,232,788	1,422,705	1,810,083
0	0	0	541,414	536,885	4,529
0	0	0	327,262	318,508	8,754
<u>217,000</u>	<u>192,371</u>	<u>24,629</u>	<u>16,633,959</u>	<u>11,117,806</u>	<u>5,516,153</u>
(22,207)	(4,486)	17,721	(2,980,781)	2,528,448	5,509,229
0	0	0	(50,000)	(50,000)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>221,089</u>	<u>225,452</u>	<u>4,363</u>
(22,207)	(4,486)	17,721	(2,809,692)	2,703,900	5,513,592
184	184	0	8,152,316	8,152,316	0
2	2	0	34,994	34,994	0
<u>(\$22,021)</u>	<u>(\$4,300)</u>	<u>\$17,721</u>	<u>\$5,377,618</u>	<u>\$10,891,210</u>	<u>\$5,513,592</u>

City of Wapakoneta

Combined Statement of Cash Flows  
All Proprietary Fund Types  
For the Year Ended December 31, 1999

	Enterprise	Internal Service	Total (Memorandum Only)
Increases (decreases) in cash and cash equivalents			
<u>Cash flows from operating activities</u>			
Cash received from customers	\$10,705,814	\$0	\$10,705,814
Cash received from quasi-external transactions with other funds	0	187,885	187,885
Cash received from utility deposits	19,497	0	19,497
Cash received from other revenues	491,463	0	491,463
Cash payments for personal services	(1,787,779)	(167,914)	(1,955,693)
Cash payments for contractual services	(5,922,327)	(9,373)	(5,931,700)
Cash payments to vendors for materials and supplies	(611,127)	(4,608)	(615,735)
Cash payments for utility refunds	(6,969)	0	(6,969)
Cash payments for quasi-external transactions with other funds	(28,839)	0	(28,839)
Cash payments for other expenses	(13,399)	0	(13,399)
Net cash provided by operating activities	<u>2,846,334</u>	<u>5,990</u>	<u>2,852,324</u>
<u>Cash flows from noncapital financing activities</u>			
Cash received from grants	10,294	0	10,294
Cash received from other funds	125,792	0	125,792
Cash payments for advances - out	(50,000)	0	(50,000)
Cash received from operating transfers - in	225,452	0	225,452
Cash received from operating transfers - out	(78,594)	0	(78,594)
Net cash provided by noncapital financing activities	<u>232,944</u>	<u>0</u>	<u>232,944</u>
<u>Cash flows from capital and related financing activities</u>			
Acquisition of fixed assets	(1,634,090)	(6,900)	(1,640,990)
Sale of fixed assets	32,829	0	32,829
Proceeds from notes	2,072,500	0	2,072,500
Principal paid on intergovernmental payable	(2,500)	0	(2,500)
Principal paid on notes	(275,000)	0	(275,000)
Principal paid on capital loans	(45,791)	0	(45,791)
Principal paid on mortgage revenue bonds	(135,000)	0	(135,000)
Interest paid on notes	(13,208)	0	(13,208)
Interest paid on capital loans	(8,369)	0	(8,369)
Interest paid on mortgage revenue bonds	(188,600)	0	(188,600)
Interest paid on general obligation bonds	(98,464)	0	(98,464)
Interest paid on OWDA loan	(9,517)	0	(9,517)
Net cash used for capital and related financing activities	<u>(305,210)</u>	<u>(6,900)</u>	<u>(312,110)</u>
<u>Cash flows from investing activities</u>			
Cash received from interest	<u>125,972</u>	<u>0</u>	<u>125,972</u>
Net increase (decrease) in cash and cash equivalents	2,900,040	(910)	2,899,130
Cash and cash equivalents at beginning of year	<u>9,461,429</u>	<u>1,295</u>	<u>9,462,724</u>
Cash and cash equivalents at end of year	<u>\$12,361,469</u>	<u>\$385</u>	<u>\$12,361,854</u>

(continued)

City of Wapakoneta

Combined Statement of Cash Flows  
 All Proprietary Fund Types  
 For the Year Ended December 31, 1999  
 (continued)

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total (Memorandum Only)</u>
<u>Reconciliation of operating income (loss) to net cash provided by operating activities</u>			
Operating income (loss)	\$1,924,282	(\$12,425)	\$1,911,857
<u>Adjustments to reconcile operating income (loss) to net cash provided by operating activities</u>			
Depreciation	803,512	11,595	815,107
Changes in assets and liabilities:			
Increase in accounts receivable	(226,019)	0	(226,019)
Increase in due from other funds	(5,746)	0	(5,746)
Decrease in materials and supplies inventory	227,353	35	227,388
(Increase) decrease in prepaid items	3,334	(41)	3,293
Increase (decrease) in accounts payable	172,045	(118)	171,927
Decrease in contracts payable	(12,245)	0	(12,245)
Increase in accrued wages payable	3,457	632	4,089
Increase (decrease) in compensated absences payable	(5,128)	2,876	(2,252)
Increase (decrease) in intergovernmental payable	(21,240)	3,358	(17,882)
Increase in due to other funds	5,549	78	5,627
Increase in refundable deposits payable from restricted assets	12,528	0	12,528
Decrease in landfill closure/postclosure costs	(35,348)	0	(35,348)
Net cash provided by operating activities	<u>\$2,846,334</u>	<u>\$5,990</u>	<u>\$2,852,324</u>

Non-Cash Transactions

During 1999, the general fixed assets account group transferred fixed assets to the Water enterprise fund with a net book value of \$17,632. In addition, the Water enterprise fund had fixed assets donated by developers, in the amount of \$213,980.

During 1999, the General Fund and the Street Maintenance special revenue fund acquired fixed assets, in the amount of \$1,000 and \$3,000, respectively, and donated them to the Engineering internal service fund. The Sewer enterprise fund acquired fixed assets, in the amount of \$4,321 and donated them to the Engineering internal service fund.

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, 1999

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**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 1999.

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 21 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, 1999

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**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 financial 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.

Fiduciary Fund Types 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.

City of Wapakoneta  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 1999

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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, 1999

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**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, 1999, 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 financial 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 resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution 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, 1999

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**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 1999.

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 resolutions 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, 1999

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

During 1999, 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, 1999.

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 1999 was \$444,714, which includes \$89,302 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 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, 1999, 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, 1999

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**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 revenue bonds advance refunded outstanding sewer mortgage revenue bonds in a prior year. These bonds are presented on the combined financial statements net of an unamortized loss in the amount of \$118,961. The loss is being amortized over the remaining eleven 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, 1999

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**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 1999, 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, 1999

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**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, bonds, and the police and fire pension liability are recognized as liabilities of 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 and other governments. 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 and for operations and maintenance. The reserves represent 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, 1999

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**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 enterprise 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, 1999

**NOTE 3 - CORRECTIONS OF ERRORS AND RESTATEMENT OF PRIOR YEAR FUND EQUITY**

An adjustment was required in the general fixed assets account group due to an error in the amount of equipment recorded in prior years. The effect of this adjustment in the general fixed assets account group was an increase, in the amount of \$3,654, from \$5,861,469 to \$5,865,123.

A number of adjustments were required in the enterprise funds due to fixed assets and accumulated depreciation recorded incorrectly in prior years. The effect of these adjustments increased enterprise fund fixed assets by \$892,157, from \$26,727,288 to \$27,619,445. Accumulated depreciation increased by \$71,382, from \$14,059,651 to \$14,131,033.

In prior years, the City reported storm sewer activity in the Sewer enterprise fund. In 1999, the City established a Storm Sewer enterprise fund to separately reflect the costs of providing this service to the public. As a result, the City determined fixed assets, in the amount of \$897,001 and contributed capital, in the amount of \$595,256, had not previously been recorded.

In the prior year, the liability for the landfill closure/postclosure costs was based on an incorrect landfill capacity. The corrected calculation results in an increase in the liability of \$87,856.

These changes had the following effect on net income/excess of revenues over expenses as previously reported for the year ended December 31, 1998.

	Enterprise
Net income/excess as previously reported	\$711,769
Restatement for storm sewer fixed assets	(29,900)
Restatement for landfill closure/postclosure costs	(87,856)
Restated amount for the year ended December 31, 1998	\$594,013

The restatements had the following effect on retained earnings as previously reported as of December 31, 1998.

	Enterprise
Retained Earnings as previously reported	\$12,179,644
Restatement for fixed assets corrections	16,911
Restatement for storm sewer fixed assets	208,608
Restatement for landfill closure/postclosure costs	(87,856)
Restated Retained Earnings December 31, 1998	\$12,317,307

City of Wapakoneta  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 1999

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**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE**

**A. Accountability**

The Refuse enterprise fund had deficit retained earnings, in the amount of \$849,339, which was 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 \$40,987, as a result of accumulated operating losses.

**B. Compliance**

The Recreation special revenue fund and Engineering internal service fund had appropriations in excess of estimated resources plus available balances, in the amount of \$56,126, and \$22,021, respectively, for the year ended December 31, 1999.

**NOTE 5 - 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, 1999

**NOTE 5 - 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	Debt Service	Capital Projects
GAAP basis	\$240,589	\$79,164	(\$61,089)	\$71,485
<u>Increases (decreases) due to</u>				
Revenue accruals:				
Accrued 1998, received in cash 1999	420,537	613,130	0	14,371
Accrued 1999, not yet received in cash	(481,475)	(676,993)	0	(275,000)
Expenditure accruals:				
Accrued 1998, paid in cash 1999	(84,595)	(13,329)	0	(1,408)
Accrued 1999, not yet paid in cash	61,106	12,250	0	9,217
Cash adjustments:				
Unrecorded Activity 1998	(4,273)	0	0	0
Unrecorded Activity 1999	1,197	0	0	0
Prepaid items	789	30	0	0
Notes receivable:				
New loans	0	(30,119)	0	0
Repayments	0	10,370	0	0
Notes payable:				
Issued	0	0	0	20,255
Transferred debt activity	0	0	167,124	(88,530)
Advances - in	50,000	0	0	275,000
Advances - out	(275,000)	0	0	0
Encumbrances outstanding at year end (budget basis) plus disbursed against prior year encumbrances	112	4,116	0	(127,905)
<u>Other Adjustments:</u>				
Excess of revenues and other financing sources over (under) expenditures and other financing uses into financial statement fund types	0	0	(167,124)	88,530
Budget basis	(\$71,013)	(\$1,381)	(\$61,089)	(\$13,985)

