

CITY OF WAPAKONETA, OHIO

Comprehensive Annual Financial Report

For the Year Ended
December 31, 2013

**INTRODUCTORY
SECTION**

CITY OF WAPAKONETA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2013

Prepared By:

City Auditor

GAIL E. WALTER

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CITY OF WAPAKONETA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

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William H. Rains
Director of Public Service and Safety
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June 25, 2014

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

I am pleased to present the City of Wapakoneta's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2013. This report was prepared according to generally accepted accounting principles (GAAP). 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. The City has a framework of internal controls established to ensure the accuracy of the presented data and the completeness and fairness of the presentation. Because the cost of internal controls should not exceed anticipated benefits, the controls provide reasonable assurance that the financial statements are free of any material misstatements.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The State of Ohio Auditor's Office has issued an unmodified opinion on the City of Wapakoneta's basic financial statements for the year ended December 31, 2013. The Independent Auditor's Report is located at the front of the financial section of this report.

State law requires the City to file basic financial statements with the Auditor of State within one hundred fifty days after year end. This report fulfills that requirement.

PROFILE OF THE CITY

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 are located within six hundred miles of Wapakoneta.



701 Paxette 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 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, storm 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.

All funds, except agency funds, are required to be budgeted and appropriated. The legal level of control has been established by City Council at the fund, department, and object level for all funds. City Council is required to adopt an original budget no later than April 1 of the reporting year. This annual budget serves as the foundation for the City of Wapakoneta’s financial planning and control.

LOCAL ECONOMY

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 an economic improvement in the area 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.

The City has a sizable Community Development Block Grant portfolio and currently has five loans which pay the City the original principal loaned and interest. Interest earned from these loans gives the City a wonderful opportunity for reinvestment in the City as well as an investment in keeping the citizens of Wapakoneta working. The City has made many loans over the years and as these loans are repaid, the size of the fund grows.

The City of Wapakoneta received one of Ohio’s first “Job Ready Sites” grants in January 2007 to develop a 471-acre manufacturing site at the intersection of Interstate I-75 and U.S. 33. This site is designated as the West Central Ohio Industrial Center. The infrastructure projects included extension of sanitary sewer and 69kv electric lines to the site and construction of a railroad spur from the CSX Mainline Rail onto the site. This site is certified under the Ohio Department of Development’s certification standards. In 2012, the City completed all of the infrastructure which expands the usefulness of all the sites. This includes industrial width roadways for the industrial park making it truly shovel ready and being marketed around the world. The West Central Ohio Industrial Center has become one of Ohio’s first, and largest, certified green field manufacturing sites. It will put Wapakoneta in the lead of economic development and promotion of our community.

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

The City addresses local issues, enhances economic development, provides optimism, and anticipates potential for its citizens in an effort to keep our future on a path for growth.

LONG-TERM FINANCIAL PLANNING

Unappropriated General Fund monies carry forward at the end of the year. It has been the tradition for the City to try to use excess monies for reconstruction of streets and the purchase of capital assets such as fire trucks, ambulances, and police cruisers. With the recent increases in insurance rates, gasoline prices, natural gas prices, and utility rates, City Council is carefully trying to balance the finances to cover these increases and not forego needed assets and wage increases.

While tradeoffs are sometimes necessary, it is the goal of City Council to limit spending to areas which are essential and will not compromise the services of the City.

City Council has always transferred monies from the General Fund to the Street and Sewer Improvement capital projects fund. In 2013, the available funds, while smaller than the City would like, were used for projects including repaving and maintenance of streets, curbs, and sidewalks. The City has always been able to maximize its available resources and grants, and to work with other communities, the County, or the schools and get things done to enhance the community.

There are no statutory requirements or policies on which City Council is to rely to determine the amount of fund balance they want to carry forward from year to year. It has been the tradition of this City to try to appropriate everything necessary to operate an efficient and effective government and provide all necessary services from administration to fire, police, emergency medical, and income tax departments.

These goals and traditions for budgeting and spending are carried forward to every fund the City has and every department the City operates. While some things cannot be predicted, City Council and management all work closely together to determine what each department’s challenges and needs are each year and what each department will need looking forward.

MAJOR INITIATIVES

Again in 2013, the City continued to improve its facilities and infrastructure to serve its citizens.

The City received a Small Cities Grant for the reconstruction of East Auglaize Street from the railroad to Wood Street. This funding, from the Ohio Department of Transportation, provided for 80 percent of the project costs with the City paying the remaining 20 percent. East Auglaize Street also benefited from a Transportation Enhancement Grant, also from the Ohio Department of Transportation, for streetscape upgrades. The planning and design for this overall project occurred in 2012 and construction took place in 2013. Construction took approximately nine months. The overall project cost was over \$2.3 million.

A Scrap Tire Grant was used as a 50 percent local match to pave Wentz Street and Douglas Street at a cost of approximately \$97,600. This project utilized tires in the landfill and creates a very friendly environmental project. This is the second time we have used the scrap tire materials for paving. The grant, which was created to develop exposure for the product, is no longer available.

A Community Development Block Grant was awarded to the City for the installation of fifty-one ADA truncated mats with new concrete intersections. This project cost \$51,000 and was entirely paid for with the grant.

The annual reclamite program was performed in 2013. Reclamite is an asphalt rejuvenator which promotes and extends the life of the existing asphalt surface. Nine streets were sealed at a cost of \$30,688. This is an investment in prolonging our city streets by extending surface life approximately 5-7 years.

The City was awarded \$475,000 through the Safe Routes to School (SRTS) grant to install sidewalks, ADA curb ramps, and safety measures for safe travel to school. This was Phase Two of the SRTS project. Grant resources have been awarded for Phase Three which will continue the improvements into the Grandview Plaza area in 2014.

The City obtained a Moving Ohio Forward grant, in the amount of \$40,000, to be used for demolition purposes. Two properties have been demolished so far with one more planned for 2014.

A Storm Water Pollution Prevention Plan was developed in 2011 requiring a review of plans, permits, and additional inspections. This program continued in 2013 with permits and inspections.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wapakoneta for its comprehensive annual financial report (CAFR) for the year ended December 31, 2012. This was the twenty-third consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Sincere appreciation is extended to the Mayor and the Director of Public Service and Safety 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 the Local Government Services Section of the Office of the Auditor of State for guidance in the preparation of this report.

Respectfully submitted,



Gail E. Walter
City Auditor



Government Finance Officers Association

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

Presented to

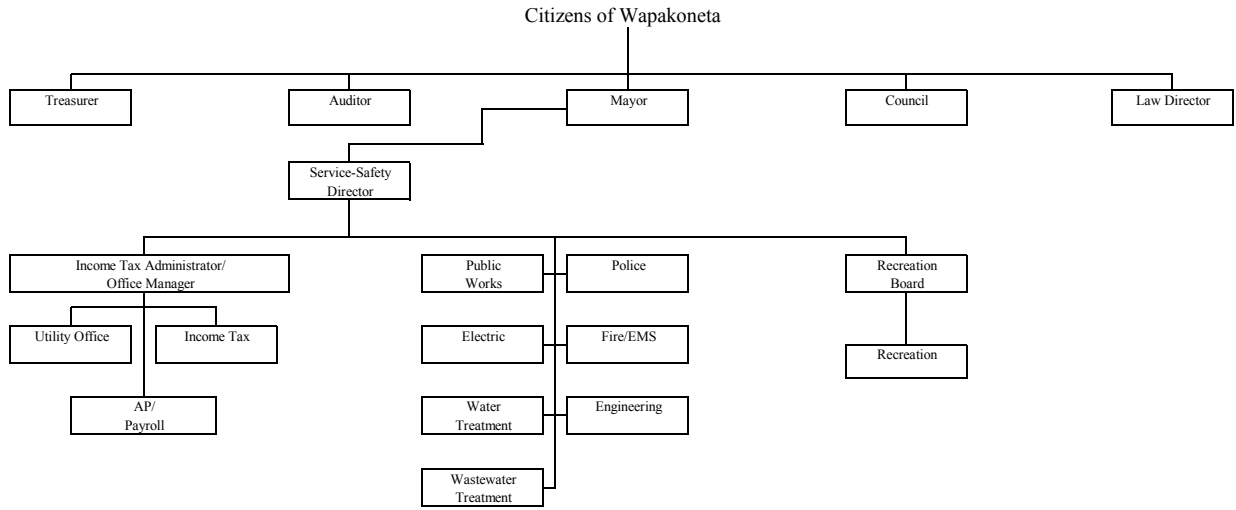
**City of Wapakoneta
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

City of Wapakoneta Organizational Chart



**CITY OF WAPAKONETA
LIST OF PRINCIPAL OFFICIALS**

Mayor	Rodney C. Metz
Director of Public Service and Safety	William Rains
Income Tax Administrator/Office Manager	Diana L. Blackburn
Police Chief	Russel Hunlock
Fire Chief/EMS Director	Kendall J. Krites
Recreation Director	Jack R. Hayzlett
Public Works Superintendent	Meril W. Simpson
Electric Superintendent	Donald E. Schnarre
Water Superintendent	Brent J. Hamel
Wastewater Superintendent	Robert T. Burns
Engineering Superintendent	Mary A. Ruck
Auditor	Gail E. Walter
Treasurer	Barbara Steinke
Law Director	Dennis P. Faller
President of Council	Stephen E. Henderson
Member of Council	Daniel C. Graf
Member of Council	Daniel Lee
Member of Council	Bonnie C. Wurst
Member of Council	James R. Neumeier
Member of Council	Chad Doll
Member of Council	Thomas S. Finkelmeier Jr.
Member of Council	Randy L. Fisher
Council Clerk	Terry McDonald
Civil Service Secretary	Peter Noyes

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**FINANCIAL
SECTION**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Wapakoneta
Auglaize County
PO Box 269
701 Parlette Court
Wapakoneta, Ohio 45895

To the Members of Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, Ohio (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, Ohio, as of December 31, 2013 and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2014, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

Columbus, Ohio

June 25, 2014

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CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

The discussion and analysis of the City of Wapakoneta's financial performance provides an overview of the City's financial activities for the year ended December 31, 2013. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

HIGHLIGHTS

Highlights for 2013 are as follows:

In total, the City's net position increased \$1,417,496, or 2 percent. Governmental activities had a decrease in net position of \$687,456, or over 2 percent while business-type activities increased \$2,104,952, or 5 percent.

A review of the enterprise funds reflects an operating income for the water, sewer, storm sewer, and refuse funds and an operating loss for the electric fund. The City's electric rates are determined by contract with the electric provider and these contracts typically are on a 1-5 year cycle. In 2010, the City completed a cost of service study which determined that the rates being charged for electric are appropriate, therefore, no rate changes are anticipated. The sewer rates are on a scheduled increase by ordinance every year so the City can anticipate increased costs without a rate study. Rates for all enterprise funds are monitored by the Administration to maintain the revenue needed to operate these activities. In 2009, the City entered into a long-term control plan with the Ohio Environmental Protection Agency for the replacement of the south interceptor sewer. This will be a long and expensive project. Estimated costs are approximately \$25-\$30 million. As a result, the City has determined that an extra fee will be charged to sewer customers for the long-term control plan. This fee will be imposed on customers over a period of years specifically to pay the costs related to this project and will be removed when the project is completed.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the City of Wapakoneta's financial position.

The statement of net position and the statement of activities provide information about the activities of the City as a whole, presenting both an aggregate and a longer-term view of the City.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. Fund financial statements report the City's most significant funds individually and the City's non-major funds in a single column. The City's major funds are the General, Street and Sewer Improvement, Electric, Water, Sewer, Storm Sewer, and Refuse funds.

REPORTING THE CITY AS A WHOLE

The statement of net position and the statement of activities reflect how the City did financially during 2013. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

These statements report the City's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the City as a whole has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors can include changes in the City's property tax base and the condition of the City's capital assets (buildings, streets, electric, water, sewer, and storm sewer lines). These factors must be considered when assessing the overall health of the City.

In the statement of net position and the statement of activities, the City is divided into two types of activities:

- **Governmental Activities** - Most of the City's programs and services are reported here, including security of persons and property, public health, leisure time activities, community environment, transportation, and general government. These services are primarily funded by property and income taxes and from intergovernmental revenues, including federal and state grants and other shared revenues.
- **Business-Type Activities** - These services are provided on a charge for services basis and are intended to recover all or most of the costs of the services provided. The City's electric, water, sewer, storm sewer, and refuse services are reported here.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund financial statements provide detailed information about the City's major funds, the General, Street and Sewer Improvement, Electric, Water, Sewer, Storm Sewer, and Refuse funds. While the City uses many funds to account for its financial transactions, these are the most significant.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories; governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - The City's governmental funds are used to account for essentially the same programs reported as governmental activities on the government-wide financial statements. Most of the City's basic services are reported in these funds and focus on how money flows into and out of the funds as well as the balances available for spending at year end. These funds are reported on the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund financial statements provide a detailed short-term view of the City's general government operations and the basic services being provided.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to help make this comparison between governmental funds and governmental activities.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

The City maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and change in fund balances for the major funds, which were identified earlier. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds - The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements and use the accrual basis of accounting. The City uses enterprise funds to account for electric, water, sewer, storm sewer, and refuse operations. Internal service funds are an accounting device used to accumulate and allocate internal costs among other programs and activities. The internal service fund used by the City accounts for engineering services that are provided to 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.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the City's programs. These funds also use the accrual basis of accounting.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the City's net position for 2013 and 2012.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<u>Assets</u>						
Current and Other						
Assets	\$6,631,741	\$7,812,658	\$15,271,275	\$15,060,522	\$21,903,016	\$22,873,180
Capital Assets, Net	21,434,715	21,157,267	52,669,895	48,083,831	74,104,610	69,241,098
Total Assets	<u>28,066,456</u>	<u>28,969,925</u>	<u>67,941,170</u>	<u>63,144,353</u>	<u>96,007,626</u>	<u>92,114,278</u>
<u>Liabilities</u>						
Current and Other						
Liabilities	372,174	360,515	1,904,380	1,475,041	2,276,554	1,835,556
Long-Term Liabilities	734,000	964,217	22,482,200	20,219,674	23,216,200	21,183,891
Total Liabilities	<u>1,106,174</u>	<u>1,324,732</u>	<u>24,386,580</u>	<u>21,694,715</u>	<u>25,492,754</u>	<u>23,019,447</u>
<u>Deferred Inflows of Resources</u>	<u>461,346</u>	<u>458,801</u>	<u>0</u>	<u>0</u>	<u>461,346</u>	<u>458,801</u>

(continued)

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

Table 1
Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<u>Net Position</u>						
Net Investment in						
Capital Assets	\$21,411,432	\$20,891,574	\$32,464,606	\$30,836,570	\$53,876,038	\$51,728,144
Restricted	2,603,489	3,409,170	1,258,937	1,259,685	3,862,426	4,668,855
Unrestricted	2,484,015	2,885,648	9,831,047	9,353,383	12,315,062	12,239,031
Total Net Position	<u>\$26,498,936</u>	<u>\$27,186,392</u>	<u>\$43,554,590</u>	<u>\$41,449,638</u>	<u>\$70,053,526</u>	<u>\$68,636,030</u>

For governmental activities, there was an overall decrease in net position of 2 percent, which was not significant; however, there were a couple changes of note. There was a decrease in current and other assets, primarily cash and cash equivalents, due to expenditures related to street projects and the acquisition of a fire truck. This decrease is also reflected in the decrease in restricted net position. The decrease in long-term liabilities reflects principal payments on debt obligations.

There were also a couple of significant changes related to business-type activities. The first, the increase in net capital assets and the investment in capital assets due, in large part, to \$1.6 million contributed from governmental funds. The increase in current and other liabilities is primarily related to amounts due on outstanding contracts for projects. The increase in long-term liabilities is related to additional resources borrowed from the Ohio Water Development Authority related to the long-term control plan for the sewer system.

Table 2 reflects the change in net position for 2013 and 2012

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$975,631	\$920,992	\$20,501,111	\$19,028,885	\$21,476,742	\$19,949,877
Operating Grants, Contributions, and Interest	635,984	524,997	0	0	635,984	524,997
Capital Grants and Contributions	1,923,549	837,654	0	0	1,923,549	837,654
Total Program Revenues	<u>3,535,164</u>	<u>2,283,643</u>	<u>20,501,111</u>	<u>19,028,885</u>	<u>24,036,275</u>	<u>21,312,528</u>
General Revenues						
Property Taxes-General Purposes	356,365	373,447	0	0	356,365	373,447
Property Taxes-Recreation	92,535	88,625	0	0	92,535	88,625
Municipal Income Taxes	2,590,749	2,280,139	0	0	2,590,749	2,280,139
Other Local Taxes	686,875	651,985	0	0	686,875	651,985
Grants and Entitlements	249,320	454,557	0	0	249,320	454,557
Franchise Taxes	83,156	86,280	0	0	83,156	86,280
Interest	13,721	32,570	0	29	13,721	32,599
Gifts and Donations	2,639	1,772	0	0	2,639	1,772
Other	80,453	87,243	317,550	41,110	398,003	128,353
Total General Revenues	<u>4,155,813</u>	<u>4,056,618</u>	<u>317,550</u>	<u>41,139</u>	<u>4,473,363</u>	<u>4,097,757</u>
Total Revenues	<u>7,690,977</u>	<u>6,340,261</u>	<u>20,818,661</u>	<u>19,070,024</u>	<u>28,509,638</u>	<u>25,410,285</u>

(continued)

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

Table 2
Change in Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<u>Program Expenses</u>						
Security of Persons and Property						
Police	\$1,516,675	\$1,545,559	\$0	\$0	\$1,516,675	\$1,545,559
Fire	1,503,565	1,494,511	0	0	1,503,565	1,494,511
Other	5,004	4,557	0	0	5,004	4,557
Public Health	180,131	172,130	0	0	180,131	172,130
Leisure Time Activities	463,263	433,670	0	0	463,263	433,670
Community Environment	86,893	84,148	0	0	86,893	84,148
Transportation	2,317,993	2,049,319	0	0	2,317,993	2,049,319
General Government	515,084	510,071	0	0	515,084	510,071
Interest and Fiscal Charges	17,988	38,654	0	0	17,988	38,654
Electric	0	0	15,277,737	13,550,781	15,277,737	13,550,781
Water	0	0	1,813,945	1,758,911	1,813,945	1,758,911
Sewer	0	0	2,161,928	2,241,662	2,161,928	2,241,662
Storm Sewer	0	0	142,646	271,419	142,646	271,419
Refuse	0	0	1,089,290	1,113,500	1,089,290	1,113,500
Total Expenses	<u>6,606,596</u>	<u>6,332,619</u>	<u>20,485,546</u>	<u>18,936,273</u>	<u>27,092,142</u>	<u>25,268,892</u>
Increase in Net Position Before Transfers	1,084,381	7,642	333,115	133,751	1,417,496	141,393
Transfers	<u>(1,771,837)</u>	<u>(397,737)</u>	<u>1,771,837</u>	<u>397,737</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Position	(687,456)	(390,095)	2,104,952	531,488	1,417,496	141,393
Net Position Beginning of Year	27,186,392	27,576,487	41,449,638	40,918,150	68,636,030	68,494,637
Net Position End of Year	<u>\$26,498,936</u>	<u>\$27,186,392</u>	<u>\$43,554,590</u>	<u>\$41,449,638</u>	<u>\$70,053,526</u>	<u>\$68,636,030</u>

For governmental activities, there was an increase in program revenues of almost 55 percent and primarily reflected in capital grants and contributions. This reflects grant resources obtained for street improvement projects. Overall, general revenues remained similar to the prior year with the exception of the decrease in intergovernmental revenue due to a continued reduction in local government funding from the State. Governmental activities expenses also remained similar to the prior year with a modest increase overall.

For business-type activities, program revenues in the form of charges for services, continue to fund the operation of the City's utilities. Charges for services revenue increased from the prior year. Charges are based on user consumption; however, there were also rate increases for both water and sewer services. In total, expenses for business-type activities reflect an 8 percent increase with the most significant change related to the Electric Fund due to an increase in the costs for purchased power and consumption of the materials and supplies inventory.

CITY OF WAPAKONETA
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(Unaudited)

Table 3, indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
Security of Persons and Property				
Police	\$1,516,675	\$1,545,559	\$1,505,522	\$1,530,041
Fire	1,503,565	1,494,511	1,450,305	1,440,048
Other	5,004	4,557	5,004	4,557
Public Health	180,131	172,130	(346,576)	(332,659)
Leisure Time Activities	463,263	433,670	228,919	141,391
Community Environment	86,893	84,148	38,953	75,502
Transportation	2,317,993	2,049,319	(310,480)	653,341
General Government	515,084	510,071	481,797	498,101
Interest and Fiscal Charges	17,988	38,654	17,988	38,654
Total Expenses	<u>\$6,606,596</u>	<u>\$6,332,619</u>	<u>\$3,071,432</u>	<u>\$4,048,976</u>

While a substantial percentage of the revenues to provide governmental activities services are derived from the City's general revenues (primarily municipal income taxes, other local taxes, and State shared revenues), note that several of the City's programs were able to offset costs through program revenues including public health, leisure time activities, and transportation. Public health expenses are primarily funded by EMS and ambulance charges received during the year. The leisure time activities program is funded from gifts and donations as well as usage fees for the swimming pool. The transportation program receives charges for services in the form of permissive motor vehicle license monies. The transportation program also receives operating monies in the form of State levied motor vehicle license fees and gas taxes.

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The City's major governmental funds are the General Fund and the Street and Sewer Improvement capital projects fund. Resources in the General Fund have no limitations on their use while the resources of the Street and Sewer Improvement Fund are limited to infrastructure improvements. The General Fund reflects a 5 percent decrease in fund balance. Although there were modest changes in revenues (2 percent increase) and expenditures (less than 1 percent increase), revenues were still in excess of expenditures. However, as a result of resources transferred to other funds to subsidize the activities of those funds, there was a decrease in fund balance.

The Street and Sewer Improvement capital projects fund reflects a 45 percent decrease in fund balance due to the number and cost of infrastructure improvements during the year.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS

The City's enterprise funds are the Electric, Water, Sewer, Storm Sewer, and Refuse funds. Resources of these funds are limited to the provision of electric, water, sewer, storm sewer, and refuse collection services, as applicable.

The Electric Fund had an operating loss and a 2 percent decrease in net position. There was an increase in revenues from the prior year based on user demand; however, expenses also increased due to the increase in costs for purchased power.

The Water Fund had an operating income and a 6 percent increase in net position. Revenues for the Water Fund increased from the prior year; there was a 5 percent increase in the water rate in 2013. Expenses were very similar to the prior year.

There was a 23 percent increase in net position in the Sewer Fund in 2013. The base rate was increased 3 percent in 2013.

The Storm Sewer utility provides the City the ability to undertake storm water separation. The EPA has mandated the separation of storm water and sanitary sewers. The Storm Sewer fund had an operating income in 2013 and an 18 percent increase in net position. Rate changes for storm sewer are not being considered at this time.

The City's Refuse Fund continued to reflect a deficit net position as of year end; however, the deficit was reduced due to a modest operating income.

BUDGETARY HIGHLIGHTS

The City prepares an annual budget of revenues and expenditures/expenses for all funds of the City for use by City officials and department heads and such other budgetary documents as are required by State statute, including the annual appropriations ordinance which is passed by City Council before April 1 each year. The City operates under a temporary budget for the first three months of each year.

The City's most significant budgeted fund is the General Fund. Changes from the original budget to the final budget and the final budget to actual revenues were not significant. For expenditures, there was little change from the original budget to the final budget; however, actual expenditures were substantially less than amounts budgeted. This is primarily due to conservative budgeting as expenditures were less than amounts budgeted for all programs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2013, was \$21,411,432 and \$32,464,606, respectively (net of accumulated depreciation and related debt). Significant additions for governmental activities included continuing construction projects, vehicles, and street improvements. Disposals consisted of vehicles and streets that were reconstructed. For business-type activities, the most significant additions were vehicles and the replacement of electric, water, and sewer lines. Disposals were minimal. For further information regarding the City's capital assets, refer to Note 10 to the basic financial statements.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

Debt - At December 31, 2013, the City had a number of long-term obligations outstanding. General bonded debt payable from governmental activities was fully retired in 2013. The business-type activities obligations included \$7,705,000 in mortgage revenue bonds, \$12,393,522 in OWDA loans, and \$1,359,663 in landfill postclosure costs. In addition to the debt outlined above, the City's long-term obligations also include a loan for energy efficiency improvements, capital leases, compensated absences, and capital loans. For further information regarding the City's debt, refer to Notes 17, 18, and 19 to the basic financial statements.

CURRENT ISSUES

The Safe Routes to School program awarded the City \$202,000 in 2014 to install sidewalks, ADA curb ramps, and pedestrian signals and to improve safety measures for safe travel to school. This is an Ohio Department of Transportation project that was started in 2012. This is the third of four phases with each phase of the grant awarded separately.

The City has obtained a Moving Ohio Forward Grant for \$40,000 to demolish residential blight. There is one property on the demolition list for 2014.

The City has engineering contracts for projects in 2014 which include West Auglaize Street and the river walk area behind downtown. The West Auglaize street reconstruction will occur in 2015 from Pearl Street to Blackhoof Street.

