



**CITY OF NAPOLEON
HENRY COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CITY OF NAPOLEON
TABLE OF CONTENTS**

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

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

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

City of Napoleon
Henry County
255 West Riverview Avenue
Napoleon, Ohio 43545-1766

To the Honorable Mayor and Members of Council:

We have audited the accompanying financial statements of the City of Napoleon, Henry County, Ohio, (the City) as of and for the year ended December 31, 1999, and have issued our report thereon dated June 7, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 7, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 7, 2000.

City of Napoleon
Henry County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

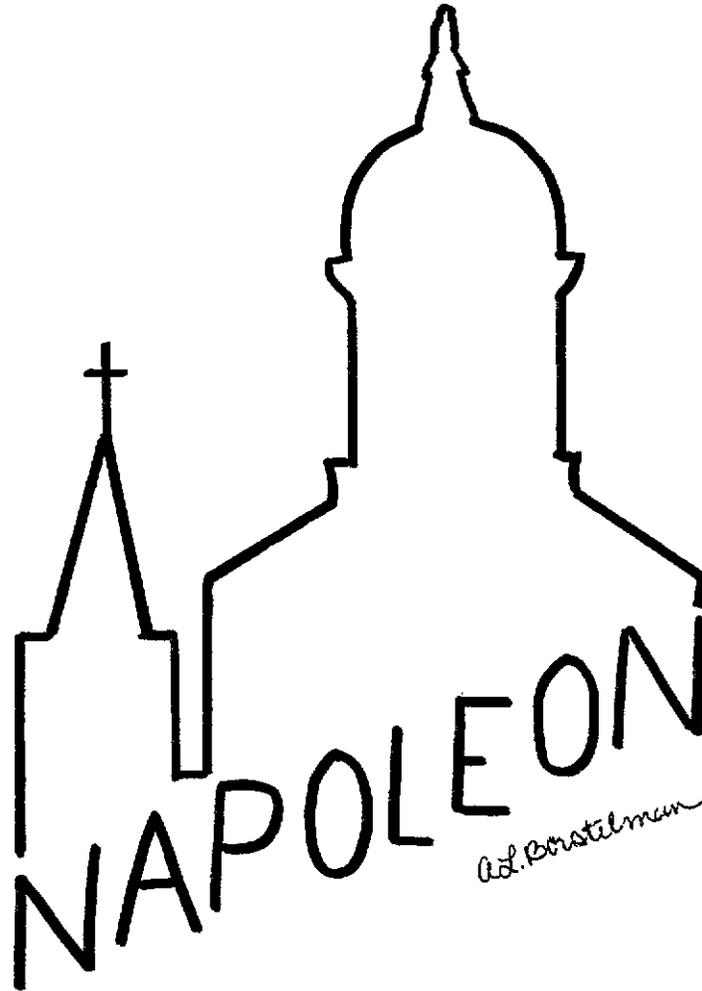
A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

June 7, 2000

THE CITY OF NAPOLEON, OHIO

HENRY COUNTY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1999

THE CITY OF NAPOLEON, OHIO

HENRY COUNTY

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 1999

Prepared by:
Gregory J. Heath
Director of Finance

TABLE OF CONTENTS

CITY OF NAPOLEON, OHIO HENRY COUNTY

I INTRODUCTORY SECTION

A	Letter of Transmittal	v
B	Principal Officials	xxi
C	City Organizational Chart	xxii
D	Certificate of Achievement for Excellence in Financial Reporting	xxiii

II FINANCIAL SECTION

A	REPORT OF INDEPENDENT ACCOUNTANTS	1
B	GENERAL PURPOSE FINANCIAL STATEMENTS	
	Combined Financial Statements - Overview	
	Combined Balance Sheet All Fund Types and Account Groups	4
	Combined Statement of Revenues, Expenditures and Changes in Fund Balances All Governmental Fund Types and Expendable Trust Funds	8
	Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis) All Governmental Fund Types and Expendable Trust Funds	9
	Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balance All Proprietary Fund Types and Similar Trust Fund	13
	Combined Statement of Cash Flows All Proprietary Fund Types and Nonexpendable Trust Fund	14
	Notes to the General Purpose Financial Statements	16

C	COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES	
	General Fund	
	Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis)	44
	Special Revenue Funds	
	Combining Balance Sheet	50
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	54
	Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis)	
	Street Construction, Maintenance and Repair Fund	58
	State Highway Improvement Fund	59
	Motor Vehicle License Tax Fund	60
	EMS Transport Service Fund	61
	Recreation Fund	62
	Special Events Fund	64
	Economic Development Fund	65
	Hotel/Motel Tax Fund	66
	Grants Program Fund	67
	Indigent Drivers Alcohol Treatment Fund	68
	Law Enforcement and Education Fund	69
	Court Computerization Fund	70
	Law Enforcement Trust Fund	71
	Mandatory Drug Fine Fund	72
	Fire Equipment Fund	73
	Municipal Probation Service Fund	74
	Law Enforcement Block Grant Fund	75
	Probation Officer Grant Fund	76
	Court Improvement Fund	77
	Police Pension Fund	78
	Fire Pension Fund	79

Capital Projects Funds	
Combining Balance Sheet	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	82
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis)	
Capital Improvement Fund	83
Main, Welsted and Vine Improvement Fund	84
Enterprise Funds	
Combining Balance Sheet	86
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	87
Combining Statement of Cash Flows	88
Fiduciary Funds	
Combining Balance Sheet	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Expendable Trust Funds	94
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis)	
Napoleon Cemetery Trust Fund	95
Unclaimed Monies Fund	96
Combining Statement of Changes in Assets and Liabilities - Agency Funds	97
General Fixed Assets Account Group	
Schedule of General Fixed Assets by Source	99
Schedule of General Fixed Assets by Category	100
Schedule of Changes in General Fixed Assets by Function and Activity	101

III**STATISTICAL SECTION**

General Governmental Expenditures by Function - Last Ten Years	104
General Governmental Revenues By Source - Last Ten Years	105
Property Tax Levies and Collections - Last Ten Years	106
Tangible Tax Collected - Last Ten Years	107
Assessed Valuations and Estimated True Values of Taxable Property - Last Ten Years	108
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years	109
Special Assessment Billings and Collections - Last Ten Years	110
Computation of Legal Debt Margin	111
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita - Last Ten Years	112
Computation of All Direct and Overlapping Governmental Debt	113
Mortgage Revenue Bond Coverage	114
Demographic Statistics - Last Ten Years	115
Property Value and Construction Permits - Last Ten Years	116
Principal Taxpayers (Personal Property Tax)	117
Principal Taxpayers (Real Property Tax)	118
Principal Taxpayers (Income Tax)	119
Principal Employers	120
Miscellaneous Statistics	121

INTRODUCTORY SECTION



NAPOLEON SERVES AS THE COUNTY SEAT FOR HENRY COUNTY.
ABOVE IS THE NEWLY RENOVATED COUNTY COURTHOUSE



City of NAPOLEON, OHIO

255 WEST RIVERVIEW AVENUE • P.O. BOX 151

NAPOLEON, OHIO 43545-0151

PHONE (419) 599-1235

FAX (419) 599-8393

June 10, 2000

To The Honorable Mayor, The Council and The Citizens of the City of Napoleon, Ohio:

I am pleased to present the fourth Comprehensive Annual Financial Report (CAFR) of the City of Napoleon, (the City) for the year ended December 31, 1999. The report has been prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Napoleon to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. I believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

The Report

This report is comprised of three major sections:

1. The Introductory Section includes this Letter of Transmittal which addresses the organization, accomplishments and operational structure of the City, a list of the Principal City Officials, and an Organizational Chart;
2. The Financial Section contains the Report of Independent Accountants, the General Purpose Financial Statements, which include explanatory notes and provide an overview of the City's financial position and operating results, and the Combining Financial Statements of the Individual Funds and Account Groups that provide detailed information to the General Purpose Financial Statements;
3. The Statistical Section presents social, economic, and historical data which can be used to identify financial trends and data relative to the fiscal capacity of the City.

The Reporting Entity

The accompanying general purpose financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all of the organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the reporting entity of the City has no component units, but includes the following services as authorized by its charter: police and fire protection, parks and recreation, planning and zoning, street maintenance and other governmental services. In addition, the City owns and operates a water treatment plant and distribution system, a wastewater treatment plant and collection system, and an electric distribution system and provides refuse collection and recycling services.

Early History

The City of Napoleon is located in Henry County in northwest Ohio and occupies land that was once part of a vast area in this region originally known as "The Great Black Swamp." This expanse of forest, water, and black soil was a tract of land 120 miles in length covering an average breadth of 40 miles. Through it passed a winding river called the "Maumee" so named by the local Native American tribes. The Maumee River provided a natural navigable waterway as well as an abundance of aquatic life. The surrounding forests were filled with many varieties of hardwood trees and wild game. These resources were used by the many tribes that occupied the region and later by the early settlers. The English moved into this area in the later 1700's and fought with the French for control. After the Revolutionary War, the Americans gained title to the area, but the Native Americans possessed it. The Native Americans did not leave the area willingly and were defeated in 1796 by General Anthony Wayne in a very decisive battle at a place called Fallen Timbers. During his campaign against the Native Americans, General Anthony Wayne would often encamp his men along the Maumee where Napoleon is currently located.

After the war of 1812, more trappers, traders, and pioneering farm families began moving into the area, and Henry County was officially formed in 1820. The Miami and Erie Canal, completed in 1843, passed directly through Napoleon. The canal helped to foster development throughout the county, and the town began to grow in both population and industry. Agriculture and agriculture based products were at the heart of the area's early growth. After the Civil War, railroads and better roadways opened the area to further development. By the turn of the 20th century Napoleon had grown into a strong, diversified economy. Today, and looking forward into the 21st century, Napoleon has a thriving community with an economy based on manufacturing, retail sales, various service industries, engineering, and warehousing; all of which add to the continued strength of the traditional agriculture based economy.

The City of Napoleon

The first documented dwelling in Napoleon was a log cabin built in 1832. The town of Napoleon was founded in 1835 and was made the county seat of Henry County. The name of "Napoleon" was first given to the township by a group of Frenchmen who inhabited the area. Local citizens adopted the name and the town was officially incorporated as the Village of Napoleon in 1863. In 1950 the Village of Napoleon officially became the "City of Napoleon."

Located on the Maumee River, the City is about 40 miles southwest of Toledo, Ohio, 50 miles north of Lima, Ohio, 65 miles east of Fort Wayne, Indiana, 110 miles southwest of Detroit, Michigan, and 130 miles west of Cleveland, Ohio. Two national highways, US 6 and US 24 running east and west, bypass on the northern edge of the City. State Routes 108 and 109 run through the City north and south. An entrance to the Ohio Turnpike, Interstate I-80/90 off SR 108, is located 12 miles north of the City, and Interstate I-75 is 25 miles east of the City off US 6. The City has limited rail service through the Miami and Western Railroad with a spur that runs through the City connecting to CSX and Norfolk and Southern to the west in Defiance, Ohio. Main lines of CSX and Norfolk and Southern run east and west through southern Henry County, and north and south lines of Canadian National Railroad are to the east in Wood County. Amtrak service is available in Toledo, Ohio, and Fort Wayne, Indiana. Toledo Express Airport, a full service passenger and freight airport, is located 21 miles to the northeast.

Municipal Services

The City offers a wide variety of services to its Citizens as authorized by its Charter, the Ohio Revised Code, and Administrative Codes. The broad categories of service include: police and fire protection, emergency medical rescue services, street maintenance and sweeping, traffic control, planning and engineering, building and zoning code enforcement, cemetery, community development, municipal court and civil judicial service, recreation programs and parks (including ball fields, playgrounds, picnic areas, a golf course and a boat ramp), and general administrative services. The City does not operate hospitals or schools, nor is it responsible for public assistance programs.

The City also operates four enterprise activities: water treatment and distribution; wastewater collection and treatment; electric distribution for residential, commercial and industrial customers; and residential solid waste collection and disposal, including curbside recycling and a yard waste site.

The City's enterprise activities are not subject to rate review by the Public Utilities Commission of Ohio (PUCO) or any similar regulatory body. The City Council has the necessary authority to establish and amend appropriate user rates as required. The rates are monitored on an on-going basis to ensure their adequacy to meet operational, maintenance, debt service and capital replacement needs. Responsibility for frequency and amount of any rate changes lies solely with the City Council. The Board of Public Affairs, a citizens board appointed by City Council, reviews and makes recommendations to City Council on all enterprise activity including all policies, procedures and rates.

The City is one of 82 member municipalities in American Municipal Power-Ohio (AMP-Ohio). AMP-Ohio is a non-profit corporation organized in Ohio in 1971 for the purpose of owning and operating electric facilities and providing for the generation, transmission and distribution of electric power and energy to its members. AMP-Ohio purchases wholesale electric power and energy and sells it to members at rates based on purchase price plus a small service fee. The organization also develops alternative power sources to best meet members short and long-term needs and operates a power dispatch center 24 hours a day, 365 days a year, to serve its member communities. The City is positioning itself to continue to be an electric provider for the retail choice on electric services.

The City has a joint contract between the City and Henry County for operation of the Community Improvement Corporation. Mutual aide contracts for fire and emergency medical services are between the City, the townships, and Henry County. Henry County operates the health district, in which the City participates contractually, but with no current fiduciary responsibility by agreement.

Form of Government

The Village of Napoleon officially became the "City of Napoleon," in 1950 and the citizens of Napoleon, determined to exercise home rule authority, voted to become a Chartered City effective January 1, 1952. The Charter was amended in its entirety on November 3, 1992, effective January 1, 1993. Recently, the Charter Review Committee proposed charter changes to City Council. These proposed changes will be presented to Napoleon voters in the fall of 2000, and if approved, will become effective on July 1, 2001.

The City operates under and is governed by a Council-Manager form of government. The City is subject to some general laws applicable to all cities and, under the Ohio Constitution, may exercise all powers of local self-government and police powers to the extent that they do not conflict with the Ohio Constitution. The Mayor is separately elected and serves as ceremonial head of the City as provided for by the City Charter. The Mayor exercises all judicial powers conferred upon mayors under Ohio law. Legislative authority is vested in a seven-member Council all of whom are elected at-large for staggered four-year terms. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, including; tax levies, appropriating and borrowing money, licensing and regulating businesses and trades and other municipal services.

General elections are held every two years, alternating with four council seats and then three council seats plus the Mayor. All terms of office are four-year terms. The Municipal Court Judge is separately elected every four years. The presiding officer of the City Council is the Council President, who is elected from among the Council members. The Charter establishes certain administrative departments. The City Council may establish divisions of those departments and other additional departments as needed. The City Manager, Finance Director, Assistant Finance Director, Law Director and Assistant Law Director are all appointed by City Council and serve at the pleasure of Council with no specified terms. All other departments/divisions and their respective positions are established by City Council. City Manager, who has authority over all operational departments except Finance, Law and Municipal Court, appoints all department/division heads. Subject to approval of City Council, the Mayor appoints all boards and commission members.

ECONOMIC CONDITIONS AND OUTLOOK

Local Economy

Economic activity has continued at a steady pace and is projected to remain constant through 2000. The local economy is healthy with continued potential for growth in various areas of manufacturing. Recent expansions include Holgate Metal Fab, B & B Molded Products and Midwest Wood Trim. Commercial development closely follows industrial development with several new businesses starting or expanding in the downtown area. The recent demolition of the former Heller-Aller building, near the downtown, has helped to add space for future potential commercial growth.

The Campbell Soup Supply Company, LLC (Campbell's), a manufacturer of soups and canned products, is located adjacent to the City just outside the City limits and is the largest employer in Henry County. In the latter part of 1998, and projected to continue through 2000, Campbell's has brought additional production capacity to its Napoleon operation with a capital investment of over \$70 million dollars. In 2000, Campbell's is projected to remain stable in employment at one thousand six hundred (1,600) persons. Silgan Can Company is located within the Campbell's complex and employs about two hundred (200) persons. Campbell's chicken noodle, cream of mushroom, tomato and other soups, account for 80% of all canned soup sold in the United States. All of Campbell's V-8 production and a large portion of their "Splash" drink line are manufactured at the Napoleon facility. Campbell's is always looking for ways to enhance the quality of their products while keeping costs at reasonable levels.

Foster Canning, Incorporated, a local canning company, has recently ceased operations and is divesting itself of plant assets. However, the location of the site is a prime commercial area and could attract a major retailer. Other job increases have helped to offset any negative impact on short-term growth. Other regional industries like Alex Products, General Motors, Sauder Woodworking, Northstar Steel and Worthington Steel, which are located within 20 Miles of the City, have seen substantial growth in their respective industries over the past couple of years. In 1999, the City issued 441 residential building permits valued at \$5,066,085, and 101 commercial and industrial building permits valued at \$5,323,497.

The diversity of job opportunities in Henry County has helped the unemployment rate remain consistently lower in the County versus many other parts of the state. As of December 31, 1999, the state recorded an unemployment rate of 4.3%, and the national seasonally adjusted unemployment rate was 4.2%. The unemployment rate in Henry County for the same period was 5.6%. While specific data is unavailable from the Ohio Bureau of Employment Services, it is estimated that the City unemployment rate is approximately 4.0%.

Business

In addition to the agricultural based industries, there are many businesses located directly in Napoleon and in the surrounding area that are associated with the automotive industry producing various automotive parts or tool and die machines used in the manufacture of automobiles. Automotive parts manufactured in Napoleon are shipped for use in various assembly plants throughout Ohio, Michigan, other areas of the Midwest, and foreign countries.

The following are the private and public employers that have the largest work forces and are located in or adjacent to the City:

<u>Employer</u>	<u>Nature of Activity or Business</u>
Campbell Soup Supply Company, LLC	Canned Soups, Beverages, Other Food Products
Tenneco Automotive (Pullman)	Rubber and Metal Shock Attenuation Parts
Henry County	Governmental Services to the County
Napoleon Area City School District	Education - Elementary thru High School
LDM Technologies (Arrow Molded)	Plastic Injection Molding, Auto Trim
City of Napoleon	Governmental Services to the City
Automatic Feed Company	Design/Mfg. of Coil Equipment Processing
Wal-Mart Store	Retail Sales
The Lutheran Home	Long-Term Care Facility
Nursing Home Operators (Northcrest)	Nursing Care and Rehabilitation
Carson Industries (Formerly Vision)	Structural Foam Plastic Molding
Leader Engineering	Custom Fabrication and Machine Design

Excluding Campbell's, which is located outside the City limits, these industries and service providers' employ over 2,000 persons in both full and part-time positions. Campbell's is the largest single employer in the County, and they are estimated to employ 1,600 persons, with another 200 persons employed in the Silgan Can Company.

Future

Several industries and small businesses have recently expanded or are preparing to expand. The PG&E generation project will provide the area with 48 Mega-Watts of peaking power and over \$13 million dollars of improvements and will open additional ground in the industrial park for development. The most recent commercial development has been the addition of a new motel off North Scott Street, a Sports Bar eatery in the downtown, a drug store on the south side of town, the construction of a headquarter office for an insurance company, additional professional office space and a new funeral home. The downtown area continues to have a low vacancy rate. The Perry Street river bridge is set for replacement in 2001. This process will take two years and may impact certain business both positively and negatively. The recently completed US 6/24-interchange project is expected to open additional development sites to the North of the City. The potential improvements on US 24 from Toledo, Ohio, to Fort Wayne, Indiana, known as the "Port to Fort" project, when completed, will position the City as an ideal location for new industry.

MAJOR INITIATIVES

For the Year

The City accomplished numerous undertakings that provide for and promote the welfare of its residents:

- Completed major street improvements and other infrastructure projects.
- Completed major electric distribution line replacements and upgrades.
- Constructed 69 kV electric circuit for peaking generators.
- Installation of a new second inter-connect sub-station and upgrade to the 69 kV electric line.
- Installation of fiber optic backbone cable, part of the second inter-connect project.
- Completed equipment upgrades in the Street, Electric and Police Departments.
- Upgraded various Department computers and software and addressed Y2K issues.
- Completed major renovations to the Municipal City Building.
- Completed major sewer separations on the sanitary sewer system.
- Completed waterline upgrades on the water distribution system.

For the Future

Napoleon plans to continue to update and expand City services to meet the needs of a growing population. A priority for the City is to keep abreast of infrastructure needs and provide for required improvements as growth and development occurs. The following are some of the major goals and projects for the future:

- Enhanced security systems for administration and municipal court building.
- Development of a new City Master Plan to assist in City growth and direction.
- Construction of a new playground in Glenwood Park.
- Development of industrial and commercial sites for expanded and new industries.
- Continued installation of City wide fiber optic system for all City Departments.
- Major equipment purchases in Electric, Fire, Street and Police Departments.
- On-going road improvements and other infrastructure street repair.
- Expansion of water and sewer lines to new development areas in the City.
- Elimination of Sanitary Sewer and Combined Sewer overflows.
- Initial planning for river bridge replacement.

Department Accomplishments

Comprehensive management reviews were conducted on the various departmental operations of the City that have resulted in operational changes, enhancing the efficiency and effectiveness of operations. Continuing education and skill training programs remained a priority item for all departments. Review is currently underway to consider a joint building for electric and engineering departments to better utilize shared services. The City is continuing the process of updating department policies and procedures, and implementing the recently completed revisions to the engineering Rules and Regulations.

FINANCIAL INFORMATION

Accounting Controls

The City's budgetary accounting system was designed to provide reasonable assurance that:

1. The City's assets are protected against loss and unauthorized use or disposition; and
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated using the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and members of the finance office.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Controls

Budgetary control is maintained at the object level for each function within each fund by legislation approved by City Council. The various objects are:

- Personal services
- Contractual Services
- Other Expenditures
- Transfers
- Materials and Supplies
- Capital Outlay
- Debt Service
Principal
Interest

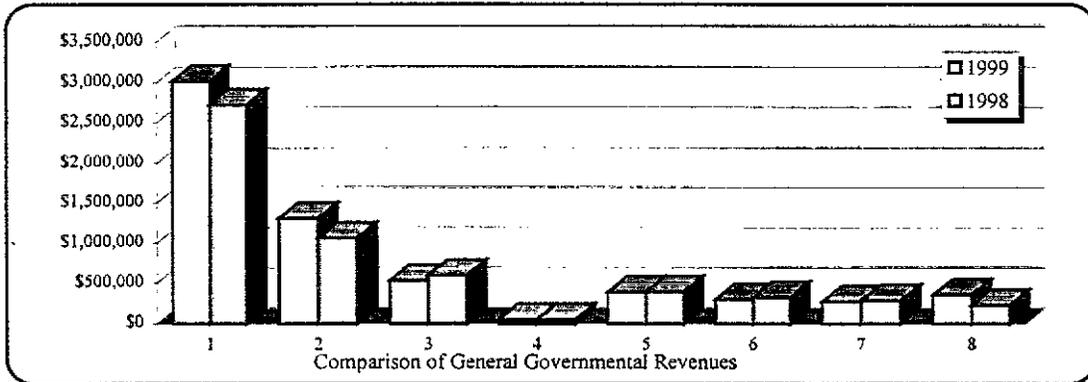
Lower levels within each object are accounted for and reported internally. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level appropriations are not approved unless additional appropriations are authorized. The City Manager has authority to move appropriations within a specific object, but must have legislative approval to move appropriations or supplement appropriations from one object to another. Unencumbered appropriations return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year. Fiscal Year currently coincides with the calendar year.