City of Wapakoneta  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 1999

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)**

	Enterprise	Internal Service
Net Income(Loss)/Excess of Revenues Over (Under) Expenses, Advances, and Operating Transfers All Proprietary Fund Types		
GAAP basis	\$1,891,731	(\$12,425)
<u>Increases (decreases) due to</u>		
Revenue accruals:		
Accrued 1998, received in cash 1999	1,208,864	0
Accrued 1999, not yet received in cash	(1,446,049)	0
Expense accruals:		
Accrued 1998, paid in cash 1999	(796,466)	(21,240)
Accrued 1999, not yet paid in cash	966,678	28,066
Cash adjustments:		
Unrecorded activity 1999	2,215	0
Materials and supplies inventory	227,353	35
Prepaid items	3,334	(41)
Landfill closure/postclosure costs	(35,348)	0
Acquisition of fixed assets	(1,634,090)	(6,900)
Depreciation expense	803,512	11,595
Sale of fixed assets	32,829	0
Gain on disposal of fixed assets	(14,407)	0
Notes payable:		
Issued	2,072,500	0
Retired	(275,000)	0
General obligation bonds payable:		
Retired	(78,594)	0
Intergovernmental payable:		
Retired	(2,500)	0
Capital loans payable:		
Retired	(45,791)	0
Mortgage revenue bonds payable:		
Retired	(135,000)	0
Unamortized issuance costs	2,098	0
Advances - out	(50,000)	0

(continued)

City of Wapakoneta  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 1999

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING** (continued)

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

	Enterprise	City- Service
Encumbrances outstanding at year end (budget basis) plus disbursed against prior year encumbrances	(\$68,077)	(\$3,576)
<u>Other Adjustments</u>		
Excess of revenues over expenses into financial statement fund types	78,594	0
Budget basis	\$2,708,386	(\$4,486)

**NOTE 6 - 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, 1999

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**NOTE 6 - 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 that 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, 1999

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**NOTE 6 - 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 \$2,626,638 and the bank balance was \$2,816,513. Of the bank balance, \$315,355 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	\$752,150	\$752,150
Mutual Funds		2,407,248
STAR Ohio		9,042,293
Total		\$12,201,691

The classification of cash and cash equivalents and investments on the combined financial statements 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, 1999

**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

A reconciliation between the classification of cash and cash equivalents and investments on the combined financial statements 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	\$14,055,554	\$889,910
Cash on Hand	(975)	0
Investments:		
Certificate of Deposit	21,600	(21,600)
Mutual Funds	(2,407,248)	2,407,248
STAR Ohio	(9,042,293)	9,042,293
GASB Statement No. 3	\$2,626,638	\$12,317,851

**NOTE 7 - 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 1999 represent the collection of 1998 taxes. For 1999, real property taxes were levied after October 1, 1999, on the assessed values as of January 1, 1999, the lien date. These taxes will be collected in and are intended to finance 2000 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, 1999, on the assessed values as of December 31, 1998, the lien date. 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 1999 (other than public utility property) represent the collection of 1999 taxes. For 1999, tangible personal property taxes were levied after October 1, 1998, on the true value as of December 31, 1998, the lien date. 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, 1999

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**NOTE 7 - 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, 1999. 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 1999 operations.

The full tax rate for all City operations the year ended December 31, 1999, was \$3.75 per \$1,000 of assessed value. The assessed values of real, public utility, and tangible personal property upon which 1999 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Agricultural/Residential	\$60,169,690
Commercial/Industrial	28,788,710
Public Utility Real	65,400
Public Utility Personal	4,623,490
Tangible Personal	20,180,660
Total	\$113,827,950

**NOTE 8 - 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 9 - RECEIVABLES**

Receivables at December 31, 1999, 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 5-5.25 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, 1999

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**NOTE 9 - RECEIVABLES** (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
General Fund	
Estate Tax	\$61,774
County Municipal Court	2,711
Local Government	28,979
Charges for Services	351
Total General Fund	93,815
Special Revenue Funds	
Street Maintenance	
Gasoline Tax	14,558
Motor Vehicle License Tax	4,117
State Highway	
Gasoline Tax	1,180
Motor Vehicle License Tax	334
Enforcement and Education	
County Municipal Court	50
Drug Law Enforcement	
County Municipal Court	143
Total Special Revenue Funds	20,382
Capital Projects Fund	
Issue II	
OPWC Grant	275,000
Total All Funds	\$389,197

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 approximately \$49,567, will be paid to the City by the State of Ohio in the latter part of 2000.

City of Wapakoneta  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 1999

**NOTE 10 - FIXED ASSETS**

**A. General Fixed Assets**

A summary of the changes in general fixed assets during 1999 is as follows:

	Balance 12/31/98	Additions	Reductions	Balance 12/31/99
Land	\$193,991	\$0	\$0	\$193,991
Land improvements	179,122	5,697	0	184,819
Buildings	3,182,236	25,237	0	3,207,473
Improvements other than buildings	28,833	0	0	28,833
Furniture and fixtures	8,426	1,610	0	10,036
Equipment	570,527	118,532	1,056	688,003
Vehicles	1,701,988	129,334	41,527	1,789,795
<b>Total</b>	<b>\$5,865,123</b>	<b>\$280,410</b>	<b>\$42,583</b>	<b>\$6,102,950</b>

**B. Fund Fixed Assets**

A summary of the enterprise and internal service funds' fixed assets at December 31, 1999, follows:

	Enterprise	Internal Service
Land	\$379,368	\$0
Buildings	8,011,583	60,011
Electric, water, and sewer lines	13,735,747	0
Furniture and fixtures	41,494	0
Equipment	5,322,684	78,921
Vehicles	1,691,404	34,540
<b>Total fixed assets</b>	<b>29,182,280</b>	<b>173,472</b>
Less: accumulated depreciation	14,674,094	118,631
<b>Total fund fixed assets net of accumulated depreciation</b>	<b>\$14,508,186</b>	<b>\$54,841</b>

City of Wapakoneta  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 1999

**NOTE 11 - INTERFUND ASSETS/LIABILITIES**

At December 31, 1999, 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, 1999, were as follows:

	Due To/From Other Funds		Interfund	
	Receivable	Payable	Receivable	Payable
General Fund	\$0	\$1,279	\$450,792	\$0
Special Revenue Funds				
Street Maintenance	0	339	0	0
Recreation	0	116	0	0
Total Special Revenue Funds	0	455	0	0
Capital Project Fund				
Issue II	0	0	0	275,000
Enterprise Funds				
Electric	19,014	1,191	0	0
Water	534	8,245	0	0
Sewer	1,375	9,591	0	125,792
Storm Sewer	62	0	0	0
Refuse	321	246	0	50,000
Total Enterprise Funds	21,306	19,273	0	175,792
Internal Service Fund				
Engineering	0	299	0	0
Total All Funds	\$21,306	\$21,306	\$450,792	\$450,792

**NOTE 12 - 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, 1999

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**NOTE 12 - 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 13.55 percent; 9.35 percent was the portion used to fund pension obligations. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's contribution to the System for the years ended December 31, 1999, 1998, and 1997, were \$187,733, \$179,757, and \$158,528, respectively; 70.9 percent has been contributed for 1999 and 100 percent has been contributed for 1998 and 1997. The unpaid contribution for 1999, in the amount of \$54,653, is recorded as a liability within the respective funds and the general long-term obligations account group.

**B. Police and Firemen's Disability and Pension Fund**

The City contributes to the Police and Firemen's Disability and Pension Fund of Ohio (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 Police and Firemen's Disability and Pension Fund of Ohio, 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 (12.5 percent was the portion used to fund pension obligations); and 24 percent for firefighters (17 percent was the portion used to fund pension obligations). Contributions are authorized by State statute. The City's contribution to the Fund for the years ended December 31, 1999, 1998, and 1997, were \$157,143, \$157,349, and \$155,448, respectively; 69.82 percent has been contributed for 1999 and 100 percent has been contributed for 1998 and 1997. The unpaid contribution for 1999, in the amount of \$47,426, is recorded as a liability within the respective funds and the general long-term obligations account group.

**NOTE 13 - 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 and to primary survivor recipients of such retirees. Health care coverage for disability 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 13.55 percent of covered payroll; 4.2 percent was the portion used to fund health care for 1999.

City of Wapakoneta  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 1999

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**NOTE 13 - POSTEMPLOYMENT BENEFITS** (continued)

Benefits are funded on a pay-as-you-go-basis. OPB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

During 1999, OPB expenditures made by the System were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPB payments were \$9,870,285,641. At December 31, 1999, the total number of benefit recipients eligible for OPB through the System was 118,062. The City's actual contributions for 1999 which were used to fund OPB were \$84,329.

**B. Police and Firemen's Disability and Pension Fund**

The Police and Firemen's Disability and Pension Fund of Ohio (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 percent was the portion used to fund health care for 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, 1998, was 11,424 for police and 9,186 for firefighters. The City's actual contributions for 1999 that were used to fund postemployment benefits were \$36,277 for police and \$38,032 for fire. The Fund's total health care expenses for the year ended December 31, 1998, (the latest information available), were \$78,596,790.

**NOTE 14 - OTHER EMPLOYEE BENEFITS**

**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.

City of Wapakoneta  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 1999

**NOTE 14 - OTHER EMPLOYEE BENEFITS** (continued)

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 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 15 - SHORT-TERM OBLIGATIONS**

The City's short-term obligations activity for the year ended December 31, 1999, was as follows:

	<u>Interest Rate</u>	<u>Balance 12/31/98</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/99</u>
<u>Capital Projects Fund</u>					
Street and Sewer Improvement					
1999 Special Assessment Bond Anticipation Note	4.80%	\$0	\$20,255	\$0	\$20,255
<u>Enterprise Funds</u>					
Electric					
1999 AMP - OHIO Bond Anticipation Note	3.75	0	1,800,000	0	1,800,000
Refuse					
1998 Landfill Closure Bond Anticipation Note	4.80	275,000	0	275,000	0
1999 Landfill Closure Bond Anticipation Note	4.80	0	272,500	0	272,500
Total Refuse Fund		275,000	272,500	275,000	272,500
Total Enterprise Funds		275,000	2,072,500	275,000	2,072,500
Total Notes Payable		\$275,000	\$2,092,755	\$275,000	\$2,092,755

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.



City of Wapakoneta  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 1999

**NOTE 15 - SHORT-TERM OBLIGATIONS** (continued)

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.