The City has been talking about the long-term control plan (LTCP) for years and construction finally began in 2013. Peterson Construction Company was awarded the contract for the first phase of the LTCP and began construction in earnest in June 2013. The first phase consists of a pump station to be located just south of the Pioneer Cemetery and a 2.5 million gallon equalization tank just west of the existing wastewater treatment plant with a force main connecting the two. There will also be a drain line running parallel to the force main that will drain from the equalization tank back to the southwest interceptor. The project includes the first length of 36" gravity sewer from the new lift station heading east to a new manhole which will be the starting point phase two. Phase 2 of the project has been bid and includes the construction of approximately 3,620 feet of 36 inch and 2,580 feet of 48 inch new gravity sewer including manholes, approximately 1,855 feet of curved in place pipe, and liner rehabilitation of various diameter combined sewers. This construction will begin in 2014.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those interested in our City's financial well being. Questions concerning any of the information provided in this report or requests for additional information should be directed to Gail E. Walter, Wapakoneta City Auditor, 701 Parlette Court, P.O. Box 269, Wapakoneta, Ohio 45895.

City of Wapakoneta
Statement of Net Position
December 31, 2013

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$3,686,246	\$9,271,810	\$12,958,056
Cash and Cash Equivalents with Fiscal Agents	0	1,313,450	1,313,450
Accounts Receivable	340,523	2,670,959	3,011,482
Due from Other Governments	817,132	25,835	842,967
Municipal Income Taxes Receivable	987,757	0	987,757
Other Local Taxes Receivable	6,319	58,629	64,948
Internal Balances	40,826	(40,826)	0
Due from External Party	15,159	0	15,159
Prepaid Items	38,776	83,535	122,311
Materials and Supplies Inventory	42,661	1,887,883	1,930,544
Accrued Interest Receivable	4,883	0	4,883
Property Taxes Receivable	465,499	0	465,499
Notes Receivable	71,454	0	71,454
Special Assessments Receivable	114,506	0	114,506
Nondepreciable Capital Assets	1,592,566	5,802,405	7,394,971
Depreciable Capital Assets, Net	19,842,149	46,867,490	66,709,639
Total Assets	28,066,456	67,941,170	96,007,626
<u>Liabilities</u>			
Accrued Wages Payable	66,541	49,580	116,121
Accounts Payable	78,141	328,663	406,804
Contracts Payable	94,817	1,198,889	1,293,706
Due to Other Governments	115,324	70,550	185,874
Accrued Interest Payable	2,248	32,818	35,066
Retainage Payable	15,103	0	15,103
Refundable Deposits	0	223,880	223,880
Long-Term Liabilities			
Due Within One Year	192,773	834,469	1,027,242
Due in More Than One Year	541,227	21,647,731	22,188,958
Total Liabilities	1,106,174	24,386,580	25,492,754
<u>Deferred Inflows of Resources</u>			
Property Taxes	461,346	0	461,346
<u>Net Position</u>			
Net Investment in Capital Assets	21,411,432	32,464,606	53,876,038
Restricted for			
Capital Projects	1,175,919	0	1,175,919
Community Environment	648,687	0	648,687
Street and Highway Maintenance and Repair	685,619	0	685,619
Other Purposes	93,264	0	93,264
Revenue Bond Replacement	0	100,000	100,000
Future Debt Service	0	1,158,937	1,158,937
Unrestricted	2,484,015	9,831,047	12,315,062
Total Net Position	\$26,498,936	\$43,554,590	\$70,053,526

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Activities
For the Year Ended December 31, 2013

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$1,516,675	\$7,004	\$4,149	\$0
Fire	1,503,565	50,380	2,880	0
Other	5,004	0	0	0
Public Health	180,131	523,208	3,499	0
Leisure Time Activities	463,263	203,119	31,225	0
Community Environment	86,893	0	7,477	40,463
Transportation	2,317,993	158,633	586,754	1,883,086
General Government	515,084	33,287	0	0
Interest and Fiscal Charges	17,988	0	0	0
Total Governmental Activities	6,606,596	975,631	635,984	1,923,549
<u>Business-Type Activities</u>				
Electric	15,277,737	14,383,981	0	0
Water	1,813,945	1,724,995	0	0
Sewer	2,161,928	3,127,622	0	0
Storm Sewer	142,646	155,599	0	0
Refuse	1,089,290	1,108,914	0	0
Total Business-Type Activities	20,485,546	20,501,111	0	0
Total	\$27,092,142	\$21,476,742	\$635,984	\$1,923,549

General Revenues

Property Taxes Levied for General Purposes
Property Taxes Levied for Recreation
Municipal Income Taxes
Other Local Taxes
Grants and Entitlements not Restricted to Specific Programs
Franchise Taxes
Interest
Gifts and Donations
Other

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in Net Position

Governmental Activities	Business-Type Activities	Total
(\$1,505,522)	\$0	(\$1,505,522)
(1,450,305)	0	(1,450,305)
(5,004)	0	(5,004)
346,576	0	346,576
(228,919)	0	(228,919)
(38,953)	0	(38,953)
310,480	0	310,480
(481,797)	0	(481,797)
(17,988)	0	(17,988)
<u>(3,071,432)</u>	<u>0</u>	<u>(3,071,432)</u>
0	(893,756)	(893,756)
0	(88,950)	(88,950)
0	965,694	965,694
0	12,953	12,953
0	19,624	19,624
<u>0</u>	<u>15,565</u>	<u>15,565</u>
<u>(3,071,432)</u>	<u>15,565</u>	<u>(3,055,867)</u>
356,365	0	356,365
92,535	0	92,535
2,590,749	0	2,590,749
686,875	0	686,875
249,320	0	249,320
83,156	0	83,156
13,721	0	13,721
2,639	0	2,639
80,453	317,550	398,003
4,155,813	317,550	4,473,363
<u>(1,771,837)</u>	<u>1,771,837</u>	<u>0</u>
<u>2,383,976</u>	<u>2,089,387</u>	<u>4,473,363</u>
(687,456)	2,104,952	1,417,496
<u>27,186,392</u>	<u>41,449,638</u>	<u>68,636,030</u>
<u>\$26,498,936</u>	<u>\$43,554,590</u>	<u>\$70,053,526</u>

City of Wapakoneta
Balance Sheet
Governmental Funds
December 31, 2013

	General	Street and Sewer Improvement	Other Governmental	Total Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,491,462	\$891,913	\$1,236,566	\$3,619,941
Accounts Receivable	340,523	0	0	340,523
Due from Other Governments	143,119	292,221	381,792	817,132
Municipal Income Taxes Receivable	987,757	0	0	987,757
Other Local Taxes Receivable	638	0	5,681	6,319
Interfund Receivable	180,428	0	0	180,428
Due from External Party	15,159	0	0	15,159
Prepaid Items	29,410	0	7,211	36,621
Materials and Supplies Inventory	18,738	0	22,097	40,835
Accrued Interest Receivable	465	4,418	0	4,883
<u>Restricted Assets</u>				
Equity in Pooled Cash and Cash Equivalents	39,650	0	0	39,650
Property Taxes Receivable	368,479	0	97,020	465,499
Notes Receivable	0	0	71,454	71,454
Special Assessments Receivable	0	114,506	0	114,506
Total Assets	\$3,615,828	\$1,303,058	\$1,821,821	\$6,740,707
<u>Liabilities</u>				
Accrued Wages Payable	\$56,546	\$0	\$6,487	\$63,033
Accounts Payable	58,187	9,799	9,024	77,010
Contracts Payable	0	94,817	0	94,817
Due to Other Governments	93,504	7,420	10,387	111,311
Interfund Payable	1,889	0	127,305	129,194
Retainage Payable	0	15,103	0	15,103
Total Liabilities	210,126	127,139	153,203	490,468
<u>Deferred Inflows of Resources</u>				
Property Taxes	365,173	0	96,173	461,346
Unavailable Revenue	1,199,547	301,085	345,621	1,846,253
Total Deferred Inflows of Resources	1,564,720	301,085	441,794	2,307,599
<u>Fund Balance</u>				
Nonspendable	87,798	0	29,308	117,106
Restricted	10,154	874,834	1,046,039	1,931,027
Assigned	71,374	0	277,702	349,076
Unassigned (Deficit)	1,671,656	0	(126,225)	1,545,431
Total Fund Balance	1,840,982	874,834	1,226,824	3,942,640
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$3,615,828	\$1,303,058	\$1,821,821	\$6,740,707

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
 Reconciliation of Total Governmental Fund Balance
 to Net Position of Governmental Activities
 December 31, 2013

Total Governmental Fund Balance		\$3,942,640
<p>Amounts reported for governmental activities on the statement of net position are different because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental Activities	21,434,715	
Internal Service Fund	(44,641)	
		21,390,074
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.</p>		
Accounts Receivable	298,740	
Due from Other Governments	652,957	
Municipal Income Taxes Receivable	771,479	
Accrued Interest Receivable	4,418	
Delinquent Property Taxes Receivable	4,153	
Special Assessments Receivable	114,506	
		1,846,253
<p>An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.</p>		
		(10,162)
<p>Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds; it is reported when due.</p>		
		(2,248)
<p>Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Capital Loans Payable	(23,283)	
Loans Payable	(208,473)	
Compensated Absences Payable	(502,244)	
Compensated Absences Payable-Internal Service Fund	15,572	
		(718,428)
<p>An internal service fund is used by management to charge the cost of engineering services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.</p>		
		50,807
Net Position of Governmental Activities		\$26,498,936

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Revenues, Expenditures,
and Change in Fund Balance
Governmental Funds
For the Year Ended December 31, 2013

	General	Street and Sewer Improvement	Other Governmental	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$359,916	\$0	\$93,350	\$453,266
Municipal Income Taxes	2,415,109	0	0	2,415,109
Other Local Taxes	686,875	0	93,235	780,110
Special Assessments	0	52,670	0	52,670
Charges for Services	692,575	0	18,453	711,028
Fees, Licenses, and Permits	103,076	0	0	103,076
Fines and Forfeitures	16,563	0	2,222	18,785
Intergovernmental	387,039	2,077,523	782,820	3,247,382
Interest	9,303	4,505	22,289	36,097
Gifts and Donations	2,639	0	7,869	10,508
Other	69,393	0	2,623	72,016
Total Revenues	<u>4,742,488</u>	<u>2,134,698</u>	<u>1,022,861</u>	<u>7,900,047</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,507,378	0	0	1,507,378
Fire	1,457,673	0	469,646	1,927,319
Other	4,685	0	0	4,685
Public Health	159,821	0	0	159,821
Leisure Time Activities	266,905	0	122,180	389,085
Community Environment	77,699	0	15,667	93,366
Transportation	0	3,288,410	628,507	3,916,917
General Government	498,250	0	0	498,250
Debt Service:				
Principal Retirement	37,033	128,029	107,945	273,007
Interest and Fiscal Charges	9,312	4,864	5,075	19,251
Total Expenditures	<u>4,018,756</u>	<u>3,421,303</u>	<u>1,349,020</u>	<u>8,789,079</u>
Excess of Revenues Over (Under) Expenditures	<u>723,732</u>	<u>(1,286,605)</u>	<u>(326,159)</u>	<u>(889,032)</u>
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	26,760	0	0	26,760
Transfers In	0	582,893	165,000	747,893
Transfers Out	(855,000)	0	(30,500)	(885,500)
Total Other Financing Sources (Uses)	<u>(828,240)</u>	<u>582,893</u>	<u>134,500</u>	<u>(110,847)</u>
Change in Fund Balance	(104,508)	(703,712)	(191,659)	(999,879)
Fund Balance Beginning of Year	<u>1,945,490</u>	<u>1,578,546</u>	<u>1,418,483</u>	<u>4,942,519</u>
Fund Balance End of Year	<u>\$1,840,982</u>	<u>\$874,834</u>	<u>\$1,226,824</u>	<u>\$3,942,640</u>

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
 Reconciliation of Statement of Revenues, Expenditures,
 and Change in Fund Balance
 of Governmental Funds to Statement of Activities
 For the Year Ended December 31, 2013

Change in Fund Balance - Total Governmental Funds (\$999,879)

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

Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current year.

Capital Outlay	1,523,890	
Depreciation	(970,265)	
Depreciation - Internal Service Fund	<u>1,873</u>	555,498

The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital asset is removed from the capital asset account on the statement of net position when disposed of resulting in a gain or a loss on disposal of capital assets on the statement of activities.

Proceeds from Sale of Capital Assets	(26,760)	
Gain on Disposal of Capital Assets	8,437	
Loss on Disposal of Capital Assets	<u>(257,854)</u>	(276,177)

Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Delinquent Property Taxes	(4,366)	
Municipal Income Taxes	175,640	
Special Assessments	(5,725)	
Charges for Services	85,198	
Fees, Licenses, and Permits	520	
Intergovernmental	(468,687)	
Interest	<u>(87)</u>	(217,507)

Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net position.

General Obligation Bonds Payable	225,000	
Capital Loans Payable	10,974	
Loans Payable	<u>37,033</u>	273,007

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. 1,263

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

Compensated Absences Payable-Governmental Activities	(42,790)	
Compensated Absences Payable-Internal Service Fund	<u>(789)</u>	(43,579)

The internal service fund used by management to charge the cost of engineering services to individual funds is not reported on the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year. 19,918

Change in Net Position of Governmental Activities (\$687,456)

See Accompanying Notes to the Basic Financial Statements

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City of Wapakoneta
Statement of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<u>Revenues</u>				
Property Taxes	\$350,350	\$359,932	\$359,916	(\$16)
Municipal Income Taxes	2,600,000	2,316,890	2,393,744	76,854
Other Local Taxes	691,200	691,200	687,782	(3,418)
Charges for Services	684,150	739,085	686,569	(52,516)
Fees, Licenses, and Permits	88,750	105,495	103,076	(2,419)
Fines and Forfeitures	11,500	16,400	16,374	(26)
Intergovernmental	345,500	417,158	411,260	(5,898)
Interest	20,000	20,000	14,443	(5,557)
Gifts and Donations	1,250	2,790	2,639	(151)
Other	18,350	118,325	69,644	(48,681)
Total Revenues	4,811,050	4,787,275	4,745,447	(41,828)
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,645,722	1,645,722	1,552,555	93,167
Fire	1,566,365	1,591,365	1,502,500	88,865
Other	10,350	10,350	4,661	5,689
Public Health	243,834	243,835	171,654	72,181
Leisure Time Activities	352,927	352,927	277,769	75,158
Community Environment	115,004	115,004	82,233	32,771
General Government	933,450	908,452	522,800	385,652
Debt Service:				
Principal Retirement	37,033	37,033	37,033	0
Interest and Fiscal Charges	10,967	10,967	9,312	1,655
Total Expenditures	4,915,652	4,915,655	4,160,517	755,138
Excess of Revenues Over (Under) Expenditures	(104,602)	(128,380)	584,930	713,310
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	26,760	26,760
Advances In	0	23,775	23,775	0
Transfers Out	(834,000)	(994,000)	(855,000)	139,000
Total Other Financing Sources (Uses)	(834,000)	(970,225)	(804,465)	165,760
Change in Fund Balance	(938,602)	(1,098,605)	(219,535)	879,070
Fund Balance Beginning of Year	1,495,036	1,495,036	1,495,036	0
Prior Year Encumbrances Appropriated	197,444	197,444	197,444	0
Fund Balance End of Year	\$753,878	\$593,875	\$1,472,945	\$879,070

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Fund Net Position
Proprietary Funds
December 31, 2013

	Business-Type Activities				
	Electric	Water	Sewer	Storm Sewer	Refuse
<u>Assets</u>					
<u>Current Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$6,145,134	\$908,992	\$1,048,486	\$633,634	\$78,842
Cash and Cash Equivalents with Fiscal Agents	182,414	0	0	0	0
Accounts Receivable	1,967,672	228,186	353,354	12,939	108,808
Due from Other Governments	0	0	0	0	25,835
Other Local Taxes Receivable	58,629	0	0	0	0
Interfund Receivable	27,051	1,470	903	82	351
Prepaid Items	44,061	15,171	16,490	0	7,813
Materials and Supplies Inventory	1,645,611	208,063	34,190	0	19
Total Current Assets	10,070,572	1,361,882	1,453,423	646,655	221,668
<u>Non-Current Assets</u>					
<u>Restricted Assets</u>					
Equity in Pooled Cash and Cash Equivalents	223,880	0	232,842	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	1,131,036	0	0
Nondepreciable Capital Assets	205,559	560,664	4,708,081	0	328,101
Depreciable Capital Assets, Net	15,404,794	15,314,363	13,378,836	2,174,345	595,152
Total Non-Current Assets	15,834,233	15,875,027	19,450,795	2,174,345	923,253
Total Assets	25,904,805	17,236,909	20,904,218	2,821,000	1,144,921
<u>Liabilities</u>					
<u>Current Liabilities</u>					
Accrued Wages Payable	19,753	8,207	12,453	0	9,167
Accounts Payable	216,451	38,900	27,508	2,408	43,396
Contracts Payable	1,093,363	0	66,664	560	38,302
Due to Other Governments	28,293	9,292	22,016	0	10,949
Interfund Payable	55,135	10,126	14,438	0	1,146
Accrued Interest Payable	0	0	32,307	511	0
Mortgage Revenue Bonds Payable	0	0	455,000	0	0
OWDA Loans Payable	0	30,773	0	0	0
Capital Loans Payable	0	0	17,390	11,413	31,169
Loans Payable	0	0	97,656	0	0
Capital Leases Payable	0	0	0	0	34,925
Compensated Absences Payable	31,651	16,533	21,352	0	17,536
Landfill Postclosure Costs Payable	0	0	0	0	69,071
Total Current Liabilities	1,444,646	113,831	766,784	14,892	255,661
<u>Non-Current Liabilities</u>					
Refundable Deposits	223,880	0	0	0	0
Mortgage Revenue Bonds Payable	0	0	7,250,000	0	0
OWDA Loans Payable	0	8,272,050	4,090,699	0	0
Capital Loans Payable	0	0	0	11,870	0
Loans Payable	0	0	431,055	0	0
Compensated Absences Payable	95,038	72,784	92,150	0	41,493
Landfill Postclosure Costs Payable	0	0	0	0	1,290,592
Total Non-Current Liabilities	318,918	8,344,834	11,863,904	11,870	1,332,085
Total Liabilities	1,763,564	8,458,665	12,630,688	26,762	1,587,746

Total Enterprise Funds	Governmental Activity <u>Internal Service Fund</u>
\$8,815,088	\$26,655
182,414	0
2,670,959	0
25,835	0
58,629	0
29,857	0
83,535	2,155
<u>1,887,883</u>	<u>1,826</u>
<u>13,754,200</u>	<u>30,636</u>
456,722	0
1,131,036	0
5,802,405	0
<u>46,867,490</u>	<u>44,641</u>
<u>54,257,653</u>	<u>44,641</u>
<u>68,011,853</u>	<u>75,277</u>
49,580	3,508
328,663	1,131
1,198,889	0
70,550	4,013
80,845	246
32,818	0
455,000	0
30,773	0
59,972	0
97,656	0
34,925	0
87,072	7,413
<u>69,071</u>	<u>0</u>
<u>2,595,814</u>	<u>16,311</u>
223,880	0
7,250,000	0
12,362,749	0
11,870	0
431,055	0
301,465	8,159
<u>1,290,592</u>	<u>0</u>
<u>21,871,611</u>	<u>8,159</u>
<u>24,467,425</u>	<u>24,470</u>

(continued)

City of Wapakoneta
Statement of Fund Net Position
Proprietary Funds
December 31, 2013
(continued)

	Business-Type Activities				
	Electric	Water	Sewer	Storm Sewer	Refuse
<u>Net Position</u>					
Net Investment in Capital Assets	\$15,610,353	\$7,572,204	\$6,273,828	\$2,151,062	\$857,159
Restricted for					
Revenue Bond Replacement	0	0	100,000	0	0
Future Debt Service	0	0	1,158,937	0	0
Unrestricted (Deficit)	8,530,888	1,206,040	740,765	643,176	(1,299,984)
Total Net Position (Deficit)	\$24,141,241	\$8,778,244	\$8,273,530	\$2,794,238	(\$442,825)

Net position reported for business-type activities on the statement of net position is different because it includes a proportionate share of the balance of the internal service fund.

Net position of business-type activities

See Accompanying Notes to the Basic Financial Statements

Total Enterprise Funds	Governmental Activity <u>Internal Service Fund</u>
\$32,464,606	\$44,641
100,000	0
1,158,937	0
<u>9,820,885</u>	<u>6,166</u>
43,544,428	<u><u>\$50,807</u></u>
<u>10,162</u>	
<u><u>\$43,554,590</u></u>	

City of Wapakoneta
Statement of Revenues, Expenses,
and Change in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2013

	Business-Type Activities				
	Electric	Water	Sewer	Storm Sewer	Refuse
Operating Revenues					
Charges for Services	\$14,325,131	\$1,724,995	\$0	\$155,599	\$1,108,914
Charges for Services Pledged as Security on Mortgage					
Revenue Bonds	0	0	3,127,622	0	0
Licenses and Permits	0	0	0	0	0
Other	281,873	9,263	0	7,120	8,264
Other Pledged as Security on Mortgage Revenue Bonds	0	0	11,030	0	0
Total Operating Revenues	14,607,004	1,734,258	3,138,652	162,719	1,117,178
Operating Expenses					
Personal Services	1,021,801	401,890	652,233	0	455,906
Contractual Services	12,813,274	229,433	312,240	3,987	505,172
Materials and Supplies	805,131	454,993	397,360	65,015	77,435
Depreciation	567,681	321,089	406,962	68,257	49,824
Other	64,715	0	9,660	5,880	0
Total Operating Expenses	15,272,602	1,407,405	1,778,455	143,139	1,088,337
Operating Income (Loss)	(665,598)	326,853	1,360,197	19,580	28,841
Non-Operating Revenues (Expenses)					
Other Local Taxes	58,850	0	0	0	0
Loss on Disposal of Capital Assets	(7,027)	(7,951)	(8,790)	0	0
Interest Expense	0	(398,689)	(376,027)	(1,150)	(953)
Total Non-Operating Revenues (Expenses)	51,823	(406,640)	(384,817)	(1,150)	(953)
Income (Loss) before Contributions and Transfers	(613,775)	(79,787)	975,380	18,430	27,888
Capital Contributions	0	621,468	598,450	414,312	0
Transfers In	230,500	0	0	0	40,000
Transfers Out	(33,223)	(33,223)	(33,224)	0	(33,223)
Change in Net Position	(416,498)	508,458	1,540,606	432,742	34,665
Net Position (Deficit) Beginning of Year	24,557,739	8,269,786	6,732,924	2,361,496	(477,490)
Net Position (Deficit) End of Year	\$24,141,241	\$8,778,244	\$8,273,530	\$2,794,238	(\$442,825)

The change in net position reported for business-type activities on the statement of activities is different because it includes a proportionate share of the net income of the internal service fund.

