



Mary Taylor, CPA
Auditor of State

CITY OF WAPAKONETA
AUGLAIZE COUNTY

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Mary Taylor, CPA

Auditor of State

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

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

To the Members of Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, (the City), as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 25, 2008. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-001 through 2007-003.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

**Internal Control Over Financial Reporting
(Continued)**

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the City's management in a separate letter dated June 25, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2007-003.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 25, 2008.

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

We intend this report solely for the information and use of the management and City Council. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 25, 2008

**CITY OF WAPAKONETA
AUGLAIZE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007**

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

FINDING NUMBER 2007-001

Significant Deficiency - Monitoring of Bank/Book Reconciliations and Financial Reporting

To reduce the risk of financial errors and/or irregularities occurring and being undetected, the management and governing body should review financial information that is accurate and timely. Evidence was not provided that the bank to book reconciliations were performed throughout the year in a timely manner or that the Finance Committee performed procedures to monitor these reconciliations and the deposits and investments of the City. The key financial report utilized by the Finance Committee and Council was the trial balance report, a non-system report that presented budget versus actual activity and beginning and ending fund balances. However, this report was not made available for review for at least thirty to forty days after each month end. As a result, the untimely completion of the bank to book reconciliations impacted the timeliness of the trial balance reports provided to the Finance Committee, Administration and Council. In addition, the Finance Committee and Council did not receive a list of all checks issued on a month or year-to-date basis, nor a detail revenue or expenditure report.

The following issues were identified which could have been prevented by scanning or reviewing the documents indicated above:

- Interest in the amount of \$55,892 was earned on the STAR Ohio account in November that was unrecorded as of year end, which had not been identified per the November or December month end bank reconciliations.
- Interest in the amount of \$5,171 was earned on the Bank of New York Debt Sewer Reserve and Sewer Bond accounts for November which was unrecorded at year end, which had not been identified per the November or December month end bank reconciliations.
- A portion of the February and August Homestead and Rollback revenue allocations of approximately \$25,000 were not recorded to the appropriate funds as noted in Finding 2007-003.

Failure to prepare and review/monitor the bank to book reconciliations in a timely manner allowed reconciling differences to remain undetected. The failure to receive complete and detailed financial information in a timely manner inhibited the ability of the Finance Committee or Council to perform their duty to monitor the financial activity of the City. Additionally, utilizing a non-system defined report increased the risk that key financial information could be omitted and not be detected in a timely manner.

The Finance Committee and/or Council should review the monthly list of investments and the bank reconciliations, along with requiring the Auditor and Treasurer sign and date the reconciliations when completed. The review should include the determination whether the deposits and investments purchased or held by the City comply with the deposit and investment policy. Trial balance reports should be provided to the Finance Committee and/or Council and Administration in a timely manner (i.e. within two weeks after each month end). Periodically, the Finance Committee and/or Council and Administration should review these trial balance reports to provide they reflect the financial activity and balances reported in the accounting system of the City. The Finance Committee and/or Council should give consideration to replacement of the trial balance report with a system-defined report to help reduce the risk of errors. A listing of the checks issued should also be provided to the Finance Committee and/or Council for review and approval. Additionally, the Finance Committee and/or Council should perform an in-depth review of the financial transactions recorded in the accounting system and subsequently reported on the financial statements to identify recording errors. Finally, evidence of procedures performed by the Finance Committee and/or Council should be indicated on the documents reviewed and/or in the minutes.

**FINDING NUMBER 2007-001
(Continued)**

OFFICIALS' RESPONSE

The City's finance department makes every effort to make these entries in a timely manner. Procedures and processes are reviewed and updated all the time to continually try to reduce errors. These reviews are an ongoing process. These items were subsequently entered in 2008.

FINDING NUMBER 2007-002

Significant Deficiency –Emergency Medical Services (EMS) Accountability/Monitoring Procedures

The Emergency Medical Services (EMS) was operated in conjunction with the Fire Department and contracted with Medicount Management Inc. (Medicount) for billing and collection services. The EMS prepared the "run sheet" which documented the patient name, location, injury and medical services provided. These "run sheets" were logged by the EMS department (unless the charge was waived or the run was for a "standby") and a "face sheet" was prepared for each "run sheet". Both the face sheet and a copy of the run sheet were sent to Medicount. The face sheet documented the rates for the patient codes, insurance or self-pay codes, non-transport codes, and mileage codes. Medicount billed the patients, collected the payments and maintained individual payment histories for each patient. The total billings, collections, and accounts receivable were reported to the Fire Chief. The Medicaid payments were accepted as payment in full for services, which resulted in contractual write-offs which were reported by Medicount. The following deficiencies for EMS procedures were noted:

- the run sheets or the run log were not compared to the Medicount "Charge Detail" (billing report) by EMS personnel to determine that all accounts had been properly posted and billed;
- payments were remitted to the EMS/Fire Department, City Administration Building, or Medicount which resulted in some payments being received and deposited by the City prior to being credited by Medicount, while other payments were received and credited by Medicount and then sent to the City. In addition, the collections, in some instances, were not deposited every day. The "Credit Detail" (payments report) prepared by Medicount was not compared to the ambulance run spreadsheet maintained by EMS personnel to determine that all the receipts collected were scheduled and accounted for by EMS personnel;
- accounts that were not paid in full by the end of the month were reported as a receivable by Medicount (aging / call detail report); however, the EMS personnel did not review or monitor the receivables reports for completeness, accuracy, or cutoff which impacted its ability to identify year-end receivables; or compared to the EMS ambulance run spreadsheet; and
- contractual write-offs or uncollectible accounts were written off by Medicount without a review or approval by City Council

Medicount received a *Report on Controls Placed in Operation and Tests of Operating Effectiveness prepared for the period January 1, 2007 through December 31, 2007* which described some of the controls that should be in operation at the client organization (City) to complement the controls at Medicount as follows:

- Accurate
- Complete
- Properly authorized
- Received on a timely basis

**FINDING NUMBER 2007-002
 (Continued)**

These deficiencies impacted the City's ability to determine whether all ambulance runs are being billed, payments collected, or the accounts receivable were accurately presented in the Medicount reports, or that the financial statements accurately report this activity. Additional procedures need to be implemented to eliminate these deficiencies and to provide adequate monitoring of the EMS charges, collections, unpaid balances, and write-offs to determine accuracy and completeness by comparing the details of the Medicount monthly reports (Charge Detail, Credit Detail, Adjustments and Aging) to the EMS ambulance run spreadsheet. Also, monitoring reviews should be performed by comparing Medicount reports to a City prepared EMS ambulance run spreadsheets and the initials and date should be affixed to the documentation examined as evidence of such reviews, along with any necessary notations or comments. Finally, the City should review the Report on Controls for Medicount for controls the City should implement to improve its processing of EMS activity.

OFFICIALS' RESPONSE

The City's EMS department is in the process of modifying its procedures. During 2007, some procedures have been changed and some are changed in 2008. The process of review and update of procedures and processes are an ongoing thing.

FINDING NUMBER 2007-003

Noncompliance – Significant Deficiency - Recording Errors

Ohio Rev. Code Section 5705.10 (D) states, in part, that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

During 2007, an Ohio Job Ready Sites Program grant had been awarded to the City and \$190,983 had been received which was posted to the General Fund. The funding from this grant award should have been paid into a special fund for the purpose of the grant.

Also, portions of the Homestead and Rollback revenues were posted to inappropriate funds and gross receipts were not posted for Homestead and Rollback as follows:

<u>Revenue Source</u>	<u>Posted to</u>	<u>Should have been posted to</u>
February Homestead and Rollback	\$ 3,730 General Fund	\$ 3,926 Recreation Fund
August Homestead and & Rollback	\$ 19,289 SCMR Fund	\$ 17,109 General Fund
August Homestead and Rollback	\$ 1,564 St Hwy Fund	\$ 3,951 Recreation Fund

Interfund receivable/payable adjusting journal entries were reflected in the City's 2007 basic financial statements for each of the issues mentioned. The correcting entries should be posted to the City's accounting / finance records. As noted in Finding 2007-001, the City should perform an in-depth review of the financial transactions recorded in the accounting system and subsequently reported on the financial statements to identify recording errors.

OFFICIALS' RESPONSE

These items have been corrected in 2008.

**CITY OF WAPAKONETA
AUGLAIZE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007**

Finding Number	Finding Summary	Fully Corrected	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Financial Reporting Monitoring Procedures	No	Repeated as Finding 2007-001
2006-002	Emergency Medical Services (EMS) Accountability Procedures	No	Repeated as Finding 2007-002
2006-003	Ohio Rev. Code Section 5705.10 – failure to record special assessment revenue in proper fund	No	Repeated as Finding 2007-003
2006-004	Ohio Admin. Code Section 3745-27-16(D)(1) – the City did not obtain an annual reevaluation for the sanitary landfill post closure care cost estimate	Yes	

CITY OF WAPAKONETA, OHIO

Comprehensive Annual Financial Report

For the Year Ended
December 31, 2007

**INTRODUCTORY
SECTION**

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CITY OF WAPAKONETA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2007

Prepared By:

City Auditor

GAIL E. WALTER

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CITY OF WAPAKONETA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007

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June 25, 2008

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

I am pleased to present the City of Wapakoneta's Comprehensive Annual Financial Report (CAFR), for the year ended December 31, 2007. This report was prepared according to generally accepted accounting principles (GAAP). Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City, specifically the City Auditor's Office. The City has a framework of internal controls established to insure the accuracy of the presented data and the completeness and fairness of the presentation. Because the cost of internal controls should not exceed anticipated benefits, the controls provide reasonable assurance that the financial statements are free of any material misstatements.

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

The State of Ohio Auditor's Office has issued an unqualified opinion on the City of Wapakoneta's basic financial statements for the year ended December 31, 2007. The Independent Accountants' Report is located at the front of the financial section of this report.

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

PROFILE OF THE CITY

The City of Wapakoneta, the county seat of Auglaize County, is located on the banks of the Auglaize River in west central Ohio. It is approximately fifteen miles southwest of Lima, fifty-five miles north of Dayton, and ninety miles northwest of Columbus. Interstate 75, a major north south highway, and U.S. 33, an equally important east west route, intersect at the southeast corner of the City. Four major highway interchanges are located within two miles of this intersection. Over twelve million non-commuters pass through Wapakoneta each year. Wapakoneta comprises five and one-third square miles and is located eight hundred ninety-five feet above sea level. Two-thirds of the nation's population and almost 70 percent of the nation's purchasing power are located within six hundred miles of Wapakoneta.



Operating under the Council/Mayor form of government, the citizens of Wapakoneta elect eight members of council (including the president, three council members-at-large, and four ward council members), a mayor, auditor, treasurer, and law director. "It is the mission of Wapakoneta City government to provide for and promote the general health, safety, and welfare of all residents of the City by delivering services in a professional, impartial, and cost-effective manner and planning for the long-range development and improvement of the City residents with an awareness of all the City's collective needs".

The City's service responsibilities are administered by a number of different divisions and accounting entities, including police, fire, emergency medical, street maintenance, parks and recreation, engineering (including planning and zoning), electric, water, sewer, storm sewer, and refuse (including recycling), and various support staff, as well as a waste minimization committee and the tree commission. These divisions form the primary administrative unit of the City, responsible to City Council and the Mayor.

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

LOCAL ECONOMY

The City, incorporated in 1848, has been situated as a hub for commerce beginning with its history in 1780 as the capital of the Shawnee Native American Nation led by such recognized leaders as Tecumseh, Blue Jacket, and Blackhoof. Through rail service, the City became a center for shipping grain throughout the country. At present, the City of Wapakoneta is highly aggressive in drawing commerce to the area and maintaining many small and mid-sized industries, retail establishments, and antique dealers.

Industrial tool and die companies and machine shops have been a part of Wapakoneta history. In addition, several general contractors are located in the area, as well as food processing plants, and several firms specializing in furniture and decorating. With recycling being a high priority nationwide, Wapakoneta has two industries dedicated to recycling. There are nine industrial/commercial park sites in Wapakoneta alone. All of these activities together have joined to create an economic improvement in the area in the past several years, and the City is committed to the continual rise and revitalization of existing resources while always on the lookout for new ways to improve the economy and community.

The City acquired new community development block grant funds when Fenix Wire, Inc. wanted to relocate to the area and they have already started repayment of this rather sizable loan. Interest earned from these loans gives the City a wonderful opportunity for reinvestment in many businesses as the loans are paid. The City has made many loans over the years and have six of those loans currently outstanding. The Wapakoneta Area Economic Development Council had a new executive director as of January 1, 2006, and everyone in the City has seen that this is bringing many opportunities with new ideas and new input to the community.

On December 14, 2006, the Governor announced the "Job Ready Sites" project and, of the eighteen grants awarded, Wapakoneta has been selected to receive \$1,909,833. Wapakoneta was the 2nd of the original eighteen grants awarded to have a signed contract. During 2007, the City purchased two plots of land and one additional property in 2008. Wapakoneta will become one of the State's portfolio certified manufacturing sites. The State and the City will jointly work to market this four hundred seventy-one acre site along with vacant space in our present Industrial Park north of Short Road and south of U.S. 33.

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

During 2007, the City received word that Lowe's Home Improvement Center was purchasing a parcel of

land which had been an abandoned Big Bear Superstore facility. Lowe's has demolished the old building and is now building its new facility. Also during 2007, there have been major investments in our City that increase our tax base. Joint Township Memorial Hospital is currently completing construction of a 10,000+ square foot Medical Center, the new medical center on South Blackhoof Street is open, Tri County Nurses broke ground in November for a new facility to be constructed during 2008, American Trim is upgrading their facility and have made new equipment purchases. General Aluminum has added over fifty employees in their operation, Ametek Westchester Plastics has added new processing equipment, and Superior Federal Credit Union has completely renovated their building. CTL Engineering expanded its office facilities, Taco Bell completely demolished the old building they were in and have replaced it with a brand new one, Florida Equities owner plans to remove the former Pondersa Restaurant and replace it with a 6,000 square foot, out parcel, mixed use strip center beginning in 2008. O'Reilly Auto Parts is constructing a new building in place of a former gasoline station. This is just across from the CVS Pharmacy which had built a new facility in 2006.

