



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

---

**STATE OF OHIO**



CITY OF NAPOLEON  
HENRY COUNTY

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  
Suite 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  
P.O. Box 151  
Napoleon, Ohio 43545-0151

To the Honorable Mayor and Members of Council:

We have audited the financial statements of the City of Napoleon as of and for the year ended December 31, 2001, and have issued our report thereon dated June 14, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Compliance**

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

**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 14, 2002.

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 the finance committee, 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 stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

June 14, 2002

# ***THE CITY OF NAPOLEON***

HENRY COUNTY, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2001

***THE CITY OF NAPOLEON, OHIO***

HENRY COUNTY

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2001

Prepared by:  
Gregory J. Heath  
Director of Finance



# TABLE OF CONTENTS

## CITY OF NAPOLEON, OHIO HENRY COUNTY

---

### **I** INTRODUCTORY SECTION

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

### **II** FINANCIAL SECTION

<b>A</b>	REPORT OF INDEPENDENT ACCOUNTANTS	1
<b>B</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
<b>C</b>	COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES	
	<b>General Fund</b>	
	Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis)	46

**Special Revenue Funds**

Combining Balance Sheet	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	56
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis)	
Street Construction, Maintenance and Repair Fund	60
State Highway Improvement Fund	61
Motor Vehicle License Tax Fund	62
EMS Transport Service Fund	63
Recreation Fund	64
Special Events Fund	66
Economic Development Fund	67
Hotel/Motel Tax Fund	68
Community Development Block Grant (CDBG) Program Income Fund	69
Indigent Drivers Alcohol Treatment Fund	70
Law Enforcement and Education Fund	71
Court Computerization Fund	72
Law Enforcement Trust Fund	73
Mandatory Drug Fine Fund	74
Fire Equipment Fund	75
Municipal Probation Service Fund	76
Law Enforcement Block Grant Fund	77
Probation Officer Grant Fund	78
Court Improvement Fund	79
Handicap Parking Fines Fund	80
Police Pension Fund	81
Fire Pension Fund	82

**Enterprise Funds**

Combining Balance Sheet	84
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	85
Combining Statement of Cash Flows	86

**Fiduciary Funds**

Combining Balance Sheet	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Expendable Trust Funds	92
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis)	
Napoleon Cemetery Trust Fund	93
Unclaimed Monies Fund	94
Combining Statement of Changes in Assets and Liabilities - Agency Funds	95

**General Fixed Assets Account Group**

Schedule of General Fixed Assets by Source	98
Schedule of General Fixed Assets by Category	99
Schedule of Changes in General Fixed Assets by Function and Activity	100

**III****STATISTICAL SECTION**

General Governmental Expenditures by Function - Last Ten Years	102
General Governmental Revenues By Source - Last Ten Years	103
Property Tax Levies and Collections - Last Ten Years	104
Tangible Tax Collected - Last Ten Years	105
Assessed Valuations and Estimated True Values of Taxable Property - Last Ten Years	106
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years	107
Special Assessment Billings and Collections - Last Ten Years	108
Computation of Legal Debt Margin	109
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita - Last Ten Years	110
Computation of All Direct and Overlapping Governmental Debt	111
Mortgage Revenue Bond Coverage	112
Demographic Statistics - Last Ten Years	113
Property Value and Construction Permits - Last Ten Years	114
Principal Taxpayers (Personal Property Tax)	115
Principal Taxpayers (Real Property Tax)	116
Principal Taxpayers (Income Tax)	117
Principal Employers	118
Miscellaneous Statistics	119



## *INTRODUCTORY SECTION*

---



THE INSTALLATION OF ONE NEW POLE TO REPLACE TWO EXISTING POLES IS ONLY ONE OF THE MANY UPGRADES THE CITY'S ELECTRIC LINE CREWS ARE CONTINUALLY PERFORMING.

USING THE VACTOR UNIT TO CLEAN THE CITY'S SEWERS IS JUST PART OF THE OPERATIONS DEPARTMENT'S ROUTINE DUTIES.





# City of Napoleon, Ohio

255 West Riverview Avenue - PO Box 151

Napoleon, Ohio 43545-0151

Phone (419) 599-1235

Fax (419) 599-8393

---

June 17, 2002

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

I am pleased to present the Sixth (6<sup>th</sup>) Comprehensive Annual Financial Report (CAFR) of the City of Napoleon, Ohio, (the City) for the year ended December 31, 2001. 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 operations 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 of Ohio." 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" as named by the local Native American tribes. The Maumee River empties into Lake Erie and provided a natural navigable waterway as well as an abundance of aquatic life. The surrounding forests at that time 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 River 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 and opened the area to early European emigration. 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 20<sup>th</sup> century Napoleon had grown into a strong, diversified economy. Today, and looking forward into the 21<sup>st</sup> 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 agricultural 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 north edge of the City. State Routes (SR) 108 and 109 run through the City north and south. Two (2) entrances to the Ohio Turnpike, Interstate I-80/90 are off SR 108 and 109, located 12 miles north and northeast 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 Bryan, Ohio, Toledo, Ohio, and Fort Wayne, Indiana. Toledo Express Airport, a full service passenger and freight airport, is located 30 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 City 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's; 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, and it is not 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 a curbside recycling program 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 by City Charter and Home Rule has the necessary authority to establish and amend utility user rates as required. All utility 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 (1) of the 85 member municipalities in the 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 has been and is continuing to position itself to be an electric power provider for retail choice on electric services.

The City has a joint contract between the City and Henry County for operation of the Community Improvement Corporation (CIC). Mutual aide contracts for fire and emergency medical services are between the City, the Townships, Henry County and the Henry County Hospital. Henry County operates the health district, in which the City participates contractually, but has no current fiduciary responsibility by agreement. The City has a contract with the Napoleon Henry County Chamber of Commerce to operate a Tourist Bureau for the City.



## **Form of Government**

The Village of Napoleon officially became the "City of Napoleon," in 1950. The citizens of Napoleon, who were determined to exercise home rule authority, voted to become a Chartered City effective January 1, 1952. The Charter was recently amended in its entirety on November 7, 2000, with an effective date of 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 with limited executive and legislative authority 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, enacts ordinances and resolutions, and sets policy relating to City services, including; tax levies, utility rates, appropriating and borrowing money, licensing and regulating businesses and trades, and all other municipal services.

General elections are held every two years, alternating with four council seats and then three council seats plus the Mayor. All council seats are elected at-large and 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, and Law Director are all appointed by City Council and serve at the pleasure of Council with no specified terms. Except for Municipal Court, all other departments/divisions and their respective positions are established by City Council. The 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 recommends the appointments of all citizen members of all boards and commissions.

## **ECONOMIC CONDITIONS AND OUTLOOK**

### **Local Economy**

The local economy remained healthy even though overall economic activity declined in the first half of 2001. Business profits were down but withholding taxes were slightly up. This decline started to recover by the end of the year and continues into 2002. The events of 9/11 have had minimal impact locally and actually may have caused increased economic activity in certain areas. Incentives on automobiles, and higher soup demand as people turned to childhood favorites helped, local suppliers of these products to perform well. Commercially, the Scott Street (State Route 108) area located north of the downtown, has experienced booming growth in 2001. This is due to the recent construction and opening of a Super Wal-Mart store in the Heritage Towne Center. New businesses include a Sam Goodys and a Burger King restaurant. A number of other stores who have built new or upgraded their facilities includes Fashion Bug, Shoe Show, Rent-a-Center, Sub-Way and McDonalds.

The Campbell Soup Supply Company, LLC (Campbell's), a manufacturer of soups and various other drinks (V-8 & Splash), among other canned items, is located adjacent to the City and continues to be the largest employer in Henry County. Campbell's employment increased slightly in 2001 and is projected currently at one thousand four hundred (1,400) persons. The local plant has recently been running 7 days a week and 24 hours a day due to increased production based on higher product demand, and the shifting of production of certain product lines to the Napoleon Plant from another plant that was on strike. A substantial investment is currently being made into the local plant to upgrade production capability.

The Silgan Can Company, located in the Campbell complex, employs about two hundred and forty (240) persons. They have expanded their market to include Toronto, Canada and Mexico. A warehouse was recently completed adjacent to the plant to handle the increased production.

Automatic Feed Company, a supplier of steel handling equipment and presses, has seen a downturn due to overseas competition. Recently they have obtained contracts from South Africa, and have diversified by selling a software product they developed for use in the manufacturing process.

Other positive aspects, relative to manufacturing, include the introduction of the new Jeep Liberty in Toledo, which has resulted in additional suppliers locating in the area. Napoleon is ideally located as a distribution center to these suppliers. GM Powertrain in Defiance, Ohio has added aluminum parts production to its operations and will see suppliers move to the area. Alex Products, located in Ridgeville Corners ( Henry County), is a prime supplier for the auto industry and has recently expanded.

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, 2001, the state recorded an unemployment rate of 4.2%, and the national seasonally adjusted unemployment rate was 4.8%. The unemployment rate in Henry County for the same period was 5.1%. While specific data is unavailable from the Ohio Bureau of Employment Services, it is estimated that the City unemployment rate is approximately 4.5%.

**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
Silgan Can Company	Produces Cans for the Food Market
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
The Lutheran Home	Long-term Care Facility
Wal-Mart Store	Retail Sales
Automatic Feed Company	Design/Mfg. of Coil Equipment Processing
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 and Silgan Can, both of which are 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 1,400 persons, with another 240 persons employed in the Silgan Can Company.

## **Future**

Other development includes developer plans for the Oakwood Plaza (Prior location of Wal-Mart, Fashion Bug, Rent-a-Center and Shoe Show stores). Two new commerce parks are being developed: the Napoleon Commerce Park with current construction of a spec-building; and the North Pointe Commerce Park that involves 400 acres of land recently annexed by the City. One business has committed to relocating in the North Pointe Commerce Park with other new businesses inquiring daily about available space. A subdivision on the South side of Napoleon is continuing to construct several new single-family homes. There are three condominium developments currently under construction or in the later planning stages. The State will be replacing the Perry Street Bridge in 2004, with a continuing feasibility study for a second bridge crossing sometime in the next fifteen (15) years.

The downtown area continues to have a relative low vacancy rate, but there are some vacant store fronts. The Perry Street river bridge is scheduled for renovation in 2001-2002. The potential improvements on US 24 from Toledo, Ohio, to Fort Wayne, Indiana, known as the "Port to Fort" project, a four lane limited access highway when completed, will position the City as an ideal location for both industry and commercial development.

## **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 upgrades for reliability and service.
- Constructed new restrooms at the boat ramp and renovated the boat ramp parking area.
- Upgraded or replaced major equipment in many of the Departments.
- Upgraded various Department computers and software.
- Completed major sewer separations on the sanitary sewer system.
- Completed waterline upgrades on the water distribution system.
- Completed the Raw Water Line construction to the Wauseon reservoir.

### **For the Future**

Napoleon plans to continue to update and expand City services where necessary 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 continued growth and development occurs. The following are some of the major goals and projects for the future:

- Final development of a new City Master Plan to assist in City growth and direction.
- Development of industrial and commercial sites for expanded and new industries.
- Major equipment upgrades in various 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 in 2004.
- Completion and sale of spec building in new commerce park.
- Completion of service building addition.

## Department Accomplishments

Three (3) year bargaining unit contracts were completed and adopted by all City unions in 2001. Management reviews are ongoing for all departmental operations of the City. These have resulted in changes, enhancing the efficiency and effectiveness of operations. Continuing education and skill training programs remained a priority item for all departments. Safety (OSHA) training programs have been implemented and required for all departments. Renovation to the Municipal Service Building is nearing completion and will better utilize shared services. The City is continuing the process of updating department policies and procedures, and will be reviewing the proposed City Master Plan once completed by the consultant.

## 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
  - Salary and Wages
  - Fringe Benefits
- Other Expenditures
  - Contractual Services
  - Transfers
  - Materials and Supplies
  - Debt Service -
  - Capital Outlay
  - Principal & Interest

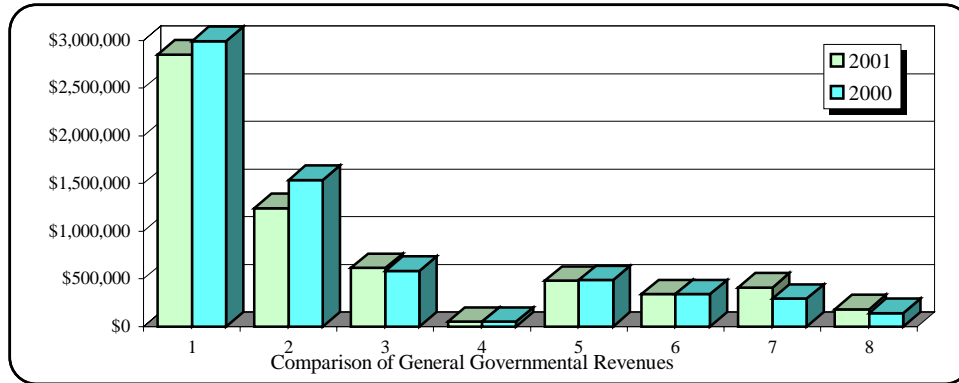
Lower levels within each object are accounted for and reported internally. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level 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 \$6,177,560, representing a decrease of (\$247,811) or 3.9% below 2000. The following schedule presents a summary of general governmental revenues for the year ended December 31, 2001, the percentage of total revenues for the year and the amount of increase/(decrease) in relation to 2000 revenue.

Revenue Source	Total 2001 Revenues	Percent of Total	Increase (Decrease) over 2000
1. Taxes	\$2,851,943	46.17%	(\$139,613)
2. Intergovernmental Revenue	1,243,384	20.13%	(292,971)
3. Charges for Services	615,613	9.97%	32,658
4. Licenses and Permits	52,815	0.85%	133
5. Investment Earnings	480,730	7.78%	(6,381)
6. Special Assessments	339,160	5.49%	(540)
7. Fines and Forfeitures	410,473	6.64%	116,928
8. All Other Revenues	183,442	2.97%	41,975
Total	\$6,177,560	100.00%	(\$247,811)



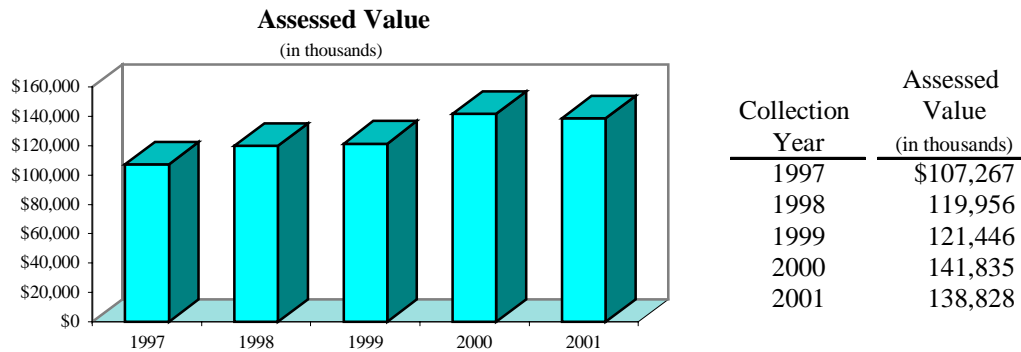
### Revenue Narrative

The City's income tax continues to be its primary source of revenue for general government activities with 2001 collections totaling \$2,449,401. That is a reduction of (\$204,455) or a (7.7%) decrease as compared to the previous year. The largest loss was in Business (Net Profit) returns, with individual and withholdings at or above previous year collection levels. 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 increased by a voted 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.

The City receives estate (inheritance) tax collected by the County. This tax source varies greatly up or down in any given year. In 2001, collections totaled \$234,377. This is a reduction of (\$24,863) or a (9.6%) decrease as compared to the previous year. Lodge tax collections were also down (\$15,193) or a (17.2%) decrease as compared to the previous year. The new kWh tax added a net of about \$62,000 to the general taxes total.

Property and Real Estate 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. Special Assessments are not included in the property tax revenues. Revenues from property taxes are used for general fund operations, including Police and Fire Pension Funds. In 2001, property and real estate tax cash receipts collected and forwarded to the City were up \$13,856 or a 5.0% increase over 2000.

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



City investment earnings cash received in 2001 increased 13.0% over 2000. The increase was due to timing of principal maturity dates and the additional balances from the bond and note sales available for investment. Interest rates followed a steady decline in 2001 until September 11, 2001. In October and November of 2001 short term interest rates reached their lowest level in over 20 years. The City's average investment is less than two (2) years. The current rate levels will negatively impact future interest earnings into 2002. 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 decrease experienced in the intergovernmental revenues for 2001 was in State Grant Receipts. Specifically the CDBG, CHIS, and CHIP Housing Grant Funds used for low income housing rehabilitation and renovations. The first funding round was completed in 2000 and did not renew in 2001. Actual cash received in 2000 for this program was \$378,000 versus \$0 in 2001.

The increase in charges for services from 2000 to 2001 is attributed to higher contracted rates with the Townships on Fire and EMS Services contracts.