Change in net position of business-type activities

See Accompanying Notes to the Basic Financial Statements

Total Enterprise Funds	Governmental Activity <u>Internal Service Fund</u>
\$17,314,639	\$209,513
3,127,622	0
0	10,848
306,520	2,606
11,030	0
<u>20,759,811</u>	<u>222,967</u>
2,531,830	174,585
13,864,106	9,988
1,799,934	11,624
1,413,813	1,873
80,255	0
<u>19,689,938</u>	<u>198,070</u>
<u>1,069,873</u>	<u>24,897</u>
58,850	0
(23,768)	0
(776,819)	0
<u>(741,737)</u>	<u>0</u>
328,136	24,897
1,634,230	0
270,500	0
(132,893)	0
2,099,973	24,897
	<u>25,910</u>
	<u>\$50,807</u>
<u>4,979</u>	
<u>\$2,104,952</u>	

City of Wapakoneta
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013

	Business-Type Activities				
	Electric	Water	Sewer	Storm Sewer	Refuse
Increases (Decreases) in Cash and Cash Equivalents					
<u>Cash Flows from Operating Activities</u>					
Cash Received from Customers	\$14,195,410	\$1,720,511	\$3,088,230	\$155,508	\$1,142,650
Cash Received from Transactions with Other Funds	0	0	0	0	0
Cash Received from Utility Deposits	38,920	0	0	0	0
Cash Received from Other Revenues	281,873	9,263	11,030	7,120	8,264
Cash Payments for Personal Services	(1,023,453)	(393,505)	(653,594)	0	(456,184)
Cash Payments for Contractual Services	(12,615,098)	(221,361)	(246,112)	(408)	(564,945)
Cash Payments to Vendors	(1,018,999)	(394,810)	(389,782)	(65,777)	(72,754)
Cash Payments for Transactions with Other Funds	(1,892)	(100)	(1,344)	(1,643)	0
Cash Payments for Utility Refunds	(23,434)	0	0	0	0
Cash Payments for Other Expenses	(64,715)	0	(14,892)	(5,880)	0
Net Cash Provided by (Used for) Operating Activities	<u>(231,388)</u>	<u>719,998</u>	<u>1,793,536</u>	<u>88,920</u>	<u>57,031</u>
<u>Cash Flows from Noncapital Financing Activities</u>					
Cash Received from Other Local Taxes	58,850	0	0	0	0
Transfers In	230,500	0	0	0	40,000
Transfers Out	(33,223)	(33,223)	(33,224)	0	(33,223)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>256,127</u>	<u>(33,223)</u>	<u>(33,224)</u>	<u>0</u>	<u>6,777</u>
<u>Cash Flows from Capital and Related Financing Activities</u>					
Principal Paid on Mortgage Revenue Bonds	0	0	(425,000)	0	0
Principal Paid on Due to Auglaize County	0	0	(1,250)	0	0
Principal Paid on OWDA Loans	0	(183,042)	(22,787)	0	0
Principal Paid on Capital Loans	0	0	(16,763)	(10,974)	(30,045)
Principal Paid on Loans	0	0	(93,919)	0	0
Principal Paid on Leases	0	0	0	0	(33,638)
Interest Paid on Mortgage Revenue Bonds	0	0	(354,140)	0	0
Interest Paid on OWDA Loans	0	(398,689)	0	0	0
Interest Paid on Capital Loans	0	0	(1,363)	(1,391)	(2,205)
Interest Paid on Loans	0	0	(23,616)	0	0
Sale of Capital Assets	20,000	0	0	0	0
OWDA Loan Proceeds	0	0	3,680,277	0	0
Acquisition of Capital Assets	(608,663)	(24,424)	(3,776,328)	0	0
Net Cash Used for Capital and Related Financing Activities	<u>(588,663)</u>	<u>(606,155)</u>	<u>(1,034,889)</u>	<u>(12,365)</u>	<u>(65,888)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(563,924)	80,620	725,423	76,555	(2,080)
Cash and Cash Equivalents Beginning of Year	<u>7,115,352</u>	<u>828,372</u>	<u>1,686,941</u>	<u>557,079</u>	<u>80,922</u>
Cash and Cash Equivalents End of Year	<u><u>\$6,551,428</u></u>	<u><u>\$908,992</u></u>	<u><u>\$2,412,364</u></u>	<u><u>\$633,634</u></u>	<u><u>\$78,842</u></u>

Total Enterprise Funds	Governmental Activity
	Internal Service
\$20,302,309	\$10,848
0	209,513
38,920	0
317,550	2,606
(2,526,736)	(175,428)
(13,647,924)	(9,550)
(1,942,122)	(11,479)
(4,979)	0
(23,434)	0
(85,487)	0
<u>2,428,097</u>	<u>26,510</u>
58,850	0
270,500	0
(132,893)	0
<u>196,457</u>	<u>0</u>
(425,000)	0
(1,250)	0
(205,829)	0
(57,782)	0
(93,919)	0
(33,638)	0
(354,140)	0
(398,689)	0
(4,959)	0
(23,616)	0
20,000	0
3,680,277	0
(4,409,415)	0
<u>(2,307,960)</u>	<u>0</u>
316,594	26,510
<u>10,268,666</u>	<u>145</u>
<u>\$10,585,260</u>	<u>\$26,655</u>

(continued)

City of Wapakoneta
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013
(continued)

	Business-Type Activities				
	Electric	Water	Sewer	Storm Sewer	Refuse
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>					
Operating Income (Loss)	(\$665,598)	\$326,853	\$1,360,197	\$19,580	\$28,841
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>					
Depreciation	567,681	321,089	406,962	68,257	49,824
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(126,742)	(4,258)	(38,927)	(91)	29,234
Decrease in Due from Other Governments	0	0	0	0	4,448
Decrease in Other Local Taxes Receivable	1,487	0	0	0	0
(Increase) Decrease in Interfund Receivable	(2,979)	(226)	(465)	0	54
Decrease in Prepaid Items	0	0	0	0	762
(Increase) Decrease in Materials and Supplies Inventory	194,808	50,520	(3,843)	0	4,332
Increase in Accrued Wages Payable	1,001	897	1,131	0	291
Increase (Decrease) in Accounts Payable	173,116	16,308	7,954	614	(32,360)
Increase in Contracts Payable	174,051	0	66,664	560	38,302
Decrease in Due to Other Governments	(1,397)	(995)	(7,077)	0	(2,056)
Increase (Decrease) in Interfund Payable	(401)	1,254	1,329	0	524
Decrease in Retainage Payable	(18,566)	0	0	0	0
Increase in Refundable Deposits	15,486	0	0	0	0
Decrease in AMP-Ohio Payable	(541,378)	0	0	0	0
Increase (Decrease) in Compensated Absences Payable	(1,957)	8,556	(389)	0	1,236
Decrease in Landfill Postclosure Costs	0	0	0	0	(66,401)
Net Cash Provided by (Used for) Operating Activities	<u>(\$231,388)</u>	<u>\$719,998</u>	<u>\$1,793,536</u>	<u>\$88,920</u>	<u>\$57,031</u>

Non-Cash Capital Transactions

In 2013, the Street and Sewer Improvement capital projects fund purchased capital assets and donated them to the Water, Sewer, and Storm Sewer enterprise funds, in the amount of \$621,468, \$598,450, and \$414,312, respectively.

See Accompanying Notes to the Basic Financial Statements

Total Enterprise Funds	Governmental Activity
	Internal Service
\$1,069,873	\$24,897
1,413,813	1,873
(140,784)	0
4,448	0
1,487	0
(3,616)	0
762	0
245,817	0
3,320	606
165,632	586
279,577	0
(11,525)	(660)
2,706	(3)
(18,566)	0
15,486	0
(541,378)	0
7,446	(789)
(66,401)	0
<u>\$2,428,097</u>	<u>\$26,510</u>

City of Wapakoneta
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2013

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$5,982</u>
<u>Liabilities</u>	
Due to External Party	\$15,159
Deposits Held and Due to Others	(15,159)
Undistributed Assets	<u>5,982</u>
Total Liabilities	<u>\$5,982</u>

See Accompanying Notes to the Basic Financial Statements

NOTE 1 - DESCRIPTION OF THE CITY OF WAPAKONETA AND THE REPORTING ENTITY

A. The City

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, storm sewer, refuse, and a staff to provide essential support to these service providers. These activities compose the primary government of the City and represent activities which are directly responsible to City Council and the Mayor.

B. Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the City of Wapakoneta consists of all funds, departments, boards, and agencies that are not legally separate from the City.

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, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. There were no component units of the City of Wapakoneta in 2013.

The City participates in the Ohio Plan Risk Management, an insurance pool. This organization is presented in Note 22 to the basic financial statements.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Wapakoneta have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the City's accounting policies.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

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

Fund Financial Statements

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

B. Fund Accounting

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

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

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

Street and Sewer Improvement Fund - The Street and Sewer Improvement Fund accounts for the residents' portion of special assessments for curbs, gutters, and sidewalks; grant resources for infrastructure improvements; 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.

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

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, change in net position, financial position, and cash flows. The City reports two types of proprietary funds, enterprise and internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds.

Electric Fund - The Electric Fund accounts for the provision of electricity to residential and commercial users within the City.

Water Fund - The Water Fund accounts for the provision of water treatment and distribution to residential and commercial users within the City.

Sewer Fund - The Sewer Fund accounts for the provision of sanitary sewer service to residential and commercial users within the City.

Storm Sewer Fund - The Storm Sewer Fund accounts for the provision of storm sewer service to residential and commercial users within the City.

Refuse Fund - The Refuse Fund accounts for the provision of refuse collection services to residential and commercial users within the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Internal Service Fund - The internal service fund accounts 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.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications; pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are not available to support the City's own programs. The City did not have any trust funds in 2013. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for funds deducted from employee's payroll for dependent, copayment, and COBRA insurance coverage and to account for monies belonging to the police auxiliary, an organization that is not part of the City of Wapakoneta.

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

Like the government-wide financial statements, the proprietary funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses, and change in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the City finances and meets the cash flow needs of its proprietary activities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: income taxes, charges for services, fines and forfeitures, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), grants, and interest.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. The City did not report any deferred outflows of resources for 2013.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources includes property taxes and unavailable revenue. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2013, but which were levied to finance 2014 operations. This amount has been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes intergovernmental revenue including grants, municipal income taxes, accrued interest, delinquent property taxes, special assessments, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available.

Expenses/Expenditures

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

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

E. Budgetary Process

All funds, except agency funds, are required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount City Council may appropriate. The appropriations ordinance is City Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of control has been established by City Council at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources requested by the City prior to year end.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Investments

To improve cash management, cash received by the City, except cash held by a trustee, is pooled and invested. Individual fund integrity is maintained through City records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Cash and cash equivalents that are held separately for the City by fiscal agents and not held with the City Treasurer are recorded as “Cash and Cash Equivalents with Fiscal Agents”.

During 2013, investments included non-negotiable certificates of deposit, mutual funds, and STAR Ohio. Non-negotiable certificates of deposit are reported at cost. Investments are reported at fair value, which is based on quoted market price or current share price. 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 net asset value per share, which is the price the investment could be sold for on December 31, 2013.

Interest earnings are generally allocated to City funds according to State statutes, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2013 was \$9,303, which includes \$8,735 assigned from other City funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2013, 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. Inventory

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

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Unclaimed monies that have a legal restriction on their use are reported as restricted.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted assets also represent certain resources which are segregated from other resources of the City to comply with various covenants established by bond financing agreements. These assets are generally held in separate accounts of the City or by a trustee. The various covenants place restrictions on the use of these resources, require minimum balances to be maintained in certain accounts, and establish annual amounts to be accumulated for specific purposes.

Restricted assets also represent utility deposits from customers that are classified as restricted because their use is limited to the payment of unpaid utility bills or refunding of the deposit to the customer.

J. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column on the government-wide statement of net position and in the respective funds. Capital assets used by the internal service fund are reported in both the governmental activities column on the government-wide statement of net position and in the fund.

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The City maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized. No interest was capitalized for 2013.

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. The City reports all infrastructure, including that acquired prior to 1980. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	20-45 years	N/A
Buildings	10-100 years	10-100 years
Equipment	5-30 years	5-30 years
Vehicles	10-38 years	6-25 years
Streets	15-60 years	N/A
Electric, Water, Sewer, and Storm Sewer Lines	N/A	10-100 years

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Interfund Assets/Liabilities

On fund financial statements, receivables and payables resulting from interfund services provided and used are classified as “Interfund Receivables/Payables”. Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as “Internal Balances”.

L. 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 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 policy and length of service.

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes activities for construction, repair, and maintenance of streets and highways and various police department grants and programs. The City’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash.

Restricted - The restricted classification includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for purposes specified by the legislation.

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Council. The committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by City Council. Fund balance policy of City Council has authorized the Director of Public Service and Safety to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council has also assigned amounts for swimming pool operations.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for electric, water, sewer, storm sewer, and refuse services, and charges for engineering services in the internal service fund. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

Q. Capital Contributions

Capital contributions arise from contributions from other funds.

R. Interfund Transactions

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

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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

S. Estimates

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

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For 2013, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus". GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity and the financial reporting entity display and disclosure requirements. The implementation of this statement did not result in any change to the City financial statements.

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At December 31, 2013, the Issue I capital projects fund had a deficit fund balance, in the amount of \$126,225. The deficit resulted from adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The deficit net position in the Refuse enterprise fund, in the amount of \$442,825, is the result of recording landfill postclosure costs. Refuse rates were increased in 2010 to help offset rising costs.

B. Compliance

For the year ended December 31, 2013, the Electric enterprise fund had final appropriations in excess of estimated resources plus available balances, in the amount of \$308,637. The City will review appropriations to ensure they are within available resources.

The Sewer enterprise fund had expenses plus encumbrances in excess of appropriations, in the amount of \$17,808, for principal retirement for the year ended December 31, 2013. The City Auditor will monitor budgetary transactions to ensure expenses are within amounts appropriated.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and change in fund balance 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 Statement of Revenues, Expenditures, and Change in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual - for the General Fund is 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 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 (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

Adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the General Fund are as follows:

Change in Fund Balance	
GAAP Basis	(\$104,508)
<u>Increases (Decreases) Due To</u>	
Revenue Accruals:	
Accrued 2012, Received in Cash 2013	330,041
Accrued 2013, Not Yet Received in Cash	(330,464)
Expenditure Accruals:	
Accrued 2012, Paid in Cash 2013	(279,035)
Accrued 2013 Not Yet Paid in Cash	210,126
Cash Adjustments	
Unrecorded Activity 2012	6,363
Unrecorded Activity 2013	(2,981)
Prepaid Items	(1,642)
Materials and Supplies Inventory	(865)
Advances In	23,775
Encumbrances Outstanding at Year End (Budget Basis)	<u>(70,345)</u>
Budget Basis	<u><u>(\$219,535)</u></u>

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 the City Council has identified as not required for use within the current five 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 City 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.

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 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 or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. 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;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met.

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 City Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$1,531,642 of the City's bank balance of \$6,298,104 was exposed to custodial credit risk because it 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 has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments

At December 31, 2013, the City had \$1,131,036 invested in mutual funds with an average maturity of 52 days and \$6,750,110 invested in STAR Ohio with an average maturity of 53.4 days.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the City Auditor from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the City.

The mutual funds carry a rating of Aaa by Moodys. STAR Ohio carries a rating of AAA by Standard and Poor's. The City has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that mutual funds must be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2013, consisted of accounts (billings for user charged services, including unbilled utility services); intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; other local taxes; interfund; amounts due from an external party; accrued interest; property taxes; notes; and special assessments. Income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Notes receivable, in the amount of \$57,800, will not be received within one year. Special assessments receivable, in the amount of \$75,768, will not be received within one year. At December 31, 2013, the amount of delinquent special assessments was \$4,204.

Notes receivable represent low interest loans for development projects granted to eligible City businesses under the Federal Community Development Block Grant program. The notes have an annual interest rate of 3 percent to 6.25 percent and are to be repaid over periods ranging from seven to eighteen years.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 7 - RECEIVABLES (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$24,787
Local Government	104,099
Tangible Personal Property Reimbursement	1,510
Cigarette Taxes	181
Estate Taxes	11,621
Auglaize County	921
Total General Fund	143,119
Street and Sewer Improvement	
Ohio Department of Natural Resources	40,463
Ohio Department of Transportation	251,758
Total Street and Sewer Improvement	292,221
Total Major Funds	435,340
Nonmajor Funds	
Street Maintenance	
Gasoline Tax	107,379
Highway Distribution	54,697
Motor Vehicle License Tax	46,309
Ohio Department of Public Safety	1,066
Total Street Maintenance	209,451
State Highway	
Gasoline Tax	8,707
Highway Distribution	4,435
Motor Vehicle License Tax	3,755
Ohio Department of Public Safety	86
Total State Highway	16,983
Motor Vehicle Permissive Tax	
Auglaize County	149,675
Recreation	
Homestead and Rollback	5,683
Total Nonmajor Funds	381,792
Total Governmental Activities	\$817,132
Business-Type Activities	
Refuse	
Auglaize County	\$25,835

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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 income 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 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2013 represent the collection of 2012 taxes. Real property taxes received in 2013 were levied after October 1, 2012, on the assessed values as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2013 represent the collection of 2012 taxes. Public utility real and tangible personal property taxes received in 2013 became a lien on December 31, 2011, were levied after October 1, 2012, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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.

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of December 31, 2013, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2013 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

The full tax rate for all City operations for the year ended December 31, 2013, was \$3.75 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2013 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	
Agricultural/Residential	\$104,962,290
Commercial/Industrial	46,822,260
Public Utility Real	62,380
Public Utility Personal	1,055,660
Total	<u>\$152,902,590</u>

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, was as follows:

	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$1,410,446	\$0	\$0	\$1,410,446
Construction in Progress	243,576	807,344	(868,800)	182,120
Total Nondepreciable Capital Assets	1,654,022	807,344	(868,800)	1,592,566
Depreciable Capital Assets				
Land Improvements	3,031,111	0	0	3,031,111
Buildings	3,599,947	0	0	3,599,947
Equipment	620,352	16,550	0	636,902
Vehicles	2,596,525	521,367	(281,258)	2,836,634
Streets	24,818,293	1,047,429	(553,831)	25,311,891
Total Depreciable Capital Assets	34,666,228	1,585,346	(835,089)	35,416,485
Less Accumulated Depreciation for				
Land Improvements	(460,592)	(83,736)	0	(544,328)
Buildings	(766,516)	(53,304)	0	(819,820)
Equipment	(436,406)	(21,465)	0	(457,871)
Vehicles	(1,925,195)	(89,117)	254,305	(1,760,007)
Streets	(11,574,274)	(722,643)	304,607	(11,992,310)
Total Accumulated Depreciation	(15,162,983)	(970,265)	558,912	(15,574,336)
Total Depreciable Capital Assets, Net	19,503,245	615,081	(276,177)	19,842,149
Governmental Activities Capital Assets, Net	\$21,157,267	\$1,422,425	(\$1,144,977)	\$21,434,715
	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013
Business-Type Activities:				
Nondepreciable Capital Assets				
Land	\$1,171,268	\$0	\$0	\$1,171,268
Construction in Progress	854,809	5,410,558	(1,634,230)	4,631,137
Total Nondepreciable Capital Assets	2,026,077	5,410,558	(1,634,230)	5,802,405

(continued)

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 10 - CAPITAL ASSETS (continued)

	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013
Business-Type Activities (continued):				
Depreciable Capital Assets				
Buildings	\$20,247,000	\$0	\$0	\$20,247,000
Equipment	1,024,597	0	0	1,024,597
Vehicles	3,014,475	196,790	(31,796)	3,179,469
Electric, Water, Sewer, and Storm Sewer Lines	41,996,258	2,070,527	(49,238)	44,017,547
Total Depreciable Capital Assets	<u>66,282,330</u>	<u>2,267,317</u>	<u>(81,034)</u>	<u>68,468,613</u>
Less Accumulated Depreciation for				
Buildings	(1,969,730)	(269,355)	0	(2,239,085)
Equipment	(586,353)	(22,561)	0	(608,914)
Vehicles	(1,709,725)	(151,102)	4,769	(1,856,058)
Electric, Water, Sewer, and Storm Sewer Lines	(15,958,768)	(970,795)	32,497	(16,897,066)
Total Accumulated Depreciation	<u>(20,224,576)</u>	<u>(1,413,813)</u>	<u>37,266</u>	<u>(21,601,123)</u>
Total Depreciable Capital Assets, Net	<u>46,057,754</u>	<u>853,504</u>	<u>(43,768)</u>	<u>46,867,490</u>
Business-Type Activities Capital Assets, Net	<u>\$48,083,831</u>	<u>\$6,264,062</u>	<u>(\$1,677,998)</u>	<u>\$52,669,895</u>

During 2013, enterprise funds accepted contributions of capital assets from governmental activities, in the amount of \$1,634,230.

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$30,814
Security of Persons and Property - Fire	58,202
Public Health	21,557
Leisure Time Activities	74,427
Transportation	769,132
General Government	16,133
Total Depreciation Expense - Governmental Activities	<u>\$970,265</u>

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 11- INTERFUND BALANCES

Interfund balances at December 31, 2013, consisted of the following individual fund receivables and payables:

Due to General Fund from:

Other Governmental	\$126,225
Electric	54,203
	<u>\$180,428</u>

Due to Electric Fund from:

General	\$1,700
Other Governmental	627
Water	10,097
Sewer	13,393
Refuse	1,081
Internal Service	153
Total Electric Fund	<u>\$27,051</u>

Due to Water Fund from:

General	\$35
Other Governmental	97
Electric	319
Sewer	1,001
Refuse	9
Internal Service	9
Total Water Fund	<u>\$1,470</u>

Due to Sewer Fund from:

General	\$79
Other Governmental	232
Electric	488
Refuse	52
Internal Service	52
Total Sewer Fund	<u>\$903</u>

(continued)

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 11 - INTERFUND BALANCES (continued)

Due to Storm Sewer from:

General	\$4
Other Governmental	12
Electric	14
Sewer	44
Refuse	4
Internal Service	4
Total Storm Sewer Fund	\$82

Due to Refuse from:

General	\$71
Other Governmental	112
Electric	111
Water	29
Internal Service	28
Total Refuse Fund	\$351

The balances due resulted from the time lag between dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All of these amounts are expected to be received within one year.

NOTE 12 - 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 2013, the City contracted with the Ohio Plan Risk Management, an insurance pool, for the following coverage:

Type of Coverage	Coverage	Deductible
Property	\$64,311,181	\$1,000
General Liability		
Each Occurrence	7,000,000	0
Aggregate	9,000,000	0
Wrongful Acts		
Each Occurrence	7,000,000	5,000
Aggregate	9,000,000	5,000

(continued)

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 12 - RISK MANAGEMENT (continued)

Type of Coverage	Coverage	Deductible
Law Enforcement Liability		
Each Occurrence	\$7,000,000	\$5,000
Aggregate	9,000,000	5,000
Automobile Liability	7,000,000	250-500
Inland Marine	1,490,753	1,000
Electronic Data Processing	280,740	1,000

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.

Worker's compensation coverage is provided by the State of Ohio. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

NOTE 13 - SIGNIFICANT CONTRACTUAL COMMITMENTS

The City has several outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2013:

Vendor	Contract Amount	Amount Paid as of 12/31/13	Outstanding Balance
American Municipal Power	\$3,000,000	\$1,921,056	\$1,078,944
Choice One Engineering Corp	248,060	182,121	65,939
CTL Engineering, Inc.	51,749	30,900	20,849
Scranton Manufacturing Co.	58,358	0	58,358
Houston Freightliner, Inc.	77,400	0	77,400
Peterson Construction Co.	6,423,213	3,089,136	3,334,077
Shinn Bros	1,408,516	1,156,007	252,509
The Shelly Company	188,378	143,058	45,320
Utility Truck Equipment, Inc.	162,390	0	162,390

At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2014 are as follows:

Street and Sewer Improvement	\$553,040
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NOTE 14 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2013, members in state and local classifications contributed 10 percent of covered payroll. For 2013, member and employer contribution rates were consistent across all three plans.

The City's 2013 contribution rate was 14 percent. The portion of the City's contribution used to fund pension benefits is net of postemployment health care benefits. The portion of the City's contribution allocated to health care for members in both the traditional and combined plans was 1 percent for 2013. Effective January 1, 2014, the portion of the employer contribution allocated to health care increased to 2 percent. Employer contribution rates are actuarially determined.

The City's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2013, 2012, and 2011 was \$359,873, \$250,383, and \$254,248, respectively. For 2013, 90 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011. Contributions to the member-directed plan for 2013 were \$1,357 made by the City and \$969 made by the plan members.

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report that may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the website at www.op-f.org.

Funding Policy - Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2013, through July 1, 2013, plan members were required to contribute 10 percent of their annual covered salary. From July 2, 2013, through December 31, 2013, plan members were required to contribute 10.75 percent of their annual covered salary. Throughout 2013, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters.

The OPF pension fund is authorized by the Ohio Revised Code to allocate a portion of the employer contribution to retiree health care benefits. For January 1, 2013, through May 31, 2013, the portion of the City's contribution used to fund pension benefits was 14.81 percent of covered payroll for police officers and 19.31 percent of covered payroll for firefighters. For June 1, 2013, through December 31, 2013, the portion of the City's contribution used to fund pension benefits was 16.65 percent of covered payroll for police officers and 21.15 percent of covered payroll for firefighters. The City's contribution to OPF for police and firefighters pension was \$138,548 and \$184,876 for the year ended December 31, 2013, \$124,501 and \$157,389 for the year ended December 31, 2012, and \$123,415 and \$151,247 for the year ended December 31, 2011. For 2013, 91 percent has been contributed for police and 87 percent has been contributed for firefighters with the balance for both police and fire being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

NOTE 15 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment health care coverage. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The postemployment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed 14 percent of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code.

Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The portion of the employer contribution allocated to health care for members in both the traditional and combined plans was 1 percent for 2013. Effective January 1, 2014, the portion of the employer contribution allocated to health care was raised to 2 percent for both plans as recommended by the OPERS actuary.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment health care plan.

The City's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2013, 2012, and 2011 was \$27,787, \$100,690, and \$101,957, respectively. For 2013, 90 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing on January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contribution toward the health care fund after the end of the transition period.

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

B. Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored health care program, a cost-sharing, multiple-employer defined benefit postemployment health care plan administered by OPF. OPF provides health care benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients, and their eligible dependents.

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

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

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

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required by the Ohio Revised Code to contribute to the pension plan at rates expressed as a percentage of payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, respectively. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For January 1, 2013, through May 31, 2013, the employer contribution allocated to the health care plan was 4.69 percent of covered payroll. For June 1, 2013, through December 31, 2013, the employer contribution allocated to the health care plan was 2.85 percent of covered payroll. The amount of employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

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

The City's contribution to OPF which was allocated to fund postemployment health care benefits for police and firefighters was \$31,548 and \$32,803 for the year ended December 31, 2013, \$65,912 and \$61,587 for the year ended December 31, 2012, and \$65,337 and \$59,184 for the year ended December 31, 2011. For 2013, 91 percent has been contributed for police and 87 percent has been contributed for firefighters with the balance for both police and fire being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

NOTE 16 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws.

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

Sick leave is earned at various rates as defined by City policy and union contracts. Non-union employees earn sick leave at a rate of four and six-tenths hours for every eighty hours worked. Current policy permits sick leave to be accumulated without limit. Each non-union employee or utility worker 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 or utility worker 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).