FINANCIAL HIGHLIGHTS

Governmental Operations

Revenues for general governmental functions (including all governmental fund types except capital projects funds) totaled \$6,228,781, representing an increase of \$556,700 or 9.8% over 1998. The following schedule presents a summary of general governmental revenues for the year ended December 31, 1999, the percentage of total revenues for the year and the amount of increase/(decrease) in relation to 1998 revenue.

Revenue Source	Total 1999 Revenues	Percent of Total	Increase (Decrease) over 1998
1. Taxes	\$3,018,876	48.47%	\$292,118
2. Intergovernmental Revenue	1,311,630	21.06%	244,385
3. Charges for Services	531,657	8.54%	(64,718)
4. Licenses and Permits	50,966	0.82%	1,435
5. Investment Earnings	388,960	6.24%	(3,883)
6. Special Assessments	297,259	4.77%	(27,588)
7. Fines and Forfeitures	271,662	4.36%	(14,753)
8. All Other Revenue	357,771	5.74%	129,704
Total	<u>\$6,228,781</u>	<u>100.00%</u>	<u>\$556,700</u>

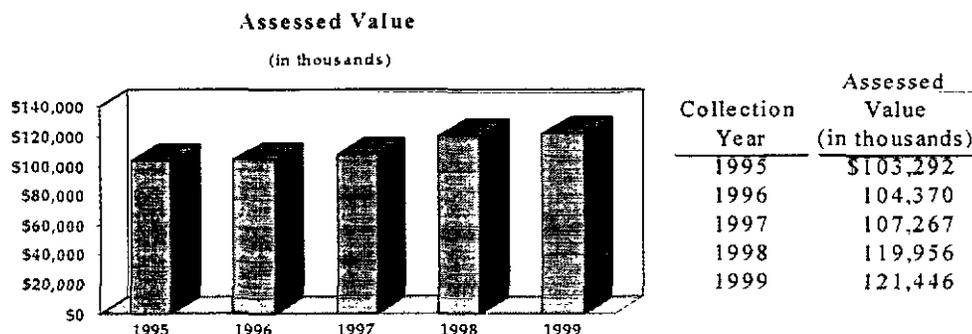


Revenue Narrative

The City's income tax continues to be its primary source of revenue for general government activities with 1999 collections totaling \$2,579,595. The 1.2% tax applies to all wages, salaries, commissions and other compensation paid by employers and/or the net proceeds from the operation of a business, profession or other enterprise activity. Income tax rates of cities within the State of Ohio are limited to a maximum of 1% unless specifically approved by a majority of the resident voters of the city. The initial tax rate of 1.0% started in the 1950's and was increased to 1.2% by voter approval in 1986. The addition of 0.2% was recently re-approved by City residents in 2000, effective in 2001. There was a 9.2% increase in income tax collections from 1998 to 1999, with business and withholding taxes representing the majority of this increase.

Property taxes are levied by the City and are billed and collected at the county level. After collection, the county distributes portions of the taxes collected to the various political subdivisions within its geographic boundaries. The property tax rate for the City is 2.90 mills, which represents \$2.90 per \$1,000 of taxable valuation. The tax rate is applied to the assessed value of the property located within the City. Assessed value is approximately 35% of appraised value. Increases in the property tax rate can only occur with the approval of the City's voters. Revenues from property taxes are used for general fund operations, including Police and Fire Pension Funds. In 1999 property tax revenue collected and forwarded to the City decreased (1.4%), with reductions in both Real Estate and Personal Property Tax.

Total assessed values in the City over the past five years are shown below:



City investment earnings received in 1999 increased approximately 6.1% over 1998. The increase was due to timing of principal maturity dates and the additional balances from the bond and note sales. Interest rates remained stable the first half of 1999, and increased toward the end of the year. The interest earnings for the general governmental functions decreased in 1999 by \$3,883, as a result of interest allocations made based on percentage balance in each respective fund. The City's investment policies are discussed later in more detail under the topic of "Cash Management."

Intergovernmental revenues consist primarily of state income, sales, corporate franchise and public utility taxes collected by the State of Ohio and redistributed to other political subdivisions from the local government fund and local government revenue assistance fund. The State also provides a reimbursement for real and personal property tax reductions, gasoline tax, state-levied motor vehicle license tax, inheritance tax and permissive motor vehicle license tax. These revenues are collected by the State or County and partially redistributed to the City and other political subdivisions. The major increase experienced in the intergovernmental revenues for 1999 was in State Grant Receipts for a Recreation Grant, and in the CDBG, CHIS, and CHIP Housing Grant Funds used for low income housing rehabilitation and renovations.

The decrease in charges for services from 1998 to 1999 can be attributed to above normal collections for EMS transport services in 1998. The 1998 one time increase occurred due to a change in collection practices. There was a small increase in collections reported for the Recreation Fund.

The special assessment revenue will vary with the nature and timing of special assessment projects completed by the City of Napoleon. The decrease is indicative of these timing differences.

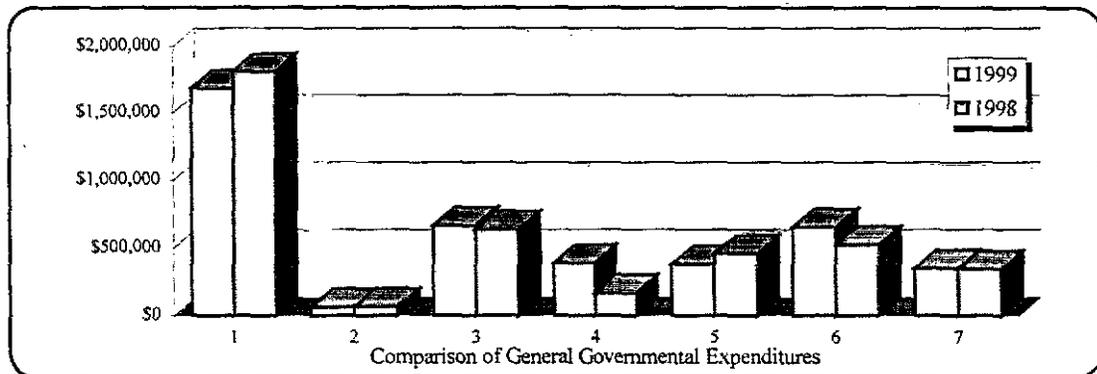
Fines and forfeitures will vary by year dependent on caseload and type of cases filed. There was a slight decrease in 1999.

All other revenue is in a miscellaneous category. This includes a variety of less significant revenue sources, including miscellaneous rental income, donations and certain refunds. This category of revenues increased in 1999 by \$129,704. This increase was from receipts on the sale of an asset with the receipts placed in the Economic Development Fund. Normally however, "other revenue" represents a very minor percentage of the City's total receipts.

General Governmental Expenditures

Expenditures for general governmental purposes, including the general, special revenue and debt service funds, totaled \$4,196,623, representing an increase of \$179,831 or 4.5% over 1998. Expenditures for the major functions of the City, the percentage of total expenditures for 1999 and the amount of increase/(decrease) over 1998 are shown in the following table:

Expenditures	Total 1999 Expenditures	Percent of Total	Increase (Decrease) over 1998
1. Security of Persons and Property	\$1,686,473	40.19%	(\$125,430)
2. Public Health and Welfare Services	62,354	1.49%	(3,877)
3. Leisure Time Activities	665,529	15.86%	28,034
4. Community Environment	390,281	9.30%	223,565
5. Transportation	382,531	9.12%	(77,509)
6. General Government	655,126	15.61%	128,710
7. Debt Service	354,329	8.44%	6,338
Total	\$4,196,623	100.01%	\$179,831



Expenditure Narrative

Expenditures for security of persons and property decreased in 1999 as a result of employee turnover and lower overtime costs in both Police and Fire. There was a decrease in reimbursement expenditures in the EMS Transport Service Fund from 1998 to 1999. Additional EMS Transport Service Funds were earmarked for the purchase of a new Aerial Ladder Truck.

Public health and welfare decreased slightly due to decreased expenditures in Cemetery operation cost.

Leisure time activities increased due to normal wages and benefits, including seasonal wages, for the various programs sponsored by the City. Supply costs to run most programs also increased.

The community environment increase of \$223,565 was due to accelerated expenditures in the CDBG, CHIS and CHIP Housing Grant Funds. These funds are used by low to moderate-income persons for housing rehabilitation and renovations.

Transportation expenditures decreased due to a mild winter resulting in less need for overtime and salt supplies.

General government expenditures increased \$128,710 in 1999 due to normal wages and benefits and the accounting for 27 pays in 1999, versus 26 pays received in 1998.

Proprietary Operations

Enterprise Funds:

The City operates four enterprise funds: water treatment and distribution, wastewater collection and treatment, electric distribution and residential solid waste collection and disposal, which includes curbside recycling and a yardwaste site. Revenues derived from user charges support the enterprise funds.

Certain pertinent data relating to the enterprise operations of the City is presented below.

	Total Assets	Net Income	Return on Assets
Electric	\$19,014,803	\$636,054	3.35%
Water	3,416,389	319,760	9.36%
Sewer	11,544,192	243,944	2.11%
Sanitation	614,327	83,845	13.65%

Internal Service Fund:

The City's internal service fund is used to account for the financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis. The City maintains one internal service fund, which is the Garage Rotary Fund. The purpose of the Garage Rotary Fund is to provide centralized service and repairs on all City-owned vehicles and other specialty equipment. This also includes limited service work on automated computer equipment.

Fiduciary Operations

Trust and agency funds are established to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City maintains two expendable trust funds with assets totaling \$70,894 and a nonexpendable trust fund with assets totaling \$10,566. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Total assets and liabilities of the agency funds of the City amounted to \$8,551.

Debt Administration

The debt service funds accumulate resources for the payment of principal, interest and associated administrative costs on the City's general and special assessment (with governmental commitment) long-term debt. Resources come from enterprise revenues, special assessments and investment earnings.

The City's general obligation bonds have an excellent rating. Moody's Investors Service maintains the City's bond credit rating at "A2." The total bonded general obligation debt of the City at December 31, 1999, was \$1,715,000 in Waterworks System Improvements and \$1,799,000 in special assessment bonds.

In 1998, the City issued \$3,245,000 in 20 year Electric System Revenue Bonds for its 2nd Interconnect Project, and issued \$3,480,000 in 20 year Sewer System Revenue Bonds for its Wastewater Plant Improvements Project. These bond issues will be repaid from the revenues of each respective fund. The principal amount outstanding of revenue backed debt at December 31, 1999, was \$6,505,000. In addition, the City has several loans obtained from the Ohio Water Development Authority (OWDA), which were used to finance the construction of the wastewater treatment plant improvements and waterline improvements. The loans are being repaid from the revenues of the Sewer and Water Funds. The principal amount outstanding of the OWDA loans at December 31, 1999 was \$3,689,988.

In addition to General Obligation and Revenue Backed Debt, the City has a balance of \$222,312 in zero percent (0%) interest loans from Ohio Public Works Commission for an Unimproved Street project, and \$88,341 in deferred loans from Ohio Sewer and Water Rotary Commission for the Palmer Ditch Sewer project.

The ratio of property tax supported general bonded debt to assessed value and the amount of bonded debt per capita are considered to be good indicators to municipal managers, citizens and investors in general governmental debt of the City's debt position. The City's debt position as of December 31, 1999 was as follows:

Overall Legal Debt Margin	\$14,892,702
Unvoted Legal Debt Margin	7,800,939

A more thorough presentation of the calculation of these figures is located in the statistical section of this report.

Cash Management

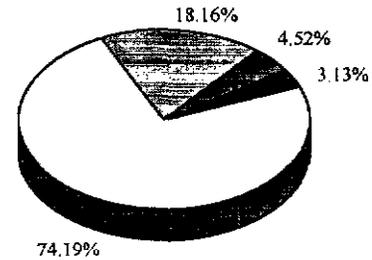
Cash management is an integral component of the City's overall financial plan. The City's goal is to earn a market rate of return consistent with providing the liquidity needed to pay obligations on a timely basis. Cash flow forecasting and the use of short-term investments, such as repurchase agreements and the State Treasurer's Asset Reserve account (STAR Ohio), allows the City to earn interest on all funds.

The City's investments comply with Section 135.14 of the Ohio Revised Code and the maximum maturity is limited to two years. Most investments mature within the current fiscal year. Interest earnings are allocated to funds according to City ordinance. As required by law, all deposits and repurchase agreements are covered by eligible collateral, while the Ohio Revised Code and the City's investment policy specifically permit investment in securities (treasuries and agency/instrumentality issues).

The City's cash resources were invested as follows at December 31, 1999:

Cash Resources	1999	%
STAR Ohio	\$816,786	4.52
Repurchase Agreement	566,546	3.13
Federal Securities	13,417,152	74.19
Cash and Certificates of Deposit	3,283,862	18.16
Total	\$18,084,346	100.00

1999



At December 31, 1999, the City had bank balances of \$4,201,160. Federal depository insurance covered \$202,607 of the bank balance and the rest of the deposits were classified as Category 3. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 110% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority.

The primary objectives of the City's investment program, in order of priority, are as follows:

1. Safety – The safety of principal balances is the City's foremost objective and all investments are undertaken in a manner to insure the preservation of capital.
2. Liquidity – All investments should be sufficiently liquid to meet all operating requirements that can be reasonably anticipated. Since all possible cash demands cannot be anticipated, the investment portfolio should consist of securities with active resale markets, and with no measure of possible erosion in response to interest rate shifts.
3. Yield – Return on investment is of least importance compared to the safety and liquidity objectives described above. Investments are limited to low risk securities with the expectation of earning a fair return relative to the risk assumed.

All eligible financial institutions must meet the requirements of the Uniform Depository Act, which requires the financial institution to maintain a full service facility located in the City of Napoleon and to have a current Agreement for Deposit of Interim Funds with the City.

Authorized investments are described in detail in Note 3 of the footnotes to the general purpose financial statements included within the financial section of this Comprehensive Annual Financial Report. The City seeks to utilize those funds not needed for daily obligations most effectively by purchasing marketable, short-term instruments at higher yields. Currently, the City uses short-term treasury notes, agency/instrumentality discount notes, and bank certificates of deposit in its investment program. The yield curve and the yield spreads direct the City toward those instruments providing the highest, short-term yield at the time of the investment. The City uses eligible financial institutions as specified in the Ohio Revised Code for deposit and securities transactions. All depository relationships are based on requirements within the Ohio Revised Code. All securities are currently placed in safekeeping with National City Bank, Cleveland, Ohio.

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. The City participates with other cities in the Buckeye Ohio Risk Management Agency, Inc., (BORMA, Inc.) in jointly funded risk financing programs administered by Arthur J. Gallagher & Co. The BORMA, Inc. programs include two separate pools, which provide separate and distinct coverages.

The first pool provides comprehensive automobile liability, automobile physical damage, comprehensive general liability, crime and property liability and public officials liability coverage up to specified limits. The pool includes the following municipalities: Bowling Green, Defiance, Huron, Napoleon, Sandusky and Willard. Member contributions are calculated annually to produce a sufficient sum of money within the pool to fund administrative expenses and to create reserves for claims. On December 31, 1999, the pool cash reserves were \$706,627, which, in the opinion of management, is adequate for any claims against the pool. The amount of risk retained within the pool in 1999 was \$25,000 per claim, with a stop loss of \$250,000. Claims in excess of \$25,000 up to \$10,000,000 are covered by Coregis Insurance Company and Guaranty National Insurance Company.

The second pool is for employee benefits and includes life insurance, accidental death and dismemberment insurance, health insurance and prescription drug insurance. Each member has an option on the coverage it has elected to provide for its employees. Napoleon provides to its employees all available options offered by the pool. The employee benefits pool includes the following municipalities: Archbold, Bowling Green, Carey, Clyde, Defiance, Fayette, Harrison, Hicksville, Huron, Napoleon, Oberlin, Sandusky, Upper Sandusky and Willard. On December 31, 1999, the pool had cash reserves of \$1,018,242 and, in the opinion of management, is adequate for any claims against the pool.

Premiums are paid to the employee benefits pool at a cost of \$365.41 for family coverage and \$144.26 for single coverage. Life insurance monthly premium is \$6.20. During 1999 the City paid \$389,531 of premiums into the pool for coverage. The cost of coverage is paid by the fund that pays the salary of the individual employees. The amount of risk retained within the employee benefits pool is \$75,000 per individual with excess claims coverage provided by the Lloyds of London Insurance Company.

The individual BORMA, Inc. members are not considered "participants having equity interest" as defined by GASB Statement No. 14 since members have no rights to any assets of BORMA, Inc. other than possible residual claims upon dissolution. Therefore, BORMA, Inc. is a multi-jurisdictional arrangement that has the characteristics of a joint venture but has additional features that distinguish it, for financial reporting purposes, from the traditional joint venture defined in GASB Statement No. 14.

BORMA, Inc. has the ability to require the member cities to make supplemental payments in the event reserves are not adequate to cover claims. The probability of this occurring is considered remote due to the adequacy of the pool reserves and premium levels, therefore, no amounts have been reserved in the financial statements. Audited financial statements are maintained separately by BORMA, Inc.

The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll plus administrative costs. The rate is determined based upon the accident history of the Ohio Rural Water Association (ORWA) joint rating pool, of which the City became a member in 1999. The City reviews closely all Workers' Compensation claims to control costs.

Current safety policies and training have been, and are provided on an ongoing basis. This includes various types of safety training for the specific departments, drivers training, a drug free workplace policy with training, and a sexual harassment policy with training. Recently, the City has provided safety training on safe lifting and back training and other various safety programs.

OTHER INFORMATION

Independent Audit

Included in this report is an unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 1999, by the Auditor of State in Ohio. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities that qualify. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year only. The City received a Certificate of Achievement for the fiscal year ended December 31, 1998. I believe this, our fourth Comprehensive Annual Financial Report, meets the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting, so therefore, I am submitting it to GFOA.

Public Disclosure

The publication of this Comprehensive Annual Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Napoleon, the recipients of this report include city, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is indicative of the continued efforts of the City to improve its overall financial accounting, management and reporting capabilities.

Acknowledgments

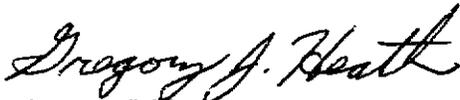
The City is grateful to the many agencies and organizations that continue to contribute to make this report possible, including the Henry County Auditor's Office, the Henry County Chamber of Commerce and the Audit Division of the State Auditor's Office. Special credits go to the Northwest Signal who provided the wonderful photographs shown in this document, and to Ms. Andrea Borstelman for her artistic contribution to the front cover.

Sincere appreciation is also extended to the many individuals who have worked diligently and contributed significant time and effort in gathering data for this report, particularly the staff of Donald J. Schonhardt & Associates, Inc., who through their continued knowledge and professionalism help make this annual project become a reality.

A thank you is extended to the Members of City Council, the Mayor and the City Administration for the support and trust shown to the Finance Department. Also for allocating the resources and time for the development of this report, which demonstrates the City's commitment to conform to reporting requirements established for municipal governments, and to maintain the sound financial position the City has enjoyed for many years. A final thank you to the Citizens of Napoleon, Ohio, who continue to support the many decisions made by the City in its financial operations.

Finally, I would especially like to recognize my staff, all of whom exhibited dedication and proficiency throughout the many hours required in preparing this report. A special thank you is extended to Mr. Ted Rohrs, Assistant Finance Director, who again was assigned the difficult task of overseeing this project from start to finish and has proved invaluable in the process.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gregory J. Heath".

Gregory J. Heath
Director of Finance

**THE CITY OF NAPOLEON, OHIO
HENRY COUNTY
PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 1999**

Elected Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>	<u>Years of Service</u>	<u>Surety</u>
Don Stange	Mayor	12/31/99	3	A
Mike DeWit	President of Council	12/31/99	7	A
Jim Hershberger	Council	12/31/01	13	A
Glen Miller	Council	12/31/01	1	A
David Miller	Council	12/31/01	1	A
Travis Sheaffer	Council	12/31/01	5	A
Terri Williams	Council	12/31/99	13	A
Char Weber	Council	12/31/99	2.5	A
John Collier	Municipal Judge	12/31/99	4	A

Appointed Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>	<u>Years of Service</u>	<u>Surety</u>
Jon Bisher	City Manager	Indefinite	1	A
Gregory Heath	Director of Finance	Indefinite	4	A
Ted Rohrs	Asst. Director of Finance	Indefinite	13	A
Betty Marihugh	Clerk of Courts	Indefinite	16	A & B
David Grahn	Law Director	Indefinite	6	A

(A) BORMA Insurance Company, \$50,000

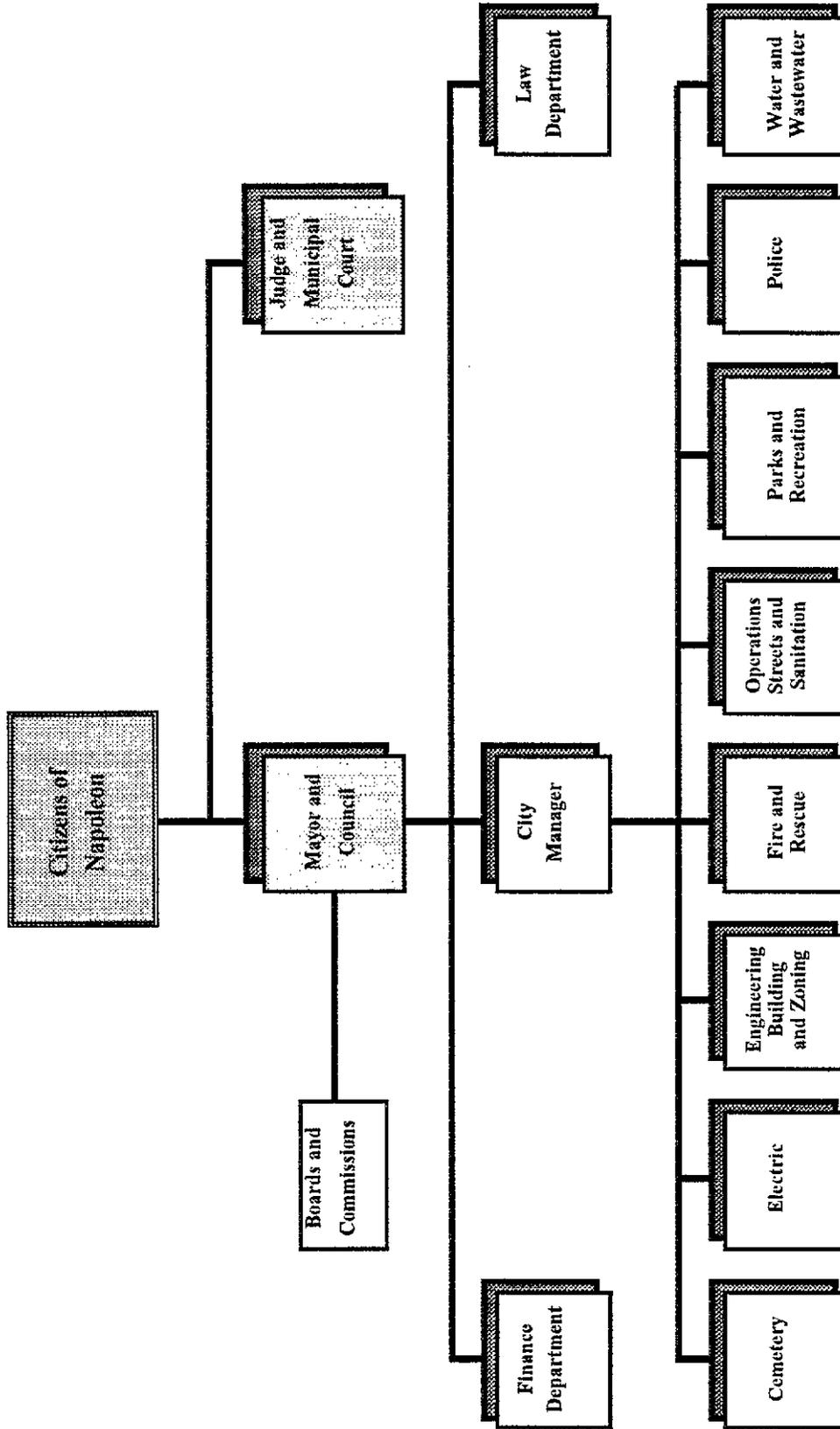
(B) Western Surety Insurance Company, \$12,000