**NOTE 16 - LONG-TERM OBLIGATIONS**

The City's long-term obligations activity for the year ended December 31, 1999, was as follows:

	Interest Rate	Balance 12/31/98	Issued	Retired	Balance 12/31/99
<u>General Long-Term Obligations</u>					
<u>General Obligation Bonds</u>					
1991 Downtown Improvement	5.30 - 7.10%	\$1,237,625	\$0	\$72,542	\$1,165,083
1993 Various Purpose	2.80 - 5.45	2,530,000	0	120,000	2,410,000
1998 Various Purpose	3.30 - 4.25	735,000	0	60,000	675,000
Total General Obligation Bonds		4,502,625	0	252,542	4,250,083
<u>Special Assessment Bonds</u>					
1991 Downtown Improvement	5.30 - 7.10	52,375	0	17,458	34,917
<u>Other Long-Term Obligations</u>					
Compensated Absences Payable		358,140	22,135	0	380,275
Intergovernmental Payable		85,504	84,244	85,504	84,244
Capital Loans Payable		158,652	0	77,697	80,955
Police and Fire Pension Liability		91,506	0	1,351	90,155
Total Other Long-Term Obligations		693,802	106,379	164,552	635,629
Total General Long-Term Obligations		5,248,802	106,379	434,552	4,920,629
<u>Enterprise Fund Obligations</u>					
<u>Mortgage Revenue Bonds</u>					
1998 Sewer System Mortgage Revenue Refunding Bonds	3.30 - 4.95	4,190,000	0	135,000	4,055,000
<u>Other Long-Term Obligations</u>					
Compensated Absences Payable		214,637	0	5,128	209,509
Intergovernmental Payable		33,750	0	2,500	31,250
Capital Loans Payable		104,716	0	48,346	56,370
Landfill Closure/Postclosure Costs		1,493,596	0	35,348	1,458,248
OWDA Loan Payable		943,414	0	0	943,414
Total Other Long-Term Obligations		2,790,113	0	91,322	2,698,791
Total Enterprise Fund Obligations		6,980,113	0	226,322	6,753,791
Total Long-Term Obligations		\$12,228,915	\$106,379	\$660,874	\$11,674,420

City of Wapakoneta  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 1999

**NOTE 16 - 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, 1999

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**NOTE 16 - 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 In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire in 1967. The liability is payable semiannually from the General Fund.

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 \$118,961 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, 1999

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**NOTE 16 - 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, 1999, were \$2,422,603.

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, 1999, \$1,265,000 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, 1999

**NOTE 16 - LONG-TERM OBLIGATIONS** (continued)

The City's legal debt margin was \$7,802,304 at December 31, 1999.

Principal and interest requirements to retire general long-term obligations outstanding at December 31, 1999, were as follows:

Year	General Obligation Bonds	Special Assessment Bonds	Capital Loans	Police and Fire Pension	Total
2000	\$495,921	\$19,529	\$55,272	\$4,945	\$575,667
2001	493,748	18,347	31,656	4,945	548,696
2002	482,762	0	0	4,945	487,707
2003	484,315	0	0	4,945	489,260
2004	484,734	0	0	4,945	489,679
2005 to 2009	2,308,221	0	0	24,724	2,332,945
2010 to 2014	1,274,036	0	0	24,724	1,298,760
2015 to 2019	0	0	0	24,724	24,724
2020 to 2035	0	0	0	76,695	76,695
<b>Total</b>	<b>\$6,023,737</b>	<b>\$37,876</b>	<b>\$86,928</b>	<b>\$175,592</b>	<b>\$6,324,133</b>

Principal and interest requirements to retire long-term obligations outstanding at December 31, 1999, from the enterprise funds were as follows:

Year	Mortgage Revenue Refunding Bonds	Intergovern- mental	Capital Loans	OWDA Loan	Total
2000	\$352,694	\$2,500	\$54,160	\$9,517	\$418,871
2001	352,852	2,500	30,542	9,517	395,411
2002	352,610	2,500	30,542	948,173	1,333,825
2003	353,799	2,500	0	0	356,299
2004	352,873	2,500	0	0	355,373
2005 to 2009	1,796,922	12,500	0	0	1,809,422
2010 to 2014	1,693,316	8,750	0	0	1,702,066
2015 to 2018	1,373,051	0	0	0	1,373,051
<b>Total</b>	<b>\$6,628,117</b>	<b>\$33,750</b>	<b>\$115,244</b>	<b>\$967,207</b>	<b>\$7,744,318</b>

City of Wapakoneta  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 1999

**NOTE 17 - 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 \$1,458,248 reported as landfill closure/postclosure costs at December 31, 1999, 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 18 - 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 1999, 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	5,000,000-7,000,000	0
Wrongful Acts	5,000,000-6,000,000	2,500
Law Enforcement	5,000,000-6,000,000	2,500
Automobile	5,000,000	50-250
Bond	25,000	0
Crime	20,000	0
Inland Marine	4,546,397	100
Fire Vehicle	1,470,786	100
Electronic Data Processing	280,740	100

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 1999, 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, 1999

**NOTE 18 - 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 19 - CONTRACTUAL COMMITMENTS**

At December 31, 1999, the City had contractual commitments as follows:

Company	Project	Amount Remaining on Contract
Beaverdam Contracting	Middle Street reconstruction	\$127,715
GPD Associates	69KV electrical loop	21,000
H.A. Dortsten, Inc.	Wastewater treatment plant improvements	39,965
Vaughn Industries, Inc.	69KV electrical loop	463,770

**NOTE 20 - 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, 1999, is as follows:

	Electric	Water	Sewer	Storm Sewer	Refuse	Total
Operating revenues	\$8,477,398	\$829,777	\$1,204,509	\$153,776	\$763,582	\$11,429,042
Depreciation	242,422	211,371	257,425	66,329	25,965	803,512
Operating income (loss)	1,842,222	(281,749)	115,760	48,568	199,481	1,924,282
Operating transfers - in	153,867	32,563	14,308	7,206	17,508	225,452
Operating transfers - out	(30,354)	(16,080)	(16,080)	0	(16,080)	(78,594)
Net income (loss)	1,946,499	(279,548)	(1,397)	50,504	175,673	1,891,731
Current contributed capital	0	96,685	76,215	58,712	0	231,612
Fixed assets:						
Additions	628,426	364,319	679,066	115,800	60,459	1,848,070
Reductions	141,079	43,396	100,760	0	0	285,235
Depreciation on contributed assets	0	243	322,415	0	2,347	325,005
Net working capital	7,853,887	998,618	(1,198)	160,395	188,670	9,200,372

(continued)

City of Wapakoneta  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 1999

**NOTE 20 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS** (continued)

	Electric	Water	Sewer	Storm Sewer	Refuse	Total
Long-term obligations:						
Compensated absences payable	\$88,578	\$28,926	\$65,613	\$0	\$26,392	\$209,509
Intergovernmental payable	0	0	31,250	0	0	31,250
Capital loans payable	0	0	0	56,370	0	56,370
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	3,791,039	0	0	3,791,039
Landfill closure/postclosure costs	0	0	0	0	1,458,248	1,458,248
OWDA loan payable	0	584,917	358,497	0	0	943,414
Total long-term liabilities	88,578	613,843	4,246,399	56,370	1,534,640	6,539,830
Total assets	14,438,119	4,093,884	8,623,519	1,171,735	1,126,194	29,453,451
Total equity (deficit)	11,920,708	3,405,065	4,023,717	1,086,018	(783,756)	19,651,752
Encumbrances outstanding at year end (budget basis)	1,065,950	62,320	122,221	25,979	65,912	1,342,382

**NOTE 21 - 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 22 - 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, 1999, to December 31, 1999, 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 23 - SUBSEQUENT EVENTS**

On February 1, 2000, the City issued \$1,400,000 in bond anticipation notes for constructing improvements to the water system. The notes have an interest rate of 4.75 percent and mature on February 1, 2001.



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

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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, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property and other taxes	\$280,099	\$280,099	\$0
Municipal income taxes	1,878,816	1,878,816	0
Charges for services	215,683	215,683	0
Licenses and permits	6,382	6,382	0
Fines and forfeitures	28,237	28,237	0
Intergovernmental	625,885	625,885	0
Interest	443,336	443,336	0
Donations	944	944	0
Other	21,091	21,091	0
Total revenues	<u>3,500,473</u>	<u>3,500,473</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Security of persons and property			
Police department			
Salaries	948,500	908,577	39,923
Materials and supplies	30,095	27,474	2,621
Contractual services	95,705	93,349	2,356
Capital outlay	63,500	61,623	1,877
Fire department			
Salaries	788,000	780,108	7,892
Materials and supplies	36,200	31,932	4,268
Contractual services	47,899	35,110	12,789
Capital outlay	55,800	52,111	3,689
Safety director			
Salaries	3,800	3,594	206
Materials and supplies	800	0	800
Contractual services	7,100	7,000	100
Total security of persons and property	<u>2,077,399</u>	<u>2,000,878</u>	<u>76,521</u>
Public health			
Emergency medical			
Salaries	119,500	108,042	11,458
Materials and supplies	8,930	8,296	634
Contractual services	20,240	14,610	5,630
Capital outlay	1,525	1,500	25
Other	1,500	276	1,224

(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, 1999  
(continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Miscellaneous			
Contractual services	\$4,680	\$746	\$3,934
Capital outlay	8,145	7,914	231
Total public health	<u>164,520</u>	<u>141,384</u>	<u>23,136</u>
Community environment			
Boards and commissions			
Materials and supplies	9,689	510	9,179
Contractual services	24,911	24,333	578
Capital outlay	7,500	0	7,500
Total community environment	<u>42,100</u>	<u>24,843</u>	<u>17,257</u>
General government			
Council			
Salaries	24,500	24,500	0
Materials and supplies	6,141	6,141	0
Other	500	500	0
Clerk of council			
Salaries	2,800	2,800	0
Materials and supplies	144	46	98
Contractual services	2,615	2,514	101
Administrative			
Salaries	21,800	20,747	1,053
Materials and supplies	11,900	9,869	2,031
Contractual services	10,500	6,519	3,981
Capital outlay	1,000	1,000	0
Finance			
Salaries	27,000	23,000	4,000
Materials and supplies	1,000	468	532
Contractual services	43,000	38,059	4,941
Income tax			
Salaries	54,900	44,953	9,947
Materials and supplies	9,620	6,977	2,643
Contractual services	18,780	17,628	1,152
Capital outlay	1,500	0	1,500
Income tax refunds	73,000	56,298	16,702

(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, 1999  
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Law director			
Salaries	\$14,000	\$14,000	\$0
Materials and supplies	500	0	500
Contractual services	2,000	0	2,000
Civil service			
Salaries	800	800	0
Materials and supplies	1,500	586	914
Elections			
Contractual services	2,500	55	2,445
Auglaize County			
Contractual services	7,700	3,711	3,989
Administrative support			
Other	2,500	100	2,400
Total general government	<u>342,200</u>	<u>281,271</u>	<u>60,929</u>
Debt service:			
Principal retirement	62,661	62,327	334
Interest and fiscal charges	5,814	5,793	21
Total debt service	<u>68,475</u>	<u>68,120</u>	<u>355</u>
Total expenditures	<u>2,694,694</u>	<u>2,516,496</u>	<u>178,198</u>
Excess of revenues over expenditures	<u>805,779</u>	<u>983,977</u>	<u>178,198</u>
<u>Other financing sources (uses)</u>			
Sale of fixed assets	510	510	0
Advances - in	50,000	50,000	0
Advances - out	(275,000)	(275,000)	0
Operating transfers - out	(830,500)	(830,500)	0
Total other financing sources (uses)	<u>(1,054,990)</u>	<u>(1,054,990)</u>	<u>0</u>
Excess of revenues and other financing sources under expenditures and other financing uses	(249,211)	(71,013)	178,198
Fund balance at beginning of year	539,571	539,571	0
Unexpended prior year encumbrances	911	911	0
Fund balance at end of year	<u>\$291,271</u>	<u>\$469,469</u>	<u>\$178,198</u>