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

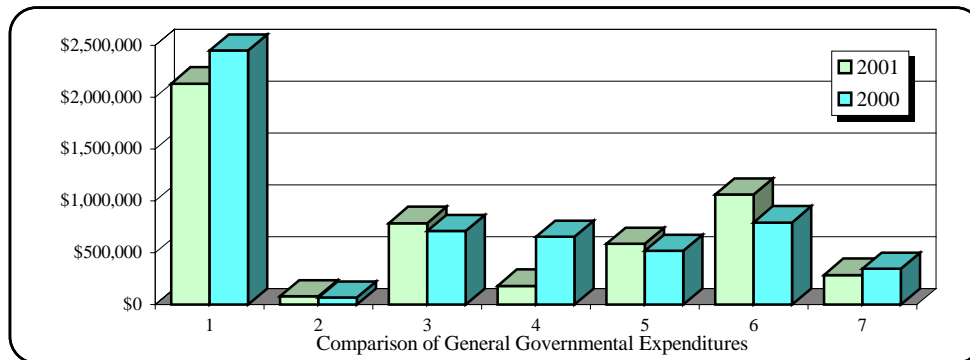
Fines and forfeitures will vary by year dependent on caseload and type of cases filed. There was a major increase in 2001 over 2000 due to increased caseload and increases in fines and court costs levied.

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. The category of all other revenues increased in 2001 by \$41,975. This increase was primarily due to receipts to one time miscellaneous receipts. Normally "other revenues" 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 \$5,110,229, representing an decrease of (\$431,111) or (7.8%) below 2000. Expenditures for the major functions of the City, the percentage of total expenditures for 2001 and the amount of increase/(decrease) over 2000 are shown in the following table:

Expenditures	Total 2001 Expenditures	Percent of Total	Increase (Decrease) over 2000
1. Security of Persons and Property	\$2,132,567	41.73%	(\$319,356)
2. Public Health and Welfare Services	79,675	1.56%	13,557
3. Leisure Time Activities	786,130	15.38%	75,937
4. Community Environment	180,763	3.54%	(473,142)
5. Transportation	584,706	11.44%	65,049
6. General Government	1,060,213	20.75%	266,621
7. Debt Service	286,175	5.60%	(59,777)
Total	\$5,110,229	100.00%	(\$431,111)



### Expenditure Narrative

Expenditures for security of persons and property decreased in 2001 as compared to 2000 as a result of the purchase of an Aerial Ladder Truck recorded in 2000.

Public health and welfare increased slightly due to increased expenditures in Cemetery operational costs.

Leisure time activities increased due to normal wages and benefits, including seasonal wages, for the various programs sponsored by the City. A larger increase in costs was due to the direct charging of utility services to the end user. Supply costs to run most programs also increased.

The community environment decrease of (\$473,142) in 2001 was in expenditures for the CDBG, CHIS, and CHIP Housing Grant Funds used for low income housing rehabilitation and renovations. The first funding round was completed in 2000 and did not renew in 2001. Actual cash expensed in 2000 for this program was \$450,030 versus \$0 in 2001. There was also a slight reduction in the Economic Development Fund expenditures in 2001 compared to 2000.

Transportation expenditures increased due to the road striping program done every three years.

General government expenditures increased \$266,621 in 2001 due to a number of items added to the budget: added a department of Manager of Information Services (MIS) \$82,414; added additional Municipal Court personnel \$31,110; added contract for a professional lobbyist \$60,000; started the direct charging of utility services to departments \$40,000; one time expenses in professional services, and other normal increases in contracts, supplies and wages and benefits of \$53,097.

### **Proprietary Operations**

#### Enterprise Funds:

The City operates four enterprise funds: a water treatment plant and distribution system, wastewater collection system and treatment plant, electric distribution system and a residential solid waste collection and disposal system, 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	\$21,666,268	\$627,033	2.89%
Water	5,300,993	331,760	6.26%
Sewer	11,924,516	515,540	4.32%
Sanitation	853,582	101,629	11.91%

#### 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.

### **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 \$80,729 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 \$22,166.



## 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 general revenues, enterprise revenues, special assessments and investment earnings.

The City's general obligation bonds have an excellent rating. Moody's Investors Service last rated the City's bond credit rating at "A2." The total bonded general obligation debt of the City at December 31, 2001, was \$1,590,000 in Waterworks System Improvements and \$1,547,000 in Special Assessment Bonds.

In 1998, the City issued \$3,245,000 in 20 year Electric System Revenue Bonds for its 2<sup>nd</sup> 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, 2001, was \$6,045,000. 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, 2001 was \$3,202,104.

In addition to General Obligation and Revenue Backed Debt, the City has a balance of \$263,930 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, 2001 was as follows:

Overall Legal Debt Margin	\$14,831,541
Unvoted Legal Debt Margin	7,768,903

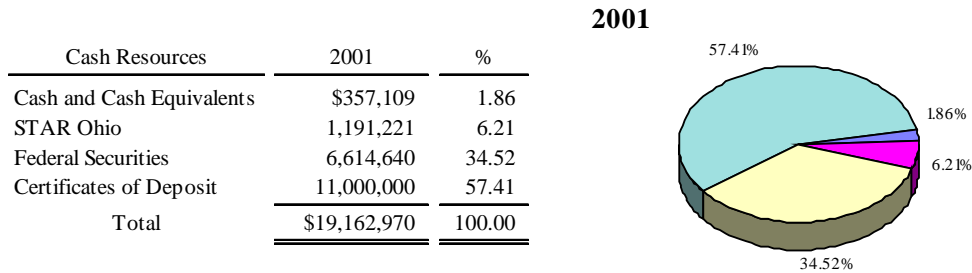
A more thorough presentation of the calculation of these figures is located in the statistical section of this report.

## 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 investment policy was updated in 2000 and generally complies with Section 135.14 of the Ohio Revised Code. Current policy has a maximum maturity limited to five (5) 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, 2001:



At December 31, 2001, the City had bank balances of \$12,324,950. Federal depository insurance covered \$800,000 of the bank balance. Of the bank balance \$2,000,000 was classified as Category 1, \$1,390,759 was classified as Category 2 and all remaining deposits were classified as Category 3. In addition, the City had \$2,500 cash on hand. 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 105% 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 4 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, 2001, the pool cash reserves were \$669,919, which, in the opinion of management, is adequate for any claims against the pool. The amount of risk retained within the pool at the end of 2001 was \$25,000 per claim for property and crime, and \$100,000 for liability, with an annual stop loss of \$450,000. Various insurance carriers cover claims in excess of \$25,000 up to \$10,000,000. Current individual deductible is \$1,000 for property and \$0 for liability.

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 for 2001 includes the following municipalities: Archbold, Bowling Green, Carey, Clyde, Defiance, Fayette, Hicksville, Napoleon, Oberlin, Sandusky, Upper Sandusky and Willard. On December 31, 2001, the pool had cash reserves of \$1,317,915 and, in the opinion of management, is adequate for any claims against the pool.

Premiums for 2002 are paid to the employee benefits pool at a cost of \$596.41 for family coverage and \$208.12 for single coverage. Life insurance monthly premium is \$5.20. During 2001 the City paid \$565,577 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 \$100,000 per individual with excess claims coverage provided by the American National 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 and continues into 2002. The City reviews closely all Workers' Compensation claims to control costs.

Current safety policies direct training that has been 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 along with other various OSHA related 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, 2001, 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, 2000. I believe this, our sixth (6<sup>th</sup>) 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 for certification.

### **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**

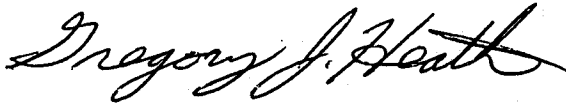
The City is grateful to the many agencies and organizations that continue to contribute to make this report possible, including the Henry County Auditor's Office, the Henry County Chamber of Commerce, the Community Improvement Corporation and the Audit Division of the State Auditor's Office. Special credits go 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 assisted in overseeing this project.

Respectfully submitted,

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

Gregory J. Heath  
Director of Finance

PS /

The events of 9/11 have impacted everyone in the country in different ways. It has made us more aware that life is very precious and fragile. Our prayers go out to the family and friends of those killed during these events, and to those everyday hero's that rose up during this time of crisis. A special thank you goes to our Police, Fire and Military forces, who are on the front lines and defend our freedoms on a daily basis. Freedom as we know it is being constantly attacked from many directions and must be defended at all costs. Those who attempt to deny our freedom should never under-estimate our resolve to keep it. May God continue to bless America.

**THE CITY OF NAPOLEON, OHIO**  
**HENRY COUNTY**  
**PRINCIPAL OFFICIALS**  
**AS OF DECEMBER 31, 2001**

**Elected Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>	<u>Years of Service</u>	<u>Surety</u>
J. Andrew Small	Mayor	12/31/03	2	A
Mike DeWit	President of Council	12/31/03	9	A
Jim Hershberger	Council	12/31/01	15	A
Glen Miller	Council	12/31/01	3	A
Jean Steele	Council	12/31/01	0.5	A
Travis Sheaffer	Council	12/31/01	6	A
Terri Williams	Council	12/31/03	15	A
John Helberg	Council	12/31/03	2	A
John Collier	Municipal Judge	12/31/03	6	A

**Appointed Officials**

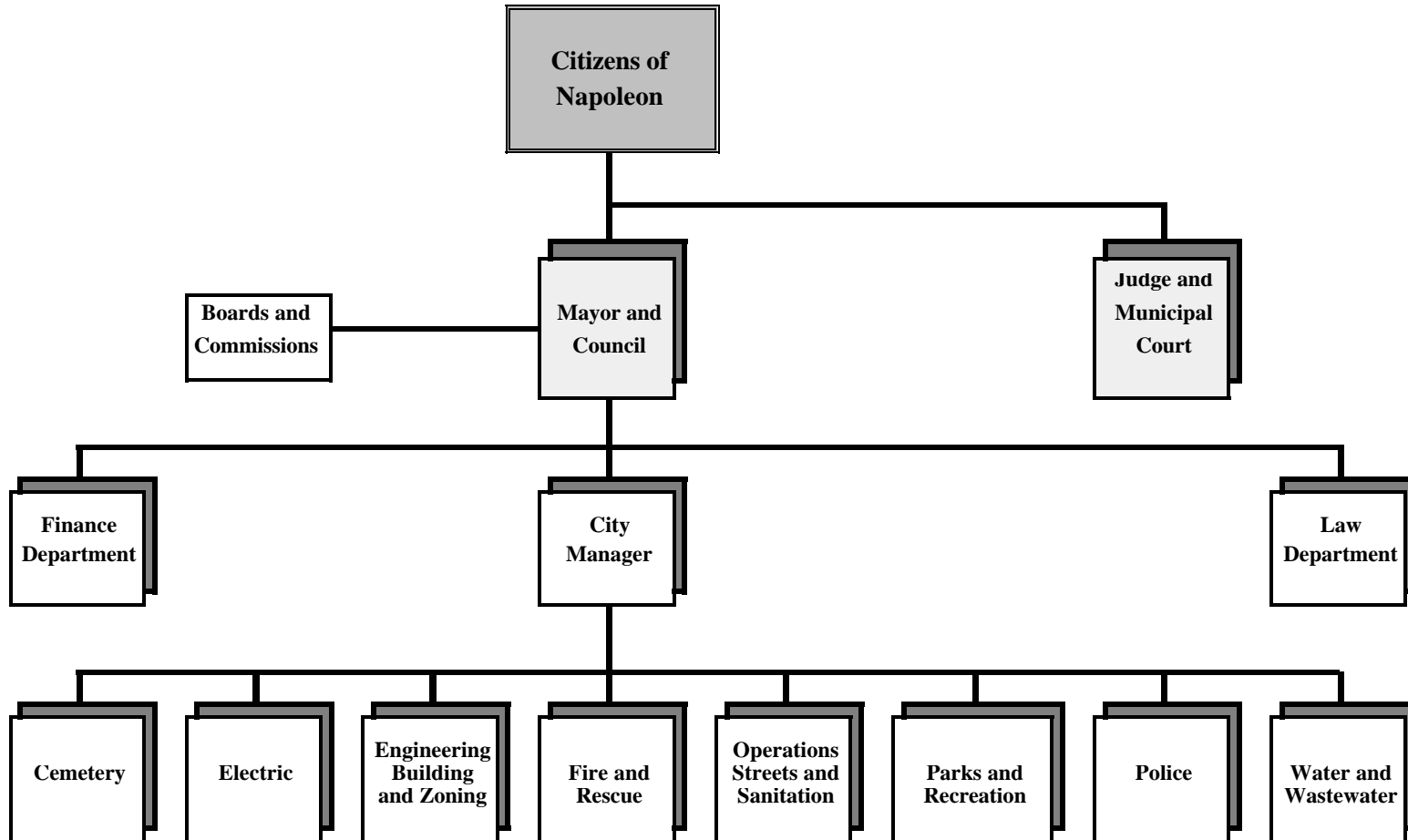
<u>Name</u>	<u>Title</u>	<u>Term Expires</u>	<u>Years of Service</u>	<u>Surety</u>
Jon Bisher	City Manager	Indefinite	3	A
Gregory Heath	Director of Finance	Indefinite	6	A
Ted Rohrs	Asst. Director of Finance	Indefinite	16	A
Betty Marihugh	Clerk of Courts	Indefinite	18	A
David Grahn	Law Director	Indefinite	8	A

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

City Address:  
City of Napoleon  
255 West Riverview Avenue  
Napoleon, Ohio 43545

# The City of Napoleon, Ohio

## Organizational Chart



- XXII -

### Boards and Commissions

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

# 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, 2000

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.



*Timothy A. Arue*  
President

*Jeffrey L. Esser*  
Executive Director





## *FINANCIAL SECTION*

---

WATER QUALITY IS THE TOP PRIORITY FOR THE CITY'S WATER TREATMENT PLANT. THERE ARE MANY LAB TESTS TO BE RUN ON A REGULAR BASIS TO INSURE THAT QUALITY.



WASTEWATER IS TREATED AT THE CITY'S WASTEWATER PLANT BIOLOGICALLY & CHEMICALLY TO ENSURE THAT THE WATER QUALITY MEETS OR EXCEEDS EPA STANDARDS.



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

One Government Center  
Suite 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 (the City) as of and for the year ended December 31, 2001, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 of Napoleon, Henry County, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form 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 additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

June 14, 2002

## *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, 2001 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, 2001**

	<i>Governmental</i>			
	<i>Fund Types</i>			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund
<u>Assets and Other Debits:</u>				
Assets:				
Cash and Cash Equivalents	\$39,470	\$306,115	\$6,162	\$5,500
Investments	2,438,904	2,183,038	380,727	337,098
Receivables (net of allowance for doubtful accounts):				
Taxes	880,706	127,235	0	0
Accounts	12,742	172,345	0	0
Special Assessments	0	0	2,078,001	0
Interest	78,459	14,238	6,227	0
Intergovernmental Receivables	277,313	186,402	0	50,466
Inventory of Supplies at Cost	3,634	43,304	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
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	<u>\$3,731,228</u>	<u>\$3,032,677</u>	<u>\$2,471,117</u>	<u>\$393,064</u>

**THE CITY OF NAPOLEON, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 2001**

<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	
\$382,876	\$63,186	\$113,461	\$0	\$0	\$916,770
12,274,873	0	0	0	0	17,614,640
0	0	0	0	0	1,007,941
2,005,573	0	0	0	0	2,190,660
1,641,461	0	0	0	0	3,719,462
113,587	0	0	0	0	212,511
0	0	0	0	0	514,181
1,257,472	6,489	0	0	0	1,310,899
583,756	0	0	0	0	583,756
631,560	0	0	0	0	631,560
20,854,201	4,910	0	8,048,622	0	28,907,733
0	0	0	0	387,721	387,721
0	0	0	0	1,530,733	1,530,733
<u>\$39,745,359</u>	<u>\$74,585</u>	<u>\$113,461</u>	<u>\$8,048,622</u>	<u>\$1,918,454</u>	<u>\$59,528,567</u>

(Continued)

**THE CITY OF NAPOLEON, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 2001**

	<i>Governmental</i>			
	<i>Fund Types</i>			
	General	Special	Debt	Capital
	Fund	Revenue	Service	Projects
	Fund	Funds	Fund	Fund
<u>Liabilities, Equity and Other Credits:</u>				
Liabilities:				
Accounts Payable	\$16,240	\$9,227	\$0	\$62,549
Accrued Wages and Benefits	135,179	87,403	0	0
Due to Others	0	0	0	0
Customer Deposits	0	0	0	0
Accrued Interest Payable	0	0	0	0
Deferred Revenue	600,258	264,399	2,083,396	36,500
Compensated Absences Payable	35,186	6,999	0	0
General Obligation Notes 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	786,863	368,028	2,083,396	99,049
Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Reserved for Restricted Assets	0	0	0	0
Unreserved	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	32,977	1,244,145	0	100,391
Reserved for Supplies Inventory	3,634	43,304	0	0
Reserved for Endowments	0	0	0	0
Reserved for Debt Service	0	0	387,721	0
Unreserved:				
Undesignated	2,907,754	1,377,200	0	193,624
Total Equity and Other Credits	2,944,365	2,664,649	387,721	294,015
Total Liabilities, Equity and Other Credits	\$3,731,228	\$3,032,677	\$2,471,117	\$393,064