All bargaining-unit employees, except firefighters, earn sick leave at a rate of four and sixty-two hundredths of an hour for every hour worked. Firefighters earn sick leave at a rate of five and seventy-five hundredths of an hour for every hour worked. Current policy permits sick leave to be accumulated without limit. Each bargaining-unit employee, at the time of retirement from active service with the City, is paid for one-half of their earned unused sick leave up to a maximum of 1,040 accrued sick hours (one hundred thirty days total maximum payment), except for firefighters hired after January 1, 1988. Firefighters are paid for one-fourth of their earned unused sick leave up to a maximum of two hundred forty accrued sick hours (thirty days total maximum payment).

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 17 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2013, was as follows:

	Interest Rate	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013	Due Within One Year
<u>Governmental Activities</u>						
General Obligation Bonds						
2003 Various Purpose	1.75 - 3.80%	\$225,000	\$0	\$225,000	\$0	\$0
Other Long-Term Obligations						
Capital Loans Payable		34,257	0	10,974	23,283	11,413
Loans Payable		245,506	0	37,033	208,473	38,506
Compensated Absences Payable		459,454	63,143	20,353	502,244	142,854
Total Governmental Activities		<u>\$964,217</u>	<u>\$63,143</u>	<u>\$293,360</u>	<u>\$734,000</u>	<u>\$192,773</u>
	Interest Rate	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013	Due Within One Year
<u>Business-Type Activities</u>						
Mortgage Revenue Bonds						
1998 Sewer System Bonds	3.30 - 4.95%	\$1,670,000	\$0	\$245,000	\$1,425,000	\$255,000
2006 Sewer System Bonds	4 - 4.25	6,460,000	0	180,000	6,280,000	200,000
Total Mortgage Revenue Bonds		<u>8,130,000</u>	<u>0</u>	<u>425,000</u>	<u>7,705,000</u>	<u>455,000</u>
Other Long-Term Obligations						
Due to Auglaize County		1,250	0	1,250	0	0
OWDA Loans						
Water		8,485,865	0	183,042	8,302,823	30,773
Sewer		433,209	3,680,277	22,787	4,090,699	0
Capital Loans Payable		129,624	0	57,782	71,842	59,972
Loans Payable		622,630	0	93,919	528,711	97,656
Capital Leases Payable		68,563	0	33,638	34,925	34,925
Due to AMP-Ohio		541,378	0	541,378	0	0
Compensated Absences Payable		381,091	49,193	41,747	388,537	87,072
Landfill Postclosure Costs		1,426,064	0	66,401	1,359,663	69,071
Total Other Long-Term Obligations		<u>12,089,674</u>	<u>3,729,470</u>	<u>1,041,944</u>	<u>14,777,200</u>	<u>379,469</u>
Total Business-Type Activities		<u>\$20,219,674</u>	<u>\$3,729,470</u>	<u>\$1,466,944</u>	<u>\$22,482,200</u>	<u>\$834,469</u>

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

2003 Various Purpose General Obligation Bonds - On October, 1, 2003, the City issued \$3,295,000 in unvoted general obligation bonds. The bonds were issued for ten years with interest rates ranging from 1.75 percent to 3.8 percent. Bonds, in the amount of \$2,836,000, were used to refund \$850,000 in Downtown Improvement general obligation bonds issued in 1991 and \$1,875,000 in various purpose bonds issued in 1993. The issue also included \$170,600 to partially retire bond anticipation notes for various landfill improvements and \$288,400 to make improvements to sidewalks, curbs, and gutters. The bonds were fully retired in 2013 from the Street and Sewer Improvement capital projects fund, Downtown Debt debt service fund, and the Electric, Water, Sewer, and Refuse enterprise funds. The 1991 and 1993 bonds were fully extinguished in 2003.

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

Loans Payable

In 2009, the City obtained a loan from Energy Systems Group, in the amount of \$1,303,630, for energy efficiency upgrades; \$368,662 at the fire station and \$934,968 at the waste water treatment plant. The loans were obtained for a ten year period with final maturity during 2018. The loans are being retired through the General Fund and the Sewer enterprise fund. Of the total loan amount, \$208,473 and \$528,711 was not capitalized for governmental activities and in the Sewer enterprise fund, respectively.

Compensated Absences Payable - The compensated absences liability will be paid from the fund from which the employees' salaries are paid. These funds include the General Fund, Street Maintenance special revenue fund, Electric, Water, Sewer, and Refuse enterprise funds, and the Engineering internal service fund.

Mortgage Revenue Bonds - Mortgage revenue bonds are special obligations of the City secured by a lien upon the assets of the respective system. These bonds are payable solely from the gross revenues of the respective system after provisions for reasonable operating and maintenance expenses. The bond indentures have certain restrictive covenants and principally require that bond reserve funds be maintained and charges for services to customers be in sufficient amounts to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemptions of principal, and maintenance of properties.

1998 Sewer System Bonds - On November 30, 1998, the City issued \$4,190,000 in sewer system bonds to advance refund 1990 sewer system bonds and pay the costs of certain other improvements to the sewer system. The refunding bonds include serial and term bonds. The bonds were issued for a twenty year period, with final maturity during 2018. The bonds will be paid from the Sewer enterprise fund.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

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:

Year	Amount
2010	\$210,000
2011	225,000
2012	235,000
2013	245,000
2014	255,000
2015	270,000
2016	285,000
2017	300,000

The bonds maturing on or after December 1, 2009, are subject to optional redemption prior to maturity, commencing on December 1, 2009, 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 redemption date 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

In conjunction with the issuance of the sewer system bonds, the City entered into a trust agreement with a commercial bank. This trust agreement, along with the bond indenture, requires that the City establish various funds for the repayment of debt. The restricted assets in the Sewer enterprise fund segregate funds held by the City from funds held by the trustee in accordance with the trust agreement. Restricted assets relating to the sewer system bonds held by the trustee at December 31, 2013, were \$357,721.

2006 Sewer System Bonds - On June 1, 2006, the City issued \$7,425,000 in sewer system bonds for improvements to the wastewater collection and sewer system. The bonds were issued for a twenty year period, with final maturity during 2026. The bonds will be paid from the Sewer enterprise fund.

The bonds maturing on or after December 1, 2017, are subject to optional redemption prior to maturity, commencing on December 1, 2016, either in whole or in part, in inverse order of maturity and by lot within any maturity, at 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

In conjunction with the issuance of the sewer system bonds, the City entered into a trust agreement with a commercial bank. This trust agreement, along with the bond indenture, requires that the City establish various funds for the repayment of debt. The restricted assets in the Sewer enterprise fund segregate funds held by the City from funds held by the trustee in accordance with the trust agreement. Restricted assets relating to the sewer system bonds held by the trustee at December 31, 2013, were \$773,315.

The mortgage revenue bonds will be paid from the gross revenues of the Sewer enterprise fund after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments on the bonds are expected to require less than 100 percent of these net revenues in future years. Principal and interest paid on the bonds from the Sewer enterprise fund during 2013 was \$779,140. Total net revenues for the Sewer enterprise fund were \$1,767,159.

Due to Auglaize County - This liability 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 stipulated the City pay 50 percent of the loan. The liability was for a period of twenty years and was fully retired from the Sewer enterprise fund in 2013.

OWDA Loans

OWDA loans consist of money owed to the Ohio Water Development Authority for a new water treatment plant, a long-term control plan design, and a wellfield and raw water line improvements. OWDA loans will be paid from the Water and Sewer enterprise funds.

The OWDA loans will be paid from the gross revenues of the Water and Sewer enterprise funds after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments on the loans are expected to require less than 100 percent of these net revenues in future years. Principal and interest paid on the loans from the Water and Sewer enterprise funds during 2013 was \$581,731 and \$22,787, respectively. Total net revenues for the Water and Sewer enterprise funds were \$647,942 and \$1,767,159 respectively.

Capital Leases Payable - Capital lease obligations will be paid from the fund that maintains custody of the related asset.

Due to AMP-Ohio

The City of Wapakoneta is a member of American Municipal Power (AMP) and a participant in the American Municipal Power Generating Station Project (AMPGS). This project was intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's share of the project was 5,000 kW of a total capacity of 771,281 kW, giving the City a .65 percent share of the project.

The AMPGS project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS project due to projected escalating costs. These costs were, therefore, deemed impaired and participants were obligated to pay costs already incurred. As a result of a March 31, 2014, legal ruling, the AMP Board of Trustees on April 15, 2014, and the AMPGS participants on April 16, 2014, approved the collection of the impaired costs and provided the participants with an estimate of their liability.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

The City's estimated share of the impaired costs at March 31, 2014, is \$860,980. The City received a credit of \$283,700 related to its participation in the AMP Fremont Energy Center (AFEC) project, and another credit of \$226,124 related to the AMPGS costs deemed to have future benefit for the project participants leaving a net impaired cost estimate of \$351,156. The City had reported a liability of \$541,378 for its estimated share of the impaired costs at December 31, 2012, which the City paid during 2013. As a result of the payment in excess of the final impaired cost estimate, the City is reporting Cash and Cash Equivalents with Fiscal Agent on the statement of net position in the Electric enterprise fund for the difference.

Any additional costs or amounts received related to the project may result in a future liability to the City. These amounts will be recorded as they become estimable.

The City's legal debt margin was \$15,867,332 at December 31, 2013.

The water treatment plant and long-term control plan design projects funded by OWDA loans have not been completed. An amortization schedule for the repayment of the loans will not be available until the projects are completed and, therefore, are not included in the following schedule.

Principal and interest requirements to retire governmental activities long-term obligations outstanding at December 31, 2013, were as follows:

Year	Capital Loans		Loans Payable	
	Principal	Interest	Principal	Interest
2014	\$11,413	\$931	\$38,506	\$7,838
2015	11,870	475	40,038	6,306
2016	0	0	41,631	4,713
2017	0	0	43,288	3,057
2018	0	0	45,010	1,334
	<u>\$23,283</u>	<u>\$1,406</u>	<u>\$208,473</u>	<u>\$23,248</u>

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2013, from the enterprise funds were as follows:

Year	Mortgage Revenue Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2014	\$455,000	334,813	\$30,773	\$51,275
2015	470,000	314,190	31,922	50,126
2016	485,000	292,825	33,114	48,934
2017	525,000	270,717	34,351	47,697
2018	540,000	246,868	35,633	46,414
2019 to 2023	3,060,000	861,900	199,148	211,090
2024 to 2028	2,170,000	187,000	239,216	171,024
2029 to 2033	0	0	287,341	122,898
2034 to 2038	0	0	345,152	65,088
2039 to 2041	0	0	156,778	7,317
Total	<u>\$7,705,000</u>	<u>\$2,508,313</u>	<u>\$1,393,428</u>	<u>\$821,863</u>

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

Year	Capital Loans Payable		Loans Payable	
	Principal	Interest	Principal	Interest
2014	\$59,972	\$931	\$97,656	\$19,878
2015	11,870	475	101,541	15,993
2016	0	0	105,582	11,953
2017	0	0	109,782	7,752
2018	0	0	114,150	3,384
	<u>\$71,842</u>	<u>\$1,406</u>	<u>\$528,711</u>	<u>\$58,960</u>

NOTE 18 - CAPITAL LEASES - LESSEE DISCLOSURE

The City has entered into a capitalized lease for a vehicle. Principal payments in 2013 were \$33,638 in the Refuse enterprise fund.

	Business-Type Activities
Vehicles	\$140,962
Less Accumulated Depreciation	(23,494)
Carrying Value, December 31, 2013	<u>\$117,468</u>

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2013.

Year	Business-Type Activities	
	Principal	Interest
2014	\$34,925	\$1,335

NOTE 19 - LANDFILL 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 \$1,359,663, reported as landfill postclosure costs at December 31, 2013, represents the costs of maintenance and monitoring through 2028. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. A fee of \$3 and \$1.50 per month was imposed on commercial and residential refuse users, respectively, to finance the postclosure costs, which generates approximately \$155,000 annually.

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.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 20 - INTERFUND TRANSFERS

During 2013, the General Fund made transfers to the Street and Sewer Improvement capital projects fund, in the amount of \$450,000, as debt payments came due. The General Fund also made transfers to other governmental funds, in the amount of \$165,000; \$125,000 as debt payments came due and \$40,000 to subsidize activities in other funds. In addition, the General Fund transferred \$200,000 and \$40,000 to the Electric and Refuse enterprise funds, respectively, to subsidize operations.

Other governmental funds transferred \$30,500 to the Electric enterprise fund to subsidize operations.

The Electric enterprise fund transferred \$33,223 to the Street and Sewer Improvement capital projects fund as debt payments came due.

The Water enterprise fund transferred \$33,223 to the Street and Sewer Improvement capital projects fund as debt payments came due.

The Sewer enterprise fund transferred \$33,224 to the Street and Sewer Improvement capital projects fund as debt payments came due.

The Refuse enterprise fund transferred \$33,223 to the Street and Sewer Improvement capital projects fund as debt payments came due.

NOTE 21 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balance	General	Street and Sewer Improvement	Other Governmental	Total
Nonspendable for:				
Materials and Supplies	\$18,738	\$0	\$22,097	\$40,835
Prepaid Items	29,410	0	7,211	36,621
Unclaimed Monies	39,650	0	0	39,650
Total Nonspendable	<u>87,798</u>	<u>0</u>	<u>29,308</u>	<u>117,106</u>
Restricted for:				
Ambulance Operations	8,217	0	0	8,217
Debt Retirement	0	0	1,160	1,160
Economic Development	0	0	648,687	648,687
Police Operations	1,698	0	11,072	12,770
Recreation	0	0	29,215	29,215
Street Construction and Maintenance	0	874,834	355,905	1,230,739
Swimming Pool Operations	239	0	0	239
Total Restricted	<u>10,154</u>	<u>874,834</u>	<u>1,046,039</u>	<u>1,931,027</u>

(continued)

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 21 - FUND BALANCE (continued)

Fund Balance	General	Street and Sewer Improvement	Other Governmental	Total
Assigned for:				
Debt Retirement	\$0	\$0	\$277,702	\$277,702
Swimming Pool Operations	28,948	0	0	28,948
Purchases on Order	42,426	0	0	42,426
Total Assigned	<u>71,374</u>	<u>0</u>	<u>277,702</u>	<u>349,076</u>
Unassigned (Deficit)	1,671,656	0	(126,225)	1,545,431
Total Fund Balance	<u>\$1,840,982</u>	<u>\$874,834</u>	<u>\$1,226,824</u>	<u>\$3,942,640</u>

NOTE 22 - INSURANCE POOL

The City participates in the Ohio Plan Risk Management (Plan), an insurance purchasing pool consisting of various entities in the State of Ohio. The intent of the Plan is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the Plan. Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the plan based on the types and limits of coverage and deductibles selected by the participant. Membership in the Plan is by written application subject to the approval of the Plan Manager. Financial information may be obtained from the Ohio Plan Risk Management, 1505 Jefferson Avenue, Toledo, Ohio 43603.

NOTE 23 - CONTINGENT LIABILITIES

A. Litigation

There are currently no matters in litigation with the City as defendant.

B. Federal and State Grants

For the period January 1, 2013, to December 31, 2013, the City received state and federal 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.

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**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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Nonmajor Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes, other than for debt service or capital projects. Following is a description of the City's nonmajor special revenue funds:

Street Maintenance Fund

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

State Highway Fund

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

Motor Vehicle Permissive Tax Fund

To account for additional motor vehicle registration fees levied by the City and restricted for street maintenance and repair.

Community Block Grant Fund

To account for grants received under the Community Development Block Grant Program as well as the revolving loan program restricted for the revolving loan program and other community development expenditures.

Recreation Fund

To account for property taxes, grants, donations, and other resources restricted for recreation activities.

Law Enforcement Fund

To account for fines and forfeitures restricted for law enforcement purposes.

Enforcement and Education Fund

To account for fines and forfeitures charged for driving under the influence arrests. These resources are restricted 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 restricted for use on drug law enforcement activities.

Rudd Park Trust Fund

To account for monies from the Wapakoneta Area Community Foundation restricted for use on Rudd Park.

(continued)

City of Wapakoneta
Combining Statements - Nonmajor Governmental Funds
(continued)

Nonmajor Debt Service Funds

Debt service funds are used to account for resources that are restricted, committed, or assigned to expenditure for debt principal, interest, and related costs.

Debt Service Fund

To account for special assessments and transfers from the Street and Sewer Improvement Fund restricted for the payment of principal, interest, and fiscal charges.

Downtown Debt Fund

To account for transfers from the General Fund assigned for the payment of principal, interest, and fiscal charges.

Nonmajor Capital Projects Funds

Capital projects funds are used to account for resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities and other capital assets (other than those financed by the enterprise funds.)

Issue I Fund

To account for grants from the Ohio Public Works Commission restricted for various infrastructure improvements.

Capital Fire Truck Fund

To account for transfers from the General Fund assigned for the purchase or repair of fire trucks.

City of Wapakoneta
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$957,704	\$44,316	\$234,546	\$1,236,566
Due from Other Governments	381,792	0	0	381,792
Other Local Taxes Receivable	5,681	0	0	5,681
Prepaid Items	7,211	0	0	7,211
Materials and Supplies Inventory	22,097	0	0	22,097
Property Taxes Receivable	97,020	0	0	97,020
Notes Receivable	71,454	0	0	71,454
Total Assets	\$1,542,959	\$44,316	\$234,546	\$1,821,821
<u>Liabilities</u>				
Accrued Wages Payable	\$6,487	\$0	\$0	\$6,487
Accounts Payable	9,024	0	0	9,024
Due to Other Governments	10,387	0	0	10,387
Interfund Payable	1,080	0	126,225	127,305
Total Liabilities	26,978	0	126,225	153,203
<u>Deferred Inflows of Resources</u>				
Property Taxes	96,173	0	0	96,173
Unavailable Revenue	345,621	0	0	345,621
Total Deferred Inflows of Resources	441,794	0	0	441,794
<u>Fund Balance</u>				
Nonspendable	29,308	0	0	29,308
Restricted	1,044,879	1,160	0	1,046,039
Assigned	0	43,156	234,546	277,702
Unassigned (Deficit)	0	0	(126,225)	(126,225)
Total Fund Balance	1,074,187	44,316	108,321	1,226,824
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$1,542,959	\$44,316	\$234,546	\$1,821,821

City of Wapakoneta
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Street Maintenance	State Highway	Motor Vehicle Permissive Tax	Community Block Grant
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$81,520	\$217,890	\$36,349	\$577,233
Due from Other Governments	209,451	16,983	149,675	0
Other Local Taxes Receivable	0	0	5,681	0
Prepaid Items	6,156	0	0	0
Materials and Supplies Inventory	16,355	0	0	0
Property Taxes Receivable	0	0	0	0
Notes Receivable	0	0	0	71,454
Total Assets	<u>\$313,482</u>	<u>\$234,873</u>	<u>\$191,705</u>	<u>\$648,687</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$6,003	\$0	\$0	\$0
Accounts Payable	8,880	0	0	0
Due to Other Governments	6,918	0	0	0
Interfund Payable	752	0	0	0
Total Liabilities	<u>22,553</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	0
Unavailable Revenue	175,209	14,207	149,675	0
Total Deferred Inflows of Resources	<u>175,209</u>	<u>14,207</u>	<u>149,675</u>	<u>0</u>
<u>Fund Balance</u>				
Nonspendable	22,511	0	0	0
Restricted	93,209	220,666	42,030	648,687
Total Fund Balance	<u>115,720</u>	<u>220,666</u>	<u>42,030</u>	<u>648,687</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$313,482</u>	<u>\$234,873</u>	<u>\$191,705</u>	<u>\$648,687</u>

Recreation	Law Enforcement	Enforcement and Education	Drug Law Enforcement	Rudd Park Trust	Total
\$32,579	\$2,064	\$6,260	\$2,748	\$1,061	\$957,704
5,683	0	0	0	0	381,792
0	0	0	0	0	5,681
1,055	0	0	0	0	7,211
5,742	0	0	0	0	22,097
97,020	0	0	0	0	97,020
0	0	0	0	0	71,454
<u>\$142,079</u>	<u>\$2,064</u>	<u>\$6,260</u>	<u>\$2,748</u>	<u>\$1,061</u>	<u>\$1,542,959</u>
\$484	\$0	\$0	\$0	\$0	\$6,487
144	0	0	0	0	9,024
3,469	0	0	0	0	10,387
328	0	0	0	0	1,080
<u>4,425</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,978</u>
96,173	0	0	0	0	96,173
6,530	0	0	0	0	345,621
<u>102,703</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>441,794</u>
6,797	0	0	0	0	29,308
28,154	2,064	6,260	2,748	1,061	1,044,879
<u>34,951</u>	<u>2,064</u>	<u>6,260</u>	<u>2,748</u>	<u>1,061</u>	<u>1,074,187</u>
<u>\$142,079</u>	<u>\$2,064</u>	<u>\$6,260</u>	<u>\$2,748</u>	<u>\$1,061</u>	<u>\$1,542,959</u>

City of Wapakoneta
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2013

	Debt Service	Downtown Debt	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$1,160	\$43,156	\$44,316
<u>Fund Balance</u>			
Restricted	1,160	0	1,160
Assigned	0	43,156	43,156
Total Fund Balance	\$1,160	\$43,156	\$44,316

City of Wapakoneta
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2013

	Issue I	Capital Fire Truck	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$0	\$234,546	\$234,546
<u>Liabilities</u>			
Interfund Payable	\$126,225	\$0	\$126,225
<u>Fund Balance</u>			
Assigned	0	234,546	234,546
Unassigned (Deficit)	(126,225)	0	(126,225)
Total Fund Balance (Deficit)	(126,225)	234,546	108,321
Total Liabilities and Fund Balance	\$0	\$234,546	\$234,546

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City of Wapakoneta
Combining Statement of Revenues, Expenditures,
and Change in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$93,350	\$0	\$0	\$93,350
Other Local Taxes	93,235	0	0	93,235
Charges for Services	18,453	0	0	18,453
Fines and Forfeitures	2,222	0	0	2,222
Intergovernmental	452,792	0	330,028	782,820
Interest	22,289	0	0	22,289
Gifts and Donations	7,869	0	0	7,869
Other	2,623	0	0	2,623
Total Revenues	692,833	0	330,028	1,022,861
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Fire	0	0	469,646	469,646
Leisure Time Activities	122,180	0	0	122,180
Community Environment	15,667	0	0	15,667
Transportation	628,507	0	0	628,507
Debt Service:				
Principal Retirement	10,974	96,971	0	107,945
Interest and Fiscal Charges	1,390	3,685	0	5,075
Total Expenditures	778,718	100,656	469,646	1,349,020
Excess of Revenues				
Under Expenditures	(85,885)	(100,656)	(139,618)	(326,159)
<u>Other Financing Sources (Uses)</u>				
Transfers In	40,000	0	125,000	165,000
Transfers Out	(30,500)	0	0	(30,500)
Total Other Financing Sources (Uses)	9,500	0	125,000	134,500
Change in Fund Balance	(76,385)	(100,656)	(14,618)	(191,659)
Fund Balance Beginning of Year	1,150,572	144,972	122,939	1,418,483
Fund Balance End of Year	\$1,074,187	\$44,316	\$108,321	\$1,226,824

City of Wapakoneta
Combining Statement of Revenues, Expenditures,
and Change in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Street Maintenance	State Highway	Motor Vehicle Permissive Tax	Community Block Grant
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	93,235	0
Charges for Services	18,453	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	408,267	33,102	0	0
Interest	775	1,229	902	7,477
Gifts and Donations	0	0	0	0
Other	1,638	0	0	0
Total Revenues	<u>429,133</u>	<u>34,331</u>	<u>94,137</u>	<u>7,477</u>
<u>Expenditures</u>				
Current:				
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	15,667
Transportation	478,507	0	150,000	0
Debt Service:				
Principal Retirement	10,974	0	0	0
Interest and Fiscal Charges	1,390	0	0	0
Total Expenditures	<u>490,871</u>	<u>0</u>	<u>150,000</u>	<u>15,667</u>
Excess of Revenues Over (Under) Expenditures	<u>(61,738)</u>	<u>34,331</u>	<u>(55,863)</u>	<u>(8,190)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in Fund Balance	(61,738)	34,331	(55,863)	(8,190)
Fund Balance Beginning of Year	<u>177,458</u>	<u>186,335</u>	<u>97,893</u>	<u>656,877</u>
Fund Balance End of Year	<u><u>\$115,720</u></u>	<u><u>\$220,666</u></u>	<u><u>\$42,030</u></u>	<u><u>\$648,687</u></u>

<u>Recreation</u>	<u>Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Drug Law Enforcement</u>	<u>Rudd Park Trust</u>	<u>Total</u>
\$93,350	\$0	\$0	\$0	\$0	\$93,350
0	0	0	0	0	93,235
0	0	0	0	0	18,453
0	420	1,027	775	0	2,222
11,423	0	0	0	0	452,792
11,906	0	0	0	0	22,289
7,688	0	0	0	181	7,869
985	0	0	0	0	2,623
<u>125,352</u>	<u>420</u>	<u>1,027</u>	<u>775</u>	<u>181</u>	<u>692,833</u>
121,741	0	0	0	439	122,180
0	0	0	0	0	15,667
0	0	0	0	0	628,507
0	0	0	0	0	10,974
0	0	0	0	0	1,390
<u>121,741</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>439</u>	<u>778,718</u>
<u>3,611</u>	<u>420</u>	<u>1,027</u>	<u>775</u>	<u>(258)</u>	<u>(85,885)</u>
40,000	0	0	0	0	40,000
(30,500)	0	0	0	0	(30,500)
<u>9,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,500</u>
13,111	420	1,027	775	(258)	(76,385)
21,840	1,644	5,233	1,973	1,319	1,150,572
<u>\$34,951</u>	<u>\$2,064</u>	<u>\$6,260</u>	<u>\$2,748</u>	<u>\$1,061</u>	<u>\$1,074,187</u>

City of Wapakoneta
Combining Statement of Revenues, Expenditures,
and Change in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2013

	Debt Service	Downtown Debt	Total
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	0	96,971	96,971
Interest and Fiscal Charges	0	3,685	3,685
Total Expenditures	0	100,656	100,656
Change in Fund Balance	0	(100,656)	(100,656)
Fund Balance Beginning of Year	1,160	143,812	144,972
Fund Balance End of Year	<u>\$1,160</u>	<u>\$43,156</u>	<u>\$44,316</u>

City of Wapakoneta
Combining Statement of Revenues, Expenditures,
and Change in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2013

	<u>Issue I</u>	<u>Capital Fire Truck</u>	<u>Total</u>
<u>Revenues</u>			
Intergovernmental	\$330,028	\$0	\$330,028
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire	<u>0</u>	<u>469,646</u>	<u>469,646</u>
Excess of Revenues Over (Under) Expenditures	330,028	(469,646)	(139,618)
<u>Other Financing Sources</u>			
Transfers In	<u>0</u>	<u>125,000</u>	<u>125,000</u>
Change in Fund Balance	330,028	(344,646)	(14,618)
Fund Balance (Deficit) Beginning of Year	<u>(456,253)</u>	<u>579,192</u>	<u>122,939</u>
Fund Balance (Deficit) End of Year	<u><u>(\$126,225)</u></u>	<u><u>\$234,546</u></u>	<u><u>\$108,321</u></u>

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City of Wapakoneta
Combining Statements - Fiduciary Funds

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.

