

# **CITY OF WAPAKONETA, OHIO**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2022**

PREPARED BY:

WILBUR WELLS  
CITY AUDITOR





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800-282-0370

City Council  
City of Wapakoneta  
701 Parlette Court  
Wapakoneta, Ohio 45895

We have reviewed the *Independent Auditor's Report* of the City of Wapakoneta, Auglaize County, prepared by Julian & Grube, Inc., for the audit period January 1, 2022 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

#### **Finding for Recovery**

Former Clerk Christine Ann Steinke was responsible for the collection of utility payments for the City. After switching to a software company to track the utility payments, the City discovered former Clerk Christine Ann Steinke was improperly making credit adjustments to customer accounts, indicating in the system the customer overpaid their bill when in fact they had not. Prior to the implementation of the software program, former Clerk Christine Ann Steinke made paper notations of the "credits", after the installation of the system, she was required to enter the "credits" in same. Former Clerk Christine Ann Steinke would then take the corresponding amounts from the cash drawer; which allowed for the ending account balance to be consistent.

On July 18, 2023, Judge Frederick D. Pepple ordered restitution of \$251,635 against former Clerk Christine Ann Steinke, in Case No. 2022-CR-154. On August 23, 2023, \$237,887 was paid against the restitution.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a finding for recovery for public property converted or misappropriated is hereby issued in the amount of \$13,748 against former Clerk Christine Ann Steinke and her bonding company, Ohio Plan Risk Management, Inc., jointly and severally, and in favor of the City's utility fund(s).

#### **Finding for Recovery – Resolved Under Audit**

The Agreement Between the City of Wapakoneta and The Ohio Patrolmen's Benevolent Association, Effective November 1, 2021 through October 31, 2024, Article 29 – Payment of Accumulated Sick Leave Upon Retirements, states, Upon retirement from active service with the City, an employee shall be entitled to receive payment for one-half (50%) of their accrued but unused sick leave up to a maximum payment equal to one-half (50%) of two thousand eighty (2,080) hours pay. The total payment to the employee shall not exceed one thousand forty (1,040) hours of pay at the employee's base hourly rate of pay at the time of retirement.

At retirement, former Police Officer James Cox was paid for 100% of his unused sick leave balance of 599.189 hours instead of being paid at 50% of the unused hours balance. As a result, former Police Officer James Cox was over-paid \$8,235 for unused sick leave.

At retirement, former Police Officer Jeff Eisert was paid for 100% of his unused sick leave hours of 1,444.518 instead of 50% of the maximum balance of 1,040 hours. As a result, former Police Officer Jeff Eisert was over-paid \$8,734 for unused sick leave.

The Agreement Between the City of Wapakoneta and The Ohio Patrolmen's Benevolent Association, Effective November 1, 2021 through October 31, 2024, Article 18 – Longevity, states, in part, Each full-time employee with five (5) or more years of continuous employment with the City shall receive, in addition to the employee's regular salary or hourly wage, longevity compensation at the following rates:

- Patrol Officers:
- Fewer than five (5) years of service -0-
- Five (5) full years of service \$150.00

An additional fifty dollars (\$50.00) shall be added for each year of continuous service over five (5) years (i.e., \$200.00 after six [6] full years of service).

In the event an employee terminates employment with the City, the employee's longevity pay as provided herein shall be prorated over the period of employment in the year of termination.

At retirement, former Police Officer Jeff Eisert was incorrectly paid longevity for 26 years plus a pro-rated share of two months for his last year of service instead of 25 years, plus a pro-rated share of two months for his last year of service. As a result, former Police Officer Jeff Eisert was over-paid \$50 for longevity.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against former Police Officer James Cox, in the amount of \$8,235, and in favor of the General Fund.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against former Police Officer Jeff Eisert, in the amount of \$8,784, and in favor of the General Fund.

Former Police Officer James Cox repaid \$8,235 on January 3, 2024, which was deposited by the City of Wapakoneta on January 4, 2024.

Former Police Officer Jeff Eisert entered into a repayment plan with the City of Wapakoneta on January 8, 2024 with the City of Wapakoneta. The repayment plan requires Mr. Eisert to make an initial payment of \$3,000 followed by monthly reimbursements of \$160 over a period of three years with the last payment being the remaining balance of \$184.

#### **Finding for Recovery – Repaid Under Audit**

**City of Wapakoneta Policy 260.18(i)**, states, a City employee hired after January 1, 1988, at the time of retirement from active service with the City, shall be paid twenty-five percent of his or her accrued but unused sick leave, up to a maximum of 260 accrued sick days (sixty-five days total maximum payment).

City Council  
City of Wapakoneta  
701 Parlette Court  
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Page -3-

At retirement, former Administrative Assistant Terri Rohrbacher, was paid at a rate of 100 percent of the 13.800 sick leave hours earned but not used during her last three pay accruals. As a result, former Administrative Assistant Terri Rohrbacher was over-paid \$240.89.

In accordance with the forgoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against former Administrative Assistant Terry in the amount of \$240 in favor of the City of Wapakoneta's General Fund.

Former Administrative Assistant Terry Rohrbacher repaid \$240.89 on September 28, 2023, to the City of Wapakoneta, which was recorded with cash receipt number 035417.

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

KEITH FABER  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

**October 03, 2025**

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# **INTRODUCTORY SECTION**

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# **CITY OF WAPAKONETA, OHIO**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2022**

PREPARED BY:

WILBUR WELLS  
CITY AUDITOR

## **FINANCIAL SECTION**

**CITY OF WAPAKONETA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**TABLE OF CONTENTS**

**I. INTRODUCTORY SECTION**

Table of Contents.....	i-iv
Letter of Transmittal .....	v-ix
Certificate of Achievement for Excellence in Financial Reporting .....	x
Organizational Chart.....	xi
List of Principal City Officials .....	xii

**II. FINANCIAL SECTION**

INDEPENDENT AUDITOR’S REPORT.....	1-3
MANAGEMENT’S DISCUSSION AND ANALYSIS .....	5-16
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position .....	17
Statement of Activities .....	18-19
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	20
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	23
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis): General Fund.....	25
Statement of Fund Net Position - Proprietary Funds.....	26-27
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds .....	28-29
Statement of Cash Flows - Proprietary Funds .....	30-33
Statement of Fiduciary Net Position - Fiduciary Funds .....	34
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	35
Notes to the Basic Financial Statements .....	37-80

## BASIC FINANCIAL STATEMENTS (CONTINUED):

### Required Supplementary Information:

Schedule of the City's Proportionate Share of the Net Pension Liability/Net Pension Asset:	
Ohio Public Employees Retirement System (OPERS) .....	82-83
Ohio Police and Fire (OP&F) Pension Fund .....	84-85
Schedule of City Pension Contributions:	
Ohio Public Employees Retirement System (OPERS) .....	86-87
Ohio Police and Fire (OP&F) Pension Fund .....	88-89
Schedule of the City's Proportionate Share of the Net OPEB Liability/Net OPEB Asset:	
Ohio Public Employees Retirement System (OPERS) .....	90-91
Ohio Police and Fire (OP&F) Pension Fund .....	92-93
Schedule of City OPEB Contributions:	
Ohio Public Employees Retirement System (OPERS) .....	94-95
Ohio Police and Fire (OP&F) Pension Fund .....	96-97
Notes to the Required Supplementary Information .....	98-101

## COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

### Combining Statements and Individual Fund Schedules - Governmental Funds:

Fund Descriptions - Governmental Funds .....	104-105
Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
General Fund .....	106-108
Swimming Pool Fund .....	109
Swimming Pool Capital Fund .....	110
Ambulance Trust Fund .....	111
Police K-9 Trust Fund .....	112
Unclaimed Trust Fund .....	113
Cash on Hand Accounts Fund .....	114
Street and Sewer Improvement Fund .....	115
Combining Balance Sheet - Nonmajor Governmental Funds .....	117
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	118-119
Combining Balance Sheet - Nonmajor Debt Service Funds .....	120
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances - Nonmajor Governmental Funds .....	121
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances - Nonmajor Special Revenue Funds .....	122-123
Schedules of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual (Non-GAAP Budgetary Basis):	
Street Maintenance Fund .....	124
State Highway Fund .....	125
Motor Vehicle Permissive Tax Fund .....	126
Community Block Grant Fund .....	127
Recreation Fund .....	128
Law Enforcement Fund .....	129
Enforcement and Education Fund .....	130
Drug Law Enforcement Fund .....	131
Rudd Park Trust Fund .....	132
Coronavirus Relief Fund .....	133
American Rescue Plan Act Fund .....	134

## COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES (CONTINUED):

Debt Service Fund.....	135
Downtown Debt Fund.....	136
Capital Emergency Fund.....	137
Individual Fund Schedules - Proprietary Funds:	
Fund Descriptions - Proprietary Funds.....	138
Schedules of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis):	
Electric Fund.....	139
Water Fund.....	140
Sewer Fund.....	141
Storm Sewer Fund.....	142
Refuse Fund.....	143
Engineering Fund.....	144
Combining Statements - Fiduciary Funds:	
Fund Descriptions - Fiduciary Funds.....	145
Combining Statement of Fiduciary Net Position - Custodial Funds.....	146
Combining Statement of Fiduciary Changes in Net Position - Custodial Funds.....	147

## III. STATISTICAL SECTION

Statistical Section Table of Contents.....	S1
Net Position by Component - Last Ten Years.....	S2-S3
Changes in Net Position - Last Ten Years.....	S4-S7
Fund Balances, Governmental Funds - Last Ten Years.....	S8-S9
Changes in Fund Balances, Governmental Funds - Last Ten Years.....	S10-S11
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years.....	S12-S13
Direct and Overlapping Property Tax Rates - Last Ten Years.....	S14-S15
Real Property Tax Levies and Collections - Last Ten Years.....	S16-S17
Principal Taxpayers - Real Property Tax - Current Year and Nine Years Ago.....	S18
Income Tax Revenue Base and Collections - Last Ten Years.....	S19
Electric Utility Statistics - Last Ten Years.....	S20-S21
Water Utility Statistics - Last Ten Years.....	S22-S23
Sewer Utility Statistics - Last Ten Years.....	S24-S25
Storm Sewer Utility Statistics - Last Ten Years.....	S26-S27
Refuse Utility Statistics - Last Ten Years.....	S28-S29
Ratios of Outstanding Debt by Type - Last Ten Years.....	S30-S31

Ratio of General Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita - Last Ten Years.....	S32
Direct and Overlapping Governmental Activities Debt as of December 31, 2022.....	S33
Computation of Legal Debt Margin - Last Ten Years .....	S34-S35
Pledged Revenue Coverage - Water Fund - Last Ten Years.....	S36
Pledged Revenue Coverage - Sewer Fund - Last Ten Years .....	S37
Demographic and Economic Statistics - Last Ten Years.....	S38
Principal Employers - Current Year and Nine Years Ago .....	S39
Full-Time-Equivalent City Employees by Function/Program - Last Ten Years.....	S40-S41
Operating Indicators by Function/Program - Last Ten Years .....	S42-S43
Capital Assets by Function/Program - Last Ten Years .....	S44



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Director of Public Service and Safety  
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mbrillhart@wapakoneta.net

November 17, 2023

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 Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2022. 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.

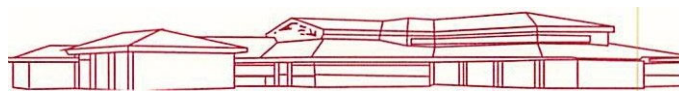
Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The firm of Julian & Grube, Inc. has issued an unmodified opinion on the City of Wapakoneta's basic financial statements for the year ended December 31, 2022. 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 Parlette Court

Operating under the Council/Mayor form of government, the citizens of Wapakoneta elect eight members of council (including the president, three council members-at-large, and four ward council members), a mayor, auditor, treasurer, and law director. “It is the mission of Wapakoneta City government to provide for and promote the general health, safety, and welfare of all residents of the City by delivering services in a professional, impartial, and cost-effective manner and planning for the long-range development and improvement of the City 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 custodial 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. 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 Community Development Block Grant revolving loan fund and currently has two 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 (WCOIC). 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 the entire 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 WCOIC has become one of Ohio’s first, and largest, certified green field manufacturing sites. In 2018, Wapakoneta welcomed Pratt Industries to the WCOIC. Pratt started production in August 2019.



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 budget and monitor spending to all areas and 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 2022, the available funds 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.

## **RELEVANT FINANCIAL POLICIES**

It is the City’s policy to ensure that current year revenues are sufficient to fund current year expenditures without the use of non-recurring revenues. Appropriations are set based upon available revenues with the City Council determining the level of funding for each department within the City.

The City Auditor manages the investments of the City’s funds by adhering to the Investment Policy that has been approved by the City Council. Any financial institution that holds City funds must adhere to the requirements of the policy. This policy details the objectives and rules for the safekeeping of the City funds.

The goal of the capital asset inventory system and policy is to provide control and accountability over the City’s capital assets and to assist departments in gathering and maintaining information needed for the preparation of the annual financial statements. The City recognizes the importance of preserving the community’s capital assets and to ensure that future needs are met.

## **MAJOR INITIATIVES**

Four City streets were part of a grind and pave project in 2022. One of those being Bellefontaine Street, which is a major thoroughfare off Interstate 75 and heads into downtown. This project also included updated catch basins, storm sewers, and replacement of curb and gutters. Many streets were also re-stripped with thermoplastic center lines, stop bars, and crosswalks.

The reclamite project for 2022 treated fifteen streets. This project prolongs the life of the asphalt 5-7 years longer before repaving or maintenance is required. This has become an annual project within the City. The project has extended the asphalt life of all the treated streets.

The reconstruction of Silver Street was started in 2021 and is now near completion and open to the public. This project consists of replacing water, sanitary sewers, storm sewers, sidewalks, driveway approaches, and repaving. This project will be 100% completed this year.

Design work was started for the Water Street Reconstruction project from East Benton Street to North Street. The City has identified many failures in the infrastructure and is being proactive in preparing for a total street reconstruction. Field and onsite work started in 2019. This project will impact a large number of residences and a few businesses. This project is scheduled for July of 2023.

A storm sewer review of City policies and of various subdivisions within the community has started. The City has identified areas for improvements, and these projects began in 2019 and is continuing in 2022. We have performed various storm water improvements in the residential areas.

An annual Sidewalk Project was performed with replacement and upgrades of various sidewalks throughout the city. Approximately \$100,000 was spent to upgrade sidewalks and miscellaneous concrete. This project eliminates hazards and safety concerns for pedestrian travel.

Review of a proposed roadway through Breakfast Optimist Park with additional parking is currently planned for 2023.

During 2022, the Engineering Department issued 20 permits for commercial, 212 permits for remodeling, new structures, residential living units, garages, residential remodeling, signage, sidewalk, demolition, swimming pools, decks, sheds, fences, and patios. The City registered 271 contractors working within the city limits. Total value of the construction is \$4,989,991.

## **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 ACFR for the year ended December 31, 2021. This was the thirtieth 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 ACFR. 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 ACFR 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 ACFR 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.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Wilbur Wells", is written above the printed name.

Wilbur Wells  
City Auditor



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Wapakoneta  
Ohio**

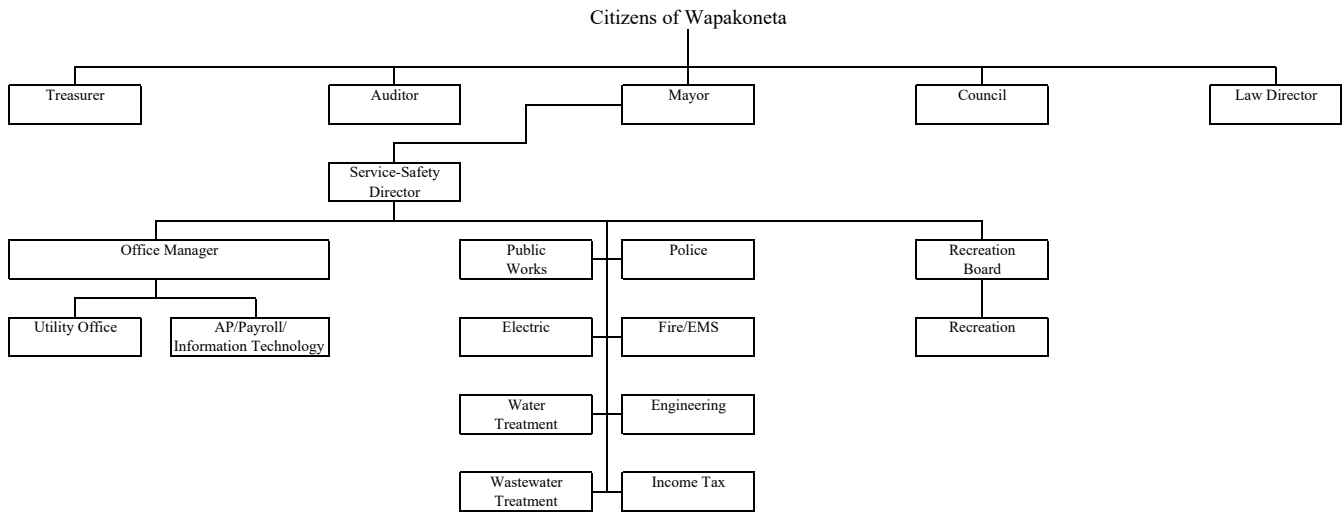
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO

# City of Wapakoneta Organizational Chart



**CITY OF WAPAKONETA**  
**LIST OF PRINCIPAL OFFICIALS**

Mayor	Stephen Henderson
Director of Public Service and Safety	Michael Brillhart
Income Tax Administrator	Amy Schlenker
Police Chief	Calvin D. Schneider
Fire Chief/EMS Director	Eric Sammetinger
Recreation Director	Jack Hayzlett
Public Works Superintendent	Bill Thomas
Electric Superintendent	Levi Cecil
Water Superintendent	Brent Hamel
Wastewater Superintendent	Justin Waid
Interim Zoning & Engineering Superintendent	Andy Beane
Office Manager	Cheri Wieging
Auditor	Wilbur Wells
Treasurer	Barbara Steinke
Law Director	Grant Neal
President of Council	Chad Doll
Member of Council	Terry Campbell
Member of Council	Daniel E. Lee
Member of Council	Brandon Miller
Member of Council	Ross Kantner
Member of Council	Alex Greve
Member of Council	Chad Dunlap
Member of Council	John Sheipline
Council Clerk	Terry McDonald
Civil Service Secretary	Peter Noyes

## **FINANCIAL SECTION**

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## **Independent Auditor's Report**

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

To the Members of the City Council and Mayor:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Wapakoneta's basic financial statements as listed in the table of contents.

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, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City of Wapakoneta and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Wapakoneta's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Wapakoneta's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Wapakoneta's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wapakoneta's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2023, on our consideration of the City of Wapakoneta's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Wapakoneta's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Wapakoneta's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
November 17, 2023

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## **CITY OF WAPAKONETA, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)**

The management's discussion and analysis of the City of Wapakoneta's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

#### **Financial Highlights**

Key financial highlights for 2022 are as follows:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2022 by \$91,436,791 (net position). Of this amount, \$1,469,957 is restricted in use and \$73,141,067 is the net investment in capital assets. The remaining unrestricted net position is \$16,825,767.
- Total net position increased \$4,374,041 as a result of current year operations. Net position of governmental activities increased \$1,411,388, or 5.46%, while the net position of business-type activities increased \$2,962,653, or 4.84%.
- The City had \$9,210,041 in expenses related to governmental activities; \$1,981,812 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$7,228,229 were offset by general revenues (primarily property taxes and income taxes) of \$8,630,566.
- The general fund had revenues of \$7,622,929 in 2022 and expenditures and other financing uses of \$7,976,021. The fund balance for the general fund decreased \$353,092 from \$4,310,463 to \$3,957,371.
- The street and sewer improvement fund had revenues and other financing sources of \$3,401,521 in 2022 and expenditures of \$3,745,482. The fund balance for the street and sewer improvement fund decreased \$343,961 from \$734,525 to \$390,564.
- Net position for the business-type activities, which are made up of the electric, water, sewer, storm sewer, and refuse enterprise funds, totaled \$64,156,433.

#### **Using this Annual Financial Report**

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

The statement of net position and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

## **CITY OF WAPAKONETA, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)**

#### **Reporting the City as a Whole**

##### ***Statement of Net Position and the Statement of Activities***

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in that position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

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

**Governmental activities** - Most of the City's programs and services are reported here including police, street maintenance, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.

**Business-type activities** - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's electric, water, sewer, storm sewer, and refuse operations are reported here.

#### **Reporting the City's Most Significant Funds**

##### ***Fund Financial Statements***

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.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds.

##### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

## **CITY OF WAPAKONETA, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)**

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 in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund and the street and sewer improvement fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation.

#### ***Proprietary Funds***

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses five different enterprise funds to account for its business-type activities.

#### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

#### ***Notes to the Basic Financial Statements***

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

#### ***Required Supplementary Information***

The required supplementary information provides detailed information regarding the City's proportionate share of the net pension liability/asset and the net other postemployment benefits (OPEB) liability/asset of the retirement systems. It also includes a ten-year schedule of the City's contributions to the retirement systems to fund pension and OPEB obligations.

#### **Government-Wide Financial Analysis**

The table that follows provides a summary of the City's net position for December 31, 2022 and 2021.

# CITY OF WAPAKONETA, OHIO

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b><u>Assets</u></b>						
Current and other assets	\$ 9,307,825	\$ 9,543,471	\$ 28,651,083	\$ 29,607,902	\$ 37,958,908	\$ 39,151,373
Net pension asset	48,666	41,552	82,465	69,777	131,131	111,329
Net OPEB asset	249,490	141,681	422,764	237,921	672,254	379,602
Capital assets, net	27,511,257	25,951,895	115,895,406	82,647,687	143,406,663	108,599,582
Total assets	37,117,238	35,678,599	145,051,718	112,563,287	182,168,956	148,241,886
<b><u>Deferred outflows of resources</u></b>						
Pension	1,946,947	993,553	616,818	421,657	2,563,765	1,415,210
OPEB	451,612	539,948	32,277	185,488	483,889	725,436
Total deferred outflows of resources	2,398,559	1,533,501	649,095	607,145	3,047,654	2,140,646
<b><u>Liabilities</u></b>						
Current liabilities	1,521,089	892,943	5,002,115	4,954,210	6,523,204	5,847,153
Long-term liabilities:						
Due within one year	12,099	13,302	2,229,928	1,519,175	2,242,027	1,532,477
Net pension liability	5,657,374	6,496,509	1,200,167	2,009,433	6,857,541	8,505,942
Net OPEB liability	868,302	823,714	-	-	868,302	823,714
Other amounts	159,433	181,857	71,169,408	41,836,231	71,328,841	42,018,088
Total liabilities	8,218,297	8,408,325	79,601,618	50,319,049	87,819,915	58,727,374
<b><u>Deferred inflows of resources</u></b>						
Property taxes	600,550	528,438	-	-	600,550	528,438
Pension	2,622,864	1,339,487	1,501,546	917,576	4,124,410	2,257,063
OPEB	793,728	1,066,880	441,216	740,027	1,234,944	1,806,907
Total deferred inflows of resources	4,017,142	2,934,805	1,942,762	1,657,603	5,959,904	4,592,408
<b><u>Net position</u></b>						
Net investment in capital assets	27,326,925	25,940,175	45,814,142	40,927,606	73,141,067	66,867,781
Restricted	1,469,957	1,533,996	-	-	1,469,957	1,533,996
Unrestricted (deficit)	(1,516,524)	(1,605,201)	18,342,291	20,266,174	16,825,767	18,660,973
Total net position	\$ 27,280,358	\$ 25,868,970	\$ 64,156,433	\$ 61,193,780	\$ 91,436,791	\$ 87,062,750

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB, the net pension asset, and the net OPEB asset.



## CITY OF WAPAKONETA, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

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

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

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

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

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

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

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

Total net position increased \$4,374,041 or 5.02%. The net investment in capital assets of \$73,141,067 represents the City's net capital assets, less any outstanding borrowings used to acquire those assets. Another \$1,469,957 represents net position that is subject to external restrictions on its use. The remaining balance of unrestricted net position is \$16,825,767. Unrestricted net position for business-type activities amounts to \$18,342,291 while the governmental activities reports a deficit of \$1,516,524. This deficit is due to the effects of reporting pension and OPEB costs in accordance with GASB 68 and 75.

## **CITY OF WAPAKONETA, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)**

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 74.12% and 79.87% of total assets for the governmental activities and business-type activities, respectively. Capital assets include land, construction in progress, easements, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, and infrastructure. The net investment in capital assets at December 31, 2022, was \$27,326,925 and \$45,814,142 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending.

As the preceding table illustrates, some of the most significant changes in net position were related to the City's net pension liability and net OPEB liability, and the related deferred inflows/outflows of resources. These amounts will fluctuate annually based on a number of factors including investment returns, actuarial assumptions used, and the City's proportionate share of the net pension and net OPEB cost. Additional detail can be found in Notes 13 and 14 in the notes to the basic financial statements.

Other significant changes in net position include:

- A decrease in current and other assets, particularly for the business-type activities, which is primarily due to lower accounts receivable and materials and supplies inventory.
- An increase in net capital assets as a result of on-going construction projects.
- An increase in current liabilities for governmental and business-type activities due to higher unearned revenue in governmental activities and higher accounts payable in business-type activities.

The following table provides a summary of the revenues and expenses and other changes in the City's net position for 2022 compared to 2021.

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# CITY OF WAPAKONETA, OHIO

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

	Change in Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1,199,876	\$ 630,406	\$ 44,775,909	\$ 40,449,269	\$ 45,975,785	\$ 41,079,675
Operating grants and contributions	781,936	1,286,271	-	-	781,936	1,286,271
Capital grants and contributions	-	-	130,665	10,502	130,665	10,502
Total program revenues	<u>1,981,812</u>	<u>1,916,677</u>	<u>44,906,574</u>	<u>40,459,771</u>	<u>46,888,386</u>	<u>42,376,448</u>
General revenues:						
Property taxes	709,332	651,483	-	-	709,332	651,483
Income taxes	5,616,609	5,059,714	-	-	5,616,609	5,059,714
Other local taxes	1,405,684	1,439,951	-	-	1,405,684	1,439,951
Unrestricted grants and entitlements	413,851	387,127	-	-	413,851	387,127
Franchise taxes	109,138	112,769	-	-	109,138	112,769
Investment earnings	178,948	24,620	-	-	178,948	24,620
Other	<u>197,004</u>	<u>85,667</u>	<u>302,581</u>	<u>392,047</u>	<u>499,585</u>	<u>477,714</u>
Total general revenues	<u>8,630,566</u>	<u>7,761,331</u>	<u>302,581</u>	<u>392,047</u>	<u>8,933,147</u>	<u>8,153,378</u>
Total revenues	<u>10,612,378</u>	<u>9,678,008</u>	<u>45,209,155</u>	<u>40,851,818</u>	<u>55,821,533</u>	<u>50,529,826</u>
<b>Expenses:</b>						
Security of persons and property						
Police	1,999,063	1,667,117	-	-	1,999,063	1,667,117
Fire	2,760,543	1,535,320	-	-	2,760,543	1,535,320
Public health	281,680	159,103	-	-	281,680	159,103
Leisure time activity	718,560	246,183	-	-	718,560	246,183
Community environment	301,426	439,823	-	-	301,426	439,823
Basic utilities	-	4,245	-	-	-	4,245
Transportation	2,436,512	1,614,243	-	-	2,436,512	1,614,243
General government	712,257	414,920	-	-	712,257	414,920
Electric	-	-	34,567,147	26,247,949	34,567,147	26,247,949
Water	-	-	2,691,069	2,361,699	2,691,069	2,361,699
Sewer	-	-	3,727,546	2,581,565	3,727,546	2,581,565
Storm sewer	-	-	125,253	88,585	125,253	88,585
Refuse	<u>-</u>	<u>-</u>	<u>1,126,436</u>	<u>1,090,937</u>	<u>1,126,436</u>	<u>1,090,937</u>
Total expenses	<u>9,210,041</u>	<u>6,080,954</u>	<u>42,237,451</u>	<u>32,370,735</u>	<u>51,447,492</u>	<u>38,451,689</u>
Change in net position before transfers	1,402,337	3,597,054	2,971,704	8,481,083	4,374,041	12,078,137
Transfers	<u>9,051</u>	<u>-</u>	<u>(9,051)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	1,411,388	3,597,054	2,962,653	8,481,083	4,374,041	12,078,137
Net position at beginning of year	<u>25,868,970</u>	<u>22,271,916</u>	<u>61,193,780</u>	<u>52,712,697</u>	<u>87,062,750</u>	<u>74,984,613</u>
Net position at end of year	<u>\$ 27,280,358</u>	<u>\$ 25,868,970</u>	<u>\$ 64,156,433</u>	<u>\$ 61,193,780</u>	<u>\$ 91,436,791</u>	<u>\$ 87,062,750</u>

# CITY OF WAPAKONETA, OHIO

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

### Governmental Activities

Net position increased \$1,411,388 or 5.46%. Total revenues increased \$934,370 or 9.65%. Charges for services increased in 2022, which is primarily a result of an increase in EMS fees and also an increase in user fees for the swimming pool and other leisure time activities. Other significant increases in revenues came from investment earnings, which is primarily due to an increase in interest rates and changes in fair value for the City's investments, and other general revenues. Despite these increases, there were some decreases in various revenue sources, particularly for operating grants and contributions.