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, 2001**

<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	
\$466,738	\$0	\$0	\$0	\$0	\$554,754
88,218	4,467	0	0	0	315,267
0	0	24,945	0	0	24,945
603	0	0	0	0	603
31,416	0	0	0	0	31,416
0	0	0	0	0	2,984,553
163,082	4,019	0	0	285,648	494,934
2,400,000	0	0	0	0	2,400,000
1,590,000	0	0	0	0	1,590,000
111,806	0	0	0	1,435,194	1,547,000
6,045,000	0	0	0	0	6,045,000
88,341	0	0	0	0	88,341
66,318	0	0	0	197,612	263,930
3,202,104	0	0	0	0	3,202,104
14,253,626	8,486	24,945	0	1,918,454	19,542,847
0	0	0	8,048,622	0	8,048,622
3,672,162	1,495	0	0	0	3,673,657
631,560	0	0	0	0	631,560
21,188,011	64,604	0	0	0	21,252,615
0	0	0	0	0	1,377,513
0	0	0	0	0	46,938
0	0	10,566	0	0	10,566
0	0	0	0	0	387,721
0	0	77,950	0	0	4,556,528
25,491,733	66,099	88,516	8,048,622	0	39,985,720
\$39,745,359	\$74,585	\$113,461	\$8,048,622	\$1,918,454	\$59,528,567

**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, 2001**

	<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 Fund	Expendable Trust Funds	
<b>Revenues:</b>						
Taxes	\$2,658,825	\$193,118	\$0	\$0	\$0	\$2,851,943
Intergovernmental Revenues	659,354	584,030	0	22,315	0	1,265,699
Charges for Services	146,879	468,734	0	0	3,170	618,783
Licenses and Permits	52,815	0	0	0	0	52,815
Investment Earnings	366,841	87,949	25,940	0	0	480,730
Special Assessments	0	0	339,160	0	0	339,160
Fines and Forfeitures	283,562	126,911	0	0	0	410,473
All Other Revenues	141,228	42,214	0	0	0	183,442
Total Revenues	<u>4,309,504</u>	<u>1,502,956</u>	<u>365,100</u>	<u>22,315</u>	<u>3,170</u>	<u>6,203,045</u>
<b>Expenditures:</b>						
Current:						
Security of Persons and Property	1,726,261	406,306	0	0	0	2,132,567
Public Health and Welfare Services	79,675	0	0	0	0	79,675
Leisure Time Activities	0	786,130	0	0	0	786,130
Community Environment	74,852	105,911	0	0	0	180,763
Transportation	0	584,706	0	0	0	584,706
General Government	996,831	58,529	4,853	0	1,484	1,061,697
Capital Outlay	0	0	0	1,316,150	0	1,316,150
Debt Service:						
Principal Retirement	0	0	187,156	0	0	187,156
Interest and Fiscal Charges	0	0	99,019	0	0	99,019
Total Expenditures	<u>2,877,619</u>	<u>1,941,582</u>	<u>291,028</u>	<u>1,316,150</u>	<u>1,484</u>	<u>6,427,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,431,885	(438,626)	74,072	(1,293,835)	1,686	(224,818)
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	36,228	1,489,690	2,663	881,741	0	2,410,322
Operating Transfers Out	(1,540,431)	(92,588)	0	(40,000)	0	(1,673,019)
Total Other Financing Sources (Uses)	<u>(1,504,203)</u>	<u>1,397,102</u>	<u>2,663</u>	<u>841,741</u>	<u>0</u>	<u>737,303</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(72,318)	958,476	76,735	(452,094)	1,686	512,485
Restated Fund Balance Beginning of Year	3,017,771	1,704,530	310,986	746,109	76,264	5,855,660
Increase (Decrease) in Inventory Reserve	(1,088)	1,643	0	0	0	555
Fund Balance End of Year	<u>\$2,944,365</u>	<u>\$2,664,649</u>	<u>\$387,721</u>	<u>\$294,015</u>	<u>\$77,950</u>	<u>\$6,368,700</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, 2001**

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$2,541,277	\$2,539,280	(\$1,997)	\$191,630	\$193,118	\$1,488
Intergovernmental Revenues	670,570	666,082	(4,488)	573,970	572,852	(1,118)
Charges for Services	155,310	155,395	85	431,560	435,044	3,484
Licenses and Permits	52,390	52,815	425	0	0	0
Investment Earnings	378,000	383,533	5,533	85,180	86,669	1,489
Special Assessments	0	0	0	0	0	0
Fines and Forfeitures	272,800	277,604	4,804	122,350	123,517	1,167
All Other Revenues	144,250	142,367	(1,883)	41,710	42,944	1,234
<b>Total Revenues</b>	<b>4,214,597</b>	<b>4,217,076</b>	<b>2,479</b>	<b>1,446,400</b>	<b>1,454,144</b>	<b>7,744</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Security of Persons and Property	1,737,952	1,709,628	28,324	446,035	424,170	21,865
Public Health and Welfare Services	81,790	78,701	3,089	0	0	0
Leisure Time Activities	0	0	0	801,308	786,379	14,929
Community Environment	75,541	74,063	1,478	1,465,000	1,314,932	150,068
Transportation	0	0	0	630,128	603,983	26,145
General Government	1,270,374	1,201,187	69,187	58,730	58,529	201
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
<b>Total Expenditures</b>	<b>3,165,657</b>	<b>3,063,579</b>	<b>102,078</b>	<b>3,401,201</b>	<b>3,187,993</b>	<b>213,208</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,048,940	1,153,497	104,557	(1,954,801)	(1,733,849)	220,952
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	353,254	356,401	3,147	1,490,040	1,489,690	(350)
Operating Transfers Out	(1,540,767)	(1,540,431)	336	(92,590)	(92,588)	2
<b>Total Other Financing Sources (Uses)</b>	<b>(1,187,513)</b>	<b>(1,184,030)</b>	<b>3,483</b>	<b>1,397,450</b>	<b>1,397,102</b>	<b>(348)</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(138,573)	(30,533)	108,040	(557,351)	(336,747)	220,604
Fund Balance at Beginning of Year	2,383,547	2,383,547	0	1,461,423	1,461,423	0
Prior Year Encumbrances	65,127	65,127	0	96,269	96,269	0
<b>Fund Balance at End of Year</b>	<b>\$2,310,101</b>	<b>\$2,418,141</b>	<b>\$108,040</b>	<b>\$1,000,341</b>	<b>\$1,220,945</b>	<b>\$220,604</b>

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, 2001**

	<i>Debt Service Fund</i>			<i>Capital Projects Fund</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenues	0	0	0	8,400	8,349	(51)
Charges for Services	0	0	0	0	0	0
Licenses and Permits	0	0	0	0	0	0
Investment Earnings	27,000	27,181	181	0	0	0
Special Assessments	339,030	339,160	130	0	0	0
Fines and Forfeitures	0	0	0	0	0	0
All Other Revenues	0	0	0	0	0	0
<b>Total Revenues</b>	<b>366,030</b>	<b>366,341</b>	<b>311</b>	<b>8,400</b>	<b>8,349</b>	<b>(51)</b>
<b>Expenditures:</b>						
<b>Current:</b>						
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	4,859	4,853	6	0	0	0
Capital Outlay	0	0	0	1,477,820	1,426,668	51,152
<b>Debt Service:</b>						
Principal Retirement	190,350	190,350	0	0	0	0
Interest and Fiscal Charges	105,531	105,522	9	0	0	0
<b>Total Expenditures</b>	<b>300,740</b>	<b>300,725</b>	<b>15</b>	<b>1,477,820</b>	<b>1,426,668</b>	<b>51,152</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	65,290	65,616	326	(1,469,420)	(1,418,319)	51,101
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	12,360	12,360	0	882,680	881,741	(939)
Operating Transfers Out	0	0	0	(40,000)	(40,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>12,360</b>	<b>12,360</b>	<b>0</b>	<b>842,680</b>	<b>841,741</b>	<b>(939)</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	77,650	77,976	326	(626,740)	(576,578)	50,162
Fund Balance at Beginning of Year	305,873	305,873	0	568,066	568,066	0
Prior Year Encumbrances	0	0	0	188,170	188,170	0
<b>Fund Balance at End of Year</b>	<b>\$383,523</b>	<b>\$383,849</b>	<b>\$326</b>	<b>\$129,496</b>	<b>\$179,658</b>	<b>\$50,162</b>

(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, 2001**

	<i>Expendable Trust Funds</i>			<i>Totals (Memorandum Only)</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$0	\$0	\$0	\$2,732,907	\$2,732,398	(\$509)
Intergovernmental Revenues	0	0	0	1,252,940	1,247,283	(5,657)
Charges for Services	3,150	3,170	20	590,020	593,609	3,589
Licenses and Permits	0	0	0	52,390	52,815	425
Investment Earnings	0	0	0	490,180	497,383	7,203
Special Assessments	0	0	0	339,030	339,160	130
Fines and Forfeitures	0	0	0	395,150	401,121	5,971
All Other Revenues	1,150	1,153	3	187,110	186,464	(646)
<b>Total Revenues</b>	<b>4,300</b>	<b>4,323</b>	<b>23</b>	<b>6,039,727</b>	<b>6,050,233</b>	<b>10,506</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Security of Persons and Property	0	0	0	2,183,987	2,133,798	50,189
Public Health and Welfare Services	0	0	0	81,790	78,701	3,089
Leisure Time Activities	0	0	0	801,308	786,379	14,929
Community Environment	0	0	0	1,540,541	1,388,995	151,546
Transportation	0	0	0	630,128	603,983	26,145
General Government	500	61	439	1,334,463	1,264,630	69,833
Capital Outlay	0	0	0	1,477,820	1,426,668	51,152
<b>Debt Service:</b>						
Principal Retirement	0	0	0	190,350	190,350	0
Interest and Fiscal Charges	0	0	0	105,531	105,522	9
<b>Total Expenditures</b>	<b>500</b>	<b>61</b>	<b>439</b>	<b>8,345,918</b>	<b>7,979,026</b>	<b>366,892</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,800	4,262	462	(2,306,191)	(1,928,793)	377,398
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	0	0	0	2,738,334	2,740,192	1,858
Operating Transfers Out	(500)	(470)	30	(1,673,857)	(1,673,489)	368
<b>Total Other Financing Sources (Uses)</b>	<b>(500)</b>	<b>(470)</b>	<b>30</b>	<b>1,064,477</b>	<b>1,066,703</b>	<b>2,226</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,300	3,792	492	(1,241,714)	(862,090)	379,624
Fund Balance at Beginning of Year	76,937	76,937	0	4,795,846	4,795,846	0
Prior Year Encumbrances	0	0	0	349,566	349,566	0
<b>Fund Balance at End of Year</b>	<b>\$80,237</b>	<b>\$80,729</b>	<b>\$492</b>	<b>\$3,903,698</b>	<b>\$4,283,322</b>	<b>\$379,624</b>



**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, 2001**

	<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	
<b><u>Operating Revenues:</u></b>				
Charges for Services	\$15,161,709	\$92,348	\$0	\$15,254,057
Other Charges for Services	375,721	2,689	0	378,410
Other Operating Revenues	90	0	0	90
Total Operating Revenues	<u>15,537,520</u>	<u>95,037</u>	<u>0</u>	<u>15,632,557</u>
<b><u>Operating Expenses:</u></b>				
Personal Services	1,697,115	85,107	0	1,782,222
Materials and Supplies	1,319,015	60,111	0	1,379,126
Contractual Services	639,548	186	0	639,734
Utilities	7,682,610	753	0	7,683,363
Depreciation	676,820	1,928	0	678,748
Other Operating Expenses	1,187,149	0	0	1,187,149
Total Operating Expenses	<u>13,202,257</u>	<u>148,085</u>	<u>0</u>	<u>13,350,342</u>
Operating Income (Loss)	2,335,263	(53,048)	0	2,282,215
<b><u>Nonoperating Revenues (Expenses):</u></b>				
Gain on Investment in Joint Ventures	146,320	0	0	146,320
Other Local Taxes	59,902	0	0	59,902
Investment Earnings	585,631	0	0	585,631
Interest and Fiscal Charges	(760,851)	0	0	(760,851)
Total Nonoperating Revenues (Expenses)	<u>31,002</u>	<u>0</u>	<u>0</u>	<u>31,002</u>
Income (Loss) Before Operating Transfers	2,366,265	(53,048)	0	2,313,217
<b><u>Operating Transfers:</u></b>				
Operating Transfers In	9,697	53,000	0	62,697
Operating Transfers Out	(800,000)	0	0	(800,000)
Total Operating Transfers	<u>(790,303)</u>	<u>53,000</u>	<u>0</u>	<u>(737,303)</u>
Net Income (Loss)	1,575,962	(48)	0	1,575,914
Retained Earnings/Fund Balance at Beginning of Year	20,243,609	64,652	10,566	20,318,827
Retained Earnings/Fund Balance at End of Year	<u>\$21,819,571</u>	<u>\$64,604</u>	<u>\$10,566</u>	<u>\$21,894,741</u>

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, 2001**

	<u>Proprietary</u> <u>Fund Types</u>		<u>Fiduciary</u> <u>Fund Type</u>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Fund	Nonexpendable Trust Fund	
<b><u>Cash Flows from Operating Activities:</u></b>				
Cash Received from Customers	\$15,363,673	\$95,037	\$0	\$15,458,710
Cash Payments for Goods and Services	(10,785,107)	(61,210)	0	(10,846,317)
Cash Payments to Employees	(1,661,701)	(83,417)	0	(1,745,118)
Net Cash Provided (Used) by Operating Activities	<u>2,916,865</u>	<u>(49,590)</u>	<u>0</u>	<u>2,867,275</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>				
Transfers In from Other Funds	9,697	53,000	0	62,697
Transfers Out to Other Funds	(800,000)	0	0	(800,000)
Receipts of Other Local Taxes	59,902	0	0	59,902
Receipts of Special Assessments	139,683	0	0	139,683
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(590,718)</u>	<u>53,000</u>	<u>0</u>	<u>(537,718)</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>				
Acquisition and Construction of Assets	(2,591,818)	0	0	(2,591,818)
Proceeds From General Obligation Notes	2,400,000	0	0	2,400,000
Principal Paid on Special Assessment Bond	(3,194)	0	0	(3,194)
Principal Paid on General Obligation Bonds	(65,000)	0	0	(65,000)
Principal Paid on Mortgage Revenue Bonds	(235,000)	0	0	(235,000)
Principal Paid on Ohio Public Works Commission Loan	(3,684)	0	0	(3,684)
Principal Paid on Ohio Water Development Authority Loans	(253,826)	0	0	(253,826)
Interest Paid on All Debt	(686,346)	0	0	(686,346)
Net Cash Used for Capital and Related Financing Activities	<u>(1,438,868)</u>	<u>0</u>	<u>0</u>	<u>(1,438,868)</u>
<b><u>Cash Flows from Investing Activities:</u></b>				
Purchase of Investments	(1,525,957)	0	0	(1,525,957)
Receipts of Interest	700,030	0	0	700,030
Net Cash Used for Investing Activities	<u>(825,927)</u>	<u>0</u>	<u>0</u>	<u>(825,927)</u>
Net Increase in Cash and Cash Equivalents	61,352	3,410	0	64,762
Cash and Cash Equivalents at Beginning of Year	953,084	59,776	10,566	1,023,426
Cash and Cash Equivalents at End of Year	<u>\$1,014,436</u>	<u>\$63,186</u>	<u>\$10,566</u>	<u>\$1,088,188</u>
<b><u>Reconciliation of Cash and</u></b>				
<b><u>Cash Equivalents per the Balance Sheet:</u></b>				
Cash and Cash Equivalents	\$382,876	\$63,186	\$113,461	\$559,523
Add: Restricted Cash and Cash Equivalents	631,560	0	0	631,560
Less: Cash and Cash Equivalents in Agency Funds	0	0	(22,166)	(22,166)
Less: Cash and Cash Equivalents in Expendable Trust Funds	0	0	(80,729)	(80,729)
Cash and Cash Equivalents at End of Year	<u>\$1,014,436</u>	<u>\$63,186</u>	<u>\$10,566</u>	<u>\$1,088,188</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, 2001**

	<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Fund	Nonexpendable Trust Fund	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	\$2,335,263	(\$53,048)	\$0	\$2,282,215
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	676,820	1,928	0	678,748
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(173,847)	0	0	(173,847)
Decrease (Increase) in Inventory	110,600	(31)	0	110,569
Decrease in Accounts Payable	(56,973)	(129)	0	(57,102)
Increase in Accrued Wages and Benefits	18,528	477	0	19,005
Decrease in Customer Deposits	(10,435)	0	0	(10,435)
Increase In Compensated Absences	16,909	1,213	0	18,122
Total Adjustments	<u>581,602</u>	<u>3,458</u>	<u>0</u>	<u>585,060</u>
Net Cash Provided (Used) by Operating Activities	<u>\$2,916,865</u>	<u>(\$49,590)</u>	<u>\$0</u>	<u>\$2,867,275</u>

**Schedule of Noncash Investing, Capital and Financing Activities:**

As of December 31, 2001, the Electric Fund and the Water Fund had outstanding liabilities of \$279,476 and \$152,672 respectively for the purchase of certain capital assets.