## Special Revenue Funds

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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, 1999

	<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	\$99,161	\$14,614	\$471,132	\$114,774
Investments	0	0	0	0
Receivables:				
Property and other taxes	0	0	4,671	0
Intergovernmental	18,675	1,514	0	0
Notes	0	0	0	32,496
Materials and supplies inventory	35,180	0	0	0
Prepaids items	2,387	0	0	0
Total assets	<u>\$155,403</u>	<u>\$16,128</u>	<u>\$475,803</u>	<u>\$147,270</u>
<u>Liabilities</u>				
Accounts payable	\$3,779	\$0	\$0	\$0
Accrued wages payable	2,707	0	0	0
Intergovernmental payable	1,003	0	0	0
Due to other funds	339	0	0	0
Deferred revenue	0	0	0	0
Total liabilities	<u>7,828</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fund equity</u>				
Fund balance:				
Reserved for notes receivable	0	0	0	32,496
Reserved for inventory	35,180	0	0	0
Reserved for encumbrances	7,033	3,000	0	0
Unreserved	105,362	13,128	475,803	114,774
Total fund equity	<u>147,575</u>	<u>16,128</u>	<u>475,803</u>	<u>147,270</u>
Total liabilities and fund equity	<u>\$155,403</u>	<u>\$16,128</u>	<u>\$475,803</u>	<u>\$147,270</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>
\$38,403	\$548	\$7,007	\$1,934	\$0	\$747,573
752,150	0	0	0	21,600	773,750
98,766	0	0	0	0	103,437
0	0	50	143	0	20,382
0	0	0	0	0	32,496
1,349	0	0	0	0	36,529
136	0	0	0	0	2,523
<u>\$890,804</u>	<u>\$548</u>	<u>\$7,057</u>	<u>\$2,077</u>	<u>\$21,600</u>	<u>\$1,716,690</u>
\$3,628	\$0	\$0	\$0	\$0	\$7,407
474	0	0	0	0	3,181
204	0	0	0	0	1,207
116	0	0	0	0	455
98,766	0	0	0	0	98,766
<u>103,188</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>111,016</u>
0	0	0	0	0	32,496
1,349	0	0	0	0	36,529
10,239	548	0	0	0	20,820
776,028	0	7,057	2,077	21,600	1,515,829
<u>787,616</u>	<u>548</u>	<u>7,057</u>	<u>2,077</u>	<u>21,600</u>	<u>1,605,674</u>
<u>\$890,804</u>	<u>\$548</u>	<u>\$7,057</u>	<u>\$2,077</u>	<u>\$21,600</u>	<u>\$1,716,690</u>

City of Wapakoneta  
Special Revenue Funds

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended December 31, 1999

	Street Maintenance	State Highway	Motor Vehicle Permissive Tax	Community Block Grant
<u>Revenues</u>				
Property and other taxes	\$0	\$0	\$67,572	\$0
Charges for services	15,528	0	0	0
Fines and forfeitures	0	0	0	0
Intergovernmental	267,793	21,713	48,392	41,859
Interest	7,895	2,026	20,667	10,537
Donations	0	0	0	0
Other	20,100	0	0	0
Total revenues	<u>311,316</u>	<u>23,739</u>	<u>136,631</u>	<u>52,396</u>
<u>Expenditures</u>				
Current:				
Security of persons and property	0	0	0	0
Leisure time activities	0	0	0	0
Community environment	0	0	0	58,108
Transportation	374,564	63,669	52,560	0
Debt service:				
Principal retirement	15,370	0	0	0
Interest and fiscal charges	2,511	0	0	0
Total expenditures	<u>392,445</u>	<u>63,669</u>	<u>52,560</u>	<u>58,108</u>
Excess of revenues over (under) expenditures	<u>(81,129)</u>	<u>(39,930)</u>	<u>84,071</u>	<u>(5,712)</u>
<u>Other financing sources</u>				
Sale of fixed assets	25,000	0	0	0
Operating transfers - in	0	0	0	0
Total other financing sources	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures	(56,129)	(39,930)	84,071	(5,712)
Fund balances at beginning of year	193,049	56,058	391,732	152,982
Increase (decrease) in reserve for inventory	10,655	0	0	0
Fund balances at end of year	<u>\$147,575</u>	<u>\$16,128</u>	<u>\$475,803</u>	<u>\$147,270</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>
\$94,855	\$0	\$0	\$0	\$0	\$162,427
0	0	0	0	0	15,528
0	0	976	1,429	0	2,405
72,539	0	0	0	0	452,296
108,736	0	0	0	0	149,861
10,060	0	0	0	0	10,060
1,385	0	0	0	0	21,485
<u>287,575</u>	<u>0</u>	<u>976</u>	<u>1,429</u>	<u>0</u>	<u>814,062</u>
0	0	0	3,218	0	3,218
191,946	0	0	0	0	191,946
0	0	0	0	0	58,108
0	0	0	0	0	490,793
0	0	0	0	0	15,370
0	0	0	0	0	2,511
<u>191,946</u>	<u>0</u>	<u>0</u>	<u>3,218</u>	<u>0</u>	<u>761,946</u>
<u>95,629</u>	<u>0</u>	<u>976</u>	<u>(1,789)</u>	<u>0</u>	<u>52,116</u>
0	0	0	0	0	25,000
2,048	0	0	0	0	2,048
<u>2,048</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,048</u>
97,677	0	976	(1,789)	0	79,164
691,174	548	6,081	3,866	21,600	1,517,090
(1,235)	0	0	0	0	9,420
<u>\$787,616</u>	<u>\$548</u>	<u>\$7,057</u>	<u>\$2,077</u>	<u>\$21,600</u>	<u>\$1,605,674</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, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for services	\$15,528	\$15,528	\$0
Intergovernmental	267,348	267,348	0
Interest	7,895	7,895	0
Other	20,100	20,100	0
Total revenues	<u>310,871</u>	<u>310,871</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Transportation			
Street maintenance			
Salaries	200,700	183,949	16,751
Materials and supplies	62,102	47,121	14,981
Contractual services	76,699	65,366	11,333
Capital outlay	96,500	82,388	14,112
Total transportation	<u>436,001</u>	<u>378,824</u>	<u>57,177</u>
Debt service:			
Principal retirement	15,386	15,370	16
Interest and fiscal charges	2,514	2,511	3
Total debt service	<u>17,900</u>	<u>17,881</u>	<u>19</u>
Total expenditures	<u>453,901</u>	<u>396,705</u>	<u>57,196</u>
Excess of revenues under expenditures	(143,030)	(85,834)	(57,196)
<u>Other financing sources</u>			
Sale of fixed assets	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Excess of revenues and other financing sources under expenditures	(118,030)	(60,834)	57,196
Fund balance at beginning of year	149,026	149,026	0
Unexpended prior year encumbrances	6	6	0
Fund balance at end of year	<u>\$31,002</u>	<u>\$88,198</u>	<u>\$57,196</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, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$21,677	\$21,677	\$0
Interest	2,026	2,026	0
Total revenues	<u>23,703</u>	<u>23,703</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Transportation			
State highway			
Contractual services	5,500	0	5,500
Capital outlay	69,600	66,669	2,931
Total expenditures	<u>75,100</u>	<u>66,669</u>	<u>8,431</u>
Excess of revenues under expenditures	(51,397)	(42,966)	8,431
Fund balance at beginning of year	54,580	54,580	0
Fund balance at end of year	<u>\$3,183</u>	<u>\$11,614</u>	<u>\$8,431</u>

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, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property and other taxes	\$67,401	\$67,401	\$0
Intergovernmental	48,392	48,392	0
Interest	20,667	20,667	0
Total revenues	136,460	136,460	0
<u>Expenditures</u>			
Current:			
Transportation			
Motor vehicle permissive tax			
Contractual services	15,000	0	15,000
Capital outlay	495,000	52,560	442,440
Total expenditures	510,000	52,560	457,440
Excess of revenues over (under) expenditures	(373,540)	83,900	457,440
Fund balance at beginning of year	387,232	387,232	0
Unexpended prior year encumbrances	0	0	0
Fund balance at end of year	\$13,692	\$471,132	\$457,440

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, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$41,859	\$41,859	\$0
Interest	10,208	10,208	0
Revolving loan payments	10,699	10,699	0
Total revenues	<u>62,766</u>	<u>62,766</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Community environment			
Community block grant			
Contractual services	170,000	69,993	100,007
Excess of revenues under expenditures	(107,234)	(7,227)	100,007
Fund balance at beginning of year	122,001	122,001	0
Fund balance at end of year	<u>\$14,767</u>	<u>\$114,774</u>	<u>\$100,007</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, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property and other taxes	\$94,855	\$94,855	\$0
Intergovernmental	72,539	72,539	0
Interest	45,693	45,693	0
Donations	10,060	10,060	0
Other	1,385	1,385	0
Total revenues	<u>224,532</u>	<u>224,532</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Leisure time activities			
Recreation			
Salaries	48,853	38,916	9,937
Materials and supplies	35,273	22,804	12,469
Contractual services	50,694	39,088	11,606
Capital outlay	148,304	101,715	46,589
Total expenditures	<u>283,124</u>	<u>202,523</u>	<u>80,601</u>
Excess of revenues over (under) expenditures	(58,592)	22,009	(80,601)
<u>Other financing sources</u>			
Operating transfers - in	<u>2,048</u>	<u>2,048</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures	(56,544)	24,057	(80,601)
Fund balance at beginning of year	410	410	0
Unexpended prior year encumbrances	8	8	0
Fund balance (deficit) at end of year	<u>(\$56,126)</u>	<u>\$24,475</u>	<u>(\$80,601)</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, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Fines and forfeitures	\$200	\$0	(\$200)
<u>Expenditures</u>			
Current:			
Security of persons and property			
Law enforcement			
Materials and supplies	700	548	152
Excess of revenues under expenditures	(500)	(548)	(48)
Fund balance at beginning of year	548	548	0
Fund balance at end of year	\$48	\$0	(\$48)

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, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Fines and forfeitures	<u>\$850</u>	<u>\$951</u>	<u>\$101</u>
<u>Expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues over expenditures	850	951	101
Fund balance at beginning of year	<u>6,056</u>	<u>6,056</u>	<u>0</u>
Fund balance at end of year	<u><u>\$6,906</u></u>	<u><u>\$7,007</u></u>	<u><u>\$101</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, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Fines and forfeitures	\$1,286	\$1,286	\$0
<u>Expenditures</u>			
Current:			
Security of persons and property			
Drug law enforcement			
Materials and supplies	1,000	0	1,000
Excess of revenues over expenditures	286	1,286	1,000
Fund balance at beginning of year	648	648	0
Fund balance at end of year	\$934	\$1,934	\$1,000