City Address:

City of Napoleon
255 West Riverview Avenue
Napoleon, Ohio 43545

The City of Napoleon, Ohio

Organizational Chart



Boards and Commissions

- Board of Public Affairs
- Civil Service Commission
- Charter Review Commission
- Board of Building Appeals
- Volunteer Firefighters Pension Board
- Lodge Tax and Advisory Control Board
- Planning Commission
- Americans with Disabilities Act Compliance Board
- Board of Zoning Appeals
- Tree Commission
- Parks and Recreation Board
- Records Retention Commission

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Napoleon,
Ohio

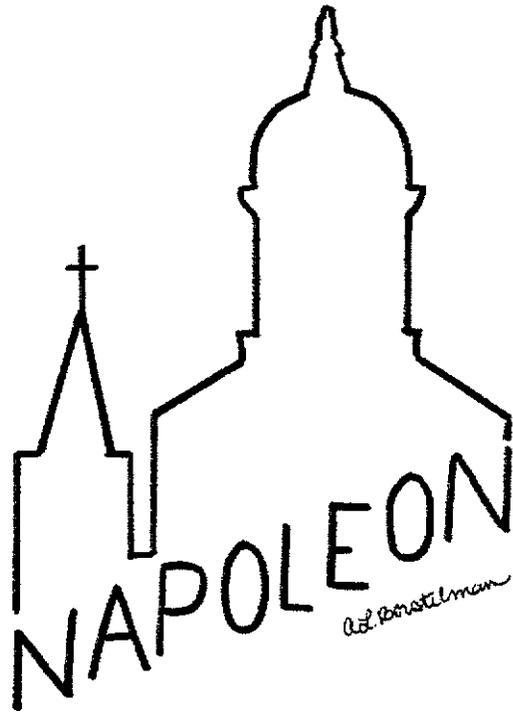
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1998

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



Cary Brubaker
President

Jeffrey L. Essler
Executive Director



FINANCIAL SECTION



ABOVE IS THE NAPOLEON CITY BUILDING
A MAJOR PROJECT FOR THE YEAR WAS THE COMPLETE EXTERIOR RENOVATION
CONSISTING OF A NEW BRICK FAÇADE, SIDING AND ROOF.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

City of Napoleon
Henry County
255 West Riverview Avenue
Napoleon, Ohio 43545-1766

To the Honorable Mayor and Members of Council:

We have audited the accompanying general-purpose financial statements of the City of Napoleon, Henry County, (the City) as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated June 7, 2000 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

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

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

Jim Petro
Auditor of State

June 7, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 1999 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY AND NONEXPENDABLE TRUST FUNDS FOR THE YEAR THEN ENDED.

THE CITY OF NAPOLEON, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999

	<i>Governmental</i>			
	<i>Fund Types</i>			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
Assets and Other Debits:				
Assets:				
Cash and Cash Equivalents	\$3,989	\$228,539	\$400	\$1,498
Investments	2,773,012	1,473,921	277,799	1,045,674
Receivables (net of allowance for doubtful accounts):				
Taxes	886,423	110,265	0	0
Accounts	32,116	90,614	0	0
Special Assessments	0	0	2,612,861	0
Interest	156,363	30,978	13,138	6,185
Intergovernmental Receivables	25,626	25,206	0	0
Inventory of Supplies at Cost	6,266	35,702	0	0
Investment in Joint Ventures	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Fixed Assets (net of accumulated depreciation)	0	0	0	0
Construction in Progress	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided for General Long-Term Obligations	0	0	0	0
Total Assets and Other Debits	\$3,883,795	\$1,995,225	\$2,904,198	\$1,053,357

THE CITY OF NAPOLEON, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999

<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		Totals (Memorandum Only)
Enterprise Funds	Internal Service Fund	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$139,968	\$68,187	\$90,011	\$0	\$0	\$532,592
11,346,746	0	0	0	0	16,917,152
0	0	0	0	0	996,688
1,916,018	0	0	0	0	2,038,748
1,945,397	0	0	0	0	4,558,258
272,829	0	0	0	0	479,493
0	0	0	0	0	50,832
1,138,176	0	0	0	0	1,180,144
293,002	0	0	0	0	293,002
634,602	0	0	0	0	634,602
14,504,238	10,611	0	6,713,707	0	21,228,556
2,398,735	0	0	0	0	2,398,735
0	0	0	0	281,696	281,696
0	0	0	0	2,080,900	2,080,900
<u>\$34,589,711</u>	<u>\$78,798</u>	<u>\$90,011</u>	<u>\$6,713,707</u>	<u>\$2,362,596</u>	<u>\$53,671,398</u>

(Continued)

THE CITY OF NAPOLEON, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999

	<i>Governmental</i>			
	<i>Fund Types</i>			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
Liabilities, Equity and Other Credits:				
Liabilities:				
Accounts Payable	\$8,090	\$17,037	\$0	\$122,084
Accrued Wages and Benefits	118,227	89,111	0	0
Due to Others	0	0	0	0
Accrued Interest Payable	0	0	0	10,341
Customer Deposits	0	0	0	0
Deferred Revenue	428,994	132,997	2,622,502	4,539
General Obligation Notes Payable	0	0	0	540,000
Compensated Absences Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Special Assessment Bonds Payable with Governmental Commitment	0	0	0	0
Mortgage Revenue Bonds Payable	0	0	0	0
Ohio Sewer and Water Rotary Commission Deferred Loan Payable	0	0	0	0
Ohio Public Works Commission Loan Payable	0	0	0	0
Ohio Water Development Authority Loans Payable	0	0	0	0
Total Liabilities	555,311	239,145	2,622,502	676,964
Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	30,542	24,990	0	57,555
Reserved for Supplies Inventory	6,266	35,702	0	0
Reserved for Endowments	0	0	0	0
Reserved for Debt Service	0	0	281,696	0
Unreserved:				
Undesignated	3,291,676	1,695,388	0	318,838
Total Equity and Other Credits	3,328,484	1,756,080	281,696	376,393
Total Liabilities, Equity and Other Credits	\$3,883,795	\$1,995,225	\$2,904,198	\$1,053,357

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF NAPOLEON, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999

<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		Totals (Memorandum Only)
Enterprise Funds	Internal Service Fund	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$651,370	\$395	\$0	\$0	\$0	\$798,976
83,092	4,937	0	0	0	295,367
0	0	9,171	0	0	9,171
0	0	0	0	0	10,341
20,592	0	0	0	0	20,592
0	0	0	0	0	3,189,032
0	0	0	0	0	540,000
150,971	6,551	0	0	341,284	498,806
1,715,000	0	0	0	0	1,715,000
0	0	0	0	1,799,000	1,799,000
6,505,000	0	0	0	0	6,505,000
88,341	0	0	0	0	88,341
0	0	0	0	222,312	222,312
3,689,988	0	0	0	0	3,689,988
<u>12,904,354</u>	<u>11,883</u>	<u>9,171</u>	<u>0</u>	<u>2,362,596</u>	<u>19,381,926</u>
0	0	0	6,713,707	0	6,713,707
3,672,162	1,495	0	0	0	3,673,657
18,013,195	65,420	0	0	0	18,078,615
0	0	0	0	0	113,087
0	0	0	0	0	41,968
0	0	10,566	0	0	10,566
0	0	0	0	0	281,696
0	0	70,274	0	0	5,376,176
<u>21,685,357</u>	<u>66,915</u>	<u>80,840</u>	<u>6,713,707</u>	<u>0</u>	<u>34,289,472</u>
<u>\$34,589,711</u>	<u>\$78,798</u>	<u>\$90,011</u>	<u>\$6,713,707</u>	<u>\$2,362,596</u>	<u>\$53,671,398</u>

THE CITY OF NAPOLEON, OHIO
COMBINED STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	<i>Governmental</i>			<i>Fiduciary</i>		Totals (Memorandum Only)
	<i>Fund Types</i>			<i>Fund Type</i>		
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Expendable Trust Funds	
Revenues:						
Taxes	\$2,821,896	\$196,980	\$0	\$0	\$0	\$3,018,876
Intergovernmental Revenues	475,076	836,554	0	133,687	0	1,445,317
Charges for Services	124,490	407,167	0	0	4,948	536,605
Licenses and Permits	50,966	0	0	0	0	50,966
Investment Earnings	309,485	57,834	21,641	10,488	0	399,448
Special Assessments	0	0	297,259	0	0	297,259
Fines and Forfeitures	207,259	64,403	0	0	0	271,662
All Other Revenues	93,495	264,276	0	35,028	0	392,799
Total Revenues	<u>4,082,667</u>	<u>1,827,214</u>	<u>318,900</u>	<u>179,203</u>	<u>4,948</u>	<u>6,412,932</u>
Expenditures:						
Current:						
Security of Persons and Property	1,403,647	282,826	0	0	0	1,686,473
Public Health and Welfare Services	62,354	0	0	0	0	62,354
Leisure Time Activities	0	665,529	0	0	0	665,529
Community Environment	67,241	323,040	0	0	0	390,281
Transportation	0	382,531	0	0	0	382,531
General Government	599,387	52,028	3,711	0	0	655,126
Capital Outlay	0	0	0	1,678,677	0	1,678,677
Debt Service:						
Principal Retirements	0	0	225,352	0	0	225,352
Interest and Fiscal Charges	0	0	128,977	10,341	0	139,318
Total Expenditures	<u>2,132,629</u>	<u>1,705,954</u>	<u>358,040</u>	<u>1,689,018</u>	<u>0</u>	<u>5,885,641</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,950,038	121,260	(39,140)	(1,509,815)	4,948	527,291
Other Financing Sources (Uses):						
Operating Transfers In	39,940	789,840	12,360	1,282,080	0	2,124,220
Operating Transfers Out	(1,644,920)	(315,390)	0	(128,910)	0	(2,089,220)
Total Other Financing Sources (Uses)	<u>(1,604,980)</u>	<u>474,450</u>	<u>12,360</u>	<u>1,153,170</u>	<u>0</u>	<u>35,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	345,058	595,710	(26,780)	(356,645)	4,948	562,291
Fund Balance Beginning of Year	2,980,429	1,175,970	308,476	733,038	65,326	5,263,239
Increase (Decrease) in Inventory Reserve	2,997	(15,600)	0	0	0	(12,603)
Fund Balance End of Year	<u>\$3,328,484</u>	<u>\$1,756,080</u>	<u>\$281,696</u>	<u>\$376,393</u>	<u>\$70,274</u>	<u>\$5,812,927</u>

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF NAPOLEON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$2,749,868	\$2,749,904	\$36	\$196,982	\$196,980	(\$2)
Intergovernmental Revenues	474,535	474,515	(20)	836,951	836,948	(3)
Charges for Services	123,508	123,508	0	444,443	444,445	2
Licenses and Permits	50,967	50,966	(1)	0	0	0
Investment Earnings	326,141	326,146	5	62,235	62,231	(4)
Special Assessments	0	0	0	0	0	0
Fines and Forfeitures	221,776	221,776	0	63,441	63,443	2
All Other Revenues	93,147	93,495	348	398,683	398,678	(5)
Total Revenues	4,039,942	4,040,310	368	2,002,735	2,002,725	(10)
Expenditures:						
Current:						
Security of Persons and Property	1,500,409	1,471,550	28,859	301,811	277,574	24,237
Public Health and Welfare Services	64,680	63,858	822	0	0	0
Leisure Time Activities	0	0	0	687,979	677,618	10,361
Community Environment	67,610	66,344	1,266	326,800	310,968	15,832
Transportation	0	0	0	474,268	416,053	58,215
General Government	712,478	656,637	55,841	52,540	52,028	512
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	2,345,177	2,258,389	86,788	1,843,398	1,734,241	109,157
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,694,765	1,781,921	87,156	159,337	268,484	109,147
Other Financing Sources (Uses):						
Proceeds from General Obligation Notes	0	0	0	0	0	0
Operating Transfers In	39,940	39,940	0	789,840	789,840	0
Operating Transfers Out	(1,646,220)	(1,644,920)	1,300	(315,390)	(315,390)	0
Total Other Financing Sources (Uses)	(1,606,280)	(1,604,980)	1,300	474,450	474,450	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	88,485	176,941	88,456	633,787	742,934	109,147
Fund Balance at Beginning of Year	2,573,228	2,573,228	0	911,768	911,768	0
Prior Year Encumbrances	5,858	5,858	0	28,818	28,818	0
Fund Balance at End of Year	\$2,667,571	\$2,756,027	\$88,456	\$1,574,373	\$1,683,520	\$109,147

The notes to the general purpose financial statements are an integral part of this statement.

(Continued)

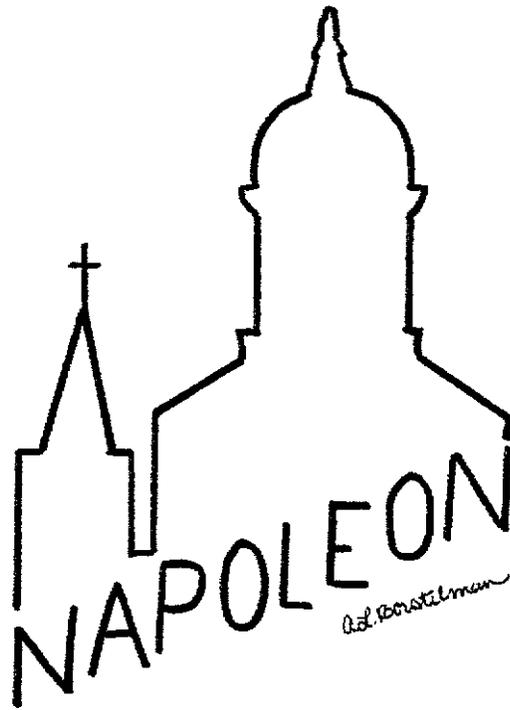
THE CITY OF NAPOLEON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	<i>Debt Service Fund</i>			<i>Capital Projects Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenues	0	0	0	133,687	133,687	0
Charges for Services	0	0	0	0	0	0
Licenses and Permits	0	0	0	0	0	0
Investment Earnings	23,515	23,515	0	9,241	9,240	(1)
Special Assessments	297,259	297,259	0	0	0	0
Fines and Forfeitures	0	0	0	0	0	0
All Other Revenues	0	0	0	35,030	35,028	(2)
Total Revenues	320,774	320,774	0	177,958	177,955	(3)
Expenditures:						
Current:						
Security of Persons and Property	0	0	0	0	0	0
Public Health and Welfare Services	0	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
General Government	3,990	3,711	279	0	0	0
Capital Outlay	0	0	0	1,781,279	1,739,596	41,683
Debt Service:						
Principal Retirement	225,360	225,352	8	0	0	0
Interest and Fiscal Charges	128,980	128,977	3	0	0	0
Total Expenditures	358,330	358,040	290	1,781,279	1,739,596	41,683
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,556)	(37,266)	290	(1,603,321)	(1,561,641)	41,680
Other Financing Sources (Uses):						
Proceeds from General Obligation Notes	0	0	0	540,000	540,000	0
Operating Transfers In	12,360	12,360	0	1,282,080	1,282,080	0
Operating Transfers Out	0	0	0	(128,910)	(128,910)	0
Total Other Financing Sources (Uses)	12,360	12,360	0	1,693,170	1,693,170	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(25,196)	(24,906)	290	89,849	131,529	41,680
Fund Balance at Beginning of Year	304,254	304,254	0	693,606	693,606	0
Prior Year Encumbrances	0	0	0	42,398	42,398	0
Fund Balance at End of Year	\$279,058	\$279,348	\$290	\$825,853	\$867,533	\$41,680

(Continued)

THE CITY OF NAPOLEON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	<i>Expendable Trust Funds</i>			<i>Totals (Memorandum Only)</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$0	\$0	\$0	\$2,946,850	\$2,946,884	\$34
Intergovernmental Revenues	0	0	0	1,445,173	1,445,150	(23)
Charges for Services	4,948	4,948	0	572,899	572,901	2
Licenses and Permits	0	0	0	50,967	50,966	(1)
Investment Earnings	0	0	0	421,132	421,132	0
Special Assessments	0	0	0	297,259	297,259	0
Fines and Forfeitures	0	0	0	285,217	285,219	2
All Other Revenues	385	383	(2)	527,245	527,584	339
Total Revenues	5,333	5,331	(2)	6,546,742	6,547,095	353
Expenditures:						
Current:						
Security of Persons and Property	0	0	0	1,802,220	1,749,124	53,096
Public Health and Welfare Services	0	0	0	64,680	63,858	822
Leisure Time Activities	0	0	0	687,979	677,618	10,361
Community Environment	0	0	0	394,410	377,312	17,098
Transportation	0	0	0	474,268	416,053	58,215
General Government	500	359	141	769,508	712,735	56,773
Capital Outlay	0	0	0	1,781,279	1,739,596	41,683
Debt Service:						
Principal Retirement	0	0	0	225,360	225,352	8
Interest and Fiscal Charges	0	0	0	128,980	128,977	3
Total Expenditures	500	359	141	6,328,684	6,090,625	238,059
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,833	4,972	139	218,058	456,470	238,412
Other Financing Sources (Uses):						
Proceeds from General Obligation Notes	0	0	0	540,000	540,000	0
Operating Transfers In	0	0	0	2,124,220	2,124,220	0
Operating Transfers Out	0	0	0	(2,090,520)	(2,089,220)	1,300
Total Other Financing Sources (Uses)	0	0	0	573,700	575,000	1,300
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	4,833	4,972	139	791,758	1,031,470	239,712
Fund Balance at Beginning of Year	65,922	65,922	0	4,548,778	4,548,778	0
Prior Year Encumbrances	0	0	0	77,074	77,074	0
Fund Balance at End of Year	\$70,755	\$70,894	\$139	\$5,417,610	\$5,657,322	\$239,712



THE CITY OF NAPOLEON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	<i>Proprietary</i>		<i>Fiduciary</i>	Totals (Memorandum Only)
	<i>Fund Types</i>		<i>Fund Type</i>	
	Enterprise Funds	Internal Service Fund	Nonexpendable Trust Fund	
<u>Operating Revenues:</u>				
Charges for Services	\$13,948,736	\$124,921	\$0	\$14,073,657
Other Charges for Services	49,297	6,909	0	56,206
Other Operating Revenues	3,853	0	0	3,853
Total Operating Revenues	14,001,886	131,830	0	14,133,716
<u>Operating Expenses:</u>				
Personal Services	1,482,965	88,812	0	1,571,777
Materials and Supplies	516,838	75,079	0	591,917
Contractual Services	619,554	22	0	619,576
Utilities	8,295,099	720	0	8,295,819
Depreciation	542,179	2,254	0	544,433
Other Operating Expenses	1,076,853	0	0	1,076,853
Total Operating Expenses	12,533,488	166,887	0	12,700,375
Operating Income (Loss)	1,468,398	(35,057)	0	1,433,341
<u>Non-Operating Revenues (Expenses):</u>				
Gain on Investment in Joint Ventures	13,313	0	0	13,313
Investment Earnings	589,972	0	0	589,972
Interest and Fiscal Charges	(703,080)	0	0	(703,080)
Total Non-Operating Revenues (Expenses)	(99,795)	0	0	(99,795)
Income (Loss) Before Operating Transfers	1,368,603	(35,057)	0	1,333,546
<u>Operating Transfers:</u>				
Operating Transfers In	0	50,000	0	50,000
Operating Transfers Out	(85,000)	0	0	(85,000)
Total Operating Transfers	(85,000)	50,000	0	(35,000)
Net Income	1,283,603	14,943	0	1,298,546
Retained Earnings/Fund Balance at Beginning of Year	16,729,592	50,477	10,566	16,790,635
Retained Earnings/Fund Balance at End of Year	\$18,013,195	\$65,420	\$10,566	\$18,089,181

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF NAPOLEON, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Fund	Nonexpendable Trust Fund	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$13,541,087	\$131,830	\$0	\$13,672,917
Cash Payments for Goods and Services	(10,881,841)	(76,721)	0	(10,958,562)
Cash Payments to Employees	(1,516,940)	(92,066)	0	(1,609,006)
Net Cash Provided (Used) by Operating Activities	<u>1,142,306</u>	<u>(36,957)</u>	<u>0</u>	<u>1,105,349</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers In from Other Funds	0	50,000	0	50,000
Transfers Out to Other Funds	(85,000)	0	0	(85,000)
Receipts of Special Assessments	138,791	0	0	138,791
Net Cash Provided by Noncapital Financing Activities	<u>53,791</u>	<u>50,000</u>	<u>0</u>	<u>103,791</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition and Construction of Assets	(2,380,759)	(2,212)	0	(2,382,971)
Receipts of Intergovernmental Grants	102,484	0	0	102,484
Principal Paid on General Obligation Bonds	(55,000)	0	0	(55,000)
Principal Paid on Mortgage Revenue Bonds	(201,667)	0	0	(201,667)
Principal Paid on Ohio Water Development Authority Loans	(215,844)	0	0	(215,844)
Interest Paid on All Debt	(703,080)	0	0	(703,080)
Net Cash Used for Capital and Related Financing Activities	<u>(3,453,866)</u>	<u>(2,212)</u>	<u>0</u>	<u>(3,456,078)</u>
<u>Cash Flows from Investing Activities:</u>				
Purchase of Investments	(317,961)	0	0	(317,961)
Sale of Investments	1,622,809	0	0	1,622,809
Receipts of Interest	588,693	0	0	588,693
Net Cash Provided by Investing Activities	<u>1,893,541</u>	<u>0</u>	<u>0</u>	<u>1,893,541</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(364,228)	10,831	0	(353,397)
Cash and Cash Equivalents at Beginning of Year	1,138,798	57,356	10,566	1,206,720
Cash and Cash Equivalents at End of Year	<u>\$774,570</u>	<u>\$68,187</u>	<u>\$10,566</u>	<u>\$853,323</u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>				
Cash and Cash Equivalents	\$139,968	\$68,187	\$90,011	\$298,166
Add: Restricted Cash and Cash Equivalents	634,602	0	0	634,602
Less: Cash and Cash Equivalents in Agency Funds	0	0	(8,551)	(8,551)
Less: Cash and Cash Equivalents in Expendable Trust Funds	0	0	(70,894)	(70,894)
Cash and Cash Equivalents at End of Year	<u>\$774,570</u>	<u>\$68,187</u>	<u>\$10,566</u>	<u>\$853,323</u>

(Continued)

THE CITY OF NAPOLEON, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Fund	Nonexpendable Trust Fund	
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	\$1,468,398	(\$35,057)	\$0	\$1,433,341
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	542,179	2,254	0	544,433
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(460,799)	0	0	(460,799)
Increase in Inventory	(506,634)	0	0	(506,634)
Decrease in Prepaid Items	21,383	0	0	21,383
Increase (Decrease) in Accounts Payable	121,017	(900)	0	120,117
Decrease in Accrued Wages and Benefits	(54,201)	(1,005)	0	(55,206)
Decrease in Intergovernmental Payable	(36)	0	0	(36)
Decrease in Customer Deposits	(9,227)	0	0	(9,227)
Increase (Decrease) In Compensated Absences	20,226	(2,249)	0	17,977
Total Adjustments	(326,092)	(1,900)	0	(327,992)
Net Cash Provided (Used) by Operating Activities	<u>\$1,142,306</u>	<u>(\$36,957)</u>	<u>\$0</u>	<u>\$1,105,349</u>

Schedule of Noncash Investing, Capital and Financing Activities:

During 1999 the fair value of investments decreased by \$33,241, \$3,181, \$8,322 and \$2,196 in the Electric, Water, Sewer and Sanitation Funds respectively.