Total expenses increased considerably, up \$3,129,087 or 51.46% compared to 2021. This increase is primarily the result of lower than normal expenses in 2021 due to the decrease in OPEB expense for the Ohio Public Employees Retirement System (OPERS). The 2022 governmental activities expenses are comparable to the 2020 governmental activities expenses.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. As can be seen in the following table, the City is highly dependent upon its general revenues to support its governmental activities. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2022 and 2021. That is, it identifies the cost of these services supported by general revenues (such as taxes revenue and unrestricted grants and entitlements).

	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Security of persons and property:				
Police	\$ 1,999,063	\$ 1,935,285	\$ 1,667,117	\$ 1,381,578
Fire	2,760,543	2,678,372	1,535,320	1,309,838
Public health	281,680	(552,171)	159,103	(166,141)
Leisure time activity	718,560	579,941	246,183	173,571
Community environment	301,426	300,889	439,823	439,388
Basic utilities	-	-	4,245	-
Transportation	2,436,512	1,640,250	1,614,243	724,491
General government	<u>712,257</u>	<u>645,663</u>	<u>414,920</u>	<u>301,552</u>
Total	<u>\$ 9,210,041</u>	<u>\$ 7,228,229</u>	<u>\$ 6,080,954</u>	<u>\$ 4,164,277</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 the public health, leisure time activities, and transportation programs. 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.

# CITY OF WAPAKONETA, OHIO

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

### Business-type Activities

Business-type activities include the electric, water, sewer, storm sewer, and refuse enterprise funds. These programs had revenues, primarily charges for services, of \$44,775,909 and expenses of \$42,237,451 in 2022. Net position increased \$2,962,653 (4.84%) as the growth in revenues exceeded an increase in expenses for the year. See page 14 for further discussion of the operations of the business-type activities (the enterprise funds).

### Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds reported a combined fund balance of \$5,336,632 which is \$1,053,266 less than last year's total balance of \$6,389,898. The schedule that follows indicates the fund balances as of December 31, 2022 and 2021, and the change in fund balances for the governmental funds.

	Fund Balance 12/31/2022	Fund Balance 12/31/2021	Change
Major funds:			
General	\$ 3,957,371	\$ 4,310,463	\$ (353,092)
Street and sewer improvement	390,564	734,525	(343,961)
Nonmajor governmental funds	988,697	1,344,910	(356,213)
Total	<u>\$ 5,336,632</u>	<u>\$ 6,389,898</u>	<u>\$ (1,053,266)</u>

### General Fund

The City's general fund balance decreased \$353,092 as expenditures and other financing uses outpaced revenues in 2022. The table that follows assists in illustrating the revenues of the general fund.

	2022 Amount	2021 Amount	Percentage Change
<b>Revenues</b>			
Income taxes	\$ 3,740,869	\$ 3,242,982	15.35 %
Property taxes	492,006	483,695	1.72 %
Other local taxes	1,405,684	1,439,951	(2.38) %
Charges for services	1,057,756	647,614	63.33 %
Fees, licenses and permits	129,161	129,843	(0.53) %
Intergovernmental	421,904	421,731	0.04 %
Investment income	178,949	24,619	626.87 %
Other	196,600	71,124	176.42 %
Total	<u>\$ 7,622,929</u>	<u>\$ 6,461,559</u>	17.97 %

## CITY OF WAPAKONETA, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

Income taxes revenue is by far the general fund's largest revenue source, representing roughly half of total general fund revenues in 2022. Property tax collections increased in 2022. Other local taxes consist of the kilowatt-hour tax and lodging tax. The increase in intergovernmental revenue is primarily due to additional local government support from the State and Auglaize County. Investment income increased \$154,330 or 626.87% primarily due to increased interest rates in 2022. As illustrated in the table above, there were no significant decreases in general fund revenues.

The table that follows assists in illustrating the expenditures of the general fund.

	2022	2021	Percentage
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<b><u>Expenditures</u></b>			
Security of persons and property			
Police	\$ 2,171,418	\$ 1,747,010	24.29 %
Fire	1,963,178	1,533,425	28.03 %
Public health	245,835	159,136	54.48 %
Leisure time activities	448,074	130,132	244.32 %
Community environment	346,660	405,135	(14.43) %
General government	<u>804,618</u>	<u>651,643</u>	23.48 %
Total	<u>\$ 5,979,783</u>	<u>\$ 4,626,481</u>	29.25 %

As illustrated in the table above, the overall increase in general fund expenditures compared to the prior year is a result of the increase in all expenditures except community environment expenditures.

#### ***Street and Sewer Improvement Fund***

The street and sewer improvement fund is the City's only major governmental fund other than the general fund. This fund had revenues and other financing sources of \$3,401,521 and expenditures of \$3,745,482. This resulted in a decrease in fund balance from \$734,525 to \$390,564. Fund balance is restricted for the maintenance and repair of City streets.

#### ***Enterprise Funds***

The City's enterprise funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. All five of the City's enterprise funds are reported as major funds; the electricity fund, water fund, sewer fund, storm sewer fund, and refuse fund.

The electric, sewer, and storm sewer funds saw an increase in charges for services in 2022 due to rate increases and customer usage. This is particularly true for the electric fund, where the increase was 14.74%. In addition to rate changes, this increase was also driven by an increase in business/commercial usage. This also had the effect of increasing expenses for the electric fund due to an increase in purchased power costs. Expenses were generally comparable to the prior year for all other funds, increasing slightly commensurate with the increase in customer usage. One notable exception to that was personal services expenses, which increased as a result of the lower OPEB and pension costs in 2021. Overall, net position increased during the year for all funds, except the electric fund.

#### ***Budgeting Highlights***

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly. Budgetary information is presented for the general fund and major special revenue funds.

# CITY OF WAPAKONETA, OHIO

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

In the general fund, original budgeted revenues of \$4,840,737 were increased to \$5,599,449 in the final budget. Actual revenues of \$6,928,295 were \$1,328,846 more than the final budgeted amount. This variance is primarily due to budgeting revenues conservatively, particularly for property taxes, other local taxes and charges for service.

The final budget expenditures and other financing uses in the general fund were \$8,470,499, which represents a slight increase from the original budget expenditures and other financing uses of \$8,129,217. Actual budget basis expenditures and other financing uses totaled \$7,391,665, or \$1,078,834 less than the final budget. The City continues to budget conservatively in order to cover unforeseen expenditures that may arise during the year. This was particularly true for the general government expenditures and the Police department in 2022, which had budgetary variances of \$420,854 and \$220,500, respectively.

### Capital Assets and Debt Administration

#### *Capital Assets*

The following table shows 2022 balances compared to 2021. Additional detail can be found in Note 9 in the notes to the basic financial statements.

#### Capital Assets at December 31 (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,564,688	\$ 1,564,688	\$ 1,443,314	\$ 1,443,314	\$ 3,008,002	\$ 3,008,002
Construction in progress	3,376,206	1,792,360	42,504,205	8,769,360	45,880,411	10,561,720
Land improvements	1,738,142	1,817,935	-	-	1,738,142	1,817,935
Buildings	2,351,155	2,391,499	15,602,839	15,743,115	17,953,994	18,134,614
Equipment	225,239	255,259	594,713	604,601	819,952	859,860
Vehicles	1,020,036	1,187,621	2,673,929	2,117,129	3,693,965	3,304,750
Infrastructure	17,235,791	16,942,533	53,076,406	53,970,168	70,312,197	70,912,701
Totals	<u>\$ 27,511,257</u>	<u>\$ 25,951,895</u>	<u>\$ 115,895,406</u>	<u>\$ 82,647,687</u>	<u>\$ 143,406,663</u>	<u>\$ 108,599,582</u>

For the governmental activities, the most significant capital asset activity during the year primarily involved various street improvement projects, many of which are still ongoing and reported as construction in progress. Street projects completed during the year and added to the infrastructure asset class amounted to approximately \$1.4 million in 2022. For the business-type activities, the most significant activity consisted of construction in progress for improvements at the wastewater treatment plant. In addition, infrastructure additions (electric, water, sewer, and storm sewer lines) amounted to \$814,691 in 2022.

## CITY OF WAPAKONETA, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

#### ***Debt Administration***

The City had the following long-term debt outstanding at December 31, 2022 and 2021.

	<u>Business-type Activities</u>	
	<u>2022</u>	<u>2021</u>
General obligation bonds	\$ 2,385,000	\$ 3,115,000
OWDA loans	58,005,947	26,191,575
Capital loans	12,005,151	13,050,151
Notes payable	<u>404,974</u>	<u>309,157</u>
Total long-term obligations	<u>\$ 72,801,072</u>	<u>\$ 42,665,883</u>

OWDA loans added during 2022 were approximately \$13.7 million and \$18.8 million in the water and sewer fund, respectively. The City is using these resources for infrastructure upgrades. The City also incurred an additional \$233,589 in notes payable for its refuse fund. See Note 16 in the notes to the basic financial statements for detail on the City's long-term obligations.

#### **Current Issues**

The major projects for 2023 will be the completion of West Benton Street Phase 2 and the continuation of the Water Treatment Plant Softening and the Wastewater Treatment Plant Extension. These last two projects are being financed primarily by low or no-interest loans from the OWDA and will give the City needed capacity for residential and industrial growth.

#### **Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be directed to Wilbur Wells, Wapakoneta City Auditor, 701 Parlette Court, P.O. Box 269, Wapakoneta, Ohio 45895.



## CITY OF WAPAKONETA, OHIO

## STATEMENT OF NET POSITION

DECEMBER 31, 2022

	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Equity in pooled cash and cash equivalents	\$ 5,982,253	\$ 21,135,063	\$ 27,117,316
Cash and cash equivalents with fiscal agents	-	200,220	200,220
Receivables:			
Income taxes	1,653,650	-	1,653,650
Property taxes	667,421	-	667,421
Other local taxes	19,431	112,976	132,407
Intergovernmental	484,916	-	484,916
Special assessments	24,429	-	24,429
Accrued interest	1,278	-	1,278
Accounts	292,924	4,937,814	5,230,738
Notes receivable	10,586	-	10,586
Internal balance	101,347	(101,347)	-
Prepayments	39,222	115,944	155,166
Materials and supplies inventory	30,368	2,250,413	2,280,781
Net pension asset	48,666	82,465	131,131
Net OPEB asset	249,490	422,764	672,254
Capital assets:			
Nondepreciable capital assets	4,940,894	43,947,519	48,888,413
Depreciable capital assets, net	22,570,363	71,947,887	94,518,250
Total capital assets, net	27,511,257	115,895,406	143,406,663
Total assets	37,117,238	145,051,718	182,168,956
<b>Deferred outflows of resources:</b>			
Pension	1,946,947	616,818	2,563,765
OPEB	451,612	32,277	483,889
Total deferred outflows of resources	2,398,559	649,095	3,047,654
<b>Liabilities:</b>			
Accounts payable	190,281	4,043,586	4,233,867
Contracts payable	42,468	12,188	54,656
Retainage payable	141,864	-	141,864
Accrued wages and benefits payable	63,021	37,099	100,120
Intergovernmental payable	63,524	30,272	93,796
Accrued interest payable	-	438,067	438,067
Unearned revenue	1,019,931	-	1,019,931
Refundable deposits	-	440,903	440,903
Long-term liabilities:			
Due within one year	12,099	2,229,928	2,242,027
Due in more than one year:			
Net pension liability	5,657,374	1,200,167	6,857,541
Net OPEB liability	868,302	-	868,302
Other amounts due in more than one year	159,433	71,169,408	71,328,841
Total liabilities	8,218,297	79,601,618	87,819,915
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year	600,550	-	600,550
Pension	2,622,864	1,501,546	4,124,410
OPEB	793,728	441,216	1,234,944
Total deferred inflows of resources	4,017,142	1,942,762	5,959,904
<b>Net position:</b>			
Net investment in capital assets	27,326,925	45,814,142	73,141,067
Restricted for:			
Debt service	1,160	-	1,160
Capital projects	859,012	-	859,012
Community environment	29,102	-	29,102
Recreation	543	-	543
Street highway maintenance and repair	534,228	-	534,228
Other purposes	45,912	-	45,912
Unrestricted (deficit)	(1,516,524)	18,342,291	16,825,767
Total net position	\$ 27,280,358	\$ 64,156,433	\$ 91,436,791

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WAPAKONETA, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for</u>	<u>Operating Grants</u>	<u>Capital Grants</u>
		<u>Services and Sales</u>	<u>and Contributions</u>	<u>and Contributions</u>
<b>Governmental activities:</b>				
Security of persons and property:				
Police	\$ 1,999,063	\$ 3,045	\$ 60,733	\$ -
Fire	2,760,543	82,171	-	-
Public health	281,680	833,851	-	-
Leisure time activities	718,560	129,008	9,611	-
Community environment	301,426	-	537	-
Transportation	2,436,512	108,513	687,749	-
General government	712,257	43,288	23,306	-
Total governmental activities	<u>9,210,041</u>	<u>1,199,876</u>	<u>781,936</u>	<u>-</u>
<b>Business-type activities:</b>				
Electric	34,567,147	34,025,743	-	-
Water	2,691,069	3,999,338	-	-
Sewer	3,727,546	5,189,175	-	130,665
Storm sewer	125,253	80,589	-	-
Refuse	1,126,436	1,481,064	-	-
Total business-type activities	<u>42,237,451</u>	<u>44,775,909</u>	<u>-</u>	<u>130,665</u>
Total primary government	<u>\$ 51,447,492</u>	<u>\$ 45,975,785</u>	<u>\$ 781,936</u>	<u>\$ 130,665</u>

**General revenues:**

Property taxes levied for:

    General purposes

    Recreation

Municipal income taxes levied for:

    General purposes

    Street maintenance

Other local taxes - Kilowatt

Other local taxes - Lodging

Grants and entitlements not restricted  
to specific programs

Franchise taxes

Investment earnings

Other

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

**Net position at beginning of year**

**Net position at end of year**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (1,935,285)	\$ -	\$ (1,935,285)
(2,678,372)	-	(2,678,372)
552,171	-	552,171
(579,941)	-	(579,941)
(300,889)	-	(300,889)
(1,640,250)	-	(1,640,250)
(645,663)	-	(645,663)
(7,228,229)	-	(7,228,229)
-	(541,404)	(541,404)
-	1,308,269	1,308,269
-	1,592,294	1,592,294
-	(44,664)	(44,664)
-	354,628	354,628
-	2,669,123	2,669,123
(7,228,229)	2,669,123	(4,559,106)
534,193	-	534,193
175,139	-	175,139
3,779,944	-	3,779,944
1,836,665	-	1,836,665
1,306,682	-	1,306,682
99,002	-	99,002
413,851	-	413,851
109,138	-	109,138
178,948	-	178,948
197,004	302,581	499,585
8,630,566	302,581	8,933,147
9,051	(9,051)	-
8,639,617	293,530	8,933,147
1,411,388	2,962,653	4,374,041
25,868,970	61,193,780	87,062,750
\$ 27,280,358	\$ 64,156,433	\$ 91,436,791

**CITY OF WAPAKONETA, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022

	<b>General</b>	<b>Street and Sewer Improvement</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 3,592,439	\$ 392,508	\$ 1,953,366	\$ 5,938,313
Receivables:				
Income taxes	1,203,853	449,797	-	1,653,650
Property taxes	489,542	-	177,879	667,421
Other local taxes	13,684	-	5,747	19,431
Intergovernmental	156,432	-	328,484	484,916
Special assessments	-	24,429	-	24,429
Accrued interest	198	-	1,080	1,278
Due from other funds	111,197	-	-	111,197
Accounts	292,705	-	137	292,842
Notes	5,331	-	5,255	10,586
Materials and supplies inventory	13,204	-	5,723	18,927
Prepayments	29,892	-	7,247	37,139
Restricted assets:				
Equity in pooled cash and cash equivalents	36,841	-	-	36,841
Total assets	<u>\$ 5,945,318</u>	<u>\$ 866,734</u>	<u>\$ 2,484,918</u>	<u>\$ 9,296,970</u>
<b>Liabilities:</b>				
Accounts payable	\$ 151,349	\$ 7,722	\$ 30,178	\$ 189,249
Contracts payable	-	42,468	-	42,468
Retainage payable	-	141,864	-	141,864
Accrued wages and benefits payable	53,637	-	5,941	59,578
Intergovernmental payable	60,562	-	1,974	62,536
Due to other funds	3,794	-	4,049	7,843
Unearned revenue	-	-	1,019,931	1,019,931
Total liabilities	<u>269,342</u>	<u>192,054</u>	<u>1,062,073</u>	<u>1,523,469</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	439,263	-	161,287	600,550
Delinquent property tax revenue not available	50,279	-	16,592	66,871
Accrued interest not available	-	-	844	844
Miscellaneous revenue not available	253,307	-	-	253,307
Income tax revenue not available	823,356	24,429	-	847,785
Intergovernmental revenue not available	152,400	-	255,425	407,825
Special assessments revenue not available	-	259,687	-	259,687
Total deferred inflows of resources	<u>1,718,605</u>	<u>284,116</u>	<u>434,148</u>	<u>2,436,869</u>
<b>Fund balances:</b>				
Nonspendable	79,937	-	12,970	92,907
Restricted	16,316	390,564	676,373	1,083,253
Assigned	3,765,797	-	299,354	4,065,151
Unassigned	95,321	-	-	95,321
Total fund balances	<u>3,957,371</u>	<u>390,564</u>	<u>988,697</u>	<u>5,336,632</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,945,318</u>	<u>\$ 866,734</u>	<u>\$ 2,484,918</u>	<u>\$ 9,296,970</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WAPAKONETA, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2022

<b>Total governmental fund balances</b>		\$ 5,336,632
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		27,511,257
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds.		
Delinquent property taxes receivable	\$ 66,871	
Municipal income taxes receivable	847,785	
Accounts receivable	253,307	
Intergovernmental receivable	407,825	
Special assessments receivable	259,687	
Accrued interest receivable	844	
Total		1,836,319
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	39,966	
Deferred outflows of resources	1,871,032	
Net pension liability	(5,530,762)	
Deferred inflows of resources	(2,466,650)	
Total		(6,086,414)
The net OPEB asset and net OPEB liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB asset	204,890	
Deferred outflows of resources	448,415	
Net OPEB liability	(868,302)	
Deferred inflows of resources	(747,648)	
Total		(962,645)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences		(164,135)
Internal service funds are used by management to charge the costs of engineering services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position.		(189,083)
An internal balance is recorded in governmental activities to reflect overpayments to the internal service funds by the business-type activities.		(1,573)
<b>Net position of governmental activities</b>		<u>\$ 27,280,358</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WAPAKONETA, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>General</b>	<b>Street and Sewer Improvement</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
Municipal income taxes	\$ 3,740,869	\$ 1,838,008	\$ -	\$ 5,578,877
Property taxes	492,006	-	161,241	653,247
Other local taxes	1,405,684	-	81,373	1,487,057
Special assessments	-	24,107	-	24,107
Charges for services	1,057,756	-	25,133	1,082,889
Fees, licenses and permits	129,161	-	-	129,161
Fines and forfeitures	11,289	-	2,295	13,584
Intergovernmental	421,904	-	730,080	1,151,984
Interest	178,949	-	12,810	191,759
Contributions and donations	3,286	-	295	3,581
Other	182,025	3,168	10,025	195,218
Total revenues	<u>7,622,929</u>	<u>1,865,283</u>	<u>1,023,252</u>	<u>10,511,464</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property:				
Police	2,171,418	-	-	2,171,418
Fire	1,963,178	-	822,817	2,785,995
Public health	245,835	-	-	245,835
Leisure time activities	448,074	-	262,320	710,394
Community environment	346,660	-	2,672	349,332
Transportation	-	3,745,482	728,350	4,473,832
General government	804,618	-	23,306	827,924
Total expenditures	<u>5,979,783</u>	<u>3,745,482</u>	<u>1,839,465</u>	<u>11,564,730</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,643,146</u>	<u>(1,880,199)</u>	<u>(816,213)</u>	<u>(1,053,266)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	1,536,238	460,000	1,996,238
Transfers (out)	<u>(1,996,238)</u>	<u>-</u>	<u>-</u>	<u>(1,996,238)</u>
Total other financing sources (uses)	<u>(1,996,238)</u>	<u>1,536,238</u>	<u>460,000</u>	<u>-</u>
Net change in fund balances	(353,092)	(343,961)	(356,213)	(1,053,266)
<b>Fund balances at beginning of year</b>	<u>4,310,463</u>	<u>734,525</u>	<u>1,344,910</u>	<u>6,389,898</u>
<b>Fund balances at end of year</b>	<u>\$ 3,957,371</u>	<u>\$ 390,564</u>	<u>\$ 988,697</u>	<u>\$ 5,336,632</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WAPAKONETA, OHIO**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Net change in fund balances - total governmental funds** \$ (1,053,266)

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

Governmental funds report capital asset purchases as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over their  
estimated useful lives as depreciation expense.

Capital asset additions	\$ 3,144,451	
Current year depreciation	(1,566,022)	
<b>Total</b>		<b>1,578,429</b>

Governmental activities only report the disposal of capital assets to the extent  
proceeds are received from the sale. In the statement of activities, a gain or  
loss is reported for each disposal.

(17,194)

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

Delinquent property taxes	56,085	
Municipal income taxes	(197,526)	
Intergovernmental revenues	(13,385)	
Special assessments	213,158	
Investment income	(650)	
Other revenues	43,232	
<b>Total</b>		<b>100,914</b>

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

Pension	610,497	
OPEB	11,252	
<b>Total</b>		<b>621,749</b>

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

Pension	(135,794)	
OPEB	201,262	
<b>Total</b>		<b>65,468</b>

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

17,937

Internal service funds used by management to charge the cost of engineering  
services to individual funds are not reported in the statement of activities.  
Governmental fund expenditures and the related internal service fund revenues are  
eliminated. The net revenues (expenses) of the internal service fund (net of any  
amounts allocated to the business-type activities) are allocated among the  
governmental activities.

97,351

<b>Change in net position of governmental activities</b>	<b>\$ 1,411,388</b>
--	---------------------

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF WAPAKONETA, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Municipal income taxes	\$ 2,964,737	\$ 3,715,137	\$ 3,737,532	\$ 22,395
Property taxes	200,000	200,000	492,006	292,006
Other local taxes	760,000	760,000	1,395,372	635,372
Charges for services	400,000	450,000	921,929	471,929
Fees, licenses and permits	153,100	103,100	129,161	26,061
Fines and forfeitures	5,000	5,000	11,289	6,289
Intergovernmental	250,700	259,012	441,277	182,265
Interest	41,200	41,200	185,780	144,580
Contributions and donations	1,000	1,000	1,786	786
Other	65,000	65,000	148,401	83,401
Total revenues	<u>4,840,737</u>	<u>5,599,449</u>	<u>7,464,533</u>	<u>1,865,084</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property:				
Police	2,367,423	2,412,623	2,192,123	220,500
Fire	1,960,110	1,964,810	1,941,083	23,727
Public health	208,703	257,003	340,209	(83,206)
Community environment	314,488	365,514	356,555	8,959
General government	1,633,493	1,210,549	789,695	420,854
Total expenditures	<u>6,484,217</u>	<u>6,210,499</u>	<u>5,619,665</u>	<u>590,834</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,643,480)</u>	<u>(611,050)</u>	<u>1,844,868</u>	<u>2,455,918</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(1,645,000)</u>	<u>(2,260,000)</u>	<u>(2,308,238)</u>	<u>(48,238)</u>
Total other financing sources (uses)	<u>(1,645,000)</u>	<u>(2,260,000)</u>	<u>(2,308,238)</u>	<u>(48,238)</u>
Net change in fund balance	(3,288,480)	(2,871,050)	(463,370)	2,407,680
<b>Fund balance at beginning of year (restated)</b>	2,955,824	2,955,824	2,955,824	-
<b>Prior year encumbrances appropriated</b>	104,024	104,024	104,024	-
<b>Fund balance (deficit) at end of year</b>	<u>\$ (228,632)</u>	<u>\$ 188,798</u>	<u>\$ 2,596,478</u>	<u>\$ 2,407,680</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WAPAKONETA, OHIO**

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2022

	<b>Business-type Activities - Enterprise Funds</b>				
	<b>Electric</b>	<b>Water</b>	<b>Sewer</b>	<b>Storm Sewer</b>	<b>Refuse</b>
<b>Assets:</b>					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 12,309,091	\$ 3,948,888	\$ 2,288,447	\$ 631,942	\$ 1,515,792
Cash and cash equivalents with fiscal agents	200,220	-	-	-	-
Receivables:					
Other local taxes	112,976	-	-	-	-
Accounts	3,512,495	574,124	678,234	-	172,961
Due from other funds	79,627	79	144	17	48
Prepayments	67,936	15,399	24,004	-	8,605
Materials and supplies inventory	1,965,123	151,527	133,763	-	-
Total current assets	18,247,468	4,690,017	3,124,592	631,959	1,697,406
Noncurrent assets:					
Net pension asset	36,490	12,622	19,488	-	13,865
Net OPEB asset	187,069	64,710	99,906	-	71,079
Restricted assets:					
Equity in pooled cash and cash equivalents	440,903	-	-	-	-
Capital assets:					
Nondepreciable capital assets	1,371,554	18,504,875	23,194,218	548,771	328,101
Depreciable capital assets, net	24,559,694	17,455,276	25,391,803	3,594,848	946,266
Total noncurrent assets	26,595,710	36,037,483	48,705,415	4,143,619	1,359,311
Total assets	44,843,178	40,727,500	51,830,007	4,775,578	3,056,717
<b>Deferred outflows of resources:</b>					
Pension	276,811	83,911	132,402	-	123,694
OPEB	14,517	2,487	5,859	-	9,414
Total deferred outflows of resources	291,328	86,398	138,261	-	133,108
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	3,674,965	180,176	145,968	-	42,477
Contracts payable	-	105	12,083	-	-
Accrued wages and benefits payable	16,303	5,775	8,788	-	6,233
Due to other funds	111,485	32,551	35,774	-	3,025
Intergovernmental payable	6,851	3,213	18,163	-	2,045
Accrued interest payable	120,052	165,279	152,736	-	-
General obligation bonds payable	-	-	745,000	-	-
Capital loan payable	700,000	-	-	-	-
Compensated absences payable	7,552	4,066	1,752	-	2,317
OWDA loans payable	-	282,834	302,995	-	-
Notes payable - financed purchases	-	-	-	-	122,453
Landfill postclosure costs payable	-	-	-	-	60,959
Total current liabilities	4,637,208	673,999	1,423,259	-	239,509
Noncurrent liabilities:					
General obligation bonds payable	-	-	1,640,000	-	-
Capital loan payable	11,305,151	-	-	-	-
Compensated absences payable	50,886	42,407	17,914	-	11,303
OWDA loans payable	-	26,043,296	31,376,822	-	-
Landfill postclosure costs payable	-	-	-	-	399,108
Notes payable - financed purchases	-	-	-	-	282,521
Refundable deposits	440,903	-	-	-	-
Net pension liability	531,062	183,703	283,619	-	201,783
Total noncurrent liabilities	12,328,002	26,269,406	33,318,355	-	894,715
Total liabilities	16,965,210	26,943,405	34,741,614	-	1,134,224
<b>Deferred inflows of resources:</b>					
Pension	655,222	236,308	361,057	-	248,959
OPEB	193,280	68,815	105,682	-	73,439
Total deferred inflows of resources	848,502	305,123	466,739	-	322,398
<b>Net position:</b>					
Net investment in capital assets	16,118,082	10,173,927	14,509,121	4,143,619	869,393
Unrestricted	11,202,712	3,391,443	2,250,794	631,959	863,810
Total net position	\$ 27,320,794	\$ 13,565,370	\$ 16,759,915	\$ 4,775,578	\$ 1,733,203

Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds

Net position of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Total Enterprise Funds</b>	<b>Governmental Activities - Internal Service Fund</b>
\$ 20,694,160	\$ 7,099
200,220	-
112,976	-
4,937,814	82
79,915	-
115,944	2,083
2,250,413	11,441
<u>28,391,442</u>	<u>20,705</u>
82,465	8,700
422,764	44,600
440,903	-
43,947,519	-
71,947,887	27,785
<u>116,841,538</u>	<u>81,085</u>
<u>145,232,980</u>	<u>101,790</u>
616,818	75,915
32,277	3,197
<u>649,095</u>	<u>79,112</u>
4,043,586	1,032
12,188	-
37,099	3,443
182,835	434
30,272	988
438,067	-
745,000	-
700,000	-
15,687	1,000
585,829	-
122,453	-
60,959	-
<u>6,973,975</u>	<u>6,897</u>
1,640,000	-
11,305,151	-
122,510	6,397
57,420,118	-
399,108	-
282,521	-
440,903	-
<u>1,200,167</u>	<u>126,612</u>
<u>72,810,478</u>	<u>133,009</u>
<u>79,784,453</u>	<u>139,906</u>
1,501,546	156,214
441,216	46,080
<u>1,942,762</u>	<u>202,294</u>
45,814,142	27,785
18,340,718	(189,083)
64,154,860	<u>\$ (161,298)</u>
1,573	
<u>\$ 64,156,433</u>	

**CITY OF WAPAKONETA, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Business-type Activities - Enterprise Funds</b>				
	<b>Electric</b>	<b>Water</b>	<b>Sewer</b>	<b>Storm Sewer</b>	<b>Refuse</b>
<b>Operating revenues:</b>					
Charges for services	\$ 34,013,531	\$ 3,999,338	\$ 5,189,175	\$ 80,589	\$ 1,481,064
Licenses and permits	-	-	-	-	-
Other	280,210	192	1,408	-	5,687
Total operating revenues	34,293,741	3,999,530	5,190,583	80,589	1,486,751
<b>Operating expenses:</b>					
Personal services	1,103,612	322,159	492,006	-	371,966
Contract services	30,866,702	1,001,008	1,691,622	6,833	546,157
Materials and supplies	1,657,563	634,005	406,662	4	84,750
Other	29,998	-	5,624	1,990	-
Depreciation	895,588	399,412	767,588	113,558	111,896
Total operating expenses	34,553,463	2,356,584	3,363,502	122,385	1,114,769
Operating income (loss)	(259,722)	1,642,946	1,827,081	(41,796)	371,982
<b>Nonoperating revenues (expenses):</b>					
Interest and fiscal charges	(13,726)	(335,008)	(363,371)	(1,023)	(11,667)
Gain on disposal of capital assets	15,084	-	-	-	-
Other local taxes	12,212	-	-	-	-
Total nonoperating revenues (expenses)	13,570	(335,008)	(363,371)	(1,023)	(11,667)
Income (loss) before transfers and capital contributions	(246,152)	1,307,938	1,463,710	(42,819)	360,315
Transfers in	-	-	-	588,771	-
Transfers out	-	-	(597,822)	-	-
Capital contributions	-	-	130,665	-	-
Change in net position	(246,152)	1,307,938	996,553	545,952	360,315
<b>Net position at beginning of year</b>	<b>27,566,946</b>	<b>12,257,432</b>	<b>15,763,362</b>	<b>4,229,626</b>	<b>1,372,888</b>
<b>Net position at end of year</b>	<b>\$ 27,320,794</b>	<b>\$ 13,565,370</b>	<b>\$ 16,759,915</b>	<b>\$ 4,775,578</b>	<b>\$ 1,733,203</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					
Change in net position of business-type activities					

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Total Enterprise Funds</b>	<b>Governmental Activities - Internal Service Fund</b>
\$ 44,763,697	\$ 369,134
-	18,250
287,497	192
<u>45,051,194</u>	<u>387,576</u>
2,289,743	262,175
34,112,322	29,564
2,782,984	(2,493)
37,612	1,059
2,288,042	1,873
<u>41,510,703</u>	<u>292,178</u>
3,540,491	95,398
(724,795)	-
15,084	-
12,212	-
<u>(697,499)</u>	<u>-</u>
2,842,992	95,398
588,771	-
(597,822)	-
130,665	-
<u>2,964,606</u>	<u>95,398</u>
	<u>(256,696)</u>
	<u>\$ (161,298)</u>
<u>(1,953)</u>	
<u>\$ 2,962,653</u>	

**CITY OF WAPAKONETA, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

**Business-type Activities - Enterprise Funds**

	<b>Electric</b>	<b>Water</b>	<b>Sewer</b>	<b>Storm Sewer</b>	<b>Refuse</b>
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 34,347,957	\$ 4,008,558	\$ 5,137,084	\$ 80,589	\$ 1,477,470
Cash received from utility deposits	90,093	-	-	-	-
Cash received from other operations	280,210	192	1,408	-	5,687
Cash payments for personal services	(1,401,562)	(469,593)	(705,492)	-	(471,571)
Cash payments for contract services	(29,458,325)	(969,683)	(1,658,205)	(6,833)	(546,791)
Cash payments for materials and supplies	(866,887)	(636,564)	(465,919)	(4)	(133,726)
Cash payments for other expenses	(60,436)	-	(5,624)	(1,990)	-
Net cash provided by (used in) operating activities	2,931,050	1,932,910	2,303,252	71,762	331,069
<b>Cash flows from noncapital financing activities:</b>					
Cash received from other local taxes	12,212	-	-	-	-
Net cash provided by noncapital financing activities	12,212	-	-	-	-
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets	(1,204,980)	(15,636,482)	(19,868,615)	-	-
Cash received from sale of capital assets	15,501	-	-	-	-
Capital contributions	-	-	130,665	-	-
Principal paid on debt	(1,045,000)	(270,043)	(1,185,509)	(31,069)	(75,635)
Interest and fiscal charges paid on debt	(24,176)	(340,154)	(369,171)	(1,023)	(11,667)
Loan proceeds	-	15,113,160	19,235,323	-	-
Net cash used in capital and related financing activities	(2,258,655)	(1,133,519)	(2,057,307)	(32,092)	(87,302)
Net increase (decrease) in cash and investments	684,607	799,391	245,945	39,670	243,767
<b>Cash and investments at beginning of year</b>	12,265,607	3,149,497	2,042,502	592,272	1,272,025
<b>Cash and investments at end of year</b>	<u>\$ 12,950,214</u>	<u>\$ 3,948,888</u>	<u>\$ 2,288,447</u>	<u>\$ 631,942</u>	<u>\$ 1,515,792</u>

<b>Total Enterprise Funds</b>	<b>Governmental Activities - Internal Service Fund</b>
\$ 45,051,658	\$ 387,524
90,093	-
287,497	110
(3,048,218)	(342,165)
(32,639,837)	(28,786)
(2,103,100)	(8,778)
(68,050)	(1,059)
<u>7,570,043</u>	<u>6,846</u>
<u>12,212</u>	<u>-</u>
<u>12,212</u>	<u>-</u>
(36,710,077)	-
15,501	-
130,665	-
(2,607,256)	-
(746,191)	-
34,348,483	-
<u>(5,568,875)</u>	<u>-</u>
2,013,380	6,846
19,321,903	253
<u>\$ 21,335,283</u>	<u>\$ 7,099</u>

- - Continued

**CITY OF WAPAKONETA, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2022

**Business-type Activities - Enterprise Funds**

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm Sewer</u>	<u>Refuse</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ (259,722)	\$ 1,642,946	\$ 1,827,081	\$ (41,796)	\$ 371,982
Adjustments:					
Depreciation	895,588	399,412	767,588	113,558	111,896
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Materials and supplies inventory	811,752	19,139	(15,598)	-	-
Other local taxes	(1,465)	-	-	-	-
Accounts receivable	319,883	9,267	(52,049)	-	(4,050)
Due from other funds	13,586	(47)	(42)	-	385
Prepayments	14,333	6,784	9,601	-	7,972
Net pension asset	(6,138)	(1,327)	(2,207)	-	(3,016)
Net OPEB asset	(83,579)	(26,198)	(40,981)	-	(34,085)
Deferred outflows - pension	(90,561)	(23,929)	(31,995)	-	(48,676)
Deferred outflows - OPEB	67,904	22,470	37,615	-	25,222
Accounts payable	1,395,468	20,334	(28,109)	-	7,256
Contracts payable	-	105	12,083	-	-
Accrued wages and benefits	(3,849)	(1,425)	(1,885)	-	(631)
Intergovernmental payable	(1,073)	(3,547)	13,373	-	(17)
Due to other funds	1,195	(6,007)	(5,587)	-	(433)
Compensated absences payable	(10,292)	(6,280)	(15,238)	-	(3,911)
Refundable deposits	59,655	-	-	-	-
Landfill postclosure costs	-	-	-	-	(55,538)
Net pension liability	(343,000)	(141,559)	(214,048)	-	(110,659)
Deferred inflows - pension	270,576	79,261	126,188	-	107,945
Deferred inflows - OPEB	(119,211)	(56,489)	(82,538)	-	(40,573)
Net cash provided by (used in) operating activities	<u>\$ 2,931,050</u>	<u>\$ 1,932,910</u>	<u>\$ 2,303,252</u>	<u>\$ 71,762</u>	<u>\$ 331,069</u>

**Non-cash capital transactions:**

At December 31, 2022, the Electric fund, Water fund and Sewer fund purchased \$90,692, \$128,831 and \$107,186 of capital assets on account, respectively. At December 31, 2021, the Sewer fund purchased \$344,890 on account.

At December 31, 2022, the Sewer fund purchased capital assets and transferred them to the Storm Sewer fund in the amount of \$588,771 and \$9,051 to governmental assets.

At December 31, 2022, the Refuse fund purchased capital assets with a note payable in the amount of \$233,589.

At December 31, 2021, a receivable was recorded in the Water and Sewer funds in the amount of \$1,380,256 and \$459,371, respectively, for a requested and approved reimbursement on an OWDA project.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



<b>Total Enterprise Funds</b>	<b>Governmental Activities - Internal Service Fund</b>
\$ 3,540,491	\$ 95,398
2,288,042	1,873
815,293	(10,608)
(1,465)	-
273,051	58
13,882	-
38,690	3,393
(12,688)	(2,005)
(184,843)	(21,771)
(195,161)	(42,430)
153,211	10,330
1,394,949	407
12,188	-
(7,790)	(720)
8,736	(70)
(10,832)	(109)
(35,721)	(5,690)
59,655	-
(55,538)	-
(809,266)	(66,198)
583,970	69,070
(298,811)	(24,082)
<u>\$ 7,570,043</u>	<u>\$ 6,846</u>

**CITY OF WAPAKONETA, OHIO**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2022**

	<u><b>Custodial</b></u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	<u>\$ 59,983</u>
Total assets	<u><u>59,983</u></u>
<b>Net position:</b>	
Restricted for individuals, organizations, and other governments	<u>\$ 59,983</u>
Total net position	<u><u>\$ 59,983</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF WAPAKONETA, OHIO**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Custodial</b>
<b>Additions:</b>	
Amounts received as fiscal agent	<u>\$ 22,655</u>
Total additions	<u>22,655</u>
<b>Deductions:</b>	
Distributions as fiscal agent	14,327
Distributions on behalf of employees	<u>74,280</u>
Total deductions	<u>88,607</u>
Change in net position	(65,952)
<b>Net position at beginning of year</b>	<u>125,935</u>
<b>Net position at end of year</b>	<u><u>\$ 59,983</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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## CITY OF WAPAKONETA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

##### A. The City

The City of Wapakoneta (the “City”) 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 in 2022.

The City participates in the Ohio Plan Risk Management, an insurance pool. This organization is presented in Note 21 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 a custodial fund.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (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.

##### 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.

## CITY OF WAPAKONETA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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.

***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; municipal income taxes levied for street 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, sewers, and sidewalks 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.

## CITY OF WAPAKONETA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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.

**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 change in net position. The fiduciary fund category is split into four classifications; pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's custodial funds account for elective employee contributions for dependent care coverage that the City holds on behalf of the employees, and to account for monies belonging to the Police Auxiliary, an organization that is not part of the City.

#### 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 changes in fund balances 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 and fiduciary 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. In fiduciary funds, a liability to beneficiaries of fiduciary activity is recognized when an event has occurred that compels the City to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of revenues, expenses, and changes 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.

## CITY OF WAPAKONETA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

#### **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 outflows and 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, are 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.

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met but for which revenue recognition criteria have not yet been met because these amounts have not yet been earned.

***Deferred Outflows of Resources and Deferred Inflows of Resources*** - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 13 and 14 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.



## CITY OF WAPAKONETA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 operations. These amounts have been recorded as a deferred inflow 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 funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes, income taxes, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 13 and 14 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

**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 custodial 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 amended certificate of estimated resources in effect at the time final appropriations were passed by City Council.

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.

#### **F. Cash and Investments**

To improve cash management, cash received by the City 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".

## **CITY OF WAPAKONETA, OHIO**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022**

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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 2022, investments included nonnegotiable and negotiable certificates of deposit and the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value, except for nonnegotiable certificates of deposit which are reported at cost. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants". The City measures the investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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 2022 was \$178,949, which includes \$153,470 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, 2022, 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.

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.

## CITY OF WAPAKONETA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

##### 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 acquisition 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.

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

##### K. Interfund Assets/Liabilities

On fund financial statements, receivables and payables resulting from interfund services provided and used are classified as "Due to/from other funds". 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 an "Internal balance".

##### 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.

## CITY OF WAPAKONETA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

##### **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. The net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient to pay those benefits.

##### **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 consists of 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.

##### **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.

## CITY OF WAPAKONETA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

**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. 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 to cover a gap between estimated resources and appropriations in the 2022 budget, debt retirement, and police and fire department 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.

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**

Contributions of capital in proprietary fund financial statements arise from contributions of capital assets, or from grants or contributions of resources restricted to capital acquisition and construction.

#### **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. Pensions/Other Postemployment Benefits (OPEB)**

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

## CITY OF WAPAKONETA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

##### T. Estimates

The preparation of the financial statements in conformity with GAAP 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 - ACCOUNTABILITY AND COMPLIANCE

##### Change in Accounting Principles

For 2022, the City has implemented GASB Statement No. 87, "Leases", GASB Implementation Guide 2019-3, "Leases", GASB Implementation Guide 2020-1, "Implementation Guide Update - 2020", GASB Statement No. 91, "Conduit Debt Obligations", GASB Statement No. 92, "Omnibus 2020", GASB Statement No. 93, "Replacement of Interbank Offered Rates", GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32" and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The implementation of GASB Statement No. 87 did not have an effect on the financial statements of the City.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the City.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the City.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the City.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the City.

## CITY OF WAPAKONETA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the City.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the City.

#### NOTE 4 - 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).
4. Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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:

#### Net Change in Fund Balance

	General
Budget basis	\$ (463,370)
Net adjustment for revenue accruals	38,308
Net adjustment for expenditure accruals	(409,469)
Net adjustment for other sources/uses	312,000
Funds budgeted elsewhere	(15,986)
Adjustment for encumbrances	185,425
GAAP basis	<u>\$ (353,092)</u>

## CITY OF WAPAKONETA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 5 - DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits determined to be necessary to meet current demands upon the City treasury. Active deposits 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, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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, and Government National Mortgage 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 and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio (if training requirements have been met);
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 for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed two hundred seventy days in an amount not to exceed 40 percent of the interim monies available for investment at any one time (if training requirements have been met).



# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 5 - DEPOSITS AND INVESTMENTS – (Continued)

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. Except as noted above, an investment must mature within five years from the date of settlement, 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.

#### A. 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. Although all 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 whose market value at all times shall be at least 105 percent of the deposits being secured or by participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

#### B. Investments

Investments are reported at fair value or amortized cost. As of December 31, 2022, the City had the following investments:

Measurement/Investment	Measurement	
	Amount	Maturity
Fair Value - Level Two Inputs		
Negotiable Certificates of Deposit	\$ 496,069	4/10/2023
Negotiable Certificate of Deposit	235,000	4/28/2023
Net Asset Value Per Share		
STAR Ohio	7,348,386	32 Days
Total Investments	<u>\$ 8,079,455</u>	

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2022. All of the City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

## CITY OF WAPAKONETA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 5 - DEPOSITS AND INVESTMENTS – (Continued)

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 negotiable certificates of deposit are covered by SIPC insurance. STAR Ohio carries a rating of AAAm 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 STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service.

The City places no limit on the amount of its interim monies it may invest in a particular security.

#### NOTE 6 - RECEIVABLES

Receivables at December 31, 2022, 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; 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 \$10,586, are not expected to be received within one year. Special assessments receivable, in the amount of \$24,429, are not expected to be received within one year.

Notes receivable represent low interest loans for development projects granted to eligible City businesses. The notes have an annual interest rate of 3 percent to 5 percent and are to be repaid over periods ranging from seven to fourteen years.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$ 30,369
Local Government	126,063
Total General Fund	156,432
Nonmajor Funds	
Street Maintenance	
Gasoline Tax	265,036
Motor Vehicle License Tax	37,094
Total Street Maintenance	302,130
State Highway	
Gasoline Tax	21,489
Motor Vehicle License Tax	3,008
Total State Highway	24,497
Recreation	
Homestead and Rollback	1,857
Total Nonmajor Funds	328,484
Total Governmental Activities	\$ 484,916

## CITY OF WAPAKONETA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 7 - MUNICIPAL INCOME TAXES

The City levies an income tax of 1.5 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 and the Street and Sewer Improvement capital projects fund.

The City's income tax rate includes 1 percent authorized by State statute and levied by the City Council and an additional .5 percent levied with voter approval for street maintenance and improvements for a period of five years, expiring in 2022. It was approved/renewed by the voters in May 2022 for an additional 5 years, expiring 12/31/2027.

#### NOTE 8 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2022 represent the collection of 2021 taxes. Real property taxes received in 2022 were levied after October 1, 2021, on the assessed values as of January 1, 2021, 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 2022 represent the collection of 2021 taxes. Public utility real and tangible personal property taxes received in 2022 became a lien on December 31, 2020, were levied after October 1, 2021, 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. 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, 2022, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2022 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, 2022, was \$3.75 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2022 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Agricultural/Residential	\$ 148,577,380
Commercial/Industrial	49,453,010
Public Utility Real	92,920
Public Utility Personal	3,461,080
Total	<u>\$ 201,584,390</u>

# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

	Balance 12/31/21	Additions	Deductions	Balance 12/31/22
<b>Governmental Activities</b>				
Nondepreciable Capital assets:				
Land	\$ 1,564,688	\$ -	\$ -	\$ 1,564,688
Construction in progress	1,792,360	3,016,634	(1,432,788)	3,376,206
Total Nondepreciable Capital Assets	<u>3,357,048</u>	<u>3,016,634</u>	<u>(1,432,788)</u>	<u>4,940,894</u>
Depreciable Capital Assets:				
Land Improvements	3,031,111	-	-	3,031,111
Buildings	3,599,947	-	-	3,599,947
Equipment	667,254	-	(11,208)	656,046
Vehicles	3,564,765	127,817	(34,389)	3,658,193
Streets	35,233,999	1,432,788	-	36,666,787
Total Depreciable Capital Assets	<u>46,097,076</u>	<u>1,560,605</u>	<u>(45,597)</u>	<u>47,612,084</u>
Less Accumulated Depreciation for				
Land Improvements	(1,213,176)	(79,793)	-	(1,292,969)
Buildings	(1,208,448)	(40,344)	-	(1,248,792)
Equipment	(411,995)	(30,020)	11,208	(430,807)
Vehicles	(2,377,144)	(278,208)	17,195	(2,638,157)
Streets	(18,291,466)	(1,139,530)	-	(19,430,996)
Total Accumulated Depreciation	<u>(23,502,229)</u>	<u>(1,567,895)</u>	<u>28,403</u>	<u>(25,041,721)</u>
Total Depreciable Capital Assets, Net	<u>22,594,847</u>	<u>(7,290)</u>	<u>(17,194)</u>	<u>22,570,363</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,951,895</u>	<u>\$ 3,009,344</u>	<u>\$ (1,449,982)</u>	<u>\$ 27,511,257</u>

Depreciation expense was charged to governmental functions as follows:

Security of Persons and Property - Police	\$ 39,433
Security of Persons and Property - Fire	101,666
Public Health	35,845
Leisure Time Activities	63,290
Transportation	1,307,448
General Government	<u>20,213</u>
Total Depreciation Expense	<u>\$ 1,567,895</u>

**CITY OF WAPAKONETA, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 9 - CAPITAL ASSETS - (Continued)**

	Balance 12/31/21	Additions	Deductions	Balance 12/31/22
<b>Business-type activities</b>				
Nondepreciable Capital Assets				
Land	\$ 1,443,314	\$ -	\$ -	\$ 1,443,314
Construction in progress	8,769,360	34,438,988	(704,143)	42,504,205
Total Nondepreciable Capital Assets	<u>10,212,674</u>	<u>34,438,988</u>	<u>(704,143)</u>	<u>43,947,519</u>
Depreciable Capital Assets				
Buildings	20,009,700	116,870	-	20,126,570
Equipment	1,367,897	49,392	-	1,417,289
Vehicles	5,036,855	829,431	(203,072)	5,663,214
Electric, Water, Sewer, and Storm				
Sewer Lines	81,038,715	814,691	-	81,853,406
Total Depreciable Capital Assets	<u>107,453,167</u>	<u>1,810,384</u>	<u>(203,072)</u>	<u>109,060,479</u>
Less Accumulated Depreciation for				
Buildings	(4,266,585)	(257,146)	-	(4,523,731)
Equipment	(763,296)	(59,280)	-	(822,576)
Vehicles	(2,919,726)	(263,163)	193,604	(2,989,285)
Electric, Water, Sewer, and Storm				
Sewer Lines	(27,068,547)	(1,708,453)	-	(28,777,000)
Total Accumulated Depreciation	<u>(35,018,154)</u>	<u>(2,288,042)</u>	<u>193,604</u>	<u>(37,112,592)</u>
Total Depreciable Capital Assets, Net	<u>72,435,013</u>	<u>(477,658)</u>	<u>(9,468)</u>	<u>71,947,887</u>
Business-Type Activities Capital Assets, Net	<u>\$ 82,647,687</u>	<u>\$ 33,961,330</u>	<u>\$ (713,611)</u>	<u>\$ 115,895,406</u>

**NOTE 10 - INTERFUND BALANCES**

Interfund balances at December 31, 2022, consisted of the following amounts due to/from other funds:

	Due from other funds						
Due to other funds	General	Electric	Water	Sewer	Storm Sewer	Refuse	Totals
General	\$ -	\$ 3,794	\$ -	\$ -	\$ -	\$ -	\$ 3,794
Nonmajor governmental funds	-	4,049	-	-	-	-	4,049
Electric	111,197	-	79	144	17	48	111,485
Water	-	32,551	-	-	-	-	32,551
Sewer	-	35,774	-	-	-	-	35,774
Refuse	-	3,025	-	-	-	-	3,025
Internal service	-	434	-	-	-	-	434
Totals	<u>\$111,197</u>	<u>\$ 79,627</u>	<u>\$ 79</u>	<u>\$ 144</u>	<u>\$ 17</u>	<u>\$ 48</u>	<u>\$191,112</u>

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.

# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 11 - 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 2022, the City contracted with the Ohio Plan Risk Management, an insurance pool, for the following coverage:

Type of Coverage	Coverage	Deductible
Property	\$ 99,685,626	\$ 5,000
General Liability		
Each Occurrence	7,000,000	-
Aggregate	9,000,000	-
Wrongful Acts		
Each Occurrence	7,000,000	5,000
Aggregate	9,000,000	5,000
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	1,870,557	1,000
Electronic Data Processing	398,680	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 12 - SIGNIFICANT CONTRACTUAL COMMITMENTS

The City has several outstanding contracts for professional services. The following are the more significant contracts outstanding as of December 31, 2022:

Vendor	Contract Amount	Amount Paid as of 12/31/2022	Outstanding Balance
Choice One Engineering Corp.	\$ 583,960	\$ 162,709	\$ 421,251
Encompass Engineering	247,205	103,477	143,728
Jacobs Engineering Group, Inc.	9,786,585	2,728,787	7,057,798

**CITY OF WAPAKONETA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 13 - DEFINED BENEFIT PENSION PLANS**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

***Net Pension Liability/Asset and Net OPEB Liability/Asset***

The net pension liability/asset and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

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

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

GASB 68/75 assumes the liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

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

The remainder of this note includes the pension disclosures. See Note 14 for the OPEB disclosures.

***Plan Description - Ohio Public Employees Retirement System (OPERS)***

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.



# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Public Safety	Law Enforcement
<b>2022 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	***	****
<b>2022 Actual Contribution Rates</b>			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits **	0.0 %	0.0 %	0.0 %
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

\* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

\*\* This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

\*\*\* This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

\*\*\*\* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

## CITY OF WAPAKONETA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$487,618 for 2022. Of this amount, \$6,754 is reported as intergovernmental payable.

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

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
<b>2022 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2022 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$461,880 for 2022. Of this amount, \$48,897 is reported as intergovernmental payable.

#### *Net Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

The net pension liability and net pension asset for OPERS was measured as of December 31, 2021, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.02165100%	0.03856700%	0.00000000%	0.07774430%	
Proportion of the net pension liability/asset current measurement date	<u>0.02193500%</u>	<u>0.03319200%</u>	<u>0.00194200%</u>	<u>0.07921840%</u>	
Change in proportionate share	<u>0.00028400%</u>	<u>-0.00537500%</u>	<u>0.00194200%</u>	<u>0.00147410%</u>	
Proportionate share of the net pension liability	\$ 1,908,434	\$ -	\$ -	\$ 4,949,107	\$ 6,857,541
Proportionate share of the net pension asset	-	(130,778)	(353)	-	(131,131)
Pension expense	(267,316)	(4,719)	(57)	272,178	86

**CITY OF WAPAKONETA, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
<b>Deferred outflows of resources</b>					
Differences between expected and actual experience	\$ 97,289	\$ 811	\$ 352	\$ 142,706	\$ 241,158
Changes of assumptions	238,648	6,571	12	904,483	1,149,714
Changes in employer's proportionate percentage/ difference between employer contributions	114,797	-	-	108,598	223,395
Contributions subsequent to the measurement date	467,978	15,805	3,835	461,880	949,498
Total deferred outflows of resources	<u>\$ 918,712</u>	<u>\$ 23,187</u>	<u>\$ 4,199</u>	<u>\$ 1,617,667</u>	<u>\$ 2,563,765</u>
	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
<b>Deferred inflows of resources</b>					
Differences between expected and actual experience	\$ 41,857	\$ 14,625	\$ -	\$ 257,287	\$ 313,769
Net difference between projected and actual earnings on pension plan investments	2,270,016	28,038	82	1,297,579	3,595,715
Changes in employer's proportionate percentage/ difference between employer contributions	48,185	-	-	166,741	214,926
Total deferred inflows of resources	<u>\$ 2,360,058</u>	<u>\$ 42,663</u>	<u>\$ 82</u>	<u>\$ 1,721,607</u>	<u>\$ 4,124,410</u>

\$949,498 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2023.

# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2023	\$ (245,704)	\$ (8,594)	\$ 33	\$ (102,257)	\$ (356,522)
2024	(768,737)	(11,876)	26	(378,173)	(1,158,760)
2025	(533,773)	(7,793)	32	(105,478)	(647,012)
2026	(361,110)	(5,764)	36	(90,050)	(456,888)
2027	-	(759)	39	110,138	109,418
Thereafter	-	(495)	116	-	(379)
Total	<u>\$ (1,909,324)</u>	<u>\$ (35,281)</u>	<u>\$ 282</u>	<u>\$ (565,820)</u>	<u>\$ (2,510,143)</u>

### Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2021, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	3.25%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In July 2021, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 0.50% simple through 2021 then 2.15% simple to 3.00% simple through 2022 then 2.05% simple.

# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 15.3% for 2021.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	24.00 %	1.03 %
Domestic equities	21.00	3.78
Real estate	11.00	3.66
Private equity	12.00	7.43
International equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00 %	4.21 %

# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2021 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate** - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 5,031,670	\$ 1,908,434	\$ (690,514)
Combined Plan	(97,584)	(130,778)	(156,666)
Member-Directed Plan	(311)	(353)	(388)

### Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2022, are presented below.

Valuation date	1/1/21 with actuarial liabilities rolled forward to 12/31/21
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	21.00	3.60
Non-US equity	14.00	4.40
Private markets	8.00	6.80
Core fixed income *	23.00	1.10
High yield fixed income	7.00	3.00
Private credit	5.00	4.50
U.S. inflation linked bonds *	17.00	0.80
Midstream energy infrastructure	5.00	5.00
Real assets	8.00	5.90
Gold	5.00	2.40
Private real estate	12.00	4.80
Total	125.00 %	

Note: assumptions are geometric.