During 2001 the fair value of investments increased by \$65,616, \$9,682, \$17,608 and \$5,094 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, 2001**

---

---

**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, 2001 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 2 (Omega JV-2)* - The City is a participant with thirty-six 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-2 was created for that purpose. The Omega JV-2 is managed by AMP-Ohio which acts as the joint venture's agent. See Note 15 "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 15 "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 15 "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 Fund - This fund is 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. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the modified accrual basis when the exchange takes place and the resources are 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.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. 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, 2001 but are not intended to finance 2001 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred revenue as further described in See Note 5.

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.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

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 2001.

**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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process (Continued)**

3. Appropriations (Continued)

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 2001, 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.

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 Fund	Expendable Trust Funds
GAAP Basis (as reported)	(\$72,318)	\$958,476	\$76,735	(\$452,094)	\$1,686
Increase (Decrease):					
Accrued Revenues at December 31, 2001 received during 2002	(648,962)	(235,821)	(832)	(13,966)	0
Accrued Revenues at December 31, 2000 received during 2001	666,158	192,575	2,376	0	0
Accrued Expenditures at December 31, 2001 paid during 2002	186,605	103,629	0	62,549	2,779
Accrued Expenditures at December 31, 2000 paid during 2001	(123,690)	(99,259)	0	(10,127)	(673)
2000 Adjustment to Fair Value	21,907	11,861	2,737	0	0
2001 Adjustment to Fair Value	(19,473)	(17,427)	(3,040)	0	0
Outstanding Encumbrances	(40,760)	(1,250,781)	0	(162,940)	0
Budget Basis	(\$30,533)	(\$336,747)	\$77,976	(\$576,578)	\$3,792

**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 4, "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 (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 4, "Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 2001. 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, 2001.

**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
	Sewer Fund
Ohio Public Works Commission Loans	Special Assessment Bond Retirement Fund
	Sewer 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 2001.

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/Retained Earnings**

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. Retained earnings are reserved for debt service requirements and revenue bond indenture.

**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. Capital contributions received after December 31, 2000 are recorded as revenue in the proprietary funds.

**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 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCES**

The beginning fund balances of the General Fund and the Capital Projects Fund have been restated to correct an error in accounting for interest receivable. The accounting error has required a restatement of beginning fund balance at December 31, 2000.

In addition, for fiscal year 2001, the City has implemented GASB Statement No. 33 “*Accounting and Financial Reporting for Nonexchange Transactions*” and GASB Statement No. 36 “*Recipient Reporting for Certain Shared Nonexchange Revenues*”. At December 31, 2000, the implementation of GASB Statements No. 33 and 36 and the correction of the error in accounting had the following effect on fund balances:

Fund Name	Fund Balance as Reported 12/31/00	GASB 33 & 36 Implementation	Accounting Error	Fund Balance as Restated 12/31/00
General Fund	\$2,957,163	\$60,585	\$23	\$3,017,771
Special Revenue Funds	1,679,137	25,393	0	1,704,530
Capital Projects Fund	746,132	0	(23)	746,109

**NOTE 2 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCES (Continued)**

In addition to the above noted change to fund balance the restatement of fund balances had the following effect on prior year excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses:

Fund Name	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses as Reported 12/31/00	GASB 33 & 36 Implementation	Accounting Error	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses as Restated 12/31/00
General Fund	(\$369,777)	\$60,585	\$23	(\$309,169)
Special Revenue Funds	(82,902)	25,393	0	(57,509)
Capital Projects Fund	369,739	0	(23)	369,716

**NOTE 3 - COMPLIANCE AND ACCOUNTABILITY**

**Fund Deficits** - The fund deficits at December 31, 2001 of \$29,766 in the Police Pension Fund and \$18,834 in the Fire Pension Fund (special revenue funds) arise 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 General Fund provides operating transfers when cash is required, not when accruals occur.

**NOTE 4 - 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 five 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:

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

- 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).

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 105% 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.

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

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 \$11,354,609 and the bank balance was \$12,324,950. Federal depository insurance covered \$800,000 of the bank balance. Of the bank balance, \$2,000,000 was classified as Category 1, \$1,390,759 was classified as Category 2 and all remaining deposits were classified as Category 3. In addition, the City had \$2,500 cash on hand.

**B. Investments**

The City's investments at December 31, 2001 are summarized below:

<u>Categorized Investments</u>	<u>Category 2</u>	<u>Fair Value</u>
U.S. Government Securities	\$6,614,640	\$6,614,640
<u>Non-Categorized Investments</u>		
STAR Ohio	N/A	1,191,221
Total Non-Categorized Investments	N/A	1,191,221
Total Investments	<u>\$6,614,640</u>	<u>\$7,805,861</u>

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**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. STAR Ohio is treated as a cash equivalent. 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	\$1,548,330	\$17,614,640
Certificates of Deposit (with maturities of more than 3 months)	11,000,000	(11,000,000)
Investments:		
STAR Ohio	(1,191,221)	1,191,221
Per GASB Statement No. 3	<u>\$11,357,109</u>	<u>\$7,805,861</u>

\* Includes cash on hand.

**NOTE 5 - 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 2001 were levied after October 1, 2000 on assessed values as of January 1, 2000, 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 2000. 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.



**NOTE 5 - TAXES (Continued)**

**A. Property Taxes (Continued)**

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, 2001 was \$2.90 per \$1,000 of assessed value. The assessed value upon which the 2001 receipts were based was \$138,828,427. This amount constitutes \$103,446,330 in real property assessed value, \$3,748,180 in public utility assessed value and \$31,633,917 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.

**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 6 - RECEIVABLES**

Receivables at December 31, 2001 consisted of taxes, interest, accounts receivable, special assessments and intergovernmental receivables arising from shared revenues.

**NOTE 7 - OPERATING TRANSFERS**

Following is a summary of operating transfers in and out for all funds for 2001:

Fund	Transfers In	Transfers Out
General Fund	\$36,228	\$1,540,431
Special Revenue Funds:		
Street Construction, Maintenance and Repair Fund	206,110	0
Motor Vehicle License Tax Fund	0	36,360
EMS Transport Service Fund	0	20,000
Recreation Fund	408,316	0
Special Events Fund	15,000	0
Economic Development Fund	800,000	0
Hotel/Motel Tax Fund	0	36,228
Fire Equipment Fund	60,000	0
Law Enforcement Block Grant Fund	264	0
Total Special Revenue Funds	1,489,690	92,588
Debt Service Fund:		
Special Assessment Bond Retirement Fund	2,663	0
Capital Projects Fund:		
Capital Improvement Fund	881,741	40,000
Enterprise Funds:		
Electric Fund	0	800,000
Sewer Fund	9,697	0
Total Enterprise Funds	9,697	800,000
Internal Service Fund:		
Central Garage Rotary Fund	53,000	0
Totals	\$2,473,019	\$2,473,019

This space left blank intentionally

**NOTE 8 - FIXED ASSETS**

**A. General Fixed Assets**

Summary by Category of Changes in General Fixed Assets:

Category	December 31, 2000	Additions	Deletions	December 31, 2001
Land	\$1,647,180	\$0	\$0	\$1,647,180
Buildings	1,999,163	45,408	0	2,044,571
Improvements	127,317	33,685	0	161,002
Machinery and Equipment	3,485,265	527,787	(62,557)	3,950,495
Construction in Progress	0	245,374	0	245,374
Totals	\$7,258,925	\$852,254	(\$62,557)	\$8,048,622

Summary by Category and Investment at December 31, 2001:

	General Fixed Assets	Investment in General Fixed Assets	
		General Fund	\$396,565
Land	\$1,647,180	Special Revenue Funds	191,093
Buildings	2,044,571	Capital Projects Funds	6,882,109
Improvements	161,002	Enterprise Funds	575,955
Machinery and Equipment	3,950,495	Internal Service Fund	400
Construction in Progress	245,374	Donated	2,500
Total	\$8,048,622	Total	\$8,048,622

**B. Proprietary Fixed Assets**

Summary by Category at December 31, 2001:

Category	Historic Cost	Accumulated Depreciation	Book Value
Enterprise			
Land	\$349,695	\$0	\$349,695
Buildings	5,397,062	(2,144,998)	3,252,064
Improvements	22,109,735	(6,592,897)	15,516,838
Machinery and Equipment	5,658,647	(4,265,454)	1,393,193
Construction in Progress	342,411	0	342,411
Property, Plant and Equipment	\$33,857,550	(\$13,003,349)	\$20,854,201
Internal Service			
Machinery and Equipment	\$34,757	(\$29,847)	\$4,910
Property, Plant and Equipment	\$34,757	(\$29,847)	\$4,910

**NOTE 9 – 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 2001 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.25% to fund the pension and 4.3% 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, 2001, 2000 and 1999 were \$467,008, \$351,599 and \$412,637, 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. The health care coverage provided by the PERS of Ohio is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. 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 2001 employer contribution rate (identified above) that was used to fund health care for the year 2001 was 4.3% of covered payroll which amounted to \$148,202.

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the PERS of Ohio’s latest actuarial review performed as of December 31, 2000. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2000 was 7.75%. An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 411,076. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 2000 is \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively.

**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, 2001, 2000 and 1999 were \$124,324, \$110,562 and \$108,165 for police and \$81,655, \$74,793 and \$65,086 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 health care coverage provided by the OP&F Fund is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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 2001 covered payroll that was used to fund postemployment health care benefits was \$47,817 representing 7.5% of covered payroll for police and \$25,517 representing 7.5% 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, 2000, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 12,853 for police and 10,037 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, 2000 were \$106,160,054, which was net of member contributions of \$5,657,431.

**NOTE 10 – 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, 2001, 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	32,100	\$130,778
Vacation Time	9,352	138,640
Compensation Time	<u>1,165</u>	<u>16,230</u>
Total	<u><u>42,617</u></u>	<u><u>\$285,648</u></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 11 - 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.

	<u>Issue Date</u>	<u>Balance December 31, 2000</u>	<u>Issued (Retired)</u>	<u>Balance December 31, 2001</u>
Enterprise Funds Notes Payable:				
2.27% Electric Capital Facilities	10/30/01	\$0	\$1,100,000	\$1,100,000
3.27% Water System Improvements	5/15/01	0	1,300,000	1,300,000
Total Notes Payable		<u>\$0</u>	<u>\$2,400,000</u>	<u>\$2,400,000</u>

This space left blank intentionally

**NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 2001 were as follows:

Date Purchased	Interest Rate	Description	Maturity Date	Balance December 31, 2000	Issued (Retired)	Balance December 31, 2001
<b>General Obligation Bonds:</b>						
1980	7.25%	Waterworks System Improvement	2004	\$60,000	(\$15,000)	\$45,000
1994	6.00%	Waterworks System Improvements	2019	1,595,000	(50,000)	1,545,000
<b>Total General Obligation Bonds</b>				<b>1,655,000</b>	<b>(65,000)</b>	<b>1,590,000</b>
<b>Mortgage Revenue Bonds:</b>						
1998	4.00%	Sewer System Improvement	2018	3,250,000	(120,000)	3,130,000
1998	4.00%	Electric System Improvement	2018	3,030,000	(115,000)	2,915,000
<b>Total Mortgage Revenue Bonds</b>				<b>6,280,000</b>	<b>(235,000)</b>	<b>6,045,000</b>
<b>Special Assessment Bond:</b>						
(with Governmental Commitment)						
2000	5.00%	West Main, Wested and Vine Improvements	2020	115,000	(3,194)	111,806
<b>Ohio Sewer and Water Rotary Commission Deferred Loan:</b>						
1998		OSWRC - Palmer Ditch Project		88,341	0	88,341
<b>Ohio Public Works Commission Loan:</b>						
1999		Railroad Street Sewer Separation	2019	70,002	(3,684)	66,318
<b>Ohio Water Development Authority Loans (OWDA):</b>						
1986	8.720%	OWDA - Project #0613	2002	126,833	(83,276)	43,557
1990	7.840%	OWDA - Project #1089	2013	2,958,367	(157,380)	2,800,987
1992	9.185%	OWDA - Malinta Waterline	2016	370,730	(13,170)	357,560
<b>Total Ohio Water Development Authority Loans</b>				<b>3,455,930</b>	<b>(253,826)</b>	<b>3,202,104</b>
<b>Total Enterprise Long-Term Debt</b>				<b>\$11,664,273</b>	<b>(\$560,704)</b>	<b>\$11,103,569</b>
<b>Special Assessment Bonds:</b>						
1981	10.875%	Sewer and Water Improvements	2001	\$13,000	(\$13,000)	\$0
1985	9.500%	Sheffield Street Improvements	2004	25,000	(5,000)	20,000
1990	7.250%	Oberhaus Creek Sewer Improvements	2009	150,000	(15,000)	135,000
1991	5.65-6.55%	Street Improvements	2010	670,000	(110,000)	560,000
1992	5.70-6.10%	Street Improvements	2011	230,000	(15,000)	215,000
1993	5.400%	Street Improvements	2012	103,000	(6,000)	97,000
1996	7.500%	Street Improvements	2016	165,000	(5,000)	160,000
1998	4.50%	Street Improvements	2019	150,060	(3,340)	146,720
1998	4.50%	Street Improvements	2019	74,940	(1,660)	73,280
2000	5.00%	West Main, Wested and Vine Improvements	2020	29,000	(806)	28,194
<b>Total Special Assessment Bonds</b>				<b>1,610,000</b>	<b>(174,806)</b>	<b>1,435,194</b>
(with Governmental Commitment)						
<b>Ohio Public Works Commission Loan:</b>						
1998		Unimproved Street Program	2018	209,962	(12,350)	197,612
<b>Compensated Absences</b>				<b>285,960</b>	<b>(312)</b>	<b>285,648</b>
<b>Total General Long-Term Debt and Other Long-Term Obligations</b>				<b>\$2,105,922</b>	<b>(\$187,468)</b>	<b>\$1,918,454</b>



**NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

The principal amount of the City's special assessment debt outstanding at December 31, 2001, \$1,547,000, 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 \$387,721 in the Debt Service Fund at December 31, 2001 is reserved for the retirement of outstanding special assessment bonds in the General Long-Term Debt Account Group. The Sewer Fund will be collecting special assessments to retire the enterprise funds' special assessment debt.

**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, 2001 follows:

Years	General Obligation Bonds		Mortgage Revenue Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$65,000	\$91,883	\$245,000	\$285,228	\$150,000	\$93,974
2003	65,000	87,870	250,000	274,937	160,000	84,577
2004	75,000	86,783	270,000	264,313	172,000	74,538
2005	60,000	82,185	280,000	252,702	182,000	63,712
2006	60,000	78,675	290,000	240,523	182,000	52,257
2007-2011	380,000	333,590	1,650,000	995,151	388,000	156,134
2012-2016	505,000	207,920	2,075,000	564,587	230,000	58,157
2017-2020	380,000	46,500	985,000	74,500	83,000	9,467
Totals	\$1,590,000	\$1,015,406	\$6,045,000	\$2,951,941	\$1,547,000	\$592,816

Years	OWDA Loans		OPWC Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$227,472	\$251,623	\$16,035	\$0	\$703,507	\$722,708
2003	198,322	232,971	16,036	0	689,358	680,355
2004	213,860	217,433	16,035	0	746,895	643,067
2005	230,614	200,678	16,035	0	768,649	599,277
2006	248,682	182,611	16,035	0	796,717	554,066
2007-2011	1,568,039	588,424	80,175	0	4,066,214	2,073,299
2012-2016	515,115	63,091	80,174	0	3,405,289	893,755
2017-2020	0	0	23,405	0	1,471,405	130,467
Totals	\$3,202,104	\$1,736,831	\$263,930	\$0	\$12,648,034	\$6,296,994

**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 deferments 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 12 - 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 15). 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 \$197,825,000 or approximately \$14,540,139. The total principal retirements and the portion that will be paid by the City is as follows:

<u>Years</u>	<u>Certificates of Beneficial Interest</u>	<u>City of Napoleon Share</u>
2002	\$3,280,000	\$241,080
2003	3,445,000	253,208
2004	3,620,000	266,070
2005	3,800,000	279,300
2006	4,000,000	294,000
2007-2030	<u>179,680,000</u>	<u>13,206,480</u>
Totals	<u><u>\$197,825,000</u></u>	<u><u>\$14,540,139</u></u>

**NOTE 13 - 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, 2001 the pool had cash reserves of \$669,919, which in the opinion of management is adequate for any claims against the pool. The amount of risk retained within the pool is \$25,000 per claim for property and crime, \$100,000 for liability, general liability and auto, \$1,000,000 per occurrence, \$10,000,000 aggregate. Claims in excess of \$25,000 up to \$10,000,000 are covered by various insurance carriers.