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF NAPOLEON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Napoleon, Ohio (the City) is a home rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter, which provides for a Council/Manager form of government. The Charter was adopted November 7, 1950 and became effective January 1, 1952. The current Charter, as amended, was adopted November 3, 1992 and became effective January 1, 1993.

The accompanying general purpose financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types and the cash flows of the proprietary and similar trust funds. The financial statements are presented as of December 31, 1999 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying general purpose financial statements comply with the provisions of the GASB Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, account groups, agencies, boards and commissions that are part of the primary government, which include the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and other governmental services. In addition, the City owns and operates a water treatment and distribution system, a wastewater treatment and collection system, an electric distribution system and provides refuse collection services all of which are reported as enterprise funds.

1. Joint Ventures with Equity Interest

Ohio Municipal Electric Generation Agency Joint Venture 3 (Omega JV-3) - The City is a participant with thirteen subdivisions within the State of Ohio in a joint venture to provide supplemental reserve electric power to the participants on a cooperative basis. The Omega JV-3 was created for that purpose. The Omega JV-3 is managed by AMP-Ohio which acts as the joint venture's agent. See Note 14 "Joint Ventures."

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

1. Joint Ventures with Equity Interest (Continued)

Ohio Municipal Electric Generation Agency Joint Venture 5 (Omega JV-5) - The City is a participant with forty-two subdivisions within the State of Ohio in a joint venture to construct a hydroelectric plant and associated transmission facilities in West Virginia on the Ohio River at the Belleville Locks and Dam and receive electricity from its operation. The Omega JV-5 was created for that purpose. See Note 14 "Joint Ventures."

2. Joint Ventures without Equity Interest

Community Improvement Corporation - The City, along with Henry County is a participant in the joint venture to operate the Community Improvement Corporation (CIC). The corporation's duties are to advance, encourage and promote the industrial, economic, commercial and civic development of the City of Napoleon and Henry County. See Note 14 "Joint Ventures."

B. Basis of Presentation - Fund Accounting

The accounting policies and financial reporting practices of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies:

The accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's governmental fund types:

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the limitations of the City Charter.

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

Debt Service Fund - This fund is used for the accumulation of resources for, and the payment of, general obligation and special assessment long-term debt principal and interest other than those accounted for in the proprietary funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

Proprietary Funds

All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, whereby the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City maintains separate enterprise funds for its water, sewer, electric and refuse collection services.

Internal Service Fund - This fund is used to account for the financing of services provided by one department to other departments or agencies of the governmental unit or to other governmental units on a cost-reimbursement basis. The City created the Central Garage Rotary Internal Service Fund to account for revenues and expenses associated with maintaining the City's motor transport equipment.

Fiduciary Funds

Trust and Agency Funds - These funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City maintains expendable trust funds, a nonexpendable trust fund and agency funds. Expendable trust funds are accounted for and reported similarly to governmental funds. The nonexpendable trust fund is accounted for in essentially the same manner as the proprietary funds since capital maintenance is critical. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

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

General Fixed Assets Account Group - This account group is established to account for fixed assets of the City other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt of the City except those accounted for in the proprietary funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds, expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, state levied locally shared taxes (including motor vehicle license fees and local government assistance). Income taxes other than those withheld by employers, licenses, permits, charges for service and other miscellaneous revenues are recorded as revenue when received in cash because generally this revenue is not measurable until received.

Special assessment installments including related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenue. Property taxes, which are measurable at December 31, 1999 but are not intended to finance 1999 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred revenue as further described in See Note 4.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds and the nonexpendable trust fund. Revenues are recognized when they are earned and expenses recognized when incurred.

Pursuant to GASB Statement No. 20, *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,"* the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

D. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental and expendable trust funds are required to be reported. The primary level of budgetary control is at the object level within each department. Budgetary modifications may be made only by ordinance of the City Council.

1. Tax Budget

The Director of Finance and the City Manager submit an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level, the legal level of control. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified by the County Budget Commission. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. During 1999, several supplemental appropriations were necessary to budget the use of contingency funds, intergovernmental grant proceeds and capital improvement projects. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--All Governmental Fund Types and Expendable Trust Funds" are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

6. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. On the budgetary basis investment earnings are recognized when realized, whereas on a GAAP basis unrealized gains and losses are recognized when investments are adjusted to fair value.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)**6. Budgetary Basis of Accounting (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary cash basis statements for the governmental funds and the expendable trust funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses				
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Expendable Trust Funds
GAAP Basis (as reported)	\$345,058	\$595,710	(\$26,780)	(\$356,645)	\$4,948
Increase (Decrease):					
Accrued Revenues at December 31, 1999 received during 2000	(671,534)	(124,066)	(3,497)	(1,646)	0
Accrued Revenues at December 31, 1998 received during 1999	608,941	290,740	3,188	398	0
Accrued Expenditures at December 31, 1999 paid during 2000	126,317	106,148	0	132,425	620
Accrued Expenditures at December 31, 1998 paid during 1999	(227,094)	(114,375)	0	(5,865)	(596)
1998 Prepays for 1999	7,463	4,979	0	0	0
Note Proceeds	0	0	0	540,000	0
1998 Adjustment to Fair Value	8,764	2,738	1,034	2,501	0
1999 Adjustment to Fair Value	11,472	6,099	1,149	0	0
Outstanding Encumbrances	(32,446)	(25,039)	0	(179,639)	0
Budget Basis	\$176,941	\$742,934	(\$24,906)	\$131,529	\$4,972

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, repurchase agreements, the State Treasury Asset Reserve (STAR Ohio) and certificates of deposit with original maturity dates of three months or less. The STAR Ohio is considered an investment for purposes of GASB Statement No. 3, but it is reported as a cash equivalent in the general purpose financial statements because it is a highly liquid instrument which is readily convertible to cash. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. Restricted assets are comprised of the Electric and Sewer Bond Reserve fund balances and the meter deposit funds held by the City. For purposes of the statement of cash flows, the proprietary funds' shares of equity in pooled certificates of deposit are considered to be cash equivalents. See Note 3, "Cash, Cash Equivalents and Investments."

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon percentages mandated by City ordinance. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City records all its investments at fair value except for nonparticipating investment contracts (repurchase agreements and certificates of deposit) which are reported at cost, which approximates fair value. All investments are considered, including those with a maturity of one year or less, and included in the calculation of the change in fair value. Fair value is determined by quoted market prices. See Note 3, "Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 1999. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 1999.

G. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

H. Fixed Assets and Depreciation

The accounting and reporting treatment applied to fixed assets is determined by the ultimate use:

1. Property, Plant and Equipment - General Governmental Purposes

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City; therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

The City has elected not to record depreciation in the General Fixed Assets Account Group.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets and Depreciation (Continued)

2. Property, Plant and Equipment - Proprietary Funds

Property, plant and equipment (water and sewer lines) acquired by the proprietary funds are stated at estimated historical cost. Contributed fixed assets are recorded at fair market value at the date received.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Estimated Lives (Years)
Buildings	25
Improvements other than Buildings/Infrastructure	10 - 50
Vehicles	5 - 20
Machinery, Equipment, Furniture and Fixtures	3 - 25

I. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
General Obligation Bonds	Water Fund
Mortgage Revenue Bonds	Sewer Fund
	Electric Fund
Special Assessment Bonds with Governmental Commitment	Special Assessment Bond Retirement Fund
Ohio Public Works Commission Loan	Special Assessment Bond Retirement Fund
OWDA Loans	Water Fund
	Sewer Fund
Compensated Absences	General Fund
	Street Construction, Maintenance, and Repair Fund
	Recreation Fund
	Electric Fund
	Water Fund
	Sewer Fund
	Sanitation Fund
	Central Garage Rotary Fund

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences

Employees of the City earn vacation leave at various rates within limits specified under collective bargaining agreements or under statute.

The rate of cash compensation for sick leave payout varies within specified limits under collective bargaining agreements or under law. Employees are paid 25% of the accumulated sick time upon retirement. Employees are eligible for retirement at age 60 with 5 years of service, age 55 with 25 years of service, and any age with at least 30 years of service. Compensation for sick leave is paid at the employee's full rate of pay at the time of termination or retirement.

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered or to rights that vest or accumulate, and when payment of the obligation is probable and can be reasonably determined. For governmental funds, the portion of unpaid compensated absences expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The remaining portion of the liability is reported in the General Long-Term Obligations Account Group.

K. Pensions

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

L. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Operating transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Operating Transfers In" by the recipient fund and "Operating Transfers Out" by the disbursing fund.
- Residual Equity Transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance. The City did not perform any residual equity transfers in 1999.

Transactions that would be treated as revenues and expenditures if the transactions involved organizations external to the City are similarly treated when involving other funds of the City. The City also advances cash from one fund to another as necessary to meet current obligations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for inventories, debt service, endowments and encumbered amounts not accrued at year end.

N. Contributed Capital

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from grants, entitlements and shared revenues is recorded as an operating expense and closed along with other operating expenses directly to retained earnings.

O. Total Columns on the Combined Financial Statements

Total columns on the combined financial statements are captioned "Memorandum Only" to indicate they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

Fund Deficits - The fund deficits at December 31, 1999 of \$20,765 in the Police Pension Fund, \$13,598 in the Fire Pension Fund (special revenue funds) arose from the recognition of expenditures on the modified accrual basis of accounting which are greater than expenditures recognized on the budgetary basis. The deficits do not exist under the cash basis of accounting. The deficit of \$421,950 in the Main, Welsted and Vine Improvement Fund (capital projects fund) arises from the recognition of general obligation notes payable under the modified accrual basis. Under the budgetary basis, proceeds from the sale of notes are recognized as revenue and, therefore, a deficit does not exist and expenditures are recognized when paid. A deficit does not exist under the cash basis of accounting. The general fund provides operating transfers when cash is required, not when accruals occur.

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds.

Statutes require the classification of funds held by the City into three categories:

Category 1 consists of "active" funds - those funds required to be kept in "cash" or "near cash" status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 110% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*," collateral held in single financial institution collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

The GASB has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investments:

- Category 1 Insured or registered with securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

A. Deposits

At year end the carrying amount of the City's deposits was \$3,282,362 and the bank balance was \$4,201,160. Federal depository insurance covered \$202,607 of the bank balance. All remaining deposits were classified as Category 3. In addition, the City had \$1,500 cash on hand.

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

The City's investments at December 31, 1999 are summarized below:

<u>Categorized Investments</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Fair Value</u>
U.S. Government Securities	\$13,417,152	N/A	\$13,417,152
Repurchase Agreement	N/A	566,546	566,546
Total Categorized Investments	13,417,152	566,546	13,983,698
<u>Non-Categorized Investments</u>			
STAR Ohio	N/A	N/A	816,786
Total Non-Categorized Investments	N/A	N/A	816,786
Total Investments	\$13,417,152	\$566,546	\$14,800,484

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Repurchase agreements and STAR Ohio are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

A reconciliation between classifications of cash and investments on the combined financial statements and the classifications per items A and B of this note are as follows:

	<u>Cash and Cash Equivalents *</u>	<u>Investments</u>
Per Combined Balance Sheet	\$1,167,194	\$16,917,152
Certificates of Deposit (with maturities of more than 3 months)	3,500,000	(3,500,000)
Investments:		
Repurchase Agreement	(566,546)	566,546
STAR Ohio	(816,786)	816,786
Per GASB Statement No. 3	\$3,283,862	\$14,800,484

* Includes cash on hand.

NOTE 4 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 1999 were levied after October 1, 1998 on assessed values as of January 1, 1998, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed for tax year 1999. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semi-annually, the first payment is due by February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually, the first payment is due April 30; the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

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

The full tax rate for the City's operations for the year ended December 31, 1999 was \$2.90 per \$1,000 of assessed value. The assessed value upon which the 1999 receipts were based was \$121,446,077. This amount constitutes \$89,735,450 in real property assessed value, \$3,396,460 in public utility assessed value and \$28,314,167 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .29% (2.90 mills) of assessed value.

NOTE 4 - TAXES (Continued)

B. Income Tax

The City levies a tax of 1.2% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of 1.2% of taxable salaries, wages, commissions and other compensation.

Employers within the City are required to withhold income tax on employees compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

NOTE 5 - RECEIVABLES

Receivables at December 31, 1999 consisted of taxes, interest, accounts receivable, special assessments and intergovernmental receivables arising from shared revenues.

NOTE 6 - OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 1999:

Fund	Transfer In	Transfer Out
General Fund	\$39,940	\$1,644,920
Special Revenue Funds:		
Street Construction, Maintenance and Repair Fund	197,000	0
Motor Vehicle License Tax Fund	0	160,450
EMS Transport Service Fund	0	115,000
Recreation Fund	427,840	0
Special Events Fund	10,000	0
Hotel/Motel Tax Fund	0	39,940
Fire Equipment Fund	155,000	0
Total Special Revenue Funds	789,840	315,390
Debt Service Fund:		
Special Assessment Bond Retirement Fund	12,360	0
Capital Projects Funds:		
Capital Improvement Fund	982,080	128,910
Main, Welsted and Vine Improvement Fund	300,000	0
Total Capital Projects Funds	1,282,080	128,910
Enterprise Fund:		
Sewer Fund	0	85,000
Internal Service Fund:		
Central Garage Rotary Fund	50,000	0
Totals	\$2,174,220	\$2,174,220

NOTE 7 - FIXED ASSETS

A. General Fixed Assets

Summary by Category of Changes in General Fixed Assets:

Category	December 31, 1998	Additions	Deletions	December 31, 1999
Land	\$1,737,120	\$0	(\$89,940)	\$1,647,180
Buildings	1,991,281	9,914	0	2,001,195
Improvements	127,317	0	0	127,317
Machinery and Equipment	2,767,990	176,025	(6,000)	2,938,015
Totals	<u>\$6,623,708</u>	<u>\$185,939</u>	<u>(\$95,940)</u>	<u>\$6,713,707</u>

Summary by Category and Investment at December 31, 1999:

General Fixed Assets		Investment in General Fixed Assets	
Land	\$1,647,180	General Fund	\$275,958
Buildings	2,001,195	Special Revenue Funds	206,782
Improvements	127,317	Capital Projects Funds	5,647,298
Machinery and Equipment	2,938,015	Enterprise Funds	580,769
		Internal Service Fund	400
		Donated	2,500
Total	<u>\$6,713,707</u>	Total	<u>\$6,713,707</u>

B. Proprietary Fixed Assets

Summary by Category at December 31, 1999:

Category	Historic Cost	Accumulated Depreciation	Book Value
Enterprise			
Land	\$349,695	\$0	\$349,695
Buildings	5,397,862	(1,840,582)	3,557,280
Improvements	15,901,162	(5,839,063)	10,062,099
Machinery and Equipment	4,764,802	(4,229,638)	535,164
Construction in Progress	2,398,735	0	2,398,735
Property, Plant and Equipment	<u>\$28,812,256</u>	<u>(\$11,909,283)</u>	<u>\$16,902,973</u>
Internal Service			
Machinery and Equipment	\$39,864	(\$29,253)	\$10,611
Property, Plant and Equipment	<u>\$39,864</u>	<u>(\$29,253)</u>	<u>\$10,611</u>

NOTE 8 – DEFINED BENEFIT PENSION PLANS

All of the City's full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

A. Public Employees Retirement System (the "PERS of Ohio")

The following information was provided by the PERS of Ohio to assist the City in complying with GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers."

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 1999 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.35% to fund the pension and 4.2% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 1999, 1998 and 1997 were \$412,637, \$396,547 and \$374,784, respectively, which were equal to the required contributions for each year.

The PERS of Ohio provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 1999 employer contribution rate (identified above) that was used to fund health care for the year 1999 was 4.2% of covered payroll which amounted to \$127,902.

Other Postemployment Benefits (OPEB) are financed through employer contributions and investment earnings thereon. Funding and accounting were on a pay-as-you-go basis. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. Expenditures for other postemployment benefits during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

A. Public Employees Retirement System (the “PERS of Ohio”) (Continued)

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

B. Ohio Police and Fire Pension Fund (the “OP&F Fund”)

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 1999, 1998 and 1997 were \$108,165, \$104,692 and \$106,697 for police and \$65,086, \$67,499 and \$60,117 for firefighters, respectively, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 1999 covered payroll that was used to fund postemployment health care benefits was \$38,793 representing 7.00% of covered payroll for police and \$18,983 representing 7.00% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 1998, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 11,424 for police and 9,186 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 1998 were \$78,596,790, which was net of member contributions of \$5,331,515.

NOTE 9 – COMPENSATED ABSENCES

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

At December 31, 1999, the total accumulated unpaid sick leave, vacation and compensation time recorded in the General Long-Term Obligations Account Group was:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	12,232	\$209,247
Vacation Time	7,829	116,925
Compensation Time	1,103	15,112
Total	<u>21,164</u>	<u>\$341,284</u>

The compensated absences attributable to the enterprise funds and the internal service fund have been recorded within the respective fund and are not included in the figures presented above.

NOTE 10 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than those principal maturities required if the bonds had been issued at the expiration of the initial five year period.

	Issue Date	Balance December 31, 1998	Issued (Retired)	Balance December 31, 1999
Capital Projects Note Payable:				
3.83% Street Improvement	07/01/99	\$0	\$540,000	\$540,000

NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 1999 were as follows:

Date Purchased	Interest Rate	Description	Maturity Date	Balance December 31, 1998	Issued (Retired)	Balance December 31, 1999
Enterprise Funds:						
General Obligation Bonds:						
1980	7.25%	Waterworks System Improvement	2004	\$90,000	(\$15,000)	\$75,000
1994	6.00%	Waterworks System Improvements	2019	1,680,000	(40,000)	1,640,000
Total General Obligation Bonds				1,770,000	(55,000)	1,715,000
Mortgage Revenue Bonds:						
1998	4.00%	Sewer System Improvement	2018	3,470,417	(105,417)	3,365,000
1998	4.00%	Electric System Improvement	2018	3,236,250	(96,250)	3,140,000
Total Mortgage Revenue Bonds				6,706,667	(201,667)	6,505,000
Ohio Sewer and Water Rotary Commission Deferred Loan						
1998		OSWRC - Palmer Ditch Project		88,341	0	88,341
Total Deferred Loan				88,341	0	88,341
Ohio Water Development Authority Loans (OWDA):						
1986	8.720%	OWDA - Project #0613	2002	271,907	(69,175)	202,732
1990	7.840%	OWDA - Project #1089	2013	3,239,635	(135,329)	3,104,306
1992	9.185%	OWDA - Malinta Waterline	2016	394,290	(11,340)	382,950
Total Ohio Water Development Authority Loans				3,905,832	(215,844)	3,689,988
Total Enterprise Long-Term Debt				\$12,470,840	(\$472,511)	\$11,998,329
General Long-Term Debt:						
Special Assessment Bonds:						
1980	7.250%	Street Improvements	2000	\$110,000	(\$55,000)	\$55,000
1981	10.875%	Sewer and Water Improvements	2001	39,000	(13,000)	26,000
1985	9.500%	Sheffield Street Improvements	2004	35,000	(5,000)	30,000
1990	7.250%	Oberhaus Creek Sewer Improvements	2009	180,000	(15,000)	165,000
1991	5.65-6.55%	Street Improvements	2010	865,000	(95,000)	770,000
1992	5.70-6.10%	Street Improvements	2011	260,000	(15,000)	245,000
1993	5.400%	Street Improvements	2012	113,000	(5,000)	108,000
1996	7.500%	Street Improvements	2016	175,000	(5,000)	170,000
1998	4.50%	Street Improvements	2019	157,000	(3,600)	153,400
1998	4.50%	Street Improvements	2019	78,000	(1,400)	76,600
Total Special Assessment Bonds (with Governmental Commitment)				2,012,000	(213,000)	1,799,000
Ohio Public Works Commission Loan:						
1998		Unimproved Street Program	2018	234,664	(12,352)	222,312
Other Long-Term Obligations:				199,249	142,035	341,284
Compensated Absences				199,249	142,035	341,284
Total General Long-Term Debt and Other Long-Term Obligations				\$2,445,913	(\$83,317)	\$2,362,596

NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

The principal amount of the City's special assessment debt outstanding at December 31, 1999, \$1,799,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$281,696 in the Debt Service Fund at December 31, 1999 is reserved for the retirement of outstanding special assessment bonds.

A. Future Long-Term Financing Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 1999 follows:

Years	General Obligation Bonds		Mortgage Revenue Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$60,000	\$102,518	\$225,000	\$303,975	\$218,000	\$111,848
2001	65,000	95,895	235,000	294,863	174,000	97,379
2002	65,000	91,883	245,000	285,228	146,000	95,472
2003	65,000	87,870	250,000	274,937	156,000	76,834
2004	75,000	86,783	270,000	264,313	167,000	66,995
2005-2009	335,000	374,070	1,515,000	1,135,637	574,000	190,656
2010-2014	450,000	262,600	1,890,000	751,576	264,000	65,382
2015-2019	600,000	112,200	1,875,000	240,250	100,000	12,136
Totals	<u>\$1,715,000</u>	<u>\$1,213,819</u>	<u>\$6,505,000</u>	<u>\$3,550,779</u>	<u>\$1,799,000</u>	<u>\$716,702</u>

Years	OWDA Loans		OPWC Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$234,057	\$292,839	\$12,351	\$0	\$749,408	\$811,180
2001	253,826	273,070	12,351	0	740,177	761,207
2002	227,472	251,623	12,351	0	695,823	724,206
2003	198,322	232,971	12,351	0	681,673	672,612
2004	213,860	217,433	12,351	0	738,211	635,524
2005-2009	1,348,468	807,996	61,752	0	3,834,220	2,508,359
2010-2014	1,156,963	220,865	61,753	0	3,822,716	1,300,423
2015-2019	57,020	5,943	37,052	0	2,669,072	370,529
Totals	<u>\$3,689,988</u>	<u>\$2,302,740</u>	<u>\$222,312</u>	<u>\$0</u>	<u>\$13,931,300</u>	<u>\$7,784,040</u>

B. Deferred Loan Payable to the Ohio Sewer and Water Rotary Commission

The City has received an advance to meet the portion of the cost of extension of waterlines to be financed by assessments which collections are deferred or exempt pursuant to division (B) of Section 6103.052 of the Ohio Revised Code. The City is responsible for collecting the assessments upon expiration of the maximum time for which the deferrals were made or when the property no longer meets the exemption criteria. This money must be remitted to the Ohio Sewer and Water Rotary Commission within one year. If the money is not collected and remitted to the Commission within one year, the City is responsible for paying interest from the general fund of the City.

NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

C. Joint Ventures

The City is a participant in two joint ventures, one of which has issued Certificates of Beneficial Interest (See Note 14). The debt service payment obligations of the joint ventures' participants, payable from each participants' user charges, is subject only to the prior payment of the operation and maintenance expenses. In case of default by a participant, the remaining participants become liable for that participant's debt service payments. The Certificates of Beneficial Interest are fully insured in case of total default by all of the participants. No defaults have occurred to date on either of these joint ventures.

The debt associated with OMEGA JV-5 amounts to 7.35 percent of \$147,815,000 or approximately \$10,864,404. The total principal retirements and the portion that will be paid by the City is as follows:

Years	Certificates of Beneficial Interest	City of Napoleon Share
2000	\$2,985,000	\$219,398
2001	3,130,000	230,055
2002	3,280,000	241,080
2003	3,445,000	253,208
2004	3,620,000	266,070
2005-2024	131,355,000	9,654,593
Totals	<u>\$147,815,000</u>	<u>\$10,864,404</u>

NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City participates with other cities in the Buckeye Ohio Risk Management Agency, Inc., (BORMA, Inc.) in jointly funded risk financing programs administered by Arthur J. Gallagher & Co. BORMA, Inc. includes two separate pools which provide separate and distinct coverages.

The first pool provides comprehensive automobile liability, automobile physical damage, comprehensive general liability, crime and property liability and public officials liability coverage up to specified limits. The pool includes the following municipalities: Bowling Green, Defiance, Huron, Napoleon, Sandusky and Willard. Member contributions are calculated annually to produce a sufficient sum of money within the pool to fund administrative expenses and to create reserves for claims. As of December 31, 1999 the pool had cash reserves of \$706,627, which in the opinion of management is adequate for any claims against the pool. The amount of risk retained within the pool is \$125,000 per claim. Claims in excess of \$125,000 up to \$10,000,000 are covered by various insurance carriers.

NOTE 12 - RISK MANAGEMENT (Continued)

The second pool is for employee benefits and includes life insurance, accidental death and dismemberment insurance, health insurance and prescription drug insurance. Each member has an option on the coverage it has elected to provide for its employees. Napoleon provides to its employees all available options offered by the pool. The employee benefits pool includes the following municipalities: Archbold, Bowling Green, Carey, Defiance, Fayette, Harrison, Huron, Napoleon, Sandusky and Willard. As of December 31, 1999 the pool had cash reserves of \$1,018,242 which, in the opinion of management, is adequate for any claims against the pool.

Premiums are paid to the employee benefits pool at a cost of \$365.41 for family coverage. Life insurance monthly premium is \$6.20. During 1999 the City paid \$389,531 into the pool for coverage. The cost of coverage is paid by the fund that pays the salary of the individual employees. The amount of risk retained within the employee benefits pool is \$75,000 per individual with excess claims coverage provided by the Lloyds of London Insurance Company.

The individual BORMA, Inc. members are not considered "participants having equity interest" as defined by GASB Statement No. 14 since members have no rights to any assets of BORMA, Inc. other than possible residual claims upon dissolution. Therefore, BORMA, Inc. is a multijurisdictional arrangement that has the characteristics of a joint venture but has additional features that distinguish it, for financial reporting purposes, from the traditional joint venture defined in GASB Statement No. 14.

BORMA, Inc. has the ability to require the member cities to make supplemental payments in the event reserves are not adequate to cover claims. The probability of this occurring is considered remote due to the adequacy of the pool reserves and premium levels, therefore, no amounts have been reserved in the financial statements. Audited financial statements are maintained separately by BORMA, Inc.

Workers' Compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll plus administrative costs. The rate is determined based on accident history of the North Central Ohio Municipal Finance Officers Association, of which the City is a member. The City also pays unemployment claims to the State of Ohio as incurred.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE 13 - CONTINGENCIES

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's 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.

NOTE 14 - JOINT VENTURES

A. Ohio Municipal Electric Generation Agency Joint Venture 3 (Omega JV-3)

The City is a participant with thirteen subdivisions within the State of Ohio in a joint venture to provide supplemental reserve electric power to the participants on a cooperative basis. The Omega JV-3 was created for that purpose. On dissolution of the joint venture, the net assets of Omega JV-3 will be shared by the participants on a percentage basis. The Omega JV-3 is managed by AMP-Ohio which acts as the joint venture's agent. The participants are obligated by the agreement to remit monthly costs incurred from using electricity generated by the joint venture. In accordance with the joint venture agreement, the City remitted \$13,329 to the joint venture for 1999. The City's net investment and its share of the operating results of Omega JV-3 are reported in the City's electric fund (an enterprise fund). The City's equity interest in Omega JV-3 was \$116,692 at December 31, 1999. Complete financial statements for Omega JV-3 can be obtained from AMP-Ohio or from the City's Finance Director.

B. Ohio Municipal Electric Generation Agency Joint Venture 5 (Omega JV-5)

The City is a participant with forty-two subdivisions within the State of Ohio in a joint venture to construct a hydroelectric plant and associated transmission facilities in West Virginia on the Ohio River at the Belleville Locks and Dam and receive electricity from its operation. Omega JV-5 was created for that purpose. On dissolution of the joint venture, the net assets of Omega JV-5 will be shared by the participants on a percentage basis. The Omega JV-5 is managed by AMP-Ohio which acts as the joint venture's agent. The participants are obligated by the agreement to remit monthly costs incurred from using electricity generated by the joint venture and a portion of the \$153,415,000 certificates of beneficial interest debt that was issued to construct the fixed asset. In accordance with the joint venture agreement, the City remitted \$1,582,089 to the joint venture for 1999. The City's net investment and its share of the operating results of Omega JV-5 are reported in the City's electric fund (an enterprise fund). The City's equity interest in Omega JV-5 was \$176,310 at December 31, 1999. Complete financial statements for Omega JV-5 can be obtained from AMP-Ohio or from the City's Finance Director.

C. Community Improvement Corporation (CIC)

The City, along with Henry County is a participant in the joint venture to operate the Community Improvement Corporation (CIC). The corporation's duties are to advance, encourage and promote the industrial, economic, commercial and civic development of the City of Napoleon and Henry County. The CIC is governed by a Board of 10 Trustees. Five of these trustees are residents of the City of Napoleon and the remaining five are residents of Henry County. The City's degree of control over the Board is limited to its representation on the Board. The City has no equity interest in the CIC. The City paid \$30,025 to the CIC during 1999. Financial information can be obtained from the CIC, 104 East Washington Street, Napoleon, Ohio 43545.

NOTE 15 - CONTRIBUTED CAPITAL

During 1999, the following changes to contributed capital reported by the City:

	Enterprise				Total	Internal
	Electric	Water	Sewer	Sanitation		Service
Balance at 1/1/99	\$79,492	\$101,418	\$3,287,645	\$101,123	\$3,569,678	\$1,495
Contributions from:						
Other Governments	0	0	102,484	0	102,484	0
Balance at 12/31/99	\$79,492	\$101,418	\$3,390,129	\$101,123	\$3,672,162	\$1,495

NOTE 16 - SEGMENT INFORMATION

The key financial information for the year ended December 31, 1999 for the enterprise activities is as follows:

	Electric	Water	Sewer	Sanitation	Total
Operating Revenues	\$10,659,234	\$1,459,445	\$1,380,287	\$502,920	\$14,001,886
Depreciation	254,290	89,067	191,402	7,420	542,179
Operating Income	363,091	408,205	641,887	55,215	1,468,398
Operating Transfers Out	0	0	85,000	0	85,000
Net Income	636,054	319,760	243,944	83,845	1,283,603
Current Capital Contributions	0	0	102,484	0	102,484
Property, Plant and Equipment:					
Additions	1,837,993	60,417	474,916	0	2,373,326
Total Assets	19,014,803	3,416,389	11,544,192	614,327	34,589,711
Net Working Capital	10,400,679	1,096,176	4,544,184	597,643	16,638,682
Bonds and Loans Payable	3,140,000	2,097,950	6,760,379	0	11,998,329
Total Equity	15,115,901	1,232,992	4,739,643	596,821	21,685,357

NOTE 17 - CONDUIT DEBT OBLIGATIONS

The City issued mortgage revenue bonds to provide financial assistance to The Lutheran Orphans' and Old Folks' Home Society at Napoleon, Ohio, Inc. The City has no obligation for the debt beyond the resources provided by the mortgage revenue bonds. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 1999, there were two mortgage revenue bonds outstanding with an aggregate principal amount payable of \$2,380,342.

NOTE 18 - CONSTRUCTION COMMITMENTS

As of December 31, 1999, the City had the following commitments with respect to capital projects:

Capital Projects	Remaining Construction Commitment	Expected Date of Completion
Electric Distribution - 2nd Interconnect	\$1,125,000	June 2000

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

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE GENERAL FUND, SPECIAL REVENUE FUNDS, CAPITAL PROJECTS
FUNDS, ENTERPRISE FUNDS, FIDUCIARY FUNDS AND THE GENERAL
FIXED ASSETS ACCOUNT GROUP.*

GENERAL FUND

The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter and/or the general laws of Ohio.

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$2,749,868	\$2,749,904	\$36
Intergovernmental Revenues	474,535	474,515	(20)
Charges for Services	123,508	123,508	0
Licenses and Permits	50,967	50,966	(1)
Investment Earnings	326,141	326,146	5
Fines and Forfeitures	221,776	221,776	0
All Other Revenues	93,147	93,495	348
Total Revenues	4,039,942	4,040,310	368
Expenditures:			
Security of Persons and Property:			
Police:			
Personal Services	865,470	861,822	3,648
Contractual Services	69,901	66,452	3,449
Materials and Supplies	36,870	31,202	5,668
Other Expenditures	2,850	2,583	267
Total Police	975,091	962,059	13,032
Fire:			
Personal Services	412,790	403,165	9,625
Contractual Services	68,488	67,496	992
Materials and Supplies	43,840	38,794	5,046
Other Expenditures	200	36	164
Total Fire	525,318	509,491	15,827
Total Security of Persons and Property	1,500,409	1,471,550	28,859
Public Health and Welfare Services:			
Cemetery:			
Personal Services	50,480	50,125	355
Contractual Services	6,350	6,180	170
Materials and Supplies	7,850	7,553	297
Total Cemetery	64,680	63,858	822
Total Public Health and Welfare Services	64,680	63,858	822

(Continued)

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Community Environment:			
Building Inspection:			
Personal Services	64,350	64,010	340
Contractual Services	990	768	222
Materials and Supplies	2,010	1,457	553
Other Expenditures	260	109	151
Total Building Inspection	<u>67,610</u>	<u>66,344</u>	<u>1,266</u>
Total Community Environment	<u>67,610</u>	<u>66,344</u>	<u>1,266</u>
General Government:			
City Council:			
Personal Services	6,591	5,852	739
Contractual Services	699	557	142
Materials and Supplies	100	0	100
Other Expenditures	200	80	120
Total City Council	<u>7,590</u>	<u>6,489</u>	<u>1,101</u>
Mayor:			
Personal Services	2,654	2,323	331
Contractual Services	550	539	11
Total Mayor	<u>3,204</u>	<u>2,862</u>	<u>342</u>
City Manager:			
Personal Services	40,774	36,075	4,699
Contractual Services	1,450	1,216	234
Materials and Supplies	899	792	107
Other Expenditures	147	119	28
Total City Manager	<u>43,270</u>	<u>38,202</u>	<u>5,068</u>
Law Director:			
Personal Services	32,361	28,669	3,692
Contractual Services	4,269	3,266	1,003
Materials and Supplies	816	672	144
Other Expenditures	200	0	200
Total Law Director	<u>37,646</u>	<u>32,607</u>	<u>5,039</u>

(Continued)

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Finance - Administration:			
Personal Services	60,606	53,738	6,868
Contractual Services	22,528	19,235	3,293
Materials and Supplies	2,100	1,855	245
Other Expenditures	1,600	1,421	179
Total Finance - Administration	<u>86,834</u>	<u>76,249</u>	<u>10,585</u>
Finance - Utility Billing:			
Personal Services	28,048	24,872	3,176
Contractual Services	6,515	5,231	1,284
Materials and Supplies	2,584	2,178	406
Other Expenditures	50	50	0
Total Finance - Utility Billing	<u>37,197</u>	<u>32,331</u>	<u>4,866</u>
Finance - Income Tax Collection:			
Personal Services	79,030	78,958	72
Contractual Services	9,280	8,551	729
Materials and Supplies	4,300	3,869	431
Capital Outlay	5,400	5,161	239
Total Finance - Income Tax Collection	<u>98,010</u>	<u>96,539</u>	<u>1,471</u>
City Engineer:			
Personal Services	41,753	36,944	4,809
Contractual Services	1,760	1,329	431
Materials and Supplies	999	736	263
Other Expenditures	500	30	470
Total City Engineer	<u>45,012</u>	<u>39,039</u>	<u>5,973</u>
Municipal Court:			
Personal Services	243,220	243,187	33
Contractual Services	25,550	23,912	1,638
Materials and Supplies	26,100	25,016	1,084
Other Expenditures	1,100	949	151
Total Municipal Court	<u>295,970</u>	<u>293,064</u>	<u>2,906</u>

(Continued)

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Service - Buildings, Property, and Equipment:			
Personal Services	22,987	20,386	2,601
Contractual Services	688	405	283
Materials and Supplies	2,679	2,231	448
Other Expenditures	70	58	12
Total Service - Buildings, Property, and Equipment	26,424	23,080	3,344
Miscellaneous:			
Contractual Services	18,814	9,439	9,375
Materials and Supplies	5,678	3,147	2,531
Other Expenditures	6,829	3,589	3,240
Total Miscellaneous	31,321	16,175	15,146
Total General Government	712,478	656,637	55,841
Total Expenditures	2,345,177	2,258,389	86,788
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,694,765	1,781,921	87,156
Other Financing Sources (Uses):			
Operating Transfers In	39,940	39,940	0
Operating Transfers Out	(1,646,220)	(1,644,920)	1,300
Total Other Financing Sources (Uses)	(1,606,280)	(1,604,980)	1,300
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	88,485	176,941	88,456
Fund Balance at Beginning of Year	2,573,228	2,573,228	0
Prior Year Encumbrances	5,858	5,858	0
Fund Balance at End of Year	\$2,667,571	\$2,756,027	\$88,456

SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Street Construction, Maintenance and Repair Fund

To account for state-levied and controlled gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

State Highway Improvement Fund

To account for the portion of the state gasoline tax and motor vehicle registration fees designated for street maintenance and repair of state highways within the City.

Motor Vehicle License Tax Fund

To account for county-levied motor vehicle registration fees designate for street construction, maintenance and repair.

EMS Transport Service Fund

To account for service charges to clients for emergency medical services.

Recreation Fund

To account for the operation and maintenance of public recreational facilities.

Special Events Fund

To account for revenues received from various sources to be used for special events sponsored by the City.

Economic Development Fund

To account for federal and state grants which are designated for community and environmental improvements.

Hotel/Motel Tax Fund

To account for the collection of Hotel/Motel Excise Tax, otherwise known as Lodge Tax.

Grants Program Fund

To account for grant monies to be used for home improvements.

Indigent Drivers Alcohol Treatment Fund

To account for the revenues from fines as established by the state to pay for alcohol related training programs for indigent persons.

(Continued)

SPECIAL REVENUE FUNDS

Law Enforcement and Education Fund

To account for the financial resources used to educate and treat persons with alcohol related problems and to enhance law enforcement activities as a deterrent to the operation of motor vehicles while under the influence of alcohol.

Court Computerization Fund

To account for the acquisition, improvement, replacement and repair of capital assets of the Napoleon Municipal Court.

Law Enforcement Trust Fund

To account for funds received by the police department for contraband, per state statute.

Mandatory Drug Fine Fund

To account for mandatory fines collected for drug related offenses.

Fire Equipment Fund

To account for monies received from fire contracts to be used for the purchase of fire fighting apparatus.

Municipal Probation Service Fund

To account for monies received from fines levied and expenditures by Probation Officer.

Law Enforcement Block Grant Fund

To account for grant monies for special overtime for Police Department.

Probation Officer Grant Fund

To account for monies received from State Grant for Municipal Probation Officer.

Court Improvement Fund

To account for monies received from fines levied and expenditures for Court Improvements.

Police Pension Fund

To account for taxes levied toward partial payment of the current and accrued liability for police disability and pension.

Fire Pension Fund

To account for taxes levied toward partial payment of the current and accrued liability for fire disability and pension.

THE CITY OF NAPOLEON, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 1999

	Street Construction, Maintenance and Repair	State Highway Improvement	Motor Vehicle License Tax	EMS Transport Service
Assets:				
Cash and Cash Equivalents	\$293	\$66	\$143	\$58,698
Investments	203,966	46,146	99,153	0
Receivables (net of allowances for doubtful accounts)				
Taxes	0	0	0	0
Accounts	0	0	0	86,016
Interest	1,342	1,103	2,494	0
Intergovernmental Receivables	19,161	1,554	4,491	0
Inventory of Supplies at Cost	35,702	0	0	0
Total Assets	<u>\$260,464</u>	<u>\$48,869</u>	<u>\$106,281</u>	<u>\$144,714</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$377	\$0	\$0	\$0
Accrued Wages and Benefits	18,045	0	0	0
Deferred Revenue	985	809	1,830	0
Total Liabilities	<u>19,407</u>	<u>809</u>	<u>1,830</u>	<u>0</u>
Fund Equity:				
Reserved for Encumbrances	6,382	0	17,465	910
Reserved for Supplies Inventory	35,702	0	0	0
Unreserved	198,973	48,060	86,986	143,804
Total Fund Equity	<u>241,057</u>	<u>48,060</u>	<u>104,451</u>	<u>144,714</u>
Total Liabilities and Fund Equity	<u>\$260,464</u>	<u>\$48,869</u>	<u>\$106,281</u>	<u>\$144,714</u>

**THE CITY OF NAPOLEON, OHIO
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 DECEMBER 31, 1999**

Recreation	Special Events	Economic Development	Hotel/ Motel Tax	Grants Program	Indigent Drivers Alcohol Treatment	Law Enforcement and Education
\$200	\$11,289	\$717	\$18,764	\$72,030	\$37	\$9
139,167	0	498,691	0	0	25,601	6,503
0	0	0	0	0	0	0
0	0	0	0	0	182	123
4,316	0	12,563	0	0	672	192
0	0	0	0	0	0	0
0	0	0	0	0	0	0
\$143,683	\$11,289	\$511,971	\$18,764	\$72,030	\$26,492	\$6,827
\$1,501	\$0	\$0	\$0	\$13,710	\$1,449	\$0
17,870	0	0	0	0	0	0
3,167	0	9,219	0	0	493	141
22,538	0	9,219	0	13,710	1,942	141
58	0	175	0	0	0	0
0	0	0	0	0	0	0
121,087	11,289	502,577	18,764	58,320	24,550	6,686
121,145	11,289	502,752	18,764	58,320	24,550	6,686
\$143,683	\$11,289	\$511,971	\$18,764	\$72,030	\$26,492	\$6,827

(Continued)

THE CITY OF NAPOLEON, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 1999

	Court Computerization	Law Enforcement Trust	Mandatory Drug Fine	Fire Equipment
Assets:				
Cash and Cash Equivalents	\$44	\$5	\$9	\$581
Investments	30,618	3,766	6,487	404,044
Receivables (net of allowances for doubtful accounts)				
Taxes	0	0	0	0
Accounts	1,885	0	230	0
Interest	911	96	144	6,905
Intergovernmental Receivables	0	0	0	0
Inventory of Supplies at Cost	0	0	0	0
Total Assets	<u>\$33,458</u>	<u>\$3,867</u>	<u>\$6,870</u>	<u>\$411,530</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0
Deferred Revenue	669	70	106	5,067
Total Liabilities	<u>669</u>	<u>70</u>	<u>106</u>	<u>5,067</u>
Fund Equity:				
Reserved for Encumbrances	0	0	0	0
Reserved for Supplies Inventory	0	0	0	0
Unreserved	32,789	3,797	6,764	406,463
Total Fund Equity	<u>32,789</u>	<u>3,797</u>	<u>6,764</u>	<u>406,463</u>
Total Liabilities and Fund Equity	<u>\$33,458</u>	<u>\$3,867</u>	<u>\$6,870</u>	<u>\$411,530</u>

**THE CITY OF NAPOLEON, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 1999**

Municipal Probation Service	Law Enforcement Block Grant	Probation Officer Grant	Court Improvement	Police Pension	Fire Pension	Totals
\$9	\$5	\$25,774	\$22,617	\$10,868	\$6,381	\$228,539
6,527	3,252	0	0	0	0	1,473,921
0	0	0	0	73,510	36,755	110,265
115	0	0	2,063	0	0	90,614
144	96	0	0	0	0	30,978
0	0	0	0	0	0	25,206
0	0	0	0	0	0	35,702
\$6,795	\$3,353	\$25,774	\$24,680	\$84,378	\$43,136	\$1,995,225
\$0	\$0	\$0	\$0	\$0	\$0	\$17,037
0	0	1,584	0	31,633	19,979	89,111
106	70	0	0	73,510	36,755	132,997
106	70	1,584	0	105,143	56,734	239,145
0	0	0	0	0	0	24,990
0	0	0	0	0	0	35,702
6,689	3,283	24,190	24,680	(20,765)	(13,598)	1,695,388
6,689	3,283	24,190	24,680	(20,765)	(13,598)	1,756,080
\$6,795	\$3,353	\$25,774	\$24,680	\$84,378	\$43,136	\$1,995,225

THE CITY OF NAPOLEON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Street Construction, Maintenance and Repair	State Highway Improvement	Motor Vehicle License Tax	EMS Transport Service
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	278,503	38,175	108,050	0
Charges for Services	0	0	0	135,049
Investment Earnings	2,679	1,234	7,442	0
Fines and Forfeitures	0	0	0	0
All Other Revenues	1,992	0	0	0
Total Revenues	283,174	39,409	115,492	135,049
Expenditures:				
Security of Persons and Property	0	0	0	90,765
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	351,145	5,158	26,228	0
General Government	0	0	0	0
Total Expenditures	351,145	5,158	26,228	90,765
Excess (Deficiency) of Revenues Over (Under) Expenditures	(67,971)	34,251	89,264	44,284
Other Financing Sources (Uses):				
Operating Transfers In	197,000	0	0	0
Operating Transfers Out	0	0	(160,450)	(115,000)
Total Other Financing Sources (Uses)	197,000	0	(160,450)	(115,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	129,029	34,251	(71,186)	(70,716)
Fund Balance (Deficit) at Beginning of Year	120,859	13,809	175,637	215,430
Decrease in Inventory Reserve	(8,831)	0	0	0
Fund Balance (Deficit) at End of Year	\$241,057	\$48,060	\$104,451	\$144,714