\* levered 2x



# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.50%. A discount rate of 8.00% was used in the previous measurement date. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 7,339,457	\$ 4,949,107	\$ 2,958,536

### NOTE 14 - DEFINED BENEFIT OPEB PLANS

#### **Net OPEB Liability/Asset**

See Note 13 for a description of the net OPEB liability/asset.

#### **Plan Description - Ohio Public Employees Retirement System (OPERS)**

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension 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 post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

## CITY OF WAPAKONETA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### **NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

**Funding Policy** - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.00%.

## CITY OF WAPAKONETA, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,534 for 2022. Of this amount, \$21 is reported as intergovernmental payable.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$10,784 for 2022. Of this amount, \$1,142 is reported as intergovernmental payable.

**CITY OF WAPAKONETA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Net OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability/asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability/asset was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.02130700%	0.07774430%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.02146300%</u>	<u>0.07921840%</u>	
Change in proportionate share	<u>0.00015600%</u>	<u>0.00147410%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 868,302	\$ 868,302
Proportionate share of the net OPEB asset	(672,254)	-	(672,254)
OPEB expense	(560,568)	(5,593)	(566,161)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 39,500	\$ 39,500
Changes of assumptions	-	384,338	384,338
Changes in employer's proportionate percentage/difference between employer contributions	34,408	13,325	47,733
Contributions subsequent to the measurement date	1,534	10,784	12,318
Total deferred outflows of resources	<u>\$ 35,942</u>	<u>\$ 447,947</u>	<u>\$ 483,889</u>

**CITY OF WAPAKONETA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 101,971	\$ 114,755	\$ 216,726
Net difference between projected and actual earnings on OPEB plan investments	320,482	78,440	398,922
Changes of assumptions	272,121	100,848	372,969
Changes in employer's proportionate percentage/difference between employer contributions	21,829	224,498	246,327
Total deferred inflows of resources	<u>\$ 716,403</u>	<u>\$ 518,541</u>	<u>\$ 1,234,944</u>

\$12,318 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability/asset in the year ending December 31, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2023	\$ (416,739)	\$ (40,869)	\$ (457,608)
2024	(149,206)	(52,511)	(201,717)
2025	(70,023)	(38,399)	(108,422)
2026	(46,027)	8,810	(37,217)
2027	-	20,466	20,466
Thereafter	-	21,125	21,125
Total	<u>\$ (681,995)</u>	<u>\$ (81,378)</u>	<u>\$ (763,373)</u>

***Actuarial Assumptions - OPERS***

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021.

# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	3.25%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	3.25 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	1.84%
Prior Measurement date	2.00%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2034
Prior Measurement date	8.50% initial, 3.50% ultimate in 2035
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.3% for 2021.

# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	0.91 %
Domestic equities	25.00	3.78
Real Estate Investment Trusts (REITs)	7.00	3.71
International equities	25.00	4.88
Risk parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00 %	3.45 %

**Discount Rate** - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 1.84%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

**Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate** - The following table presents the proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00%) or one-percentage-point higher (7.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB asset	\$ 395,348	\$ 672,254	\$ 902,090

# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

#### *Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate*

- Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of healthcare; the trend starting in 2022 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	\$ 679,519	\$ 672,254	\$ 663,636

#### *Actuarial Assumptions - OP&F*

OP&F's total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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



# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	2.84%
Prior measurement date	2.96%
Cost of Living Adjustments	2.20% simple per year

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

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

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

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

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

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

# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	21.00	3.60
Non-US equity	14.00	4.40
Private markets	8.00	6.80
Core fixed income *	23.00	1.10
High yield fixed income	7.00	3.00
Private credit	5.00	4.50
U.S. inflation linked bonds *	17.00	0.80
Midstream energy infrastructure	5.00	5.00
Real assets	8.00	5.90
Gold	5.00	2.40
Private real estate	12.00	4.80
Total	125.00 %	

Note: assumptions are geometric.

\* levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** - For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. For 2020, the total OPEB liability was calculated using the discount rate of 2.96%. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 2.05% at December 31, 2021 and 2.12% at December 31, 2020 was blended with the long-term rate of 7.50%, which resulted in a blended discount rate of 2.84%.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.84%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84%), or one percentage point higher (3.84%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 1,091,475	\$ 868,302	\$ 684,853

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate** - The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 15 - 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 one to 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. Employees not covered under an applicable bargaining agreement 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 employee not covered under an applicable bargaining agreement 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 employee not covered under an applicable bargaining agreement 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 two hundred sixty accrued sick days (sixty-five days total maximum payment).

Employees covered under the Utility Workers Union of America, APL-CIO, Local No. 565, 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 employee covered by this union agreement, 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).

Full time Patrol Officers, Lieutenants, and Dispatchers earn sick leave at a rate of four and sixty-two hundredths of an hour for every hour worked. Current policy permits sick leave to be accumulated without limit. Each full time Patrol Officer, Lieutenant, and Dispatcher, 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).

Full time Firefighters and Captains 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 full time Firefighter and Captain with 15 or more years of service with the City as of January 1, 2014, shall be paid for one-half (fifty percent) of their accrued but unused sick leave up to a maximum of six hundred sixty hours (eighty-two and one-half days total maximum payment). Each full time Firefighter and Captain with less than 15 or years of service with the City as of January 1, 2014, shall be paid for one-fourth (25 percent) of their accrued but unused sick leave up to a maximum of four hundred eighty hours (sixty days total maximum payment).

### NOTE 16 - LONG-TERM OBLIGATIONS

The original issue date, interest rate, and issue amount for the City's long-term obligations are as follows:

	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
General Obligation Bonds			
Sewer System Refunding	2019	2.08%	\$ 4,570,000
Sewer System	2019	2.08	655,000
Ohio Water Development Authority Loans			
WTP Design/New Water Treatment Plant	2009	5.25	7,282,354
Well Field and Raw Waterline Improvements	2009	3.7	1,479,259
WTP Iron Filter Expansion	2018	3.27	2,190,669
WTP Lime Softening Project	2019	1.68 - 3.6	2,450,397
Phase 1 South Interceptor Improvements	2013	2.84	7,280,043
South Inceptor Improvements	2013	3.62	4,322,727
WWTP Expansion	2021	0	22,152,155

# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

The City's long-term obligations activity for the year ended December 31, 2022, was as follows:

	Balance 12/31/2021	Additions	Reductions	Balance 12/31/2022	Due Within One Year
<u>Governmental Activities</u>					
Net Pension Liability	\$ 6,496,509	\$ -	\$ (839,135)	\$ 5,657,374	\$ -
Net OPEB Liability	823,714	44,588	-	868,302	-
Compensated Absences Payable	195,159	-	(23,627)	171,532	12,099
Total Governmental Activities	<u>\$ 7,515,382</u>	<u>\$ 44,588</u>	<u>\$ (862,762)</u>	<u>\$ 6,697,208</u>	<u>\$ 12,099</u>
<u>Business-Type Activities</u>					
General Obligation Bonds from Direct Placement					
2019 Sewer System Refunding Bonds	\$ 2,695,000	\$ -	\$ (650,000)	\$ 2,045,000	\$ 665,000
2019 Sewer System Bonds	420,000	-	(80,000)	340,000	80,000
Total General Obligation Bonds	<u>3,115,000</u>	<u>-</u>	<u>(730,000)</u>	<u>2,385,000</u>	<u>745,000</u>
Other Long-Term Obligations					
OWDA Loans from Direct Borrowings					
Water	12,863,269	13,732,904	(270,043)	26,326,130	282,834
Sewer	13,328,306	18,775,952	(424,441)	31,679,817	302,995
Net Pension Liability	2,009,433	-	(809,266)	1,200,167	-
Capital Loans Payable from					
Direct Borrowings	13,050,151	-	(1,045,000)	12,005,151	700,000
Notes Payable-financed purchases	309,157	233,589	(137,772)	404,974	122,453
Compensated Absences Payable	173,918	-	(35,721)	138,197	15,687
Landfill Postclosure Costs	515,605	-	(55,538)	460,067	60,959
Total Other Long-Term Obligations	<u>42,249,839</u>	<u>32,742,445</u>	<u>(2,777,781)</u>	<u>72,214,503</u>	<u>1,484,928</u>
Total Business-Type Activities	<u>\$ 45,364,839</u>	<u>\$ 32,742,445</u>	<u>\$ (3,507,781)</u>	<u>\$ 74,599,503</u>	<u>\$ 2,229,928</u>

Net Pension/OPEB Liability - There is no repayment schedule for the net pension/OPEB liability; however, employer pension/OPEB contributions are made from the General Fund, Street Maintenance and Recreation special revenue funds, Electric, Water, Sewer, and Refuse enterprise funds, and the Engineering internal service fund.

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 and Recreation special revenue funds, Electric, Water, Sewer, and Refuse enterprise funds, and the Engineering internal service fund.

General Obligation Bonds - General obligation bonds are supported by the full faith and credit of the City and are payable from unvoted property tax revenues to the extent that other resources are not available to meet annual principal and interest payments.

2019 Sewer System General Obligation Bonds - On June 18, 2019, the City issued bonds through direct placement, in the amount of \$5,225,000; \$4,570,000 to currently refund bonds previously issued in 2006 (with additional resources provided by the City), and \$655,000 in new resources for sewer system improvements. The bonds were issued for a seven year period, with final maturity in 2026. The bonds are being retired through the Sewer enterprise fund.

**CITY OF WAPAKONETA, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

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

The bonds maturing on December 1, 2026, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2023	\$ 745,000
2024	765,000
2025	785,000

The remaining principal, in the amount of \$90,000, will be paid at stated maturity on December 1, 2026.

OWDA Loans - OWDA loans from direct borrowings consist of money owed to the Ohio Water Development Authority for a new water treatment plant, a wellfield and raw water line improvements, a water treatment plant iron filter expansion project, a water treatment lime softening project, the phase 1 south interceptor improvements project, south inceptor improvements, and wastewater treatment plant extension. OWDA loans will be paid from the Water and Sewer enterprise funds. Of the total loan amounts, \$557,834 was not capitalized.

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 during 2022 was \$610,197 from the Water enterprise fund and \$599,573 from the Sewer enterprise fund. Total net revenues for the Water and Sewer enterprise funds were \$2,042,358 and \$2,594,669 respectively. The OWDA loans are payable through 2050 from the Water enterprise fund and through 2045 from the Sewer enterprise fund.

The outstanding OWDA loans contain provisions that in an event of default, (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within thirty days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to OWDA, and (3) for each additional thirty days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

Capital Loans Payable - In 2018, the City obtained a loan from a direct borrowing from American Municipal Power, Inc., in an amount up to \$12,000,000, for electric system upgrades, a new 138kw/69kw substation, a new dual 25MVA substation, and other related improvements. During 2019, the loan was increased to an amount up to \$17,000,000. Of the total loan amount, \$2,191,985 was not capitalized in the Electric enterprise fund. The loan will be retired with net revenues from the Electric enterprise fund. For 2022, total net revenues for the Electric enterprise fund was \$635,866.

Notes Payable – Financed Purchases – The notes payable will be paid from the fund that maintains custody of the related asset. See Note 17 for further detail.

Due to AMP-Ohio - The City 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, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

The City's estimated share of the impaired costs at March 31, 2014, was \$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. Since 2013, the City has paid an additional \$4,275 in various costs and received \$8,376 in credits. As a result of the payment in excess of the final impaired cost estimate plus additional charges and credits, the City is reporting Cash and Cash Equivalents with Fiscal Agent on the statement of net position in the Electric enterprise fund for the amount still being held on account with AMP. This amount was \$200,220 at December 31, 2022.

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 \$21,166,361 at December 31, 2022.

The water treatment lime softening project and wastewater treatment plant expansion project funded by OWDA loans, and the electric system upgrade funded by a capital loan 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 long-term obligations outstanding at December 31, 2022, from the enterprise funds were as follows:

Year Ending December 31,	From Direct Placement			From Direct Borrowing		
	General Obligation Bonds			OWDA Loans		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 745,000	\$ 49,608	\$ 794,608	\$ 585,829	\$ 626,263	\$ 1,212,092
2024	765,000	34,112	799,112	608,761	605,778	1,214,539
2025	785,000	18,200	803,200	632,652	584,464	1,217,116
2026	90,000	1,872	91,872	657,547	562,284	1,219,831
2027	-	-	-	683,491	539,199	1,222,690
2028 - 2032	-	-	-	3,846,677	2,315,260	6,161,937
2033 - 2037	-	-	-	4,682,162	1,577,827	6,259,989
2038 - 2042	-	-	-	4,536,740	707,505	5,244,245
2043 - 2047	-	-	-	1,740,257	153,361	1,893,618
2048 - 2050	-	-	-	326,526	18,939	345,465
Total	<u>\$ 2,385,000</u>	<u>\$ 103,792</u>	<u>\$ 2,488,792</u>	<u>\$ 18,300,642</u>	<u>\$ 7,690,880</u>	<u>\$ 25,991,522</u>

### NOTE 17 – NOTES PAYABLE – FINANCED PURCHASES

During the current year and in prior years, the City entered into notes payable - financed purchase agreements for the purpose of acquiring new equipment and vehicles. These are direct borrowings collateralized by the various assets. Principal payments in 2022 were \$31,068, \$31,069, and \$75,635 in the Sewer, Storm Sewer, and Refuse enterprise funds, respectively. The remaining notes payable will be paid from the Refuse enterprise fund.

**CITY OF WAPAKONETA, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 17 - NOTES PAYABLE – FINANCED PURCHASES - (Continued)**

The following is a schedule of the future minimum payments as of December 31, 2022.

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 122,453	\$ 17,196	\$ 139,649
2024	89,916	11,713	101,629
2025	93,755	7,874	101,629
2026	48,476	3,871	52,347
2027	<u>50,374</u>	<u>1,973</u>	<u>52,347</u>
Total	<u>\$ 404,974</u>	<u>\$ 42,627</u>	<u>\$ 447,601</u>

**NOTE 18 - 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 \$460,067 reported as landfill postclosure costs at December 31, 2022, 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 per month was imposed on commercial and residential refuse users, 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.

**NOTE 19 - INTERFUND TRANSFERS**

During 2022, the general fund made transfers \$1,536,238 to the street and sewer improvement fund and \$460,000 to nonmajor governmental funds to provide resources for capital projects and recreation.

**NOTE 20 - CONTINGENT LIABILITIES**

**A. Litigation**

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

**B. Federal and State Grants**

For the period January 1, 2022, to December 31, 2022, 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.

# CITY OF WAPAKONETA, OHIO

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### NOTE 21 - 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 22 - 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	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	\$ 13,204	\$ -	\$ 5,723	\$ 18,927
Prepayments	29,892	-	7,247	37,139
Unclaimed monies	36,841	-	-	36,841
Total nonspendable	<u>79,937</u>	<u>-</u>	<u>12,970</u>	<u>92,907</u>
Restricted:				
Ambulance operations	6,250	-	-	6,250
Debt retirement	-	-	1,160	1,160
Economic development	-	-	29,102	29,102
Police operations	10,066	-	29,596	39,662
Recreation	-	-	10,578	10,578
Street construction and maintenance	-	390,564	605,937	996,501
Total restricted	<u>16,316</u>	<u>390,564</u>	<u>676,373</u>	<u>1,083,253</u>
Assigned:				
Debt retirement	-	-	43,156	43,156
Police and Fire Department operations	-	-	256,198	256,198
Projected budget shortage	3,765,797	-	-	3,765,797
Total assigned	<u>3,765,797</u>	<u>-</u>	<u>299,354</u>	<u>4,065,151</u>
Unassigned	<u>95,321</u>	<u>-</u>	<u>-</u>	<u>95,321</u>
Total fund balances	<u>\$ 3,957,371</u>	<u>\$ 390,564</u>	<u>\$ 988,697</u>	<u>\$ 5,336,632</u>



## REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WAPAKONETA, OHIO**

**SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY/NET PENSION ASSET  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

**LAST NINE YEARS**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.021935%	0.021651%	0.021128%	0.021671%
City's proportionate share of the net pension liability	\$ 1,908,434	\$ 3,206,042	\$ 4,176,093	\$ 5,935,248
City's covered payroll	\$ 3,208,379	\$ 3,049,393	\$ 2,972,729	\$ 2,927,029
City's proportionate share of the net pension liability as a percentage of its covered payroll	59.48%	105.14%	140.48%	202.77%
Plan fiduciary net position as a percentage of the total pension liability	96.62%	86.88%	82.17%	74.70%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.033192%	0.038567%	0.040106%	0.033880%
City's proportionate share of the net pension asset	\$ 130,778	\$ 111,329	\$ 83,631	\$ 37,885
City's covered payroll	\$ 151,321	\$ 169,964	\$ 178,536	\$ 144,900
City's proportionate share of the net pension asset as a percentage of its covered payroll	86.42%	65.50%	46.84%	26.15%
Plan fiduciary net position as a percentage of the total pension asset	169.88%	157.67%	145.28%	126.64%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.001942%			
City's proportionate share of the net pension asset	\$ 353			
City's covered payroll	\$ -			
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.00%			
Plan fiduciary net position as a percentage of the total pension asset	171.84%			

Note: The schedule is intended to show information for 10 years. Information for the Traditional Plan prior to 2014, for the Combined Plan prior to 2018 and for the member directed plan prior to 2022 is not available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
	0.023228%	0.022728%	0.023065%	0.023014%	0.023014%
\$	3,644,023	\$ 5,161,143	\$ 3,995,150	\$ 2,775,746	\$ 2,713,051
\$	3,069,654	\$ 2,938,075	\$ 2,870,693	\$ 2,821,592	\$ 2,703,873
	118.71%	175.66%	139.17%	98.38%	100.34%
	84.66%	77.25%	81.08%	86.45%	86.36%
	0.017412%				
\$	23,703				
\$	71,308				
	33.24%				
	137.28%				

**CITY OF WAPAKONETA, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST NINE YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net pension liability	0.07921840%	0.07774430%	0.07829910%	0.07770800%
City's proportionate share of the net pension liability	\$ 4,949,107	\$ 5,299,899	\$ 5,274,645	\$ 6,343,027
City's covered payroll	\$ 2,015,292	\$ 1,885,775	\$ 1,844,283	\$ 1,746,328
City's proportionate share of the net pension liability as a percentage of its covered payroll	245.58%	281.05%	286.00%	363.22%
Plan fiduciary net position as a percentage of the total pension liability	75.03%	70.65%	69.89%	63.07%

Note: The schedule is intended to show information for 10 years. Information prior to 2014 is not available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2018		2017		2016		2015		2014
	0.07983100%		0.08979200%		0.08560800%		0.08273130%		0.08273130%
\$	4,899,588	\$	5,687,335	\$	5,507,223	\$	4,285,826	\$	4,029,274
\$	1,962,825	\$	1,681,070	\$	1,716,519	\$	1,618,630	\$	1,779,275
	249.62%		338.32%		320.84%		264.78%		226.46%
	70.91%		68.36%		66.77%		71.71%		73.00%

**CITY OF WAPAKONETA, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

	LAST TEN YEARS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 467,978	\$ 449,173	\$ 426,915	\$ 416,182
Contributions in relation to the contractually required contribution	<u>(467,978)</u>	<u>(449,173)</u>	<u>(426,915)</u>	<u>(416,182)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,342,700	\$ 3,208,379	\$ 3,049,393	\$ 2,972,729
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 15,805	\$ 21,185	\$ 23,795	\$ 24,995
Contributions in relation to the contractually required contribution	<u>(15,805)</u>	<u>(21,185)</u>	<u>(23,795)</u>	<u>(24,995)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 112,893	\$ 151,321	\$ 169,964	\$ 178,536
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 3,835			
Contributions in relation to the contractually required contribution	<u>(3,835)</u>			
Contribution deficiency (excess)	<u>\$ -</u>			
City's covered payroll	\$ 38,350			
Contributions as a percentage of covered payroll	10.00%			

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 409,784	\$ 399,055	\$ 352,569	\$ 344,483	\$ 338,591	\$ 351,504
<u>(409,784)</u>	<u>(399,055)</u>	<u>(352,569)</u>	<u>(344,483)</u>	<u>(338,591)</u>	<u>(351,504)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,927,029	\$ 3,069,654	\$ 2,938,075	\$ 2,870,692	\$ 2,821,592	\$ 2,703,877
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
\$ 20,286	\$ 9,270	\$ 7,860	\$ 7,961	\$ 7,804	\$ 8,765
<u>(20,286)</u>	<u>(9,270)</u>	<u>(7,860)</u>	<u>(7,961)</u>	<u>(7,804)</u>	<u>(8,765)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 144,900	\$ 71,308	\$ 65,500	\$ 66,342	\$ 65,033	\$ 67,423
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

**CITY OF WAPAKONETA, OHIO**

**SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CITY PENSION CONTRIBUTIONS  
OHIO POLICE AND FIRE (OP&F) PENSION FUND**

	LAST TEN YEARS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 461,880	\$ 430,379	\$ 403,079	\$ 393,451
Contributions in relation to the contractually required contribution	<u>(461,880)</u>	<u>(430,379)</u>	<u>(403,079)</u>	<u>(393,451)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,156,655	\$ 2,015,292	\$ 1,885,775	\$ 1,844,283
Contributions as a percentage of covered payroll	21.42%	21.36%	21.37%	21.33%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 371,562	\$ 422,858	\$ 358,081	\$ 367,289	\$ 346,225	\$ 323,424
<u>(371,562)</u>	<u>(422,858)</u>	<u>(358,081)</u>	<u>(367,289)</u>	<u>(346,225)</u>	<u>(323,424)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,746,328	\$ 1,962,825	\$ 1,681,070	\$ 1,716,519	\$ 1,618,630	\$ 1,779,275
21.28%	21.54%	21.30%	21.40%	21.39%	18.18%

**CITY OF WAPAKONETA, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY/ NET OPEB ASSET  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

	LAST SIX YEARS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net OPEB liability/asset	0.021463%	0.021307%	0.020864%	0.021180%
City's proportionate share of the net OPEB liability/(asset)	\$ (672,254)	\$ (379,601)	\$ 2,881,859	\$ 2,761,372
City's covered payroll	\$ 3,359,700	\$ 3,222,432	\$ 3,152,140	\$ 3,072,154
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	20.01%	11.78%	91.43%	89.88%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	128.23%	115.57%	47.80%	46.33%

Note: The schedule is intended to show information for 10 years. Information prior to 2017 is not available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>
0.022220%	0.021770%
\$ 2,412,929	\$ 2,198,844
\$ 3,146,712	\$ 3,008,950
76.68%	73.08%
54.14%	54.05%

**CITY OF WAPAKONETA, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST SIX YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net OPEB liability	0.07921840%	0.07774430%	0.07829910%	0.07770800%
City's proportionate share of the net OPEB liability	\$ 868,302	\$ 823,714	\$ 773,417	\$ 707,650
City's covered payroll	\$ 2,015,292	\$ 1,885,775	\$ 1,844,283	\$ 1,746,328
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	43.09%	43.68%	41.94%	40.52%
Plan fiduciary net position as a percentage of the total OPEB liability	46.86%	45.42%	47.08%	46.57%

Note: The schedule is intended to show information for 10 years. Information prior to 2017 is not available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	<u>2018</u>	<u>2017</u>
	0.07983100%	0.08979200%
\$	4,523,113	\$ 4,262,224
\$	1,962,825	\$ 1,681,070
	230.44%	253.54%
	14.13%	15.96%

**CITY OF WAPAKONETA, OHIO**

**SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CITY OPEB CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

**LAST SEVEN YEARS**

	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>
Contractually required contribution	\$ 1,534	\$ -	\$ 123	\$ 35
Contributions in relation to the contractually required contribution	<u>(1,534)</u>	<u>-</u>	<u>(123)</u>	<u>(35)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
City's covered payroll	\$ 3,493,943	\$ 3,359,700	\$ 3,219,357	\$ 3,151,265
Contributions as a percentage of covered payroll	0.04%	0.00%	0.00%	0.00%

Note: The schedule is intended to show information for 10 years. Information prior to 2016 is not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 9	\$ 31,640	\$ 60,287
<u>(9)</u>	<u>(31,640)</u>	<u>(60,287)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,071,929	\$ 3,140,962	\$ 3,003,575
0.00%	1.01%	2.01%

**CITY OF WAPAKONETA, OHIO**

**SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CITY OPEB CONTRIBUTIONS  
OHIO POLICE AND FIRE (OP&F) PENSION FUND**

	LAST TEN YEARS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 10,784	\$ 10,077	\$ 9,429	\$ 9,222
Contributions in relation to the contractually required contribution	<u>(10,784)</u>	<u>(10,077)</u>	<u>(9,429)</u>	<u>(9,222)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,156,655	\$ 2,015,292	\$ 1,885,775	\$ 1,844,283
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 8,732	\$ 9,814	\$ 8,406	\$ 8,582	\$ 8,093	\$ 64,351
<u>(8,732)</u>	<u>(9,814)</u>	<u>(8,406)</u>	<u>(8,582)</u>	<u>(8,093)</u>	<u>(64,351)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,746,328	\$ 1,962,825	\$ 1,681,070	\$ 1,716,519	\$ 1,618,630	\$ 1,779,275
0.50%	0.50%	0.50%	0.50%	0.50%	3.62%

**CITY OF WAPAKONETA, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**PENSION**

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***OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)***

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.

*Changes in assumptions :*

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.

(Continued)

**CITY OF WAPAKONETA, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**PENSION**

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***OHIO POLICE AND FIRE (OP&F) PENSION FUND***

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.

*Changes in assumptions :*

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- There were no changes in assumptions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.25% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the actuarially assumed rate of return was changed from 8.00% to 7.50%.

(Continued)

**CITY OF WAPAKONETA, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

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***OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)***

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.00%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.00%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.

(Continued)

**CITY OF WAPAKONETA, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

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***OHIO POLICE AND FIRE (OP&F) PENSION FUND***

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50% and (b) the discount rate was changed from 2.96% to 2.84%.

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COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

## **CITY OF WAPAKONETA**

### **FUND DESCRIPTIONS - 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 charter of the City and/or the general laws of Ohio.

Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis):

##### ***Swimming Pool Fund***

This fund accounts for charges and other sources assigned for use on the swimming pool.

##### ***Swimming Pool Capital Fund***

This fund accounts for the purchase and construction of the Wapakoneta swimming pool. The proceeds from the sale of stock were recorded in The stock was from an old donation that was to be used for recreation purposes. The pool project is complete and the intent is to not spend the balance.

##### ***Ambulance Trust Fund***

This fund accounts for donations from organizations, fair board, school boards, etc. restricted for equipment for the ambulance squads.

##### ***Police K-9 Trust Fund***

This fund accounts for donations restricted to be used toward the purchase of police dogs and occasionally for equipment for the police dogs.

##### ***Unclaimed Trust Fund***

This fund accounts for unclaimed monies until they can be disbursed or transferred to the General Fund.

##### ***Cash on Hand Accounts Fund***

This fund accounts for the cash held as petty cash used for change and to purchase minor items which is reimbursed to the departments.

#### **MAJOR CAPITAL PROJECTS FUND**

##### ***Street and Sewer Improvement Fund***

This fund accounts the residents' portion of special assessments for curbs, gutters, and sidewalks; grant resources for infrastructure improvements; municipal income taxes levied for street 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.

#### **NONMAJOR SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for all specific revenue sources that are restricted or committed for specified expenditure purposes, other than for debt service or capital projects.

##### ***Street Maintenance Fund***

This fund accounts for 92.5 percent of the state gasoline tax and motor vehicle registration fees restricted for street maintenance and repair.

##### ***State Highway Fund***

This fund accounts for 7.5 percent of the state gasoline tax and motor vehicle registration fees restricted for maintenance and repair of state highways within the City.

##### ***Motor Vehicle Permissive Tax Fund***

This fund accounts for additional motor vehicle registration fees levied by the City and restricted for street maintenance and repair.

##### ***Community Block Grant Fund***

This fund accounts 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***

This fund accounts for property taxes, grants, donations, and other resources restricted for recreation activities.

##### ***Law Enforcement Fund***

This fund accounts for fines and forfeitures restricted for law enforcement purposes.



## **CITY OF WAPAKONETA**

### **FUND DESCRIPTIONS - GOVERNMENTAL FUNDS**

#### **NONMAJOR SPECIAL REVENUE FUNDS - CONTINUED**

##### ***Enforcement and Education Fund***

This fund accounts 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***

This fund accounts for confiscated property restricted for use on drug law enforcement activities.

##### ***Rudd Park Trust Fund***

This fund accounts for monies from the Wapakoneta Area Community Foundation restricted for use on Rudd Park.