Several subdivisions are currently being built around the City. The developments began in 2003 and will continue until completed. One development is called South Ridge and is being built by two local businessmen. Several areas on the north side of Wapakoneta are also being developed by a local developer and they seem to be selling homes quite well.

The City issued two hundred twenty-three building permits during 2007, including nineteen for new residences, thirty-one for garages and additions to current residences, and twenty-three commercial permits for upgrades or new facilities. The City addresses local issues, enhances economic development, provides optimism, and anticipates potential for its citizens in an effort to keep our future on a path for growth. During 2007 and finishing in 2008, the City put together a planning committee, and along with the professional services of Edwards & Kelsey Corp have put together a comprehensive plan to give the City guidelines to use in the future growth of our community.

LONG-TERM FINANCIAL PLANNING

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

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

City Council has always transferred monies from the General Fund to the Street and Sewer Improvement capital projects fund. In 2007, the available funds, while smaller than the City would like, were used for projects including repaving and maintenance of streets, curbs, and sidewalks. No entire street reconstruction projects were undertaken in 2007.

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

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

RELEVANT FINANCIAL POLICIES

The City has no written policy for one time resource monies and each occasion is treated specifically depending on the reason/purpose for the monies. Any one time resource monies are deposited in the appropriate fund and are appropriated in a supplemental ordinance on which all of City Council votes.

In 2007, the City received \$1,954,602 in the sale of stock which had been owned as a result of a donation by a local couple many years ago. This stock had been donated so that the dividends received quarterly were to be used to the benefit of the parks and recreation activities. With the sale of this stock, City Council voted to purchase land and the current swimming pool from the school district for \$1.00 and reconstruct it into a waterpark/pool facility.

MAJOR INITIATIVES

Again in 2007, the City continued to improve its facilities and infrastructure to serve its citizens. This includes the continuation of the sidewalk, curb, and gutter program. The following projects were completed in 2007:

- a. Using a relatively new process called full depth reclamation, the City ground the streets in one of our subdivisions which had inferior sub-surface conditions. This process, using the base of the street (approximately 8"-10") and mixing the lime product called calcimet, blending, regrading and rerolling, results in a better and longer wearing resurfaced street. These streets include Primrose, Canterbury, and Daisy Streets.
- b. No large reconstruction projects occurred in 2007; however, the State of Ohio (ODOT) did grinding and paving on State Route 501 and State Route 198 which included some pavement within the City limits.
- c. Keller Drive, Washington Street, and Fairview Drive were also paved with an overlay and new curbing was installed.
- d. The City has been approved for an ODOT grant of \$1.8 million for street improvements to Bellefontaine Street from Wagner Street to Water Street under the Small Cities Grant program. This project is anticipated to begin construction in 2010.

During 2007, the water department continued a source water protection study. This study was required specifically as a result of Ohio EPA guidelines to protect underground water resources. The study also required, as a significant component, approval of our well fields south of the City. The City acquired a \$10,000 grant to conduct this study. We anticipate that we will advertise for bids and execute a construction agreement for improvements and construction of the new water treatment plant, raw water lines, finished water lines, lift station, and force main which will serve the citizens of Wapakoneta.

AWARDS AND ACKNOWLEDGEMENTS


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wapakoneta for its comprehensive annual financial report (CAFR) for the year ended December 31, 2006. This was the seventeenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Sincere appreciation is extended to the Mayor and the Director of Public Service and Safety for their support and to City Council for appropriating the funds for this project. This Comprehensive Annual Financial Report was prepared by the City Auditor's Office with the efficient and dedicated services of the entire staff. Appreciation is also extended to all department personnel. Special acknowledgment is extended to the Local Government Services Section of the Office of the Auditor of State for guidance in the preparation of this report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail E. Walter".

Gail E. Walter
City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wapakoneta
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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.



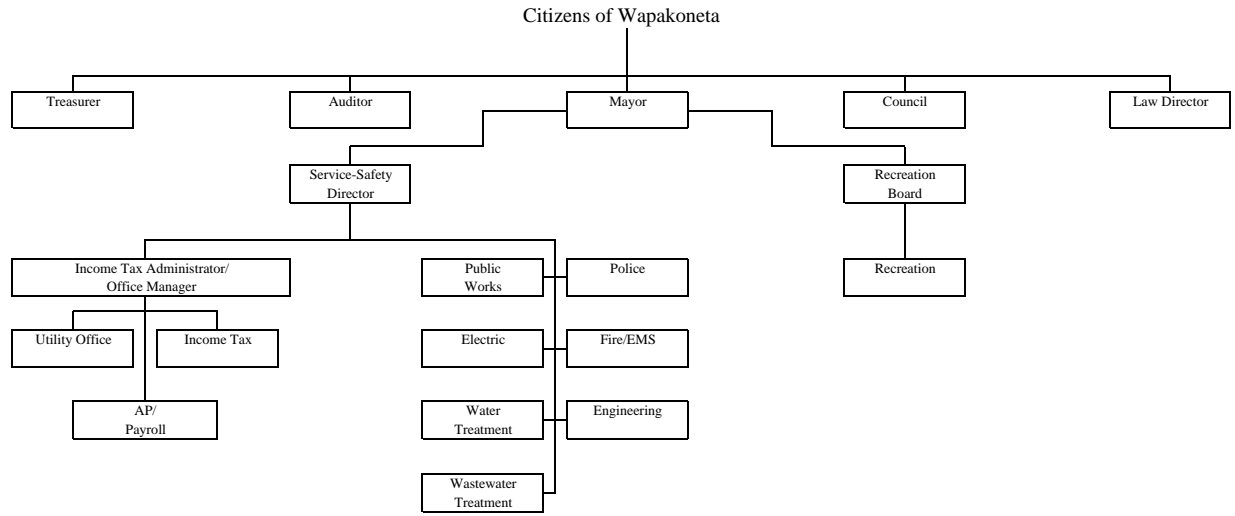
Charles S. Cox

President

Jeffrey R. Emer

Executive Director

City of Wapakoneta Organizational Chart



CITY OF WAPAKONETA

LIST OF PRINCIPAL OFFICIALS

Mayor	Donald R. Wittwer
Director of Public Service and Safety	Rex A. Katterheinrich
Income Tax Administrator/Office Manager	Diana L. Blackburn
Police Chief	David B. Webb
Fire Chief/EMS Director	Kendall J. Krites
Recreation Director	Jack R. Hayzlett
Public Works Superintendent	Meril W. Simpson
Electric Superintendent	William E. Lambert
Water Superintendent	Brent J. Hamel
Wastewater Superintendent	Robert T. Burns
Auditor	Gail E. Walter
Treasurer	Nancy K. Oen
Law Director	Dennis P. Faller
President of Council	Stephen E. Henderson
Member of Council	Terry D. Campbell
Member of Council	B. David Campbell
Member of Council	Bonnie C. Wurst
Member of Council	Rachel D. Barber
Member of Council	Wilbur G. Wells
Member of Council	Rodney C. Metz
Member of Council	Deb A. Zwez
Council Clerk	Carlene S. Koch

FINANCIAL

SECTION

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, (the City), as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, as of December 31, 2007, and the respective changes in financial position, and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in 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 25, 2008, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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www.auditor.state.oh.us

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining non-major fund statements and schedules, and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining non-major fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 25, 2008

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2007
(Unaudited)

The discussion and analysis of the City of Wapakoneta's financial performance provides an overview of the City's financial activities for the year ended December 31, 2007. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

HIGHLIGHTS

Highlights for 2007 are as follows:

In total, the City's net assets increased \$4,672,582, or 8 percent. The increase in net assets for governmental activities was \$4,131,538, almost 18 percent, while the business-type activities increased \$541,044, less than 2 percent.

The City continues to focus on the maintenance and repair of streets. In 2007, the City repaved a number of streets. Another street project finished construction in 2007 which consisted of full depth concrete and replacement of several catch basins. In 2008, the City will be relocating water lines for a bridge project to begin this year.

The City also continues to build sidewalks and crosswalks on various streets. The City worked with the Division of Forestry this year and learned many new techniques regarding sidewalk installation. In addition, this past year there was a focus on alleyways and handicap intersections.

The City continued work in 2007 with the Ohio Department of Development on the Ohio Job Ready Sites Program, a grant program encouraging municipalities to develop "job ready sites" for economic development. The City's share is \$1.9 million of this \$60 million grant program. In 2007, the City purchased two properties for this project.

In 2007, the City received \$1,954,602 from the sale of Telephone Service Company stock. City Council decided to invest much of this money in the purchase of the existing swimming pool from the school district and renovating it into an aquatic center. This work started in 2007 and the facility will be ready to open sometime in July 2008.

A review of the enterprise funds reflects an operating loss for the Electric and Refuse funds and an operating income for the Water, Sewer, and Storm Sewer funds. During 2007, the City had rate increases for water, sewer, and refuse services. Electric rates are determined by contract with our electric provider and these contracts typically are on a 1-5 year cycle. The sewer rates are on a scheduled increase by ordinance every year so the City can anticipate increased costs without a rate study. Rates for all enterprise funds are monitored by the Administration to maintain the revenue needed to operate these activities.

USING THIS ANNUAL REPORT

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

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

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2007
(Unaudited)

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

REPORTING THE CITY AS A WHOLE

The statement of net assets and the statement of activities reflect how the City did financially during 2007. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

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

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

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2007
(Unaudited)

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

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

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

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

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

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

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

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2007
(Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the City's net assets for 2007 and 2006.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
<u>Assets</u>						
Current and Other Assets	\$12,009,503	\$8,696,131	\$20,437,935	\$19,677,053	\$32,447,438	\$28,373,184
Capital Assets, Net	18,386,974	17,830,492	29,162,258	29,666,632	47,549,232	47,497,124
Total Assets	<u>30,396,477</u>	<u>26,526,623</u>	<u>49,600,193</u>	<u>49,343,685</u>	<u>79,996,670</u>	<u>75,870,308</u>
<u>Liabilities</u>						
Current and Other Liabilities	995,678	787,786	2,531,100	2,953,415	3,526,778	3,741,201
Long-Term Liabilities	2,254,833	2,724,409	12,190,414	12,052,635	14,445,247	14,777,044
Total Liabilities	<u>3,250,511</u>	<u>3,512,195</u>	<u>14,721,514</u>	<u>15,006,050</u>	<u>17,972,025</u>	<u>18,518,245</u>
<u>Net Assets</u>						
Invested in Capital Assets, Net of Related Debt	16,550,369	15,550,482	18,277,471	18,054,990	34,827,840	33,605,472
Restricted	6,877,486	4,461,934	1,236,810	1,164,741	8,114,296	5,626,675
Unrestricted	3,718,111	3,002,012	15,364,398	15,117,904	19,082,509	18,119,916
Total Net Assets	<u>\$27,145,966</u>	<u>\$23,014,428</u>	<u>\$34,878,679</u>	<u>\$34,337,635</u>	<u>\$62,024,645</u>	<u>\$57,352,063</u>

Total net assets for governmental activities increased \$4,131,538, or 18 percent. Factors contributing to this increase include an increase in current and other assets of over \$3.3 million. Cash and cash equivalents increased sizably from the sale of the Telephone Service Company stock. In addition, the City realized increases in interest revenue in 2007 as interest rates had increased somewhat. While the City's investments are not aggressive, the City does have monies in certificates of deposit and savings accounts at area banks as well as monies invested in Star Ohio, a program through the State of Ohio Treasurer's Office. In addition to the increases in cash, there was also a substantial increase in receivables due from other governments. This is principally from the resources to be obtained from the Ohio Department of Development for the Ohio Job Ready Sites Program for economic development. These factors led to the increase in both restricted and unrestricted net assets.

Total net assets for business-type activities increased \$541,044, or less than 2 percent. While this is not a significant increase, it can be primarily attributed to the Electric enterprise fund which realized an increase in revenues of \$2.1 million and an increase in expenses of just \$714,000.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2007
(Unaudited)

Table 2 reflects the change in net assets for 2007 and 2006.

Table 2
Change in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$615,014	\$590,019	\$19,581,995	\$17,188,355	\$20,197,009	\$17,778,374
Operating Grants, Contributions, and Interest	739,172	871,074	0	13,000	739,172	884,074
Capital Grants and Contributions	2,150,030	161,197	0	0	2,150,030	161,197
Total Program Revenues	3,504,216	1,622,290	19,581,995	17,201,355	23,086,211	18,823,645
General Revenues						
Property Taxes-General Purposes	382,346	390,020	0	0	382,346	390,020
Property Taxes-Recreation	103,445	106,334	0	0	103,445	106,334
Municipal Income Taxes	2,286,433	2,290,400	0	0	2,286,433	2,290,400
Other Local Taxes	702,847	678,614	0	0	702,847	678,614
Grants and Entitlements	699,524	530,856	0	0	699,524	530,856
Franchise Taxes	50,369	45,289	0	0	50,369	45,289
Interest	919,480	892,006	59,555	36,694	979,035	928,700
Gifts and Donations	8,352	13,142	0	0	8,352	13,142
Other	30,384	153,570	93,043	45,061	123,427	198,631
Total General Revenues	5,183,180	5,100,231	152,598	81,755	5,335,778	5,181,986
Total Revenues	8,687,396	6,722,521	19,734,593	17,283,110	28,421,989	24,005,631
Special Item	758,441	0	0	0	758,441	0
Transfers	(427,882)	(266,589)	427,882	266,589	0	0
Total Revenues, Special Item, and Transfers	9,017,955	6,455,932	20,162,475	17,549,699	29,180,430	24,005,631
<u>Program Expenses</u>						
Security of Persons and Property						
Police	1,283,549	1,266,253	0	0	1,283,549	1,266,253
Fire	1,189,033	1,153,285	0	0	1,189,033	1,153,285
Other	14,584	11,066	0	0	14,584	11,066
Public Health	231,311	215,334	0	0	231,311	215,334
Leisure Time Activities	217,175	196,271	0	0	217,175	196,271
Community Environment	87,005	98,537	0	0	87,005	98,537
Transportation	1,212,316	1,029,441	0	0	1,212,316	1,029,441
General Government	568,638	550,479	0	0	568,638	550,479
Interest and Fiscal Charges	82,806	93,647	0	0	82,806	93,647
Electric	0	0	15,018,241	14,306,107	15,018,241	14,306,107
Water	0	0	1,022,962	1,013,762	1,022,962	1,013,762
Sewer	0	0	2,095,884	2,077,733	2,095,884	2,077,733
Storm Sewer	0	0	71,239	120,408	71,239	120,408
Refuse	0	0	1,413,105	1,033,454	1,413,105	1,033,454
Total Expenses	4,886,417	4,614,313	19,621,431	18,551,464	24,507,848	23,165,777
Increase (Decrease) in Net Assets						
Net Assets Beginning of Year	23,014,428	21,172,809	34,337,635	35,339,400	57,352,063	56,512,209
Net Assets End of Year	\$27,145,966	\$23,014,428	\$34,878,679	\$34,337,635	\$62,024,645	\$57,352,063

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2007
(Unaudited)

For governmental activities, note the substantial increase in program revenues for 2007. This is the result of the Job Ready Sites grant for economic development. Also note the special item for 2007. During 2007, the City sold its Telephone Service Company stock and realized a gain on the sale. General revenues for 2007 were very comparable to 2006. A review of the above table also demonstrates that governmental activities expenses were very comparable to 2006. The combination of the Job Ready Sites Grant and stock sale led to the almost 18 percent increase in net assets.