**NOTE 13 - 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, Clyde, Hicksville, Oberlin, Upper Sandusky, Napoleon, Sandusky and Willard. As of December 31, 2001 the pool had cash reserves of \$1,317,915 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 \$596.41 for family coverage and \$208.12 for single coverage. The life insurance monthly premium is \$5.20. During 2001 the City paid \$565,677 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 \$100,000 per individual with excess claims coverage provided by the American National 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 14 - 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 15 - JOINT VENTURES**

**A. Ohio Municipal Electric Generation Agency Joint Venture 2 (Omega JV-2)**

At the beginning of 2001, the City was a participant with thirteen other subdivisions within the State of Ohio in a joint venture to provide supplemental reserve electric power to the participants on a cooperative basis. This joint venture was titled the Omega JV-3. In accordance with the joint venture agreement, the City remitted \$1,096 to the joint venture for 2001. However, during 2001, the Omega JV-3 was liquidated and the City received an equity interest payout of \$131,382. Also during 2001, a new joint venture called the Omega JV-2 was created. The net assets from Omega JV-3 were rolled over into Omega JV-2. The City is a participant with thirty-six subdivisions within the State of Ohio in this joint venture to provide supplemental reserve electric power to the participants on a cooperative basis. On dissolution of the joint venture, the net assets of Omega JV-2 will be shared by the participants on a percentage basis. The Omega JV-2 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 \$121,616 to the joint venture for 2001. The City's net investment and its share of the operating results of Omega JV-2 are reported in the City's electric fund (an enterprise fund). The City's equity interest in Omega JV-2 was \$108,314 at December 31, 2001. Complete financial statements for Omega JV-2 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 \$1,405,005 to the joint venture for 2001. 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 \$475,442 at December 31, 2001. 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 \$29,000 to the CIC during 2001. Financial information can be obtained from the CIC, 104 East Washington Street, Napoleon, Ohio 43545.

**NOTE 16 - CONTRIBUTED CAPITAL**

During 2001, there were no changes to contributed capital reported by the City:

	Enterprise				Total	Internal
	Electric	Water	Sewer	Sanitation		Service
Balance at 12/31/01	\$79,492	\$101,418	\$3,390,129	\$101,123	\$3,672,162	Garage \$1,495

**NOTE 17 - SEGMENT INFORMATION**

The key financial information for the year ended December 31, 2001 for the enterprise activities is as follows:

	Electric	Water	Sewer	Sanitation	Total
Operating Revenues	\$11,541,607	\$1,578,780	\$1,893,030	\$524,103	\$15,537,520
Depreciation	267,330	104,276	290,414	14,800	676,820
Operating Income	1,059,795	407,854	800,269	67,345	2,335,263
Operating Transfers In	0	0	9,697	0	9,697
Operating Transfers Out	800,000	0	0	0	800,000
Net Income	627,033	331,760	515,540	101,629	1,575,962
Property, Plant and Equipment:					
Additions	954,912	1,501,037	558,601	0	3,014,550
Deletions	0	25,797	0	0	25,797
Total Assets	21,666,268	5,300,993	11,924,516	853,582	39,745,359
Net Working Capital	9,762,161	73,816	4,135,242	718,251	14,689,470
Bonds, Notes and Loans Payable	4,015,000	3,247,560	6,241,009	0	13,503,569
Total Equity	17,238,069	1,780,146	5,633,521	839,997	25,491,733

**NOTE 18 - 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, 2001, there were two mortgage revenue bonds outstanding with an aggregate principal amount payable of \$2,220,706.

**This Page is Intentionally Left Blank.**

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

---

---

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

**This Page is Intentionally Left Blank.**



***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, 2001**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$2,541,277	\$2,539,280	(\$1,997)
Intergovernmental Revenues	670,570	666,082	(4,488)
Charges for Services	155,310	155,395	85
Licenses and Permits	52,390	52,815	425
Investment Earnings	378,000	383,533	5,533
Fines and Forfeitures	272,800	277,604	4,804
All Other Revenues	144,250	142,367	(1,883)
Total Revenues	4,214,597	4,217,076	2,479
<b>Expenditures:</b>			
<b>Security of Persons and Property:</b>			
<b>Police:</b>			
Personal Services	946,080	943,324	2,756
Contractual Services	79,877	76,985	2,892
Materials and Supplies	35,978	34,645	1,333
Other Expenditures	3,669	3,294	375
Total Police	1,065,604	1,058,248	7,356
<b>Fire:</b>			
Personal Services	517,360	513,442	3,918
Contractual Services	108,600	98,507	10,093
Materials and Supplies	46,288	39,395	6,893
Other Expenditures	100	36	64
Total Fire	672,348	651,380	20,968
Total Security of Persons and Property	1,737,952	1,709,628	28,324
<b>Public Health and Welfare Services:</b>			
<b>Cemetery:</b>			
Personal Services	58,320	58,226	94
Contractual Services	13,420	12,522	898
Materials and Supplies	10,050	7,953	2,097
Total Cemetery	81,790	78,701	3,089
Total Public Health and Welfare Services	81,790	78,701	3,089

(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, 2001**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Community Environment:			
Building Inspection:			
Personal Services	69,420	69,328	92
Contractual Services	3,100	2,632	468
Materials and Supplies	2,321	1,657	664
Other Expenditures	700	446	254
Total Building Inspection	75,541	74,063	1,478
Total Community Environment	75,541	74,063	1,478
General Government:			
City Council:			
Personal Services	9,123	8,541	582
Contractual Services	1,090	899	191
Materials and Supplies	300	54	246
Other Expenditures	200	192	8
Total City Council	10,713	9,686	1,027
Mayor:			
Personal Services	3,827	3,586	241
Contractual Services	2,460	2,200	260
Materials and Supplies	90	0	90
Other Expenditures	100	0	100
Total Mayor	6,477	5,786	691
City Manager:			
Personal Services	56,937	53,363	3,574
Contractual Services	1,288	1,079	209
Materials and Supplies	644	511	133
Other Expenditures	200	127	73
Total City Manager	59,069	55,080	3,989
Law Director:			
Personal Services	44,489	41,723	2,766
Contractual Services	9,688	8,180	1,508
Materials and Supplies	1,321	1,221	100
Total Law Director	55,498	51,124	4,374

(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, 2001**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Finance - Administration:			
Personal Services	82,939	77,767	5,172
Contractual Services	36,145	33,630	2,515
Materials and Supplies	1,400	474	926
Other Expenditures	1,250	1,182	68
Total Finance - Administration	121,734	113,053	8,681
Finance - Utility Billing:			
Personal Services	39,596	36,528	3,068
Contractual Services	10,074	8,657	1,417
Materials and Supplies	7,598	7,039	559
Other Expenditures	100	63	37
Total Finance - Utility Billing	57,368	52,287	5,081
Finance - Income Tax Collection:			
Personal Services	96,559	96,557	2
Contractual Services	11,741	11,739	2
Materials and Supplies	4,427	4,427	0
Capital Outlay	4,089	4,089	0
Total Finance - Income Tax Collection	116,816	116,812	4
Finance - Information Systems:			
Personal Services	59,710	59,661	49
Contractual Services	5,850	5,410	440
Materials and Supplies	18,750	18,386	364
Total Finance - Information Systems	84,310	83,457	853
City Engineer:			
Personal Services	58,406	54,779	3,627
Contractual Services	28,893	23,528	5,365
Materials and Supplies	1,875	1,492	383
Other Expenditures	300	245	55
Total City Engineer	89,474	80,044	9,430
Municipal Court:			
Personal Services	259,370	259,263	107
Contractual Services	20,470	18,131	2,339
Materials and Supplies	34,520	32,144	2,376
Other Expenditures	100	60	40
Total Municipal Court	314,460	309,598	4,862

(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, 2001**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Service - Buildings, Property, and Equipment:			
Personal Services	32,454	30,414	2,040
Contractual Services	875	603	272
Materials and Supplies	4,325	3,596	729
Other Expenditures	100	51	49
Total Service - Buildings, Property, and Equipment	37,754	34,664	3,090
Miscellaneous:			
Contractual Services	77,970	63,237	14,733
Materials and Supplies	11,158	8,040	3,118
Other Expenditures	227,573	218,319	9,254
Total Miscellaneous	316,701	289,596	27,105
Total General Government	1,270,374	1,201,187	69,187
Total Expenditures	3,165,657	3,063,579	102,078
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,048,940	1,153,497	104,557
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	353,254	356,401	3,147
Operating Transfers Out	(1,540,767)	(1,540,431)	336
Total Other Financing Sources (Uses)	(1,187,513)	(1,184,030)	3,483
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(138,573)	(30,533)	108,040
Fund Balance at Beginning of Year	2,383,547	2,383,547	0
Prior Year Encumbrances	65,127	65,127	0
Fund Balance at End of Year	\$2,310,101	\$2,418,141	\$108,040

## *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.

**Community Development Block Grant (CDBG) Program Income Fund**

To account for recording monies paid back for CHIS and CHIP Grants from clients.

**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. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

### **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.

### **Handicap Parking Fines Fund**

To account for monies received from Municipal Court for handicap parking violations.

### **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, 2001**

	Street Construction, Maintenance and Repair	State Highway Improvement	Motor Vehicle License Tax	EMS Transport Service
<u>Assets:</u>				
Cash and Cash Equivalents	\$3,609	\$939	\$2,883	\$117,779
Investments	223,009	58,029	178,155	0
Receivables (net of allowances for doubtful accounts)				
Taxes	0	0	0	0
Accounts	0	0	0	165,281
Interest	1,041	637	1,977	0
Intergovernmental Receivables	112,632	9,134	26,992	7,802
Inventory of Supplies at Cost	43,304	0	0	0
Total Assets	<u>\$383,595</u>	<u>\$68,739</u>	<u>\$210,007</u>	<u>\$290,862</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$2,446	\$0	\$0	\$1,668
Accrued Wages and Benefits	18,815	0	0	0
Deferred Revenue	75,990	6,642	19,708	7,802
Compensated Absences Payable	2,468	0	0	0
Total Liabilities	<u>99,719</u>	<u>6,642</u>	<u>19,708</u>	<u>9,470</u>
Fund Equity:				
Reserved for Encumbrances	824	0	19,407	5,647
Reserved for Supplies Inventory	43,304	0	0	0
Unreserved	239,748	62,097	170,892	275,745
Total Fund Equity	<u>283,876</u>	<u>62,097</u>	<u>190,299</u>	<u>281,392</u>
Total Liabilities and Fund Equity	<u>\$383,595</u>	<u>\$68,739</u>	<u>\$210,007</u>	<u>\$290,862</u>



**THE CITY OF NAPOLEON, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2001**

Recreation	Special Events	Economic Development	Hotel/ Motel Tax	CDBG Program Income	Indigent Drivers Alcohol Treatment	Law Enforcement and Education
\$1,551	\$3,575	\$22,419	\$9,783	\$20,000	\$283	\$109
95,812	0	1,385,204	0	0	17,476	6,704
0	0	0	0	0	0	0
0	0	0	0	0	260	431
1,381	0	6,482	0	0	192	85
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$98,744</u>	<u>\$3,575</u>	<u>\$1,414,105</u>	<u>\$9,783</u>	<u>\$20,000</u>	<u>\$18,211</u>	<u>\$7,329</u>
\$923	\$0	\$4,159	\$0	\$0	\$0	\$0
16,977	0	0	0	0	0	0
1,197	0	5,616	0	0	166	74
4,531	0	0	0	0	0	0
<u>23,628</u>	<u>0</u>	<u>9,775</u>	<u>0</u>	<u>0</u>	<u>166</u>	<u>74</u>
5,749	0	1,209,021	0	0	0	0
0	0	0	0	0	0	0
69,367	3,575	195,309	9,783	20,000	18,045	7,255
<u>75,116</u>	<u>3,575</u>	<u>1,404,330</u>	<u>9,783</u>	<u>20,000</u>	<u>18,045</u>	<u>7,255</u>
<u>\$98,744</u>	<u>\$3,575</u>	<u>\$1,414,105</u>	<u>\$9,783</u>	<u>\$20,000</u>	<u>\$18,211</u>	<u>\$7,329</u>

(Continued)

**THE CITY OF NAPOLEON, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2001**

	Court Computerization	Law Enforcement Trust	Mandatory Drug Fine	Fire Equipment
<u>Assets:</u>				
Cash and Cash Equivalents	\$1,479	\$187	\$146	\$1,481
Investments	91,358	11,584	9,019	91,478
Receivables (net of allowances for doubtful accounts)				
Taxes	0	0	0	0
Accounts	3,154	0	16	0
Interest	1,063	127	106	998
Intergovernmental Receivables	0	0	0	0
Inventory of Supplies at Cost	0	0	0	0
Total Assets	<u>\$97,054</u>	<u>\$11,898</u>	<u>\$9,287</u>	<u>\$93,957</u>
<u>Liabilities and Fund Equity:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$31	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0
Deferred Revenue	921	110	92	865
Compensated Absences Payable	0	0	0	0
Total Liabilities	<u>952</u>	<u>110</u>	<u>92</u>	<u>865</u>
<u>Fund Equity:</u>				
Reserved for Encumbrances	497	0	0	3,000
Reserved for Supplies Inventory	0	0	0	0
Unreserved	95,605	11,788	9,195	90,092
Total Fund Equity	<u>96,102</u>	<u>11,788</u>	<u>9,195</u>	<u>93,092</u>
Total Liabilities and Fund Equity	<u>\$97,054</u>	<u>\$11,898</u>	<u>\$9,287</u>	<u>\$93,957</u>

**THE CITY OF NAPOLEON, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2001**

Municipal Probation Service	Probation Officer Grant	Court Improvement	Handicap Parking Fines	Police Pension	Fire Pension	Totals
\$246	\$16,908	\$101,200	\$150	\$925	\$463	\$306,115
15,210	0	0	0	0	0	2,183,038
0	0	0	0	84,823	42,412	127,235
490	0	2,663	50	0	0	172,345
149	0	0	0	0	0	14,238
0	23,980	0	0	3,908	1,954	186,402
0	0	0	0	0	0	43,304
<u>\$16,095</u>	<u>\$40,888</u>	<u>\$103,863</u>	<u>\$200</u>	<u>\$89,656</u>	<u>\$44,829</u>	<u>\$3,032,677</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$9,227
0	1,623	0	0	30,691	19,297	87,403
129	11,990	0	0	88,731	44,366	264,399
0	0	0	0	0	0	6,999
<u>129</u>	<u>13,613</u>	<u>0</u>	<u>0</u>	<u>119,422</u>	<u>63,663</u>	<u>368,028</u>
0	0	0	0	0	0	1,244,145
0	0	0	0	0	0	43,304
15,966	27,275	103,863	200	(29,766)	(18,834)	1,377,200
<u>15,966</u>	<u>27,275</u>	<u>103,863</u>	<u>200</u>	<u>(29,766)</u>	<u>(18,834)</u>	<u>2,664,649</u>
<u>\$16,095</u>	<u>\$40,888</u>	<u>\$103,863</u>	<u>\$200</u>	<u>\$89,656</u>	<u>\$44,829</u>	<u>\$3,032,677</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, 2001**

	Street Construction, Maintenance and Repair	State Highway Improvement	Motor Vehicle License Tax	EMS Transport Service
<b>Revenues:</b>				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	290,657	23,567	162,132	11,603
Charges for Services	0	0	0	210,598
Investment Earnings	9,007	4,079	7,488	0
Fines and Forfeitures	0	0	0	0
All Other Revenues	10,584	0	0	0
Total Revenues	310,248	27,646	169,620	222,201
<b>Expenditures:</b>				
Security of Persons and Property	0	0	0	157,994
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	513,930	36,157	34,619	0
General Government	0	0	0	0
Total Expenditures	513,930	36,157	34,619	157,994
Excess (Deficiency) of Revenues Over (Under) Expenditures	(203,682)	(8,511)	135,001	64,207
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	206,110	0	0	0
Operating Transfers Out	0	0	(36,360)	(20,000)
Total Other Financing Sources (Uses)	206,110	0	(36,360)	(20,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,428	(8,511)	98,641	44,207
Restated Fund Balance (Deficit) at Beginning of Year	279,805	70,608	91,658	237,185
Increase in Inventory Reserve	1,643	0	0	0
Fund Balance (Deficit) at End of Year	\$283,876	\$62,097	\$190,299	\$281,392

**THE CITY OF NAPOLEON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

Recreation	Special Events	Economic Development	Hotel/ Motel Tax	CDBG Program Income	Indigent Drivers Alcohol Treatment	Law Enforcement and Education
\$0	\$0	\$0	\$73,383	\$0	\$0	\$0
0	0	0	0	20,000	0	0
256,531	1,605	0	0	0	0	0
9,865	0	45,775	0	0	1,317	462
0	0	0	0	0	9,060	2,164
30,572	58	0	0	0	0	0
296,968	1,663	45,775	73,383	20,000	10,377	2,626
0	0	0	0	0	11,951	1,958
786,130	0	0	0	0	0	0
0	0	105,911	0	0	0	0
0	0	0	0	0	0	0
0	22,301	0	36,228	0	0	0
786,130	22,301	105,911	36,228	0	11,951	1,958
(489,162)	(20,638)	(60,136)	37,155	20,000	(1,574)	668
408,316	15,000	800,000	0	0	0	0
0	0	0	(36,228)	0	0	0
408,316	15,000	800,000	(36,228)	0	0	0
(80,846)	(5,638)	739,864	927	20,000	(1,574)	668
155,962	9,213	664,466	8,856	0	19,619	6,587
0	0	0	0	0	0	0
\$75,116	\$3,575	\$1,404,330	\$9,783	\$20,000	\$18,045	\$7,255