##### ***Coronavirus Relief Fund***

This fund accounts for resources received from the federal government under the CARES Act Program restricted for costs associated with the COVID-19 pandemic.

##### ***American Rescue Plan Act Fund***

This fund accounts for monies received from the federal government as part of the American Rescue Plan Act of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.

#### **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***

This fund accounts for transfers from the Street and Sewer Improvement Fund restricted for the payment of principal, interest, and fiscal charges.

##### ***Downtown Debt Fund***

This fund accounts for transfers from the General Fund assigned for the payment of principal, interest, and fiscal charges.

#### **NONMAJOR CAPITAL PROJECTS FUND**

Capital project 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).

##### ***Capital Emergency Fund***

This fund accounts for transfers from the General Fund assigned for the purchase or repair of emergency vehicles.

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**GENERAL FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Property taxes	\$ 200,000	\$ 200,000	\$ 492,006	\$ 292,006
Municipal income taxes	2,964,737	3,715,137	3,737,532	22,395
Other local taxes	760,000	760,000	1,395,372	635,372
Charges for services	400,000	450,000	921,929	471,929
Fees, licenses and permits	153,100	103,100	129,161	26,061
Fines and forfeitures	5,000	5,000	11,289	6,289
Intergovernmental	250,700	259,012	441,277	182,265
Interest	41,200	41,200	185,780	144,580
Gifts and donations	1,000	1,000	1,786	786
Other	65,000	65,000	148,401	83,401
Total revenues	<u>4,840,737</u>	<u>5,599,449</u>	<u>7,464,533</u>	<u>1,865,084</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Police				
Personal services	2,010,554	2,010,554	1,857,379	153,175
Contractual services	211,184	220,444	180,529	39,915
Materials and supplies	56,623	92,563	88,271	4,292
Capital outlay	89,062	89,062	65,944	23,118
Total Police	<u>2,367,423</u>	<u>2,412,623</u>	<u>2,192,123</u>	<u>220,500</u>
Fire				
Personal services	1,751,958	1,751,958	1,740,579	11,379
Contractual services	110,503	107,554	114,041	(6,487)
Materials and supplies	71,149	78,798	74,945	3,853
Capital outlay	26,500	26,500	11,518	14,982
Total fire	<u>1,960,110</u>	<u>1,964,810</u>	<u>1,941,083</u>	<u>23,727</u>
Total security of persons and property	<u>4,327,533</u>	<u>4,377,433</u>	<u>4,133,206</u>	<u>244,227</u>
Public health				
Emergency medical				
Personal services	31,369	23,139	20,773	2,366
Contractual services	105,134	161,476	150,801	10,675
Materials and supplies	15,600	15,788	13,261	2,527
Capital outlay	53,000	53,000	44,502	8,498
Other	2,100	2,100	-	2,100
Total emergency medical	<u>207,203</u>	<u>255,503</u>	<u>229,337</u>	<u>26,166</u>
Miscellaneous				
Contractual services	1,500	1,500	110,872	(109,372)
Total miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>110,872</u>	<u>(109,372)</u>
Total public health	<u>208,703</u>	<u>257,003</u>	<u>340,209</u>	<u>(83,206)</u>
				(Continued)

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**GENERAL FUND (CONTINUED)**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Community environment				
Boards and commissions				
Contractual services	\$ 135,000	\$ 186,025	\$ 180,557	\$ 5,468
Materials and supplies	179,488	179,489	175,998	3,491
Total boards and commissions	314,488	365,514	356,555	8,959
Total community environment	314,488	365,514	356,555	8,959
General government				
Council				
Personal services	74,000	74,000	67,900	6,100
Materials and supplies	47,500	47,105	35,301	11,804
Total council	121,500	121,105	103,201	17,904
Clerk of council				
Personal services	7,000	7,000	6,338	662
Contractual services	6,000	6,395	6,391	4
Total clerk of council	13,000	13,395	12,729	666
Administrative				
Personal services	119,500	165,500	134,318	31,182
Contractual services	79,607	79,607	70,725	8,882
Materials and supplies	225,724	200,524	142,491	58,033
Capital outlay	11,000	11,000	10,088	912
Other	2,065	4,815	4,810	5
Total administrative	437,896	461,446	362,432	99,014
Finance				
Personal services	39,000	39,000	39,000	-
Contractual services	62,000	62,000	47,042	14,958
Materials and supplies	3,500	3,500	1,412	2,088
Total finance	104,500	104,500	87,454	17,046
Income tax				
Personal services	128,900	128,900	93,839	35,061
Contractual services	11,500	15,583	13,306	2,277
Materials and supplies	12,100	13,717	11,660	2,057
Capital outlay	3,000	63,138	61,060	2,078
Other	743,997	227,965	17	227,948
Total income tax	899,497	449,303	179,882	269,421

(Continued)

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**GENERAL FUND (CONTINUED)**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Law director				
Personal services	\$ 36,000	\$ 36,000	\$ 26,000	\$ 10,000
Contractual services	1,000	1,000	-	1,000
Materials and supplies	5,000	3,300	2,981	319
Total law director	42,000	40,300	28,981	11,319
Civil service				
Personal services	1,200	1,200	1,000	200
Contractual services	2,500	2,500	15	2,485
Materials and supplies	2,000	2,000	176	1,824
Total civil service	5,700	5,700	1,191	4,509
Elections				
Contractual services	1,000	6,400	6,357	43
Total elections	1,000	6,400	6,357	43
Auglaize County				
Contractual services	8,000	8,000	7,468	532
Total Auglaize County	8,000	8,000	7,468	532
Administrative support				
Other	400	400	-	400
Total administrative support	400	400	-	400
Total general government	1,633,493	1,210,549	789,695	420,854
Total expenditures	6,484,217	6,210,499	5,619,665	590,834
Excess (deficiency) of revenues over (under) expenditures	(1,643,480)	(611,050)	1,844,868	2,455,918
<b>Other financing sources (uses):</b>				
Transfers out	(1,645,000)	(2,260,000)	(2,308,238)	(48,238)
Total other financing sources (uses)	(1,645,000)	(2,260,000)	(2,308,238)	(48,238)
Net change in fund balance	(3,288,480)	(2,871,050)	(463,370)	2,407,680
<b>Fund balance at beginning of year (restated)</b>	2,955,824	2,955,824	2,955,824	-
<b>Prior year encumbrances appropriated</b>	104,024	104,024	104,024	-
<b>Fund balance (deficit) at end of year</b>	\$ (228,632)	\$ 188,798	\$ 2,596,478	\$ 2,407,680

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SWIMMING POOL FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Charges for services	\$ 240,000	\$ 129,008	\$ (110,992)
Other	-	342	342
Total revenues	<u>240,000</u>	<u>129,350</u>	<u>(110,650)</u>
<b>Expenditures:</b>			
Current:			
Leisure time activities			
Personal services	28,550	21,282	7,268
Contractual services	336,862	259,197	77,665
Materials and supplies	105,869	97,117	8,752
Capital outlay	56,715	53,419	3,296
Other	19,016	10,347	8,669
Total expenditures	<u>547,012</u>	<u>441,362</u>	<u>105,650</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(307,012)</u>	<u>(312,012)</u>	<u>(5,000)</u>
<b>Other financing sources (uses):</b>			
Transfers in	<u>307,000</u>	<u>312,000</u>	<u>5,000</u>
Total other financing sources (uses)	<u>307,000</u>	<u>312,000</u>	<u>5,000</u>
Net change in fund balance	(12)	(12)	-
<b>Fund balance at beginning of year</b>	<u>12</u>	<u>12</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF WAPAKONETA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SWIMMING POOL CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Fund balance at beginning of year</b>	<u>\$ 735,000</u>	<u>\$ 735,000</u>	<u>\$ -</u>
<b>Fund balance at end of year</b>	<u><u>\$ 735,000</u></u>	<u><u>\$ 735,000</u></u>	<u><u>\$ -</u></u>

**CITY OF WAPAKONETA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
AMBULANCE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Fund balance at beginning of year</b>	<u>\$ 6,250</u>	<u>\$ 6,250</u>	<u>\$ -</u>
<b>Fund balance at end of year</b>	<u><u>\$ 6,250</u></u>	<u><u>\$ 6,250</u></u>	<u><u>\$ -</u></u>

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**POLICE K-9 TRUST FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Contributions and donations	\$ -	\$ 1,500	\$ 1,500
Total revenues	-	1,500	1,500
<b>Expenditures:</b>			
Security of persons and property			
Police			
Materials and supplies	8,566	-	8,566
Total expenditures	8,566	-	8,566
Net change in fund balance	(8,566)	1,500	10,066
<b>Fund balance at beginning of year</b>	8,566	8,566	-
<b>Fund balance at end of year</b>	\$ -	\$ 10,066	\$ 10,066



**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**UNCLAIMED TRUST FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>			
General government			
Administrative support			
Other	\$ 36,841	\$ -	\$ 36,841
Total general government	<u>36,841</u>	<u>-</u>	<u>36,841</u>
Net change in fund balance	(36,841)	-	36,841
<b>Fund balance at beginning of year</b>	<u>\$ 36,841</u>	<u>\$ 36,841</u>	<u>\$ -</u>
<b>Fund balance at end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 36,841</u></u>	<u><u>\$ 36,841</u></u>

**CITY OF WAPAKONETA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
CASH ON HAND ACCOUNTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Fund balance at beginning of year</b>	<u>\$ 975</u>	<u>\$ 975</u>	<u>\$ -</u>
<b>Fund balance at end of year</b>	<u><u>\$ 975</u></u>	<u><u>\$ 975</u></u>	<u><u>\$ -</u></u>

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STREET AND SEWER IMPROVEMENT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Municipal income taxes	\$ 1,887,600	\$ 1,839,362	\$ (48,238)
Intergovernmental	1,720,000	-	(1,720,000)
Special Assessments	-	24,107	24,107
Other	-	3,168	3,168
Total revenues	<u>3,607,600</u>	<u>1,866,637</u>	<u>(1,740,963)</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Street and Sewer Improvement			
Contractual services	465,118	339,052	126,066
Materials and supplies	3,000	2,647	353
Capital outlay	4,435,859	3,389,534	1,046,325
Other	32,000	-	32,000
Total expenditures	<u>4,935,977</u>	<u>3,731,233</u>	<u>1,204,744</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,328,377)</u>	<u>(1,864,596)</u>	<u>(536,219)</u>
<b>Other financing sources (uses):</b>			
Transfers in	<u>1,000,000</u>	<u>1,536,238</u>	<u>536,238</u>
Total other financing sources (uses)	<u>1,000,000</u>	<u>1,536,238</u>	<u>536,238</u>
Net change in fund balance	(328,377)	(328,358)	19
<b>Fund balance at beginning of year</b>	529,007	529,007	-
<b>Prior year encumbrances appropriated</b>	<u>27,118</u>	<u>27,118</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 227,748</u>	<u>\$ 227,767</u>	<u>\$ 19</u>

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**CITY OF WAPAKONETA**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2022

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 1,652,852	\$ 44,316	\$ 256,198	\$ 1,953,366
Receivables:				
Property taxes	177,879	-	-	177,879
Other local taxes	5,747	-	-	5,747
Intergovernmental	328,484	-	-	328,484
Accrued interest	1,080	-	-	1,080
Accounts	137	-	-	137
Notes	5,255	-	-	5,255
Materials and supplies inventory	5,723	-	-	5,723
Prepayments	7,247	-	-	7,247
Total assets	<u>\$ 2,184,404</u>	<u>\$ 44,316</u>	<u>\$ 256,198</u>	<u>\$ 2,484,918</u>
<b>Liabilities:</b>				
Accounts payable	\$ 30,178	\$ -	\$ -	\$ 30,178
Accrued wages and benefits payable	5,941	-	-	5,941
Intergovernmental payable	1,974	-	-	1,974
Due to other funds	4,049	-	-	4,049
Unearned revenue	1,019,931	-	-	1,019,931
Total liabilities	<u>1,062,073</u>	<u>-</u>	<u>-</u>	<u>1,062,073</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	161,287	-	-	161,287
Delinquent property tax revenue not available	16,592	-	-	16,592
Accrued interest not available	844	-	-	844
Intergovernmental revenue not available	255,425	-	-	255,425
Total deferred inflows of resources	<u>434,148</u>	<u>-</u>	<u>-</u>	<u>434,148</u>
<b>Fund balances:</b>				
Nonspendable	12,970	-	-	12,970
Restricted	675,213	1,160	-	676,373
Assigned	-	43,156	256,198	299,354
Total fund balances	<u>688,183</u>	<u>44,316</u>	<u>256,198</u>	<u>988,697</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,184,404</u>	<u>\$ 44,316</u>	<u>\$ 256,198</u>	<u>\$ 2,484,918</u>

**CITY OF WAPAKONETA**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2022

	<b>Street Maintenance</b>	<b>State Highway</b>	<b>Motor Vehicle Permissive Tax</b>	<b>Community Block Grant</b>	<b>Recreation</b>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents	\$ 69,175	\$ 135,340	\$ 352,476	\$ 23,847	\$ 21,944
Receivables:					
Property taxes	-	-	-	-	177,879
Other local taxes	-	-	5,747	-	-
Intergovernmental	302,130	24,497	-	-	1,857
Accrued interest	-	-	-	-	1,080
Accounts	137	-	-	-	-
Notes	-	-	-	5,255	-
Materials and supplies inventory	3,966	-	-	-	1,757
Prepayments	6,341	-	-	-	906
Total assets	<u>\$ 381,749</u>	<u>\$ 159,837</u>	<u>\$ 358,223</u>	<u>\$ 29,102</u>	<u>\$ 205,423</u>
<b>Liabilities:</b>					
Accounts payable	\$ 22,082	\$ -	\$ -	\$ -	\$ 8,096
Accrued wages and benefits payable	5,202	-	-	-	739
Intergovernmental payable	1,635	-	-	-	339
Due to other funds	1,078	-	-	-	2,971
Unearned revenue	-	-	-	-	-
Total liabilities	<u>29,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,145</u>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year	-	-	-	-	161,287
Delinquent property tax revenue not available	-	-	-	-	16,592
Accrued interest not available	-	-	-	-	844
Intergovernmental revenue not available	234,550	19,018	-	-	1,857
Total deferred inflows of resources	<u>234,550</u>	<u>19,018</u>	<u>-</u>	<u>-</u>	<u>180,580</u>
<b>Fund balances:</b>					
Nonspendable	10,307	-	-	-	2,663
Restricted	106,895	140,819	358,223	29,102	10,035
Total fund balances	<u>117,202</u>	<u>140,819</u>	<u>358,223</u>	<u>29,102</u>	<u>12,698</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 381,749</u>	<u>\$ 159,837</u>	<u>\$ 358,223</u>	<u>\$ 29,102</u>	<u>\$ 205,423</u>

- - Continued

<b>Law Enforcement</b>	<b>Enforcement and Education</b>	<b>Drug Law Enforcement</b>	<b>Rudd Park Trust</b>	<b>American Rescue Plan Act</b>	<b>Total</b>
\$ 9,990	\$ 8,523	\$ 11,083	\$ 543	\$ 1,019,931	\$ 1,652,852
-	-	-	-	-	177,879
-	-	-	-	-	5,747
-	-	-	-	-	328,484
-	-	-	-	-	1,080
-	-	-	-	-	137
-	-	-	-	-	5,255
-	-	-	-	-	5,723
-	-	-	-	-	7,247
<u>\$ 9,990</u>	<u>\$ 8,523</u>	<u>\$ 11,083</u>	<u>\$ 543</u>	<u>\$ 1,019,931</u>	<u>\$ 2,184,404</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,178
-	-	-	-	-	5,941
-	-	-	-	-	1,974
-	-	-	-	-	4,049
-	-	-	-	1,019,931	1,019,931
-	-	-	-	1,019,931	1,062,073
-	-	-	-	-	161,287
-	-	-	-	-	16,592
-	-	-	-	-	844
-	-	-	-	-	255,425
-	-	-	-	-	434,148
-	-	-	-	-	12,970
9,990	8,523	11,083	543	-	675,213
<u>9,990</u>	<u>8,523</u>	<u>11,083</u>	<u>543</u>	<u>-</u>	<u>688,183</u>
<u>\$ 9,990</u>	<u>\$ 8,523</u>	<u>\$ 11,083</u>	<u>\$ 543</u>	<u>\$ 1,019,931</u>	<u>\$ 2,184,404</u>

**CITY OF WAPAKONETA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
**DECEMBER 31, 2022**

	<b>Debt Service</b>	<b>Downtown Debt</b>	<b>Total Nonmajor Debt Service Funds</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents	\$ 1,160	\$ 43,156	\$ 44,316
Total assets	<u>\$ 1,160</u>	<u>\$ 43,156</u>	<u>\$ 44,316</u>
<b>Fund balances:</b>			
Restricted	\$ 1,160	\$ -	\$ 1,160
Assigned	-	43,156	43,156
Total fund balances	<u>1,160</u>	<u>43,156</u>	<u>44,316</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,160</u>	<u>\$ 43,156</u>	<u>\$ 44,316</u>



**CITY OF WAPAKONETA**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>				
Property taxes	\$ 161,241	\$ -	\$ -	\$ 161,241
Other local taxes	81,373	-	-	81,373
Charges for services	25,133	-	-	25,133
Fines and forfeitures	2,295	-	-	2,295
Intergovernmental	730,080	-	-	730,080
Interest	12,810	-	-	12,810
Contributions and donations	295	-	-	295
Other	10,025	-	-	10,025
Total revenues	1,023,252	-	-	1,023,252
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Fire	-	-	822,817	822,817
Leisure time activities	262,320	-	-	262,320
Community environment	2,672	-	-	2,672
Transportation	728,350	-	-	728,350
General government	23,306	-	-	23,306
Total expenditures	1,016,648	-	822,817	1,839,465
Excess (deficiency) of revenues over (under) expenditures	6,604	-	(822,817)	(816,213)
<b>Other financing sources (uses):</b>				
Transfers in	60,000	-	400,000	460,000
Total other financing sources (uses)	60,000	-	400,000	460,000
Net change in fund balances	66,604	-	(422,817)	(356,213)
<b>Fund balances at beginning of year</b>	621,579	44,316	679,015	1,344,910
<b>Fund balances at end of year</b>	<u>\$ 688,183</u>	<u>\$ 44,316</u>	<u>\$ 256,198</u>	<u>\$ 988,697</u>

**CITY OF WAPAKONETA**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Street Maintenance</b>	<b>State Highway</b>	<b>Motor Vehicle Permissive Tax</b>	<b>Community Block Grant</b>	<b>Recreation</b>
<b>Revenues:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 161,241
Other local taxes	-	-	81,373	-	-
Charges for services	25,133	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	643,570	59,491	-	-	3,713
Interest	273	524	1,378	537	10,098
Contributions and donations	-	-	-	-	162
Other	10,007	-	-	-	18
Total revenues	<u>678,983</u>	<u>60,015</u>	<u>82,751</u>	<u>537</u>	<u>175,232</u>
<b>Expenditures:</b>					
Current:					
Leisure time activities	-	-	-	-	262,320
Community environment	-	-	-	2,672	-
Transportation	695,736	13,061	19,553	-	-
General government	-	-	-	-	-
Total expenditures	<u>695,736</u>	<u>13,061</u>	<u>19,553</u>	<u>2,672</u>	<u>262,320</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,753)</u>	<u>46,954</u>	<u>63,198</u>	<u>(2,135)</u>	<u>(87,088)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	60,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Net change in fund balances	(16,753)	46,954	63,198	(2,135)	(27,088)
<b>Fund balances at beginning of year</b>	<u>133,955</u>	<u>93,865</u>	<u>295,025</u>	<u>31,237</u>	<u>39,786</u>
<b>Fund balances at end of year</b>	<u>\$ 117,202</u>	<u>\$ 140,819</u>	<u>\$ 358,223</u>	<u>\$ 29,102</u>	<u>\$ 12,698</u>

<b>Law Enforcement</b>	<b>Enforcement and Education</b>	<b>Drug Law Enforcement</b>	<b>Rudd Park Trust</b>	<b>Coronavirus Relief</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,241
-	-	-	-	-	81,373
-	-	-	-	-	25,133
385	410	1,500	-	-	2,295
-	-	-	-	23,306	730,080
-	-	-	-	-	12,810
-	-	-	133	-	295
-	-	-	-	-	10,025
385	410	1,500	133	23,306	1,023,252
-	-	-	-	-	262,320
-	-	-	-	-	2,672
-	-	-	-	-	728,350
-	-	-	-	23,306	23,306
-	-	-	-	23,306	1,016,648
385	410	1,500	133	-	6,604
-	-	-	-	-	60,000
-	-	-	-	-	60,000
385	410	1,500	133	-	66,604
9,605	8,113	9,583	410	-	621,579
\$ 9,990	\$ 8,523	\$ 11,083	\$ 543	\$ -	\$ 688,183

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STREET MAINTENANCE FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Charges for services	\$ 26,000	\$ 24,996	\$ (1,004)
Intergovernmental	660,000	626,196	(33,804)
Interest	500	273	(227)
Other	500	10,007	9,507
Total revenues	<u>687,000</u>	<u>661,472</u>	<u>(25,528)</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Street maintenance			
Personal services	493,551	438,981	54,570
Contractual services	100,593	95,830	4,763
Materials and supplies	140,732	130,848	9,884
Capital outlay	32,000	25,149	6,851
Other	2,373	-	2,373
Total expenditures	<u>769,249</u>	<u>690,808</u>	<u>78,441</u>
Net change in fund balance	(82,249)	(29,336)	52,913
<b>Fund balance at beginning of year</b>	79,923	79,923	-
<b>Prior year encumbrances appropriated</b>	<u>2,326</u>	<u>2,326</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ 52,913</u>	<u>\$ 52,913</u>

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STATE HIGHWAY FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental	\$ 25,000	\$ 58,083	\$ 33,083
Interest	25	524	499
Total revenues	<u>25,025</u>	<u>58,607</u>	<u>33,582</u>
<b>Expenditures:</b>			
Current:			
Transportation			
State highway			
Capital outlay	114,819	13,061	101,758
Total expenditures	<u>114,819</u>	<u>13,061</u>	<u>101,758</u>
Net change in fund balance	(89,794)	45,546	135,340
<b>Fund balance at beginning of year</b>	<u>89,794</u>	<u>89,794</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ 135,340</u>	<u>\$ 135,340</u>

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**MOTOR VEHICLE PERMISSIVE TAX FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Other local taxes	\$ 187,000	\$ 81,602	\$ (105,398)
Interest	700	1,378	678
Total revenues	<u>187,700</u>	<u>82,980</u>	<u>(104,720)</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Motor vehicle permissive tax			
Contractual services	15,000	-	15,000
Capital outlay	<u>461,749</u>	<u>19,553</u>	<u>442,196</u>
Total expenditures	<u>476,749</u>	<u>19,553</u>	<u>457,196</u>
Net change in fund balance	(289,049)	63,427	352,476
<b>Fund balance at beginning of year</b>	<u>289,049</u>	<u>289,049</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ 352,476</u>	<u>\$ 352,476</u>

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COMMUNITY BLOCK GRANT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Interest	\$ 225	\$ 537	\$ 312
Other	5,000	-	(5,000)
Total revenues	<u>5,225</u>	<u>537</u>	<u>(4,688)</u>
<b>Expenditures:</b>			
Current:			
Community environment			
Community block grant			
Contractual services	28,648	113	28,535
Total expenditures	<u>28,648</u>	<u>113</u>	<u>28,535</u>
Net change in fund balance	(23,423)	424	23,847
<b>Fund balance at beginning of year</b>	<u>23,423</u>	<u>23,423</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ 23,847</u>	<u>\$ 23,847</u>

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**RECREATION FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Property taxes	\$ 160,000	\$ 161,241	\$ 1,241
Intergovernmental	5,000	3,713	(1,287)
Interest	6,000	10,075	4,075
Contributions and donations	-	162	162
Other	-	18	18
Total revenues	<u>171,000</u>	<u>175,209</u>	<u>4,209</u>
<b>Expenditures:</b>			
Current:			
Leisure time activities			
Recreation			
Personal services	98,768	98,682	86
Contractual services	60,677	49,503	11,174
Materials and supplies	38,650	38,320	330
Capital outlay	60,994	71,772	(10,778)
Total expenditures	<u>259,089</u>	<u>258,277</u>	<u>812</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(88,089)</u>	<u>(83,068)</u>	<u>5,021</u>
<b>Other financing sources (uses):</b>			
Transfers in	<u>65,000</u>	<u>60,000</u>	<u>(5,000)</u>
Total other financing sources (uses)	<u>65,000</u>	<u>60,000</u>	<u>(5,000)</u>
Net change in fund balance	(23,089)	(23,068)	21
<b>Fund balance at beginning of year</b>	40,343	40,343	-
<b>Prior year encumbrances appropriated</b>	<u>4,346</u>	<u>4,346</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 21,600</u>	<u>\$ 21,621</u>	<u>\$ 21</u>



**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**LAW ENFORCEMENT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures	\$ -	\$ 385	\$ 385
Total revenues	-	385	385
<b>Expenditures:</b>			
Current:			
Security of persons and property			
Law enforcement			
Personal services	500	-	500
Materials and supplies	2,000	-	2,000
Capital outlay	7,105	-	7,105
Total expenditures	9,605	-	9,605
Net change in fund balance	(9,605)	385	9,990
<b>Fund balance at beginning of year</b>	9,605	9,605	-
<b>Fund balance at end of year</b>	\$ -	\$ 9,990	\$ 9,990

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**ENFORCEMENT AND EDUCATION FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures	\$ 500	\$ 410	\$ (90)
Total revenues	<u>500</u>	<u>410</u>	<u>(90)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property			
Enforcement and education			
Materials and supplies	3,000	-	3,000
Capital outlay	<u>5,613</u>	<u>-</u>	<u>5,613</u>
Total expenditures	<u>8,613</u>	<u>-</u>	<u>8,613</u>
Net change in fund balance	(8,113)	410	8,523
<b>Fund balance at beginning of year</b>	<u>8,113</u>	<u>8,113</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 8,523</u></u>	<u><u>\$ 8,523</u></u>

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**DRUG LAW ENFORCEMENT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Fines and forfeitures	\$ 1,000	\$ 1,500	\$ 500
Total revenues	<u>1,000</u>	<u>1,500</u>	<u>500</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property			
Drug law enforcement			
Materials and supplies	2,500	-	2,500
Capital outlay	8,083	-	8,083
Total expenditures	<u>10,583</u>	<u>-</u>	<u>10,583</u>
Net change in fund balance	(9,583)	1,500	11,083
<b>Fund balance at beginning of year</b>	<u>9,583</u>	<u>9,583</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 11,083</u></u>	<u><u>\$ 11,083</u></u>

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**RUDD PARK TRUST FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Contributions and donations	\$ -	\$ 133	\$ 133
Total revenues	-	133	133
<b>Expenditures:</b>			
Current:			
Leisure time activities			
Rudd Park			
Materials and supplies	410	-	410
Total expenditures	410	-	410
Net change in fund balance	(410)	133	543
<b>Fund balance at beginning of year</b>	410	410	-
<b>Fund balance at end of year</b>	\$ -	\$ 543	\$ 543

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**CORONAVIRUS RELIEF FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u><b>Budget</b></u>	<u><b>Actual</b></u>	<u><b>Variance with Final Budget Positive (Negative)</b></u>
<b>Expenditures:</b>			
Public health			
Miscellaneous			
Contractual services	\$ 104,548	\$ 104,548	\$ -
Total miscellaneous	<u>104,548</u>	<u>104,548</u>	<u>-</u>
Total public health	<u>104,548</u>	<u>104,548</u>	<u>-</u>
Net change in fund balance	(104,548)	(104,548)	-
<b>Prior year encumbrances appropriated</b>	<u>104,548</u>	<u>104,548</u>	<u>-</u>
<b>Fund balance (deficit) at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF WAPAKONETA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
AMERICAN RESCUE PLAN ACT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental	\$ 511,993	\$ 511,993	\$ -
Total revenues	<u>511,993</u>	<u>511,993</u>	<u>-</u>
Net change in fund balance	511,993	511,993	-
<b>Fund balance at beginning of year</b>	<u>507,938</u>	<u>507,938</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ 1,019,931</u></u>	<u><u>\$ 1,019,931</u></u>	<u><u>\$ -</u></u>

**CITY OF WAPAKONETA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Fund balance at beginning of year</b>	<u>\$ 1,160</u>	<u>\$ 1,160</u>	<u>\$ -</u>
<b>Fund balance at end of year</b>	<u><u>\$ 1,160</u></u>	<u><u>\$ 1,160</u></u>	<u><u>\$ -</u></u>

**CITY OF WAPAKONETA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
DOWNTOWN DEBT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Fund balance at beginning of year</b>	<u>\$ 43,156</u>	<u>\$ 43,156</u>	<u>\$ -</u>
<b>Fund balance at end of year</b>	<u><u>\$ 43,156</u></u>	<u><u>\$ 43,156</u></u>	<u><u>\$ -</u></u>



**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**CAPITAL EMERGENCY FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property			
Fire			
Capital outlay	\$ 1,279,015	\$ 822,817	\$ 456,198
Total expenditures	<u>1,279,015</u>	<u>822,817</u>	<u>456,198</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(1,279,015)</u>	 <u>(822,817)</u>	 <u>456,198</u>
 <b>Other financing sources (uses):</b>			
Transfers in	<u>600,000</u>	<u>400,000</u>	<u>(200,000)</u>
Total other financing sources (uses)	<u>600,000</u>	<u>400,000</u>	<u>(200,000)</u>
 Net change in fund balance	 (679,015)	 (422,817)	 256,198
 <b>Fund balance at beginning of year</b>	 <u>679,015</u>	 <u>679,015</u>	 <u>-</u>
 <b>Fund balance at end of year</b>	 <u>\$ -</u>	 <u>\$ 256,198</u>	 <u>\$ 256,198</u>

## **CITY OF WAPAKONETA**

### **FUND DESCRIPTIONS - PROPRIETARY FUNDS**

#### **ENTERPRISE FUNDS**

Enterprise funds are used to account for the financing of costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis that are financed or recovered primarily through user charges.