For business-type activities, program revenues continue to be primarily funded through charges for services in 2007. Although charges for services increased 14 percent from the prior year, as mentioned previously, this is almost entirely attributable to the Electric fund. Revenues in this fund are affected by a continual adjustment to offset purchase of power costs.

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2007	2006	2007	2006
Security of Persons and Property				
Police	\$1,283,549	\$1,266,253	\$1,266,773	\$1,232,272
Fire	1,189,033	1,153,285	1,141,402	1,067,628
Other	14,584	11,066	14,584	11,066
Public Health	231,311	215,334	(243,152)	(84,600)
Leisure Time Activities	217,175	196,271	(73,461)	(56,245)
Community Environment	87,005	98,537	(1,857,925)	50,648
Transportation	1,212,316	1,029,441	516,157	153,490
General Government	568,638	550,479	535,017	524,117
Interest and Fiscal Charges	82,806	93,647	82,806	93,647
Total Expenses	<u>\$4,886,417</u>	<u>\$4,614,313</u>	<u>\$1,382,201</u>	<u>\$2,992,023</u>

While a substantial percentage of the revenues to provide governmental activities services are derived from the City's general revenues (primarily property taxes, municipal income taxes, other local taxes, and State shared revenues), the percentage of general revenues required to pay for governmental activities services decreased significantly from the prior year due to the grant for the Ohio Job Ready Sites Program. Also note that a few of the City's programs were able to offset costs through program revenues including public health, leisure time activities, community environment, and transportation.

Public health expenses are primarily funded by EMS and ambulance charges received during the year. The leisure time activities program is funded from gifts and donations restricted to funding recreation related activities. The community environment program expense is funded from operating grants and loan repayments received from revolving loan customers, and for 2007, from the Ohio Job Ready Sites grant. The transportation program receives charges for services in the form of permissive motor vehicle license monies. The transportation program also receives operating grants in the form of State levied motor vehicle and gas taxes.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2007
(Unaudited)

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The City's major governmental funds are the General Fund and the Street and Sewer Improvement capital projects fund. The General Fund reflects an increase in fund balance of over 27 percent. Once again, revenues exceeded expenditures for the year. Although overall revenues in the General Fund increased 10 percent, only interest revenue had a sizable increase. Other revenue sources were comparable to the prior year. Expenditures increased in the General Fund by almost 20 percent, most of which is reflected in the general government program. This is the result of several purchases of land. Finally, transfers from the General Fund to subsidize activities in other funds decreased in 2007 by \$160,000. The combination of these factors provided for an overall increase in fund balance that is comparable to that of the prior year. The Street and Sewer Improvement capital projects fund reflects a 13 percent decrease in fund balance for the year. The decrease is the result of a decrease in the General Fund subsidy for operations.

BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS

The City's enterprise funds are the Electric, Water, Sewer, Storm Sewer, and Refuse funds.

The Electric Fund had an operating loss in 2007 but it was much smaller than that of the prior year. With an increase in charges for services of over \$2.1 million (due to a rate increase in November 2006) and an increase in operating expenses of just \$714,000, the City was able to lower the operating loss. Combined with an increase in the subsidy from the General Fund of \$250,000, the Electric Fund was able to realize a slight increase in net assets.

While the Water Fund is currently generating adequate revenues, the new water treatment plant construction will begin soon and the debt this will generate is significant. Water rates were increased by 8 percent in February 2007 to help offset the effect of these construction costs. Water rates are continually being evaluated to determine what increases may be necessary to adequately construct and maintain buildings and infrastructure as the City grows and changes. The construction of the City's new water plant is due to begin in 2008.

For 2007, both revenues and expenses in the Sewer Fund were about the same as in the prior year. Although the Sewer Fund still managed a small operating income, there was a slight decrease in net assets (due to interest expense on debt). The Sewer Fund has accumulated a significant amount of debt for major renovations at the wastewater treatment plant as required to bring the City into compliance with EPA mandates. In January 2007, the City increased sewer rates by 1.5 percent to provide adequate funds for operations and debt retirement. The rates are on a schedule to increase 1.5 percent each year. City Council believes this will protect the City from falling into any serious problems in the near term and they will monitor these rates annually. The rate structure will stay at 1.5 percent a year to account for expense increases and to cover debt service requirements on the outstanding bonds.

The Storm Sewer utility established in May 1994 provides the City the ability to undertake storm water separation. The EPA has mandated the separation of storm water and sanitary sewers. Although revenues for 2007 were about the same as 2006, the City was able to reduce materials and supplies expenses somewhat resulting in both an operating income and increase in net assets.

The City's Refuse Fund continued to reflect deficit net assets as of year end; the fund had an operating loss of \$316,192 for 2007. Refuse rates were increased in 2007 to help offset rising costs.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2007
(Unaudited)

BUDGETARY HIGHLIGHTS

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

The City's most significant budgeted fund is the General Fund. For revenues, there was a significant modification from the original budget to the final budget for intergovernmental revenues. The City anticipated receiving the monies for the Job Ready Sites Program within the year; however, this remained a receivable at year end. Actual revenues increased over final budget amounts, due in part to somewhat conservative estimates as well as improved interest revenues. There was also a significant modification from the original budget to the final budget for expenditures. This too can be attributed to anticipated expenditures related to the Job Ready Sites Program. While appropriations were reduced, the City still anticipated more expenditures for the Job Ready Sites Program during the year than ultimately occurred. This is reflected in the variance between the final budget and actual expenditures for the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2007, was \$16,550,369 and \$18,277,471, respectively (net of accumulated depreciation and related debt). Additions to governmental activities capital assets during the year consisted primarily of land, a dump truck, and street improvements. In the business-type activities, the most significant additions were new vehicles (including a new garbage truck). For further information regarding the City's capital assets, refer to Note 10 to the basic financial statements.

Debt - At December 31, 2007, the City had \$990,000 in bond anticipation notes payable from business-type activities. The City also had a number of long-term obligations outstanding. The governmental activities obligations included \$1,805,581 in general obligation bonds (net of unamortized loss on advance refunding). The business-type activities obligations included \$89,300 in general obligation bonds, \$9,986,450 in mortgage revenue bonds (net of unamortized loss on advance refunding), and \$1,711,318 in landfill postclosure costs. In addition to the debt outlined above, the City's long-term obligations also include compensated absences, capital loans, and a loan due to Auglaize County. For further information regarding the City's debt, refer to Notes 17 and 18 to the basic financial statements.

CURRENT ISSUES

The City has contracted Astro Pools to rebuild the swimming pool purchased from the school district into the Aquatic Center. The construction is to be completed and the facility is to open in July 2008. Memberships are currently being received and an active donation drive has been underway since January 2008. Many organizations have volunteered time and money to reduce costs for construction of certain items such as the fencing and remodeling the concession stand. A group of citizens, in coordination with City Council, has put together a "Comprehensive Plan" which has been presented City Council. Recommendations offered in the plan will now be discussed.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2007
(Unaudited)

REQUEST FOR INFORMATION

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

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City of Wapakoneta
Statement of Net Assets
December 31, 2007

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$7,178,126	\$14,840,130	\$22,018,256
Cash and Cash Equivalents with Fiscal Agents	193,035	1,233,953	1,426,988
Accounts Receivable	208,699	2,701,733	2,910,432
Due from Other Governments	2,381,657	19,040	2,400,697
Municipal Income Taxes Receivable	582,676	0	582,676
Other Local Taxes Receivable	5,966	64,340	70,306
Internal Balances	93,655	(93,655)	0
Prepaid Items	44,224	77,675	121,899
Materials and Supplies Inventory	25,108	1,286,850	1,311,958
Accrued Interest Receivable	13,256	0	13,256
Property Taxes Receivable	498,444	0	498,444
Notes Receivable	520,931	0	520,931
Special Assessments Receivable	263,726	0	263,726
Unamortized Bond Issuance Costs	0	307,869	307,869
Nondepreciable Capital Assets	878,487	926,720	1,805,207
Depreciable Capital Assets, Net	17,508,487	28,235,538	45,744,025
	<u>0</u>		
Total Assets	<u>30,396,477</u>	<u>49,600,193</u>	<u>79,996,670</u>
<u>Liabilities</u>			
Accrued Wages Payable	92,892	65,462	158,354
Accounts Payable	156,521	123,058	279,579
Contracts Payable	14,212	1,110,138	1,124,350
Due to Other Governments	235,559	76,191	311,750
Accrued Interest Payable	5,080	48,315	53,395
Notes Payable	0	990,000	990,000
Deferred Revenue	491,414	0	491,414
Refundable Deposits	0	117,936	117,936
Long-Term Liabilities			
Due Within One Year	551,578	525,289	1,076,867
Due in More Than One Year	1,703,255	11,665,125	13,368,380
Total Liabilities	<u>3,250,511</u>	<u>14,721,514</u>	<u>17,972,025</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	16,550,369	18,277,471	34,827,840
Restricted for			
Debt Service	534,616	0	534,616
Capital Projects	4,691,427	0	4,691,427
Other Purposes	1,651,443	0	1,651,443
Revenue Bond Replacement	0	39,283	39,283
Future Debt Service	0	1,197,527	1,197,527
Unrestricted	3,718,111	15,364,398	19,082,509
Total Net Assets	<u>\$27,145,966</u>	<u>\$34,878,679</u>	<u>\$62,024,645</u>

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Activities
For the Year Ended December 31, 2007

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$1,283,549	\$10,723	\$6,053	\$0
Fire	1,189,033	42,190	5,441	0
Other	14,584	0	0	0
Public Health	231,311	371,603	102,860	0
Leisure Time Activities	217,175	0	50,439	240,197
Community Environment	87,005	250	34,847	1,909,833
Transportation	1,212,316	156,627	539,532	0
General Government	568,638	33,621	0	0
Interest and Fiscal Charges	82,806	0	0	0
Total Governmental Activities	4,886,417	615,014	739,172	2,150,030
<u>Business-Type Activities</u>				
Electric	15,018,241	14,907,663	0	0
Water	1,022,962	1,544,797	0	0
Sewer	2,095,884	1,888,360	0	0
Storm Sewer	71,239	155,588	0	0
Refuse	1,413,105	1,085,587	0	0
Total Business-Type Activities	19,621,431	19,581,995	0	0
Total	\$24,507,848	\$20,197,009	\$739,172	\$2,150,030

General Revenues

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

Total General Revenues

Special Item - Gain on Sale of Investments

Transfers

Total General Revenues, Special Item, and Transfers

Change in Net Assets

Net Assets Beginning of Year - Restated (See Note 3)

Net Assets End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in Net Assets

Governmental Activities	Business-Type Activities	Total
(\$1,266,773)	\$0	(\$1,266,773)
(1,141,402)	0	(1,141,402)
(14,584)	0	(14,584)
243,152	0	243,152
73,461	0	73,461
1,857,925	0	1,857,925
(516,157)	0	(516,157)
(535,017)	0	(535,017)
(82,806)	0	(82,806)
<u>(1,382,201)</u>	<u>0</u>	<u>(1,382,201)</u>
0	(110,578)	(110,578)
0	521,835	521,835
0	(207,524)	(207,524)
0	84,349	84,349
<u>0</u>	<u>(327,518)</u>	<u>(327,518)</u>
<u>0</u>	<u>(39,436)</u>	<u>(39,436)</u>
<u>(1,382,201)</u>	<u>(39,436)</u>	<u>(1,421,637)</u>
382,346	0	382,346
103,445	0	103,445
2,286,433	0	2,286,433
702,847	0	702,847
699,524	0	699,524
50,369	0	50,369
919,480	59,555	979,035
8,352	0	8,352
30,384	93,043	123,427
<u>5,183,180</u>	<u>152,598</u>	<u>5,335,778</u>
758,441	0	758,441
<u>(427,882)</u>	<u>427,882</u>	<u>0</u>
<u>5,513,739</u>	<u>580,480</u>	<u>6,094,219</u>
4,131,538	541,044	4,672,582
<u>23,014,428</u>	<u>34,337,635</u>	<u>57,352,063</u>
<u>\$27,145,966</u>	<u>\$34,878,679</u>	<u>\$62,024,645</u>