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, 1999

	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, 1999

	<u>Downtown</u>	<u>Debt Service</u>	<u>Total</u>
<u>Revenues</u>			
Special assessments	\$20,067	\$66,695	\$86,762
Interest	754	0	754
Total revenues	<u>20,821</u>	<u>66,695</u>	<u>87,516</u>
<u>Expenditures</u>			
Debt service:			
Principi retirement	210,000	60,000	270,000
Interest and fiscal charges	131,004	28,530	159,534
Total expenditures	<u>341,004</u>	<u>88,530</u>	<u>429,534</u>
Excess of revenues under expenditures	(320,183)	(21,835)	(342,018)
<u>Other financing sources</u>			
Operating transfers - in	<u>259,094</u>	<u>21,835</u>	<u>280,929</u>
Excess of revenues and other financing sources over (under) expenditures	(61,089)	0	(61,089)
Fund balances at beginning of year	<u>181,796</u>	<u>0</u>	<u>181,796</u>
Fund balances at end of year	<u>\$120,707</u>	<u>\$0</u>	<u>\$120,707</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, 1999

	<u>Street and Sewer Improvement</u>	<u>Safety Building</u>	<u>Issue II</u>	<u>Capital Fire Truck</u>
<u>Assets</u>				
Equity in pooled cash and cash equivalents	\$220,390	\$94,849	\$0	\$84,432
Receivables:				
Special assessments	211,849	0	0	0
Intergovernmental	0	0	275,000	0
Total assets	<u>\$432,239</u>	<u>\$94,849</u>	<u>\$275,000</u>	<u>\$84,432</u>
<u>Liabilities</u>				
Accounts payable	\$0	\$8,925	\$0	\$0
Interfund payable	0	0	275,000	0
Deferred revenue	211,849	0	0	0
Accrued interest payable	292	0	0	0
Notes payable	20,255	0	0	0
Total liabilities	<u>232,396</u>	<u>8,925</u>	<u>275,000</u>	<u>0</u>
<u>Fund equity</u>				
Fund balance:				
Reserved for encumbrances	124,666	7,064	0	0
Unreserved	75,177	78,860	0	84,432
Total fund equity	<u>199,843</u>	<u>85,924</u>	<u>0</u>	<u>84,432</u>
Total liabilities and fund equity	<u>\$432,239</u>	<u>\$94,849</u>	<u>\$275,000</u>	<u>\$84,432</u>



<u>Bellefontaine Street</u>	<u>Total</u>
\$11,559	\$411,230
170,460	382,309
0	275,000
<u>\$182,019</u>	<u>\$1,068,539</u>

\$0	\$8,925
0	275,000
170,460	382,309
0	292
0	20,255
<u>170,460</u>	<u>686,781</u>

0	131,730
11,559	250,028
<u>11,559</u>	<u>381,758</u>
<u>\$182,019</u>	<u>\$1,068,539</u>

City of Wapakoneta  
Capital Projects Funds

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended December 31, 1999

	Street and Sewer Improvement	Safety Building	Issue II	Capital Fire Truck
<u>Revenues</u>				
Special assessments	\$24,294	\$0	\$0	\$0
Intergovernmental	0	0	275,000	0
Interest	566	415	0	268
Total revenues	<u>24,860</u>	<u>415</u>	<u>275,000</u>	<u>268</u>
<u>Expenditures</u>				
Capital outlay	265,402	89,029	275,000	0
Debt service:				
Interest and fiscal charges	292	0	0	0
Total expenditures	<u>265,694</u>	<u>89,029</u>	<u>275,000</u>	<u>0</u>
Excess of revenues over (under) expenditures	(240,834)	(88,614)	0	268
<u>Other financing sources</u>				
Operating transfers - in	<u>299,000</u>	<u>75,000</u>	<u>0</u>	<u>20,000</u>
Excess of revenues and other financing sources over (under) expenditures	58,166	(13,614)	0	20,268
Fund balances at beginning of year	141,677	99,538	0	64,164
Fund balances at end of year	<u>\$199,843</u>	<u>\$85,924</u>	<u>\$0</u>	<u>\$84,432</u>

<u>Bellefontaine Street</u>	<u>Total</u>
\$0	\$24,294
0	275,000
0	1,249
<u>0</u>	<u>300,543</u>
0	629,431
<u>0</u>	<u>292</u>
<u>0</u>	<u>629,723</u>
0	(329,180)
<u>6,665</u>	<u>400,665</u>
6,665	71,485
<u>4,894</u>	<u>310,273</u>
<u>\$11,559</u>	<u>\$381,758</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, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special assessments	\$67,673	\$67,673	\$0
Intergovernmental	14,371	14,371	0
Interest	566	566	0
Total revenues	<u>82,610</u>	<u>82,610</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Transportation			
Street and sewer improvement			
Materials and supplies	610	595	15
Contractual services	44,390	30,860	13,530
Capital outlay	393,000	358,613	34,387
Total transportation	<u>438,000</u>	<u>390,068</u>	<u>47,932</u>
Debt service:			
Principal retirement	32,500	29,400	3,100
Interest and fiscal charges	14,250	13,979	271
Total debt service	<u>46,750</u>	<u>43,379</u>	<u>3,371</u>
Total expenditures	<u>484,750</u>	<u>433,447</u>	<u>51,303</u>
Excess of revenues under expenditures	<u>(402,140)</u>	<u>(350,837)</u>	<u>51,303</u>
<u>Other financing sources</u>			
Proceeds of notes	20,255	20,255	0
Operating transfers - in	299,000	299,000	0
Total other financing sources	<u>319,255</u>	<u>319,255</u>	<u>0</u>
Excess of revenues and other financing sources under expenditures	<u>(82,885)</u>	<u>(31,582)</u>	<u>51,303</u>
Fund balance at beginning of year	<u>127,306</u>	<u>127,306</u>	<u>0</u>
Fund balance at end of year	<u>\$44,421</u>	<u>\$95,724</u>	<u>\$51,303</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, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Interest	\$415	\$415	\$0
<u>Expenditures</u>			
Current:			
Security of persons and property			
Safety building			
Materials and supplies	300	0	300
Contractual services	3,300	2,367	933
Capital outlay	98,400	82,384	16,016
Total security of persons and property	102,000	84,751	17,249
Excess of revenues under expenditures	(101,585)	(84,336)	17,249
<u>Other financing sources</u>			
Operating transfers - in	75,000	75,000	0
Excess of revenues and other financing sources under expenditures	(26,585)	(9,336)	17,249
Fund balance at beginning of year	88,262	88,262	0
Unexpended prior year encumbrances	959	959	0
Fund balance at end of year	\$62,636	\$79,885	\$17,249

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, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures</u>			
Transportation	275,000	275,000	0
Excess of revenues under expenditures	(275,000)	(275,000)	0
<u>Other financing sources</u>			
Advances - in	275,000	275,000	0
Excess of revenues and other financing sources over expenditures	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, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Interest	<u>\$268</u>	<u>\$268</u>	<u>\$0</u>
<u>Expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues over expenditures	268	268	0
<u>Other financing sources</u>			
Operating transfers - in	<u>20,000</u>	<u>20,000</u>	<u>0</u>
Excess of revenues and other financing sources over expenditures	20,268	20,268	0
Fund balance at beginning of year	<u>64,164</u>	<u>64,164</u>	<u>0</u>
Fund balance at end of year	<u><u>\$84,432</u></u>	<u><u>\$84,432</u></u>	<u><u>\$0</u></u>

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, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special Assessments	<u>\$23,316</u>	<u>\$23,316</u>	<u>\$0</u>
<u>Expenditures</u>			
Debt service:			
Principal retirement	30,600	30,600	0
Interest and fiscal charges	<u>14,600</u>	<u>14,551</u>	<u>49</u>
Total expenditures	<u>45,200</u>	<u>45,151</u>	<u>49</u>
Excess of revenues under expenditures	(21,884)	(21,835)	49
<u>Other financing sources</u>			
Operating transfers - in	<u>28,500</u>	<u>28,500</u>	<u>0</u>
Excess of revenues and other financing sources over expenditures	6,616	6,665	49
Fund balance at beginning of year	<u>4,894</u>	<u>4,894</u>	<u>0</u>
Fund balance at end of year	<u><u>\$11,510</u></u>	<u><u>\$11,559</u></u>	<u><u>\$49</u></u>



## 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, 1999

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm Sewer</u>
<u>Assets</u>				
Current assets:				
Equity in pooled cash and cash equivalents	\$8,377,324	\$777,462	\$0	\$178,902
Receivables:				
Accounts	1,044,924	118,151	163,095	10,778
Accrued interest	18,688	6,229	0	0
Due from other funds	19,014	534	1,375	62
Materials and supplies inventory	739,856	147,096	29,219	0
Prepaid items	31,795	12,131	13,516	0
Total current assets	<u>10,231,601</u>	<u>1,061,603</u>	<u>207,205</u>	<u>189,742</u>
Restricted assets:				
Equity in pooled cash and cash equivalents	51,119	11,991	68,813	0
Cash and cash equivalents with fiscal agents	0	0	2,422,603	0
Total restricted assets	<u>51,119</u>	<u>11,991</u>	<u>2,491,416</u>	<u>0</u>
Noncurrent assets:				
Unamortized bond issue costs	0	0	136,608	0
Fixed assets (net of accumulated depreciation)	4,155,399	3,020,290	5,788,290	981,993
Total noncurrent assets	<u>4,155,399</u>	<u>3,020,290</u>	<u>5,924,898</u>	<u>981,993</u>
Total assets	<u>\$14,438,119</u>	<u>\$4,093,884</u>	<u>\$8,623,519</u>	<u>\$1,171,735</u>

<u>Refuse</u>	<u>Total</u>
\$473,255	\$9,806,943
82,375	1,419,323
0	24,917
321	21,306
2,876	919,047
5,153	62,595
<u>563,980</u>	<u>12,254,131</u>
0	131,923
0	2,422,603
<u>0</u>	<u>2,554,526</u>
0	136,608
<u>562,214</u>	<u>14,508,186</u>
<u>562,214</u>	<u>14,644,794</u>
<u>\$1,126,194</u>	<u>\$29,453,451</u>

(continued)

City of Wapakoneta  
Enterprise Funds

Combining Balance Sheet  
December 31, 1999  
(continued)