Agency 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 monies belonging to the police auxiliary, an organization that is not a part of the City of Wapakoneta.

City of Wapakoneta
Combining Statement of Change in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2013

	Balance December 31, 2012	Additions	Reductions	Balance December 31, 2013
<u>Dependent Coverage</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$964	\$15,159	\$16,123	\$0
<u>Liabilities</u>				
Due to External Party	\$0	\$15,159	\$0	\$15,159
Deposits Held and Due to Others	964	0	16,123	(15,159)
Total Liabilities	\$964	\$15,159	\$16,123	\$0
<u>Police Auxiliary</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$16,410	\$0	\$10,428	\$5,982
<u>Liabilities</u>				
Undistributed Assets	\$16,410	\$0	\$10,428	\$5,982
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$17,374	\$15,159	\$26,551	\$5,982
<u>Liabilities</u>				
Due to External Party	\$0	\$15,159	\$0	\$15,159
Deposits Held and Due to Others	964	0	16,123	(15,159)
Undistributed Assets	16,410	0	10,428	5,982
Total Liabilities	\$17,374	\$15,159	\$26,551	\$5,982

**INDIVIDUAL FUND SCHEDULES
OF REVENUES, EXPENDITURES/EXPENSES,
AND CHANGE IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$350,350	\$359,932	\$359,916	(\$16)
Municipal Income Taxes	2,600,000	2,316,890	2,393,744	76,854
Other Local Taxes	691,200	691,200	687,782	(3,418)
Charges for Services	684,150	739,085	686,569	(52,516)
Fees, Licenses, and Permits	88,750	105,495	103,076	(2,419)
Fines and Forfeitures	11,500	16,400	16,374	(26)
Intergovernmental	345,500	417,158	411,260	(5,898)
Interest	20,000	20,000	14,443	(5,557)
Gifts and Donations	1,250	2,790	2,639	(151)
Other	18,350	118,325	69,644	(48,681)
Total Revenues	4,811,050	4,787,275	4,745,447	(41,828)
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police Department				
Personal Services	1,354,344	1,362,344	1,337,410	24,934
Contractual Services	175,303	174,103	137,123	36,980
Materials and Supplies	31,216	32,416	26,867	5,549
Capital Outlay	84,859	76,859	51,155	25,704
Total Police Department	1,645,722	1,645,722	1,552,555	93,167
Fire Department				
Personal Services	1,334,900	1,359,900	1,318,246	41,654
Contractual Services	119,292	121,292	82,621	38,671
Materials and Supplies	37,890	35,890	29,777	6,113
Capital Outlay	74,283	74,283	71,856	2,427
Total Fire Department	1,566,365	1,591,365	1,502,500	88,865
Safety Director				
Personal Services	5,000	5,000	4,661	339
Contractual Services	3,750	3,750	0	3,750
Materials and Supplies	1,600	1,600	0	1,600
Total Safety Director	10,350	10,350	4,661	5,689
Total Security of Persons and Property	3,222,437	3,247,437	3,059,716	187,721

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Public Health				
Emergency Medical				
Personal Services	\$88,917	\$88,917	\$71,273	\$17,644
Contractual Services	78,706	80,579	69,336	11,243
Materials and Supplies	15,092	13,220	10,843	2,377
Capital Outlay	7,019	7,019	6,507	512
Other	7,600	7,600	1,802	5,798
Total Emergency Medical	197,334	197,335	159,761	37,574
Miscellaneous				
Contractual Services	30,000	30,000	31	29,969
Capital Outlay	16,500	16,500	11,862	4,638
Total Miscellaneous	46,500	46,500	11,893	34,607
Total Public Health	243,834	243,835	171,654	72,181
Leisure Time Activities				
Recreation				
Personal Services	143,500	143,500	134,702	8,798
Contractual Services	34,675	36,675	33,358	3,317
Materials and Supplies	77,527	75,527	68,823	6,704
Capital Outlay	42,125	42,125	40,886	1,239
Other	55,100	55,100	0	55,100
Total Leisure Time Activities	352,927	352,927	277,769	75,158
Community Environment				
Boards and Commissions				
Contractual Services	83,500	83,500	65,251	18,249
Materials and Supplies	21,504	21,504	16,982	4,522
Capital Outlay	10,000	10,000	0	10,000
Total Community Environment	115,004	115,004	82,233	32,771
General Government				
Council				
Personal Services	38,500	41,000	40,900	100
Materials and Supplies	8,000	8,100	6,555	1,545
Total Council	46,500	49,100	47,455	1,645
Clerk of Council				
Personal Services	4,000	4,000	3,800	200
Contractual Services	6,831	9,331	3,735	5,596
Materials and Supplies	100	0	0	0
Total Clerk of Council	10,931	13,331	7,535	5,796
Administrative				
Personal Services	93,000	93,000	81,332	11,668
Contractual Services	60,017	59,993	41,401	18,592
Materials and Supplies	66,909	66,934	55,601	11,333
Capital Outlay	7,500	7,500	2,746	4,754
Total Administrative	227,426	227,427	181,080	46,347

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Finance				
Personal Services	\$33,500	\$34,000	\$34,000	\$0
Contractual Services	68,269	69,270	54,741	14,529
Materials and Supplies	2,500	1,000	344	656
Total Finance	104,269	104,270	89,085	15,185
Income Tax				
Personal Services	72,900	72,900	66,255	6,645
Contractual Services	9,369	9,611	8,307	1,304
Materials and Supplies	23,678	23,436	16,822	6,614
Capital Outlay	1,500	1,500	0	1,500
Other	61,000	61,000	60,176	824
Total Income Tax	168,447	168,447	151,560	16,887
Law Director				
Personal Services	26,000	26,000	26,000	0
Contractual Services	1,000	1,000	0	1,000
Materials and Supplies	1,000	1,000	247	753
Total Law Director	28,000	28,000	26,247	1,753
Civil Service				
Personal Services	1,200	1,200	1,000	200
Materials and Supplies	2,575	2,575	1,783	792
Total Civil Service	3,775	3,775	2,783	992
Elections				
Contractual Services	7,500	7,500	131	7,369
Auglaize County				
Contractual Services	13,457	16,957	16,924	33
Administrative Support				
Other	323,145	289,645	0	289,645
Total General Government	933,450	908,452	522,800	385,652
Debt Service:				
Principal Retirement	37,033	37,033	37,033	0
Interest and Fiscal Charges	10,967	10,967	9,312	1,655
Total Debt Service	48,000	48,000	46,345	1,655
Total Expenditures	4,915,652	4,915,655	4,160,517	755,138
Excess of Revenues Over (Under) Expenditures	(104,602)	(128,380)	584,930	713,310

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	\$0	\$0	\$26,760	\$26,760
Advances In	0	23,775	23,775	0
Transfers Out	(834,000)	(994,000)	(855,000)	139,000
Total Other Financing Sources (Uses)	(834,000)	(970,225)	(804,465)	165,760
Change in Fund Balance	(938,602)	(1,098,605)	(219,535)	879,070
Fund Balance Beginning of Year	1,495,036	1,495,036	1,495,036	0
Prior Year Encumbrances Appropriated	197,444	197,444	197,444	0
Fund Balance End of Year	<u>\$753,878</u>	<u>\$593,875</u>	<u>\$1,472,945</u>	<u>\$879,070</u>

City of Wapakoneta
Street and Sewer Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Special Assessments	\$7,885	\$52,670	\$44,785
Intergovernmental	4,041,635	1,967,463	(2,074,172)
Interest	0	4,505	4,505
	<u>4,049,520</u>	<u>2,024,638</u>	<u>(2,024,882)</u>
<u>Expenditures</u>			
Current:			
Transportation			
Street and Sewer Improvement			
Contractual Services	444,384	425,987	18,397
Materials and Supplies	8,200	7,707	493
Capital Outlay	4,781,086	3,293,837	1,487,249
Other	129,900	0	129,900
	<u>5,363,570</u>	<u>3,727,531</u>	<u>1,636,039</u>
Total Expenditures			
Excess of Revenues Under Expenditures	(1,314,050)	(1,702,893)	(388,843)
<u>Other Financing Sources</u>			
Transfers In	488,000	450,000	(38,000)
Change in Fund Balance	(826,050)	(1,252,893)	(426,843)
Fund Balance Beginning of Year	1,343,096	1,343,096	0
Prior Year Encumbrances Appropriated	248,670	248,670	0
Fund Balance End of Year	<u>\$765,716</u>	<u>\$338,873</u>	<u>(\$426,843)</u>

City of Wapakoneta
Electric Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$15,007,471	\$14,195,410	(\$812,061)
Other Local Taxes	59,000	58,850	(150)
Utility Deposits	105,000	38,720	(66,280)
Sale of Capital Assets	20,000	20,000	0
Other	282,629	281,873	(756)
	<u>15,474,100</u>	<u>14,594,853</u>	<u>(879,247)</u>
<u>Expenses</u>			
Personal Services	1,084,500	1,050,194	34,306
Contractual Services	15,561,987	13,791,235	1,770,752
Materials and Supplies	1,252,263	948,770	303,493
Capital Outlay	1,445,964	1,290,144	155,820
Utility Refunds	50,000	25,962	24,038
Other	3,698,875	64,974	3,633,901
Debt Service:			
Principal Retirement	32,100	32,007	93
Interest Expense	2,900	1,216	1,684
	<u>23,128,589</u>	<u>17,204,502</u>	<u>5,924,087</u>
Excess of Revenues Under Expenses	(7,654,489)	(2,609,649)	5,044,840
Transfers In	<u>230,500</u>	<u>230,500</u>	<u>0</u>
Change in Fund Balance	(7,423,989)	(2,379,149)	5,044,840
Fund Balance Beginning of Year	5,289,764	5,289,764	0
Prior Year Encumbrances Appropriated	<u>1,825,588</u>	<u>1,825,588</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>(\$308,637)</u>	<u>\$4,736,203</u>	<u>\$5,044,840</u>

City of Wapakoneta
Water Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,820,700	\$1,720,511	(\$100,189)
Other	9,600	9,263	(337)
Total Revenues	<u>1,830,300</u>	<u>1,729,774</u>	<u>(100,526)</u>
<u>Expenses</u>			
Personal Services	411,695	393,505	18,190
Contractual Services	280,307	237,445	42,862
Materials and Supplies	699,816	472,759	227,057
Capital Outlay	670,754	66,686	604,068
Other	173,000	0	173,000
Debt Service:			
Principal Retirement	215,095	215,049	46
Interest Expense	399,905	399,905	0
Total Expenses	<u>2,850,572</u>	<u>1,785,349</u>	<u>1,065,223</u>
Excess of Revenues Under Expenses	(1,020,272)	(55,575)	964,697
Transfers In	<u>249,700</u>	<u>0</u>	<u>(249,700)</u>
Change in Fund Balance	(770,572)	(55,575)	714,997
Fund Balance Beginning of Year	645,551	645,551	0
Prior Year Encumbrances Appropriated	<u>182,821</u>	<u>182,821</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$57,800</u></u>	<u><u>\$772,797</u></u>	<u><u>\$714,997</u></u>

City of Wapakoneta
Sewer Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$3,254,000	\$3,088,230	(\$165,770)
OWDA Loan Proceeds	5,000,000	3,680,277	(1,319,723)
Other	13,000	11,030	(1,970)
Total Revenues	<u>8,267,000</u>	<u>6,779,537</u>	<u>(1,487,463)</u>
<u>Expenses</u>			
Personal Services	715,100	653,785	61,315
Contractual Services	1,676,515	912,585	763,930
Materials and Supplies	352,713	262,896	89,817
Capital Outlay	4,399,172	3,355,074	1,044,098
Other	113,127	14,892	98,235
Debt Service:			
Principal Retirement	573,919	591,727	(17,808)
Interest Expense	388,754	380,335	8,419
Total Expenses	<u>8,219,300</u>	<u>6,171,294</u>	<u>2,048,006</u>
Change in Fund Balance	47,700	608,243	560,543
Fund Balance Beginning of Year	1,534,960	1,534,960	0
Prior Year Encumbrances Appropriated	<u>151,981</u>	<u>151,981</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,734,641</u>	<u>\$2,295,184</u>	<u>\$560,543</u>

City of Wapakoneta
Storm Sewer Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$160,500	\$155,508	(\$4,992)
Other	7,500	7,120	(380)
Total Revenues	<u>168,000</u>	<u>162,628</u>	<u>(5,372)</u>
<u>Expenses</u>			
Contractual Services	40,500	6,952	33,548
Materials and Supplies	13,000	11,499	1,501
Capital Outlay	648,304	99,514	548,790
Other	10,000	5,880	4,120
Debt Service:			
Principal Retirement	10,974	10,974	0
Interest Expense	1,391	1,391	0
Total Expenses	<u>724,169</u>	<u>136,210</u>	<u>587,959</u>
Change in Fund Balance	(556,169)	26,418	582,587
Fund Balance Beginning of Year	553,745	553,745	0
Prior Year Encumbrances Appropriated	<u>3,334</u>	<u>3,334</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$910</u></u>	<u><u>\$583,497</u></u>	<u><u>\$582,587</u></u>

City of Wapakoneta
Refuse Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$1,247,000	\$1,142,650	(\$104,350)
Other	9,500	8,264	(1,236)
	<u>1,256,500</u>	<u>1,150,914</u>	<u>(105,586)</u>
<u>Expenses</u>			
Personal Services	489,200	456,184	33,016
Contractual Services	692,640	657,313	35,327
Materials and Supplies	71,685	62,338	9,347
Capital Outlay	55,360	45,646	9,714
Debt Service:			
Principal Retirement	62,145	62,052	93
Interest Expense	5,105	3,421	1,684
	<u>1,376,135</u>	<u>1,286,954</u>	<u>89,181</u>
Excess of Revenues Under Expenses	(119,635)	(136,040)	(16,405)
Transfers In	<u>160,000</u>	<u>40,000</u>	<u>(120,000)</u>
Change in Fund Balance	40,365	(96,040)	(136,405)
Fund Balance Beginning of Year	26,545	26,545	0
Prior Year Encumbrances Appropriated	<u>54,377</u>	<u>54,377</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u><u>\$121,287</u></u>	<u><u>(\$15,118)</u></u>	<u><u>(\$136,405)</u></u>

City of Wapakoneta
Street Maintenance Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$38,775	\$18,453	(\$20,322)
Intergovernmental	441,000	406,964	(34,036)
Interest	800	775	(25)
Other	2,725	2,715	(10)
Total Revenues	<u>483,300</u>	<u>428,907</u>	<u>(54,393)</u>
<u>Expenditures</u>			
Current:			
Transportation			
Street Maintenance			
Personal Services	350,100	305,357	44,743
Contractual Services	110,815	96,759	14,056
Materials and Supplies	106,409	74,885	31,524
Capital Outlay	31,721	16,894	14,827
Total Transportation	<u>599,045</u>	<u>493,895</u>	<u>105,150</u>
Debt Service:			
Principal Retirement	10,974	10,974	0
Interest and Fiscal Charges	1,390	1,390	0
Total Debt Service	<u>12,364</u>	<u>12,364</u>	<u>0</u>
Total Expenditures	<u>611,409</u>	<u>506,259</u>	<u>105,150</u>
Change in Fund Balance	(128,109)	(77,352)	50,757
Fund Balance Beginning of Year	128,162	128,162	0
Prior Year Encumbrances Appropriated	18,623	18,623	0
Fund Balance End of Year	<u>\$18,676</u>	<u>\$69,433</u>	<u>\$50,757</u>

City of Wapakoneta
State Highway Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$34,250	\$32,997	(\$1,253)
Interest	1,250	1,229	(21)
	35,500	34,226	(1,274)
<u>Expenditures</u>			
Current:			
Transportation			
State Highway			
Capital Outlay	200,000	0	200,000
Change in Fund Balance	(164,500)	34,226	198,726
Fund Balance Beginning of Year	183,664	183,664	0
Fund Balance End of Year	\$19,164	\$217,890	\$198,726

City of Wapakoneta
Motor Vehicle Permissive Tax Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Other Local Taxes	\$75,000	\$93,246	\$18,246
Intergovernmental	92,000	0	(92,000)
Interest	2,500	902	(1,598)
	<u>169,500</u>	<u>94,148</u>	<u>(75,352)</u>
<u>Expenditures</u>			
Current:			
Transportation			
Motor Vehicle Permissive Tax			
Capital Outlay	<u>230,000</u>	<u>150,000</u>	<u>80,000</u>
Change in Fund Balance	(60,500)	(55,852)	4,648
Fund Balance Beginning of Year	<u>92,201</u>	<u>92,201</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$31,701</u></u>	<u><u>\$36,349</u></u>	<u><u>\$4,648</u></u>

City of Wapakoneta
Community Block Grant Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$3,500	\$3,487	(\$13)
Revolving Loan Payments	37,250	32,606	(4,644)
Total Revenues	40,750	36,093	(4,657)
<u>Expenditures</u>			
Current:			
Community Environment Community Block Grant Contractual Services	558,000	15,667	542,333
Excess of Revenues Over (Under) Expenditures	(517,250)	20,426	537,676
<u>Other Financing Uses</u>			
Transfers Out	(38,000)	0	38,000
Change in Fund Balance	(555,250)	20,426	575,676
Fund Balance Beginning of Year	556,807	556,807	0
Fund Balance End of Year	\$1,557	\$577,233	\$575,676

City of Wapakoneta
Recreation Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Property Taxes	\$94,775	\$93,350	(\$1,425)
Intergovernmental	23,822	11,423	(12,399)
Interest	1,300	11,906	10,606
Gifts and Donations	11,900	7,688	(4,212)
Other	12,800	1,064	(11,736)
Total Revenues	144,597	125,431	(19,166)
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Recreation			
Personal Services	82,900	77,227	5,673
Contractual Services	38,276	28,049	10,227
Materials and Supplies	20,500	16,594	3,906
Capital Outlay	31,397	3,000	28,397
Total Expenditures	173,073	124,870	48,203
Excess of Revenues Over (Under) Expenditures	(28,476)	561	29,037
<u>Other Financing Sources (Uses)</u>			
Transfers In	59,000	40,000	(19,000)
Transfers Out	(30,500)	(30,500)	0
Total Other Financing Sources (Uses)	28,500	9,500	(19,000)
Change in Fund Balance	24	10,061	10,037
Fund Balance Beginning of Year	21,171	21,171	0
Prior Year Encumbrances Appropriated	876	876	0
Fund Balance End of Year	\$22,071	\$32,108	\$10,037

City of Wapakoneta
Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$150	\$420	\$270
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Law Enforcement			
Materials and Supplies	1,700	0	1,700
Change in Fund Balance	(1,550)	420	1,970
Fund Balance Beginning of Year	1,644	1,644	0
Fund Balance End of Year	\$94	\$2,064	\$1,970

City of Wapakoneta
Enforcement and Education Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Fines and Forfeitures	\$1,000	\$1,112	\$112
<u>Expenditures</u>			
Current:			
Security of Persons and Property Enforcement and Education Materials and Supplies	<u>6,000</u>	<u>0</u>	<u>6,000</u>
Change in Fund Balance	(5,000)	1,112	6,112
Fund Balance Beginning of Year	<u>5,148</u>	<u>5,148</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$148</u></u>	<u><u>\$6,260</u></u>	<u><u>\$6,112</u></u>

City of Wapakoneta
Drug Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Fines and Forfeitures	\$600	\$775	\$175
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Drug Law Enforcement			
Materials and Supplies	<u>2,500</u>	<u>0</u>	<u>2,500</u>
Change in Fund Balance	(1,900)	775	2,675
Fund Balance Beginning of Year	<u>1,973</u>	<u>1,973</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$73</u></u>	<u><u>\$2,748</u></u>	<u><u>\$2,675</u></u>

City of Wapakoneta
Rudd Park Trust Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Gifts and Donations	\$0	\$181	\$181
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Rudd Park			
Materials and Supplies	1,300	439	861
Change in Fund Balance	(1,300)	(258)	1,042
Fund Balance Beginning of Year	1,319	1,319	0
Fund Balance End of Year	\$19	\$1,061	\$1,042

City of Wapakoneta
Debt Service Debt Service Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Change in Fund Balance	0	0	0
Fund Balance Beginning of Year	1,160	1,160	0
Fund Balance End of Year	\$1,160	\$1,160	\$0

City of Wapakoneta
Downtown Debt Debt Service Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	98,000	96,971	1,029
Interest and Fiscal Charges	<u>5,000</u>	<u>3,685</u>	<u>1,315</u>
Total Expenditures	<u>103,000</u>	<u>100,656</u>	<u>2,344</u>
Change in Fund Balance	(103,000)	(100,656)	2,344
Fund Balance Beginning of Year	<u>143,812</u>	<u>143,812</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$40,812</u></u>	<u><u>\$43,156</u></u>	<u><u>\$2,344</u></u>

City of Wapakoneta
Issue I Capital Projects Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$330,100	\$330,028	(\$72)
<u>Expenditures</u>			
Current:			
Transportation			
Street and Sewer Improvement			
Capital Outlay	25,965	25,965	0
Excess of Revenues Over Expenditures	304,135	304,063	(72)
<u>Other Financing Uses</u>			
Advances Out	(23,775)	(23,775)	0
Change in Fund Balance	280,360	280,288	(72)
Fund Balance (Deficit) Beginning of Year	(306,253)	(306,253)	0
Prior Year Encumbrances Appropriated	25,965	25,965	0
Fund Balance End of Year	\$72	\$0	(\$72)

City of Wapakoneta
Capital Fire Truck Capital Projects Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire Department			
Capital Outlay	639,062	469,646	169,416
Excess of Revenues Under Expenditures	(639,062)	(469,646)	169,416
<u>Other Financing Sources</u>			
Transfers In	125,000	125,000	0
Change in Fund Balance	(514,062)	(344,646)	169,416
Fund Balance Beginning of Year	390,130	390,130	0
Prior Year Encumbrances Appropriated	189,062	189,062	0
Fund Balance End of Year	\$65,130	\$234,546	\$169,416

City of Wapakoneta
Engineering Internal Service Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$221,000	\$209,513	(\$11,487)
Licenses and Permits	12,900	10,848	(2,052)
Other	3,100	2,606	(494)
Total Revenues	<u>237,000</u>	<u>222,967</u>	<u>(14,033)</u>
<u>Expenses</u>			
Personal Services	203,590	175,428	28,162
Contractual Services	12,836	10,131	2,705
Materials and Supplies	13,634	12,143	1,491
Capital Outlay	7,000	0	7,000
Total Expenses	<u>237,060</u>	<u>197,702</u>	<u>39,358</u>
Change in Fund Balance	(60)	25,265	25,325
Fund Balance (Deficit) Beginning of Year	(674)	(674)	0
Prior Year Encumbrances Appropriated	<u>819</u>	<u>819</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$85</u></u>	<u><u>\$25,410</u></u>	<u><u>\$25,325</u></u>

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**STATISTICAL
SECTION**

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City of Wapakoneta
Statistical Section

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

Contents **Page**

Financial Trends..... S-2

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

Revenue Capacity..... S-12

These schedules contain information to help the reader assess the City’s most significant local revenue sources.

Debt Capacity..... S-32

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

Demographic and Economic Information..... S-39

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

Operating Information..... S-42

These schedules contain service data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.