City of Wapakoneta
Balance Sheet
Governmental Funds
December 31, 2007

	General	Street and Sewer Improvement	Other Governmental	Total Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$3,154,265	\$424,747	\$3,537,369	\$7,116,381
Cash and Cash Equivalents with Fiscal Agents	0	0	193,035	193,035
Accounts Receivable	208,149	0	550	208,699
Due from Other Governments	421,085	1,718,850	241,722	2,381,657
Municipal Income Taxes Receivable	582,676	0	0	582,676
Other Local Taxes Receivable	573	0	5,393	5,966
Interfund Receivable	128,023	190,983	7,726	326,732
Prepaid Items	37,235	0	5,560	42,795
Materials and Supplies Inventory	7,532	0	14,673	22,205
Accrued Interest Receivable	5,389	7,330	537	13,256
Restricted Assets				
Equity in Pooled Cash and Cash Equivalents	5,263	0	0	5,263
Property Taxes Receivable	392,617	0	105,827	498,444
Notes Receivable	0	0	520,931	520,931
Special Assessments Receivable	0	244,713	19,013	263,726
Total Assets	\$4,942,807	\$2,586,623	\$4,652,336	\$12,181,766
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Accrued Wages Payable	\$79,866	\$0	\$9,917	\$89,783
Accounts Payable	122,626	0	33,288	155,914
Contracts Payable	0	7,944	6,268	14,212
Due to Other Governments	212,061	0	20,287	232,348
Interfund Payable	194,964	0	20,854	215,818
Deferred Revenue	1,289,974	1,970,893	326,372	3,587,239
Total Liabilities	1,899,491	1,978,837	416,986	4,295,314
<u>Fund Balance</u>				
Reserved for Unclaimed Monies	5,263	0	0	5,263
Reserved for Notes Receivable	0	0	421,005	421,005
Reserved for Encumbrances	199,165	95,229	1,343,192	1,637,586
Unreserved, Reported in				
General Fund	2,838,888	0	0	2,838,888
Special Revenue Funds	0	0	1,078,936	1,078,936
Debt Service Funds	0	0	520,071	520,071
Capital Projects Funds	0	512,557	872,146	1,384,703
Total Fund Balance	3,043,316	607,786	4,235,350	7,886,452
Total Liabilities and Fund Balance	\$4,942,807	\$2,586,623	\$4,652,336	\$12,181,766

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
 Reconciliation of Total Governmental Fund Balance
 to Net Assets of Governmental Activities
 December 31, 2007

Total Governmental Fund Balance \$7,886,452

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental Activities	18,386,974	
Internal Service Fund	(37,735)	
		18,349,239

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:

Accounts Receivable	186,712	
Due from Other Governments	2,267,797	
Municipal Income Taxes Receivable	362,693	
Accrued Interest Receivable	7,867	
Property Taxes Receivable	7,030	
Special Assessments Receivable	263,726	
		3,095,825

An accounting loss on refunded debt is amortized over the life of the new debt on the statement of activities. 55,119

An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities. (17,259)

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Accrued Interest Payable	(5,080)	
General Obligations Bonds Payable	(1,860,700)	
Capital Loans Payable	(31,024)	
Compensated Absences Payable	(418,228)	
Compensated Absences Payable-Internal Service Fund	5,327	
		(2,309,705)

An internal service fund is used by management to charge the cost of engineering services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net assets. 86,295

Net Assets of Governmental Activities \$27,145,966

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Revenues, Expenditures,
and Change in Fund Balance
Governmental Funds
For the Year Ended December 31, 2007

	General	Street and Sewer Improvement	Other Governmental	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$382,424	\$0	\$103,431	\$485,855
Municipal Income Taxes	2,330,159	0	0	2,330,159
Other Local Taxes	702,847	0	72,502	775,349
Special Assessments	0	87,116	12,722	99,838
Charges for Services	367,973	0	15,504	383,477
Fees, Licenses, and Permits	58,235	0	0	58,235
Fines and Forfeitures	26,501	0	1,652	28,153
Intergovernmental	680,249	222,852	526,630	1,429,731
Interest	1,039,691	7,755	338,050	1,385,496
Gifts and Donations	8,352	0	20,688	29,040
Other	17,367	0	12,438	29,805
Total Revenues	5,613,798	317,723	1,103,617	7,035,138
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,275,070	0	0	1,275,070
Fire	1,157,457	0	0	1,157,457
Other	14,333	0	0	14,333
Public Health	218,356	0	0	218,356
Leisure Time Activities	0	0	283,512	283,512
Community Environment	67,782	0	7,861	75,643
Transportation	0	338,100	790,799	1,128,899
General Government	1,129,757	0	0	1,129,757
Debt Service:				
Principal Retirement	22,342	192,806	238,926	454,074
Interest and Fiscal Charges	1,341	32,366	39,439	73,146
Total Expenditures	3,886,438	563,272	1,360,537	5,810,247
Excess of Revenues Over (Under) Expenditures	1,727,360	(245,549)	(256,920)	1,224,891
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	4,201	0	0	4,201
Transfers In	0	152,580	1,599,161	1,751,741
Transfers Out	(1,074,000)	0	(1,196,161)	(2,270,161)
Total Other Financing Sources (Uses)	(1,069,799)	152,580	403,000	(514,219)
Change in Fund Balance Before Special Item	657,561	(92,969)	146,080	710,672
Special Item - Gain on Sale of Investments	0	0	758,441	758,441
Change in Fund Balance	657,561	(92,969)	904,521	1,469,113
Fund Balance Beginning of Year	2,385,755	700,755	3,330,829	6,417,339
Fund Balance End of Year	<u>\$3,043,316</u>	<u>\$607,786</u>	<u>\$4,235,350</u>	<u>\$7,886,452</u>

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
 Reconciliation of Statement of Revenues, Expenditures,
 and Change in Fund Balance
 of Governmental Funds to Statement of Activities
 For the Year Ended December 31, 2007

Change in Fund Balance - Total Governmental Funds \$1,469,113

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

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

Capital Outlay	1,083,453	
Capital Contributions	90,538	
Depreciation	(614,137)	
Depreciation - Internal Service Fund	1,469	
		561,323

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

Proceeds from Sale of Capital Assets	(4,201)	
Gain on Disposal of Capital Assets	829	
		(3,372)

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

Property Taxes	(64)	
Municipal Income Taxes	(43,726)	
Special Assessments	(79,542)	
Charges for Services	51,079	
Fees, Licenses, and Permits	3,066	
Intergovernmental	1,841,907	
Interest	(121,291)	
		1,651,429

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. 454,074

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of net assets. Accounting losses are amortized over the life of the new debt on the statement of activities.

Accrued Interest Payable	1,009	
Amortization of Accounting Loss	(10,669)	
		(9,660)

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

Compensated Absences Payable-Governmental Activities	26,171	
Compensated Absences Payable-Internal Service Fund	1,010	
		27,181

The internal service fund used by management to charge the cost of engineering services to individual funds is not reported on the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year. (18,550)

Change in Net Assets of Governmental Activities \$4,131,538

See Accompanying Notes to the Basic Financial Statements

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City of Wapakoneta
Statement of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget Over (Under)
<u>Revenues</u>				
Property Taxes	\$360,564	\$311,387	\$382,424	\$71,037
Municipal Income Taxes	2,195,000	2,315,000	2,316,932	1,932
Other Local Taxes	436,000	651,000	651,174	174
Charges for Services	321,100	274,550	374,811	100,261
Fees, Licenses, and Permits	46,800	58,265	58,235	(30)
Fines and Forfeitures	20,500	27,040	27,053	13
Intergovernmental	2,406,336	633,936	833,803	199,867
Interest	550,000	547,850	947,845	399,995
Gifts and Donations	7,900	10,800	6,952	(3,848)
Other	6,700	17,370	17,320	(50)
Total Revenues	6,350,900	4,847,198	5,616,549	769,351
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,377,113	1,382,564	1,286,571	95,993
Fire	1,323,511	1,323,511	1,199,206	124,305
Other	15,550	15,100	14,314	786
Public Health	317,330	319,329	231,232	88,097
Community Environment	124,396	124,396	67,782	56,614
General Government	3,736,873	2,229,872	1,152,192	1,077,680
Debt Service:				
Principal Retirement	22,342	22,342	22,342	0
Interest and Fiscal Charges	1,341	1,341	1,341	0
Total Expenditures	6,918,456	5,418,455	3,974,980	1,443,475
Excess of Revenues Over (Under) Expenditures	(567,556)	(571,257)	1,641,569	2,212,826
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	500	4,201	4,201	0
Transfers Out	(1,649,000)	(1,649,000)	(1,074,000)	575,000
Total Other Financing Sources (Uses)	(1,648,500)	(1,644,799)	(1,069,799)	575,000
Change in Fund Balance	(2,216,056)	(2,216,056)	571,770	2,787,826
Fund Balance Beginning of Year	2,150,245	2,150,245	2,150,245	0
Prior Year Encumbrances Appropriated	95,803	95,803	95,803	0
Fund Balance End of Year	\$29,992	\$29,992	\$2,817,818	\$2,787,826

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Fund Net Assets
Proprietary Funds
December 31, 2007

	Business-Type Activities				
	Electric	Water	Sewer	Storm Sewer	Refuse
<u>Assets</u>					
<u>Current Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$11,162,249	\$1,389,384	\$1,096,893	\$541,394	\$492,991
Accounts Receivable	2,104,491	206,873	248,447	13,558	128,364
Due from Other Governments	0	0	0	0	19,040
Other Local Taxes Receivable	64,340	0	0	0	0
Prepaid Items	40,032	15,053	14,648	0	7,942
Materials and Supplies Inventory	1,100,762	166,034	20,044	0	10
Total Current Assets	14,471,874	1,777,344	1,380,032	554,952	648,347
<u>Non-Current Assets</u>					
<u>Restricted Assets</u>					
Equity in Pooled Cash and Cash Equivalents	117,936	0	39,283	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	1,233,953	0	0
Unamortized Bond Issuance Costs	0	0	307,869	0	0
Nondepreciable Capital Assets	205,559	337,116	55,944	0	328,101
Depreciable Capital Assets, Net	6,536,397	5,484,237	14,528,797	1,264,446	421,661
Total Non-Current Assets	6,859,892	5,821,353	16,165,846	1,264,446	749,762
Total Assets	21,331,766	7,598,697	17,545,878	1,819,398	1,398,109
<u>Liabilities</u>					
<u>Current Liabilities</u>					
Accrued Wages Payable	25,758	8,518	18,953	0	12,233
Accounts Payable	51,548	19,569	42,809	309	8,823
Contracts Payable	1,104,526	2,806	2,806	0	0
Due to Other Governments	27,616	7,752	29,990	0	10,833
Interfund Payable	110,914	0	0	0	0
Accrued Interest Payable	0	10,696	36,748	0	871
Notes Payable	0	990,000	0	0	0
General Obligation Bonds Payable	0	0	0	0	21,400
Mortgage Revenue Bonds Payable	0	0	345,000	0	0
Due to Auglaize County	0	0	2,500	0	0
Capital Loans Payable	0	2,681	22,161	0	21,808
Compensated Absences Payable	23,506	8,555	23,841	0	15,699
Landfill Postclosure Costs	0	0	0	0	38,138
Total Current Liabilities	1,343,868	1,050,577	524,808	309	129,805
<u>Non-Current Liabilities</u>					
Refundable Deposits	117,936	0	0	0	0
General Obligation Bonds Payable	0	0	0	0	67,900
Mortgage Revenue Bonds Payable (net of unamortized loss on advance refunding)	0	0	9,641,450	0	0
Due to Auglaize County	0	0	11,250	0	0
Capital Loans Payable	0	8,961	0	0	71,295
Compensated Absences Payable	56,898	28,846	84,771	0	20,574
Landfill Postclosure Costs	0	0	0	0	1,673,180
Total Non-Current Liabilities	174,834	37,807	9,737,471	0	1,832,949
Total Liabilities	1,518,702	1,088,384	10,262,279	309	1,962,754
<u>Net Assets</u>					
Invested in Capital Assets, Net of Related Debt Restricted for	6,741,956	4,819,711	4,883,999	1,264,446	567,359
Revenue Bond Replacement	0	0	39,283	0	0
Future Debt Service	0	0	1,197,527	0	0
Unrestricted (Deficit)	13,071,108	1,690,602	1,162,790	554,643	(1,132,004)
Total Net Assets (Deficit)	\$19,813,064	\$6,510,313	\$7,283,599	\$1,819,089	(\$564,645)

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

See Accompanying Notes to the Basic Financial Statements

Total Enterprise Funds	Governmental Activity Internal Service Fund
\$14,682,911	\$56,482
2,701,733	0
19,040	0
64,340	0
77,675	1,429
<u>1,286,850</u>	<u>2,903</u>
<u>18,832,549</u>	<u>60,814</u>
157,219	0
1,233,953	0
307,869	0
926,720	0
<u>28,235,538</u>	<u>37,735</u>
<u>30,861,299</u>	<u>37,735</u>
<u>49,693,848</u>	<u>98,549</u>
65,462	3,109
123,058	607
1,110,138	0
76,191	3,211
110,914	0
48,315	0
990,000	0
21,400	0
345,000	0
2,500	0
46,650	0
71,601	3,625
38,138	0
<u>3,049,367</u>	<u>10,552</u>
117,936	0
67,900	0
9,641,450	0
11,250	0
80,256	0
191,089	1,702
<u>1,673,180</u>	<u>0</u>
<u>11,783,061</u>	<u>1,702</u>
<u>14,832,428</u>	<u>12,254</u>
18,277,471	37,735
39,283	0
1,197,527	0
<u>15,347,139</u>	<u>48,560</u>
34,861,420	<u>\$86,295</u>
17,259	
<u>\$34,878,679</u>	

City of Wapakoneta
Statement of Revenues, Expenses,
and Change in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2007