##### **Major Enterprise Funds**

###### ***Electric Fund***

This fund accounts for the provision of electricity to residential and commercial users within the City.

###### ***Water Fund***

This fund accounts for the provision of water treatment and distribution to residential and commercial users within the City.

###### ***Sewer Fund***

This fund accounts for the provision of sanitary sewer service to residential and commercial users within the City.

###### ***Storm Sewer Fund***

This fund accounts for the provision of storm sewer service to residential and commercial users within the City.

###### ***Refuse Fund***

This fund accounts for the provision of refuse collection services to residential and commercial users within the City.

#### **INTERNAL SERVICE FUND**

Internal service funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

###### ***Engineering Fund***

This 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.

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**ELECTRIC FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Charges for services	\$ 34,529,700	\$ 34,347,957	\$ (181,743)
Other local taxes	22,000	12,212	(9,788)
Utility deposits	50,000	90,093	40,093
Proceeds from sale of capital assets	-	15,501	15,501
Other	18,500	280,210	261,710
Total revenues	<u>34,620,200</u>	<u>34,745,973</u>	<u>125,773</u>
<b>Expenses:</b>			
Personal services	1,565,000	1,402,165	162,835
Contractual services	29,069,902	28,973,541	96,361
Materials and supplies	1,902,564	1,668,255	234,309
Capital outlay	9,773,065	2,457,694	7,315,371
Utility refunds	427,508	30,438	397,070
Other	2,878,859	29,998	2,848,861
Debt service			
Principal retirement	1,045,000	1,045,000	-
Interest expense	24,176	24,176	-
Total expenses	<u>46,686,074</u>	<u>35,631,267</u>	<u>11,054,807</u>
Net change in fund equity	(12,065,874)	(885,294)	11,180,580
<b>Fund equity at beginning of year</b>	10,897,691	10,897,691	-
<b>Prior year encumbrances appropriated</b>	<u>1,171,923</u>	<u>1,171,923</u>	<u>-</u>
<b>Fund equity at end of year</b>	<u>\$ 3,740</u>	<u>\$ 11,184,320</u>	<u>\$ 11,180,580</u>

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**WATER FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Charges for services	\$ 3,755,500	\$ 4,008,558	\$ 253,058
Capital loans issued	13,798,151	15,113,160	1,315,009
Other	-	192	192
Total revenues	<u>17,553,651</u>	<u>19,121,910</u>	<u>1,568,259</u>
<b>Expenses:</b>			
Personal services	641,500	469,593	171,907
Contractual services	464,729	432,698	32,031
Materials and supplies	698,430	655,579	42,851
Capital outlay	18,165,982	16,783,535	1,382,447
Other	2,000	-	2,000
Debt service			
Principal retirement	390,042	270,042	120,000
Interest expense	340,155	340,155	-
Total expenses	<u>20,702,838</u>	<u>18,951,602</u>	<u>1,751,236</u>
Net change in fund equity	(3,149,187)	170,308	3,319,495
<b>Fund equity at beginning of year</b>	2,787,263	2,787,263	-
<b>Prior year encumbrances appropriated</b>	<u>362,234</u>	<u>362,234</u>	<u>-</u>
<b>Fund equity at end of year</b>	<u>\$ 310</u>	<u>\$ 3,319,805</u>	<u>\$ 3,319,495</u>

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SEWER FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Charges for services	\$ 5,199,000	\$ 5,137,084	\$ (61,916)
OWDA loans issued	42,017,823	19,235,323	(22,782,500)
Intergovernmental	163,331	-	(163,331)
Other	-	1,408	1,408
Total revenues	<u>47,380,154</u>	<u>24,373,815</u>	<u>(23,006,339)</u>
<b>Expenses:</b>			
Personal services	826,650	705,493	121,157
Contractual services	886,973	605,737	281,236
Materials and supplies	567,510	477,624	89,886
Capital outlay	45,608,392	21,201,038	24,407,354
Other	10,000	5,624	4,376
Debt service			
Principal retirement	1,023,776	1,023,776	-
Interest expense	370,589	368,147	2,442
Total expenses	<u>49,293,890</u>	<u>24,387,439</u>	<u>24,906,451</u>
Excess (deficiency) of revenues over (under) expenses before transfers	(1,913,736)	(13,624)	1,900,112
Transfers out	<u>(59,495)</u>	<u>-</u>	<u>59,495</u>
Net change in fund equity	(1,973,231)	(13,624)	1,959,607
<b>Fund equity at beginning of year</b>	1,786,662	1,786,662	-
<b>Prior year encumbrances appropriated</b>	<u>255,840</u>	<u>255,840</u>	<u>-</u>
<b>Fund equity at end of year</b>	<u>\$ 69,271</u>	<u>\$ 2,028,878</u>	<u>\$ 1,959,607</u>

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STORM SEWER FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Charges for services	\$ 160,000	\$ 80,589	\$ (79,411)
Total revenues	<u>160,000</u>	<u>80,589</u>	<u>(79,411)</u>
<b>Expenses:</b>			
Contractual services	82,000	1,354	80,646
Materials and supplies	3,000	4	2,996
Capital outlay	548,000	37,571	510,429
Other	119,272	1,990	117,282
Total expenses	<u>752,272</u>	<u>40,919</u>	<u>711,353</u>
Net change in fund equity	(592,272)	39,670	631,942
<b>Fund equity at beginning of year</b>	<u>592,272</u>	<u>592,272</u>	<u>-</u>
<b>Fund equity at end of year</b>	<u>\$ -</u>	<u>\$ 631,942</u>	<u>\$ 631,942</u>

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**REFUSE FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Charges for services	\$ 1,312,000	\$ 1,477,470	\$ 165,470
Other	-	5,687	5,687
Total revenues	<u>1,312,000</u>	<u>1,483,157</u>	<u>171,157</u>
<b>Expenses:</b>			
Personal services	577,200	471,571	105,629
Contractual services	1,069,350	560,390	508,960
Materials and supplies	119,288	89,984	29,304
Capital outlay	167,165	131,409	35,756
Other	584,785	-	584,785
Debt service			
Principal retirement	56,079	-	56,079
Interest expense	10,158	-	10,158
Total expenses	<u>2,584,025</u>	<u>1,253,354</u>	<u>1,330,671</u>
Net change in fund equity	(1,272,025)	229,803	1,501,828
<b>Fund equity at beginning of year</b>	1,266,518	1,266,518	-
<b>Prior year encumbrances appropriated</b>	<u>5,507</u>	<u>5,507</u>	<u>-</u>
<b>Fund equity at end of year</b>	<u>\$ -</u>	<u>\$ 1,501,828</u>	<u>\$ 1,501,828</u>

**CITY OF WAPAKONETA**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**ENGINEERING FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Charges for services	\$ 369,026	\$ 369,274	\$ 248
Licenses and permits	18,200	18,250	50
Other	-	110	110
Total revenues	<u>387,226</u>	<u>387,634</u>	<u>408</u>
<b>Expenses:</b>			
Personal services	345,976	342,165	3,811
Contractual services	24,073	23,429	644
Materials and supplies	10,661	8,816	1,845
Capital outlay	5,700	5,630	70
Other	1,069	1,059	10
Total expenses	<u>387,479</u>	<u>381,099</u>	<u>6,380</u>
Net change in fund equity	(253)	6,535	6,788
Fund equity at beginning of year	19	19	-
Prior year encumbrances appropriated	<u>234</u>	<u>234</u>	<u>-</u>
Fund equity at end of year	<u>\$ -</u>	<u>\$ 6,788</u>	<u>\$ 6,788</u>



**CITY OF WAPAKONETA**

**FUND DESCRIPTIONS - FIDUCIARY FUNDS**

**CUSTODIAL FUNDS**

Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. These funds do not account for the City's own source revenue. The following is a description of the City's custodial funds.

***Dependent Coverage Fund***

This fund accounts for elective employee contributions for dependent care coverage that the City holds on behalf of the employees.

***Police Auxiliary Fund***

This fund accounts for monies belonging to the Police Auxiliary, an organization that is not part of the City.

**CITY OF WAPAKONETA**

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
DECEMBER 31, 2022

	<u>Police Auxiliary</u>	<u>Total Custodial Funds</u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents	\$ 59,983	\$ 59,983
Total assets	<u>59,983</u>	<u>59,983</u>
<b>Net position:</b>		
Restricted for individuals, organizations, and other governments	59,983	59,983
Total net position	<u>\$ 59,983</u>	<u>\$ 59,983</u>

**CITY OF WAPAKONETA**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Dependent Coverage</u>	<u>Police Auxiliary</u>	<u>Total Custodial Funds</u>
<b>Additions:</b>			
Amounts received as fiscal agent	\$ -	\$ 22,655	\$ 22,655
Total additions	-	22,655	22,655
<b>Deductions:</b>			
Distributions as fiscal agent	-	14,327	14,327
Distributions on behalf of employees	74,280	-	74,280
Total deductions	74,280	14,327	88,607
Change in fiduciary net position	(74,280)	8,328	(65,952)
<b>Net position at beginning of year</b>	74,280	51,655	125,935
<b>Net position at end of year</b>	<u>\$ -</u>	<u>\$ 59,983</u>	<u>\$ 59,983</u>

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# CITY OF WAPAKONETA

## STATISTICAL SECTION TABLE OF CONTENTS

This part of the City's annual comprehensive 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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>S2 - S11</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources.	<b>S12 - S29</b>
<b>Debt Capacity</b> 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.	<b>S30 - S37</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>S38 - S41</b>
<b>Operating Information</b> 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.	<b>S42 - S44</b>

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

**CITY OF WAPAKONETA**

NET POSITION BY COMPONENT  
LAST TEN YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 27,326,925	\$ 25,940,175	\$ 24,081,484	\$ 22,472,755
Restricted for:				
Debt service	1,160	1,160	1,160	1,160
Capital projects	859,012	1,053,804	1,216,538	1,262,281
Other purposes	609,785	479,032	762,473	924,194
Unrestricted (deficit)	<u>(1,516,524)</u>	<u>(1,605,201)</u>	<u>(3,789,739)</u>	<u>(4,259,661)</u>
Total governmental activities net position	<u>\$ 27,280,358</u>	<u>\$ 25,868,970</u>	<u>\$ 22,271,916</u>	<u>\$ 20,400,729</u>
<b>Business-type Activities</b>				
Net investment in capital assets	\$ 45,814,142	\$ 40,927,606	\$ 39,552,161	\$ 37,894,241
Restricted for:				
Other purposes	-	-	-	-
Unrestricted	<u>18,342,291</u>	<u>20,266,174</u>	<u>13,160,536</u>	<u>10,770,717</u>
Total business-type activities net position	<u>\$ 64,156,433</u>	<u>\$ 61,193,780</u>	<u>\$ 52,712,697</u>	<u>\$ 48,664,958</u>
<b>Total Primary Government</b>				
Net investment in capital assets	\$ 73,141,067	\$ 66,867,781	\$ 63,633,645	\$ 60,366,996
Restricted for:				
Debt service	1,160	1,160	1,160	1,160
Capital projects	859,012	1,053,804	1,216,538	1,262,281
Other purposes	609,785	479,032	762,473	924,194
Unrestricted	<u>16,825,767</u>	<u>18,660,973</u>	<u>9,370,797</u>	<u>6,511,056</u>
Total primary government net position	<u>\$ 91,436,791</u>	<u>\$ 87,062,750</u>	<u>\$ 74,984,613</u>	<u>\$ 69,065,687</u>

**Note:**

The City reported the impact of GASB Statement No. 68 beginning in 2014 and GASB Statement No. 75 beginning in 2017.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 21,109,878	\$ 20,795,656	\$ 21,571,664	\$ 21,944,652	\$ 21,180,841	\$ 21,411,432
1,160	785	424	77	-	-
525,384	489,078	292,553	132,894	1,103,853	1,175,919
1,048,335	1,279,374	1,145,763	1,414,247	1,284,340	1,427,570
(7,481,324)	(7,798,064)	(2,006,605)	(1,739,121)	(1,843,855)	2,484,015
<u>\$ 15,203,433</u>	<u>\$ 14,766,829</u>	<u>\$ 21,003,799</u>	<u>\$ 21,752,749</u>	<u>\$ 21,725,179</u>	<u>\$ 26,498,936</u>
\$ 35,933,035	\$ 35,546,650	\$ 35,104,589	\$ 34,580,463	\$ 32,786,072	\$ 32,464,606
833,950	1,256,831	1,255,353	1,254,595	1,256,749	1,258,937
10,567,828	8,669,072	9,460,399	7,963,497	9,010,157	9,831,047
<u>\$ 47,334,813</u>	<u>\$ 45,472,553</u>	<u>\$ 45,820,341</u>	<u>\$ 43,798,555</u>	<u>\$ 43,052,978</u>	<u>\$ 43,554,590</u>
\$ 57,042,913	\$ 56,342,306	\$ 56,676,253	\$ 56,525,115	\$ 53,966,913	\$ 53,876,038
1,160	785	424	77	-	-
525,384	489,078	292,553	132,894	1,103,853	1,175,919
1,882,285	2,536,205	2,401,116	2,668,842	2,541,089	2,686,507
3,086,504	871,008	7,453,794	6,224,376	7,166,302	12,315,062
<u>\$ 62,538,246</u>	<u>\$ 60,239,382</u>	<u>\$ 66,824,140</u>	<u>\$ 65,551,304</u>	<u>\$ 64,778,157</u>	<u>\$ 70,053,526</u>

**CITY OF WAPAKONETA**

CHANGES IN NET POSITION  
LAST TEN YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Expenses:</b>				
Governmental activities:				
Security of persons and property				
Police	\$ 1,999,063	\$ 1,667,117	\$ 2,008,529	\$ 665,015
Fire	2,760,543	1,535,320	1,803,173	(242,156)
Other	-	-	-	-
Public health	281,680	159,103	117,029	167,146
Leisure time activities	718,560	246,183	517,010	577,249
Community development projects	301,426	439,823	535,934	246,454
Basic utility services	-	4,245	7,217	-
Transportation	2,436,512	1,614,243	2,060,347	2,777,214
General government	712,257	414,920	1,284,595	741,754
Interest and fiscal charges	-	-	4,416	-
Total governmental activities expenses	<u>9,210,041</u>	<u>6,080,954</u>	<u>8,338,250</u>	<u>4,932,676</u>
Business-type activities:				
Electric	34,567,147	26,247,949	21,805,527	19,704,728
Water	2,691,069	2,361,699	2,234,728	2,183,723
Sewer	3,727,546	2,581,565	3,412,292	4,025,321
Storm sewer	125,253	88,585	160,330	217,109
Refuse	1,126,436	1,090,937	1,053,455	1,176,895
Total business-type activities expenses	<u>42,237,451</u>	<u>32,370,735</u>	<u>28,666,332</u>	<u>27,307,776</u>
Total primary government	<u>\$ 51,447,492</u>	<u>\$ 38,451,689</u>	<u>\$ 37,004,582</u>	<u>\$ 32,240,452</u>
<b>Program Revenues:</b>				
Governmental activities:				
Charges for services:				
Security of persons and property				
Police	\$ 3,045	\$ 1,940	\$ 38,740	\$ 28,317
Fire	82,171	63,103	63,028	62,754
Public health	833,851	324,994	550,819	427,196
Leisure time activities	129,008	62,179	138,668	230,118
Transportation	108,513	149,259	179,583	182,357
General government	43,288	28,931	28,054	52,937
Operating grants, contributions, and interest	781,936	1,286,271	1,070,404	574,846
Capital grants and contributions	-	-	678,533	1,680,124
Total governmental activities program revenues	<u>1,981,812</u>	<u>1,916,677</u>	<u>2,747,829</u>	<u>3,238,649</u>
Business-type activities:				
Charges for services:				
Electric	34,025,743	29,653,017	22,008,840	20,096,913
Water	3,999,338	4,015,885	3,709,503	2,589,064
Sewer	5,189,175	5,234,602	4,847,498	3,920,181
Storm Sewer	80,589	40,973	160,070	159,820
Refuse	1,481,064	1,504,792	1,458,126	1,405,562
Operating grants and contributions	-	-	-	21,004
Capital grants and contributions	130,665	10,502	12,602	92,283
Total business-type activities program revenues	<u>44,906,574</u>	<u>40,459,771</u>	<u>32,196,639</u>	<u>28,284,827</u>
Total primary government	<u>\$ 46,888,386</u>	<u>\$ 42,376,448</u>	<u>\$ 34,944,468</u>	<u>\$ 31,523,476</u>
<b>Net (Expense) Revenue:</b>				
Governmental activities	\$ (7,228,229)	\$ (4,164,277)	\$ (5,590,421)	\$ (1,694,027)
Business-type activities	2,669,123	8,089,036	3,530,307	977,051
Total primary government net expense	<u>\$ (4,559,106)</u>	<u>\$ 3,924,759</u>	<u>\$ (2,060,114)</u>	<u>\$ (716,976)</u>



2018	2017	2016	2015	2014	2013
\$ 2,175,771	\$ 2,032,266	\$ 1,922,596	\$ 1,760,195	\$ 1,613,384	\$ 1,516,675
1,704,281	1,712,394	1,917,941	1,616,058	1,514,617	1,503,565
-	-	-	2,833	4,426	5,004
154,457	138,700	175,745	193,759	162,403	180,131
498,871	514,667	484,211	431,140	484,814	463,263
172,039	177,490	131,753	91,948	126,153	86,893
-	-	-	-	-	-
2,257,470	2,214,462	1,861,607	1,341,215	1,911,883	2,317,993
879,819	858,914	594,651	541,709	594,323	515,084
959	5,323	6,508	10,379	8,219	17,988
7,843,667	7,654,216	7,095,012	5,989,236	6,420,222	6,606,596
17,839,610	16,997,959	15,693,356	16,139,240	15,259,517	15,277,737
2,078,435	2,263,282	1,950,485	2,215,944	2,041,383	1,813,945
3,402,744	3,111,041	2,528,933	2,666,829	1,978,245	2,161,928
135,419	207,604	123,464	221,359	155,091	142,646
1,144,478	791,071	1,145,654	963,583	1,102,022	1,089,290
24,600,686	23,370,957	21,441,892	22,206,955	20,536,258	20,485,546
\$ 32,444,353	\$ 31,025,173	\$ 28,536,904	\$ 28,196,191	\$ 26,956,480	\$ 27,092,142
\$ 51,934	\$ 4,680	\$ 55,003	\$ 6,820	\$ 5,117	\$ 7,004
64,078	63,607	63,002	50,320	48,522	50,380
516,018	422,775	714,370	476,706	398,918	523,208
213,291	224,543	247,800	211,839	195,415	203,119
200,059	151,256	107,248	148,011	104,608	158,633
29,480	23,786	20,243	17,604	16,148	33,287
497,290	545,424	659,296	541,534	509,078	635,984
93,729	432,720	410,366	1,537,762	606,014	1,923,549
1,665,879	1,868,791	2,277,328	2,990,596	1,883,820	3,535,164
18,305,299	17,232,897	16,033,338	14,861,386	14,818,934	14,383,981
2,117,866	2,115,395	2,014,148	1,870,405	1,825,871	1,724,995
3,526,833	3,438,526	3,503,012	3,316,260	3,258,877	3,127,622
158,493	157,780	156,591	161,136	155,904	155,599
1,313,762	1,291,906	1,252,322	1,235,415	1,214,454	1,108,914
-	-	-	-	-	-
933,660	-	-	-	246,836	-
26,355,913	24,236,504	22,959,411	21,444,602	21,520,876	20,501,111
\$ 28,021,792	\$ 26,105,295	\$ 25,236,739	\$ 24,435,198	\$ 23,404,696	\$ 24,036,275
\$ (6,177,788)	\$ (5,785,425)	\$ (4,817,684)	\$ (2,998,640)	\$ (4,536,402)	\$ (3,071,432)
1,755,227	865,547	1,517,519	(762,353)	984,618	15,565
\$ (4,422,561)	\$ (4,919,878)	\$ (3,300,165)	\$ (3,760,993)	\$ (3,551,784)	\$ (3,055,867)

(Continued)

**CITY OF WAPAKONETA**

CHANGES IN NET POSITION  
LAST TEN YEARS (CONTINUED)  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>General Revenues and Other Changes in Net Position:</b>				
Governmental activities				
Taxes:				
Property taxes levied for:				
General purposes	\$ 534,193	\$ 490,124	\$ 412,189	\$ 414,453
Recreation	175,139	161,359	154,760	155,585
Municipal income taxes levied for:				
General purposes	3,779,944	3,336,009	2,527,347	2,850,549
Street maintenance	1,836,665	1,723,705	2,338,328	1,735,770
Other local taxes	1,405,684	1,439,951	1,273,810	874,140
Grants and entitlements				
not restricted to specific programs	413,851	387,127	307,987	129,349
Franchise taxes	109,138	112,769	115,848	310,949
Interest	178,948	24,620	111,895	119,507
Gifts and donations	-	-	6,736	245,341
Other	197,004	85,667	445,893	1,043
Transfers	9,051	-	(233,185)	54,637
Total governmental activities	<u>8,639,617</u>	<u>7,761,331</u>	<u>7,461,608</u>	<u>6,891,323</u>
Business-type activities				
Interest	-	-	-	22,186
Other	302,581	392,047	284,247	330,908
Transfers	(9,051)	-	233,185	-
Total business-type activities	<u>293,530</u>	<u>392,047</u>	<u>517,432</u>	<u>353,094</u>
Total primary government	<u>\$ 8,933,147</u>	<u>\$ 8,153,378</u>	<u>\$ 7,979,040</u>	<u>\$ 7,244,417</u>
<b>Change in Net Position:</b>				
Governmental activities	\$ 1,411,388	\$ 3,597,054	\$ 1,871,187	\$ 5,197,296
Business-type activities	2,962,653	8,481,083	4,047,739	1,330,145
Total primary government	<u>\$ 4,374,041</u>	<u>\$ 12,078,137</u>	<u>\$ 5,918,926</u>	<u>\$ 6,527,441</u>

**Note:**

Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015 and GASB Statement No. 75 beginning in 2018.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 403,478	\$ 383,253	\$ 372,286	\$ 369,966	\$ 362,175	\$ 356,365
151,430	152,784	99,006	97,698	95,171	92,535
3,070,596	2,722,228	2,605,349	2,645,764	2,602,279	2,590,749
1,206,341	-	-	-	-	-
829,322	766,069	822,341	877,632	722,090	686,875
264,896	252,161	255,631	256,699	254,085	249,320
117,400	116,530	119,516	79,168	144,915	83,156
190,240	101,823	53,915	10,215	15,376	13,721
1,085	16,654	17,893	57,483	1,040	2,639
379,604	157,404	59,600	73,657	58,133	80,453
-	(19,453)	(336,803)	(1,442,072)	(26,000)	(1,771,837)
<u>6,614,392</u>	<u>4,649,453</u>	<u>4,068,734</u>	<u>3,026,210</u>	<u>4,229,264</u>	<u>2,383,976</u>
16,520	9,490	1,088	564	-	-
90,513	76,338	166,376	65,294	78,660	317,550
-	19,453	336,803	1,442,072	26,000	1,771,837
<u>107,033</u>	<u>105,281</u>	<u>504,267</u>	<u>1,507,930</u>	<u>104,660</u>	<u>2,089,387</u>
<u>\$ 6,721,425</u>	<u>\$ 4,754,734</u>	<u>\$ 4,573,001</u>	<u>\$ 4,534,140</u>	<u>\$ 4,333,924</u>	<u>\$ 4,473,363</u>
\$ 436,604	\$ (1,135,972)	\$ (748,950)	\$ 27,570	\$ (307,138)	\$ (687,456)
1,862,260	970,828	2,021,786	745,577	1,089,278	2,104,952
<u>\$ 2,298,864</u>	<u>\$ (165,144)</u>	<u>\$ 1,272,836</u>	<u>\$ 773,147</u>	<u>\$ 782,140</u>	<u>\$ 1,417,496</u>

**CITY OF WAPAKONETA**

FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>General Fund:</b>						
Nonspendable	\$ 79,937	\$ 144,863	\$ 87,749	\$ 85,133	\$ 80,948	\$ 79,931
Restricted	16,316	14,816	14,566	9,585	7,799	5,198
Assigned	3,765,797	3,060,573	3,371,634	2,501,423	1,833,007	1,143,590
Unassigned	<u>95,321</u>	<u>1,090,211</u>	<u>606,036</u>	<u>1,043,792</u>	<u>1,142,482</u>	<u>780,606</u>
Total general fund	<u>\$ 3,957,371</u>	<u>\$ 4,310,463</u>	<u>\$ 4,079,985</u>	<u>\$ 3,639,933</u>	<u>\$ 3,064,236</u>	<u>\$ 2,009,325</u>
<b>All Other Governmental Funds:</b>						
Nonspendable	\$ 12,970	\$ 21,212	\$ 26,077	\$ 227,272	\$ 24,485	\$ 28,169
Restricted	1,066,937	1,336,052	1,218,793	1,515,533	1,089,326	1,432,271
Assigned	299,354	722,171	480,255	180,255	74,692	233,152
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 1,379,261</u>	<u>\$ 2,079,435</u>	<u>\$ 1,725,125</u>	<u>\$ 1,923,060</u>	<u>\$ 1,188,503</u>	<u>\$ 1,693,592</u>

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 113,227	\$ 80,527	\$ 86,112	\$ 87,798
2,948	2,698	10,154	10,154
1,254,981	765,135	709,905	71,374
<u>691,667</u>	<u>1,053,284</u>	<u>862,133</u>	<u>1,671,656</u>
<u><u>\$ 2,062,823</u></u>	<u><u>\$ 1,901,644</u></u>	<u><u>\$ 1,668,304</u></u>	<u><u>\$ 1,840,982</u></u>
\$ 24,311	\$ 28,217	\$ 30,778	\$ 29,308
1,177,516	1,201,241	2,084,349	1,920,873
233,152	233,152	402,702	277,702
<u>-</u>	<u>(1,389)</u>	<u>(16,307)</u>	<u>(126,225)</u>
<u><u>\$ 1,434,979</u></u>	<u><u>\$ 1,461,221</u></u>	<u><u>\$ 2,501,522</u></u>	<u><u>\$ 2,101,658</u></u>