Source: Unless otherwise noted the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Wapakoneta
Net Position
Last Ten Years
(Accrual Basis of Accounting)

	2013	2012	2011	2010	2009
Governmental Activities					
Net Investment in Capital Assets	\$21,411,432	\$20,891,574	\$20,767,868	\$21,307,484	\$19,716,391
Restricted for					
Debt Service	0	0	0	461,278	533,350
Capital Projects	1,175,919	2,039,417	2,166,097	2,630,138	2,684,217
Other Purposes	1,427,570	1,369,753	1,375,679	1,433,040	1,660,223
Unrestricted	<u>2,484,015</u>	<u>2,885,648</u>	<u>3,266,843</u>	<u>2,788,840</u>	<u>3,115,472</u>
Total Governmental Activities Net Position	<u>26,498,936</u>	<u>27,186,392</u>	<u>27,576,487</u>	<u>28,620,780</u>	<u>27,709,653</u>
Business-Type Activities					
Net Investment in Capital Assets	32,464,606	30,836,570	29,921,959	27,291,889	21,792,361
Restricted	1,258,937	1,259,685	1,114,899	1,108,811	1,141,228
Unrestricted	<u>9,831,047</u>	<u>9,353,383</u>	<u>9,881,292</u>	<u>11,761,858</u>	<u>14,886,023</u>
Total Business-Type Activities Net Position	<u>43,554,590</u>	<u>41,449,638</u>	<u>40,918,150</u>	<u>40,162,558</u>	<u>37,819,612</u>
Primary Government					
Net Investment in Capital Assets	53,876,038	51,728,144	50,689,827	48,599,373	41,508,752
Restricted	3,862,426	4,668,855	4,656,675	5,633,267	6,019,018
Unrestricted	<u>12,315,062</u>	<u>12,239,031</u>	<u>13,148,135</u>	<u>14,550,698</u>	<u>18,001,495</u>
Total Primary Government Net Position	<u>\$70,053,526</u>	<u>\$68,636,030</u>	<u>\$68,494,637</u>	<u>\$68,783,338</u>	<u>\$65,529,265</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$19,192,324	\$16,550,369	\$15,550,482	\$14,957,082	\$14,695,619
609,944	534,616	440,193	344,370	550,261
2,534,599	4,691,427	1,020,043	842,208	816,352
1,904,101	1,651,443	3,001,698	2,557,353	2,352,316
<u>4,051,240</u>	<u>3,718,111</u>	<u>3,002,012</u>	<u>2,471,796</u>	<u>1,874,180</u>
<u>28,292,208</u>	<u>27,145,966</u>	<u>23,014,428</u>	<u>21,172,809</u>	<u>20,288,728</u>
18,991,836	18,277,471	18,054,990	18,859,104	18,380,759
1,170,970	1,236,810	1,164,741	355,195	396,777
<u>15,898,729</u>	<u>15,364,398</u>	<u>15,117,904</u>	<u>16,125,101</u>	<u>14,648,742</u>
<u>36,061,535</u>	<u>34,878,679</u>	<u>34,337,635</u>	<u>35,339,400</u>	<u>33,426,278</u>
38,184,160	34,827,840	33,605,472	33,816,186	33,076,378
6,219,614	8,114,296	5,626,675	4,099,126	4,115,706
<u>19,949,969</u>	<u>19,082,509</u>	<u>18,119,916</u>	<u>18,596,897</u>	<u>16,522,922</u>
<u>\$64,353,743</u>	<u>\$62,024,645</u>	<u>\$57,352,063</u>	<u>\$56,512,209</u>	<u>\$53,715,006</u>

City of Wapakoneta
Change in Net Position
Last Ten Years
(Accrual Basis of Accounting)

	2013	2012	2011	2010	2009
<u>Expenses</u>					
Governmental Activities					
Security of Persons and Property					
Police	\$1,516,675	\$1,545,559	\$1,584,868	\$1,443,241	\$1,468,762
Fire	1,503,565	1,494,511	1,353,865	1,429,639	1,617,800
Other	5,004	4,557	8,492	15,744	15,744
Public Health	180,131	172,130	177,297	198,272	194,857
Leisure Time Activities	463,263	433,670	492,736	452,815	412,328
Community Environment	86,893	84,148	116,039	88,867	137,689
Transportation	2,317,993	2,049,319	2,236,189	1,366,298	1,366,920
General Government	515,084	510,071	512,540	559,760	705,023
Interest and Fiscal Charges	17,988	38,654	49,942	63,692	87,500
Total Governmental Activities Expenses	<u>6,606,596</u>	<u>6,332,619</u>	<u>6,531,968</u>	<u>5,618,328</u>	<u>6,006,623</u>
Business-Type Activities					
Electric	15,277,737	13,550,781	14,371,849	13,905,809	13,411,381
Water	1,813,945	1,758,911	1,843,734	921,970	827,854
Sewer	2,161,928	2,241,662	2,171,320	2,235,926	2,927,271
Storm Sewer	142,646	271,419	114,124	91,075	85,127
Refuse	1,089,290	1,113,500	1,053,317	1,080,264	1,005,233
Total Business-Type Activities Expenses	<u>20,485,546</u>	<u>18,936,273</u>	<u>19,554,344</u>	<u>18,235,044</u>	<u>18,256,866</u>
Total Primary Government Expenses	<u>27,092,142</u>	<u>25,268,892</u>	<u>26,086,312</u>	<u>23,853,372</u>	<u>24,263,489</u>
<u>Program Revenues</u>					
Governmental Activities					
Charges for Services					
Security of Persons and Property					
Police	7,004	6,946	8,473	7,786	9,456
Fire	50,380	53,961	50,157	45,091	43,616
Public Health	523,208	504,789	413,758	287,206	380,940
Leisure Time Activities	203,119	259,592	228,629	249,666	197,945
Transportation	158,633	83,734	94,715	250,147	223,294
General Government	33,287	11,970	23,581	20,145	39,969
Total Charges for Services	<u>975,631</u>	<u>920,992</u>	<u>819,313</u>	<u>860,041</u>	<u>895,220</u>
Operating Grants, Contributions, and Interest	635,984	524,997	582,636	632,254	608,906
Capital Grants and Contributions	1,923,549	837,654	572,510	1,493,506	426,237
Total Governmental Activities Program Revenues	<u>3,535,164</u>	<u>2,283,643</u>	<u>1,974,459</u>	<u>2,985,801</u>	<u>1,930,363</u>
Business-Type Activities					
Charges for Services					
Electric	14,383,981	13,443,956	14,410,686	14,824,354	14,731,146
Water	1,724,995	1,607,652	1,560,401	1,619,474	1,651,348
Sewer	3,127,622	2,716,328	2,415,413	1,983,565	1,789,863
Storm Sewer	155,599	154,668	154,095	155,831	158,771
Refuse	1,108,914	1,106,281	1,114,270	1,070,336	1,085,472
Total Charges for Services	<u>20,501,111</u>	<u>19,028,885</u>	<u>19,654,865</u>	<u>19,653,560</u>	<u>19,416,600</u>
Operating Grants, Contributions, and Interest	0	0	0	0	0
Capital Grants and Contributions	0	0	0	247,321	0
Total Business-Type Activities Program Revenues	<u>20,501,111</u>	<u>19,028,885</u>	<u>19,654,865</u>	<u>19,900,881</u>	<u>19,416,600</u>
Total Primary Government Program Revenues	<u>24,036,275</u>	<u>21,312,528</u>	<u>21,629,324</u>	<u>22,886,682</u>	<u>21,346,963</u>
<u>Net (Expense) Revenue</u>					
Governmental Activities	(3,071,432)	(4,048,976)	(4,557,509)	(2,632,527)	(4,076,260)
Business-Type Activities	<u>15,565</u>	<u>92,612</u>	<u>100,521</u>	<u>1,665,837</u>	<u>1,159,734</u>
Total Primary Government Net Expense	<u>(3,055,867)</u>	<u>(3,956,364)</u>	<u>(4,456,988)</u>	<u>(966,690)</u>	<u>(2,916,526)</u>

2008	2007	2006	2005	2004
\$1,353,354	\$1,283,549	\$1,266,253	\$1,221,018	\$1,145,709
1,287,195	1,189,033	1,153,285	1,182,460	1,166,485
27,849	14,584	11,066	119,623	20,226
231,505	231,311	215,334	212,986	226,206
304,089	217,175	196,271	223,249	165,540
109,785	87,005	98,537	120,691	62,593
1,312,919	1,212,316	1,029,441	1,439,048	1,596,994
496,979	568,638	550,479	434,292	390,067
70,941	82,806	93,647	103,670	120,857
<u>5,194,616</u>	<u>4,886,417</u>	<u>4,614,313</u>	<u>5,057,037</u>	<u>4,894,677</u>
14,456,015	15,018,241	14,306,107	7,035,506	6,772,154
1,084,075	1,022,962	1,013,762	813,587	1,196,319
2,231,009	2,095,884	2,077,733	1,736,226	1,540,649
83,831	71,239	120,408	102,578	147,612
1,022,632	1,413,105	1,033,454	872,598	766,336
<u>18,877,562</u>	<u>19,621,431</u>	<u>18,551,464</u>	<u>10,560,495</u>	<u>10,423,070</u>
<u>24,072,178</u>	<u>24,507,848</u>	<u>23,165,777</u>	<u>15,617,532</u>	<u>15,317,747</u>
8,911	10,723	9,996	7,352	9,314
41,361	42,190	49,611	38,084	37,657
302,651	371,603	296,934	295,465	181,748
121,592	250	0	350	1,130
231,173	156,627	207,116	322,510	241,842
36,549	33,621	26,362	26,651	35,148
742,237	615,014	590,019	690,412	506,839
863,897	739,172	871,074	1,263,577	778,158
285,219	2,150,030	161,197	29,847	512,480
<u>1,891,353</u>	<u>3,504,216</u>	<u>1,622,290</u>	<u>1,983,836</u>	<u>1,797,477</u>
14,705,519	14,907,663	12,848,899	7,785,644	7,250,248
1,609,240	1,544,797	1,404,361	1,312,634	1,210,189
1,845,275	1,888,360	1,856,922	1,827,371	1,799,788
156,374	155,588	156,184	154,160	151,128
1,112,113	1,085,587	921,989	924,455	890,986
19,428,521	19,581,995	17,188,355	12,004,264	11,302,339
0	0	13,000	0	155,203
0	0	0	0	0
<u>19,428,521</u>	<u>19,581,995</u>	<u>17,201,355</u>	<u>12,004,264</u>	<u>11,457,542</u>
<u>21,319,874</u>	<u>23,086,211</u>	<u>18,823,645</u>	<u>13,988,100</u>	<u>13,255,019</u>
(3,303,263)	(1,382,201)	(2,992,023)	(3,073,201)	(3,097,200)
550,959	(39,436)	(1,350,109)	1,443,769	1,034,472
<u>(2,752,304)</u>	<u>(1,421,637)</u>	<u>(4,342,132)</u>	<u>(1,629,432)</u>	<u>(2,062,728)</u>

(continued)

City of Wapakoneta
Change in Net Position
Last Ten Years
(continued)
(Accrual Basis of Accounting)

	2013	2012	2011	2010	2009
<u>General Revenues and Other Changes in Net Position</u>					
Governmental Activities					
Property Taxes Levied for General Purposes	\$356,365	\$373,447	\$369,263	\$376,810	\$365,898
Property Taxes Levied for Recreation	92,535	88,625	92,756	95,200	92,532
Municipal Income Taxes	2,590,749	2,280,139	2,271,225	2,244,992	2,163,600
Other Local Taxes	686,875	651,985	642,164	645,090	604,597
Grants and Entitlements not Restricted to Specific Programs	249,320	454,557	550,652	585,145	571,917
Franchise Taxes	83,156	86,280	83,736	85,710	70,776
Interest	13,721	32,570	35,706	75,658	123,591
Gifts and Donations	2,639	1,772	1,374	5,663	9,671
Other	80,453	87,243	48,596	76,118	48,787
Gain on Sale of Investment	0	0	0	0	0
Transfers	(1,771,837)	(397,737)	(582,256)	(646,732)	(557,664)
Total Governmental Activities	<u>2,383,976</u>	<u>3,658,881</u>	<u>3,513,216</u>	<u>3,543,654</u>	<u>3,493,705</u>
Business-Type Activities					
Interest	0	29	7	1	2
Other	317,550	41,110	72,808	30,376	40,677
Transfers	1,771,837	397,737	582,256	646,732	557,664
Total Business-Type Activities	<u>2,089,387</u>	<u>438,876</u>	<u>655,071</u>	<u>677,109</u>	<u>598,343</u>
Total Primary Government	<u>4,473,363</u>	<u>4,097,757</u>	<u>4,168,287</u>	<u>4,220,763</u>	<u>4,092,048</u>
<u>Change in Net Position</u>					
Governmental Activities	(687,456)	(390,095)	(1,044,293)	911,127	(582,555)
Business-Type Activities	2,104,952	531,488	755,592	2,342,946	1,758,077
Total Primary Government Change in Net Position	<u>\$1,417,496</u>	<u>\$141,393</u>	<u>(\$288,701)</u>	<u>\$3,254,073</u>	<u>\$1,175,522</u>

2008	2007	2006	2005	2004
\$376,258	\$382,346	\$390,020	\$356,201	\$343,628
100,267	103,445	106,334	105,934	102,350
2,419,511	2,286,433	2,290,400	2,136,920	2,118,637
666,801	702,847	678,614	656,921	639,180
736,776	699,524	530,856	483,500	653,985
67,136	50,369	45,289	39,650	37,741
522,389	919,480	892,006	546,259	236,441
59,095	8,352	13,142	7,791	17,348
47,323	30,384	153,570	9,090	24,438
0	758,441	0	0	0
(546,051)	(427,882)	(266,589)	(384,984)	(325,256)
<u>4,449,505</u>	<u>5,513,739</u>	<u>4,833,642</u>	<u>3,957,282</u>	<u>3,848,492</u>
19,753	59,555	36,694	10,904	30,482
66,093	93,043	45,061	73,465	28,063
<u>546,051</u>	<u>427,882</u>	<u>266,589</u>	<u>384,984</u>	<u>325,256</u>
<u>631,897</u>	<u>580,480</u>	<u>348,344</u>	<u>469,353</u>	<u>383,801</u>
<u>5,081,402</u>	<u>6,094,219</u>	<u>5,181,986</u>	<u>4,426,635</u>	<u>4,232,293</u>
1,146,242	4,131,538	1,841,619	884,081	751,292
<u>1,182,856</u>	<u>541,044</u>	<u>(1,001,765)</u>	<u>1,913,122</u>	<u>1,418,273</u>
<u>\$2,329,098</u>	<u>\$4,672,582</u>	<u>\$839,854</u>	<u>\$2,797,203</u>	<u>\$2,169,565</u>

City of Wapakoneta
Fund Balance
Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2013	2012	2011	2010	2009
General Fund					
Reserved	\$0	\$0	\$0	\$122,631	\$138,697
Unreserved	0	0	0	2,077,148	2,546,481
Nonspendable	87,798	85,291	48,027	n/a	n/a
Restricted	10,154	18,517	18,457	n/a	n/a
Assigned	71,374	237,724	244,541	n/a	n/a
Unassigned	1,671,656	1,603,958	2,035,875	n/a	n/a
Total General Fund	1,840,982	1,945,490	2,346,900	2,199,779	2,685,178
All Other Governmental Funds					
Reserved	0	0	0	811,189	330,711
Unreserved, Reported in					
Special Revenue Funds	0	0	0	1,081,987	1,265,764
Debt Service Funds	0	0	0	467,448	539,473
Capital Projects Funds	0	0	0	1,539,432	2,177,385
Nonspendable	29,308	30,129	31,950	n/a	n/a
Restricted	1,920,873	2,700,149	2,954,653	n/a	n/a
Assigned	277,702	723,004	698,244	n/a	n/a
Unassigned (Deficit)	(126,225)	(456,253)	0	n/a	n/a
Total All Other Governmental Funds	2,101,658	2,997,029	3,684,847	3,900,056	4,313,333
Total Governmental Funds	\$3,942,640	\$4,942,519	\$6,031,747	\$6,099,835	\$6,998,511

The City implemented GASB Statement No. 54 in 2011.

2008	2007	2006	2005	2004
\$159,606	\$204,428	\$82,397	\$40,641	\$38,253
3,169,890	2,838,888	2,303,358	1,731,727	899,035
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
<u>3,329,496</u>	<u>3,043,316</u>	<u>2,385,755</u>	<u>1,772,368</u>	<u>937,288</u>
465,171	1,859,426	485,067	841,079	298,187
1,392,222	1,078,936	2,444,533	1,894,745	2,175,390
609,729	520,071	413,201	301,980	229,925
1,617,466	1,384,703	688,783	478,067	831,123
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
<u>4,084,588</u>	<u>4,843,136</u>	<u>4,031,584</u>	<u>3,515,871</u>	<u>3,534,625</u>
<u>\$7,414,084</u>	<u>\$7,886,452</u>	<u>\$6,417,339</u>	<u>\$5,288,239</u>	<u>\$4,471,913</u>

City of Wapakoneta
Change in Fund Balance
Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2013	2012	2011	2010	2009
<u>Revenues</u>					
Property Taxes	\$453,266	\$459,863	\$467,205	\$472,312	\$454,699
Municipal Income Taxes	2,415,109	2,262,379	2,230,352	2,171,986	2,138,100
Other Local Taxes	780,110	705,308	707,507	718,141	744,078
Special Assessments	52,670	57,956	49,364	108,280	79,745
Charges for Services	711,028	774,341	686,888	673,656	624,096
Fees, Licenses, and Permits	103,076	87,538	90,097	82,112	98,226
Fines and Forfeitures	18,785	13,412	21,706	21,292	21,495
Intergovernmental	3,247,382	1,272,298	2,111,174	2,385,316	1,985,445
Interest	36,097	50,039	78,486	101,299	167,697
Gifts and Donations	10,508	16,222	4,794	30,264	51,756
Other	72,016	87,243	48,596	76,348	48,557
Total Revenues	7,900,047	5,786,599	6,496,169	6,841,006	6,413,894
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	1,507,378	1,550,757	1,569,832	1,423,412	1,498,398
Fire	1,927,319	1,461,318	1,283,633	1,406,482	1,771,274
Other	4,685	4,592	8,166	15,472	14,842
Public Health	159,821	143,550	147,474	172,208	171,546
Leisure Time Activities	389,085	357,705	452,069	389,487	425,862
Community Environment	93,366	81,344	111,158	82,067	136,721
Transportation	3,916,917	2,396,004	1,635,535	3,037,581	1,651,528
General Government	498,250	491,108	489,958	536,168	679,793
Debt Service:					
Principal Retirement	273,007	261,167	376,099	365,342	358,346
Interest and Fiscal Charges	19,251	28,938	41,045	52,045	74,109
Total Expenditures	8,789,079	6,776,483	6,114,969	7,480,264	6,782,419
Excess of Revenues Over (Under) Expenditures	(889,032)	(989,884)	381,200	(639,258)	(368,525)
<u>Other Financing Sources (Uses)</u>					
Sale of Capital Assets	26,760	0	0	3,100	1,531
Loans Issued	0	0	0	54,955	368,662
Gain on Sale of Investments	0	0	0	0	0
Transfers In	747,893	1,044,156	1,052,712	919,852	907,759
Transfers Out	(885,500)	(1,143,500)	(1,502,000)	(1,237,325)	(1,325,000)
Total Other Financing Sources (Uses)	(110,847)	(99,344)	(449,288)	(259,418)	(47,048)
Change in Fund Balance	(\$999,879)	(\$1,089,228)	(\$68,088)	(\$898,676)	(\$415,573)
Debt Service as a Percentage of Noncapital Expenditures	4.02%	5.05%	7.81%	7.56%	7.68%

2008	2007	2006	2005	2004
\$475,488	\$485,855	\$494,322	\$463,550	\$450,912
2,343,504	2,330,159	2,186,885	2,155,844	2,064,190
739,543	775,349	750,786	729,535	712,250
113,600	99,838	127,830	141,800	110,523
534,173	383,477	394,449	314,313	282,566
84,803	58,235	49,667	53,014	54,022
26,414	28,153	26,397	19,469	28,312
2,352,860	1,429,731	1,112,975	1,932,243	1,319,319
638,987	1,385,496	1,123,113	622,515	497,487
306,596	29,040	39,358	33,081	35,090
47,323	29,805	153,570	9,443	24,085
<u>7,663,291</u>	<u>7,035,138</u>	<u>6,459,352</u>	<u>6,474,807</u>	<u>5,578,756</u>
1,335,039	1,275,070	1,261,097	1,184,347	1,115,067
1,228,768	1,157,457	1,468,411	1,201,714	1,127,628
27,847	14,333	13,040	119,204	20,343
270,897	218,356	191,798	188,684	204,721
1,874,381	283,512	209,160	284,270	140,660
105,721	75,643	113,779	121,393	133,654
1,790,505	1,128,899	741,257	1,203,088	1,395,155
474,176	1,129,757	533,235	416,606	374,390
449,624	454,074	448,553	448,060	431,989
61,042	73,146	84,149	94,174	118,485
<u>7,618,000</u>	<u>5,810,247</u>	<u>5,064,479</u>	<u>5,261,540</u>	<u>5,062,092</u>
45,291	1,224,891	1,394,873	1,213,267	516,664
0	4,201	816	0	0
0	0	0	0	0
0	758,441	0	0	0
1,147,341	1,751,741	967,411	500,059	876,428
<u>(1,665,000)</u>	<u>(2,270,161)</u>	<u>(1,234,000)</u>	<u>(897,000)</u>	<u>(1,143,772)</u>
<u>(517,659)</u>	<u>244,222</u>	<u>(265,773)</u>	<u>(396,941)</u>	<u>(267,344)</u>
<u>(\$472,368)</u>	<u>\$1,469,113</u>	<u>\$1,129,100</u>	<u>\$816,326</u>	<u>\$249,320</u>
10.18%	11.15%	12.11%	11.61%	11.90%

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

Year	Real Property				Public Utility Personal Property		
	Assessed Value		Public Utility	Total Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial					
2013	\$104,962,290	\$46,822,260	\$62,380	\$151,846,930	\$433,848,371	\$1,055,660	\$1,199,614
2012	104,390,450	47,087,190	74,990	151,552,630	433,007,514	426,650	484,830
2011	108,463,200	45,560,200	66,570	154,089,970	440,257,057	412,220	468,432
2010	107,696,140	45,716,950	61,680	153,474,770	438,499,343	401,430	456,170
2009	108,578,130	47,073,300	87,780	155,739,210	444,969,171	577,790	656,580
2008	99,932,540	43,264,780	46,920	143,244,240	409,269,257	584,380	664,068
2007	98,356,360	41,575,210	43,590	139,975,160	399,929,029	3,300,180	3,750,205
2006	96,797,980	39,755,360	77,760	136,631,100	390,374,571	3,745,680	4,256,455
2005	85,608,830	33,803,110	76,420	119,488,360	341,395,314	3,715,910	4,222,625
2004	84,027,250	33,452,810	75,780	117,555,840	335,873,829	3,816,660	4,337,114

Source: Auglaize County Auditor

(1) Since each type of property has its own direct rate, a weighted average of the separate rates is presented. See S-14 for the direct rate by property type.

Note: Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated actual value. Personal property tax was assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of actual value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent of actual value for machinery and equipment and 23 percent for inventory. The general business tangible personal property tax was phased out. The assessment percentage was 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four-year phase out on the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes have been levied or collected from general business taxpayers since 2009 or telephone companies since 2010.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent, and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property was eliminated.

Tangible Personal Property		Total		Weighted Average Tax Rate (1)
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$0	\$0	\$152,902,590	\$435,047,985	\$3.46
0	0	151,979,280	433,492,344	3.44
0	0	154,502,190	440,725,489	3.43
434,390	434,390	154,310,590	439,389,903	3.43
868,780	868,780	157,185,780	446,494,531	3.43
4,227,152	67,634,432	148,055,772	477,567,757	3.45
8,454,304	67,634,432	151,729,644	471,313,666	3.47
10,846,559	57,848,315	151,223,339	452,479,341	3.48
14,938,545	59,754,180	138,142,815	405,372,119	3.55
21,012,884	84,051,536	142,385,384	424,262,479	3.56

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

Collection Year	2013	2012	2011	2010	2009
Voted Millage					
Recreation					
Effective Millage Rates					
Residential/Agriculture	\$0.6274	\$0.6261	\$0.5995	\$0.5995	\$0.5989
Commercial/Industrial	0.8902	0.8430	0.8555	0.8555	0.8441
Tangible/Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000
Unvoted Millage					
General	2.1500	2.1500	2.1500	2.1500	2.1500
Fire Pension	0.3000	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	2.7500	2.7500	2.7500	2.7500	2.7500
Total Millage (Total Direct Rate)					
Total Effective Millage by Type of Property					
Residential/Agriculture	3.3774	3.3761	3.3495	3.3495	3.3489
Commercial/Industrial	3.6402	3.5930	3.6055	3.6055	3.5941
Tangible/Public Utility Personal	3.7500	3.7500	3.7500	3.7500	3.7500
Total Weighted Average Tax Rate	3.4606	3.4445	3.4262	3.4276	3.4262
Auglaize County	11.7500	11.7500	11.7500	11.7500	11.7500
Wapakoneta City School District	31.3000	31.3000	31.3000	31.3000	31.3000
Apollo Career Center	3.4400	2.2000	2.2000	2.2000	2.2000
Duchouquet Township	0.2000	0.2000	0.2000	0.2000	0.2000

Source: Auglaize County Auditor

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The basic property tax rate can only be increased by a majority vote of the City's residents.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

Overlapping rates are those of local and county governments that apply to property owners within the City of Wapakoneta. Property tax rates for all overlapping governments are based upon the original voted levy.