	Business-Type Activities				
	Electric	Water	Sewer	Storm Sewer	Refuse
<u>Operating Revenues</u>					
Charges for Services	\$14,851,886	\$1,544,797	\$0	\$155,588	\$1,085,587
Charges for Services Pledged as Security on Mortgage Revenue Bonds	0	0	1,888,360	0	0
Licenses and Permits	0	0	0	0	0
Other	67,351	3,938	0	0	1,056
Other Pledged as Security on Mortgage Revenue Bonds	0	0	13,386	0	0
Total Operating Revenues	14,919,237	1,548,735	1,901,746	155,588	1,086,643
<u>Operating Expenses</u>					
Personal Services	760,893	274,167	565,884	0	363,147
Contractual Services	13,738,434	220,938	388,307	1,536	936,760
Materials and Supplies	182,359	280,511	208,464	20,139	75,856
Depreciation	249,103	182,534	448,191	49,007	27,072
Other	86,432	0	13,392	0	0
Total Operating Expenses	15,017,221	958,150	1,624,238	70,682	1,402,835
Operating Income (Loss)	(97,984)	590,585	277,508	84,906	(316,192)
<u>Non-Operating Revenues (Expenses)</u>					
Gain on Disposal of Fixed Assets	0	5,312	2,000	0	0
Other Local Taxes	55,777	0	0	0	0
Interest Revenue	0	0	59,555	0	0
Interest Expense	0	(64,070)	(470,858)	0	(8,739)
Total Non-Operating Revenues (Expenses)	55,777	(58,758)	(409,303)	0	(8,739)
Income (Loss) before Transfers	(42,207)	531,827	(131,795)	84,906	(324,931)
Transfers In	650,000	0	0	0	0
Transfers Out	(49,245)	(45,183)	(43,869)	(50,000)	(33,821)
Change in Net Assets	558,548	486,644	(175,664)	34,906	(358,752)
Net Assets (Deficit) Beginning of Year	19,254,516	6,023,669	7,459,263	1,784,183	(205,893)
Net Assets (Deficit) End of Year	\$19,813,064	\$6,510,313	\$7,283,599	\$1,819,089	(\$564,645)

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

See Accompanying Notes to the Basic Financial Statements

Total Enterprise Funds	Governmental Activity Internal Service Fund
\$17,637,858	\$97,450
1,888,360	0
0	14,147
72,345	690
13,386	0
<u>19,611,949</u>	<u>112,287</u>
1,964,091	112,967
15,285,975	13,019
767,329	8,020
955,907	1,469
99,824	0
<u>19,073,126</u>	<u>135,475</u>
<u>538,823</u>	<u>(23,188)</u>
7,312	0
55,777	0
59,555	0
(543,667)	0
<u>(421,023)</u>	<u>0</u>
117,800	(23,188)
650,000	0
(222,118)	0
545,682	(23,188)
	<u>109,483</u>
	<u>\$86,295</u>
<u>(4,638)</u>	
<u>\$541,044</u>	

City of Wapakoneta
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007

	Business-Type Activities					Total
	Electric	Water	Sewer	Storm Sewer	Refuse	
Increases (Decreases) in Cash and Cash Equivalents						
<u>Cash Flows from Operating Activities</u>						
Cash Received from Customers	\$14,666,893	\$1,535,482	\$1,890,395	\$155,990	\$1,076,149	\$19,324,909
Cash Received from Transactions with Other Funds	0	0	0	0	0	0
Cash Received from Utility Deposits	15,760	0	0	0	0	15,760
Cash Received from Other Revenues	26,600	3,938	13,386	0	1,056	44,980
Cash Payments for Personal Services	(757,353)	(268,058)	(569,632)	0	(358,222)	(1,953,265)
Cash Payments for Contractual Services	(13,704,139)	(225,339)	(375,020)	(1,100)	(558,331)	(14,863,929)
Cash Payments to Vendors	(206,941)	(284,944)	(195,578)	(19,958)	(93,976)	(801,397)
Cash Payments for Transactions with Other Funds	(807)	(572)	(612)	(436)	(1,218)	(3,645)
Cash Payments for Utility Refunds	(10,152)	0	0	0	0	(10,152)
Cash Payments for Other Expenses	(86,432)	0	(10,384)	0	0	(96,816)
Net Cash Provided by (Used for) Operating Activities	(56,571)	760,507	752,555	134,496	65,458	1,656,445
<u>Cash Flows from Noncapital Financing Activities</u>						
Cash Received from Other Local Taxes	107,148	0	0	0	0	107,148
Grants	0	2,500	0	0	0	2,500
Transfers In	650,000	0	0	0	0	650,000
Transfers Out	(49,245)	(45,183)	(43,869)	(50,000)	(33,821)	(222,118)
Net Cash Provided by (Used for) Noncapital Financing Activities	707,903	(42,683)	(43,869)	(50,000)	(33,821)	537,530
<u>Cash Flows from Capital and Related Financing Activities</u>						
Principal Paid on Bond Anticipation Notes	0	(1,450,000)	0	0	0	(1,450,000)
Principal Paid on General Obligation Bonds	0	0	0	0	(21,000)	(21,000)
Principal Paid on Mortgage Revenue Bonds	0	0	(335,000)	0	0	(335,000)
Principal Paid on Due to Auglaize County	0	0	(2,500)	0	0	(2,500)
Principal Paid on Capital Loans	0	(2,541)	(21,405)	0	(20,897)	(44,843)
Interest Paid on Bond Anticipation Notes	0	(60,854)	0	0	0	(60,854)
Interest Paid on General Obligation Bonds	0	0	0	0	(3,162)	(3,162)
Interest Paid on Mortgage Revenue Bonds	0	0	(450,788)	0	0	(450,788)
Interest Paid on Capital Loans	0	(780)	(1,538)	0	(4,970)	(7,288)
Bond Anticipation Notes Issued	0	990,000	0	0	0	990,000
Capital Loans Issued	0	0	0	0	114,000	114,000
Sale of Capital Assets	0	5,312	2,000	0	0	7,312
Acquisition of Capital Assets	(300,853)	(18,665)	(18,015)	0	(114,000)	(451,533)
Net Cash Used for Capital and Related Financing Activities	(300,853)	(537,528)	(827,246)	0	(50,029)	(1,715,656)
<u>Cash Flows from Investing Activities</u>						
Interest	0	0	59,555	0	0	59,555
Net Increase (Decrease) in Cash and Cash Equivalents	350,479	180,296	(59,005)	84,496	(18,392)	537,874
Cash and Cash Equivalents Beginning of Year	10,929,706	1,209,088	2,429,134	456,898	511,383	15,536,209
Cash and Cash Equivalents End of Year	\$11,280,185	\$1,389,384	\$2,370,129	\$541,394	\$492,991	\$16,074,083

Governmental
Activity
Internal
Service

\$14,147
97,450
0
690
(110,436)
(12,802)
(8,392)
0
0
0
<u>(19,343)</u>
0
0
0
<u>0</u>
0
0
0
0
0
0
0
0
0
0
0
<u>0</u>
0
0
(19,343)
<u>75,825</u>
<u>\$56,482</u>
(continued)

City of Wapakoneta
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007
(continued)

	Business-Type Activities					Total
	Electric	Water	Sewer	Storm Sewer	Refuse	
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>						
Operating Income (Loss)	(\$97,984)	\$590,585	\$277,508	\$84,906	(\$316,192)	\$538,823
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>						
Depreciation	249,103	182,534	448,191	49,007	27,072	955,907
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	(225,744)	(9,315)	2,035	402	(11,832)	(244,454)
Decrease in Due from Other Governments	0	0	0	0	2,394	2,394
Increase in Other Local Taxes Receivable	(977)	0	0	0	0	(977)
(Increase) Decrease in Prepaid Items	633	(134)	741	0	(588)	652
(Increase) Decrease in Materials and Supplies Inventory	(37,504)	(10,134)	1,304	0	25	(46,309)
Increase in Accrued Wages Payable	4,681	1,030	1,827	0	1,932	9,470
Increase (Decrease) in Accounts Payable	10,466	(1,497)	21,844	181	(77,168)	(46,174)
Increase in Contracts Payable	36,508	2,806	2,806	0	0	42,120
Increase in Due to Other Governments	9,393	2,503	8,704	0	4,474	25,074
Increase in Interfund Payable	407	0	0	0	0	407
Increase in Refundable Deposits	5,608	0	0	0	0	5,608
Increase (Decrease) in Compensated Absences Payable	(11,161)	2,129	(12,405)	0	(1,645)	(23,082)
Increase in Landfill Postclosure Costs	0	0	0	0	436,986	436,986
Net Cash Provided by (Used for) Operating Activities	<u>(\$56,571)</u>	<u>\$760,507</u>	<u>\$752,555</u>	<u>\$134,496</u>	<u>\$65,458</u>	<u>\$1,656,445</u>

See Accompanying Notes to the Basic Financial Statements

Governmental
Activity

Internal
Service

(\$23,188)

1,469

0

0

0

122

0

537

(186)

0

893

0

0

1,010

0

(\$19,343)

City of Wapakoneta
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2007

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$21,583</u></u>
 <u>Liabilities</u>	
Deposits Held and Due to Others	\$163
Undistributed Assets	<u>21,420</u>
 Total Liabilities	 <u><u>\$21,583</u></u>

See Accompanying Notes to the Basic Financial Statements

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

A. The City

The City of Wapakoneta is a home rule municipal corporation established and operated under the laws of the State of Ohio. The City operates under a Council/Mayor form of government.

The City is segmented into many different activities and smaller accounting entities. These include police, fire, emergency medical, street maintenance, parks and recreation, engineering, electric, water, sewer, storm sewer, refuse, and a staff to provide essential support to these service providers. These activities compose the primary government of the City and represent activities which are directly responsible to City Council and the Mayor.

B. Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. There were no component units of the City of Wapakoneta in 2007.

The City participates in two insurance pools, the Ohio Government Risk Management Plan and the Ohio Rural Water Association Workers' Compensation Group Rating Plan. These organizations are presented in Note 21 to the basic financial statements.

The City serves as a custodian of public funds and holds on deposit the monies of the Police Auxiliary, a non-profit organization. The City serves as fiscal agent, but the organization is not considered part of the City. Accordingly, the activity of the Police Auxiliary is presented as an agency fund.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Wapakoneta have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City does not apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, to its business-type activities or to its enterprise funds. Following are the more significant of the City's accounting policies.

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting

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

Governmental Funds

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

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

Street and Sewer Improvement Fund - The Street and Sewer Improvement Fund accounts for the residents' portion of special assessments for curbs, gutters, and sidewalks, the issuance of notes to pay for projects prior to the assessment of property owners, and transfers from the General Fund for improvements to streets and sewers that are not assessed to the property owners.

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

Proprietary Funds

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

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Internal Service Fund - The internal service fund accounts for engineering services that are provided to the other departments of the City or to other governmental units. Monthly fees are paid on an hourly scale and any balance on hand is held until used.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications; pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are not available to support the City's own programs. The City did not have any trust funds in 2007. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for funds deducted from employee's payroll for dependent, copayment, and COBRA insurance coverage and to account for monies belonging to the police auxiliary, an organization that is not part of the City of Wapakoneta.

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

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

Deferred Revenues

Deferred revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

Property taxes for which there was an enforceable legal claim at December 31, 2007, but were levied to finance 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue.

On governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred revenue.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses/Expenditures

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

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

E. Budgetary Process

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

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

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

F. Cash and Investments

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

During 2007, investments included non-negotiable certificates of deposit, Telephone Service Company stock, mutual funds, and STAR Ohio. Non-negotiable certificates of deposit are reported at cost. Telephone Service Company stock is valued according to a formula using historical earnings, capitalized dividend yield, and book value. Since the Telephone Service Company's stock is not publicly traded, this approach utilizes an industry price earnings ratio by averaging the latest price earnings ratio of publicly traded communications companies that are the most representative of the Telephone Service Company. The remaining investments are reported at fair value, which is based on quoted market price or current share price. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2007.

Interest earnings are generally allocated to City funds according to State statutes, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2007 was \$1,039,691, which includes \$882,540 assigned from other City funds.

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Inventory

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

I. Restricted Assets

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

J. Unamortized Bond Issuance Costs

Bond issuance costs for the enterprise funds are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Issuance costs are recorded as deferred charges and are generally paid from bond proceeds.

K. Capital Assets

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

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The City maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	20-25 years	N/A
Buildings	20-100 years	50-100 years
Equipment	10-30 years	5-30 years
Vehicles	10-38 years	6-20 years
Streets	15-60 years	N/A
Electric, Water, Sewer, and Storm Sewer Lines	N/A	20-100 years

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Interfund Assets/Liabilities

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

M. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the City’s past experience of making termination payments. Accumulated unused sick leave is paid to employees who retire at various rates depending on department policy and length of service.

N. Accrued Liabilities and Long-Term Obligations

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

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

O. Unamortized Loss on Advance Refunding

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a reduction of the face amount of the new debt.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include activities for construction, repair, and maintenance of streets and highways, the community block grant program, and various police department grants and programs. The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. At December 31, 2007, there were no net assets restricted by enabling legislation.

Q. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Fund balance reserves have been established for unclaimed monies, notes receivable, and encumbrances.

R. Operating Revenues and Expenses

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

S. Interfund Transactions

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

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

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

During 2007, the Electric, Water, Sewer, Storm Sewer, and Refuse enterprise funds donated capital assets for governmental operations, in the amount of \$16,350, \$12,288, \$10,974, \$50,000, and \$926, respectively. Therefore, transfers in and out do not equal within the fund financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Capital Contributions

Capital contributions arise from contributions from other funds.

U. Special Items

Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. During 2007, the City sold Telephone Service Company stock at a gain of \$758,441.

V. Estimates

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

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET ASSETS

A. Change in Accounting Principles

For 2007, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this statement for both the Ohio Public Employees Retirement System and the Ohio Police and Fire Pension System postemployment healthcare plans, in the amount of \$17,750 and \$51,621, respectively, which are the same as the previously reported liabilities.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements.