	Electric	Water	Sewer	Storm Sewer
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	\$500,651	\$33,741	\$23,338	\$3,355
Contracts payable	0	0	21,455	0
Accrued wages payable	11,003	4,503	6,394	0
Intergovernmental payable	27,051	9,790	17,363	0
Interfund payable	0	0	125,792	0
Due to other funds	1,191	8,245	9,591	0
Accrued interest payable	28,875	0	0	0
Notes payable	1,800,000	0	0	0
Capital loans payable	8,943	6,706	4,470	25,992
Total current liabilities	<u>\$2,377,714</u>	<u>\$62,985</u>	<u>\$208,403</u>	<u>\$29,347</u>
Payable from restricted assets:				
Refundable deposits	51,119	11,991	0	0
Mortgage revenue bonds payable	0	0	145,000	0
Total payable from restricted assets	<u>51,119</u>	<u>11,991</u>	<u>145,000</u>	<u>0</u>
Noncurrent liabilities:				
Compensated absences payable	88,578	28,926	65,613	0
Intergovernmental payable	0	0	31,250	0
Capital loans payable	0	0	0	56,370
Advances from other funds	0	0	0	0
Mortgage revenue bonds payable (net of unamortized loss on advance refunding)	0	0	3,791,039	0
Landfill closure/postclosure costs	0	0	0	0
OWDA loan payable	0	584,917	358,497	0
Total noncurrent liabilities	<u>88,578</u>	<u>613,843</u>	<u>4,246,399</u>	<u>56,370</u>
Total liabilities	<u>2,517,411</u>	<u>688,819</u>	<u>4,599,802</u>	<u>85,717</u>
<u>Fund equity</u>				
Contributed capital	113,022	823,637	3,485,493	653,968
Retained earnings:				
Reserved for replacement	0	0	67,515	0
Reserved for operations	0	0	1,298	0
Unreserved (deficit)	11,807,686	2,581,428	469,411	432,050
Total fund equity (deficit)	<u>11,920,708</u>	<u>3,405,065</u>	<u>4,023,717</u>	<u>1,086,018</u>
Total liabilities and fund equity	<u>\$14,438,119</u>	<u>\$4,093,884</u>	<u>\$8,623,519</u>	<u>\$1,171,735</u>

<u>Refuse</u>	<u>Total</u>
\$33,305	\$594,390
0	21,455
4,045	25,945
9,055	63,259
50,000	175,792
246	19,273
3,924	32,799
272,500	2,072,500
2,235	48,346
<u>\$375,310</u>	<u>\$3,053,759</u>
0	63,110
0	145,000
<u>0</u>	<u>208,110</u>
26,392	209,509
0	31,250
0	56,370
50,000	50,000
0	3,791,039
1,458,248	1,458,248
0	943,414
<u>1,534,640</u>	<u>6,539,830</u>
<u>1,909,950</u>	<u>9,801,699</u>
65,583	5,141,703
0	67,515
0	1,298
(849,339)	14,441,236
(783,756)	19,651,752
<u>\$1,126,194</u>	<u>\$29,453,451</u>

City of Wapakoneta  
Enterprise Funds

Combining Statement of Revenues, Expenses,  
and Changes in Fund Equity  
For the Year Ended December 31, 1999

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm Sewer</u>
<u>Operating revenues</u>				
Charges for services	\$8,025,957	\$829,777	\$1,199,653	\$153,776
Other operating revenues	451,441	0	4,856	0
Total operating revenues	<u>8,477,398</u>	<u>829,777</u>	<u>1,204,509</u>	<u>153,776</u>
<u>Operating expenses</u>				
Personal services	719,337	324,049	461,240	0
Contractual services	5,345,447	208,783	233,628	36,108
Materials and supplies	319,798	367,323	131,229	2,771
Other operating expenses	8,172	0	5,227	0
Depreciation	242,422	211,371	257,425	66,329
Total operating expenses	<u>6,635,176</u>	<u>1,111,526</u>	<u>1,088,749</u>	<u>105,208</u>
Operating income (loss)	<u>1,842,222</u>	<u>(281,749)</u>	<u>115,760</u>	<u>48,568</u>
<u>Non-operating revenues (expenses)</u>				
Gain on disposal of fixed assets	14,156	251	0	0
Grants	10,294	0	0	0
Interest revenue	31,148	8,955	108,376	641
Interest expense	(74,834)	(23,488)	(223,761)	(5,911)
Total non-operating revenues (expenses)	<u>(19,236)</u>	<u>(14,282)</u>	<u>(115,385)</u>	<u>(5,270)</u>
Income (loss) before operating transfers	1,822,986	(296,031)	375	43,298
Operating transfers - in	153,867	32,563	14,308	7,206
Operating transfers - out	<u>(30,354)</u>	<u>(16,080)</u>	<u>(16,080)</u>	<u>0</u>
Net income (loss)	1,946,499	(279,548)	(1,397)	50,504
Depreciation on fixed assets acquired by contributed capital	0	243	322,415	0
Retained earnings (deficit) at beginning of year	9,864,896	2,881,018	217,206	381,546
Residual equity transfers - out	<u>(3,709)</u>	<u>(20,285)</u>	<u>0</u>	<u>0</u>
Retained earnings (deficit) at end of year	<u>11,807,686</u>	<u>2,581,428</u>	<u>538,224</u>	<u>432,050</u>
Contributed capital at beginning of year	113,022	727,195	3,731,693	595,256
Contributed from governmental funds	0	17,632	0	0
Contributed from other developers	0	79,053	76,215	58,712
Depreciation on fixed assets acquired by contributed capital	0	(243)	(322,415)	0
Contributed capital at end of year	<u>113,022</u>	<u>823,637</u>	<u>3,485,493</u>	<u>653,968</u>
Total fund equity (deficit) at end of year	<u>\$11,920,708</u>	<u>\$3,405,065</u>	<u>\$4,023,717</u>	<u>\$1,086,018</u>

<u>Refuse</u>	<u>Total</u>
\$728,416	\$10,937,579
35,166	491,463
<u>763,582</u>	<u>11,429,042</u>
265,157	1,769,783
198,608	6,022,574
74,371	895,492
0	13,399
25,965	803,512
<u>564,101</u>	<u>9,504,760</u>
<u>199,481</u>	<u>1,924,282</u>
0	14,407
0	10,294
1,769	150,889
<u>(27,005)</u>	<u>(354,999)</u>
<u>(25,236)</u>	<u>(179,409)</u>
174,245	1,744,873
17,508	225,452
<u>(16,080)</u>	<u>(78,594)</u>
175,673	1,891,731
2,347	325,005
(1,027,359)	12,317,307
<u>0</u>	<u>(23,994)</u>
<u>(849,339)</u>	<u>14,510,049</u>
67,930	5,235,096
0	17,632
0	213,980
<u>(2,347)</u>	<u>(325,005)</u>
<u>65,583</u>	<u>5,141,703</u>
<u>(\$783,756)</u>	<u>\$19,651,752</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, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for services	\$7,841,636	\$7,841,620	(\$16)
Utility deposits	15,793	15,793	0
Other revenues	451,441	451,441	0
Sale of fixed assets	32,578	32,578	0
Grants	10,294	10,294	0
Interest	12,460	12,460	0
Proceeds of notes	1,800,000	1,800,000	0
Total revenues	<u>10,164,202</u>	<u>10,164,186</u>	<u>(16)</u>
<u>Expenses</u>			
Personal services	823,500	753,139	70,361
Contractual services	7,001,000	5,303,452	1,697,548
Materials and supplies	572,000	333,394	238,606
Utility refunds	20,250	5,645	14,605
Other expenses	1,144,000	8,172	1,135,828
Capital outlay	1,736,700	614,347	1,122,353
Debt service:			
Principal retirement	42,959	38,818	4,141
Interest and fiscal charges	49,541	45,959	3,582
Total expenses	<u>11,389,950</u>	<u>7,102,926</u>	<u>4,287,024</u>
Excess of revenues over (under) expenses	(1,225,748)	3,061,260	4,287,008
Operating transfers - in	<u>153,867</u>	<u>153,867</u>	<u>0</u>
Excess of revenues over (under) expenses and operating transfers	(1,071,881)	3,215,127	4,287,008
Fund balance at beginning of year	4,114,556	4,114,556	0
Unexpended prior year encumbrances	32,810	32,810	0
Fund balance at end of year	<u>\$3,075,485</u>	<u>\$7,362,493</u>	<u>\$4,287,008</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, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for services	\$813,603	\$813,603	\$0
Utility deposits	3,704	3,704	0
Sale of fixed assets	251	251	0
Interest	2,726	2,726	0
Total revenues	<u>820,284</u>	<u>820,284</u>	<u>0</u>
<u>Expenses</u>			
Personal services	399,600	358,908	40,692
Contractual services	295,073	202,264	92,809
Materials and supplies	294,099	279,759	14,340
Utility refunds	4,750	1,324	3,426
Other expenses	500	0	500
Capital outlay	874,428	355,407	519,021
Debt service:			
Principal retirement	22,461	22,428	33
Interest and fiscal charges	23,591	23,488	103
Total expenses	<u>1,914,502</u>	<u>1,243,578</u>	<u>670,924</u>
Excess of revenues under expenses	(1,094,218)	(423,294)	670,924
Operating transfers - in	<u>32,563</u>	<u>32,563</u>	<u>0</u>
Excess of revenues under expenses and operating transfers	(1,061,655)	(390,731)	670,924
Fund balance at beginning of year	1,117,319	1,117,319	0
Unexpended prior year encumbrances	545	545	0
Fund balance at end of year	<u>\$56,209</u>	<u>\$727,133</u>	<u>\$670,924</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, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for services	\$1,205,768	\$1,205,768	\$0
Other revenues	4,856	4,856	0
Interest	108,376	108,376	0
Total revenues	<u>1,319,000</u>	<u>1,319,000</u>	<u>0</u>
<u>Expenses</u>			
Personal services	474,427	456,022	18,405
Contractual services	267,970	247,754	20,216
Materials and supplies	108,489	98,286	10,203
Other expenses	5,500	5,227	273
Capital outlay	331,298	274,011	57,287
Debt service:			
Principal retirement	157,976	157,812	164
Interest and fiscal charges	213,548	212,846	702
Total expenses	<u>1,559,208</u>	<u>1,451,958</u>	<u>107,250</u>
Excess of revenues under expenses	(240,208)	(132,958)	107,250
Operating transfers - in	<u>9,945</u>	<u>14,308</u>	<u>4,363</u>
Excess of revenues under expenses and operating transfers	(230,263)	(118,650)	111,613
Fund balance at beginning of year	2,362,790	2,362,790	0
Unexpended prior year encumbrances	1,478	1,478	0
Fund balance at end of year	<u>\$2,134,005</u>	<u>\$2,245,618</u>	<u>\$111,613</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, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for services	\$142,936	\$142,936	\$0
Interest	641	641	0
Total revenues	<u>143,577</u>	<u>143,577</u>	<u>0</u>
<u>Expenses</u>			
Contractual services	25,000	1,920	23,080
Materials and supplies	10,000	5,615	4,385
Capital outlay	200,500	111,056	89,444
Debt service:			
Principal retirement	24,678	24,631	47
Interest and fiscal charges	5,922	5,911	11
Total expenses	<u>266,100</u>	<u>149,133</u>	<u>116,967</u>
Excess of revenues under expenses	(122,523)	(5,556)	116,967
Operating transfers - in	<u>7,206</u>	<u>7,206</u>	<u>0</u>
Excess of revenues over (under) expenses and operating transfers	(115,317)	1,650	116,967
Fund balance at beginning of year	<u>151,273</u>	<u>151,273</u>	<u>0</u>
Fund balance at end of year	<u><u>\$35,956</u></u>	<u><u>\$152,923</u></u>	<u><u>\$116,967</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, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for services	\$701,887	\$701,887	\$0
Other revenues	35,166	35,166	0
Interest	1,769	1,769	0
Proceeds of notes	272,500	272,500	0
Total revenues	<u>1,011,322</u>	<u>1,011,322</u>	<u>0</u>
<u>Expenses</u>			
Personal services	283,468	262,519	20,949
Contractual services	347,508	270,737	76,771
Materials and supplies	81,608	56,097	25,511
Capital outlay	86,615	64,987	21,628
Other expenses	160,000	0	160,000
Debt service:			
Principal retirement	293,340	293,196	144
Interest and fiscal charges	34,660	30,304	4,356
Total expenses	<u>1,287,199</u>	<u>977,840</u>	<u>309,359</u>
Excess of revenues over (under) expenses	(275,877)	33,482	309,359
Advances - out	(50,000)	(50,000)	0
Operating transfers - in	17,508	17,508	0
Excess of revenues over (under) expenses, advances, and operating transfers	(308,369)	990	309,359
Fund balance at beginning of year	406,194	406,194	0
Unexpended prior year encumbrances	159	159	0
Fund balance at end of year	<u>\$97,984</u>	<u>\$407,343</u>	<u>\$309,359</u>