THE CITY OF NAPOLEON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

Recreation	Special Events	Economic Development	Hotel/ Motel Tax	Grants Program	Indigent Drivers Alcohol Treatment	Law Enforcement and Education
\$0	\$0	\$0	\$91,116	\$0	\$0	\$0
40,875	0	0	0	316,000	0	0
252,611	4,507	0	0	0	0	0
8,581	0	22,868	0	0	1,363	359
0	0	0	0	0	8,021	1,268
9,138	0	253,146	0	0	0	0
<u>311,205</u>	<u>4,507</u>	<u>276,014</u>	<u>91,116</u>	<u>316,000</u>	<u>9,384</u>	<u>1,627</u>
0	0	0	0	0	17,953	2,506
665,529	0	0	0	0	0	0
0	0	59,360	0	263,680	0	0
0	0	0	0	0	0	0
0	12,088	0	39,940	0	0	0
<u>665,529</u>	<u>12,088</u>	<u>59,360</u>	<u>39,940</u>	<u>263,680</u>	<u>17,953</u>	<u>2,506</u>
(354,324)	(7,581)	216,654	51,176	52,320	(8,569)	(879)
427,840	10,000	0	0	0	0	0
0	0	0	(39,940)	0	0	0
<u>427,840</u>	<u>10,000</u>	<u>0</u>	<u>(39,940)</u>	<u>0</u>	<u>0</u>	<u>0</u>
73,516	2,419	216,654	11,236	52,320	(8,569)	(879)
54,398	8,870	286,098	7,528	6,000	33,119	7,565
(6,769)	0	0	0	0	0	0
<u>\$121,145</u>	<u>\$11,289</u>	<u>\$502,752</u>	<u>\$18,764</u>	<u>\$58,320</u>	<u>\$24,550</u>	<u>\$6,686</u>

(Continued)

THE CITY OF NAPOLEON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Court Computerization	Law Enforcement Trust	Mandatory Drug Fine	Fire Equipment
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	15,000
Investment Earnings	1,384	170	276	10,890
Fines and Forfeitures	24,864	0	3,252	0
All Other Revenues	0	0	0	0
Total Revenues	<u>26,248</u>	<u>170</u>	<u>3,528</u>	<u>25,890</u>
Expenditures:				
Security of Persons and Property	13,775	3,632	1,709	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Total Expenditures	<u>13,775</u>	<u>3,632</u>	<u>1,709</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,473	(3,462)	1,819	25,890
Other Financing Sources (Uses):				
Operating Transfers In	0	0	0	155,000
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>155,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	12,473	(3,462)	1,819	180,890
Fund Balance (Deficit) at Beginning of Year	20,316	7,259	4,945	225,573
Decrease in Inventory Reserve	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>\$32,789</u>	<u>\$3,797</u>	<u>\$6,764</u>	<u>\$406,463</u>

THE CITY OF NAPOLEON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

Municipal Probation Service	Law Enforcement Block Grant	Probation Officer Grant	Court Improvement	Police Pension	Fire Pension	Totals
\$0	\$0	\$0	\$0	\$70,572	\$35,292	\$196,980
0	0	44,824	0	6,751	3,376	836,554
0	0	0	0	0	0	407,167
212	376	0	0	0	0	57,834
2,318	0	0	24,680	0	0	64,403
0	0	0	0	0	0	264,276
<u>2,530</u>	<u>376</u>	<u>44,824</u>	<u>24,680</u>	<u>77,323</u>	<u>38,668</u>	<u>1,827,214</u>
0	9,250	37,329	0	71,405	34,502	282,826
0	0	0	0	0	0	665,529
0	0	0	0	0	0	323,040
0	0	0	0	0	0	382,531
0	0	0	0	0	0	52,028
<u>0</u>	<u>9,250</u>	<u>37,329</u>	<u>0</u>	<u>71,405</u>	<u>34,502</u>	<u>1,705,954</u>
2,530	(8,874)	7,495	24,680	5,918	4,166	121,260
0	0	0	0	0	0	789,840
0	0	0	0	0	0	(315,390)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>474,450</u>
2,530	(8,874)	7,495	24,680	5,918	4,166	595,710
4,159	12,157	16,695	0	(26,683)	(17,764)	1,175,970
0	0	0	0	0	0	(15,600)
<u>\$6,689</u>	<u>\$3,283</u>	<u>\$24,190</u>	<u>\$24,680</u>	<u>(\$20,765)</u>	<u>(\$13,598)</u>	<u>\$1,756,080</u>

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$278,809	\$278,807	(\$2)
Investment Earnings	3,696	3,696	0
All Other Revenues	1,993	1,992	(1)
Total Revenues	284,498	284,495	(3)
Expenditures:			
Transportation:			
Street Maintenance:			
Personal Services	190,669	187,781	2,888
Contractual Services	72,566	69,460	3,106
Materials and Supplies	45,690	44,326	1,364
Other Expenditures	600	522	78
Total Street Maintenance	309,525	302,089	7,436
Ice and Snow Removal:			
Personal Services	23,000	21,810	1,190
Contractual Services	20,700	16,624	4,076
Materials and Supplies	16,741	3,386	13,355
Total Ice and Snow Removal	60,441	41,820	18,621
Storm Drainage:			
Personal Services	12,000	10,173	1,827
Contractual Services	1,000	0	1,000
Materials and Supplies	7,100	6,308	792
Total Storm Drainage	20,100	16,481	3,619
Total Expenditures	390,066	360,390	29,676
Excess (Deficiency) of Revenues Over (Under) Expenditures	(105,568)	(75,895)	29,673
Other Financing Sources (Uses):			
Operating Transfers In	197,000	197,000	0
Total Other Financing Sources (Uses)	197,000	197,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	91,432	121,105	29,673
Fund Balance at Beginning of Year	73,729	73,729	0
Prior Year Encumbrances	3,887	3,887	0
Fund Balance at End of Year	\$169,048	\$198,721	\$29,673

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

STATE HIGHWAY IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$38,200	\$38,199	(\$1)
Investment Earnings	1,238	1,238	0
Total Revenues	39,438	39,437	(1)
Expenditures:			
Transportation:			
Contractual Services	5,000	4,500	500
Materials and Supplies	2,500	658	1,842
Total Expenditures	7,500	5,158	2,342
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,938	34,279	2,341
Fund Balance at Beginning of Year	12,124	12,124	0
Fund Balance at End of Year	\$44,062	\$46,403	\$2,341

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

MOTOR VEHICLE LICENSE TAX FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$108,116	\$108,116	\$0
Investment Earnings	8,099	8,099	0
Total Revenues	<u>116,215</u>	<u>116,215</u>	<u>0</u>
<u>Expenditures:</u>			
Transportation:			
Materials and Supplies	76,702	50,505	26,197
Total Expenditures	<u>76,702</u>	<u>50,505</u>	<u>26,197</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	39,513	65,710	26,197
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(160,450)	(160,450)	0
Total Other Financing Sources (Uses)	<u>(160,450)</u>	<u>(160,450)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(120,937)	(94,740)	26,197
Fund Balance at Beginning of Year	154,679	154,679	0
Prior Year Encumbrances	22,302	22,302	0
Fund Balance at End of Year	<u>\$56,044</u>	<u>\$82,241</u>	<u>\$26,197</u>

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

EMS TRANSPORT SERVICE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Charges for Services	\$172,327	\$172,327	\$0
Total Revenues	<u>172,327</u>	<u>172,327</u>	<u>0</u>
Expenditures:			
Security of Persons and Property:			
Contractual Services	20,000	16,675	3,325
Other Expenditures	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Total Expenditures	<u>95,000</u>	<u>91,675</u>	<u>3,325</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	77,327	80,652	3,325
Other Financing Sources (Uses):			
Operating Transfers Out	<u>(115,000)</u>	<u>(115,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(115,000)</u>	<u>(115,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(37,673)	(34,348)	3,325
Fund Balance at Beginning of Year	<u>92,136</u>	<u>92,136</u>	<u>0</u>
Fund Balance at End of Year	<u>\$54,463</u>	<u>\$57,788</u>	<u>\$3,325</u>

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

RECREATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$40,876	\$40,875	(\$1)
Charges for Services	252,609	252,611	2
Investment Earnings	8,861	8,860	(1)
All Other Revenue	9,140	9,138	(2)
Total Revenues	311,486	311,484	(2)
Expenditures:			
Leisure Time Activities:			
Administration:			
Personal Services	58,700	57,482	1,218
Contractual Services	4,420	3,654	766
Materials and Supplies	14,894	14,210	684
Other Expenditures	25,410	23,140	2,270
Total Administration	103,424	98,486	4,938
Golf Course Operations:			
Personal Services	101,420	100,625	795
Contractual Services	17,000	15,814	1,186
Materials and Supplies	56,885	56,037	848
Total Golf Course Operations	175,305	172,476	2,829
Pool Operations:			
Personal Services	54,020	54,000	20
Contractual Services	12,750	11,513	1,237
Materials and Supplies	12,000	11,942	58
Total Pool Operations	78,770	77,455	1,315
Parks and Programs:			
Personal Services	190,330	189,294	1,036
Contractual Services	43,480	43,285	195
Materials and Supplies	96,670	96,622	48
Total Parks and Programs	330,480	329,201	1,279
Total Expenditures	687,979	677,618	10,361

(Continued)

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

RECREATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(376,493)	(366,134)	10,359.
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	427,840	427,840	0
Total Other Financing Sources (Uses)	427,840	427,840	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	51,347	61,706	10,359
Fund Balance at Beginning of Year	78,130	78,130	0
Fund Balance at End of Year	<u>\$129,477</u>	<u>\$139,836</u>	<u>\$10,359</u>

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

SPECIAL EVENTS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$4,507	\$4,507	\$0
Total Revenues	4,507	4,507	0
<u>Expenditures:</u>			
General Government:			
Miscellaneous:			
Contractual Services	6,750	6,721	29
Materials and Supplies	3,250	2,779	471
Other Expenditures	2,600	2,588	12
Total Expenditures	12,600	12,088	512
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,093)	(7,581)	512
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	10,000	10,000	0
Total Other Financing Sources (Uses)	10,000	10,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,907	2,419	512
Fund Balance at Beginning of Year	8,870	8,870	0
Fund Balance at End of Year	<u>\$10,777</u>	<u>\$11,289</u>	<u>\$512</u>

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

ECONOMIC DEVELOPMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Investment Earnings	\$22,923	\$22,922	(\$1)
All Other Revenues	387,550	387,548	(2)
Total Revenues	<u>410,473</u>	<u>410,470</u>	<u>(3)</u>
Expenditures:			
Community Environment:			
Contractual Services	49,600	33,919	15,681
Capital Outlay	27,200	27,079	121
Total Expenditures	<u>76,800</u>	<u>60,998</u>	<u>15,802</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	333,673	349,472	15,799
Fund Balance at Beginning of Year	151,824	151,824	0
Fund Balance at End of Year	<u>\$485,497</u>	<u>\$501,296</u>	<u>\$15,799</u>

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

HOTEL/MOTEL TAX FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$91,117	\$91,116	(\$1)
Total Revenues	91,117	91,116	(1)
Expenditures:			
General Government:			
Contractual Services	39,940	39,940	0
Total Expenditures	39,940	39,940	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	51,177	51,176	(1)
Other Financing Sources (Uses):			
Operating Transfers Out	(39,940)	(39,940)	0
Total Other Financing Sources (Uses)	(39,940)	(39,940)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	11,237	11,236	(1)
Fund Balance at Beginning of Year	7,528	7,528	0
Fund Balance at End of Year	\$18,765	\$18,764	(\$1)

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

GRANTS PROGRAM FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$316,000	\$316,000	\$0
Total Revenues	<u>316,000</u>	<u>316,000</u>	<u>0</u>
<u>Expenditures:</u>			
Community Environment:			
Contractual Services	250,000	249,970	30
Total Expenditures	<u>250,000</u>	<u>249,970</u>	<u>30</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	66,000	66,030	30
Fund Balance at Beginning of Year	6,000	6,000	0
Fund Balance at End of Year	<u>\$72,000</u>	<u>\$72,030</u>	<u>\$30</u>

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

INDIGENT DRIVERS ALCOHOL TREATMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Investment Earnings	\$1,582	\$1,589	\$7
Fines and Forfeitures	8,148	8,150	2
Total Revenues	<u>9,730</u>	<u>9,739</u>	<u>9</u>
Expenditures:			
Security of Persons and Property:			
Contractual Services	20,000	16,639	3,361
Total Expenditures	<u>20,000</u>	<u>16,639</u>	<u>3,361</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,270)	(6,900)	3,370
Fund Balance at Beginning of Year	<u>32,644</u>	<u>32,644</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$22,374</u></u>	<u><u>\$25,744</u></u>	<u><u>\$3,370</u></u>

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

LAW ENFORCEMENT AND EDUCATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$405	\$404	(\$1)
Fines and Forfeitures	1,140	1,145	5
Total Revenues	<u>1,545</u>	<u>1,549</u>	<u>4</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	2,000	1,398	602
Contractual Services	1,000	500	500
Capital Outlay	1,000	608	392
Total Expenditures	<u>4,000</u>	<u>2,506</u>	<u>1,494</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,455)	(957)	1,498
Fund Balance at Beginning of Year	7,496	7,496	0
Fund Balance at End of Year	<u>\$5,041</u>	<u>\$6,539</u>	<u>\$1,498</u>

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

COURT COMPUTERIZATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$1,500	\$1,492	(\$8)
Fines and Forfeitures	26,310	26,306	(4)
Total Revenues	<u>27,810</u>	<u>27,798</u>	<u>(12)</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Contractual Services	3,000	1,975	1,025
Capital Outlay	13,000	11,800	1,200
Total Expenditures	<u>16,000</u>	<u>13,775</u>	<u>2,225</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,810	14,023	2,213
Fund Balance at Beginning of Year	16,766	16,766	0
Fund Balance at End of Year	<u>\$28,576</u>	<u>\$30,789</u>	<u>\$2,213</u>

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

LAW ENFORCEMENT TRUST FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Investment Earnings	\$230	\$230	\$0
Total Revenues	230	230	0
Expenditures:			
Security of Persons and Property:			
Other Expenditures	4,629	3,555	1,074
Capital Outlay	2,000	517	1,483
Total Expenditures	6,629	4,072	2,557
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,399)	(3,842)	2,557
Fund Balance at Beginning of Year	5,000	5,000	0
Prior Year Encumbrances	2,629	2,629	0
Fund Balance at End of Year	<u>\$1,230</u>	<u>\$3,787</u>	<u>\$2,557</u>

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

MANDATORY DRUG FINE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$315	\$315	\$0
Fines and Forfeitures	3,023	3,022	(1)
Total Revenues	<u>3,338</u>	<u>3,337</u>	<u>(1)</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	1,500	1,209	291
Other Expenditures	3,000	500	2,500
Total Expenditures	<u>4,500</u>	<u>1,709</u>	<u>2,791</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,162)	1,628	2,790
Fund Balance at Beginning of Year	4,895	4,895	0
Fund Balance at End of Year	<u>\$3,733</u>	<u>\$6,523</u>	<u>\$2,790</u>

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

FIRE EQUIPMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Charges for Services	\$15,000	\$15,000	\$0
Investment Earnings	12,679	12,679	0
Total Revenues	27,679	27,679	0
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,679	27,679	0
Other Financing Sources (Uses):			
Operating Transfers In	155,000	155,000	0
Total Other Financing Sources (Uses)	155,000	155,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	182,679	182,679	0
Fund Balance at Beginning of Year	223,618	223,618	0
Fund Balance at End of Year	\$406,297	\$406,297	\$0

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

MUNICIPAL PROBATION SERVICE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$237	\$237	\$0
Fines and Forfeitures	2,203	2,203	0
Total Revenues	<u>2,440</u>	<u>2,440</u>	<u>0</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Other Expenditures	3,400	0	3,400
Total Expenditures	<u>3,400</u>	<u>0</u>	<u>3,400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(960)	2,440	3,400
Fund Balance at Beginning of Year	4,123	4,123	0
Fund Balance at End of Year	<u>\$3,163</u>	<u>\$6,563</u>	<u>\$3,400</u>

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

LAW ENFORCEMENT BLOCK GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Investment Earnings	\$470	\$470	\$0
Total Revenues	470	470	0
Expenditures:			
Security of Persons and Property:			
Personal Services	11,960	9,250	2,710
Total Expenditures	11,960	9,250	2,710
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,490)	(8,780)	2,710
Fund Balance at Beginning of Year	12,050	12,050	0
Fund Balance at End of Year	\$560	\$3,270	\$2,710

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

PROBATION OFFICER GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$44,824	\$44,824	\$0
Total Revenues	44,824	44,824	0
Expenditures:			
Security of Persons and Property:			
Personal Services	34,515	33,874	641
Contractual Services	3,840	2,921	919
Materials and Supplies	950	676	274
Capital Outlay	577	99	478
Total Expenditures	39,882	37,570	2,312
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,942	7,254	2,312
Fund Balance at Beginning of Year	18,520	18,520	0
Fund Balance at End of Year	\$23,462	\$25,774	\$2,312

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

COURT IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$22,617	\$22,617	\$0
Total Revenues	<u>22,617</u>	<u>22,617</u>	<u>0</u>
<u>Expenditures:</u>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,617	22,617	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$22,617</u></u>	<u><u>\$22,617</u></u>	<u><u>\$0</u></u>

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

POLICE PENSION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$70,573	\$70,572	(\$1)
Intergovernmental Revenues	6,750	6,751	1
Total Revenues	<u>77,323</u>	<u>77,323</u>	<u>0</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	66,280	66,280	0
Contractual Services	1,300	1,265	35
Total Expenditures	<u>67,580</u>	<u>67,545</u>	<u>35</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,743	9,778	35
Fund Balance at Beginning of Year	1,090	1,090	0
Fund Balance at End of Year	<u>\$10,833</u>	<u>\$10,868</u>	<u>\$35</u>

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

FIRE PENSION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$35,292	\$35,292	\$0
Intergovernmental Revenues	3,376	3,376	0
Total Revenues	<u>38,668</u>	<u>38,668</u>	<u>0</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	32,200	32,200	0
Contractual Services	660	633	27
Total Expenditures	<u>32,860</u>	<u>32,833</u>	<u>27</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,808	5,835	27
Fund Balance at Beginning of Year	546	546	0
Fund Balance at End of Year	<u>\$6,354</u>	<u>\$6,381</u>	<u>\$27</u>

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

Capital Improvement Fund

To account for financial resources used for the major capital projects undertaken by the City.

Main, Welsted and Vine Improvement Fund

To account for financial resources designated for the construction and acquisition of capital street projects.

THE CITY OF NAPOLEON, OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
DECEMBER 31, 1999

	Capital Improvement	Main, Welsted and Vine Improvement	Totals
Assets:			
Cash and Cash Equivalents	\$1,317	\$181	\$1,498
Investments	919,110	126,564	1,045,674
Receivables (net of allowances for doubtful accounts)			
Interest	0	6,185	6,185
Total Assets	<u>\$920,427</u>	<u>\$132,930</u>	<u>\$1,053,357</u>
Liabilities and Fund Equity:			
Liabilities:			
Accounts Payable	\$122,084	\$0	\$122,084
Accrued Interest Payable	0	10,341	10,341
Deferred Revenue	0	4,539	4,539
General Obligation Notes Payable	0	540,000	540,000
Total Liabilities	<u>122,084</u>	<u>554,880</u>	<u>676,964</u>
Fund Equity:			
Reserved for Encumbrances	54,475	3,080	57,555
Unreserved	743,868	(425,030)	318,838
Total Fund Equity	<u>798,343</u>	<u>(421,950)</u>	<u>376,393</u>
Total Liabilities and Fund Equity	<u>\$920,427</u>	<u>\$132,930</u>	<u>\$1,053,357</u>

THE CITY OF NAPOLEON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Capital Improvement	Main, Welsted and Vine Improvement	Totals
Revenues:			
Intergovernmental Revenues	\$133,687	\$0	\$133,687
Investment Earnings	0	10,488	10,488
All Other Revenues	33,784	1,244	35,028
Total Revenues	167,471	11,732	179,203
Expenditures:			
Capital Outlay	954,938	723,739	1,678,677
Debt Service:			
Interest and Fiscal Charges	0	10,341	10,341
Total Expenditures	954,938	734,080	1,689,018
Excess (Deficiency) of Revenues Over (Under) Expenditures	(787,467)	(722,348)	(1,509,815)
Other Financing Sources (Uses):			
Operating Transfers In	982,080	300,000	1,282,080
Operating Transfers Out	(128,910)	0	(128,910)
Total Other Financing Sources (Uses)	853,170	300,000	1,153,170
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	65,703	(422,348)	(356,645)
Fund Balance at Beginning of Year	732,640	398	733,038
Fund Balance (Deficit) at End of Year	\$798,343	(\$421,950)	\$376,393

CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

CAPITAL IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$133,687	\$133,687	\$0
All Other Revenues	33,785	33,784	(1)
Total Revenues	<u>167,472</u>	<u>167,471</u>	<u>(1)</u>
Expenditures:			
Capital Outlay:			
City Manager	12,550	12,474	76
Law Director	2,000	1,832	168
Finance - Administration	21,800	16,649	5,151
Engineering	246,948	244,441	2,507
Municipal Court	32,800	18,322	14,478
Police	119,950	119,853	97
Fire	37,900	36,995	905
Building Inspections	7,480	7,478	2
Parks and Recreation	60,851	60,683	168
Cemetery	5,460	5,366	94
Street Maintenance	340,240	327,482	12,758
Storm Drainage	161,300	161,202	98
Total Expenditures	<u>1,049,279</u>	<u>1,012,777</u>	<u>36,502</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(881,807)	(845,306)	36,501
Other Financing Sources (Uses):			
Operating Transfers In	982,080	982,080	0
Operating Transfers Out	(128,910)	(128,910)	0
Total Other Financing Sources (Uses)	<u>853,170</u>	<u>853,170</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(28,637)	7,864	36,501
Fund Balance at Beginning of Year	693,606	693,606	0
Prior Year Encumbrances	42,398	42,398	0
Fund Balance at End of Year	<u>\$707,367</u>	<u>\$743,868</u>	<u>\$36,501</u>

CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

MAIN, WELSTED AND VINE IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$9,241	\$9,240	(\$1)
All Other Revenues	1,245	1,244	(1)
Total Revenues	10,486	10,484	(2)
<u>Expenditures:</u>			
Capital Outlay:			
Street Improvements	732,000	726,819	5,181
Total Expenditures	732,000	726,819	5,181
Excess (Deficiency) of Revenues Over (Under) Expenditures	(721,514)	(716,335)	5,179
<u>Other Financing Sources (Uses):</u>			
Proceeds from General Obligation Notes	540,000	540,000	0
Operating Transfers In	300,000	300,000	0
Total Other Financing Sources	840,000	840,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	118,486	123,665	5,179
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$118,486	\$123,665	\$5,179

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, whereby the intent of the City is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City has decided that periodic determination of net income is appropriate for accountability purposes.

Electric Fund

To account for the operation of the City's electric distribution service.

Water Fund

To account for the operation of the City's water distribution service.

Sewer Fund

To account for the operation of the City's sanitary sewer collection service.

Sanitation Fund

To account for the operation of the City's trash collection service.