B. Restatement of Net Assets

In the prior year, the City incorrectly recorded the internal balance for the internal service fund in the governmental and business-type activities.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET ASSETS

(continued)

	Governmental Activities	Business-Type Activities
Net Assets at December 31, 2006	\$23,003,480	\$34,348,583
Internal Balance	10,948	(10,948)
Restated Net Assets at December 31, 2006	\$23,014,428	\$34,337,635

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

The deficit net assets in the Refuse enterprise fund, in the amount of \$564,645, is the result of recording landfill postclosure costs. Refuse rates were increased in 2008 to help offset rising costs.

B. Compliance

For the year ended December 31, 2007, the Swimming Pool capital projects fund had expenditures in excess of appropriations for capital outlay, in the amount of \$2,427.

For the year ended December 31, 2007, the Refuse enterprise fund had expenditures in excess of appropriations for principal retirement, in the amount of \$2,456.

The City Auditor will monitor budgetary transactions more closely to ensure expenses are within appropriated amounts.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and change in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Change in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual - for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

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

Change in Fund Balance	
GAAP Basis	\$657,561
<u>Increases (Decreases) Due To</u>	
Revenue Accruals:	
Accrued 2006, Received in Cash 2007	347,676
Accrued 2007, Not Yet Received in Cash	(253,574)
Expenditure Accruals:	
Accrued 2006, Paid in Cash 2007	(253,033)
Accrued 2007, Not Yet Paid in Cash	414,553
Cash Accruals:	
Unrecorded Activity 2006	(1,250)
Unrecorded Activity 2007	(90,101)
Prepaid Items	1,637
Materials and Supplies Inventory	(90)
Encumbrances Outstanding at Year End (Budget Basis)	<u>(251,609)</u>
Budget Basis	<u><u>\$571,770</u></u>

NOTE 6 - DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the city treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the City Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the City Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the City Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$3,845,216 of the City's bank balance of \$8,197,833 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments

At December 31, 2007, the City had \$1,233,253 invested in mutual funds with an average maturity of 30 days and \$14,008,227 invested in STAR Ohio with an average maturity of 41 days.

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The investment policy restricts the City Auditor from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the City.

The mutual funds carry a rating of Aaa by Moodys. STAR Ohio carries a rating of AAA by Standard and Poor's. The City has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that mutual funds consist exclusively of securities described in division (1) or (2) listed on page 44 and STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2007, consisted of accounts (billings for user charged services, including unbilled utility services); intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; other local taxes; interfund; accrued interest; property taxes; notes; and special assessments. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Notes receivable, in the amount of \$421,005, will not be received within one year. Special assessments receivable, in the amount of \$183,030, will not be received within one year. At December 31, 2007, the amount of delinquent special assessments was \$16,884.

Notes receivable represent low interest loans for development projects granted to eligible City businesses under the Federal Community Development Block Grant program. The notes have an annual interest rate of 4.5 percent to 6.25 percent and are to be repaid over periods ranging from five to ten years.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 7 - RECEIVABLES (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$23,170
Local Government	205,743
Tangible Personal Property Reimbursement	5,465
Cigarette Taxes	185
Estate Taxes	81,721
Auglaize County	1,480
Ohio Department of Commerce	461
FEMA	102,860
Total General Fund	421,085
Street and Sewer Improvement	
Ohio Department of Development	1,718,850
Total Major Funds	2,139,935
Nonmajor Funds	
Street Maintenance	
Gasoline Tax	109,051
Highway Distribution	59,715
Motor Vehicle License Tax	46,802
Ohio Department of Public Safety	1,147
Total Street Maintenance	216,715
State Highway	
Gasoline Tax	8,955
Highway Distribution	4,987
Motor Vehicle License Tax	3,538
Ohio Department of Public Safety	93
Total State Highway	17,573
Recreation	
Homestead and Rollback	5,334
Tangible Personal Property Reimbursement	2,050
Total Recreation	7,384

(continued)

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 7 - RECEIVABLES (continued)

	Amount
Drug Law Enforcement	
Auglaize County	\$50
Total Nonmajor Funds	241,722
Total Governmental Activities	\$2,381,657
Business-Type Activities	
Major Fund	
Refuse	
Auglaize County	\$19,040

NOTE 8 - MUNICIPAL INCOME TAXES

The City levies an income tax of 1 percent on all income earned within the City as well as on income of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. Income tax revenues and expenditures for collecting, administering, and enforcing the tax are recorded in the General Fund.

NOTE 9 - PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the City. Real property tax revenues received in 2007 represent the collection of 2006 taxes. Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2005, were levied after October 1, 2006, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 9 - PROPERTY TAXES (continued)

Tangible personal property tax revenues received in 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. In prior years, tangible personal property was assessed at 25 percent of true value for capital assets and 23 percent for inventory. The tangible personal property tax is being phased out. The assessment percentage for all property, including inventory, for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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

Accrued property taxes receivable represents real property, public utility property, and tangible personal property taxes which were measurable as of December 31, 2007, and for which there was an enforceable legal claim. In the governmental funds, the entire receivable has been deferred since current taxes were not levied to finance 2007 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while the remainder has been deferred.

The full tax rate for all City operations for the year ended December 31, 2007, was \$3.75 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Agricultural/Residential	\$98,356,360
Commercial/Industrial	41,575,210
Public Utility Real	43,590
Public Utility Personal	3,300,180
Tangible Personal	8,454,304
Total	\$151,729,644

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007, was as follows:

	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$189,564	\$573,505	\$0	\$763,069
Construction in Progress	0	115,418	0	115,418
Total Nondepreciable Capital Assets	<u>189,564</u>	<u>688,923</u>	<u>0</u>	<u>878,487</u>
Depreciable Capital Assets				
Land Improvements	453,123	13,164	0	466,287
Buildings	3,368,031	14,800	0	3,382,831
Equipment	474,410	42,049	0	516,459
Vehicles	2,310,111	55,000	(49,269)	2,315,842
Streets	23,206,593	360,055	0	23,566,648
Total Depreciable Capital Assets	<u>29,812,268</u>	<u>485,068</u>	<u>(49,269)</u>	<u>30,248,067</u>
Less Accumulated Depreciation for				
Land Improvements	(124,739)	(17,118)	0	(141,857)
Buildings	(476,771)	(38,880)	0	(515,651)
Equipment	(255,375)	(23,257)	0	(278,632)
Vehicles	(1,581,739)	(85,338)	45,897	(1,621,180)
Streets	(9,732,716)	(449,544)	0	(10,182,260)
Total Accumulated Depreciation	<u>(12,171,340)</u>	<u>(614,137)</u>	<u>45,897</u>	<u>(12,739,580)</u>
Total Depreciable Capital Assets, Net	<u>17,640,928</u>	<u>(129,069)</u>	<u>(3,372)</u>	<u>17,508,487</u>
Governmental Activities Capital Assets, Net	<u>\$17,830,492</u>	<u>\$559,854</u>	<u>(\$3,372)</u>	<u>\$18,386,974</u>

During 2007, the City accepted contributions of depreciable capital assets for governmental activities with a carrying value of \$90,538 from the enterprise funds.

	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
Business-Type Activities:				
Nondepreciable Capital Assets				
Land	\$926,720	\$0	\$0	\$926,720
Construction in Progress	12,040	114,000	(126,040)	0
Total Nondepreciable Capital Assets	<u>938,760</u>	<u>114,000</u>	<u>(126,040)</u>	<u>926,720</u>

(continued)

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 10 - CAPITAL ASSETS (continued)

	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
Business-Type Activities (continued):				
Depreciable Capital Assets				
Buildings	\$10,406,923	\$0	\$0	\$10,406,923
Equipment	671,010	0	0	671,010
Vehicles	1,835,713	374,191	(49,348)	2,160,556
Electric, Water, Sewer, and Storm Sewer Lines	30,019,465	89,382	(450)	30,108,397
Total Depreciable Capital Assets	42,933,111	463,573	(49,798)	43,346,886
Less Accumulated Depreciation for				
Buildings	(777,686)	(161,061)	0	(938,747)
Equipment	(435,109)	(20,487)	0	(455,596)
Vehicles	(974,064)	(119,068)	49,348	(1,043,784)
Electric, Water, Sewer, and Storm Sewer Lines	(12,018,380)	(655,291)	450	(12,673,221)
Total Accumulated Depreciation	(14,205,239)	(955,907)	49,798	(15,111,348)
Total Depreciable Capital Assets, Net	28,727,872	(492,334)	0	28,235,538
Business-Type Activities Capital Assets, Net	\$29,666,632	(\$378,334)	(\$126,040)	\$29,162,258

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$26,546
Security of Persons and Property - Fire	49,933
Public Health	14,340
Leisure Time Activities	28,423
Transportation	476,771
General Government	18,124
Total Depreciation Expense - Governmental Activities	\$614,137

NOTE 11 - INTERFUND RECEIVABLES/PAYABLES

At December 31, 2007, the General Fund had an interfund receivable, in the amount of \$128,023; \$110,914 for kilowatt monies due from the Electric Fund and \$17,109 from other governmental funds for taxes recorded incorrectly. The Street and Sewer Improvement capital projects fund had an interfund receivable, in the amount of \$190,983 from the General Fund for a short-term loan. Other governmental funds had an interfund receivable, in the amount of \$7,726; \$3,981 from the General Fund and \$3,745 from other governmental funds for taxes recorded incorrectly.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2007, the City contracted with the Ohio Government Risk Management Plan, an insurance pool, for the following coverage, with the exception of commercial umbrella coverage which was provided by McGowan & Company, Inc.:

Type of Coverage	Coverage	Deductible
Property	\$38,467,330	\$1,000
Liability		
Each Occurrence	5,000,000	0
Aggregate	7,000,000	0
Wrongful Acts		
Each Occurrence	5,000,000	5,000
Aggregate	7,000,000	5,000
Law Enforcement		
Each Occurrence	5,000,000	5,000
Aggregate	7,000,000	5,000
Automobile	5,000,000	250 - 500
Inland Marine	1,639,321	1,000
Fire Vehicle	2,451,980	250 - 500
Electronic Data Processing	280,740	1,000
Commercial Umbrella	2,000,000	10,000

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has not been any significant reduction in coverage from the prior year.

For 2007, the City participated in the Ohio Rural Water Association Workers' Compensation Group Rating Plan (Plan), an insurance pool. The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan. To maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to participants that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the City pays an enrollment fee to the Plan to cover the costs of administering the program.

The City may withdraw from the plan if written notice is provided sixty days prior to the prescribed application deadline to the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows representatives of the Plan to access loss experience for three years following the last year of participation.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 13 - SIGNIFICANT CONTRACTUAL COMMITMENTS

The City has several outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2007:

Vendor	Contract Amount	Amount Paid as of 12/31/07	Outstanding Balance
Clark Ford Sales, Inc.	\$20,528	\$0	\$20,528
Stemen's Concrete	96,708	0	96,708
Terracon Construction	38,395	32,579	5,816
Astro Pool Company, Inc.	1,325,427	0	1,325,427
Cargill, Inc.	177,528	111,292	66,236
Precise Boring of Ohio, LLC	61,588	0	61,588

NOTE 14 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs, and township police) and public safety divisions exist only within the traditional pension plan.

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, members in state and local classifications contributed 9.5 percent of covered payroll, public safety members contributed 9.75 percent, and law enforcement members contributed 10.1 percent.

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

The City's contribution rate for 2007 was 13.85 percent of covered payroll. For the period January 1 through June 30, 2007, a portion of the City's contribution equal to 5 percent of covered payroll was allocated to fund the postemployment health care plan; for the period July 1 through December 31, 2007, this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14 percent.

The City's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 was \$170,191, \$217,419, and \$215,084, respectively; 86 percent has been contributed for 2007 and 100 percent for 2006 and 2005. There were no contributions to the member-directed plan for 2007 made by the City or made by plan members.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a stand-alone financial report that may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24 percent for firefighters. Contribution rates are established by State statute. For 2007, a portion of the City's contribution equal to 6.75 percent of covered payroll was allocated to fund the postemployment health care plan. The City's required contribution for pension obligations for police and firefighters for the year ended December 31, 2007, was \$108,732 and \$142,371, for the year ended December 31, 2006, was \$77,882 and \$113,526, and for the year ended December 31, 2005, was \$71,248 and \$108,334. For 2007, 56 percent has been contributed for police and 53 percent has been contributed for firefighters. The full amount has been contributed for 2006 and 2005.

NOTE 15 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

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

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

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The postemployment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund postemployment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The amount of the employer contributions which was allocated to fund postemployment health care was 5 percent of covered payroll from January 1 through June 30, 2007, and 6 percent from July 1 to December 31, 2007.

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

The City's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2007, 2006, and 2005 was \$112,101, \$106,388, and \$90,243, respectively; 84 percent has been contributed for 2007 and 100 percent for 2006 and 2005.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

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

OPF provides access to postretirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit, or is a spouse or eligible dependent child of such person.

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

OPF issues a stand-alone financial report that may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

Funding Policy - OPF's postemployment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan under the authority granted by the Ohio Revised Code to the OPF Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OPF. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2007, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of section 401(h).

The OPF Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The City's contribution to OPF which was allocated to fund postemployment health care benefits for police and firefighters for the year ended December 31, 2007, was \$57,564 and \$55,711, for the year ended December 31, 2006, was \$51,369 and \$54,143, and for the year ended December 31, 2005, was \$46,993 and \$51,667. For 2007, 56 percent has been contributed for police and 53 percent has been contributed for firefighters. The full amount has been contributed for 2006 and 2005.

NOTE 16 - COMPENSATED ABSENCES

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

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

Sick leave is earned at various rates as defined by City policy and union contracts. Non-union employees earn sick leave at a rate of four and six-tenths hours for every eighty hours worked. Current policy permits sick leave to be accumulated without limit. Each non-union employee hired prior to January 1, 1988, with ten or more years of service with the City or other political subdivision within the State of Ohio, is paid for one-half of their earned unused sick leave upon retirement. Each non-union employee hired after January 1, 1988, at the time of retirement from active service with the City, is paid 25 percent of their earned unused sick leave up to a maximum of one hundred twenty accrued sick days (thirty days total maximum payment).