City of Wapakoneta  
Enterprise Funds

Combining Statement of Cash Flows  
For the Year Ended December 31, 1999

	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	\$7,841,620	\$813,603	\$1,205,768	\$142,936	\$701,887	\$10,705,814
Cash received from utility deposits	15,793	3,704	0	0	0	19,497
Cash received from other revenues	451,441	0	4,856	0	35,166	491,463
Cash payments for personal services	(711,533)	(357,703)	(456,042)	0	(262,501)	(1,787,779)
Cash payments for contractual services	(5,259,409)	(183,544)	(226,583)	(34,268)	(218,523)	(5,922,327)
Cash payments to vendors for materials and supplies	(107,496)	(321,390)	(119,052)	(1,256)	(61,933)	(611,127)
Cash payments for utility refunds	(5,645)	(1,324)	0	0	0	(6,969)
Cash payments for quasi-external transactions with other funds	(4,803)	(17,900)	(4,948)	0	(1,188)	(28,839)
Cash payments for other expenses	(8,172)	0	(5,227)	0	0	(13,399)
Net cash provided by (used for) operating activities	<u>2,211,796</u>	<u>(64,554)</u>	<u>398,772</u>	<u>107,412</u>	<u>192,908</u>	<u>2,846,334</u>
<u>Cash flows from noncapital financing activities</u>						
Cash received from grants	10,294	0	0	0	0	10,294
Cash received from other funds	0	0	125,792	0	0	125,792
Cash payments for advances - out	0	0	0	0	(50,000)	(50,000)
Cash received from operating transfers - in	153,867	32,563	14,308	7,206	17,508	225,452
Cash received from operating transfers - out	(30,354)	(16,080)	(16,080)	0	(16,080)	(78,594)
Net cash provided by (used for) noncapital financing activities	<u>133,807</u>	<u>16,483</u>	<u>124,020</u>	<u>7,206</u>	<u>(48,572)</u>	<u>232,944</u>
<u>Cash flows from capital and related financing activities</u>						
Acquisition of fixed assets	(628,426)	(285,266)	(602,851)	(57,088)	(60,459)	(1,634,090)
Sale of fixed assets	32,578	251	0	0	0	32,829
Proceeds from notes	1,800,000	0	0	0	272,500	2,072,500
Principal paid on intergovernmental payable	0	0	(2,500)	0	0	(2,500)
Principal paid on notes	0	0	0	0	(275,000)	(275,000)
Principal paid on capital loans	(8,464)	(6,348)	(4,232)	(24,631)	(2,116)	(45,791)
Principal paid on mortgage revenue bonds	0	0	(135,000)	0	0	(135,000)
Interest paid on notes	0	0	0	0	(13,208)	(13,208)
Interest paid on capital loans	(983)	(737)	(492)	(5,911)	(246)	(8,369)
Interest paid on mortgage revenue bonds	0	0	(188,600)	0	0	(188,600)
Interest paid on general obligation bonds	(44,976)	(16,850)	(19,788)	0	(16,850)	(98,464)
Interest paid on OWDA loan	0	(5,901)	(3,616)	0	0	(9,517)
Net cash provided by (used for) capital and related financing activities	<u>1,149,729</u>	<u>(314,851)</u>	<u>(957,079)</u>	<u>(87,630)</u>	<u>(95,379)</u>	<u>(305,210)</u>
<u>Cash flows from investing activities</u>						
Cash received from interest	12,460	2,726	108,376	641	1,769	125,972
Net increase (decrease) in cash and cash equivalents	3,507,792	(360,196)	(325,911)	27,629	50,726	2,900,040
Cash and cash equivalents at beginning of year	4,920,651	1,149,649	2,817,327	151,273	422,529	9,461,429
Cash and cash equivalents at end 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>

(continued)

City of Wapakoneta  
Enterprise Funds

Combining Statement of Cash Flows  
For the Year Ended December 31, 1999  
(continued)

	Electric	Water	Sewer	Storm Sewer	Refuse	Total
Reconciliation of operating income (loss) <u>to net cash provided by (used for) operating activities</u>						
Operating income (loss)	\$1,842,222	(\$281,749)	\$115,760	\$48,568	\$199,481	\$1,924,282
Adjustments to reconcile operating income (loss) <u>to net cash provided by (used for) operating activities</u>						
Depreciation	242,422	211,371	257,425	66,329	25,965	803,512
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(180,602)	(15,665)	7,442	(10,778)	(26,416)	(226,019)
Increase in due from other funds	(3,735)	(509)	(1,327)	(62)	(113)	(5,746)
Decrease in materials and supplies inventory	181,880	23,491	15,052	0	6,930	227,353
(Increase) decrease in prepaid items	(1,477)	3,914	772	0	125	3,334
Increase in accounts payable	112,847	24,225	12,024	3,355	19,594	172,045
Decrease in contracts payable	0	0	(12,245)	0	0	(12,245)
Increase (decrease) in accrued wages payable	2,191	(73)	824	0	515	3,457
Increase (decrease) in compensated absences payable	11,093	(28,820)	7,817	0	4,782	(5,128)
Decrease in intergovernmental payable	(5,274)	(5,454)	(7,888)	0	(2,624)	(21,240)
Increase in due to other funds	81	2,335	3,116	0	17	5,549
Increase in refundable deposits payable from restricted assets	10,148	2,380	0	0	0	12,528
Decrease in landfill closure/postclosure costs	0	0	0	0	(35,348)	(35,348)
Net cash provided by (used for) operating activities	<u>\$2,211,796</u>	<u>(\$64,554)</u>	<u>\$398,772</u>	<u>\$107,412</u>	<u>\$192,908</u>	<u>\$2,846,334</u>

Non-Cash Transactions

During 1999, the general fixed assets account group transferred fixed assets to the Water enterprise fund with a net book value of \$17,632. In addition, the Water enterprise fund had fixed assets donated by developers, in the amount of \$213,980.

During 1999, the General Fund and the Street Maintenance special revenue fund acquired fixed assets, in the amount of \$1,000 and \$3,000, respectively, and donated them to the Engineering internal service fund. The Sewer enterprise fund acquired fixed assets, in the amount of \$4,321 and donated them to the Engineering internal service fund.

## Internal Service Fund

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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

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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, 1999

	Balance 12/31/98	Additions	Reductions	Balance 12/31/99
<u>Dependent Coverage</u>				
<u>Assets</u>				
Equity in pooled cash and cash equivalents	\$16	\$23,167	\$22,827	\$356
<u>Liabilities</u>				
Deposits held and due to others	\$16	\$23,167	\$22,827	\$356
<u>Police Auxiliary</u>				
<u>Assets</u>				
Equity in pooled cash and cash equivalents	\$13,202	\$23,136	\$20,864	\$15,474
<u>Liabilities</u>				
Deposits held and due to others	\$13,202	\$23,136	\$20,864	\$15,474
<u>Total All Agency Funds</u>				
<u>Assets</u>				
Equity in pooled cash and cash equivalents	\$13,218	\$46,303	\$43,691	\$15,830
<u>Liabilities</u>				
Deposits held and due to others	\$13,218	\$46,303	\$43,691	\$15,830

General Fixed Assets Account Group

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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, 1999

	<u>Amounts</u>
<u>General fixed assets</u>	
Land	\$193,991
Land improvements	184,819
Buildings	3,207,473
Improvements other than buildings	28,833
Furniture and fixtures	10,036
Equipment	688,003
Vehicles	<u>1,789,795</u>
Total general fixed assets	<u><u>\$6,102,950</u></u>
<u>Investment in general fixed assets from</u>	
General fund	\$2,082,001
Special revenue funds	820,367
Capital projects funds	32,860
Enterprise funds	2,359,380
Expendable trust funds	8,289
General fixed assets acquired prior to 1986	<u>800,053</u>
Total investment in general fixed assets	<u><u>\$6,102,950</u></u>

City of Wapakoneta

Schedule of General Fixed Assets  
by Program and Department  
December 31, 1999

<u>Program/Department</u>	<u>Total</u>	<u>Land</u>	<u>Land Improvements</u>
Security of persons and property			
Police	\$354,284	\$47,202	\$0
Fire	1,370,228	47,202	0
Total security of persons and property	<u>1,724,512</u>	<u>94,404</u>	<u>0</u>
Public health			
Emergency medical	<u>181,598</u>	<u>0</u>	<u>0</u>
Leisure time activities			
Recreation	<u>451,225</u>	<u>63,300</u>	<u>184,819</u>
Transportation			
Street	<u>1,038,577</u>	<u>35,860</u>	<u>0</u>
General government			
City offices	<u>2,707,038</u>	<u>427</u>	<u>0</u>
Total	<u>\$6,102,950</u>	<u>\$193,991</u>	<u>\$184,819</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	\$175,520	\$127,689
329,853	0	1,666	139,416	852,091
<u>329,853</u>	<u>0</u>	<u>5,539</u>	<u>314,936</u>	<u>979,780</u>
0	0	0	45,869	135,729
<u>63,446</u>	<u>25,151</u>	<u>0</u>	<u>111,534</u>	<u>2,975</u>
<u>248,003</u>	<u>3,682</u>	<u>560</u>	<u>92,330</u>	<u>658,142</u>
2,566,171	0	3,937	123,334	13,169
<u>\$3,207,473</u>	<u>\$28,833</u>	<u>\$10,036</u>	<u>\$688,003</u>	<u>\$1,789,795</u>

City of Wapakoneta

Schedule of Changes in General Fixed Assets  
by Program and Department  
For the Year Ended December 31, 1999