(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, 2001**

	Court Computerization	Law Enforcement Trust	Mandatory Drug Fine	Fire Equipment
<b>Revenues:</b>				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Investment Earnings	4,729	572	519	3,358
Fines and Forfeitures	50,934	8,638	2,760	0
All Other Revenues	0	1,000	0	0
Total Revenues	55,663	10,210	3,279	3,358
<b>Expenditures:</b>				
Security of Persons and Property	17,452	2,250	416	1,864
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	17,452	2,250	416	1,864
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,211	7,960	2,863	1,494
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	0	0	0	60,000
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	60,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	38,211	7,960	2,863	61,494
Restated Fund Balance (Deficit) at Beginning of Year	57,891	3,828	6,332	31,598
Increase in Inventory Reserve	0	0	0	0
Fund Balance (Deficit) at End of Year	\$96,102	\$11,788	\$9,195	\$93,092

**THE CITY OF NAPOLEON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

Municipal Probation Service	Law Enforcement Block Grant	Probation Officer Grant	Court Improvement	Handicap Parking Fines	Police Pension	Fire Pension	Totals
\$0	\$0	\$0	\$0	\$0	\$79,819	\$39,916	\$193,118
0	2,377	62,037	0	0	7,771	3,886	584,030
0	0	0	0	0	0	0	468,734
778	0	0	0	0	0	0	87,949
7,139	0	0	46,016	200	0	0	126,911
0	0	0	0	0	0	0	42,214
<u>7,917</u>	<u>2,377</u>	<u>62,037</u>	<u>46,016</u>	<u>200</u>	<u>87,590</u>	<u>43,802</u>	<u>1,502,956</u>
3,310	2,641	49,830	0	0	104,241	52,399	406,306
0	0	0	0	0	0	0	786,130
0	0	0	0	0	0	0	105,911
0	0	0	0	0	0	0	584,706
0	0	0	0	0	0	0	58,529
<u>3,310</u>	<u>2,641</u>	<u>49,830</u>	<u>0</u>	<u>0</u>	<u>104,241</u>	<u>52,399</u>	<u>1,941,582</u>
4,607	(264)	12,207	46,016	200	(16,651)	(8,597)	(438,626)
0	264	0	0	0	0	0	1,489,690
0	0	0	0	0	0	0	(92,588)
<u>0</u>	<u>264</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,397,102</u>
4,607	0	12,207	46,016	200	(16,651)	(8,597)	958,476
11,359	0	15,068	57,847	0	(13,115)	(10,237)	1,704,530
0	0	0	0	0	0	0	1,643
<u>\$15,966</u>	<u>\$0</u>	<u>\$27,275</u>	<u>\$103,863</u>	<u>\$200</u>	<u>(\$29,766)</u>	<u>(\$18,834)</u>	<u>\$2,664,649</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, 2001**

**STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$293,000	\$291,551	(\$1,449)
Investment Earnings	10,000	10,150	150
All Other Revenues	11,100	11,314	214
Total Revenues	<u>314,100</u>	<u>313,015</u>	<u>(1,085)</u>
<u>Expenditures:</u>			
Transportation:			
Street Maintenance:			
Personal Services	347,510	347,451	59
Contractual Services	91,830	88,929	2,901
Materials and Supplies	47,750	42,721	5,029
Other Expenditures	7,900	7,495	405
Total Street Maintenance	<u>494,990</u>	<u>486,596</u>	<u>8,394</u>
Ice and Snow Removal:			
Personal Services	5,000	4,815	185
Contractual Services	7,237	1,263	5,974
Materials and Supplies	3,400	2,121	1,279
Total Ice and Snow Removal	<u>15,637</u>	<u>8,199</u>	<u>7,438</u>
Storm Drainage:			
Personal Services	8,500	8,467	33
Contractual Services	100	0	100
Materials and Supplies	8,000	7,656	344
Total Storm Drainage	<u>16,600</u>	<u>16,123</u>	<u>477</u>
Total Expenditures	<u>527,227</u>	<u>510,918</u>	<u>16,309</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(213,127)	(197,903)	15,224
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	206,110	206,110	0
Total Other Financing Sources (Uses)	<u>206,110</u>	<u>206,110</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(7,017)	8,207	15,224
Fund Balance at Beginning of Year	210,825	210,825	0
Prior Year Encumbrances	2,536	2,536	0
Fund Balance at End of Year	<u>\$206,344</u>	<u>\$221,568</u>	<u>\$15,224</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, 2001**

**STATE HIGHWAY IMPROVEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$24,000	\$23,639	(\$361)
Investment Earnings	4,400	4,415	15
Total Revenues	<u>28,400</u>	<u>28,054</u>	<u>(346)</u>
<u>Expenditures:</u>			
Transportation:			
Contractual Services	33,600	33,500	100
Materials and Supplies	3,400	2,657	743
Total Expenditures	<u>37,000</u>	<u>36,157</u>	<u>843</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,600)	(8,103)	497
Fund Balance at Beginning of Year	<u>66,608</u>	<u>66,608</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$58,008</u></u>	<u><u>\$58,505</u></u>	<u><u>\$497</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, 2001**

**MOTOR VEHICLE LICENSE TAX FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$161,000	\$161,978	\$978
Investment Earnings	6,900	7,049	149
Total Revenues	<u>167,900</u>	<u>169,027</u>	<u>1,127</u>
<u>Expenditures:</u>			
Transportation:			
Materials and Supplies	65,901	56,908	8,993
Total Expenditures	<u>65,901</u>	<u>56,908</u>	<u>8,993</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	101,999	112,119	10,120
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(36,360)	(36,360)	0
Total Other Financing Sources (Uses)	<u>(36,360)</u>	<u>(36,360)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	65,639	75,759	10,120
Fund Balance at Beginning of Year	66,949	66,949	0
Prior Year Encumbrances	17,501	17,501	0
Fund Balance at End of Year	<u>\$150,089</u>	<u>\$160,209</u>	<u>\$10,120</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, 2001**

**EMS TRANSPORT SERVICE FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$12,000	\$11,603	(\$397)
Charges for Services	175,000	176,908	1,908
Total Revenues	<u>187,000</u>	<u>188,511</u>	<u>1,511</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Contractual Services	29,408	26,249	3,159
Materials and Supplies	17,400	13,437	3,963
Other Expenditures	82,000	82,000	0
Capital Outlay	46,286	45,692	594
Total Expenditures	<u>175,094</u>	<u>167,378</u>	<u>7,716</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,906	21,133	9,227
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(20,000)	(20,000)	0
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,094)	1,133	9,227
Fund Balance at Beginning of Year	95,005	95,005	0
Prior Year Encumbrances	15,994	15,994	0
Fund Balance at End of Year	<u>\$102,905</u>	<u>\$112,132</u>	<u>\$9,227</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, 2001**

**RECREATION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$254,960	\$256,531	\$1,571
Investment Earnings	11,000	11,422	422
All Other Revenues	29,550	30,572	1,022
Total Revenues	295,510	298,525	3,015
<u>Expenditures:</u>			
Leisure Time Activities:			
Administration:			
Personal Services	62,840	62,771	69
Contractual Services	4,500	3,379	1,121
Materials and Supplies	30,290	29,848	442
Other Expenditures	10,280	9,608	672
Total Administration	107,910	105,606	2,304
Golf Course Operations:			
Personal Services	108,260	108,181	79
Contractual Services	17,735	17,201	534
Materials and Supplies	70,465	67,507	2,958
Total Golf Course Operations	196,460	192,889	3,571
Pool Operations:			
Personal Services	64,320	64,239	81
Contractual Services	34,275	34,183	92
Materials and Supplies	14,148	12,877	1,271
Total Pool Operations	112,743	111,299	1,444
Parks and Programs:			
Personal Services	207,350	207,263	87
Contractual Services	48,250	46,279	1,971
Materials and Supplies	102,254	96,747	5,507
Capital Outlay	26,341	26,296	45
Total Parks and Programs	384,195	376,585	7,610
Total Expenditures	801,308	786,379	14,929

(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, 2001**

**RECREATION FUND**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(505,798)	(487,854)	17,944
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	<u>408,660</u>	<u>408,316</u>	<u>(344)</u>
Total Other Financing Sources (Uses)	<u>408,660</u>	<u>408,316</u>	<u>(344)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(97,138)	(79,538)	17,600
Fund Balance at Beginning of Year	150,409	150,409	0
Prior Year Encumbrances	<u>19,978</u>	<u>19,978</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$73,249</u></u>	<u><u>\$90,849</u></u>	<u><u>\$17,600</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, 2001**

**SPECIAL EVENTS FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$1,600	\$1,605	\$5
All Other Revenues	60	58	(2)
Total Revenues	<u>1,660</u>	<u>1,663</u>	<u>3</u>
<u>Expenditures:</u>			
General Government:			
Contractual Services	14,050	13,978	72
Materials and Supplies	3,750	3,703	47
Other Expenditures	<u>4,700</u>	<u>4,620</u>	<u>80</u>
Total Expenditures	<u>22,500</u>	<u>22,301</u>	<u>199</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,840)	(20,638)	202
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,840)	(5,638)	202
Fund Balance at Beginning of Year	<u>9,213</u>	<u>9,213</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,373</u></u>	<u><u>\$3,575</u></u>	<u><u>\$202</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, 2001**

**ECONOMIC DEVELOPMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$42,000	\$42,546	\$546
Total Revenues	42,000	42,546	546
<u>Expenditures:</u>			
Community Environment:			
Contractual Services	32,000	30,682	1,318
Capital Outlay	1,433,000	1,284,250	148,750
Total Expenditures	1,465,000	1,314,932	150,068
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,423,000)	(1,272,386)	150,614
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	800,000	800,000	0
Total Other Financing Sources (Uses)	800,000	800,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(623,000)	(472,386)	150,614
Fund Balance at Beginning of Year	620,770	620,770	0
Prior Year Encumbrances	35,000	35,000	0
Fund Balance at End of Year	\$32,770	\$183,384	\$150,614

**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, 2001**

**HOTEL/MOTEL TAX FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$72,000	\$73,383	\$1,383
Total Revenues	72,000	73,383	1,383
<u>Expenditures:</u>			
General Government:			
Contractual Services	36,230	36,228	2
Total Expenditures	36,230	36,228	2
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,770	37,155	1,385
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(36,230)	(36,228)	2
Total Other Financing Sources (Uses)	(36,230)	(36,228)	2
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(460)	927	1,387
Fund Balance at Beginning of Year	8,856	8,856	0
Fund Balance at End of Year	\$8,396	\$9,783	\$1,387



**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, 2001**

**CDBG PROGRAM INCOME FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$20,000	\$20,000	\$0
Total Revenues	20,000	20,000	0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,000	20,000	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$0</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, 2001**

**INDIGENT DRIVERS ALCOHOL TREATMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$1,400	\$1,416	\$16
Fines and Forfeitures	9,000	8,934	(66)
Total Revenues	10,400	10,350	(50)
<u>Expenditures:</u>			
Security of Persons and Property:			
Contractual Services	17,600	11,951	5,649
Total Expenditures	17,600	11,951	5,649
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(7,200)	(1,601)	5,599
Fund Balance at Beginning of Year	19,220	19,220	0
Fund Balance at End of Year	\$12,020	\$17,619	\$5,599

**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, 2001**

**LAW ENFORCEMENT AND EDUCATION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$470	\$478	\$8
Fines and Forfeitures	1,700	1,759	59
Total Revenues	2,170	2,237	67
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	3,000	1,288	1,712
Contractual Services	550	525	25
Capital Outlay	150	145	5
Total Expenditures	3,700	1,958	1,742
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,530)	279	1,809
Fund Balance at Beginning of Year	6,480	6,480	0
Fund Balance at End of Year	\$4,950	\$6,759	\$1,809

**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, 2001**

**COURT COMPUTERIZATION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$4,500	\$4,611	\$111
Fines and Forfeitures	49,000	49,398	398
Total Revenues	<u>53,500</u>	<u>54,009</u>	<u>509</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Contractual Services	1,850	1,841	9
Other Expenditures	8,130	8,130	0
Capital Outlay	<u>9,596</u>	<u>9,574</u>	<u>22</u>
Total Expenditures	<u>19,576</u>	<u>19,545</u>	<u>31</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	33,924	34,464	540
Fund Balance at Beginning of Year	55,520	55,520	0
Prior Year Encumbrances	<u>1,596</u>	<u>1,596</u>	<u>0</u>
Fund Balance at End of Year	<u>\$91,040</u>	<u>\$91,580</u>	<u>\$540</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, 2001**

**LAW ENFORCEMENT TRUST FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$500	\$513	\$13
Fines and Forfeitures	8,500	8,638	138
All Other Revenues	1,000	1,000	0
Total Revenues	10,000	10,151	151
<u>Expenditures:</u>			
Security of Persons and Property:			
Other Expenditures	370	321	49
Capital Outlay	1,930	1,929	1
Total Expenditures	2,300	2,250	50
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	7,700	7,901	201
Fund Balance at Beginning of Year	3,778	3,778	0
Fund Balance at End of Year	\$11,478	\$11,679	\$201

**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, 2001**

**MANDATORY DRUG FINE FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$500	\$510	\$10
Fines and Forfeitures	2,900	2,987	87
Total Revenues	3,400	3,497	97
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	2,000	416	1,584
Total Expenditures	2,000	416	1,584
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,400	3,081	1,681
Fund Balance at Beginning of Year	6,012	6,012	0
Fund Balance at End of Year	\$7,412	\$9,093	\$1,681

**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, 2001**

**FIRE EQUIPMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$2,700	\$2,775	\$75
Total Revenues	2,700	2,775	75
<u>Expenditures:</u>			
Security of Persons and Property:			
Capital Outlay	5,000	4,864	136
Total Expenditures	5,000	4,864	136
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,300)	(2,089)	211
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	60,000	60,000	0
Total Other Financing Sources (Uses)	60,000	60,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	57,700	57,911	211
Fund Balance at Beginning of Year	31,318	31,318	0
Fund Balance at End of Year	\$89,018	\$89,229	\$211

**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, 2001**

**MUNICIPAL PROBATION SERVICE FUND**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Investment Earnings	\$760	\$784	\$24
Fines and Forfeitures	6,600	6,688	88
Total Revenues	<u>7,360</u>	<u>7,472</u>	<u>112</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Other Expenditures	<u>3,310</u>	<u>3,310</u>	<u>0</u>
Total Expenditures	<u>3,310</u>	<u>3,310</u>	<u>0</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	4,050	4,162	112
Fund Balance at Beginning of Year	7,883	7,883	0
Prior Year Encumbrances	<u>3,290</u>	<u>3,290</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$15,223</u></u>	<u><u>\$15,335</u></u>	<u><u>\$112</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, 2001**

**LAW ENFORCEMENT BLOCK GRANT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$2,380	\$2,377	(\$3)
Investment Earnings	50	0	(50)
Total Revenues	<u>2,430</u>	<u>2,377</u>	<u>(53)</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	<u>2,641</u>	<u>2,641</u>	<u>0</u>
Total Expenditures	<u>2,641</u>	<u>2,641</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(211)	(264)	(53)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	<u>270</u>	<u>264</u>	<u>(6)</u>
Total Other Financing Sources (Uses)	<u>270</u>	<u>264</u>	<u>(6)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	59	0	(59)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$59</u>	<u>\$0</u>	<u>(\$59)</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, 2001**

**PROBATION OFFICER GRANT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$49,960	\$50,047	\$87
Total Revenues	49,960	50,047	87
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	37,560	37,304	256
Contractual Services	12,322	9,765	2,557
Materials and Supplies	880	478	402
Capital Outlay	3,522	2,222	1,300
Total Expenditures	54,284	49,769	4,515
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(4,324)	278	4,602
Fund Balance at Beginning of Year	16,256	16,256	0
Prior Year Encumbrances	374	374	0
Fund Balance at End of Year	\$12,306	\$16,908	\$4,602

**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, 2001**

**COURT IMPROVEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$44,500	\$44,963	\$463
Total Revenues	44,500	44,963	463
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	44,500	44,963	463
Fund Balance at Beginning of Year	56,237	56,237	0
Fund Balance at End of Year	<u>\$100,737</u>	<u>\$101,200</u>	<u>\$463</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, 2001**

**HANDICAP PARKING FINES FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$150	\$150	\$0
Total Revenues	150	150	0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	150	150	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$150	\$150	\$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, 2001**

**POLICE PENSION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$80,050	\$79,819	(\$231)
Intergovernmental Revenues	7,760	7,771	11
Total Revenues	<u>87,810</u>	<u>87,590</u>	<u>(220)</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	104,010	104,006	4
Contractual Services	2,500	2,080	420
Total Expenditures	<u>106,510</u>	<u>106,086</u>	<u>424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,700)	(18,496)	204
Fund Balance at Beginning of Year	<u>19,421</u>	<u>19,421</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$721</u></u>	<u><u>\$925</u></u>	<u><u>\$204</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, 2001**