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 16 - COMPENSATED ABSENCES (continued)

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

NOTE 17 - NOTES PAYABLE

The City's note transactions for the year ended December 31, 2007, were as follows:

	Interest Rate	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
<u>Business-Type Activities</u>					
<u>General Obligation Bond Anticipation Notes</u>					
Water					
2006 Bond Anticipation Note	4.00%	\$1,450,000	0	1,450,000	\$0
2007 Bond Anticipation Note	3.85	0	990,000	0	990,000
Total Business-Type Activities		<u>\$1,450,000</u>	<u>\$990,000</u>	<u>\$1,450,000</u>	<u>\$990,000</u>

According to Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. The City has issued bond anticipation notes with a maturity of one year or less which will be reissued until paid in full or bonds are issued.

The bond anticipation notes in the Water enterprise fund, in the amount of \$990,000, were issued to partially retire notes previously issued, in the amount of \$1,450,000, for improvements to the water system, including a water tower and the installation of water lines.

NOTE 18 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2007, was as follows:

	Interest Rate	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007	Due Within One Year
<u>Governmental Activities</u>						
General Obligation Bonds						
1998 Various Purpose	3.30 - 4.25%	\$170,000	\$0	\$85,000	\$85,000	\$85,000
2003 Various Purpose	1.75 - 3.80	2,114,700	0	339,000	1,775,700	333,600
Accounting Loss	3.30 - 4.25	(65,788)	10,669	0	(55,119)	0
Total General Obligation Bonds		<u>2,218,912</u>	<u>10,669</u>	<u>424,000</u>	<u>1,805,581</u>	<u>418,600</u>

(continued)

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007	Due Within One Year
<u>Governmental Activities (continued)</u>						
Other Long-Term Obligations						
Capital Loans Payable		\$61,098	\$0	\$30,074	\$31,024	\$31,024
Compensated Absences Payable		444,399	0	26,171	418,228	101,954
Total Governmental Activities		<u>\$2,724,409</u>	<u>\$10,669</u>	<u>\$480,245</u>	<u>\$2,254,833</u>	<u>\$551,578</u>
<u>Business-Type Activities</u>						
General Obligation Bonds						
2003 Various Purpose	1.75 - 3.80%	\$110,300	\$0	\$21,000	\$89,300	\$21,400
Mortgage Revenue Bonds						
1998 Sewer System Bonds	3.30 - 4.95	2,925,000	0	185,000	2,740,000	195,000
Accounting Loss		(41,768)	13,218	0	(28,550)	0
2006 Sewer System Bonds	4 - 4.25	7,425,000	0	150,000	7,275,000	150,000
Total Mortgage Revenue Bonds		<u>10,308,232</u>	<u>13,218</u>	<u>335,000</u>	<u>9,986,450</u>	<u>345,000</u>
Other Long-Term Obligations						
Due to Auglaize County		16,250	0	2,500	13,750	2,500
Capital Loans Payable		57,749	114,000	44,843	126,906	46,650
Compensated Absences Payable		285,772	0	23,082	262,690	71,601
Landfill Postclosure Costs		1,274,332	436,986	0	1,711,318	38,138
Total Other Long-Term Obligations		<u>1,634,103</u>	<u>550,986</u>	<u>70,425</u>	<u>2,114,664</u>	<u>158,889</u>
Total Business-Type Activities		<u>\$12,052,635</u>	<u>\$64,204</u>	<u>\$426,425</u>	<u>\$12,190,414</u>	<u>\$525,289</u>

1998 Various Purpose General Obligation Bonds - On November 1, 1998, the City issued \$735,000 in unvoted general obligation bonds to refund outstanding bond anticipation notes originally issued to pay for street, sewer, sidewalk, curb, and gutter improvements. The bonds were issued for a ten year period with maturity beginning December 1, 1999. The bonds will be paid through debt service funds. The bonds are not subject to optional redemption prior to maturity.

2003 Various Purpose General Obligation Bonds - On October, 1, 2003, the City issued \$3,295,000 in unvoted general obligation bonds. The bonds were issued for ten years with interest rates ranging from 1.75 percent to 3.8 percent. Bonds, in the amount of \$2,836,000, were used to refund \$850,000 in Downtown Improvement general obligation bonds issued in 1991 and \$1,875,000 in various purpose bonds issued in 1993. The issue also included \$170,600 to partially retire bond anticipation notes for various landfill improvements and \$288,400 to make improvements to sidewalks, curbs, and gutters. The bonds will be paid from the Street and Sewer Improvement capital projects fund, Downtown Debt debt service fund, and the Electric, Water, Sewer, and Refuse enterprise funds. The 2003 various purpose bonds are not subject to optional or mandatory redemption prior to maturity. The 1991 and 1993 bonds were fully extinguished in 2003.

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

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

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

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

1998 Sewer System Bonds - On November 30, 1998, the City issued \$4,190,000 in sewer system bonds to advance refund 1990 sewer bonds and pay the costs of certain other improvements to the sewer system. The refunding bonds include serial and term bonds. The bonds are reported on the financial statements net of the unamortized loss on advance refunding of \$28,550 in the Sewer enterprise fund. The bonds were issued for a twenty year period, with final maturity during 2018. The bonds will be paid from the Sewer enterprise fund.

These bonds will be paid solely from the gross revenues of the Sewer enterprise fund after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments on the bonds are expected to require less than 100 percent of these net revenues in future years; however, principal and interest payments exceeded the net revenues in 2007. The total principal and interest remaining to be paid on the bonds is \$14,908,973. Principal and interest paid for the current year and total net revenues were \$785,788 and \$785,254, respectively.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

The term bonds maturing on December 1, 2018, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the City. The mandatory redemption is to occur on December 1, in each of the years 2010 through 2017 (with the balance of \$315,000 to be paid at stated maturity in 2018), at a redemption priced equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date, according to the following schedule:

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

The bonds maturing on or after December 1, 2009, are subject to optional redemption prior to maturity, commencing December 1, 2008, either in whole or in part, in inverse order of maturity and by lot within any maturity, at the redemption prices (expressed as percentages of the principal amount redeemed) plus accrued interest to the date of redemption as set forth below:

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2008, through November 30, 2009	101%
December 1, 2009, through November 30, 2010	100.5
December 1, 2010, and thereafter	100

In conjunction with the issuance of the sewer system bonds, the City entered into a trust agreement with a commercial bank. This trust agreement, along with the bond indenture, requires that the City establish various funds for the repayment of debt. The restricted assets in the Sewer enterprise fund segregate funds held by the City from funds held by the trustees in accordance with the trust agreement. Restricted assets relating to the sewer system bonds held by the trustee at December 31, 2007, were \$403,958.

The sewer system bonds defeased, in-substance, \$1,345,000 in sewer system bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the City's financial statements. At December 31, 2007, \$335,000 of this debt was still outstanding.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

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

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

In conjunction with the issuance of the sewer system bonds, the City entered into a trust agreement with a commercial bank. This trust agreement, along with the bond indenture, requires that the City establish various funds for the repayment of debt. The restricted assets in the Sewer enterprise fund segregate funds held by the City from funds held by the trustees in accordance with the trust agreement. Restricted assets relating to the sewer system bonds held by the trustee at December 31, 2007, were \$829,995.

Due to Auglaize County - This liability is the result of a joint project with Auglaize County for a sanitary sewer and interceptor replacement. The project was materially funded with a non-interest bearing loan through the Ohio Public Works Commission in Auglaize County's name. The agreement stipulates the City pay 50 percent of the loan. The liability is for a period of twenty years and will be paid from the Sewer enterprise fund.

The City's legal debt margin was \$14,070,913 at December 31, 2007.

Principal and interest requirements to retire governmental activities long-term obligations outstanding at December 31, 2007, were as follows:

Year	General Obligation Bonds		Capital Loans	
	Principal	Interest	Principal	Interest
2008	\$418,600	\$60,061	\$31,024	\$980
2009	338,000	48,108	0	0
2010	332,400	38,644	0	0
2011	331,700	28,007	0	0
2012	215,000	16,397	0	0
2013 to 2017	225,000	8,550	0	0
Total	\$1,860,700	\$199,767	\$31,024	\$980

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2007, from the enterprise funds were as follows:

Year	General Obligation Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest
2008	\$21,400	\$2,690	\$345,000	\$437,110
2009	22,000	2,155	355,000	422,823
2010	22,600	1,539	375,000	407,905
2011	23,300	816	400,000	390,910
2012	0	0	410,000	372,772
2013 to 2017	0	0	2,360,000	1,566,685
2018 to 2022	0	0	2,935,000	988,280
2023 to 2026	0	0	2,835,000	307,488
Total	\$89,300	\$7,200	\$10,015,000	\$4,893,973

Year	Due to Auglaize County	Capital Loans	
	Principal	Principal	Interest
2008	\$2,500	\$46,650	\$5,481
2009	2,500	25,587	3,601
2010	2,500	26,735	2,453
2011	2,500	27,934	1,254
2012	2,500	0	0
2013 to 2016	1,250	0	0
Total	\$13,750	\$126,906	\$12,789

NOTE 19 - LANDFILL POSTCLOSURE COSTS

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City stopped accepting waste at its landfill in 1994. The Ohio EPA approved the final closure and postclosure plan in July 1998. The \$1,711,318, reported as landfill postclosure costs at December 31, 2007, represents the costs of maintenance and monitoring through 2028. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. A fee of \$3 and \$1.50 per month was imposed on residential and commercial refuse users, respectively, to finance the postclosure costs, which generates approximately \$159,500 annually.

The City is required by state and federal laws and regulations to provide assurances that financial resources will be available to provide for postclosure care and remediation or containment of environmental hazards at the landfill. The City has passed the financial accountability test proving the ability to self-fund these future costs.

NOTE 20 - INTERFUND TRANSFERS

During 2007, the General Fund made transfers to the Street and Sewer Improvement capital projects fund, in the amount of \$21,000, as debt payments came due. The General Fund also made transfers to other governmental funds, in the amount of \$403,000; \$363,000 as debt payments came due and \$40,000 to subsidize activities in other funds. In addition, the General Fund transferred \$650,000 to the Electric Fund to support operations.

Other governmental funds transferred \$1,196,161 to other governmental funds to subsidize activities in other funds.

The Electric enterprise fund transferred \$32,895 to the Street and Sewer improvement capital projects fund as debt payments came due and transferred capital assets to governmental activities, in the amount of \$16,350.

The Water enterprise fund transferred \$32,895 to the Street and Sewer Improvement capital projects fund as debt payments came due and transferred capital assets to governmental activities, in the amount of \$12,288.

The Sewer enterprise fund transferred \$32,895 to the Street and Sewer Improvement capital projects fund as debt payments came due and transferred capital assets to governmental activities, in the amount of \$10,974.

The Storm Sewer enterprise fund transferred capital assets to governmental activities, in the amount of \$50,000.

The Refuse enterprise fund transferred \$32,895 to the Street and Sewer Improvement capital projects fund as debt payments came due and transferred capital assets to governmental activities, in the amount of \$926.

NOTE 21 - INSURANCE POOLS

A. Ohio Government Risk Management Plan

The City participates in the Ohio Government Risk Management Plan (Plan), an insurance purchasing pool consisting of various entities in the State of Ohio. The intent of the Plan is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the Plan. Membership in the Plan is by written application subject to the approval of the Plan Manager. Financial information may be obtained from the Ohio Government Risk Management Plan, 1505 Jefferson Avenue, Toledo, Ohio 43603.

NOTE 21 - INSURANCE POOLS (continued)

B. Ohio Rural Water Association Workers' Compensation Group Rating Plan

The City participates in a group rating plan for worker's compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Rural Water Association Workers' Compensation Group Rating Plan is an insurance purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participating members. Financial information may be obtained from the Ohio Rural Water Association Workers' Compensation Group Rating Plan, 975 Linden Avenue, Zanesville, Ohio 43701.

NOTE 22 - CONTINGENT LIABILITIES

A. Litigation

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

B. Federal and State Grants

For the period January 1, 2007, to December 31, 2007, the City received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

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**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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Nonmajor Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes. Following is a description of the City's nonmajor special revenue funds:

Street Maintenance Fund

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

State Highway Fund

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

Motor Vehicle Permissive Tax Fund

To account for additional motor vehicle registration fees designated for street maintenance and repair.

Community Block Grant Fund

To account for monies received from the federal government under the Community Development Block Grant Program as well as the revolving loan program.

Recreation Fund

To account for monies received for use on recreation activities.

Law Enforcement Fund

To account for fines and forfeitures designated for law enforcement activities.

Enforcement and Education Fund

To account for fines and forfeitures charged for driving under the influence arrests. These resources are designated for enforcement and education programs to prevent occurrences of driving under the influence.

Drug Law Enforcement Fund

To account for the sale of confiscated property for use on drug law enforcement activities.

Recreation Trust Fund

To account for donations given by the Haus-Helms Foundation for use on recreation activities.

Rudd Park Trust Fund

To account for monies from the Wapakoneta Area Community Foundation to be used for Rudd Park.

(continued)

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

Nonmajor Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general and special assessment long-term obligation principal, interest, and related costs.

Debt Service Fund

To account for special assessments and transfers from the Street and Sewer Improvement Fund used to pay debt principal and interest.

Downtown Debt Fund

To account for transfers from the General Fund used to pay debt principal and interest.

Nonmajor Capital Projects Fund

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

Swimming Pool Fund

To account for the construction of the Wapakoneta swimming pool.

Capital Fire Truck Fund

To account for the purchase or repair of fire trucks financed by General Fund transfers.