THE CITY OF NAPOLEON, OHIO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 1999

	Electric	Water	Sewer	Sanitation	Totals
Assets:					
Cash and Cash Equivalents	\$135,204	\$1,106	\$2,894	\$764	\$139,968
Investments	8,035,154	769,002	2,011,725	530,865	11,346,746
Receivables (net of allowances for doubtful accounts):					
Accounts	1,456,693	194,272	200,001	65,052	1,916,018
Special Assessments	0	0	1,945,397	0	1,945,397
Interest	181,199	23,495	54,134	14,001	272,829
Inventory of Supplies at Cost	974,882	135,936	27,358	0	1,138,176
Investment in Joint Venture	293,002	0	0	0	293,002
Restricted Assets:					
Cash and Cash Equivalents	316,605	0	317,997	0	634,602
Property, Plant and Equipment	10,474,959	5,173,090	10,542,483	222,989	26,413,521
Less Accumulated Depreciation	(4,746,513)	(2,880,512)	(4,062,914)	(219,344)	(11,909,283)
Net Fixed Assets	5,728,446	2,292,578	6,479,569	3,645	14,504,238
Construction in Progress	1,893,618	0	505,117	0	2,398,735
Total Assets	\$19,014,803	\$3,416,389	\$11,544,192	\$614,327	\$34,589,711
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$638,382	\$1,703	\$4,601	\$6,684	\$651,370
Accrued Wages and Benefits	40,084	25,932	10,721	6,355	83,092
Customer Deposits	20,592	0	0	0	20,592
Compensated Absences Payable	59,844	57,812	28,848	4,467	150,971
General Obligation Bonds Payable	0	1,715,000	0	0	1,715,000
Mortgage Revenue Bonds Payable	3,140,000	0	3,365,000	0	6,505,000
Ohio Sewer and Water Rotary					
Commission Deferred Loan Payable	0	0	88,341	0	88,341
Ohio Water Development					
Authority Loans Payable	0	382,950	3,307,038	0	3,689,988
Total Liabilities	3,898,902	2,183,397	6,804,549	17,506	12,904,354
Fund Equity:					
Contributed Capital	79,492	101,418	3,390,129	101,123	3,672,162
Retained Earnings:					
Unreserved	15,036,409	1,131,574	1,349,514	495,698	18,013,195
Total Fund Equity	15,115,901	1,232,992	4,739,643	596,821	21,685,357
Total Liabilities and Fund Equity	\$19,014,803	\$3,416,389	\$11,544,192	\$614,327	\$34,589,711

THE CITY OF NAPOLEON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Electric	Water	Sewer	Sanitation	Totals
<u>Operating Revenues:</u>					
Charges for Services	\$10,646,456	\$1,432,911	\$1,376,434	\$492,935	\$13,948,736
Other Charges for Services	12,778	26,534	0	9,985	49,297
Other Operating Revenues	0	0	3,853	0	3,853
Total Operating Revenues	10,659,234	1,459,445	1,380,287	502,920	14,001,886
<u>Operating Expenses:</u>					
Personal Services	719,040	441,244	221,636	101,045	1,482,965
Materials and Supplies	224,241	198,235	31,691	62,671	516,838
Contractual Services	357,688	78,811	27,717	155,338	619,554
Utilities	8,221,060	37,094	34,667	2,278	8,295,099
Depreciation	254,290	89,067	191,402	7,420	542,179
Other Operating Expenses	519,824	206,789	231,287	118,953	1,076,853
Total Operating Expenses	10,296,143	1,051,240	738,400	447,705	12,533,488
Operating Income	363,091	408,205	641,887	55,215	1,468,398
<u>Nonoperating Revenues (Expenses):</u>					
Gain on Investment in Joint Ventures	13,313	0	0	0	13,313
Investment Earnings	397,984	45,075	118,283	28,630	589,972
Interest and Fiscal Charges	(138,334)	(133,520)	(431,226)	0	(703,080)
Total Nonoperating Revenues (Expenses)	272,963	(88,445)	(312,943)	28,630	(99,795)
Income Before Operating Transfers	636,054	319,760	328,944	83,845	1,368,603
<u>Operating Transfers:</u>					
Operating Transfers Out	0	0	(85,000)	0	(85,000)
Total Operating Transfers	0	0	(85,000)	0	(85,000)
Net Income	636,054	319,760	243,944	83,845	1,283,603
Retained Earnings at Beginning of Year	14,400,355	811,814	1,105,570	411,853	16,729,592
Retained Earnings at End of Year	\$15,036,409	\$1,131,574	\$1,349,514	\$495,698	\$18,013,195

THE CITY OF NAPOLEON, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Electric	Water	Sewer	Sanitation	Totals
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Customers	\$10,285,599	\$1,407,940	\$1,352,360	\$495,188	\$13,541,087
Cash Payments for Goods and Services	(9,650,310)	(527,722)	(365,420)	(338,389)	(10,881,841)
Cash Payments to Employees	(732,627)	(457,685)	(223,210)	(103,418)	(1,516,940)
Net Cash Provided (Used) by Operating Activities	(97,338)	422,533	763,730	53,381	1,142,306
<u>Cash Flows from Noncapital Financing Activities:</u>					
Transfers Out to Other Funds	0	0	(85,000)	0	(85,000)
Receipts of Special Assessments	0	0	138,791	0	138,791
Net Cash Provided by Noncapital Financing Activities	0	0	53,791	0	53,791
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Acquisition and Construction of Assets	(1,837,993)	(60,417)	(482,349)	0	(2,380,759)
Receipts of Intergovernmental Grants	0	0	102,484	0	102,484
Principal Paid on General Obligation Bonds	0	(55,000)	0	0	(55,000)
Principal Paid on Mortgage Revenue Bonds	(96,250)	0	(105,417)	0	(201,667)
Principal Paid on Ohio Water Development Loans	0	(11,340)	(204,504)	0	(215,844)
Interest Paid on All Debt	(138,334)	(133,520)	(431,226)	0	(703,080)
Net Cash Used for Capital and Related Financing Activities	(2,072,577)	(260,277)	(1,121,012)	0	(3,453,866)
<u>Cash Flows from Investing Activities:</u>					
Purchase of Investments	0	(221,772)	0	(96,189)	(317,961)
Sale of Investments	1,468,481	0	154,328	0	1,622,809
Receipts of Interest	417,525	39,397	105,046	26,725	588,693
Net Cash Provided (Used) by Investing Activities	1,886,006	(182,375)	259,374	(69,464)	1,893,541
Net Decrease in Cash and Cash Equivalents	(283,909)	(20,119)	(44,117)	(16,083)	(364,228)
Cash and Cash Equivalents at Beginning of Year	735,718	21,225	365,008	16,847	1,138,798
Cash and Cash Equivalents at End of Year	\$451,809	\$1,106	\$320,891	\$764	\$774,570
<u>Reconciliation of Cash and</u>					
<u>Cash Equivalents per the Balance Sheet:</u>					
Cash and Cash Equivalents	\$135,204	\$1,106	\$2,894	\$764	\$139,968
Add: Restricted Cash and Cash Equivalents	316,605	0	317,997	0	634,602
Cash and Cash Equivalents at End of Year	\$451,809	\$1,106	\$320,891	\$764	\$774,570

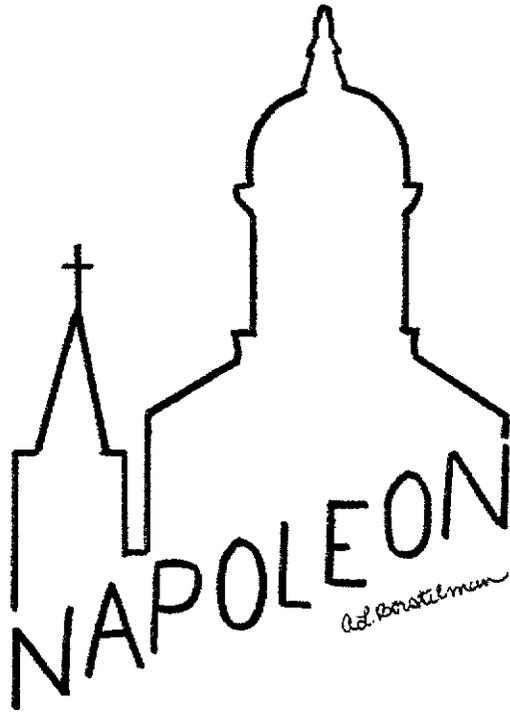
(Continued)

THE CITY OF NAPOLEON, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Electric	Water	Sewer	Sanitation	Totals
Reconciliation of Operating Income to Net Cash					
Provided (Used) by Operating Activities:					
Operating Income	\$363,091	\$408,205	\$641,887	\$55,215	\$1,468,398
Adjustments to Reconcile Operating Income to					
Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	254,290	89,067	191,402	7,420	542,179
Changes in Assets and Liabilities:					
Increase in Accounts Receivable	(373,635)	(51,505)	(27,927)	(7,732)	(460,799)
Increase in Inventory	(496,440)	(7,682)	(2,512)	0	(506,634)
Decrease in Prepaid Items	10,211	4,813	4,428	1,931	21,383
Increase (Decrease) in Accounts Payable	167,959	(3,888)	(41,974)	(1,080)	121,017
Decrease in Accrued Wages and Benefits	(29,740)	(13,637)	(7,309)	(3,515)	(54,201)
Decrease in Intergovernmental Payable	0	(36)	0	0	(36)
Decrease in Customer Deposits	(9,227)	0	0	0	(9,227)
Increase (Decrease) in Compensated Absences	16,153	(2,804)	5,735	1,142	20,226
Total Adjustments	(460,429)	14,328	121,843	(1,834)	(326,092)
Net Cash Provided (Used) by Operating Activities	(97,338)	\$422,533	\$763,730	\$53,381	\$1,142,306

Schedule of Noncash Investing, Capital and Financing Activities:

During 1999 the fair value of investments decreased by \$33,241, \$3,181, \$8,322 and \$2,196 in the Electric, Water, Sewer and Sanitation Funds respectively.



FIDUCIARY FUND TYPES

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

EXPENDABLE TRUST FUNDS

Napoleon Cemetery Trust Fund

To account for monies received by specific agreement, gifts, bequests or otherwise to provide for perpetual care of individual plots within the City cemetery.

Unclaimed Monies Fund

To account for stale uncashed warrants held until a legitimate claim is made or until the statute of limitations prevails.

NONEXPENDABLE TRUST FUND

Forest Hill Cemetery Fund

To account for monies received by specific agreement, gifts, bequests or otherwise to provide for care of the Forest Hill Mausoleum.

AGENCY FUNDS

Municipal Court Fund

To account for funds that flow through the municipal court office.

Payroll Withholding Fund

To account for withholding taxes until remitted to other entities.

Employee Benefits Fund

To account for funds related to the IRS 125 Employee Benefits Plan.

THE CITY OF NAPOLEON, OHIO
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
DECEMBER 31, 1999

	<u>Expendable Trust Funds</u>		<i>Nonexpendable</i>
	Napoleon Cemetery Trust	Unclaimed Monies	<i>Trust Fund</i> Forest Hill Cemetery
<u>Assets:</u>			
Cash and Cash Equivalents	\$68,790	\$2,104	\$10,566
Total Assets	<u>\$68,790</u>	<u>\$2,104</u>	<u>\$10,566</u>
<u>Liabilities and Fund Equity:</u>			
<u>Liabilities:</u>			
Due to Others	\$0	\$620	\$0
Total Liabilities	<u>0</u>	<u>620</u>	<u>0</u>
<u>Fund Equity:</u>			
Reserved for Endowments	0	0	10,566
Unreserved	68,790	1,484	0
Total Fund Equity	<u>68,790</u>	<u>1,484</u>	<u>10,566</u>
Total Liabilities and Fund Equity	<u>\$68,790</u>	<u>\$2,104</u>	<u>\$10,566</u>

**THE CITY OF NAPOLEON, OHIO
 COMBINING BALANCE SHEET
 FIDUCIARY FUNDS
 DECEMBER 31, 1999**

<i>Agency Funds</i>			
Municipal Court	Payroll Withholding	Employee Benefits	Totals
\$5,666	\$278	\$2,607	\$90,011
\$5,666	\$278	\$2,607	\$90,011
\$5,666	\$278	\$2,607	\$9,171
5,666	278	2,607	9,171
0	0	0	10,566
0	0	0	70,274
0	0	0	80,840
\$5,666	\$278	\$2,607	\$90,011

THE CITY OF NAPOLEON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Napoleon Cemetery Trust	Unclaimed Monies	Totals
<u>Revenues:</u>			
Charges for Services	\$4,948	\$0	\$4,948
Total Revenues	4,948	0	4,948
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,948	0	4,948
Fund Balance at Beginning of Year	63,842	1,484	65,326
Fund Balance at End of Year	<u>\$68,790</u>	<u>\$1,484</u>	<u>\$70,274</u>

CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

NAPOLEON CEMETERY TRUST FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$4,948	\$4,948	\$0
Total Revenues	4,948	4,948	0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,948	4,948	0
Fund Balance at Beginning of Year	63,842	63,842	0
Fund Balance at End of Year	\$68,790	\$68,790	\$0

CITY OF NAPOLEON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

UNCLAIMED MONIES FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
All Other Revenues	\$385	\$383	(\$2)
Total Revenues	<u>385</u>	<u>383</u>	<u>(2)</u>
Expenditures:			
General Government:			
Other Expenditures	500	359	141
Total Expenditures	<u>500</u>	<u>359</u>	<u>141</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(115)	24	139
Fund Balance at Beginning of Year	<u>2,080</u>	<u>2,080</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,965</u>	<u>\$2,104</u>	<u>\$139</u>

THE CITY OF NAPOLEON, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Balance December 31, 1998	Additions	Deductions	Balance December 31, 1999
<u>Municipal Court</u>				
Assets:				
Cash and Cash Equivalents	\$14,515	\$1,043,498	(\$1,052,347)	\$5,666
Total Assets	<u>\$14,515</u>	<u>\$1,043,498</u>	<u>(\$1,052,347)</u>	<u>\$5,666</u>
Liabilities:				
Due to Others	\$14,515	\$1,043,498	(\$1,052,347)	\$5,666
Total Liabilities	<u>\$14,515</u>	<u>\$1,043,498</u>	<u>(\$1,052,347)</u>	<u>\$5,666</u>
<u>Payroll Withholding</u>				
Assets:				
Cash and Cash Equivalents	\$13,281	\$278	(\$13,281)	\$278
Total Assets	<u>\$13,281</u>	<u>\$278</u>	<u>(\$13,281)</u>	<u>\$278</u>
Liabilities:				
Due to Others	\$13,281	\$278	(\$13,281)	\$278
Total Liabilities	<u>\$13,281</u>	<u>\$278</u>	<u>(\$13,281)</u>	<u>\$278</u>
<u>Employee Benefits</u>				
Assets:				
Cash and Cash Equivalents	\$2,599	\$8	\$0	\$2,607
Total Assets	<u>\$2,599</u>	<u>\$8</u>	<u>\$0</u>	<u>\$2,607</u>
Liabilities:				
Due to Others	\$2,599	\$8	\$0	\$2,607
Total Liabilities	<u>\$2,599</u>	<u>\$8</u>	<u>\$0</u>	<u>\$2,607</u>
<u>Totals - Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$30,395	\$1,043,784	(\$1,065,628)	\$8,551
Total Assets	<u>\$30,395</u>	<u>\$1,043,784</u>	<u>(\$1,065,628)</u>	<u>\$8,551</u>
Liabilities:				
Due to Others	\$30,395	\$1,043,784	(\$1,065,628)	\$8,551
Total Liabilities	<u>\$30,395</u>	<u>\$1,043,784</u>	<u>(\$1,065,628)</u>	<u>\$8,551</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group is used to account for fixed assets other than those accounted for in the Proprietary Funds.

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 1999

General Fixed Assets

Land	\$1,647,180
Buildings	2,001,195
Improvements	127,317
Machinery and Equipment	2,938,015
Total General Fixed Assets	\$6,713,707

Investment in General Fixed Assets

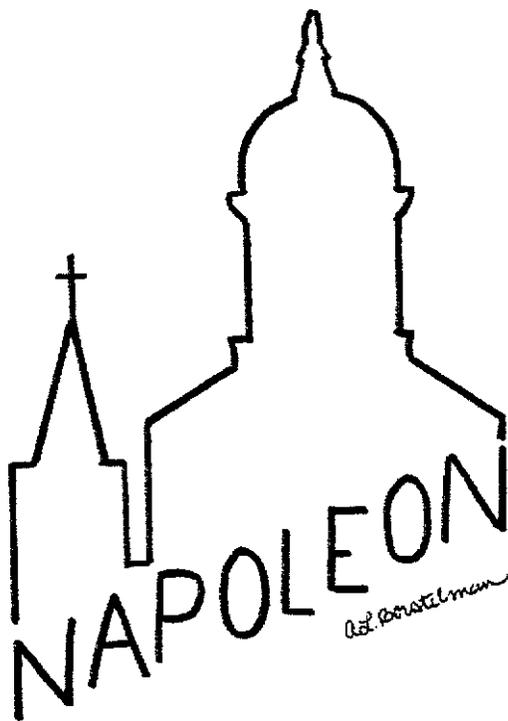
General Fund	\$275,958
Special Revenue Funds	206,782
Capital Projects Funds	5,647,298
Enterprise Funds	580,769
Internal Service Fund	400
Donated	2,500
Total Investment	\$6,713,707

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
DECEMBER 31, 1999

Function and Activity	Land	Buildings	Improvements	Machinery and Equipment	Total
<u>General Government:</u>					
City Manager	\$0	\$0	\$0	\$68,176	\$68,176
Law Director	0	0	0	19,254	19,254
Finance	0	179,304	0	217,454	396,758
Tax	0	0	0	23,249	23,249
Engineering	0	0	1,978	52,813	54,791
Municipal Court	0	0	0	73,758	73,758
General Administration	260,320	0	0	1,285	261,605
Total	<u>260,320</u>	<u>179,304</u>	<u>1,978</u>	<u>455,989</u>	<u>897,591</u>
<u>Security of Persons and Property:</u>					
Police	32,729	112,500	0	388,421	533,650
Fire	6,514	398,474	0	672,155	1,077,143
Total	<u>39,243</u>	<u>510,974</u>	<u>0</u>	<u>1,060,576</u>	<u>1,610,793</u>
<u>Transportation:</u>					
Street	37,457	654,534	65,008	865,034	1,622,033
Maintenance	0	0	0	42,950	42,950
Total	<u>37,457</u>	<u>654,534</u>	<u>65,008</u>	<u>907,984</u>	<u>1,664,983</u>
<u>Leisure Time Activities:</u>					
Parks and Recreation	1,072,860	650,583	60,331	447,118	2,230,892
<u>Community Environment:</u>					
Inspection	0	0	0	11,631	11,631
<u>Public Health and Welfare:</u>					
Cemetery	237,300	5,800	0	54,717	297,817
Total General Fixed Assets	<u>\$1,647,180</u>	<u>\$2,001,195</u>	<u>\$127,317</u>	<u>\$2,938,015</u>	<u>\$6,713,707</u>

THE CITY OF NAPOLEON, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 1999

<u>Function and Activity</u>	<u>December 31,</u> <u>1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31,</u> <u>1999</u>
<u>General Government:</u>				
City Manager	\$59,222	\$8,954	\$0	\$68,176
Law Director	17,654	1,600	0	19,254
Finance	387,443	9,315	0	396,758
Tax	21,089	2,160	0	23,249
Engineering	52,532	2,259	0	54,791
Municipal Court	55,256	18,502	0	73,758
General Administration	350,260	1,285	(89,940)	261,605
Total	<u>943,456</u>	<u>44,075</u>	<u>(89,940)</u>	<u>897,591</u>
<u>Security of Persons and Property:</u>				
Police	435,823	97,827	0	533,650
Fire	1,071,034	6,109	0	1,077,143
Total	<u>1,506,857</u>	<u>103,936</u>	<u>0</u>	<u>1,610,793</u>
<u>Transportation:</u>				
Street	1,619,568	2,465	0	1,622,033
Maintenance	42,950	0	0	42,950
Total	<u>1,662,518</u>	<u>2,465</u>	<u>0</u>	<u>1,664,983</u>
<u>Leisure Time Activities:</u>				
Parks and Recreation	2,207,888	29,004	(6,000)	2,230,892
<u>Community Environment:</u>				
Inspection	9,372	2,259	0	11,631
<u>Public Health and Welfare:</u>				
Cemetery	293,617	4,200	0	297,817
Total General Fixed Assets	<u>\$6,623,708</u>	<u>\$185,939</u>	<u>(\$95,940)</u>	<u>\$6,713,707</u>



STATISTICAL SECTION



**NAPOLEON IS THE HOME OF THE HENRY COUNTY FAIRGROUNDS
THE ANNUAL COUNTY FAIR IS ALWAYS VERY WELL ATTENDED
WITH A WIDE VARIETY OF EXHIBITS AND ACTIVITIES.**

STATISTICAL TABLES

***T**HE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE CITY.*

THE CITY HAS HAD NO GENERAL BONDED DEBT IN THE LAST TEN YEARS.

THE CITY OF NAPOLEON, OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN YEARS

Year	Security of Persons and Property	Public Health and Welfare	Leisure Time Activities	Community Environment	Trans- portation	Basic			Capital Outlay	Debt Service	Other	Total
						Utility Services	General Government					
1990	\$872,995	\$62,161	\$550,727	\$50,077	\$255,775	\$25,362	\$541,686	\$0	\$155,764	\$6,870	\$2,521,417	
1991	979,058	63,716	490,641	57,525	256,573	44,850	711,355	0	167,719	6,081	2,777,518	
1992	1,097,106	70,621	549,734	56,532	304,167	27,607	777,317	0	339,838	6,500	3,229,422	
1993	1,045,095	74,603	758,785	396,980	297,945	15,156	649,044	189,640	733,647	11,605	4,172,500	
1994	1,137,555	77,598	575,031	343,283	332,275	24,240	532,174	0	736,022	5,097	3,763,275	
1995	1,348,173	66,816	660,108	225,456	355,099	0	627,134	0	346,984	0	3,629,770	
1996	1,701,587	53,255	650,675	101,021	419,561	0	613,264	0	328,443	0	3,867,806	
1997	1,620,552	66,127	594,786	322,033	369,319	0	573,955	0	340,717	0	3,887,489	
1998	1,811,903	66,231	637,495	166,716	460,040	0	526,416	0	347,991	0	4,016,792	
1999	1,686,473	62,354	665,529	390,281	382,531	0	655,126	0	354,329	0	4,196,623	

(1) Includes General Fund, Special Revenue Funds and Debt Service Funds

NOTE In 1995 the Income Tax and Police Pension Funds (expendable trust funds) were reclassified. Income Tax is receipted into the General Fund and the Police Pension Fund is now a special revenue fund.