2008	2007	2006	2005	2004
\$0.5989	\$0.6299	\$0.6316	\$0.7014	\$0.7028
0.8693	0.8607	0.8528	0.9316	0.9314
1.0000	1.0000	1.0000	1.0000	1.0000
2.1500	2.1500	2.1500	2.1500	2.1500
0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000
2.7500	2.7500	2.7500	2.7500	2.7500
3.3489	3.3799	3.3816	3.4514	3.4528
3.6193	3.6107	3.6028	3.6816	3.6814
3.7500	3.7500	3.7500	3.7500	3.7500
3.4477	3.4719	3.4754	3.5482	3.5585
11.7500	11.7500	11.2500	11.2500	11.2500
31.3000	31.3000	29.6000	29.6000	29.6000
2.2000	2.2000	2.2000	2.2000	2.2000
0.2000	0.2000	0.2000	0.2000	0.2000

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City of Wapakoneta
Property Tax Levies and Collections
Last Ten Years

Year	Current Tax Levy (1)	Current Tax Collections	Percent Collected	Total Outstanding Delinquent Taxes	Percent Delinquent
2013	\$521,688	\$501,668	96.16%	\$6,939	1.33%
2012	523,622	508,521	97.12	11,305	2.16
2011	523,387	514,444	98.29	13,202	2.52
2010	562,605	589,717	104.82	11,496	2.04
2009	567,693	460,924	81.19	11,798	2.08
2008	579,024	565,256	97.62	8,248	1.42
2007	545,199	598,187	109.72	14,151	2.60
2006	553,228	606,765	109.68	12,849	2.32
2005	548,783	583,413	106.31	7,559	1.38
2004	508,913	491,031	96.49	13,257	2.60

Source: Auglaize County Auditor

(1) State reimbursement of rollback and homestead exemptions and accumulated delinquent taxes are included.
The County is not able to split the total tax levy between current and delinquent amounts.

Note: The County's current reporting system does not track delinquency tax collections by tax year.
The presentation will be updated as new information becomes available.

City of Wapakoneta
Principal Real Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	2013		
		Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Wal-Mart Stores East LP	Retail Business	\$2,376,500	1	1.56%
Lowes Home Centers, Inc.	Retail Business	1,726,530	2	1.14
Schlenker Enterprises	Land Developments and Apartments	1,498,460	3	0.99
Ametek, Inc.	Plastic Compounds	1,321,360	4	0.87
Koneta, Inc.	Rubber Truck Accessories Manufacturing	1,232,880	5	0.81
Quaker Run Farms	Warehousing and Distribution	1,154,580	6	0.76
GAMCO Components Group LLC	Automotive Suspension Manufacturing	1,137,500	7	0.75
DW 28 Wapakoneta LLC	Retail Business	1,080,390	8	0.71
Normandy Ridge Limited	Residential Apartments	859,710	9	0.57
Miller's Textile Services, Inc.	Uniform Rentals	822,590	10	0.54
LRV Acquisition	Hotel Properties			
Quaker Run	Residential Apartments			
Dr. L. Y. Soo	Individual Property Owner			
Auglaize Investment Company	Big Bear Department Store			
WGP Holding	Superior Tube			
	Total	13,210,500		8.70
	All Other Taxpayers	138,636,430		91.30
	Total Assessed Valuation	<u>\$151,846,930</u>		<u>100.00%</u>

Source: Auglaize County Auditor

2004		
<u>Real Property Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
\$1,563,680	1	1.33%
1,328,890	2	1.13
712,110	8	0.61
754,490	6	0.64
829,440	5	0.71
975,080	3	0.83
943,650	4	0.80
719,440	7	0.61
665,000	9	0.57
<u>566,250</u>	10	<u>0.48</u>
9,058,030		7.71
<u>108,497,810</u>		<u>92.29</u>
<u><u>\$117,555,840</u></u>		<u><u>100.00%</u></u>

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City of Wapakoneta
Income Tax Revenue Base and Collections
Last Ten Years

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individual Payments</u>	<u>Percentage of Taxes from Individual Payments</u>
2013	1.00%	\$2,590,749	\$2,015,566	77.80%	\$295,940	11.42%	\$279,243	10.78%
2012	1.00	2,280,139	1,986,930	87.14	144,118	6.32	149,091	6.54
2011	1.00	2,271,225	1,693,982	74.59	232,213	10.22	345,030	15.19
2010	1.00	2,244,992	1,831,471	81.58	143,612	6.40	269,909	12.02
2009	1.00	2,163,600	1,706,006	78.85	119,471	5.52	338,123	15.63
2008	1.00	2,419,511	1,843,971	76.21	228,064	9.43	347,476	14.36
2007	1.00	2,286,433	1,794,095	78.47	169,089	7.40	323,249	14.13
2006	1.00	2,290,400	1,689,748	73.78	309,030	13.49	291,622	12.73
2005	1.00	2,136,920	1,726,299	80.79	139,636	6.53	270,985	12.68
2004	1.00	2,118,637	1,648,114	77.79	157,669	7.44	312,854	14.77

Source: City Records

City of Wapakoneta
Electric Utility Statistics
Last Ten Years

	2013	2012	2011	2010	2009
Kilowatt Hours Purchased from:					
American Electric Power	0	0	0	0	0
AMP-Ohio	195,926,166	186,176,513	180,959,049	182,091,811	170,099,880
Solar Planet	1,396,868	0	0	0	0
Total Kilowatt Hours Purchased	\$197,323,034	\$186,176,513	\$180,959,049	\$182,091,811	\$170,099,880
Payments for Purchased Power to:					
American Electric Power	\$0	\$0	\$0	\$0	\$0
AMP-Ohio	12,125,226	11,076,435	11,968,304	12,224,095	11,750,318
Solar Planet	97,781	0	0	0	0
Total Payments for Purchased Power	\$12,223,007	\$11,076,435	\$11,968,304	\$12,224,095	\$11,750,318
Kilowatt Hours Sold to Users					
Residential	48,670,513	49,046,019	50,710,995	51,220,653	48,207,823
Commercial	55,505,734	51,663,059	53,536,889	54,671,941	51,504,966
Industrial	81,355,860	74,799,100	68,122,540	67,158,540	60,748,180
Total Kilowatt Hours Sold to Users	\$185,532,107	\$175,508,178	\$172,370,424	\$173,051,134	\$160,460,969
Charges for Kilowatt Hours Sold to Users					
Residential	\$4,247,295	\$4,207,297	\$4,730,277	\$4,816,497	\$4,619,968
Commercial	5,239,272	4,837,440	5,390,470	5,566,648	5,364,868
Industrial	5,513,562	5,080,856	5,223,424	5,201,984	5,013,166
Total Dollar Amount of Kilowatt Hours Sold to Users	\$15,000,129	\$14,125,593	\$15,344,171	\$15,585,129	\$14,998,002

Rate

Residential		
Service Charge (base)	\$2.50	per month
Energy Charge:		
0 - 750 kwh	\$0.092	per kwh
751 - 9,999,999 kwh	\$0.084	per kwh
Commercial		
Service Charge (base)	\$10.00	per month
Demand:		
First 5 kwh	No Charge	
6 - 9,999,999 kwh	\$6.00	per kwh
Energy Charge:		
First 1,000 kwh	\$0.1085	per kwh
1,001 - 9,999,999 kwh	\$0.0785	per kwh
Industrial (Large Power)		
Service Charge (base)	\$100.00	per month
Demand	\$18.00	per kwh
Energy Charge	\$0.0340	per kwh

Source: City Records

Note: Charges for kilowatt hours sold are based on collection cycles which will differ from billing cycles as reflected on the Statement of Revenues, Expenses, and Changes in Fund Net Position.

2008	2007	2006	2005	2004
0	197,661,771	187,474,222	187,080,998	182,064,625
191,475,666	4,149,000	4,122,000	4,096,736	4,172,642
0	0	0	0	0
<u>\$191,475,666</u>	<u>\$201,810,771</u>	<u>\$191,596,222</u>	<u>\$191,177,734</u>	<u>\$186,237,267</u>
\$11,197	\$13,344,311	\$12,570,995	\$5,252,736	\$5,035,490
12,608,416	146,348	136,101	165,854	97,896
0	0	0	0	0
<u>\$12,619,613</u>	<u>\$13,490,659</u>	<u>\$12,707,096</u>	<u>\$5,418,590</u>	<u>\$5,133,386</u>
49,579,753	50,710,462	48,981,563	51,072,037	48,335,392
54,894,606	59,434,626	62,709,278	61,528,576	56,617,209
73,796,880	78,444,120	70,704,980	63,297,900	65,596,500
<u>\$178,271,239</u>	<u>\$188,589,208</u>	<u>\$182,395,821</u>	<u>\$175,898,513</u>	<u>\$170,549,101</u>
\$4,420,838	\$4,324,976	\$3,691,525	\$2,568,233	\$2,404,143
5,355,024	5,510,541	4,938,547	3,158,202	2,862,108
5,503,887	5,511,166	4,587,937	2,604,184	2,548,999
<u>\$15,279,749</u>	<u>\$15,346,683</u>	<u>\$13,218,009</u>	<u>\$8,330,619</u>	<u>\$7,815,250</u>

City of Wapakoneta
Water Utility Statistics
Last Ten Years

Type of Customer	2013	2012	2011	2010	2009
Residential	\$1,090,272	\$1,037,648	\$1,012,829	\$1,029,780	\$1,048,899
Industrial	313,989	273,445	270,269	291,804	274,435
Commercial	286,194	262,502	263,642	277,948	280,266
Total Billed	\$1,690,455	\$1,573,595	\$1,546,740	\$1,599,532	\$1,603,600
Billed in Cubic Feet					
Rate in Cubic Feet:					
All Customers					
0 - 200	\$8.95	\$8.52	\$7.72	\$7.72	\$7.72
201 - 1,300	3.76	3.58	3.25	3.25	3.25
1,301 - 6,100	3.14	2.99	2.71	2.71	2.71
6,101 - 22,800	2.55	2.43	2.20	2.20	2.20
22,801 and up	2.31	2.19	1.99	1.99	1.99
Multi Residential					
0 - 200	\$8.95	\$8.52	\$7.72	\$7.72	\$7.72
Each Additional 100	3.65	3.48	3.15	3.15	3.15

Outside Rates prior to February 1, 2005, add 150%

Outside Rates after February 1, 2005, add 200%

Source: City Records

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the Statement of Revenues, Expenses, and Changes in Fund Net Position.

2008	2007	2006	2005	2004
\$977,828	\$931,953	\$845,137	\$803,042	\$709,519
312,965	310,036	263,913	209,814	207,575
270,467	271,697	264,331	256,465	204,331
<u>\$1,561,260</u>	<u>\$1,513,686</u>	<u>\$1,373,381</u>	<u>\$1,269,321</u>	<u>\$1,121,425</u>

\$7.14	\$6.61	\$6.12	\$5.67	\$5.25
3.01	2.79	2.58	2.39	2.21
2.51	2.32	2.15	1.99	1.84
2.04	1.89	1.75	1.62	1.50
1.84	1.70	1.57	1.45	1.34

\$7.14	\$6.61	\$6.12	\$5.67	\$5.25
2.91	2.69	2.49	2.31	2.14

City of Wapakoneta
Sewer Utility Statistics
Last Ten Years

Type of Customer	2013	2012	2011	2010	2009
Residential	\$1,167,565	\$1,158,891	\$1,123,865	\$1,081,696	\$1,051,463
Commercial	328,079	308,411	318,190	307,324	291,326
Industrial	420,142	347,512	370,480	393,287	400,621
Total Billed	<u>\$1,915,786</u>	<u>\$1,814,814</u>	<u>\$1,812,535</u>	<u>\$1,782,307</u>	<u>\$1,743,410</u>

Billed in Cubic Feet

Base Rate for First 200 Cubic Feet:

Residential	\$12.10	\$11.74	\$11.40	\$11.07	\$10.20
Commercial	12.10	11.74	11.40	11.07	10.20
Industrial	12.10	11.74	11.40	11.07	10.20

Additional per 100 Cubic Feet:

Residential	\$3.53	\$3.43	\$3.33	\$3.23	\$2.98
Commercial	3.80	3.69	3.58	3.48	3.21
Industrial	3.53	3.43	3.33	3.23	2.98

Outside Rates add 115%

Source: City Records

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the Statement of Revenues, Expenses, and Changes in Fund Net Position.

2008	2007	2006	2005	2004
\$1,035,296	\$1,045,093	\$1,013,454	\$1,016,743	\$994,203
300,312	318,508	348,872	365,911	304,829
473,693	512,977	471,939	414,251	425,951
<u>\$1,809,301</u>	<u>\$1,876,578</u>	<u>\$1,834,265</u>	<u>\$1,796,905</u>	<u>\$1,724,983</u>

\$10.05	\$9.90	\$9.75	\$9.60	\$9.46
10.05	9.90	9.75	9.60	9.46
10.05	9.90	9.75	9.60	9.46
\$2.93	\$2.89	\$2.85	\$2.81	\$2.77
3.16	3.11	3.06	3.01	2.97
2.93	2.89	2.85	2.81	2.77

City of Wapakoneta
Storm Sewer Utility Statistics
Last Ten Years

Type of Customer	2013	2012	2011	2010	2009
Residential	\$89,256	\$88,846	\$87,912	\$87,960	\$87,722
Commercial/Industrial	64,883	64,942	65,389	68,249	68,133
Total Billed	\$154,139	\$153,788	\$153,301	\$156,209	\$155,855

Rates:

Residential: \$2 per month

Commercial/Industrial:

Area of Property (square feet)	Monthly Fee
1 to 10,000	\$4
10,001 to 25,000	7
25,001 to 50,000	10
50,001 to 100,000	20
100,000 and over	40

Source: City Records

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the Statement of Revenues, Expenses, and Changes in Fund Net Position.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$87,772	\$87,348	\$86,742	\$85,832	\$84,732
<u>66,802</u>	<u>67,425</u>	<u>67,411</u>	<u>66,755</u>	<u>64,812</u>
<u>\$154,574</u>	<u>\$154,773</u>	<u>\$154,153</u>	<u>\$152,587</u>	<u>149,544</u>

City of Wapakoneta
Refuse Utility Statistics
Last Ten Years

Type of Customer	2013	2012	2011	2010	2009
Residential	\$416,494	\$414,011	\$414,234	\$411,384	\$386,024
Commercial/Industrial	186,212	182,251	182,801	190,085	194,305
Bag Sales (all customers)	288,750	288,738	271,437	267,688	254,313
Total	\$891,456	\$885,000	\$868,472	\$869,157	\$834,642
Amount Paid by City to Waste Management	\$235,714	\$227,332	\$239,428	\$223,051	\$206,999
Amount per Ton Paid to Waste Management	\$66.63	\$65.09	\$65.09	\$61.99	\$59.15
<u>Monthly Base Rate:</u>					
Residential Inside	\$8.50	\$8.50	\$8.50	\$8.50	\$8
Residential Outside	12.50	12.50	12.50	12.50	12

Commercial/Industrial (dumpsters) \$5 per cubic yard, plus \$5 stop charge

In addition to a flat fee, customers must also purchase trash bags from the City, which sell for \$.75 or \$1.25 each. Customers are also charged a monthly fee for landfill monitoring that varies for type of customer and size of commercial dumpster.

Source: City Records

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the Statement of Revenues, Expenses, and Changes in Fund Net Position.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$366,097	\$342,334	\$294,849	\$291,252	\$290,097
207,471	203,805	136,612	141,192	128,449
<u>287,938</u>	<u>267,579</u>	<u>236,150</u>	<u>241,800</u>	<u>195,500</u>
<u>\$861,506</u>	<u>\$813,718</u>	<u>\$667,611</u>	<u>\$674,244</u>	<u>\$614,046</u>
<u>\$215,993</u>	<u>\$220,755</u>	<u>\$219,332</u>	<u>\$180,182</u>	<u>\$161,692</u>
\$55.09	\$53.55	\$51.00	\$41.60	\$39.30
\$7 11	\$7 11	\$6 10	\$6 10	\$6 10

City of Wapakoneta
Ratio of Outstanding Debt by Type
Last Ten Years

Year	Governmental Activities			Business-Type Activities			
	General Obligation Bonds	Capital Loans	Loans Payable	General Obligation Bonds	Mortgage Revenue Bonds	Due to Auglaize County	OWDA Loans
2013	\$0	\$23,283	\$208,473	\$0	\$7,705,000	\$0	\$12,393,522
2012	225,000	34,257	245,506	0	8,130,000	1,250	8,919,074
2011	440,000	44,809	281,121	0	8,540,000	3,750	8,833,359
2010	750,428	54,955	315,374	23,300	8,940,000	6,250	8,743,063
2009	1,071,228	0	348,316	45,900	9,315,000	8,750	4,853,063
2008	1,397,951	0	0	67,900	9,655,196	11,250	1,007
2007	1,805,581	31,024	0	89,300	9,986,450	13,750	0
2006	2,218,912	61,098	0	110,300	10,308,232	16,250	0
2005	2,627,902	90,251	0	130,900	3,050,543	18,750	0
2004	3,037,372	118,511	0	151,100	3,213,383	21,250	0

Source: City Records

(1) See S-39 for population and personal income. These ratios are calculated using population and personal income for the prior calendar year.

Capital Loans	Loans Payable	Capital Leases	Total Debt	Per Capita (1)	Percentage of Personal Income (1)
\$71,842	\$528,711	\$34,925	\$20,965,756	\$2,133	7.79%
129,624	622,630	68,563	18,375,904	1,867	7.54
185,295	712,955	100,962	19,142,251	1,940	7.84
266,866	799,824	0	19,900,060	2,103	11.08
280,568	883,369	0	16,806,194	1,781	9.39
80,256	0	0	11,213,560	1,189	6.27
126,906	0	0	12,053,011	1,258	6.63
57,749	0	0	12,772,541	1,330	7.01
105,765	0	0	6,024,111	632	3.33
151,762	0	0	6,693,378	703	3.70

City of Wapakoneta
Ratio of General Bonded Debt to Estimated Actual Value
and Bonded Debt Per Capita
Last Ten Years

Year	Population	Estimated Actual Value	Gross Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt Per Capita
2013	9,830	\$435,047,985	\$0	0.00%	\$0.00
2012	9,843	433,492,344	225,000	0.05	22.86
2011	9,867	440,725,489	440,000	0.10	44.59
2010	9,464	439,389,903	773,728	0.18	81.75
2009	9,438	446,494,531	1,117,128	0.25	118.36
2008	9,432	477,567,757	1,465,851	0.31	155.41
2007	9,579	471,313,666	1,894,881	0.40	197.82
2006	9,602	452,479,341	2,329,212	0.51	242.58
2005	9,531	405,372,119	2,758,802	0.68	289.46
2004	9,518	424,262,479	3,188,472	0.75	334.99

Source: City Records
Auglaize County Auditor
U.S. Census Bureau

City of Wapakoneta
 Computation of Direct and Overlapping Debt for Governmental Activities
 December 31, 2013

Jurisdiction	Outstanding Debt	Percentage Applicable to City of Wapakoneta (1)	Amount Applicable to City of Wapakoneta
City of Wapakoneta			
Capital Loans Payable	\$23,283	100.00%	\$23,283
Loans Payable	<u>208,473</u>		<u>208,473</u>
	<u>231,756</u>		<u>231,756</u>
Wapakoneta City School District	24,045,000	45.03	10,827,464
Auglaize County	<u>221,848</u>	16.60	<u>36,827</u>
	<u>24,266,848</u>		<u>10,864,291</u>
Total	<u><u>\$24,498,604</u></u>		<u><u>\$11,096,047</u></u>

Source: City 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
 Computation of Legal Debt Margin
 Last Ten Years

	2013	2012	2011	2010
Total Assessed Valuation	<u>\$152,902,590</u>	<u>\$151,979,280</u>	<u>\$154,502,190</u>	<u>\$154,310,590</u>
Overall Debt Limitation - 10.5 Percent of Assessed Valuation	16,054,772	15,957,824	16,222,730	16,202,612
Gross Indebtedness	20,930,831	18,306,091	19,037,539	19,915,082
Less Debt Outside Limitation				
Bond Anticipation Notes	0	0	0	0
General Obligation Bonds	0	0	0	23,300
Mortgage Revenue Bonds	7,705,000	8,130,000	8,540,000	8,940,000
OWDA Loans	12,393,522	8,919,074	8,833,359	8,743,063
Capital Loans	71,842	129,624	185,295	266,866
Loans Payable	<u>528,711</u>	<u>622,630</u>	<u>712,955</u>	<u>799,824</u>
Net Indebtedness	231,756	504,763	765,930	1,142,029
Less Fund Balance in Debt Service Fund	<u>44,316</u>	<u>144,972</u>	<u>245,212</u>	<u>467,448</u>
Net Debt Within 10.5 Percent Limitation	<u>187,440</u>	<u>359,791</u>	<u>520,718</u>	<u>674,581</u>
Legal Debt Margin Within 10.5 Percent Limitation	<u>\$15,867,332</u>	<u>\$15,598,033</u>	<u>\$15,702,012</u>	<u>\$15,528,031</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	98.83%	97.75%	96.79%	95.84%
Unvoted Debt Limitation - 5.5 Percent of Assessed Valuation	\$8,409,642	\$8,358,860	\$8,497,620	\$8,487,082
Gross Indebtedness	20,930,831	18,306,091	19,037,539	19,915,082
Less Debt Outside Limitation				
Bond Anticipation Notes	0	0	0	0
General Obligation Bonds	0	0	0	23,300
Mortgage Revenue Bonds	7,705,000	8,130,000	8,540,000	8,940,000
OWDA Loans	12,393,522	8,919,074	8,833,359	8,743,063
Capital Loans	71,842	129,624	185,295	266,866
Loans Payable	<u>528,711</u>	<u>622,630</u>	<u>712,955</u>	<u>799,824</u>
Net Indebtedness	231,756	504,763	765,930	1,142,029
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Net Debt Within 5.5 Percent Limitation	<u>187,440</u>	<u>359,791</u>	<u>520,718</u>	<u>674,581</u>
Legal Debt Margin Within 5.5 Percent Limitation	<u>\$8,222,202</u>	<u>\$7,999,069</u>	<u>\$7,976,902</u>	<u>\$7,812,501</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	97.77%	95.70%	93.87%	92.05%

Source: City Records

2009	2008	2007	2006	2005	2004
<u>\$157,185,780</u>	<u>\$148,055,772</u>	<u>\$151,729,644</u>	<u>\$151,223,339</u>	<u>\$138,142,815</u>	<u>\$142,385,384</u>
16,504,507	15,545,856	15,931,613	15,878,451	14,504,996	14,950,465
17,130,316	11,861,263	13,112,930	14,313,847	14,724,416	15,082,873
300,000	600,000	990,000	1,450,000	8,588,400	8,257,600
45,900	67,900	89,300	110,300	130,900	151,100
9,315,000	9,670,000	10,015,000	10,350,000	3,105,000	3,280,000
4,853,063	1,007	0	0	0	0
280,568	80,256	157,930	118,847	196,016	270,273
883,369	0	0	0	0	0
1,452,416	1,442,100	1,860,700	2,284,700	2,704,100	3,123,900
539,473	609,729	520,071	413,201	301,980	229,925
912,943	832,371	1,340,629	1,871,499	2,402,120	2,893,975
<u>\$15,591,564</u>	<u>\$14,713,485</u>	<u>\$14,590,984</u>	<u>\$14,006,952</u>	<u>\$12,102,876</u>	<u>\$12,056,490</u>
94.47%	94.65%	91.59%	88.21%	83.44%	80.64%
\$8,645,218	\$8,143,067	\$8,345,130	\$8,317,284	\$7,597,855	\$7,831,196
17,130,316	11,861,263	13,112,930	14,313,847	14,724,416	15,082,873
300,000	600,000	990,000	1,450,000	8,588,400	8,257,600
45,900	67,900	89,300	110,300	130,900	151,100
9,315,000	9,670,000	10,015,000	10,350,000	3,105,000	3,280,000
4,853,063	1,007	0	0	0	0
280,568	80,256	157,930	118,847	196,016	270,273
883,369	0	0	0	0	0
1,452,416	1,442,100	1,860,700	2,284,700	2,704,100	3,123,900
539,473	609,729	520,071	413,201	301,980	229,925
912,943	832,371	1,340,629	1,871,499	2,402,120	2,893,975
<u>\$7,732,275</u>	<u>\$7,310,696</u>	<u>\$7,004,501</u>	<u>\$6,445,785</u>	<u>\$5,195,735</u>	<u>\$4,937,221</u>
89.44%	89.78%	83.94%	77.50%	68.38%	63.05%

City of Wapakoneta
Pledged Revenue
Sewer Fund
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2013	\$3,138,652	\$1,371,493	\$1,767,159	\$447,787	\$354,140	\$801,927	2.20
2012	2,718,422	1,174,231	1,544,191	410,000	372,773	782,773	1.97
2011	2,418,291	1,315,509	1,102,782	400,000	390,909	790,909	1.39
2010	1,987,702	1,305,730	681,972	375,000	407,905	782,905	0.87
2009	1,803,106	1,936,809	(133,703)	355,000	423,123	778,123	(0.17)
2008	1,879,320	1,324,362	554,958	345,000	437,210	782,210	0.71
2007	1,961,301	1,176,047	785,254	335,000	450,788	785,788	1.00
2006	1,901,842	1,192,376	709,466	180,000	291,933	471,933	1.50
2005	1,864,785	963,590	901,195	175,000	155,092	330,092	2.73
2004	1,832,802	896,473	936,329	165,000	161,610	326,610	2.87

Source: City Records

- (1) Includes operating revenues and interest.
- (2) Total operating expenses exclusive of depreciation.
- (3) Includes mortgage revenue bonds and OWDA loans.