**CITY OF WAPAKONETA**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Revenues</b>					
Property taxes	\$ 653,247	\$ 642,884	\$ 569,025	\$ 569,137	\$ 559,738
Municipal income taxes	5,578,877	4,878,682	4,833,772	4,569,465	4,064,067
Other local taxes	1,487,057	1,522,970	1,421,918	1,082,623	912,709
Special assessments	24,107	55,334	27,862	24,566	38,829
Charges for services	1,082,889	681,175	674,005	874,291	902,643
Fees, licenses and permits	129,161	129,843	134,424	124,481	121,769
Fines and forfeitures	13,584	11,738	9,427	22,714	28,647
Intergovernmental	1,151,984	1,733,398	1,828,605	2,510,666	832,065
Interest	191,759	35,082	125,880	261,920	212,132
Contributions and donations	3,581	7,401	20,983	5,504	8,176
Other	195,218	99,757	445,893	56,514	378,554
<b>Total revenues</b>	<b>10,511,464</b>	<b>9,798,264</b>	<b>10,091,794</b>	<b>10,101,881</b>	<b>8,059,329</b>
<b>Expenditures</b>					
Current:					
Security of persons and property					
Police	2,171,418	1,987,788	1,824,436	1,897,102	1,837,036
Fire	2,785,995	2,053,888	1,584,887	1,496,645	1,564,302
Other	-	-	-	-	-
Public health	245,835	159,136	128,047	131,123	121,421
Leisure time activities	710,394	303,141	424,807	433,627	385,787
Community environment	349,332	491,674	523,539	202,456	142,524
Basic utilities	-	4,245	7,217	-	-
Transportation	4,473,832	3,472,924	4,100,898	3,979,343	2,596,861
General government	827,924	736,080	1,251,430	651,331	815,232
Debt service:					
Principal retirement	-	-	-	-	45,010
Interest and fiscal charges	-	-	4,416	-	1,334
<b>Total expenditures</b>	<b>11,564,730</b>	<b>9,208,876</b>	<b>9,849,677</b>	<b>8,791,627</b>	<b>7,509,507</b>
Excess (deficiency) of revenues over (under) expenditures	<b>(1,053,266)</b>	<b>589,388</b>	<b>242,117</b>	<b>1,310,254</b>	<b>549,822</b>
<b>Other Financing Sources (Uses)</b>					
Sale of capital assets	-	-	-	-	-
Inception of lease	-	-	-	-	-
Transfers in	1,996,238	1,600,000	370,000	830,000	1,586,341
Transfers out	(1,996,238)	(1,604,600)	(370,000)	(830,000)	(1,586,341)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(4,600)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (1,053,266)</b>	<b>\$ 584,788</b>	<b>\$ 242,117</b>	<b>\$ 1,310,254</b>	<b>\$ 549,822</b>
<b>Capital expenditures</b>	<b>\$ 3,144,451</b>	<b>\$ 3,116,785</b>	<b>\$ 3,042,519</b>	<b>\$ 2,369,601</b>	<b>\$ 1,499,203</b>
Debt service as a percentage of noncapital expenditures.	0.00%	0.00%	0.06%	0.00%	0.77%

2017	2016	2015	2014	2013
\$ 530,220	\$ 474,524	\$ 465,520	\$ 458,036	\$ 453,266
2,671,757	2,812,389	2,665,795	2,594,506	2,415,109
835,653	900,709	954,248	797,205	780,110
34,458	20,204	27,686	39,784	52,670
922,726	874,832	751,539	750,578	711,028
122,210	120,915	113,940	134,013	103,076
22,167	25,573	20,355	15,086	18,785
1,192,154	1,362,908	2,242,652	1,169,747	3,247,382
118,462	71,488	36,981	25,239	36,097
33,228	29,074	73,028	19,171	10,508
156,704	58,640	73,657	58,133	72,016
6,639,739	6,751,256	7,425,401	6,061,498	7,900,047
1,945,311	1,698,831	1,608,199	1,714,844	1,507,378
1,427,616	1,566,585	1,726,979	1,481,619	1,927,319
-	-	4,504	4,792	4,685
120,307	161,023	177,468	149,970	159,821
395,366	400,724	363,140	410,517	389,085
152,147	571,094	94,072	126,163	93,366
-	-	-	-	-
1,557,799	1,574,351	3,634,852	1,341,304	3,916,917
787,806	564,628	531,671	579,587	498,250
43,288	72,228	80,503	82,656	273,007
5,684	6,855	10,974	8,789	19,251
6,435,324	6,616,319	8,232,362	5,900,241	8,789,079
204,415	134,937	(806,961)	161,257	(889,032)
700	-	-	-	26,760
-	-	-	91,929	-
700,000	740,000	640,000	791,225	747,893
(700,000)	(740,000)	(640,000)	(817,225)	(885,500)
700	-	-	65,929	(110,847)
\$ 205,115	\$ 134,937	\$ (806,961)	\$ 227,186	\$ (999,879)
\$ 455,596	\$ 698,414	\$ 1,971,622	\$ 318,293	\$ 1,523,890
0.82%	1.34%	1.46%	1.64%	4.02%

**CITY OF WAPAKONETA**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS**

Year	Real Property					Public Utility Personal Property	
	Assessed Value				Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial	Public Utility	Total			
2022	\$ 148,577,380	\$ 49,453,010	\$ 92,920	\$ 198,123,310	\$ 566,066,600	\$ 3,461,080	\$ 3,933,045
2021	147,176,280	48,756,220	82,300	196,014,800	560,042,286	3,324,720	3,778,091
2020	120,012,370	48,801,620	75,630	168,889,620	482,541,771	3,261,930	3,706,739
2019	118,570,690	47,805,540	66,230	166,442,460	475,549,886	3,219,260	3,658,250
2018	119,826,660	50,904,520	105,350	170,836,530	488,104,371	3,310,930	3,762,420
2017	108,044,270	44,642,180	64,140	152,750,590	436,430,257	3,338,040	3,793,227
2016	107,511,780	44,587,200	66,420	152,165,400	434,758,286	3,262,400	3,707,273
2015	106,495,310	44,517,970	65,790	151,079,070	431,654,486	1,122,690	1,275,784
2014	105,469,010	45,237,190	64,720	150,770,920	430,774,057	1,120,460	1,273,250
2013	104,962,290	46,822,260	62,380	151,846,930	433,848,371	1,055,660	1,199,614

**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 page S14 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 is 35 percent of estimated actual value. The assessed value of public utility personal property is 88 percent of estimated actual value.



<b>Total</b>		<b>Weighted Average Tax Rate (1)</b>
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	
\$ 201,584,390	\$ 569,999,645	\$ 3.75
199,339,520	563,820,377	3.75
172,151,550	486,248,510	3.75
169,661,720	479,208,136	3.75
174,147,460	491,866,791	3.75
156,088,630	440,223,484	3.75
155,427,800	438,465,559	3.46
152,201,760	432,930,270	3.46
151,891,380	432,047,307	3.46
152,902,590	435,047,985	3.46

# CITY OF WAPAKONETA

## DIRECT AND OVERLAPPING PROPERTY TAX RATES (RATE PER \$1,000 OF ASSESSED VALUE) LAST TEN YEARS

	2022	2021	2020	2019	2018
<b>Voted Millage</b>					
Recreation					
Effective millage rates					
Residential/agricultural	\$0.7565	\$0.7579	\$0.9236	\$0.9252	\$0.9252
Commercial/industrial	0.9841	0.9899	0.9764	0.9722	0.9715
Tangible/public utility personal	1.0000	1.0000	1.0000	1.0000	1.0000
<b>Unvoted Millage</b>					
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
<b>Total Millage (Total Direct Rate)</b>					
Total effective millage by type of property					
Residential/agricultural	3.5065	3.5079	3.6736	3.6752	3.6752
Commercial/industrial	3.7341	3.7399	3.7264	3.7222	3.7215
Tangible/public utility personal	3.7500	3.7500	3.7500	3.7500	3.7500
Total Weighted Average Tax Rate	3.7500	3.7500	3.7500	3.7500	3.7500
Auglaize County	12.7500	12.7500	12.7500	12.7500	12.7500
Wapakoneta City School District	29.8000	29.8000	30.6000	30.6000	30.6000
Apollo Career Center	3.1400	3.1400	3.1900	3.3200	3.0900
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 on the assessed values table on pages S12 and S13, 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's boundaries. Property tax rates for all overlapping governments are based upon the original voted levy.

<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
\$0.9997	\$0.6236	\$0.6236	\$0.6246	\$0.6274
1.0000	0.9010	0.9010	0.9010	0.8902
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
3.7497	3.3736	3.3736	3.3746	3.3774
3.7500	3.6510	3.6510	3.6511	3.6402
3.7500	3.7500	3.7500	3.7500	3.7500
3.7500	3.4612	3.4584	3.4606	3.4606
12.7500	12.7500	12.7500	12.7500	11.7500
30.6000	30.6000	30.6000	31.3000	31.3000
3.0400	3.0000	3.3400	3.4400	3.4400
0.2000	0.2000	0.2000	0.2000	0.2000

**CITY OF WAPAKONETA**

**REAL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

<b>Year</b>	<b>Current Levy (1)</b>	<b>Delinquent Levy (2)</b>	<b>Total Levy</b>	<b>Current Collections</b>	<b>Percentage of Current Collections to Current Levy</b>	<b>Delinquent Collections</b>	<b>Total Collections</b>
2022	\$ 714,293	\$ 158,104	\$ 872,397	\$ 637,276	89.22%	\$ 12,538	\$ 649,814
2021	706,725	121,055	827,780	631,591	89.37%	9,244	640,835
2020	631,103	12,298	643,401	606,155	96.05%	8,036	614,191
2019	621,910	13,319	635,229	602,122	96.82%	10,360	612,482
2018	639,043	9,815	648,858	595,355	93.16%	7,318	602,673
2017	581,688	10,161	591,849	556,708	95.71%	8,236	564,944
2016	534,164	10,807	544,971	517,836	96.94%	8,122	525,958
2015	522,607	14,503	537,110	514,134	98.38%	11,040	525,174
2014	521,688	138,065	659,753	504,208	96.65%	13,355	517,563
2013	523,622	19,687	543,309	501,674	95.81%	10,832	512,506

**Source:** Auglaize County Auditor

**(1)** Includes State reimbursements of homestead rollback exemptions.

**(2)** Includes penalties and interest.

**Note:** The County's current reporting system does not track delinquent tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

<b>Percentage of Total Collections to Total Levy</b>	<b>Outstanding Delinquent Taxes (2)</b>	<b>Percentage of Delinquent Taxes to Total Levy</b>
74.49%	\$ 66,871	7.67%
77.42%	161,488	19.51%
95.46%	4,263	0.66%
96.42%	2,959	0.47%
92.88%	2,497	0.38%
95.45%	2,375	0.40%
96.51%	2,685	0.49%
97.78%	3,463	0.64%
78.45%	4,490	0.68%
94.33%	8,855	1.63%

**CITY OF WAPAKONETA**

PRINCIPAL TAXPAYERS  
REAL PROPERTY TAX  
CURRENT YEAR AND NINE YEARS AGO

		<b>December 31, 2022</b>		
<b>Taxpayer</b>	<b>Type of Business</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Wal-Mart Stores	Retail Business	\$ 2,388,800	1	1.21%
Lowes Home Center, Inc.	Retail Business	2,027,200	2	1.02%
DW 28 Wapakoneta LLC	Retail Business	1,419,110	3	0.72%
Schlenker Development	Land Development and Apartments	1,072,080	4	0.54%
Celebrity House of Wapakoneta	Assisted Living Facility	969,480	5	0.49%
Community Property Group	Apartments	904,740	6	0.46%
Becker Rental Properties, LLC	Apartments	870,900	7	0.44%
Bailey Family Land, LLC	Farm	811,050	8	0.41%
Phillips Brothers Farms, LLC	Farm	798,460	9	0.40%
Heaven Hospitality	Hotel	789,620	10	0.40%
Total, Top Ten Real Property Taxpayers		<u>\$ 12,051,440</u>		<u>6.09%</u>
Total City Real Property Tax Assessed Valuation		<u><u>\$ 198,123,310</u></u>		

		<b>December 31, 2013</b>		
<b>Taxpayer</b>	<b>Type of Business</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Wal-Mart Stores East LP	Retail Business	\$ 2,376,500	1	1.57%
Lowes Home Center, 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%
Total, Top Ten Real Property Taxpayers		<u>\$ 13,210,500</u>		<u>8.71%</u>
Total City Real Property Tax Assessed Valuation		<u><u>\$ 151,846,930</u></u>		

**Source:** Auglaize County Auditor

**CITY OF WAPAKONETA**

**INCOME TAX REVENUE BASE AND COLLECTIONS  
LAST TEN YEARS**

<b>Year</b>	<b>Tax Rate</b>	<b>Total Tax Collected</b>	<b>Taxes from Withholding</b>	<b>Percentage of Taxes from Withholding</b>	<b>Taxes From Net Profits</b>	<b>Percentage of Taxes from Net Profits</b>	<b>Taxes from Individuals</b>	<b>Percentage of Taxes from Individuals</b>
2022	1.50%	\$ 5,687,872	\$ 4,026,864	70.80%	\$ 1,051,524	18.49%	\$ 609,484	10.72%
2021	1.50%	4,878,874	3,666,178	75.14%	583,971	11.97%	628,725	12.89%
2020	1.50%	4,865,675	3,535,433	72.66%	854,860	17.57%	475,382	9.77%
2019	1.50%	4,586,319	3,480,928	75.90%	462,975	10.09%	642,416	14.01%
2018	1.50%	4,276,937	3,315,417	77.52%	425,401	9.95%	536,119	12.54%
2017	1.00%	2,722,228	2,070,967	76.08%	276,878	10.17%	374,383	13.75%
2016	1.00%	2,605,349	1,959,370	75.21%	304,085	11.67%	341,894	13.12%
2015	1.00%	2,645,764	2,219,838	83.90%	226,223	8.55%	199,703	7.55%
2014	1.00%	2,602,279	2,459,828	94.53%	129,418	4.97%	13,033	0.50%
2013	1.00%	2,590,749	2,015,566	77.80%	295,940	11.42%	279,243	10.78%

**Source:** City records

**CITY OF WAPAKONETA**

**ELECTRIC UTILITY STATISTICS  
LAST TEN YEARS**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Kilowatt hours purchased from:					
AMP-Ohio	327,466,254	351,378,933	327,651,334	232,113,764	199,531,156
Solar Planet	3,444,493	3,492,009	3,419,296	3,243,599	3,200,172
Madison Solar	23,740,257	52,598	-	-	-
Total kilowatt hours purchased	<u>354,651,004</u>	<u>354,923,540</u>	<u>331,070,630</u>	<u>235,357,363</u>	<u>202,731,328</u>
Payments for purchased power to:					
AMP-Ohio	\$ 27,879,230	\$ 23,988,737	\$ 16,564,848	\$ 14,964,732	\$ 14,675,982
Solar Planet	336,336	328,020	309,072	282,221	267,152
Madison Solar	1,422,041	3,150	-	-	-
Total payments for purchased power	<u>\$ 29,637,607</u>	<u>\$ 24,319,907</u>	<u>\$ 16,873,920</u>	<u>\$ 15,246,953</u>	<u>\$ 14,943,134</u>
Kilowatt hours sold to users:					
Residential	48,349,474	49,701,918	49,198,006	48,969,766	51,372,837
Commercial	44,855,710	46,718,099	43,227,830	47,075,809	48,649,548
Industrial	247,903,073	250,796,460	208,311,023	89,019,896	94,027,246
Total kilowatt hours sold to users	<u>341,108,257</u>	<u>347,216,477</u>	<u>300,736,859</u>	<u>185,065,471</u>	<u>194,049,631</u>
Charges for kilowatt hours sold to users:					
Residential	\$ 5,483,808	\$ 5,727,242	\$ 6,141,117	\$ 5,690,144	\$ 5,811,320
Commercial	5,068,787	5,339,466	5,386,924	5,521,963	5,631,339
Industrial	7,668,495	7,654,345	7,148,066	6,209,494	6,506,777
Total charges for kilowatt hours sold to users	<u>\$ 18,221,090</u>	<u>\$ 18,721,053</u>	<u>\$ 18,676,107</u>	<u>\$ 17,421,601</u>	<u>\$ 17,949,436</u>
<u>Rates:</u>					
Residential					
Service charge (base)	\$ 14.50	per month			
Energy charge:					
0 - 750 kwh	0.096	per kwh			
751 - 9,999,999 kwh	0.096	per kwh			
Commercial					
Service charge (base)	25.00	per month			
Demand:					
0 - 9,999,999 kwh	9.00	per kwh			
Energy charge:					
0 - 1,000 kwh	0.08100	per kwh			
1,001 - 9,999,999 kwh	0.08100	per kwh			
Industrial (large power)					
Service charge (base)	100.00	per month			
Demand	20.00	per kwh			
Energy charge	0.0390	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.



<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
192,537,820	191,214,926	199,918,896	202,219,618	195,926,166
3,639,898	3,772,124	3,755,014	3,759,567	1,396,868
-	-	-	-	-
<u>196,177,718</u>	<u>194,987,050</u>	<u>203,673,910</u>	<u>205,979,185</u>	<u>197,323,034</u>
\$ 13,768,607	\$ 12,699,695	\$ 12,101,040	\$ 12,388,027	\$ 12,125,226
292,218	291,028	278,912	268,363	97,781
-	-	-	-	-
<u>\$ 14,060,825</u>	<u>\$ 12,990,723</u>	<u>\$ 12,379,952</u>	<u>\$ 12,656,390</u>	<u>\$ 12,223,007</u>
46,367,341	49,392,226	49,280,300	49,954,412	48,670,513
46,863,363	51,438,287	53,645,140	54,550,253	55,505,734
89,858,285	84,614,380	91,507,360	90,524,080	81,355,860
<u>183,088,989</u>	<u>185,444,893</u>	<u>194,432,800</u>	<u>195,028,745</u>	<u>185,532,107</u>
\$ 4,915,843	\$ 4,752,885	\$ 4,465,330	\$ 4,405,323	\$ 4,247,295
5,315,927	5,307,928	5,233,331	5,175,088	5,239,272
6,842,184	6,513,716	6,061,489	5,836,043	5,513,562
<u>\$ 17,073,954</u>	<u>\$ 16,574,529</u>	<u>\$ 15,760,150</u>	<u>\$ 15,416,454</u>	<u>\$ 15,000,129</u>

**CITY OF WAPAKONETA**

**WATER UTILITY STATISTICS  
LAST TEN YEARS**

<b>Type of Customer</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Residential	\$ 1,576,694	\$ 1,523,667	\$ 1,509,810	\$ 1,386,402	\$ 1,307,664	\$ 1,262,812
Commercial	427,553	431,502	1,634,097	667,990	405,265	391,409
Industrial	2,063,063	1,939,830	385,765	434,586	379,909	434,407
Total billed	<u>\$ 4,067,310</u>	<u>\$ 3,894,999</u>	<u>\$ 3,529,672</u>	<u>\$ 2,488,978</u>	<u>\$ 2,092,838</u>	<u>\$ 2,088,628</u>

**Rates in Cubic Feet:**

All customers

0 - 200	\$ 13.88	\$ 12.59	\$ 12.59	\$ 11.99	\$ 11.42	\$ 10.88
201 - 1,300	6.14	5.30	5.30	5.05	4.81	4.58
1,301 - 6,100	5.11	4.42	4.42	4.21	4.01	3.82
6,101 - 22,800	4.16	3.59	3.59	3.42	3.26	3.10
22,801 and up	3.57	3.24	3.24	3.09	2.94	2.80

Multi-residential

0 - 200	13.88	12.59	12.59	11.99	11.42	10.88
Each additional 100	5.66	5.13	5.13	4.89	4.65	4.43

**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.

Outside rates add 150%

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 1,247,623	\$ 1,168,845	\$ 1,120,415	\$ 1,090,272
402,659	348,555	354,636	313,989
<u>326,741</u>	<u>315,901</u>	<u>302,352</u>	<u>286,194</u>
<u>\$ 1,977,023</u>	<u>\$ 1,833,301</u>	<u>\$ 1,777,403</u>	<u>\$ 1,690,455</u>

\$ 10.36	\$ 9.87	\$ 9.40	\$ 8.95
4.36	4.15	3.95	3.76
3.64	3.46	3.30	3.14
2.95	2.81	2.68	2.55
2.67	2.55	2.43	2.31
10.36	9.87	9.40	8.95
4.22	4.02	3.83	3.65

**CITY OF WAPAKONETA**

**SEWER UTILITY STATISTICS  
LAST TEN YEARS**

<b>Type of Customer</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Residential	\$ 1,470,844	\$ 1,425,891	\$ 1,417,423	\$ 1,337,017	\$ 1,284,523	\$ 1,261,470
Commercial	397,718	395,801	379,766	426,961	375,005	358,900
Industrial	589,295	600,727	663,656	610,053	628,543	601,560
Total billed	<u>\$ 2,457,857</u>	<u>\$ 2,422,419</u>	<u>\$ 2,460,845</u>	<u>\$ 2,374,031</u>	<u>\$ 2,288,071</u>	<u>\$ 2,221,930</u>

Base rate for first 200 cubic feet:

Residential	\$ 16.24	\$ 15.31	\$ 14.86	\$ 14.43	\$ 14.01	\$ 13.60
Commercial	16.24	15.31	14.86	14.43	14.01	13.60
Industrial	16.24	15.31	14.86	14.43	14.01	13.60
Mega Industrial	16.24	15.31				

Each additional 100 cubic feet:

Residential	4.75	4.48	4.35	4.22	4.10	3.98
Commercial	5.10	4.81	4.67	4.53	4.40	4.27
Industrial	4.75	4.48	4.35	4.22	4.10	3.98
Mega Industrial	4.75	4.48				

**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.

Outside rates add 125%

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 1,261,962	\$ 1,214,430	\$ 1,184,334	\$ 1,167,565
347,329	338,763	326,180	328,079
<u>678,411</u>	<u>515,794</u>	<u>536,659</u>	<u>420,142</u>
<u>\$ 2,287,702</u>	<u>\$ 2,068,987</u>	<u>\$ 2,047,173</u>	<u>\$ 1,915,786</u>

\$ 13.20	\$ 12.83	\$ 12.45	\$ 12.10
13.20	12.83	12.45	12.10
13.20	12.83	12.45	12.10

3.86	3.74	3.64	3.53
4.15	4.03	3.91	3.80
3.86	3.74	3.64	3.53

**CITY OF WAPAKONETA**

**STORM SEWER UTILITY STATISTICS  
LAST TEN YEARS**

<b>Type of Customer</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Residential	\$ 100,316	\$ 92,592	\$ 92,376	\$ 91,152	\$ 91,296	\$ 91,008
Commercial/Industrial	60,847	68,486	67,317	67,241	66,059	65,703
Total billed	<u>\$ 161,163</u>	<u>\$ 161,078</u>	<u>\$ 159,693</u>	<u>\$ 158,393</u>	<u>\$ 157,355</u>	<u>\$ 156,711</u>

**Rates:**

Residential                      \$2 per month

Commercial/Industrial:

<b>Area of Property (square feet)</b>	<b>Monthly Fee</b>
1 - 10,000	\$ 4
10,001 - 25,000	7
25,001 - 50,000	10
50,001 - 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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 99,528	\$ 99,408	\$ 89,856	\$ 89,256
<u>56,166</u>	<u>55,353</u>	<u>64,905</u>	<u>64,883</u>
<u>\$ 155,694</u>	<u>\$ 154,761</u>	<u>\$ 154,761</u>	<u>\$ 154,139</u>

**CITY OF WAPAKONETA**

REFUSE UTILITY STATISTICS  
LAST TEN YEARS

<b>Type of Customer</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Residential	\$ 779,045	\$ 702,071	\$ 554,902	\$ 531,962	\$ 531,805	\$ 508,211
Commercial/Industrial	264,324	246,306	205,924	197,758	205,628	193,823
Bag sales (all customers)	341,115	358,250	366,125	353,705	345,125	339,875
Total	<u>\$ 1,384,484</u>	<u>\$ 1,306,627</u>	<u>\$ 1,126,951</u>	<u>\$ 1,083,425</u>	<u>\$ 1,082,558</u>	<u>\$ 1,041,909</u>
Amount paid by City to Rumpke	<u>\$ 253,527</u>	<u>\$ 253,917</u>	<u>\$ 261,323</u>	<u>\$ 260,326</u>	<u>\$ 290,134</u>	<u>\$ 276,131</u>
Amount per ton paid to Rumpke	\$ 61.50	\$ 60.00	\$ 60.00	\$ 66.00	\$ 73.56	\$ 72.39
<u>Monthly base rate:</u>						
Residential inside	11.00	11.00	11.00	11.00	11.00	10.50
Residential outside	15.00	15.00	15.00	15.00	15.00	14.50

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 \$1.00 to \$1.50 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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 489,186	\$ 466,974	\$ 440,092	\$ 416,494
187,969	190,931	185,454	186,212
<u>337,780</u>	<u>331,875</u>	<u>334,125</u>	<u>288,750</u>
<u>\$ 1,014,935</u>	<u>\$ 989,780</u>	<u>\$ 959,671</u>	<u>\$ 891,456</u>
 <u>\$ 269,362</u>	 <u>\$ 266,651</u>	 <u>\$ 251,869</u>	 <u>\$ 235,714</u>
 \$ 70.97	 \$ 68.22	 \$ 68.22	 \$ 66.63
 10.00	 9.00	 9.00	 8.50
14.00	13.00	13.00	12.50

**CITY OF WAPAKONETA**

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS**

<b>Year</b>	<b>Governmental Activities</b>			<b>Business-Type Activities</b>		
	<b>Capital Loans</b>	<b>Loans</b>	<b>Leases</b>	<b>General Obligation Bonds</b>	<b>Mortgage Revenue Bonds</b>	<b>OWDA Loans</b>
2022	\$ -	\$ -	\$ -	\$ 2,385,000	\$ -	\$ 58,005,947
2021	-	-	-	3,115,000	-	26,191,575
2020	-	-	-	3,830,000	-	21,121,357
2019	-	-	-	4,525,000	-	20,485,422
2018	-	-	-	-	5,230,000	18,166,716
2017	-	45,010	-	-	5,770,000	18,547,622
2016	-	88,298	-	-	6,295,000	18,694,562
2015	-	129,929	30,597	-	6,780,000	18,468,055
2014	11,870	169,967	59,192	-	7,250,000	16,527,575
2013	23,283	208,473	-	-	7,705,000	12,393,522

**Source:** City records

**(1)** See the demographics and economics table on page S38

**Business-Type Activities, continued**

<b>Capital Loans</b>	<b>Loans</b>	<b>Note Payable</b>	<b>Total Primary Government</b>	<b>Total Personal Income (1)</b>	<b>Percentage of Personal Income</b>	<b>Population (1)</b>	<b>Per Capita</b>
\$ 12,005,151	\$ -	\$ 404,974	\$ 72,801,072	\$ 286,759,408	25.39%	9,776	\$ 7,447
13,050,151	-	309,157	42,665,883	292,068,681	14.61%	9,957	4,285
12,708,106	-	472,506	38,131,969	264,086,238	14.44%	9,698	3,932
7,038,250	-	629,615	32,678,287	252,629,748	12.94%	9,733	3,357
2,337,471	-	491,595	26,225,782	232,625,742	11.27%	9,782	2,681
-	114,150	409,511	24,886,293	220,938,528	11.26%	9,816	2,535
-	223,932	489,455	25,791,247	218,522,928	11.80%	9,776	2,638
-	329,514	566,820	26,304,915	208,134,498	12.64%	9,867	2,666
11,870	431,055	-	24,461,529	270,122,373	9.06%	9,861	2,481
71,842	528,711	34,925	20,965,756	243,351,480	8.62%	9,830	2,133

**CITY OF WAPAKONETA**

**RATIO OF GENERAL BONDED DEBT TO ESTIMATED ACTUAL VALUE  
AND BONDED DEBT PER CAPITA  
LAST TEN YEARS**

<b>Year</b>	<b>Population (1)</b>	<b>Estimated Actual Value of Taxable Property (2)</b>	<b>Gross Bonded Debt</b>	<b>Ratio of Bonded Debt to Estimated Actual Value of Property</b>	<b>Bonded Debt Per Capita</b>
2022	9,776	\$ 569,999,645	\$ 2,385,000	0.42%	\$ 244
2021	9,957	563,820,377	3,115,000	0.55%	313
2020	9,698	486,248,510	3,830,000	0.79%	395
2019	9,766	479,208,136	4,525,000	0.94%	463
2018	9,782	491,866,791	-	0.00%	-
2017	9,816	440,223,484	-	0.00%	-
2016	9,776	438,465,559	-	0.00%	-
2015	9,867	432,930,270	-	0.00%	-
2014	9,861	432,047,307	-	0.00%	-
2013	9,830	435,047,985	-	0.00%	-

**Sources:**

(1) See the demographics and economics table on page S38

(2) See the assessed value and estimated actual value table on pages S12 - S13

**CITY OF WAPAKONETA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2022**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct:</b>			
City of Wapakoneta	\$ -	100.00%	\$ -
Total direct debt			-
<b>Overlapping debt:</b>			
Wapakoneta City School District	19,125,000	43.69%	8,355,713
Apollo Career Center	27,525,000	7.35%	2,023,088
Total overlapping debt			10,378,801
Total direct and overlapping debt			\$ 10,378,801

**Sources:** Ohio Municipal Advisory Council and City records

**(1)** The estimated percentage applicable to the City is calculated as each governmental unit's assessed valuation within the City divided by the governmental unit's total assessed valuation.