<u>Program/Department</u>	<u>Balance 12/31/98</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/99</u>
Security of persons and property				
Police	\$309,007	\$62,909	\$17,632	\$354,284
Fire	<u>1,271,820</u>	<u>99,464</u>	<u>1,056</u>	<u>1,370,228</u>
Total security of persons and property	<u>1,580,827</u>	<u>162,373</u>	<u>18,688</u>	<u>1,724,512</u>
Public Health				
Emergency medical	<u>172,213</u>	<u>9,385</u>	<u>0</u>	<u>181,598</u>
Leisure time activities				
Recreation	<u>431,423</u>	<u>23,412</u>	<u>3,610</u>	<u>451,225</u>
Transportation				
Street	<u>976,622</u>	<u>82,240</u>	<u>20,285</u>	<u>1,038,577</u>
General government				
City offices	<u>2,704,038</u>	<u>3,000</u>	<u>0</u>	<u>2,707,038</u>
Total general fixed assets	<u>\$5,865,123</u>	<u>\$280,410</u>	<u>\$42,583</u>	<u>\$6,102,950</u>

# **STATISTICAL SECTION**





## Statistical Section

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

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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	Transportation	† General Government	Capital Outlay	Debt Service	Total
1990	\$1,328,660	\$91,198	\$24,905	\$6,392	\$222,539	\$165,480	\$1,567,222	\$69,710	\$3,476,106
1991	1,402,179	102,078	23,763	13,319	189,477	136,416	1,151,055	199,058	3,217,345
1992	1,522,604	112,806	43,177	43,227	376,746	232,278	322,193	223,833	2,876,864
1993	1,544,062	108,930	57,878	54,427	400,089	231,310	739,491	281,259	3,417,446
1994	1,559,341	120,938	36,923	86,915	311,585	224,653	922,319	482,457	3,745,131
1995	1,687,127	133,284	59,305	57,416	232,141	299,992	2,842,425	394,383	5,706,073
1996	1,780,377	154,653	50,181	42,359	348,028	244,355	973,791	434,077	4,027,821
1997	1,772,509	123,076	138,973	68,861	285,896	236,900	450,940	468,538	3,545,693
1998	1,870,195	121,343	253,310	29,133	478,411	270,558	156,855	579,594	3,759,399
1999	1,979,857	141,996	191,946	82,923	490,793	273,240	629,431	520,744	4,310,930

Source: City of Wapakoneta records

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

Year	Taxes	Charges for Services	Licenses, Permits, Fines, and Forfeitures	Special Assessments	Intergovernmental	Interest	Donations and Other	Total
1990	\$1,480,230	\$153,594	\$54,156	\$5,663	\$706,650	\$205,650	\$29,075	\$2,635,018
1991	1,516,403	178,297	58,272	64,350	970,977	177,067	5,224	2,970,590
1992	1,605,645	147,667	47,723	44,351	725,774	140,002	3,215	2,714,377
1993	1,825,084	158,691	55,427	43,538	1,182,939	156,509	10,942	3,433,130
1994	1,727,996	208,796	53,620	66,930	838,216	207,573	3,287	3,106,418
1995	1,858,916	185,316	38,711	63,428	847,936	188,360	34,814	3,217,481
1996	1,920,284	141,219	28,103	63,337	1,196,380	132,557	7,568	3,489,448
1997	2,189,965	161,602	32,096	69,230	967,649	155,542	63,115	3,639,199
1998	2,226,011	242,497	34,917	132,825	934,688	421,455	80,129	4,072,522
1999	2,345,267	227,937	38,571	111,056	1,389,438	596,578	53,580	4,762,427

Source: City of Wapakoneta records

City of Wapakoneta  
Property Tax Levies and Collections  
Last Ten Years

Collection Year	Current Tax Levy	Current Tax Collections	Percent Collected	Total Tax Collections	Collections to Current Tax Levy	Total Outstanding Delinquent Taxes
1990	\$256,218	\$251,007	97.97%	\$251,007	97.97%	\$9,981
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

Source: Auglaize County Auditor

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

Collection Year	Real		Public Utility Personal		Tangible Personal		Total		Ratio of Assessed Value to Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1990	\$58,367,080	\$166,763,086	\$3,651,140	\$3,651,140	\$16,817,964	\$60,064,157	\$78,836,184	\$230,478,383	34%
1991	64,126,820	183,219,486	3,739,730	4,249,693	18,538,265	66,208,089	86,404,815	253,677,268	34
1992	65,499,510	187,141,457	4,028,940	4,578,341	19,136,811	68,345,754	88,665,261	260,065,552	34
1993	66,331,110	189,517,457	5,447,650	6,190,511	18,989,204	67,818,586	90,767,964	263,526,554	34
1994	73,409,430	209,741,229	4,846,400	5,507,273	18,680,052	66,714,471	96,935,882	281,962,973	34
1995	74,472,650	212,779,000	5,341,230	6,069,580	18,466,993	65,953,546	98,280,873	284,802,126	35
1996	75,629,200	216,083,429	4,414,810	5,016,830	19,861,835	70,935,125	99,905,845	292,035,384	34
1997	84,256,070	240,731,629	4,347,540	4,940,386	19,951,835	71,256,554	108,555,445	316,928,569	34
1998	85,677,490	244,792,830	4,781,650	5,433,690	22,239,512	79,426,828	112,698,652	329,653,348	34
1999	89,023,800	254,353,714	4,623,490	5,253,966	20,180,660	80,722,640	113,827,950	340,330,320	33

Source: Auglaize County Auditor

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

Year	City of Wapakoneta			Wapakoneta				Total
	General	Special Revenue	Total	City School District	Auglaize County Commissioners	Apollo Joint Vocational School District	Duchouquet Township	
1990	\$2.75	\$0.50	\$3.25	\$35.50	\$6.56	\$1.70	\$0.20	\$47.21
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

Source: Auglaize County Auditor

City of Wapakoneta  
Principal Real Property Taxpayers  
December 31, 1999

Taxpayer	Type of Business	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Schlenker Developments	Land Developments, Apartments	\$1,898,510	2.13%
Ametek, Inc.	Plastic Compounds	1,383,390	1.55
LRV Acquisition	Hotel Properties	1,003,760	1.13
L & G Truckers	Truck Stop	870,780	0.98
Quaker Run	Residential Apartments	749,670	0.84
Hi Pockets, Inc.	Residential Investments	731,170	0.82
Auglaize Investment Co.	Big Bear Department Store	705,970	0.79
WGP Holding	Superior Tube	547,660	0.62
JB Tool and Machine Company	Metal Stamping and Turning	540,100	0.61
Gray Fox LTD	Individual Property Owner	518,130	0.58
	Total	<u>\$8,949,140</u>	<u>10.05%</u>
	Total Assessed Valuation	<u>\$89,023,800</u>	

Source: Auglaize County Auditor

City of Wapakoneta  
Principal Personal Property Taxpayers  
December 31, 1999

Taxpayer	Type of Business	Personal Property Assessed Valuation	Percentage of Total Assessed Valuation
JB Tool and Machine Company	Metal Stamping and Turning	\$2,843,570	14.09%
LRV Acquisition	Hotel Properties	1,272,080	6.30
American Trim Limited	Liability Company	1,264,740	6.27
Superior Metal Products, Inc.	Metal Stamping and Turning	1,049,940	5.20
Ametek, Inc.	Plastic Compounds	761,510	3.77
Occidental Chemical Corporation	Buyer and Seller of Real Estate	745,870	3.70
Midwest Elastomers	Rubber Products	660,320	3.27
Besnier Scerma USA	Import/Export Milk Protein	618,730	3.07
Miller's Textile Services	Laundry Service	604,330	2.99
Penn Traffic Co. (AKA Big Bear)	Retail Grocery and Department Stores	570,660	2.83
	Total	<u>\$10,391,750</u>	<u>51.49%</u>
	Total Assessed Valuation	<u>\$20,180,660</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
1990	\$5,240	\$5,663	108.07%
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

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, 1999

Total Assessed Valuation		\$113,827,950
Overall Debt Limitation - 10 1/2% of Assessed Valuation		11,951,935
Gross Indebtedness	11,561,840	
Less Debt Outside Limitation		
Bond Anticipation Notes	2,072,500	
Capital Loans	185,671	
Special Assessment Bonds	34,917	
Mortgage Revenue Refunding Bonds	4,055,000	
OWDA Loan	<u>943,414</u>	
Net Indebtedness	4,270,338	
Less: Debt Service Fund Fund Balance	120,707	
Net Debt Within 10 1/2% Limitation		<u>4,149,631</u>
Legal Debt Margin Within 10 1/2% Limitation		<u><u>\$7,802,304</u></u>

Unvoted Debt Limitation - 5 1/2% of Assessed Valuation		\$6,260,537
Gross Indebtedness	11,561,840	
Less Debt Outside Limitation		
Bond Anticipation Notes	2,072,500	
Capital Loans	185,671	
Special Assessment Bonds	34,917	
Mortgage Revenue Refunding Bonds	4,055,000	
OWDA Loan	<u>943,414</u>	
Net Indebtedness	4,270,338	
Less: Debt Service Fund Fund Balance	120,707	
Net Debt Within 5 1/2% Limitation		<u>4,149,631</u>
Legal Debt Margin Within 5 1/2% Limitation		<u><u>\$2,110,906</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 Nine Years (1)

Year	Population	Assessed Value	Gross (2) 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

Source: City of Wapakoneta Records  
 Auglaize County Auditor

(1) The City did not have any outstanding general bonded debt prior to 1991.

(2) Includes general obligation bonds only.

City of Wapakoneta  
 Ratio of Annual Debt Principal  
 for General Bonded Debt to Total Governmental Fund Type Expenditures  
 Last Eight 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

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, 1999

Jurisdiction	General Tax Supported Debt	Percentage Applicable to City of Wapakoneta (1)	Amount Applicable to City of Wapakoneta
City of Wapakoneta	\$4,250,083	100.00%	\$4,250,083
Wapakoneta City School District	5,625,000	49.97	2,810,813
Auglaize County	7,471,912	17.20	1,285,169
Total			<u>\$8,346,065</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	
1990	\$719,010	\$487,221	\$231,789	\$45,000	\$107,813	\$152,813	1.52
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

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

Year	Population (1)	School Enrollment (2)	Unemployment Rate Auglaize County (3)
1986	8,840	3,376	7.10%
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

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)
1990	79	\$1,932,793	\$78,836,184	\$372,360,000	\$241,512,000
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

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, 1999

Date of Incorporation	1848
Founded in 1833 - Duchouquet Township	
Status: Village 1853, City 1910	
Population Estimated	10,303
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 Officers	14
Number of Auxiliary Firemen	16
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	14
Number of Auxiliary Policemen	14
Number of Dispatchers	5
Number of EMS	9
Sewer System:	
Sanitary Sewers	47.05 Miles
Storm Sewers	25.40 Miles
Number of Treatment Plants	1
Daily Average Treatment	2,271,200 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	1,876,400 Gallons
Maximum Daily Capacity of Treatment Plant	2,722,000 Gallons
Electric System:	
Electric Lines	89.52 Miles
Number of Substations	7
Culture and Recreation:	
Number of Parks	3
Park Acreage	33
Number of Swimming Pools	1
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	3,455
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  
AUGUST 3, 2000**