**FIRE PENSION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$39,580	\$39,916	\$336
Intergovernmental Revenues	3,870	3,886	16
Total Revenues	<u>43,450</u>	<u>43,802</u>	<u>352</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	52,970	52,962	8
Contractual Services	1,050	1,040	10
Total Expenditures	<u>54,020</u>	<u>54,002</u>	<u>18</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,570)	(10,200)	370
Fund Balance at Beginning of Year	<u>10,663</u>	<u>10,663</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$93</u></u>	<u><u>\$463</u></u>	<u><u>\$370</u></u>

## ***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, 2001**

	Electric	Water	Sewer	Sanitation	Totals
<b>Assets:</b>					
Cash and Cash Equivalents	\$317,227	\$19,628	\$35,694	\$10,327	\$382,876
Investments	8,218,607	1,212,748	2,205,435	638,083	12,274,873
Receivables (net of allowances for doubtful accounts):					
Accounts	1,535,543	187,686	211,819	70,525	2,005,573
Special Assessments	0	0	1,641,461	0	1,641,461
Interest	64,858	14,642	26,819	7,268	113,587
Inventory of Supplies at Cost	1,076,627	151,211	29,634	0	1,257,472
Investment in Joint Venture	583,756	0	0	0	583,756
<b>Restricted Assets:</b>					
Cash and Cash Equivalents	304,724	0	326,836	0	631,560
Property, Plant and Equipment	14,430,893	6,741,108	12,064,436	278,702	33,515,139
Less Accumulated Depreciation	(5,208,378)	(3,026,030)	(4,617,618)	(151,323)	(13,003,349)
Net Fixed Assets	9,222,515	3,715,078	7,446,818	127,379	20,511,790
Construction in Progress	342,411	0	0	0	342,411
<b>Total Assets</b>	<b>\$21,666,268</b>	<b>\$5,300,993</b>	<b>\$11,924,516</b>	<b>\$853,582</b>	<b>\$39,745,359</b>
<b>Liabilities and Fund Equity:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$303,805	\$158,820	\$3,416	\$697	\$466,738
Accrued Wages and Benefits	42,727	26,694	11,542	7,255	88,218
Customer Deposits	603	0	0	0	603
Accrued Interest Payable	4,169	26,585	662	0	31,416
Compensated Absences Payable	61,895	61,188	34,366	5,633	163,082
General Obligation Notes Payable	1,100,000	1,300,000	0	0	2,400,000
General Obligation Bonds Payable	0	1,590,000	0	0	1,590,000
Special Assessment Bond Payable	0	0	111,806	0	111,806
Mortgage Revenue Bonds Payable	2,915,000	0	3,130,000	0	6,045,000
Ohio Sewer and Water Rotary					
Commission Deferred Loan Payable	0	0	88,341	0	88,341
Ohio Public Works					
Commission Loan Payable	0	0	66,318	0	66,318
Ohio Water Development					
Authority Loans Payable	0	357,560	2,844,544	0	3,202,104
<b>Total Liabilities</b>	<b>4,428,199</b>	<b>3,520,847</b>	<b>6,290,995</b>	<b>13,585</b>	<b>14,253,626</b>
<b>Fund Equity:</b>					
Contributed Capital	79,492	101,418	3,390,129	101,123	3,672,162
<b>Retained Earnings:</b>					
Reserved for Restricted Assets	304,724	0	326,836	0	631,560
Unreserved	16,853,853	1,678,728	1,916,556	738,874	21,188,011
<b>Total Fund Equity</b>	<b>17,238,069</b>	<b>1,780,146</b>	<b>5,633,521</b>	<b>839,997</b>	<b>25,491,733</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$21,666,268</b>	<b>\$5,300,993</b>	<b>\$11,924,516</b>	<b>\$853,582</b>	<b>\$39,745,359</b>



**THE CITY OF NAPOLEON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Electric	Water	Sewer	Sanitation	Totals
<u>Operating Revenues:</u>					
Charges for Services	\$11,306,502	\$1,508,229	\$1,826,647	\$520,331	\$15,161,709
Other Charges for Services	235,105	70,551	66,293	3,772	375,721
Other Operating Revenues	0	0	90	0	90
Total Operating Revenues	11,541,607	1,578,780	1,893,030	524,103	15,537,520
<u>Operating Expenses:</u>					
Personal Services	812,207	489,729	269,258	125,921	1,697,115
Materials and Supplies	939,583	205,533	118,510	55,389	1,319,015
Contractual Services	277,608	74,392	123,253	164,295	639,548
Utilities	7,559,229	64,222	56,331	2,828	7,682,610
Depreciation	267,330	104,276	290,414	14,800	676,820
Other Operating Expenses	625,855	232,774	234,995	93,525	1,187,149
Total Operating Expenses	10,481,812	1,170,926	1,092,761	456,758	13,202,257
Operating Income	1,059,795	407,854	800,269	67,345	2,335,263
<u>Nonoperating Revenues (Expenses):</u>					
Gain on Investment in Joint Ventures	146,320	0	0	0	146,320
Other Local Taxes	59,902	0	0	0	59,902
Investment Earnings	332,091	83,337	135,919	34,284	585,631
Interest and Fiscal Charges	(171,075)	(159,431)	(430,345)	0	(760,851)
Total Nonoperating Revenues (Expenses)	367,238	(76,094)	(294,426)	34,284	31,002
Income Before Operating Transfers	1,427,033	331,760	505,843	101,629	2,366,265
<u>Operating Transfers:</u>					
Operating Transfers In	0	0	9,697	0	9,697
Operating Transfers Out	(800,000)	0	0	0	(800,000)
Total Operating Transfers	(800,000)	0	9,697	0	(790,303)
Net Income	627,033	331,760	515,540	101,629	1,575,962
Retained Earnings at Beginning of Year	16,531,544	1,346,968	1,727,852	637,245	20,243,609
Retained Earnings at End of Year	\$17,158,577	\$1,678,728	\$2,243,392	\$738,874	\$21,819,571

**THE CITY OF NAPOLEON, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Electric	Water	Sewer	Sanitation	Totals
<b>Cash Flows from Operating Activities:</b>					
Cash Received from Customers	\$11,383,748	\$1,569,852	\$1,888,654	\$521,419	\$15,363,673
Cash Payments for Goods and Services	(9,333,149)	(587,024)	(548,571)	(316,363)	(10,785,107)
Cash Payments to Employees	(790,241)	(485,612)	(259,571)	(126,277)	(1,661,701)
Net Cash Provided by Operating Activities	<u>1,260,358</u>	<u>497,216</u>	<u>1,080,512</u>	<u>78,779</u>	<u>2,916,865</u>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers In From Other Funds	0	0	9,697	0	9,697
Transfers Out to Other Funds	(800,000)	0	0	0	(800,000)
Receipts of Other Local Taxes	59,902	0	0	0	59,902
Receipts of Special Assessments	0	0	139,683	0	139,683
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(740,098)</u>	<u>0</u>	<u>149,380</u>	<u>0</u>	<u>(590,718)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and Construction of Assets	(679,818)	(1,348,365)	(563,635)	0	(2,591,818)
Proceeds From General Obligation Notes	1,100,000	1,300,000	0	0	2,400,000
Principal Paid on Special Assessment Bond	0	0	(3,194)	0	(3,194)
Principal Paid on General Obligation Bonds	0	(65,000)	0	0	(65,000)
Principal Paid on Mortgage Revenue Bonds	(115,000)	0	(120,000)	0	(235,000)
Principal Paid on Ohio Public Works Commission Loan	0	0	(3,684)	0	(3,684)
Principal Paid on Ohio Water Development Authority Loans	0	(13,170)	(240,656)	0	(253,826)
Interest Paid on All Debt	(145,926)	(132,846)	(407,574)	0	(686,346)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>159,256</u>	<u>(259,381)</u>	<u>(1,338,743)</u>	<u>0</u>	<u>(1,438,868)</u>
<b>Cash Flows from Investing Activities:</b>					
Purchase of Investments	(1,036,574)	(323,059)	(51,529)	(114,795)	(1,525,957)
Receipts of Interest	409,967	93,204	157,375	39,484	700,030
Net Cash Provided (Used) by Investing Activities	<u>(626,607)</u>	<u>(229,855)</u>	<u>105,846</u>	<u>(75,311)</u>	<u>(825,927)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>					
Cash and Cash Equivalents at Beginning of Year	569,042	11,648	365,535	6,859	953,084
Cash and Cash Equivalents at End of Year	<u>\$621,951</u>	<u>\$19,628</u>	<u>\$362,530</u>	<u>\$10,327</u>	<u>\$1,014,436</u>
<b>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</b>					
Cash and Cash Equivalents	\$317,227	\$19,628	\$35,694	\$10,327	\$382,876
Add: Restricted Cash and Cash Equivalents	304,724	0	326,836	0	631,560
Cash and Cash Equivalents at End of Year	<u>\$621,951</u>	<u>\$19,628</u>	<u>\$362,530</u>	<u>\$10,327</u>	<u>\$1,014,436</u>

(Continued)

**THE CITY OF NAPOLEON, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Electric	Water	Sewer	Sanitation	Totals
<u>Reconciliation of Operating Income to Net Cash</u>					
<u>Provided by Operating Activities:</u>					
Operating Income	\$1,059,795	\$407,854	\$800,269	\$67,345	\$2,335,263
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation Expense	267,330	104,276	290,414	14,800	676,820
Changes in Assets and Liabilities:					
Increase in Accounts Receivable	(157,859)	(8,928)	(4,376)	(2,684)	(173,847)
Decrease (Increase) in Inventory	121,978	(13,146)	1,768	0	110,600
Increase (Decrease) in Accounts Payable	(42,440)	3,043	(17,250)	(326)	(56,973)
Increase in Accrued Wages and Benefits	9,946	4,581	2,628	1,373	18,528
Decrease in Customer Deposits	(10,435)	0	0	0	(10,435)
Increase (Decrease) in Compensated Absences	12,043	(464)	7,059	(1,729)	16,909
Total Adjustments	200,563	89,362	280,243	11,434	581,602
Net Cash Provided by Operating Activities	<u>\$1,260,358</u>	<u>\$497,216</u>	<u>\$1,080,512</u>	<u>\$78,779</u>	<u>\$2,916,865</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2001, the Electric Fund and the Water Fund had outstanding liabilities of \$279,476 and \$152,672 respectively for the purchase of certain capital assets.

During 2001 the fair value of investments increased by \$65,616, \$9,682, \$17,608 and \$5,094 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, 2001**

	<i>Expendable Trust Funds</i>		<i>Nonexpendable Trust Fund</i>
	Napoleon Cemetery Trust	Unclaimed Monies	Forest Hill Cemetery
<u>Assets:</u>			
Cash and Cash Equivalents	\$77,950	\$2,779	\$10,566
Total Assets	\$77,950	\$2,779	\$10,566
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Due to Others	\$0	\$2,779	\$0
Total Liabilities	0	2,779	0
Fund Equity:			
Reserved for Endowments	0	0	10,566
Unreserved	77,950	0	0
Total Fund Equity	77,950	0	10,566
Total Liabilities and Fund Equity	\$77,950	\$2,779	\$10,566

**THE CITY OF NAPOLEON, OHIO**  
**COMBINING BALANCE SHEET**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2001**

<i>Agency Funds</i>			
Municipal Court	Payroll Withholding	Employee Benefits	Totals
\$21,919	\$222	\$25	\$113,461
\$21,919	\$222	\$25	\$113,461
\$21,919	\$222	\$25	\$24,945
21,919	222	25	24,945
0	0	0	10,566
0	0	0	77,950
0	0	0	88,516
\$21,919	\$222	\$25	\$113,461

**THE CITY OF NAPOLEON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Napoleon Cemetery Trust	Unclaimed Monies	Totals
<u>Revenues:</u>			
Charges for Services	\$3,170	\$0	\$3,170
Total Revenues	3,170	0	3,170
<u>Expenditures:</u>			
General Government	0	1,484	1,484
Total Expenditures	0	1,484	1,484
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,170	(1,484)	1,686
Fund Balance at Beginning of Year	74,780	1,484	76,264
Fund Balance at End of Year	<u>\$77,950</u>	<u>\$0</u>	<u>\$77,950</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, 2001**

**NAPOLEON CEMETERY TRUST FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$3,150	\$3,170	\$20
Total Revenues	3,150	3,170	20
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	3,150	3,170	20
Fund Balance at Beginning of Year	74,780	74,780	0
Fund Balance at End of Year	\$77,930	\$77,950	\$20

**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, 2001**

**UNCLAIMED MONIES FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$1,150	\$1,153	\$3
Total Revenues	1,150	1,153	3
<u>Expenditures:</u>			
General Government:			
Other Expenditures	500	61	439
Total Expenditures	500	61	439
Excess (Deficiency) of Revenues Over (Under) Expenditures	650	1,092	442
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(500)	(470)	30
Total Other Financing Sources (Uses)	(500)	(470)	30
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	150	622	472
Fund Balance at Beginning of Year	2,157	2,157	0
Fund Balance at End of Year	\$2,307	\$2,779	\$472

**THE CITY OF NAPOLEON, OHIO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Balance December 31, 2000	Additions	Deductions	Balance December 31, 2001
<u>Municipal Court</u>				
Assets:				
Cash and Cash Equivalents	\$33,039	\$1,593,114	(\$1,604,234)	\$21,919
Total Assets	<u>\$33,039</u>	<u>\$1,593,114</u>	<u>(\$1,604,234)</u>	<u>\$21,919</u>
Liabilities:				
Due to Others	\$33,039	\$1,593,114	(\$1,604,234)	\$21,919
Total Liabilities	<u>\$33,039</u>	<u>\$1,593,114</u>	<u>(\$1,604,234)</u>	<u>\$21,919</u>
<u>Payroll Withholding</u>				
Assets:				
Cash and Cash Equivalents	\$211	\$222	(\$211)	\$222
Total Assets	<u>\$211</u>	<u>\$222</u>	<u>(\$211)</u>	<u>\$222</u>
Liabilities:				
Due to Others	\$211	\$222	(\$211)	\$222
Total Liabilities	<u>\$211</u>	<u>\$222</u>	<u>(\$211)</u>	<u>\$222</u>
<u>Employee Benefits</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$700	(\$675)	\$25
Total Assets	<u>\$0</u>	<u>\$700</u>	<u>(\$675)</u>	<u>\$25</u>
Liabilities:				
Due to Others	\$0	\$700	(\$675)	\$25
Total Liabilities	<u>\$0</u>	<u>\$700</u>	<u>(\$675)</u>	<u>\$25</u>
<u>Totals - Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$33,250	\$1,594,036	(\$1,605,120)	\$22,166
Total Assets	<u>\$33,250</u>	<u>\$1,594,036</u>	<u>(\$1,605,120)</u>	<u>\$22,166</u>
Liabilities:				
Due to Others	\$33,250	\$1,594,036	(\$1,605,120)	\$22,166
Total Liabilities	<u>\$33,250</u>	<u>\$1,594,036</u>	<u>(\$1,605,120)</u>	<u>\$22,166</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, 2001**

General Fixed Assets:

Land	\$1,647,180
Buildings	2,044,571
Improvements	161,002
Machinery and Equipment	3,950,495
Construction in Progress	<u>245,374</u>
Total General Fixed Assets	<u><u>\$8,048,622</u></u>

Investment in General Fixed Assets:

General Fund	\$396,565
Special Revenue Funds	191,093
Capital Projects Funds	6,882,109
Enterprise Funds	575,955
Internal Service Fund	400
Donated	<u>2,500</u>
Total Investment in General Fixed Assets	<u><u>\$8,048,622</u></u>

**THE CITY OF NAPOLEON, OHIO**  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY CATEGORY**  
**DECEMBER 31, 2001**

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
<b><u>General Government:</u></b>						
City Manager	\$0	\$0	\$0	\$75,842	\$0	\$75,842
Law Director	0	0	0	15,844	0	15,844
Finance	0	179,304	0	220,140	0	399,444
Tax	0	0	0	16,562	0	16,562
Engineering	0	0	1,978	54,157	0	56,135
Municipal Court	0	0	0	75,390	0	75,390
General Administration	260,320	0	0	17,040	0	277,360
Total	260,320	179,304	1,978	474,975	0	916,577
<b><u>Security of Persons and Property:</u></b>						
Police	32,729	112,500	0	477,524	0	622,753
Fire	6,514	398,474	0	1,368,292	0	1,773,280
Total	39,243	510,974	0	1,845,816	0	2,396,033
<b><u>Transportation:</u></b>						
Street	37,457	654,534	65,008	988,400	0	1,745,399
Maintenance	0	0	0	38,547	0	38,547
Total	37,457	654,534	65,008	1,026,947	0	1,783,946
<b><u>Leisure Time Activities:</u></b>						
Parks and Recreation	1,072,860	693,959	94,016	516,606	245,374	2,622,815
<b><u>Community Environment:</u></b>						
Inspection	0	0	0	10,226	0	10,226
<b><u>Public Health and Welfare:</u></b>						
Cemetery	237,300	5,800	0	75,925	0	319,025
Total General Fixed Assets	<u>\$1,647,180</u>	<u>\$2,044,571</u>	<u>\$161,002</u>	<u>\$3,950,495</u>	<u>\$245,374</u>	<u>\$8,048,622</u>

**THE CITY OF NAPOLEON, OHIO**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

Function and Activity	December 31, 2000	Additions	Deletions	December 31, 2001
<u>General Government:</u>				
City Manager	\$57,327	\$18,515	\$0	\$75,842
Law Director	15,844	0	0	15,844
Finance	391,091	8,353	0	399,444
Tax	16,562	0	0	16,562
Engineering	49,371	6,764	0	56,135
Municipal Court	71,304	4,086	0	75,390
General Administration	266,200	11,160	0	277,360
Total	<u>867,699</u>	<u>48,878</u>	<u>0</u>	<u>916,577</u>
<u>Security of Persons and Property:</u>				
Police	539,442	83,311	0	622,753
Fire	1,655,821	117,459	0	1,773,280
Total	<u>2,195,263</u>	<u>200,770</u>	<u>0</u>	<u>2,396,033</u>
<u>Transportation:</u>				
Street	1,606,324	195,032	(55,957)	1,745,399
Maintenance	38,547	0	0	38,547
Total	<u>1,644,871</u>	<u>195,032</u>	<u>(55,957)</u>	<u>1,783,946</u>
<u>Leisure Time Activities:</u>				
Parks and Recreation	2,244,299	385,116	(6,600)	2,622,815
<u>Community Environment:</u>				
Inspection	10,226	0	0	10,226
<u>Public Health and Welfare:</u>				
Cemetery	296,567	22,458	0	319,025
Total General Fixed Assets	<u>\$7,258,925</u>	<u>\$852,254</u>	<u>(\$62,557)</u>	<u>\$8,048,622</u>



## *STATISTICAL SECTION*

---



EQUIPMENT MAINTENANCE IS PART OF THE DAILY ROUTINE AT THE CITY'S FIRE DEPARTMENT. WHEN SECONDS COUNT THE STAFF KNOWS THE IMPORTANCE OF HAVING THE TRUCKS IN A1 CONDITION.