THE CITY OF NAPOLEON, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN YEARS

Year	Taxes	Inter-Governmental Revenue	Charges for Service	Licenses and Permits	Investment Earnings	Fines and Forfeitures	Miscellaneous (2)	Total
1990	\$667,515	\$223,069	\$211,120	\$35,155	\$150,341	\$188,249	\$291,444	\$1,766,893
1991	443,421	463,945	255,538	36,393	153,051	203,225	275,439	1,831,012
1992	403,417	402,887	290,121	37,362	111,573	178,669	424,577	1,848,606
1993	776,471	185,364	263,949	33,152	101,599	221,160	688,037	2,269,732
1994	847,405	503,757	285,968	32,289	128,278	247,866	663,309	2,708,872
1995	2,327,551	860,524	537,149	20,288	137,300	229,291	388,174	4,500,277
1996	2,519,304	1,132,078	720,752	60,039	362,975	261,235	470,928	5,527,311
1997	2,546,058	1,056,318	458,110	48,663	408,910	242,252	465,081	5,225,392
1998	2,726,758	1,067,245	596,375	49,531	392,843	286,415	552,914	5,672,081
1999	3,018,876	1,311,630	531,657	50,966	388,960	271,662	655,030	6,228,781

(1) Includes General Fund, Special Revenue Funds and Debt Service Funds

(2) Includes Special Assessments and All Other Revenues

NOTE In 1995 the Income Tax and Police Pension Funds (expendable trust funds) were reclassified. Income Tax is reported into the General Fund and the Police Pension Fund is now reported as a special revenue fund.

THE CITY OF NAPOLEON, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total		Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes to Total Tax Levy
					Tax Collections	To Tax Levy		
1990	\$239,108	\$253,439	\$4,648	\$258,087	107.94%	107.94%	\$6,234	2.61%
1991	289,676	236,730	6,471	243,201	83.96%	83.96%	1,773	0.61%
1992	280,677	260,159	3,558	263,717	93.96%	93.96%	2,588	0.92%
1993	283,536	267,210	6,500	273,710	96.53%	96.53%	2,799	0.99%
1994	289,896	284,806	3,569	288,375	99.48%	99.48%	3,532	1.22%
1995	295,504	288,137	4,645	292,782	99.08%	99.08%	5,131	1.74%
1996	301,210	295,186	5,991	301,177	99.99%	99.99%	4,599	1.53%
1997	336,308	312,912	5,826	318,738	94.78%	94.78%	5,345	1.59%
1998	330,297	259,303	9,015	268,318	81.24%	81.24%	1,475	0.45%
1999	405,869	240,610	7,139	247,749	61.04%	61.04%	3,118	0.77%

Source: Henry County Auditor

**THE CITY OF NAPOLEON, OHIO
TANGIBLE TAX COLLECTED
LAST TEN YEARS**

<u>Year Paid</u>	<u>Amount</u>
1990	\$62,604
1991	69,029
1992	63,251
1993	67,413
1994	66,153
1995	71,558
1996	73,621
1997	61,252
1998	100,576
1999	104,762

Source: Henry County Auditor

THE CITY OF NAPOLEON, OHIO
ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES
OF TAXABLE PROPERTY
LAST TEN YEARS

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1990	\$56,054,600	\$160,156,000	\$3,250,610	\$3,693,875	\$20,701,932	\$73,935,471	\$80,007,142	\$237,785,346	33.65%
1991	63,227,910	180,651,171	3,612,920	4,105,591	22,611,724	83,747,126	89,452,554	268,503,888	33.32%
1992	63,020,220	180,057,771	3,508,810	3,987,284	24,186,676	93,025,677	90,715,706	277,070,732	32.74%
1993	65,019,730	185,770,657	3,686,860	4,189,614	22,763,639	84,309,774	91,470,229	274,270,045	33.35%
1994	75,566,330	215,903,800	3,699,790	4,204,307	24,025,675	88,983,981	103,291,795	309,092,088	33.42%
1995	76,051,100	217,288,857	3,936,490	4,473,284	24,382,578	90,305,844	104,370,168	312,067,985	33.44%
1996	77,681,990	221,948,543	3,976,050	4,518,239	25,608,664	94,846,904	107,266,704	321,313,686	33.38%
1997	88,136,170	246,061,343	3,506,130	4,174,330	28,314,167	96,938,593	119,956,467	347,174,266	34.55%
1998	89,735,450	256,387,000	3,396,460	3,855,068	28,314,167	113,256,668	121,446,077	373,498,736	32.52%
1999	102,814,376	293,755,360	3,333,130	3,333,130	35,687,750	142,751,000	141,835,256	439,839,490	32.25%

Source: Henry County Auditor

THE CITY OF NAPOLEON, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATIONS)
LAST TEN YEARS

Collection Year	City of Napoleon										Total		
	General Fund		Police Pension Fund		Fire Pension Fund		Napoleon City School District		Joint Vocational School District			Henry County	Napoleon Township
1990	2.00	0.60	0.60	0.30	0.30	2.90	30.00	3.20	3.20	12.15	0.40	48.65	
1991	2.00	0.60	0.60	0.30	0.30	2.90	35.55	3.20	3.20	14.15	0.40	56.20	
1992	2.00	0.60	0.60	0.30	0.30	2.90	34.90	3.20	3.20	14.55	0.40	55.95	
1993	2.00	0.60	0.60	0.30	0.30	2.90	34.90	3.20	3.20	12.60	0.40	54.00	
1994	2.00	0.60	0.60	0.30	0.30	2.90	42.80	3.20	3.20	12.60	0.40	61.90	
1995	2.00	0.60	0.60	0.30	0.30	2.90	42.80	3.20	3.20	12.60	0.40	61.90	
1996	2.00	0.60	0.60	0.30	0.30	2.90	42.80	3.20	3.20	14.00	0.40	63.30	
1997	2.00	0.60	0.60	0.30	0.30	2.90	44.90	3.20	3.20	15.30	0.40	66.70	
1998	2.00	0.60	0.60	0.30	0.30	2.90	44.90	3.20	3.20	15.30	0.40	66.70	
1999	2.00	0.60	0.60	0.30	0.30	2.90	45.80	3.20	3.20	15.30	0.40	67.60	

Source: Henry County Treasurer

THE CITY OF NAPOLEON, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS

Collection Year	Amount Billed	Amount Collected	Percent Collected
1990	\$150,568	\$214,691	142.59%
1991	179,830	184,713	102.72%
1992	336,407	329,936	98.08%
1993	482,119	485,542	100.71%
1994	477,305	480,708	100.71%
1995	471,964	472,361	100.08%
1996	466,386	468,027	100.35%
1997	478,477	481,189	100.57%
1998	468,893	467,776	99.76%
1999	508,435	440,706	86.68%

Source: City of Napoleon Finance Department

THE CITY OF NAPOLEON, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 1999

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$141,835,256	\$141,835,256
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	14,892,702	7,800,939
Applicable City Debt Outstanding (2)	0	0
Less: Applicable Debt Service Fund Amounts	(281,696)	(281,696)
Net Indebtedness Subject to Limitation	(281,696)	(281,696)
Legal Debt Margin	\$15,174,398	\$8,082,635

(1) Direct Debt Limitation Based Upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) The City does not have any non self-supporting general obligation debt.
 Enterprise Debt is Not Considered in the Computation of the Legal Debt Margin.

THE CITY OF NAPOLEON, OHIO
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED
VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of	
						Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1990	8,884	\$80,007,142	\$345,000	\$227,884	\$117,116	0.15%	\$13.18
1991	8,884	89,452,554	305,000	253,862	51,138	0.06%	5.76
1992	8,884	90,715,706	265,000	799,934	0	0.00%	0.00
1993	8,884	91,470,229	225,000	1,013,650	0	0.00%	0.00
1994	9,215	103,291,795	0	938,031	0	0.00%	0.00
1995	9,215	104,370,168	0	268,590	0	0.00%	0.00
1996	9,215	107,266,704	0	283,725	0	0.00%	0.00
1997	9,215	115,978,300	0	300,495	0	0.00%	0.00
1998	9,215	121,446,077	0	308,476	0	0.00%	0.00
1999	9,215	141,835,256	0	281,696	0	0.00%	0.00

(1) Source: U.S. Bureau of Census, Federal 1990 Census.
 Population estimates made by the City for 1994 through 1999.

(2) Source: Henry County Auditor.

(3) Includes all non self-supporting general obligation bonded debt supported by property taxes.

THE CITY OF NAPOLEON, OHIO
COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
DECEMBER 31, 1999

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Napoleon	Amount Applicable to City of Napoleon
Direct			
City of Napoleon	\$0	100.00%	\$0
Overlapping Subdivisions			
Napoleon City School District	5,564,456	47.27%	2,630,318
Liberty Center School District	3,455,000	8.38%	289,529
Four County Vocational School District	0	5.59%	0
Henry County	3,795,000	27.69%	1,050,836
		Subtotal	3,970,683
		- Total	<u>\$3,970,683</u>

Source: Bond Counsel - Squire, Sanders & Dempsey

THE CITY OF NAPOLEON, OHIO
MORTGAGE REVENUE BOND COVERAGE

Year	Gross Revenues (3)	Direct Operating Expenses (4)	Net Revenue Available For Debt Service	Annual Debt Service Requirement (5)	Coverage
Electric (1)					
1998	\$9,898,206	\$9,939,969	(\$41,763)	\$21,326	(1.96)
1999	11,057,218	10,041,853	1,015,365	234,584	4.33
Sewer (2)					
1998	\$1,521,674	\$1,258,196	\$263,478	\$23,072	11.42
1999	1,498,570	546,998	951,572	253,793	3.75

The City had no Mortgage Revenue Bonds Prior to 1998.

(1) The Electric system 1st Mortgage Revenue Bonds were issued in 1998, in the amount of \$3,245,000.

(2) The Sewer system 1st Mortgage Revenue Bonds were issued in 1998, in the amount of \$3,480,000.

(3) Gross revenues include operating revenues plus interest income.

(4) Direct operating expenses include operating expenses less depreciation.

(5) Annual debt service requirements include principal and interest on revenue bonds only. It does not include the general obligation bonds reported in the Water Revenue Fund.

Source: City of Napoleon Finance Department

THE CITY OF NAPOLEON, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

Year	Population (1)		Henry County Population (1)	Unemployment Rate Henry County Area (2)	Per Capita Income Henry County Area (2)		School Enrollment (3)
	City	Population (1)			Henry County Area (2)	Henry County Area (2)	
1990	8,884	29,108	29,108	7.3%	\$16,147	2,466	
1991	8,884	29,108	29,108	7.6%	16,147	2,462	
1992	8,884	29,200	29,200	8.7%	16,147	2,509	
1993	8,884	29,300	29,300	7.9%	16,147	2,505	
1994	9,215	29,400	29,400	6.2%	19,332	2,459	
1995	9,215	29,700	29,700	6.2%	19,332	2,451	
1996	9,215	29,901	29,901	4.5%	19,332	2,399	
1997	9,215	29,950	29,950	5.4%	19,332	2,436	
1998	9,215	30,100	30,100	5.3%	19,332	2,462	
1999	9,215	30,100	30,100	5.6%	19,332	2,779	

Source: (1) Source: U.S. Bureau of Census, Federal 1990 Census.
Population estimate made by the City for 1994 through 1999.
(2) State Department of Labor
(3) Napoleon City School District, Board of Education.

THE CITY OF NAPOLEON, OHIO
PROPERTY VALUE AND CONSTRUCTION PERMITS
LAST TEN YEARS

Year	Residential		Commercial	
	Number of Permits	Property Value	Number of Permits	Property Value
1990	418	\$2,709,624	87	\$4,609,000
1991	353	2,798,085	96	2,564,600
1992	291	3,091,573	89	3,246,080
1993	290	2,687,699	98	3,052,160
1994	325	4,553,321	110	4,742,731
1995	304	4,835,106	95	3,231,124
1996	396	3,752,544	99	9,371,560
1997	465	4,044,180	126	4,716,800
1998	422	5,004,557	142	14,928,580
1999	441	5,066,085	101	5,323,497

Source: City of Napoleon Building Department.

THE CITY OF NAPOLEON, OHIO
PRINCIPAL TAXPAYERS (PERSONAL PROPERTY TAX) (1)
DECEMBER 31, 1999

Taxpayer	Type of Business	1999 Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
1. Campbell Soup Supply Company, LLC	Food Canning and Processing	\$9,367,410	26.25%
2. Automatic Feed Company	Steel Handling Equipment	2,318,700	6.50%
3. Sunshine Biscuits	Food Processing	1,623,310	4.55%
4. Carson Industries	Manufacturing	1,540,050	4.32%
5. LDM Technologies, Inc.	Manufacturing	1,391,890	3.90%
6. Pro Team Corvette Sales	Automobile Sales	1,081,220	3.03%
7. Wal-Mart Stores, Inc.	Retail Sales	874,650	2.45%
8. Snyder Chevrolet	Automobile Sales	652,750	1.83%
9. Korhumel Ford	Automobile Sales	485,750	1.36%
10. Integrity Motors	Automobile Sales	334,470	0.93%
Sub-Total		19,670,200	55.12%
All Others		16,017,550	44.88%
Total		\$35,687,750	100.00%

(1) Based on valuation of property taxes to be collected in 2000.
Source: Henry County Auditor - Land and Buildings.

THE CITY OF NAPOLEON, OHIO
PRINCIPAL TAXPAYERS (REAL PROPERTY TAX) (1)
DECEMBER 31, 1999

Taxpayer	Type of Business	1999 Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
1. Campbell Soup Supply Company, LLC	Food Canning and Processing	\$12,710,457	12.36%
2. CCS Realty Company	Real Estate	4,688,171	4.56%
3. Imperial Clevite	Rubber and Metal Assembly	2,258,028	2.19%
4. Lutheran Development	Nursing Home	2,242,914	2.18%
5. Tippman-Napoleon Ltd.	Warehouse	2,015,257	1.96%
6. Automatic Feed	Steel Handling Equipment	1,759,400	1.71%
7. Rahee Hospitality	Motel	1,523,771	1.48%
8. Glen Arbor Limited	Apartments	1,167,885	1.14%
9. First Federal Savings	Financial Institution	1,156,371	1.13%
10. Riverview Apartments	Apartments	1,149,800	1.12%
Sub-Total		30,672,054	29.83%
All Others		72,142,322	70.17%
Total		\$102,814,376	100.00%

(1) Based on valuation of property taxes to be collected in 2000.
Source: Henry County Auditor - Land and Buildings.

THE CITY OF NAPOLEON, OHIO
PRINCIPAL TAXPAYERS (INCOME TAX)
DECEMBER 31, 1999

Taxpayer	Type of Business	Amount of Tax Paid in 1999	Percentage of Total
1. Tenneco Automotive (Pullman Company)	Manufacturing	\$215,327	8.35%
2. Campbell Soup Supply Company, LLC	Food Canning and Processing	151,686	5.88%
3. Napoleon City School District	Education	104,462	4.05%
4. Automatic Feed Company	Steel Handling Equipment	94,231	3.65%
5. Henry County	County Government	65,973	2.56%
6. LDM Technologies, Inc.	Manufacturing	49,655	1.92%
7. City of Napoleon	Local Government	48,763	1.89%
8. Carson Industries	Manufacturing	38,862	1.51%
9. Wal-Mart Stores, Inc.	Retail Sales	26,237	1.02%
10. The Lutheran Home	Long-term Health Care	22,451	0.87%
Sub-Total		817,647	31.70%
All Others		1,761,949	68.30%
Total		\$2,579,596	100.00%

Source: Napoleon City Income Tax Department

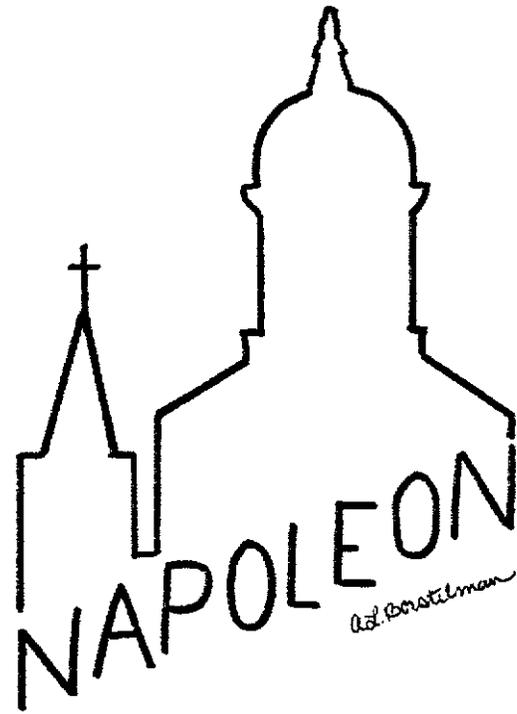
THE CITY OF NAPOLEON, OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 1999

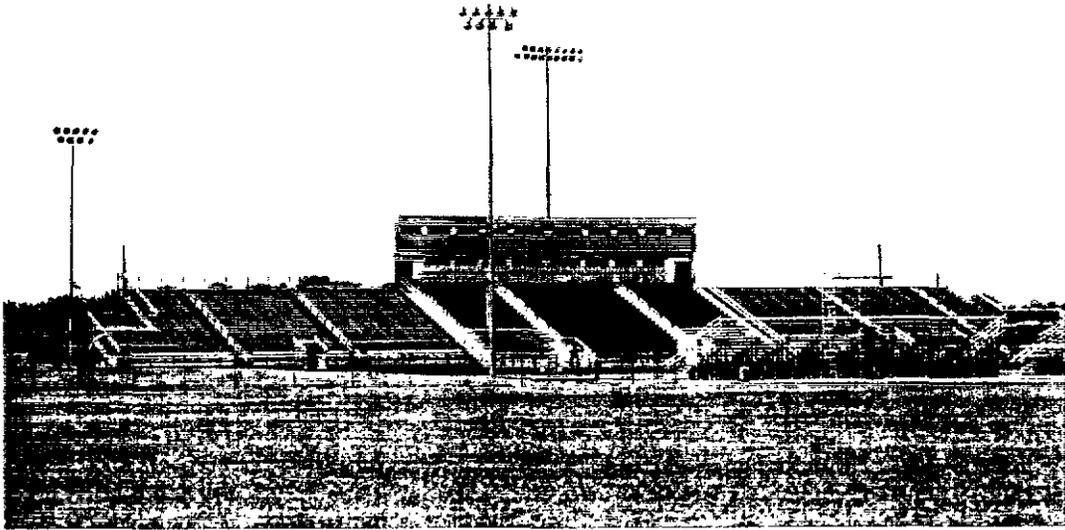
	Employer	Type of Business	Number of Employees		
			Full Time	Part Time	Total
1.	Tenneco Automotive (Pullman Company)	Automobile Parts Manufacturer	439	7	446
2.	Henry County	County Government	220	160	380
3.	Napoleon City School District	Education	222	28	250
4.	City of Napoleon	Local Government	100	102	202
5.	LDM Technologies	Manufacturing	146	4	150
6.	Automatic Feed Company	Steel Handling Equipment	146	0	146
7.	The Lutheran Home	Long-term Health Care	45	90	135
8.	Wal-Mart Stores	Retail	74	42	116
9.	Carson Industries	Manufacturing	100	2	102
10.	Northcrest Nursing Home	Health Care and Rehabilitation	83	17	100

Source: City of Napoleon Chamber of Commerce/Each Employer's Personnel Departments.

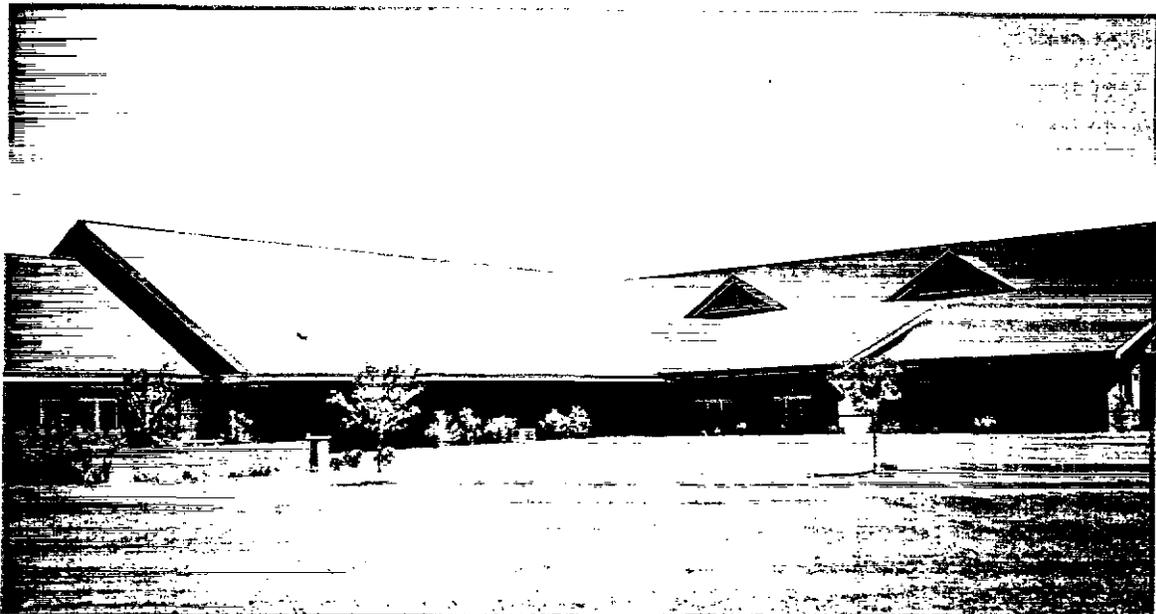
THE CITY OF NAPOLEON, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 1999

Date of Incorporation	1863	Police Services:		Water System:	
Form of Government	Charter	Number of Stations	1	Number of Purification Plants	1
Area (square miles)	5.63	Number of Police Personnel and Officers	20	Miles of Water Mains	58.48
Facilities and Services:		Number of Patrol Units	6	Number of Fire Hydrants	327
Miles of Streets	72	Number of Law Violations:		Number of Service Connections	3,500
		Criminal / Juvenile Citations and Charges	2,357	Average Daily Consumption (gallons)	1.5M
Recreation and Culture:		Traffic Citations Issued	833	Maximum Daily Capacity of Plant (gallons)	4.5M
Number of Parks	9	Parking Tickets Written	180		
Park Area (acres)	225	Fire/Emergency Medical Services:		Sewerage System:	
Number of Ball Fields:		Number of Stations	1	Number of Treatment Plants	1
Lighted	3	Number of Fire Officers		Miles of Sanitary Sewers	45
Unlighted	2	and Firefighters/Paramedics:		Miles of Storm Sewers	30
Number of Tennis Courts:		Full-Time	7	Number of Service Connections	3,500
Lighted	2	Part-Time	37	Average Daily Treatment (gallons)	1.8M
Number of Libraries	1	Number of Calls Answered		Maximum Daily Capacity of Treatment (gallons)	2.5M
		Fire	248		
Number of Hospitals	1	EMS	744	Education:	
Number of Patient Beds	50	Number of Inspections	50	Elementary and Middle Schools	4
Number of Bassinets	5	Number of Cemeteries	2	Elementary and Middle School Students	1,443
		Cemetery Area (acres)	25	Elementary and Middle School Instructors	98
				Secondary Schools	1
				Secondary School Students	745
				Secondary School Instructors	58
				Parochial Schools	3
				Parochial School Students	591
				Parochial School Instructors	31





**THE CHARLES BUCKENMEYER FOOTBALL STADIUM
(DEDICATED IN 1998)
IS ONE OF THE PREMIER STADIUMS IN NORTHWEST OHIO.**



**GERMAN MUTUAL INSURANCE
MOVED INTO THEIR NEW HEADQUARTERS THIS YEAR.**



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

CITY OF NAPOLEON

HENRY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 13, 2000**