City of Wapakoneta
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (3)	School Enrollment (4)	Unemployment Rate Auglaize County (5)
2013	9,830	\$269,273,190	\$27,393	3,133	4.60%
2012	9,843	243,673,308	24,756	3,062	4.80
2011	9,867	244,267,452	24,756	3,065	6.20
2010	9,464	179,588,864	18,976	3,036	8.20
2009	9,438	179,095,488	18,976	3,025	10.60
2008	9,432	178,981,632	18,976	3,025	6.80
2007	9,579	181,771,104	18,976	3,043	4.70
2006	9,602	182,207,552	18,976	3,023	4.20
2005	9,531	180,860,256	18,976	3,163	4.20
2004	9,518	180,613,568	18,976	3,119	3.30

Source: (1) Chamber of Commerce and U.S. Census Bureau
(2) U.S. Census Bureau - Computation of per capita personal income multiplied by population.
(3) U.S. Census Bureau
(4) Wapakoneta City School District
(5) Ohio Bureau of Employment Services

City of Wapakoneta
Principal Employers
Current Year and Eight Years Ago

Employer	Type of Business	2013		
		Number of Employees	Rank	Percentage of Total Employment
Auglaize County	Government	461	1	9.05%
Wal-Mart Stores East LP	Retail Business	289	2	5.67
Wapakoneta City School District	Government	280	3	5.49
General Aluminum Manufacturing Company	Aluminum Manufacturing	240	4	4.71
American Trim Limited	Metal Stamping	175	5	3.44
Trupointe	Agricultural Commodities Supplier	165	6	3.24
Miller's Textile Services, Inc.	Uniform Rentals	155	7	3.04
Koneta, Inc.	Rubber Truck Accessories Manufacturing	120	8	2.35
GA Wintzer & Son Company	Manufacturing	108	9	2.12
City of Wapakoneta	Government	82	10	1.61
Auglaize Provico	Agricultural Commodities Supplier			
Ametek, Inc.	Plastic Compounds			
Frost & Company	Contractor			
Total		<u>2,075</u>		<u>40.72%</u>
Total Employment Within the City		<u>5,096</u>		

Source: City Records

Note: Information for 2004 is not available.

Total employment based on 2012 numbers (latest information available)

2005		
<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
516	1	10.88%
324	2	6.84
130	7	2.74
233	3	4.92
115	9	2.43
202	4	4.26
141	6	2.98
165	5	3.48
116	8	2.45
<u>100</u>	10	<u>2.11</u>
<u>2,042</u>		<u>43.09%</u>
<u>4,739</u>		

City of Wapakoneta
 Full Time Equivalent City Government Employees by Program/Department
 Last Ten Years

Function/Program	2013	2012	2011	2010
General Government				
Mayor	1.00	1.00	1.00	1.00
Council	8.00	8.00	8.00	8.00
Clerk of Council	0.50	0.50	0.50	0.50
Auditor	1.00	1.00	1.00	1.00
Treasurer	1.00	1.00	1.00	1.00
Income Tax Administrator	1.00	1.00	1.00	1.00
Income Tax Clerk	1.00	1.00	1.00	1.00
Law Director	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
Security of Persons and Property				
Police	14.00	14.00	14.00	14.00
Police - Dispatchers	5.00	5.00	5.00	5.00
Police - Auxiliary	12.00	15.00	17.00	16.00
Fire	14.00	14.00	14.00	15.00
Fire - Auxiliary	10.00	12.00	12.00	11.00
Safety Director	1.00	1.00	1.00	1.00
Public Health				
Emergency Medical Services	6.00	6.00	7.00	7.00
Leisure Time Activities				
Recreation Director	1.00	1.00	1.00	1.00
Transportation				
Public Works	10.00	10.00	10.00	10.00
Basic Utility Services				
Engineering	3.00	3.00	3.00	3.00
Utility Clerks	4.00	4.00	2.00	2.00
Electric	11.00	11.00	11.00	11.00
Water	6.00	6.00	6.00	6.00
Sewer	4.00	4.00	4.00	5.00
Refuse	6.00	6.00	6.00	7.00
Total	<u>122.50</u>	<u>127.50</u>	<u>128.50</u>	<u>129.50</u>

Using 1.0 for each full-time employee and 0.50 for each part-time employee as of December 31.

Source: City Payroll Records

2009	2008	2007	2006	2005	2004
1.00	1.00	1.00	1.00	1.00	1.00
8.00	8.00	8.00	8.00	8.00	8.00
0.50	0.50	0.50	0.50	0.50	0.50
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
14.00	14.00	13.00	14.00	14.00	19.00
5.00	5.00	5.00	5.00	5.00	5.00
14.00	15.00	14.00	15.00	15.00	16.00
15.00	15.00	14.00	14.00	15.00	14.00
13.00	11.00	11.00	11.00	14.00	16.00
1.00	1.00	1.00	1.00	1.00	1.00
7.00	9.00	14.00	14.00	10.00	12.00
1.00	1.00	0.50	0.50	0.50	0.50
10.00	10.00	10.00	10.00	10.00	10.00
3.00	3.00	2.00	2.00	4.00	4.00
2.00	2.00	2.00	2.00	3.00	3.00
11.00	12.00	13.00	11.00	12.00	12.00
6.00	4.00	4.00	4.00	4.00	4.00
5.00	6.00	6.00	6.00	6.00	6.00
7.00	6.00	6.00	7.00	7.00	7.00
<u>129.50</u>	<u>129.50</u>	<u>131.00</u>	<u>132.00</u>	<u>136.00</u>	<u>145.00</u>

City of Wapakoneta
Operating Indicators by Program/Department
Last Ten Years

Function/Program	2013	2012	2011	2010
Security of Persons and Property-Police				
Vehicle Mileage	118,841	116,181	107,529	118,129
Number of Traffic Citations and Arrests	1,143	797	961	1,092
Number of Parking Tickets Issued	435	369	340	489
Dollar Amount Collected for Tickets	\$4,390	\$3,690	\$3,400	\$4,630
Security of Persons and Property-Fire				
Number of EMS Calls	1,260	1,249	1,074	1,016
Number of Fire Calls	21	17	38	41
Miscellaneous Calls	219	214	229	240
Transportation				
Number of Gallons of R-S-2 Used to Fill Potholes	0	0	0	2,200
Number of Pounds of Crack Sealer Used	0	0	0	2,000
General Government				
Income Tax				
Number of Individual Accounts	5,435	4,996	4,740	4,713
Number of Business Accounts	828	862	827	804
Number of Business Withholding Accounts	963	947	925	879
Total Receipts Collected	\$2,590,749	\$2,280,139	\$2,271,225	\$2,244,992
Amount of Interest and Penalties Charged	\$26,254	\$26,912	\$35,654	\$29,401
Amount of Interest and Penalties Collected	\$26,293	\$8,504	\$25,571	\$11,130
City Commission				
Number of Ordinances Passed	33	54	62	46
Number of Resolutions Passed	5	11	11	9
Electric Department				
Kilowatt Hours Used	197,323,034	186,176,513	180,959,049	182,091,811
City Cost of Power	\$12,223,007	\$11,076,435	\$11,968,304	\$12,224,095
Water Department				
Number of Wells Operating	7	7	10	7
Millions of Gallons of Finished Water	503.00	519.00	537.00	532.00
Chlorine Used (pounds)	15,275	14,695	15,799	14,362
Phosphate Used (gallons)	1,887	2,035	1,755	2,961
Salt in Tons (regenerates softening units)	1,693	1,571	1,296	1,448
Number of Gallons of Water Able to be Pumped a Day Combined	3,000,000	2,500,000	2,700,000	2,700,000
Daily Average Consumption (gallons)	1,400,000	1,350,000	1,470,000	1,579,000
Maximum Daily Capacity of Treatment Plant (gallons)	2,500,000	2,500,000	2,560,000	2,722,000
Sewer Department				
Number of Gallons of Sewage Treated (in millions)	1,101	1,013	1,332	911
Average Daily Flow (millions of gallons per day)	3.02	2.76	3.66	2.49
Maximum Daily Capacity of Treatment Plant (gallons)	6,000,000	6,000,000	6,000,000	6,000,000
Number of Tons of N-Viro Produced (fertilizer)	3,273	4,775	3,830	3,152
Refuse Department				
Number of Tons of Refuse Collected	3,621	3,680	3,680	4,119
Number of Trash Bags Sold (in cases of 250 bags)	1,018	935	962	757
Number of Tons of Recycling Collected	n/a	831	816	1,077
Number of Gallons of Used Motor Oil Collected and Recycled	4,600	2,900	2,900	2,900
Engineering				
Number of Registered Contractors	232	225	240	239
Number of Building Permits Issued	317	254	233	213

Source: City Records

n/a - not available

2009	2008	2007	2006	2005	2004
104,347	100,909	105,005	102,691	104,561	108,388
1,008	1,239	1,316	1,070	845	1,278
478	474	457	429	371	377
\$4,390	\$4,650	\$4,410	\$3,870	\$3,930	\$3,280
928	1,009	966	995	926	899
41	41	34	40	46	57
201	246	186	198	422	423
5,250	5,320	2,750	2,760	2,569	4,920
4,000	4,730	4,928	8,928	4,630	6,120
4,837	4,805	4,697	4,709	4,392	4,541
820	805	790	823	464	756
907	856	854	817	805	816
\$2,163,600	\$2,419,511	\$2,286,433	\$2,290,400	\$2,136,920	\$2,118,637
\$22,951	\$19,780	\$6,119	\$4,901	\$5,576	\$15,676
\$14,998	\$6,604	\$9,392	\$446	\$1,211	\$7,387
45	53	63	62	48	47
13	6	7	8	5	12
170,099,880	191,475,666	201,810,771	191,596,222	191,177,734	186,237,267
\$11,750,318	\$12,619,613	\$13,490,659	\$12,707,096	\$5,418,590	\$5,133,386
7	7	7	7	7	7
523.52	576.70	559.13	530.86	561.44	562.37
13,667	17,424	14,497	13,074	10,349	9,403
2,190	2,649	3,154	2,606	2,639	11,449
1,420	2,150	2,253	1,929	2,232	2,181
2,700,000	2,000,000	2,000,000	2,000,000	2,000,000	n/a
1,576,000	1,576,000	1,530,000	1,540,000	1,540,000	1,540,000
2,722,000	2,722,000	2,722,000	2,722,000	2,722,000	2,722,000
822	1,281	1,242	1,141	1,208	1,132
2.25	3.50	3.40	3.13	3.31	3.10
6,000,000	6,000,000	6,000,000	6,000,000	8,000,000	8,000,000
3,762	4,460	4,242	3,460	3,145	3,285
3,575	3,849	4,169	4,326	4,346	4,129
855	966	903	998	1,058	889
1,017	1,305	1,376	1,338	1,429	1,466
5,300	5,600	4,800	4,200	3,800	4,200
253	287	245	245	226	194
194	264	223	206	192	197

City of Wapakoneta
 Capital Assets by Program/Department
 Last Ten Years

Function/Program	2013	2012	2011	2010
Security of Persons and Property-Police				
Stations	1	1	1	1
Vehicles	9	11	11	10
Security of Persons and Property-Fire				
Stations	1	1	1	1
Fire Trucks	7	7	7	5
Trailer	1	1	1	1
Vehicles	3	2	2	2
Public Health				
Vehicles	3	3	3	3
Leisure Time Activities				
Vehicles	0	0	0	0
Transportation				
Streets (miles)	46.20	46.20	46.16	46.16
Vehicles	22	22	22	19
General Government				
Vehicles	1	1	1	1
Electric				
Electric Lines (miles)	103.37	103.37	103.37	103.37
Number of Substations	8	8	8	8
Vehicles	11	10	9	9
Water				
Water Lines (miles)	61.00	61.00	61.00	61.00
Number of Treatment Plants	2	2	2	1
Vehicles	9	8	8	5
Sewer				
Sanitary Sewer Lines (miles)	48.20	48.20	48.20	48.20
Storm Sewer Lines (miles)	27.93	27.93	27.93	27.93
Number of Treatment Plants	1	1	1	1
Vehicles	4	4	4	4
Refuse				
Vehicles	4	4	4	4
Recycling				
Vehicles	5	5	5	4
Engineering				
Vehicles	3	3	3	3

Source: City Records

2009	2008	2007	2006	2005	2004
1 8	1 8	1 8	1 7	1 9	1 8
1 6 1 2	1 6 1 2	1 6 1 2	1 6 1 2	1 6 1 2	1 6 1 2
3	3	3	3	3	3
0	0	0	0	0	1
46.16 19	46.16 19	46.15 19	46.15 18	45.90 20	45.90 19
1	1	1	1	1	1
102.88 8 9	106.37 8 15	106.37 8 15	106.37 8 12	106.37 8 11	102.15 8 11
59.91 1 4	59.91 1 4	59.73 1 4	59.73 1 5	59.73 1 4	59.73 1 4
48.20 27.93 1 4	48.20 27.93 1 4	47.93 27.80 1 4	47.93 27.80 1 4	47.93 27.80 1 4	47.93 27.80 1 4
4	4	4	5	4	6
4	4	3	3	3	3
3	3	3	3	3	3

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CITY OF WAPAKONETA
AUGLAIZE COUNTY

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**CITY OF WAPAKONETA
AUGLAIZE COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR YEAR ENDED DECEMBER 31, 2013**

Federal Grantor Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF TRANSPORTATION			
<i>(Passed through Ohio Department of Transportation)</i>			
Highway Planning and Construction (East Augalaize Street Project)	PID - 89055	20.205	\$1,331,198
Highway Planning and Construction (Safe Routes to School)	PID - 93739	20.205	221,837
Highway Planning and Construction (Safe Routes to School)	PID - 90873	20.205	<u>177,779</u>
Total Highway Planning and Construction			1,730,814
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>(Direct Program)</i>			
Federal Emergency Management Agency		97.036	<u>67,806</u>
Total Federal Awards Expenditures			<u><u>\$1,798,620</u></u>

See accompanying notes to the Schedule of Federal Awards Expenditures.

**CITY OF WAPAKONETA
AUGLAIZE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the City of Wapakoneta's (the City's) federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the Schedule.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of Wapakoneta
Auglaize County
PO Box 269
701 Parlette Court
Wapakoneta, Ohio 45895

To the Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 25, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider significant deficiencies in internal control. We consider findings 2013-001 and 2013-002 to be significant deficiencies.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2013-002.

Entity's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

June 25, 2014



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

City of Wapakoneta
Auglaize County
PO Box 269
701 Parlette Court
Wapakoneta, Ohio 45895

To the City Council:

Report on Compliance for the Major Federal Program

We have audited the City of Wapakoneta (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of Wapakoneta's major federal program for the year ended December 31, 2013. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

The City's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the City of Wapakoneta complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which OMB Circular A-133 requires us to report, described in the accompanying schedule of findings as item 2013-003. This finding did not require us to modify our compliance opinion on the major federal program.

The City's response to our noncompliance finding is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

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

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Wapakoneta (the City) as of and for the year ended December 31 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 25, 2014. We conducted our audit to opine on the City's basic financial statements. The accompanying Schedule of Federal Awards Expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

Columbus, Ohio

June 25, 2014

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CITY OF WAPAKONETA
AUGLAIZE COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2013

1. SUMMARY OF AUDITOR'S RESULTS
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<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA# 20.205—Highway Planning and Construction
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

FINDING NUMBER 2013-001

Significant Deficiency – Preparation and Monitoring of Financial Information

The Finance Committee and/or Council should be provided bank-to-book reconciliations and financial reports that are accurate and timely to reduce the risk of financial errors and/or irregularities occurring and not being detected in a timely manner. No evidence was provided that the bank-to-book reconciliations were performed timely throughout the year or that the Finance Committee reviewed these reconciliations and the deposits and investments of the City. In addition, while the Finance Committee and Council received financial reports, they were not at a detailed level which would easily allow for the identification of revenue and expenditure recording errors.

The failure to prepare timely bank-to-book reconciliations and to submit them to the Finance Committee for review and approval could allow for reconciling differences to remain undetected and for the presentation of misstated financial reports throughout the year and at year-end. The lack of detailed revenue and expenditure reports increases the risk that errors and/or irregularities could occur and not be detected timely by the Finance Committee and/or Council.

The City should post financial activity to the accounting system timely, close each month-end, and reconcile the bank-to-books within one to two weeks of each month-end. The Auditor and Treasurer should sign and date the reconciliation when completed. The Finance Committee and/or Council should be provided with the bank to book reconciliation along with detailed systems derived revenue and expenditure reports for the previous month for review and approval. The Finance Committee and/or Council should review and approve the reconciliations and revenue and expenditure reports. Periodically the Finance Committee and/or Council should review the reconciliations in-depth to help assure accuracy and completeness along with verifying compliance with the deposit and investment policy. In addition, an in-depth review should be performed of the detailed revenue and expenditure reports to provide that transactions are posted to the correct line item and fund. Evidence of the review procedures should be indicated (i.e. affix signatures and or initials) on the documents reviewed and/or in the minutes.

OFFICIAL'S RESPONSE: Every effort is made to comply with the posting of timely information. Bank reconciliations are done monthly.

FINDING NUMBER 2013-002

Significant Deficiency / Noncompliance Citation – Allocation of Wages to Funds

City of Wapakoneta Codified Ordinance, Section 242.03(a) & (b) states the general duties of the Director, are as follows:

- 1) The Director of Public Service and Safety shall manage and supervise all public works and undertakings of the City, except as otherwise provided by law.
- 2) The Director shall supervise the improvement and repair of streets, avenues, alleys, lands, lanes, squares, wharves, docks, landings, market houses, bridges, viaducts, aqueducts, sidewalks, playgrounds, sewers, drains, ditches, culverts, ship channels, streams and watercourses, the lighting, sprinkling and cleaning of public places and the construction of public improvements and public works, except as otherwise provided by law.

FINDING NUMBER 2013-002
(Continued)

- 3) The Director shall manage Municipal water, lighting, heating, power, garbage and other undertakings of the City, and parks, baths, playgrounds, market houses, cemeteries, crematories, sewage disposal plants and farms, and shall make and preserve surveys, maps, plans, drawings and estimates. He or she shall supervise the construction and have charge of the maintenance of public buildings and other property of the City not otherwise provided for in these Codified Ordinances. He or she shall have the management of all other matters provided by the Council in connection with the public service of the City.
- 4) The Director shall keep a record of his or her proceedings, a copy of which, certified by him or her, shall be competent evidence in all courts.
- 5) Under the Mayor's direction, the Director shall be the executive head of the Police and Fire Departments. He or she shall have all powers and duties connected with and incident to the appointment, regulation and government of these Departments, except as otherwise provided by law. He or she shall keep a record of his or her proceedings, a copy of which, certified by him or her, shall be competent evidence in all courts. Such Director shall make all contracts in the name of the City with reference to the management of such Departments, for the erection or repair of all buildings or improvements in connection therewith, and for the purchase of all supplies necessary for such Departments.

City of Wapakoneta Position Description for Clerk I position that reports to the Office Manager and Income Tax Administer states that the essential functions of the position are as follows:

- 1) Processes billing and collection of tax records and returns; receives payments from utility customers either in-person or by mail; assists with processing of payments
- 2) Processes invoices and collects receipts from ambulance runs, refuse collections, miscellaneous bills, etc.; posts receipts and invoices; prepare journals; processes Medicaid and Medicare forms, etc.;
- 3) Checks for unusual readings on usage; runs and verifies trial reports; prepares and separates bills for mailing; takes bills to post office
- 4) Direct inquiries from general public to appropriate personnel regarding taxes, rates, bills, etc.; registers and processes work orders for new customers and transfers; receives deposits.

City of Wapakoneta Position Description for Clerk II position that reports to the Office Manager states that the essential functions of the position and other duties and responsibilities are as follows:

- 1) Receives income tax payments; receives payments from utility customers either in-person or by mail; processes payments;
- 2) Prepares invoices and collects receipts from ambulance runs, landfill sales, miscellaneous bills, etc.; posts receipts and invoices; prepares journals;
- 3) Handles inquiries from general public regarding taxes, rates, bills, etc.; registers and writes work orders for new customers and transfers; receives deposits; computes budget billing amounts;
- 4) Performs duties of secretary on an assigned basis; prepares purchase orders; prepares vendor invoices for payment; maintains vendor file; acts as liaison between vendors and City

**FINDING NUMBER 2013-002
 (Continued)**

In 2013, the City allocated the wages of the Director of Public Service and Safety as follows: 5% to the General Fund; 65% to the Electric Fund; 10% to the Water Fund; 10% to the Sewer Fund; and 10% to the Refuse Fund. The wages of the Clerk I Employee were allocated as follows: 25% to the Street Fund; 25% to the Electric Fund; and 50% to the Refuse Fund. The wages of the Clerk II employee were allocated as follows: 25% to the Electric Fund; 25% to the Water Fund; 25% to the Sewer Fund; and 25% to the Refuse Fund. The actual allocation of the wages for these employees appeared inconsistent with the duties and job descriptions. The actual allocation variances did not appear to be significant to the financial statements.

The failure to allocate wages to funds in proportion to the actual work performed could result in the illegal expenditure of restricted money and the material misstatement of the financial statements. Uncorrected material misstatements would result in a qualified opinion on the annual financial statements.

The City should develop procedures and controls for the allocation of the wages to funds which should be subsequently approved by Council. The City should then review the job descriptions for all employees and then determine if the fund allocation is appropriate. Periodically the Finance Committee should review the actual allocation of wages to the job descriptions and adopted procedures.

OFFICIAL'S RESPONSE: These positions are allocated for payroll according to an agreed to percentage based on resources and a reasonable amount of time each department uses. This distribution has been used for many years and has never been questioned. As more and more resources are eliminated from the State of Ohio, more and more resources will be used through other funds.

3. FINDINGS FOR FEDERAL AWARDS

Non-Compliance Citation – Preparation of Federal Schedule

Finding Number	2013-003
CFDA Title and Number	Highway Planning and Construction – CFDA #20.205
Federal Award Number / Year	2013
Federal Agency	U.S. Department of Transportation
Pass-Through Agency	Ohio Department of Transportation

**FINDING NUMBER 2013-003
(Continued)**

OMB Circular A-133, Subpart C, Section 300(d), requires the City to prepare appropriate financial statements, including the schedule of expenditures of federal awards in accordance with section .310.

OMB Circular A-133, Subpart C, Section 310(b)(3) states at a minimum the schedule shall provide total Federal awards expended for each individual Federal program. The City prepared a schedule of federal awards expenditures (the Schedule) and the following errors and omissions were identified on the Schedule:

- The Schedule omitted expenditures of \$177,779 for the Safe Routes to School, Project ID #90873, Highway Planning and Construction grant, CFDA # 20.205.
- The Schedule did not identify the federal and pass-through grantor agencies.

We also noted similar errors in the non-major program.

The accompanying Schedule of Federal Expenditures has been corrected to eliminate these errors and omissions.

The failure to report all federal disbursements could result in a materially misstated schedule, the incorrect grant(s) being selected for the A-133 audit, and/or the loss of federal funding.

Procedures should be implemented to determine that the Schedule accurately and completely reports the activity of all of the City's federal grants. Such procedures could include reconciling the City's accounting records, and grant documents and subsidiary records maintained by each department to the Schedule. In addition, grantor agencies may need to be contacted to identify on-behalf payments. Resources such as OMB Circular A-133 should be utilized to further understand the requirements of reporting federal grants.

OFFICIAL'S RESPONSE: The City has corrected this error for reporting and will try to implement new procedures to maintain records for these monies and reporting.

**CITY OF WAPAKONETA
AUGLAIZE COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
DECEMBER 31, 2013**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2013-003	The City has corrected this error for reporting and will try to implement new procedures to maintain records for these monies and reporting.	June 25, 2014	Gail Walter, City Auditor

**CITY OF WAPAKONETA
AUGLAIZE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-01	Significant Deficiency - Approval of Timesheets —City Department Heads should review and approve timesheets summary reports	Yes	
2012-02	Significant Deficiency/Noncompliance Citation ORC 5705.10(D) revenue derived from a source other than general property tax shall be placed into a special fund for such purpose	Yes	

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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 7, 2014**