**CITY OF WAPAKONETA**

**COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assessed Value	\$ 201,584,390	\$ 199,339,520	\$ 172,151,550	\$ 169,661,720
Overall Debt Margin:				
Debt limitation - 10.5% of Assessed Value	21,166,361	20,930,650	18,075,913	17,814,481
Gross Indebtedness	72,396,098	42,356,726	37,659,463	32,048,672
Less: Debt Outside Limitations				
General Obligation Bonds	(2,385,000)	(3,115,000)	(3,830,000)	(4,525,000)
Mortgage Revenue Bonds	-	-	-	-
OWDA Loans	(58,005,947)	(26,191,575)	(21,121,357)	(20,485,422)
Capital Loans	(12,005,151)	(13,050,151)	(12,708,106)	(7,038,250)
Loans Payable	-	-	-	-
Total Debt Outside Limitations	<u>(72,396,098)</u>	<u>(42,356,726)</u>	<u>(37,659,463)</u>	<u>(32,048,672)</u>
Total Debt Applicable to 10.5% Limitation	-	-	-	-
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Debt Within 10.5% Limitation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin Within 10.5% Limitation	<u>\$ 21,166,361</u>	<u>\$ 20,930,650</u>	<u>\$ 18,075,913</u>	<u>\$ 17,814,481</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limitation - 5.5% of Assessed Value	\$ 11,087,141	\$ 10,963,674	\$ 9,468,335	\$ 9,331,395
Gross Indebtedness Authorized by Council	72,396,098	42,356,726	37,659,463	32,048,672
Less: Debt Outside Limitation:				
Total Debt Outside Limitation	<u>(72,396,098)</u>	<u>(42,356,726)</u>	<u>(37,659,463)</u>	<u>(32,048,672)</u>
Debt Within 5.5% Limitation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 11,087,141</u>	<u>\$ 10,963,674</u>	<u>\$ 9,468,335</u>	<u>\$ 9,331,395</u>
Unvoted Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

**Source:** City records

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
\$ 174,147,460	\$ 156,088,630	\$ 155,427,800	\$ 152,201,760	\$ 151,891,380	\$ 152,902,590
18,285,483	16,389,306	16,319,919	15,981,185	15,948,595	16,054,772
25,734,187	24,476,782	25,301,792	25,707,498	24,402,337	20,930,831
-	-	-	-	-	-
(5,230,000)	(5,770,000)	(6,295,000)	(6,780,000)	(7,250,000)	(7,705,000)
(18,166,716)	(18,547,622)	(18,694,562)	(18,468,055)	(16,527,575)	(12,393,522)
(2,337,471)	-	-	-	(11,870)	(71,842)
-	(114,150)	(223,932)	(329,514)	(431,055)	(528,711)
<u>(25,734,187)</u>	<u>(24,431,772)</u>	<u>(25,213,494)</u>	<u>(25,577,569)</u>	<u>(24,220,500)</u>	<u>(20,699,075)</u>
-	45,010	88,298	129,929	181,837	231,756
-	<u>(44,316)</u>	<u>(44,316)</u>	<u>(44,316)</u>	<u>(44,316)</u>	<u>(44,316)</u>
-	694	43,982	85,613	137,521	187,440
<u>\$ 18,285,483</u>	<u>\$ 16,388,612</u>	<u>\$ 16,275,937</u>	<u>\$ 15,895,572</u>	<u>\$ 15,811,074</u>	<u>\$ 15,867,332</u>
100.00%	100.00%	99.73%	99.46%	99.14%	98.83%
\$ 9,578,110	\$ 8,584,875	\$ 8,548,529	\$ 8,371,097	\$ 8,354,026	\$ 8,409,642
25,734,187	24,476,782	25,301,792	25,707,498	24,402,337	20,930,831
<u>(25,734,187)</u>	<u>(24,431,772)</u>	<u>(25,213,494)</u>	<u>(25,577,569)</u>	<u>(24,220,500)</u>	<u>(20,699,075)</u>
-	45,010	88,298	129,929	181,837	231,756
<u>\$ 9,578,110</u>	<u>\$ 8,539,865</u>	<u>\$ 8,460,231</u>	<u>\$ 8,241,168</u>	<u>\$ 8,172,189</u>	<u>\$ 8,177,886</u>
100.00%	99.48%	98.97%	98.45%	97.82%	97.24%

**CITY OF WAPAKONETA**

**PLEDGED REVENUE COVERAGE - WATER FUND  
LAST TEN YEARS**

<b>Year</b>	<b>Gross Revenues (1)</b>	<b>Operating Expenses (2)</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements (3)</b>			<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2022	\$ 3,999,530	\$ 1,957,172	\$ 2,042,358	\$ 270,043	\$ 340,156	\$ 610,199	3.35
2021	4,020,008	1,570,104	2,449,904	360,160	350,146	710,306	3.45
2020	3,748,267	1,508,395	2,239,872	203,740	287,002	490,742	4.56
2019	2,589,091	1,483,190	1,105,901	194,007	294,746	488,753	2.26
2018	2,119,229	1,447,727	671,502	184,745	302,119	486,864	1.38
2017	2,116,403	1,591,406	524,997	175,931	309,140	485,071	1.08
2016	2,014,208	1,308,594	705,614	167,545	315,824	483,369	1.46
2015	1,872,030	1,491,250	380,780	159,564	407,209	566,773	0.67
2014	1,833,207	1,099,767	733,440	107,093	414,804	521,897	1.41
2013	1,734,258	1,086,316	647,942	183,042	398,689	581,731	1.11

**Source:** City records

- (1)** Includes operating revenues and interest.
- (2)** Total operating expenses exclusive of depreciation.
- (3)** Includes OWDA loans only.



**CITY OF WAPAKONETA**

PLEDGED REVENUE COVERAGE - SEWER FUND  
LAST TEN YEARS

<u>Year</u>	<u>Gross Revenues (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements (3)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2022	\$ 5,190,583	\$ 2,595,914	\$ 2,594,669	\$ 293,775	\$ 305,798	\$ 599,573	4.33
2021	5,247,488	1,453,883	3,793,605	284,840	314,733	599,573	6.33
2020	4,871,109	2,244,084	2,627,025	276,179	323,393	599,572	4.38
2019	3,942,966	2,752,243	1,190,723	267,787	331,786	599,573	1.99
2018	3,543,541	2,020,620	1,522,921	803,134	510,605	1,313,739	1.16
2017	3,446,878	1,748,502	1,698,376	795,608	640,886	1,436,494	1.18
2016	3,526,130	1,404,195	2,121,935	747,443	671,158	1,418,601	1.50
2015	3,320,572	1,433,053	1,887,519	684,787	621,478	1,306,265	1.44
2014	3,266,033	1,217,489	2,048,544	455,000	334,812	789,812	2.59
2013	3,138,652	1,371,493	1,767,159	447,787	354,140	801,927	2.20

**Source:** City records

- (1) Includes operating revenues and interest.
- (2) Total operating expenses exclusive of depreciation.
- (3) Includes mortgage revenue bonds (2012 - 2018) and OWDA loans only.

**CITY OF WAPAKONETA**

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	School Enrollment (4)	Annual Average Unemployment Rates (5)		
					Auglaize County	Ohio	United States
2022	9,776	\$ 286,759,408	\$ 29,333	3,009	2.4%	4.1%	3.5%
2021	9,957	292,068,681	29,333	2,944	3.7%	5.1%	5.3%
2020	9,698	264,086,238	27,231	3,035	6.9%	8.1%	8.1%
2019	9,733	252,629,748	25,956	3,081	3.0%	4.2%	3.7%
2018	9,782	232,625,742	23,781	3,225	3.3%	4.5%	3.9%
2017	9,816	220,938,528	22,508	3,113	3.7%	5.0%	4.4%
2016	9,776	218,522,928	22,353	3,092	3.8%	5.0%	4.9%
2015	9,867	208,134,498	21,094	3,062	3.7%	5.0%	5.3%
2014	9,861	270,122,373	27,393	3,144	4.3%	5.8%	6.2%
2013	9,830	243,351,480	24,756	3,133	5.9%	7.5%	7.4%

**Sources:**

- (1) U.S. Census Bureau; census.gov, annual population estimates.
- (2) Estimate; calculated as population times per capital personal income.
- (3) U.S. Census Bureau; census.gov. Per capita personal income for 2022 is in 2021 dollars, the latest information available.
- (4) Wapakoneta City School District.
- (5) Ohio Job & Family Services, Ohio Labor Market Information; ohiolmi.com.

**CITY OF WAPAKONETA**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

		<b>2022</b>		
<b>Employer</b>	<b>Type of Business</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Wapakoneta City School District	Government	641	1	13.31%
Auglaize County	Government	356	2	7.39%
Custom Staffing	Business	327	3	6.79%
Wal-Mart	Retail Business	292	4	6.06%
Honda	Manufacturing	289	5	6.00%
Lowe's Home Center, Inc.	Retail Business	283	6	5.88%
Pratt-Wapakoneta Corrugating	Paper Recycling/Paper Mill	277	7	5.75%
Miller's Textile	Uniform Rentals	274	8	5.69%
General Aluminum Mfg.	Manufacturing	240	9	4.98%
Fort Wapak Operating Company	Business	183	10	3.80%
Total		<u>3,162</u>		<u>65.66%</u>
Total City Employment		<u>4,816</u>		
		<b>2013</b>		
<b>Employer</b>	<b>Type of Business</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
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	3.43%
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%
Total		<u>2,075</u>		<u>40.72%</u>
Total City Employment		<u>5,096</u>		

**Source:** City records

**CITY OF WAPAKONETA**

**FULL-TIME-EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN YEARS**

<b>Function/Program</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
General Government							
Mayor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Council	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Clerk of Council	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Auditor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Income Tax Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Income Tax Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Law Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Information Technology Technician	1.00	1.00	1.00	0.50	0.50	1.00	-
Public Safety							
Police	17.00	13.00	15.00	14.00	14.00	14.00	14.00
Police - Dispatchers	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Police - Auxiliary	5.00	5.00	8.00	8.00	8.00	8.00	8.00
Fire	17.00	15.00	16.00	15.00	15.00	13.00	14.00
Fire - Auxiliary	6.00	6.00	1.00	2.00	3.00	3.00	3.00
Fire - Administrative Assistant	-	-	-	-	-	0.50	-
Safety Director	1.00	1.00	1.00	0.50	0.50	1.00	1.00
Public Health							
Emergency Medical Services	-	-	-	-	-	-	-
Leisure Time Activities							
Recreation Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Transportation							
Public Works	11.00	11.00	10.00	10.00	10.00	10.00	10.00
Basic Utility Services							
Engineering	4.00	4.00	4.00	3.00	3.00	3.00	3.00
Utility Clerks	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Electric	11.00	11.00	11.00	11.00	10.00	10.00	10.00
Water	5.00	5.00	5.00	5.00	6.00	6.00	6.00
Sewer	5.50	5.00	5.00	5.00	5.00	5.00	5.00
Refuse	5.00	5.00	6.00	6.00	6.00	5.00	5.00
Total	<u>112.00</u>	<u>106.50</u>	<u>108.50</u>	<u>105.50</u>	<u>106.50</u>	<u>105.00</u>	<u>104.50</u>

**Source:** City payroll records

**Note:** schedule prepared using 1.0 for each full-time employee and 0.5 for each part-time employee as of December 31.

2015	2014	2013
1.00	1.00	1.00
8.00	8.00	8.00
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
-	-	-
14.00	13.00	14.00
5.00	5.00	5.00
9.00	10.00	12.00
13.00	13.00	14.00
8.00	10.00	10.00
-	-	-
1.00	1.00	1.00
2.00	6.00	6.00
1.00	1.00	1.00
9.00	9.00	10.00
3.00	3.00	3.00
4.00	4.00	4.00
10.00	10.00	11.00
6.00	6.00	6.00
4.00	4.00	4.00
4.00	6.00	6.00
108.50	116.50	122.50

**CITY OF WAPAKONETA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN YEARS**

<b>Function/Program</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Security of Persons and Property</b>					
Police					
Vehicle milage	100,037	104,343	103,508	103,295	105,323
Traffic citations and arrests	370	335	879	1,342	1,520
Parking tickets issued	81	131	93	243	389
Amount collected for tickets	\$ 750	\$ 1,110	\$ 1,010	\$ 1,840	\$ 3,800
Fire					
EMS calls	1,979	1,722	1,572	1,696	1,627
Fire calls	311	243	228	285	232
Miscellaneous calls	-	-	-	-	-
<b>Transportation</b>					
Gallons of R-S-2 used to fill potholes	920	1,410	3,790	2,365	4,050
Tons of cold mix used	22	36	85	34	-
<b>General Government</b>					
Income Tax					
Individual accounts	5,525	5,440	5,522	5,469	5,441
Business accounts	839	903	879	845	800
Business withholding accounts	1,181	1,084	1,104	1,032	1,034
Receipts collected	\$ 5,573,823	\$ 4,763,288	\$ 4,865,675	\$ 4,586,319	\$ 4,276,937
Interest and penalties charges	\$ 27,588	\$ 16,622	\$ 12,859	\$ 12,237	\$ 15,209
Interest and penalties collected	\$ 16,279	\$ 7,345	\$ 7,542	\$ 9,916	\$ 5,039
City Commission					
Ordinances passed	47	40	45	53	52
Resolutions passed	30	10	16	9	12
<b>Electric</b>					
Kilowatt hours used	353,893,598	354,923,541	331,070,630	235,357,363	202,731,328
City cost of power	\$29,637,607	\$24,319,908	\$16,873,920	\$15,246,953	\$14,943,134
<b>Water</b>					
Wells operating	6	6	6	6	6
Millions of gallons of finished water	880.02	880.08	841.63	657.10	559.06
Gallons of chlorine used	20,865	20,865	21,688	18,731	19,007
Gallons of phosphate used	2,986	2,986	2,984	2,481	2,495
Salt in tons (regenerates softening units)	2,204	2,237	2,649	2,059	1,907
Gallons of water able to be pumped					
per day combined	4,000,000	4,000,000	4,000,000	4,000,000	3,000,000
Daily average consumption (gallons)	2,411,000	2,410,000	2,300,000	1,800,250	1,531,000
Maximum daily capacity of treatment plant (gallons)	4,000,000	4,000,000	4,000,000	4,000,000	2,500,000
<b>Sewer</b>					
Millions of gallons of sewage treated	1,079	1,184	1,232	1,149	1,033
Average daily flow (millions of gallons)	2.96	3.24	3.18	3.15	2.84
Maximum daily capacity of treatment plant (gallons)	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Tons of N-Viro produced (fertilizer)	2,814	3,992	3,829	3,329	3,579
<b>Refuse</b>					
Tons of refuse collected	4,122	4,232	3,960	3,944	3,944
Cases of trash bags sold (250 per case)	892	1,022	992	1,005	983
Tons of recycling collected	122	607	601	529	854
Gallons of used motor oil collected and recycled	-	-	-	1,000	2,000
<b>Engineering</b>					
Registered contractors	271	311	213	225	203
Building permits issued	252	248	268	272	247

Source: City records

2017	2016	2015	2014	2013
99,266	110,984	115,612	113,720	118,841
1,516	1,319	1,187	1,023	1,143
374	398	444	291	435
\$ 3,110	\$ 3,600	\$ 4,100	\$ 2,990	\$ 4,390
1,593	1,308	1,159	1,283	1,260
193	242	300	39	21
-	297	240	232	219
2,785	2,510	2,655	-	-
-	-	-	-	-
5,321	5,302	5,198	4,765	5,435
783	786	803	773	828
945	963	923	880	963
\$ 2,722,228	\$ 2,605,349	\$ 2,645,764	\$ 2,602,279	\$ 2,590,749
\$ 23,237	\$ 27,186	\$ 13,813	\$ 31,323	\$ 26,254
\$ 10,173	\$ 7,035	\$ 4,668	\$ 15,910	\$ 26,293
44	39	41	37	33
7	9	12	4	5
196,177,718	194,987,050	203,673,910	205,979,185	197,323,034
\$ 14,060,825	\$ 12,990,723	\$ 12,379,952	\$ 12,656,390	\$ 12,223,007
6	6	6	7	7
576.42	530.80	524.00	543.00	503.00
16,051	16,458	16,556	17,649	15,275
2,664	2,514	2,268	2,138	1,887
2,116	2,297	2,056	1,861	1,693
3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
1,583,000	1,450,035	1,437,000	1,450,000	1,400,000
2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
996	851	1,068	1,063	1,101
2.72	2.32	2.92	2.91	3.02
6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
3,029	3,634	4,091	3,013	3,273
3,891	3,795	3,832	3,692	3,621
970	960	988	1,080	1,018
820	729	713	n/a	n/a
2,200	2,055	1,700	3,000	4,600
163	188	178	192	232
239	246	252	235	317

**CITY OF WAPAKONETA**

**CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM  
LAST TEN YEARS**

<b>Function/Program</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Security of Persons and Property</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	15	15	14	13	12	9	9	12	12	9
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire trucks	1	5	5	5	5	5	5	7	7	7
Trailers	5	0	0	0	0	0	0	1	1	1
Vehicles	4	3	3	3	3	4	4	4	3	3
<b>Public Health</b>										
Vehicles	4	4	4	4	3	3	3	3	3	3
<b>Transportation</b>										
Streets (miles)	58.00	48.19	47.19	46.37	46.37	46.37	46.37	46.37	46.37	46.20
Vehicles	20	20	18	17	20	20	20	22	22	22
<b>General Government</b>										
Vehicles	1	1	1	1	1	1	1	1	1	1
<b>Electric</b>										
Lines (miles)	105.66	105.66	106.34	105.68	103.37	103.37	103.37	103.37	103.37	103.37
Substations	11	10	9	8	8	8	8	8	8	8
Vehicles	17	17	22	20	22	21	21	14	11	11
<b>Water</b>										
Lines (miles)	63.98	63.98	62.98	61.28	61.28	61.28	61.28	61.28	61.28	61.00
Treatment plants	2	2	2	2	2	2	2	2	2	2
Vehicles	7	7	7	7	7	8	8	9	9	9
<b>Sewer</b>										
Sanitary sewer lines (miles)	68.00	55.00	49.78	48.39	48.39	48.39	48.39	48.39	48.39	48.20
Storm sewer lines (miles)	45.00	31.00	30.02	28.19	28.19	28.19	28.19	28.19	28.19	27.93
Treatment plants	1	1	1	1	1	1	1	1	1	1
Vehicles	2	4	8	8	8	8	8	5	4	4
<b>Refuse</b>										
Vehicles	5	7	4	4	6	6	6	6	5	4
<b>Recycling</b>										
Vehicles	4	5	6	5	5	5	5	5	5	5
<b>Engineering</b>										
Vehicles	2	2	2	2	2	4	4	3	3	3

**Source:** City records



**CITY OF WAPAKONETA**  
AUGLAIZE COUNTY, OHIO

**REVISED SINGLE AUDIT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2022**

**CITY OF WAPAKONETA  
AUGLAIZE COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGES</u>
Schedule of Expenditures of Federal Awards.....	1
Notes to the Schedule of Expenditures of Federal Awards 2 <i>CFR</i> § 200.510(b)(6) .....	2
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	3 - 4
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	5 - 7
Schedule of Findings 2 <i>CFR</i> § 200.515.....	8 - 9
Summary Schedule of Prior Audit Findings 2 <i>CFR</i> § 200.511(b) .....	10
Corrective Action Plan 2 <i>CFR</i> § 200.511(c).....	11

**CITY OF WAPAKONETA  
AUGLAIZE COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<b>FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE</b>	<b>PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION</b>	<b>ASSISTANCE LISTING NUMBER</b>	<b>TOTAL FEDERAL EXPENDITURES</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed Through Ohio Department of Transportation</i>			
<i>Highway Planning and Construction Cluster</i>			
<i>Highway Planning and Construction</i>			
AUG CR 25A 3.29	108711	20.205	\$ 1,484,064
<b>Total Highway Planning and Construction Cluster and U.S. Department of Transportation</b>			<u>1,484,064</u>
<b>U.S. DEPARTMENT OF TREASURY</b>			
<i>Passed Through Ohio Office of Budget and Management</i>			
COVID-19 - Coronavirus Relief Fund	COVID-19 - HB481-CRF-Local	21.019	<u>104,548</u>
<b>Total U.S. Department of Treasury</b>			<u>104,548</u>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
<i>Passed Through Ohio Environmental Protection Agency</i>			
<i>Drinking Water State Revolving Fund Cluster</i>			
Capitalization Grants for Drinking Water State Revolving Funds	FS390954-0002	66.468	<u>15,055,797</u>
<b>Total Drinking Water State Revolving Fund Cluster and U.S. Environmental Protection Agency</b>			<u>15,055,797</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 16,644,409</u></u>

*The accompanying notes are an integral part of this schedule.*

**CITY OF WAPAKONETA  
AUGLAIZE COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Wapakoneta (the “City”) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited as to reimbursement.

**NOTE 2 – DE MINIMIS INDIRECT COST RATE**

The City has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 – MATCHING REQUIREMENTS**

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

**NOTE 4 – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended December 31, 2022, it was determined that City did not identify certain expenditures of federal awards. Subsequent to the original issuance of the audit report on November 17, 2023, with the assistance of the pass-through entity, it was determined that the City omitted the following expenditures of federal awards from the originally provided Schedule:

- \$1,484,064 of expenditures related to the Highway Planning and Construction Cluster (Highway Planning and Construction - AUG CR 25A 3.29), from the U.S. Department of Transportation and passed through the Ohio Department of Transportation, were omitted from the originally provided Schedule.

Management has revised and reissued the Schedule.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements Performed in Accordance With  
*Government Auditing Standards***

City of Wapakoneta  
Auglaize County  
701 Parlette Court  
P.O. Box 269  
Wapakoneta, Ohio 45985

To the Members of the City Council and Mayor:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, Ohio, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Wapakoneta's basic financial statements, and have issued our report thereon dated November 17, 2023.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a significant deficiency.

City of Wapakoneta

Auglaize County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

### **Report on Compliance and Other Matters**

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

### **City of Wapakoneta's Responses to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Wapakoneta's responses to the finding identified in our audit and described in the accompanying schedule of findings and corrective action plan. The City of Wapakoneta's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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



Julian & Grube, Inc.

November 17, 2023

**Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over  
Compliance and on the Schedule of Expenditures of Federal Awards  
Required by the Uniform Guidance**

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

To the Members of the City Council and Mayor:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Wapakoneta's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB), *Compliance Supplement* that could have a direct and material effect on each of the City of Wapakoneta's major federal programs for the year ended December 31, 2022. The City of Wapakoneta's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the City of Wapakoneta complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City of Wapakoneta and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Wapakoneta's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Wapakoneta's federal programs.

City of Wapakoneta  
Auglaize County  
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control  
Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Wapakoneta's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Wapakoneta's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Wapakoneta's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Wapakoneta's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Wapakoneta's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings as item 2022-002. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Wapakoneta's response to the noncompliance finding identified in our audit described in the accompanying corrective action plan. The City of Wapakoneta's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.



City of Wapakoneta  
Auglaize County  
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control  
Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2022-002, to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Wapakoneta's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and corrective action plan. The City of Wapakoneta's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Wapakoneta's basic financial statements. We issued our unmodified report thereon dated November 17, 2023. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

#### ***Report Revision and Reissuance***

Subsequent to the original issuance of the 2022 audit report, it was determined that a federal program was omitted from the originally provided schedule of expenditures of federal awards (SEFA). The omitted program should have been evaluated and tested as a major federal program. Accordingly, management revised the 2022 SEFA to include the expenditures of the originally omitted program on the SEFA. Julian & Grube, Inc., performed the appropriate procedures over the originally omitted program. Other changes to the various reports that have been made are as follows:

- Modification of the title page from Single Audit to Revised Single Audit.
- Modifications to the Schedule of Expenditures of Federal Awards, the Notes to the Schedule of Expenditures of Federal Awards 2 *CFR* 200.510(b)(6), the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, the Schedule of Findings 2 *CFR* § 200.515, and the Corrective Action Plan 2 *CFR* § 200.511(c).
- Modification of the Table of Contents, as applicable, for the items listed above.

*Julian & Grube, Inc.*

Julian & Grube, Inc.

November 17, 2023, except as described above, in Note 4 to the schedule of expenditures of federal awards, and finding 2022-002, of the schedule of findings, which are as of July 22, 2025.

**CITY OF WAPAKONETA  
AUGLAIZE COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2022**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material weaknesses in internal control reported for major federal programs?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	None Reported
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR § 200.516(a)?</i>	Yes
<i>(d)(1)(vii)</i>	<i>Major Program(s) (listed):</i>	Drinking Water State Revolving Fund Cluster; Highway Planning and Construction Cluster
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee 2 CFR § 200.520?</i>	No

<b>2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2022-001

Significant Deficiency – Billing for Service Provided by the City

During a previous audit, the City installed sewer lines for a new City residential area but did not bill for the work performed. Also, the City installing sewer lines is not consistent with the City's past operations for new developments built within the City; instead, developers of the project install and pay for the installation of sewer lines.

The City provided and incurred costs in providing those services that were not reimbursed. The installation of sewer lines was not consistent with City operations and the City failed to bill for the costs incurred.

We recommend that the City follow the procedures in place for the building of new developments within the City and that the City bill for all services provided in a timely manner. Sewer line installation costs incurred by the City are under review by legal counsel of the City.

**Officials Response:** See Corrective Action Plan

**CITY OF WAPAKONETA  
AUGLAIZE COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2022**

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>			
Finding Number	2022-002		
ALN Title and Number	Highway Planning and Construction Cluster: Highway Planning and Construction – AUG CR 25A 3.29, ALN 20.205		
Federal Award Identification Number/Year	2022		
Federal Agency	U.S. Department of Transportation		
Compliance Requirement	Other		
Pass-Through Entity	Ohio Department of Transportation		
Repeat Finding from Prior Audit	No	Prior Finding Number	N/A

**Material Weakness/Noncompliance – Other**

2 CFR §200.510(b) states, in part, that the auditee must prepare a Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the auditee’s financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended. At a minimum, the schedule must:

- a. List individual federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency.
- b. For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- c. Provide total Federal awards expended for each individual Federal program and the Assistance Listing Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.
- d. Include the total amount provided to subrecipients from each Federal program.
- e. For loan or loan guarantee programs described in §200.502(b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- f. Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414.

Subsequent to the original issuance of the 2022 audit report dated November 17, 2023, with the assistance of the pass-through entity, it was determined that the City omitted a federally funded program under the Highway Planning and Construction Cluster (Highway Planning and Construction - AUG CR 25A 3.29 - ALN 20.205). The related expenditures of \$1,484,064, were excluded from the City’s originally provided SEFA.

The City failed to properly identify/communicate the federal designation of the project. Inaccurate completion of the SEFA could lead to inaccurate reporting of federal expenditures by the City and could jeopardize future federal funding.

The City’s originally provided SEFA for 2022 was materially misstated by the exclusion of the Highway Planning and Construction Cluster (Highway Planning and Construction - AUG CR 25A 3.29 - ALN 20.205), in the amount of \$1,484,064.

We recommend that the City review the process for identifying federal awards to minimize the likelihood of errors in the reporting process.

***Officials Response:*** See Corrective Action Plan



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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**2 CFR § 200.511(b)**  
**DECEMBER 31, 2022**

<b>Finding Number</b>	<b>Year Initially Occurred</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2021-001	2020	<u>Significant Deficiency – Billing for Service Provided by the City:</u> The City installed sewer lines for a new residential area, which is inconsistent with the City's past operating practices, and additionally the City did not bill for the work performed. The City did not have adequate policies and procedures in place to seek reimbursement after services were provided.	Not Corrected	Reissued as Finding 2022-001
2021-002	2021	<u>Significant Deficiency – Revenue Recorded Incorrectly:</u> The City recorded several months of Sewer billing revenues totaling approximately \$108,000 were recorded in the Water Fund. Additionally, an estimated \$16,000 of Outside KWH Tax billed was erroneously credited to Inside KWH Tax. The City did not have adequate policies and procedures in place to ensure receipts were properly recorded in certain funds.	Corrected	The City posted these adjustments in 2023.



701 Parlette Court



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**CORRECTIVE ACTION PLAN**  
**2 CFR § 200.511(c)**  
**DECEMBER 31, 2022**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2022-001	The City will evaluate once all appeals have been exhausted and a conclusion is obtained.	Unknown	Paula Anderson, City Auditor
2022-002	The City will review the process for identifying federal awards to minimize the likelihood of errors in preparing the schedule of expenditures of federal awards to minimize the likelihood of errors in preparing the schedule of expenditures of federal awards. This will include inquiries of the Engineer's Office.	2025	Paula Anderson, City Auditor



701 Parlette Court

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# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF WAPAKONETA**

**AUGLAIZE COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 10/16/2025**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)