A TOP NOTCH FLEET IS A NECESSITY FOR THE CITY'S POLICE DEPARTMENT. NEW MOBILE COMPUTER EQUIPMENT HAS RECENTLY BEEN INSTALLED IN THE VEHICLES TO IMPROVE INFORMATION TRANSFER AND COMMUNICATION.



**This Page is Intentionally Left Blank.**

## *STATISTICAL TABLES*

---

---

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

**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 Utility Services	General Government	Capital Outlay	Debt Service	Other	Total
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
2000	2,451,923	66,118	710,193	653,905	519,657	0	793,592	0	345,952	0	5,541,340
2001	2,132,567	79,675	786,130	180,763	584,706	0	1,060,213	0	286,175	0	5,110,229

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

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**

<b>Year</b>	<b>Taxes</b>	<b>Inter-Governmental Revenue</b>	<b>Charges for Service</b>	<b>Licenses and Permits</b>	<b>Investment Earnings</b>	<b>Fines and Forfeitures</b>	<b>(2) Miscellaneous</b>	<b>Total</b>
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
2000	2,991,556	1,536,355	582,955	52,682	487,111	293,545	481,167	6,425,371
2001	2,851,943	1,243,384	615,613	52,815	480,730	410,473	522,602	6,177,560

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

(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 receipted 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**

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</u>
1992	\$280,677	\$260,159	\$3,558	\$263,717	93.96%	\$2,588	0.92%
1993	283,536	267,210	6,500	273,710	96.53%	2,799	0.99%
1994	289,896	284,806	3,569	288,375	99.48%	3,532	1.22%
1995	295,504	288,137	4,645	292,782	99.08%	5,131	1.74%
1996	301,210	295,186	5,991	301,177	99.99%	4,599	1.53%
1997	336,308	312,912	5,826	318,738	94.78%	5,345	1.59%
1998	330,297	259,303	9,015	268,318	81.24%	1,475	0.45%
1999	352,182	270,412	8,344	278,756	79.15%	3,118	0.89%
2000	405,869	302,381	9,308	311,689	76.80%	2,169	0.53%
2001	409,633	304,113	7,639	311,752	76.11%	3,089	0.75%

Source: Henry County Auditor

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

<u>Year Paid</u>	<u>Amount</u>
1992	\$63,251
1993	67,413
1994	66,153
1995	71,558
1996	73,621
1997	61,252
1998	100,576
1999	104,762
2000	92,597
2001	106,276

Source: Henry County Auditor

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

<b>Tax Year</b>	<b>Real Property</b>		<b>Public Utility Personal</b>		<b>Tangible Personal Property</b>		<b>Total</b>		<b>Assessed Value as a Percent of Actual Value</b>
	<b>Assessed</b>	<b>Actual</b>	<b>Assessed</b>	<b>Actual</b>	<b>Assessed</b>	<b>Actual</b>	<b>Assessed</b>	<b>Actual</b>	
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	3,331,130	3,333,130	35,687,750	142,751,000	141,833,256	439,839,490	32.25%
2000	103,446,330	295,560,943	3,748,180	3,748,180	31,633,917	126,535,668	138,828,427	425,844,791	32.60%
2001	105,734,600	302,098,857	1,952,600	1,952,600	33,565,573	134,262,292	141,252,773	438,313,749	32.23%

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 City	Napoleon City School District	Joint Vocational School District	Henry County	Napoleon Township	Total
	General Fund	Police Pension Fund	Fire Pension Fund						
1992	2.00	0.60	0.30	2.90	34.90	3.20	14.55	0.40	55.95
1993	2.00	0.60	0.30	2.90	34.90	3.20	12.60	0.40	54.00
1994	2.00	0.60	0.30	2.90	42.80	3.20	12.60	0.40	61.90
1995	2.00	0.60	0.30	2.90	42.80	3.20	12.60	0.40	61.90
1996	2.00	0.60	0.30	2.90	42.80	3.20	14.00	0.40	63.30
1997	2.00	0.60	0.30	2.90	44.90	3.20	15.30	0.40	66.70
1998	2.00	0.60	0.30	2.90	44.90	3.20	15.30	0.40	66.70
1999	2.00	0.60	0.30	2.90	45.80	3.20	15.30	0.40	67.60
2000	2.00	0.60	0.30	2.90	45.80	3.20	15.30	0.40	67.60
2001	2.00	0.60	0.30	2.90	45.80	3.20	14.10	0.40	66.40

Source: Henry County Treasurer

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

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
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%
2000	471,774	318,144	67.44%
2001	424,254	476,185	112.24%

Source: City of Napoleon Finance Department

**THE CITY OF NAPOLEON, OHIO**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**DECEMBER 31, 2001**

	<b>Total Debt</b>	<b>Unvoted Debt</b>
Net Assessed Valuation	\$141,252,773	\$141,252,773
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	14,831,541	7,768,903
Applicable City Debt Outstanding (2)	0	0
Less: Applicable Debt Service Fund Amounts	(387,721)	(387,721)
Net Indebtedness Subject to Limitation	0	0
Legal Debt Margin	\$14,831,541	\$7,768,903

(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**

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Debt Service Funds Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>	
1992	a	8,884	\$90,715,706	\$265,000	\$799,934	\$0	0.00%	\$0.00
1993	a	8,884	91,470,229	225,000	1,013,650	0	0.00%	0.00
1994	b	9,215	103,291,795	0	938,031	0	0.00%	0.00
1995	b	9,215	104,370,168	0	268,590	0	0.00%	0.00
1996	b	9,215	107,266,704	0	283,725	0	0.00%	0.00
1997	b	9,215	115,978,300	0	300,495	0	0.00%	0.00
1998	b	9,215	121,446,077	0	308,476	0	0.00%	0.00
1999	b	9,215	141,833,256	0	281,696	0	0.00%	0.00
2000	c	9,318	138,828,427	0	310,986	0	0.00%	0.00
2001	c	9,318	141,252,773	0	387,721	0	0.00%	0.00

(1) Source: U.S. Bureau of Census, a) Federal 1990 Census.

b) Population estimates made by the City.

c) Federal 2000 Census.

(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, 2001**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Napoleon</u>	<u>Amount Applicable to City of Napoleon</u>
<b>Direct</b>			
City of Napoleon	\$0	100.00%	\$0
<b>Overlapping Subdivisions</b>			
Napoleon City School District	5,164,456	49.23%	2,542,462
Liberty Center School District	3,240,000	6.85%	221,940
Four County Vocational School District	0	5.89%	0
Henry County	3,025,000	27.72%	838,530
		Subtotal	<u>3,602,932</u>
		Total	<u><u>\$3,602,932</u></u>

Source: Bond Counsel - Squire, Sanders & Dempsey

**THE CITY OF NAPOLEON, OHIO**  
**MORTGAGE REVENUE BOND COVERAGE**

<u>Year</u>	<u>Gross Revenues (3)</u>	<u>Direct Operating Expenses (4)</u>	<u>Net Revenue Available For Debt Service</u>	<u>Annual Debt Service Requirement (5)</u>	<u>Coverage</u>
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
2000	11,208,088	9,396,161	1,811,927	256,710	7.06
2001	11,873,698	10,214,482	1,659,216	257,255	6.45
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
2000	1,761,805	708,254	1,053,551	272,265	3.87
2001	2,028,949	802,347	1,226,602	272,608	4.50

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**

<u>Year</u>	<u>City Population (1)</u>	<u>Henry County Population (b)</u>	<u>Unemployment Rate Henry County Area (2)</u>	<u>Per Capita Income Henry County Area (2)</u>	<u>School Enrollment (3)</u>
1992	a 8,884	29,445	8.7%	\$18,354	2,509
1993	a 8,884	29,456	7.9%	19,211	2,505
1994	b 9,215	29,521	6.2%	20,326	2,459
1995	b 9,215	29,703	6.2%	20,870	2,451
1996	b 9,215	29,837	4.5%	21,723	2,399
1997	b 9,215	29,885	5.4%	22,928	2,436
1998	b 9,215	29,880	5.3%	23,144	2,462
1999	b 9,215	29,870	5.6%	23,833	2,779
2000	c 9,318	29,210	4.8%	24,430	2,885
2001	c 9,318	29,310	5.1%	25,330	2,902

- (1) Source: U.S. Bureau of Census, a) Federal 1990 Census.  
b) Population estimates c) Federal 2000 Census.
- (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**

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>	
	<u>Number of Permits</u>	<u>Property Value</u>	<u>Number of Permits</u>	<u>Property Value</u>
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
2000	464	3,757,826	106	11,525,340
2001	515	3,670,742	113	15,629,875

Source: City of Napoleon Building Department.



**THE CITY OF NAPOLEON, OHIO**  
**PRINCIPAL TAXPAYERS (PERSONAL PROPERTY TAX) (1)**  
**DECEMBER 31, 2001**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2001 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1. Campbell Soup Supply Company, LLC	Food Canning and Processing	\$3,670,030	10.93%
2. Tenneco Automotive	Rubber and Metal Assembly	3,195,320	9.52%
3. Sunshine Biscuits	Food Processing	2,444,440	7.28%
4. Automatic Feed Company	Steel Handling Equipment	1,951,420	5.81%
5. Carson Industries	Manufacturing	1,794,410	5.35%
6. LDM Technologies, Inc.	Manufacturing	1,368,420	4.08%
7. Pro Team Corvette Sales	Automobile Sales	1,361,630	4.06%
8. CCS Realty Company	Real Estate	1,121,680	3.34%
9. Universal Co-op	Manufacturing	1,004,640	2.99%
10. Wal-Mart Stores, Inc.	Retail Sales	915,530	2.73%
Sub-Total		18,827,520	56.09%
All Others		14,738,053	43.91%
Total		<u>\$33,565,573</u>	<u>100.00%</u>

(1) Based on valuation of property taxes to be collected in 2002.  
Source: Henry County Auditor - Land and Buildings.

**THE CITY OF NAPOLEON, OHIO**  
**PRINCIPAL TAXPAYERS (REAL PROPERTY TAX) (1)**  
**DECEMBER 31, 2001**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2001 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1. Campbell Soup Supply Company, LLC	Food Canning and Processing	\$12,831,114	12.13%
2. CCS Realty Company	Real Estate	6,143,885	5.81%
3. Imperial Clevite	Rubber and Metal Assembly	2,263,114	2.14%
4. Lutheran Development	Nursing Home	2,242,914	2.12%
5. Tippman-Napoleon Ltd.	Warehouse	2,015,257	1.91%
6. Napoleon Center	Retail Sales	1,806,457	1.71%
7. Automatic Feed	Steel Handling Equipment	1,795,085	1.70%
8. Rahee Hospitality	Motel	1,523,771	1.44%
9. Glen Arbor Limited	Apartments	1,635,885	1.55%
10. Tom Short	Real Estate	1,409,885	1.33%
Sub-Total		33,667,367	31.84%
All Others		72,067,233	68.16%
Total		<u>\$105,734,600</u>	<u>100.00%</u>

(1) Based on valuation of property taxes to be collected in 2002.  
Source: Henry County Auditor - Land and Buildings.

**THE CITY OF NAPOLEON, OHIO**  
**PRINCIPAL TAXPAYERS (INCOME TAX)**  
**DECEMBER 31, 2001**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Amount of Tax Paid in 2001</u>	<u>Percentage of Total</u>
1. Tenneco Automotive (Pullman Company)	Manufacturing	\$182,158	7.43%
2. Campbell Soup Supply Company, LLC	Food Canning and Processing	136,384	5.57%
3. Napoleon City School District	Education	117,939	4.82%
4. Automatic Feed Company	Steel Handling Equipment	76,307	3.12%
5. Henry County	County Government	70,566	2.88%
6. LDM Technologies, Inc.	Manufacturing	46,013	1.87%
7. City of Napoleon	Local Government	53,860	2.20%
8. Carson Industries	Manufacturing	37,123	1.51%
9. Cloverleaf Cold Storage	Warehousing	34,213	1.40%
10. Meadowbrook Meat Company	Food Distribution	32,740	1.34%
Sub-Total		787,303	32.14%
All Others		1,662,098	67.86%
Total		<u>\$2,449,401</u>	<u>100.00%</u>

Source: Napoleon City Income Tax Department

**THE CITY OF NAPOLEON, OHIO**  
**PRINCIPAL EMPLOYERS**  
**DECEMBER 31, 2001**

	<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>		
			<u>Full-Time</u>	<u>Part-Time</u>	<u>Total</u>
1.	Tenneco Automotive (Pullman Company)	Automobile Parts Manufacturer	387	7	394
2.	Henry County	County Government	241	138	379
3.	Napoleon City School District	Education	234	24	258
4.	City of Napoleon	Local Government	105	104	209
5.	LDM Technologies	Manufacturing	186	3	189
6.	The Lutheran Home	Long-term Health Care	104	66	170
7.	Wal-Mart Stores	Retail	110	55	165
8.	Carson Industries	Manufacturing	138	2	140
9.	Automatic Feed Company	Steel Handling Equipment	117	3	120
10.	Northcrest Nursing Home	Health Care and Rehabilitation	77	21	98

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

**THE CITY OF NAPOLEON, OHIO**  
**MISCELLANEOUS STATISTICS**  
**DECEMBER 31, 2001**

Date of Incorporation	1863	Police Services:		Water System:	
Form of Government	Charter	Number of Stations	1	Number of Purification Plants	1
		Number of Police Personnel		Miles of Water Mains	58.48
Area (square miles)	5.78	and Officers	21	Number of Fire Hydrants	327
		Number of Patrol Units	7	Number of Service Connections	3,500
Facilities and Services:		Number of Law Violations:		Average Daily Consumption (gallons)	1.3M
Miles of Streets	72	Criminal /Juvenile Citations		Maximum Daily Capacity	
		and Charges	2,843	of Plant (gallons)	4.5M
Recreation and Culture:		Traffic Citations Issued	879		
Number of Parks	9	Parking Tickets Written	208	Sewerage System:	
Park Area (acres)	225			Number of Treatment Plants	1
Number of Ball Fields:		Fire/Emergency Medical Services:		Miles of Sanitary Sewers	45
Lighted	3	Number of Stations	1	Miles of Storm Sewers	30
Unlighted	2	Number of Fire Officers		Number of Service Connections	3,500
Number of Tennis Courts:		and Firefighters/Paramedics:		Average Daily Treatment (gallons)	1.8M
Lighted	2	Full-Time	7	Maximum Daily Capacity	
		Part-Time	32	of Treatment (gallons)	2.5M
Number of Libraries	1	Number of Calls Answered		Education:	
		Fire	110	Elementary and Middle Schools	4
Number of Hospitals	1	EMS	802	Elementary and Middle School Students	1,468
Number of Patient Beds	50	Number of Inspections	10	Elementary and Middle School Instructors	112
Number of Bassinets	5			Secondary Schools	1
		Number of Cemeteries	2	Secondary School Students	858
		Cemetery Area (acres)	25	Secondary School Instructors	56
				Parochial Schools	3
				Parochial School Students	576
				Parochial School Instructors	40





SPRING AND SUMMER SEASONS KEEP THE PARKS AND RECREATION DEPARTMENT VERY BUSY. AMONG THEIR MANY JOBS, ARE THE PREPARATION OF BALLFIELDS AND KEEPING THE PARKS MOWED.









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 11, 2002**