City of Wapakoneta
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$994,492	\$520,071	\$2,022,806	\$3,537,369
Cash and Cash Equivalents with Fiscal Agents	0	0	193,035	193,035
Accounts Receivable	550	0	0	550
Due from Other Governments	241,722	0	0	241,722
Other Local Taxes Receivable	5,393	0	0	5,393
Interfund Receivable	7,726	0	0	7,726
Prepaid Items	5,348	0	212	5,560
Materials and Supplies Inventory	14,673	0	0	14,673
Accrued Interest Receivable	0	537	0	537
Property Taxes Receivable	105,827	0	0	105,827
Notes Receivable	520,931	0	0	520,931
Special Assessments Receivable	0	19,013	0	19,013
Total Assets	\$1,896,662	\$539,621	\$2,216,053	\$4,652,336
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Accrued Wages Payable	\$9,917	\$0	\$0	\$9,917
Accounts Payable	33,288	0	0	33,288
Contracts Payable	5,388	0	880	6,268
Due to Other Governments	20,287	0	0	20,287
Interfund Payable	20,854	0	0	20,854
Deferred Revenue	306,822	19,550	0	326,372
Total Liabilities	396,556	19,550	880	416,986
<u>Fund Balance</u>				
Reserved for Notes Receivable	421,005	0	0	421,005
Reserved for Encumbrances	165	0	1,343,027	1,343,192
Unreserved, Reported in				
Special Revenue Funds	1,078,936	0	0	1,078,936
Debt Service Funds	0	520,071	0	520,071
Capital Projects Funds	0	0	872,146	872,146
Total Fund Balance	1,500,106	520,071	2,215,173	4,235,350
Total Liabilities and Fund Balance	\$1,896,662	\$539,621	\$2,216,053	\$4,652,336

City of Wapakoneta
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	Street Maintenance	State Highway	Motor Vehicle Permissive Tax	Community Block Grant	Recreation
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$215,732	\$92,900	\$353,755	\$176,242	\$124,460
Accounts Receivable	550	0	0	0	0
Due from Other Governments	216,715	17,573	0	0	7,384
Other Local Taxes Receivable	0	0	5,393	0	0
Interfund Receivable	0	0	0	0	7,726
Prepaid Items	4,918	0	0	0	430
Materials and Supplies Inventory	13,294	0	0	0	1,379
Property Taxes Receivable	0	0	0	0	105,827
Notes Receivable	0	0	0	520,931	0
Total Assets	\$451,209	\$110,473	\$359,148	\$697,173	\$247,206
<u>Liabilities and Fund Balance</u>					
<u>Liabilities</u>					
Accrued Wages Payable	\$9,310	\$0	\$0	\$0	\$607
Accounts Payable	26,388	0	0	0	6,900
Contracts Payable	5,388	0	0	0	0
Due to Other Governments	19,211	0	0	0	1,076
Interfund Payable	19,290	1,564	0	0	0
Deferred Revenue	179,089	14,522	0	0	113,211
Total Liabilities	258,676	16,086	0	0	121,794
<u>Fund Balance</u>					
Reserved for Notes Receivable	0	0	0	421,005	0
Reserved for Encumbrances	0	0	0	0	165
Unreserved	192,533	94,387	359,148	276,168	125,247
Total Fund Balance	192,533	94,387	359,148	697,173	125,412
Total Liabilities and Fund Balance	\$451,209	\$110,473	\$359,148	\$697,173	\$247,206

<u>Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Drug Law Enforcement</u>	<u>Recreation Trust</u>	<u>Rudd Park Trust</u>	<u>Total</u>
\$1,593	\$3,672	\$3,989	\$21,600	\$549	\$994,492
0	0	0	0	0	550
0	0	50	0	0	241,722
0	0	0	0	0	5,393
0	0	0	0	0	7,726
0	0	0	0	0	5,348
0	0	0	0	0	14,673
0	0	0	0	0	105,827
0	0	0	0	0	520,931
<u>\$1,593</u>	<u>\$3,672</u>	<u>\$4,039</u>	<u>\$21,600</u>	<u>\$549</u>	<u>\$1,896,662</u>
\$0	\$0	\$0	\$0	\$0	\$9,917
0	0	0	0	0	33,288
0	0	0	0	0	5,388
0	0	0	0	0	20,287
0	0	0	0	0	20,854
0	0	0	0	0	306,822
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>396,556</u>
0	0	0	0	0	421,005
0	0	0	0	0	165
<u>1,593</u>	<u>3,672</u>	<u>4,039</u>	<u>21,600</u>	<u>549</u>	<u>1,078,936</u>
<u>1,593</u>	<u>3,672</u>	<u>4,039</u>	<u>21,600</u>	<u>549</u>	<u>1,500,106</u>
<u>\$1,593</u>	<u>\$3,672</u>	<u>\$4,039</u>	<u>\$21,600</u>	<u>\$549</u>	<u>\$1,896,662</u>

City of Wapakoneta
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2007

	Debt Service	Downtown Debt	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$23,592	\$496,479	\$520,071
Accrued Interest Receivable	537	0	537
Special Assessments Receivable	19,013	0	19,013
	<u>\$43,142</u>	<u>\$496,479</u>	<u>\$539,621</u>
Total Assets	<u>\$43,142</u>	<u>\$496,479</u>	<u>\$539,621</u>
<u>Liabilities and Fund Balance</u>			
<u>Liabilities</u>			
Deferred Revenue	\$19,550	\$0	\$19,550
<u>Fund Balance</u>			
Unreserved	23,592	496,479	520,071
	<u>23,592</u>	<u>496,479</u>	<u>520,071</u>
Total Liabilities and Fund Balance	<u>\$43,142</u>	<u>\$496,479</u>	<u>\$539,621</u>

City of Wapakoneta
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2007

	<u>Swimming Pool</u>	<u>Capital Fire Truck</u>	<u>Total</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$1,920,381	\$102,425	\$2,022,806
Cash and Cash Equivalents with Fiscal Agents	193,035	0	193,035
Prepaid Items	212	0	212
	<u>212</u>	<u>0</u>	<u>212</u>
Total Assets	<u>\$2,113,628</u>	<u>\$102,425</u>	<u>\$2,216,053</u>
<u>Liabilities and Fund Balance</u>			
<u>Liabilities</u>			
Contracts Payable	\$880	\$0	\$880
	<u>\$880</u>	<u>\$0</u>	<u>\$880</u>
<u>Fund Balance</u>			
Reserved for Encumbrances	1,343,027	0	1,343,027
Unreserved	769,721	102,425	872,146
	<u>769,721</u>	<u>102,425</u>	<u>872,146</u>
Total Fund Balance	<u>2,112,748</u>	<u>102,425</u>	<u>2,215,173</u>
Total Liabilities and Fund Balance	<u>\$2,113,628</u>	<u>\$102,425</u>	<u>\$2,216,053</u>

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City of Wapakoneta
Combining Statement of Revenues, Expenditures,
and Change in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$103,431	\$0	\$0	\$103,431
Other Local Taxes	72,502	0	0	72,502
Special Assessments	0	12,722	0	12,722
Charges for Services	15,504	0	0	15,504
Fines and Forfeitures	1,652	0	0	1,652
Intergovernmental	526,630	0	0	526,630
Interest	96,661	1,192	240,197	338,050
Gifts and Donations	20,688	0	0	20,688
Other	12,438	0	0	12,438
Total Revenues	<u>849,506</u>	<u>13,914</u>	<u>240,197</u>	<u>1,103,617</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Fire	0	0	0	0
Leisure Time Activities	201,461	0	82,051	283,512
Community Environment	7,861	0	0	7,861
Transportation	790,799	0	0	790,799
Debt Service:				
Principal Retirement	7,732	231,194	0	238,926
Interest and Fiscal Charges	589	38,850	0	39,439
Total Expenditures	<u>1,008,442</u>	<u>270,044</u>	<u>82,051</u>	<u>1,360,537</u>
Excess of Revenues Over (Under) Expenditures	<u>(158,936)</u>	<u>(256,130)</u>	<u>158,146</u>	<u>(256,920)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	363,000	1,236,161	1,599,161
Transfers Out	<u>(1,196,161)</u>	<u>0</u>	<u>0</u>	<u>(1,196,161)</u>
Total Other Financing Sources (Uses)	<u>(1,196,161)</u>	<u>363,000</u>	<u>1,236,161</u>	<u>403,000</u>
Change in Fund Balance Before Special Item	(1,355,097)	106,870	1,394,307	146,080
Special Item - Gain on Sale of Investments	<u>0</u>	<u>0</u>	<u>758,441</u>	<u>758,441</u>
Change in Fund Balance	(1,355,097)	106,870	2,152,748	904,521
Fund Balance Beginning of Year	<u>2,855,203</u>	<u>413,201</u>	<u>62,425</u>	<u>3,330,829</u>
Fund Balance End of Year	<u><u>\$1,500,106</u></u>	<u><u>\$520,071</u></u>	<u><u>\$2,215,173</u></u>	<u><u>\$4,235,350</u></u>

City of Wapakoneta
Combining Statement of Revenues, Expenditures,
and Change in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Street Maintenance	State Highway	Motor Vehicle Permissive Tax	Community Block Grant	Recreation
<u>Revenues</u>					
Property Taxes	\$0	\$0	\$0	\$0	\$103,431
Other Local Taxes	0	0	72,502	0	0
Charges for Services	15,504	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	431,447	34,982	48,325	0	11,876
Interest	7,695	2,531	24,069	34,847	27,519
Gifts and Donations	0	0	0	0	20,423
Other	4,868	0	0	250	7,320
Total Revenues	459,514	37,513	144,896	35,097	170,569
<u>Expenditures</u>					
Current:					
Leisure Time Activities	0	0	0	0	201,461
Community Environment	0	0	0	7,861	0
Transportation	482,795	0	308,004	0	0
Debt Service:					
Principal Retirement	7,732	0	0	0	0
Interest and Fiscal Charges	589	0	0	0	0
Total Expenditures	491,116	0	308,004	7,861	201,461
Excess of Revenues Over (Under) Expenditures	(31,602)	37,513	(163,108)	27,236	(30,892)
<u>Other Financing (Uses)</u>					
Transfers Out	0	0	0	0	(1,196,161)
Change in Fund Balance	(31,602)	37,513	(163,108)	27,236	(1,227,053)
Fund Balance Beginning of Year	224,135	56,874	522,256	669,937	1,352,465
Fund Balance End of Year	\$192,533	\$94,387	\$359,148	\$697,173	\$125,412

Law Enforcement	Enforcement and Education	Drug Law Enforcement	Recreation Trust	Rudd Park Trust	Total
\$0	\$0	\$0	\$0	\$0	\$103,431
0	0	0	0	0	72,502
0	0	0	0	0	15,504
105	1,056	491	0	0	1,652
0	0	0	0	0	526,630
0	0	0	0	0	96,661
0	0	0	0	265	20,688
0	0	0	0	0	12,438
<u>105</u>	<u>1,056</u>	<u>491</u>	<u>0</u>	<u>265</u>	<u>849,506</u>
0	0	0	0	0	201,461
0	0	0	0	0	7,861
0	0	0	0	0	790,799
0	0	0	0	0	7,732
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>589</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,008,442</u>
105	1,056	491	0	265	(158,936)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,196,161)</u>
105	1,056	491	0	265	(1,355,097)
<u>1,488</u>	<u>2,616</u>	<u>3,548</u>	<u>21,600</u>	<u>284</u>	<u>2,855,203</u>
<u>\$1,593</u>	<u>\$3,672</u>	<u>\$4,039</u>	<u>\$21,600</u>	<u>\$549</u>	<u>\$1,500,106</u>

City of Wapakoneta
Combining Statement of Revenues, Expenditures,
and Change in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2007

	<u>Debt Service</u>	<u>Downtown Debt</u>	<u>Total</u>
<u>Revenues</u>			
Special Assessments	\$12,722	\$0	\$12,722
Interest	1,192	0	1,192
Total Revenues	<u>13,914</u>	<u>0</u>	<u>13,914</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	43,350	187,844	231,194
Interest and Fiscal Charges	3,642	35,208	38,850
Total Expenditures	<u>46,992</u>	<u>223,052</u>	<u>270,044</u>
Excess of Revenues Under Expenditures	(33,078)	(223,052)	(256,130)
<u>Other Financing Sources</u>			
Transfers In	<u>30,000</u>	<u>333,000</u>	<u>363,000</u>
Change in Fund Balance	(3,078)	109,948	106,870
Fund Balance Beginning of Year	<u>26,670</u>	<u>386,531</u>	<u>413,201</u>
Fund Balance End of Year	<u><u>\$23,592</u></u>	<u><u>\$496,479</u></u>	<u><u>\$520,071</u></u>

City of Wapakoneta
Combining Statement of Revenues, Expenditures,
and Change in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2007

	Swimming Pool	Capital Fire Truck	Total
<u>Revenues</u>			
Interest	\$240,197	\$0	\$240,197
<u>Expenditures</u>			
Current:			
Leisure Time Activities	82,051	0	82,051
Excess of Revenues Over Expenditures	158,146	0	158,146
<u>Other Financing Sources</u>			
Transfers In	1,196,161	40,000	1,236,161
Change in Fund Balance Before Special Item	1,354,307	40,000	1,394,307
Special Item - Gain on Sale of Investments	758,441	0	758,441
Change in Fund Balance	2,112,748	40,000	2,152,748
Fund Balance Beginning of Year	0	62,425	62,425
Fund Balance End of Year	<u>\$2,112,748</u>	<u>\$102,425</u>	<u>\$2,215,173</u>

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City of Wapakoneta
Combining Statements - Fiduciary Funds

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

Agency Funds

Dependent Coverage Fund

To account for funds deducted from employees' payroll for dependent, copayment, and COBRA insurance coverage.

Police Auxiliary Fund

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

City of Wapakoneta
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2007

	Dependent Coverage	Police Auxiliary	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$163	\$21,420	\$21,583
	\$163	\$21,420	\$21,583
<u>Liabilities</u>			
Deposits Held and Due to Others	\$163	\$0	\$163
Undistributed Assets	0	21,420	21,420
Total Liabilities	\$163	\$21,420	\$21,583

City of Wapakoneta
Combining Statement of Change in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2007

	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
<u>Dependent Coverage</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$508	\$126,823	\$127,168	\$163
<u>Liabilities</u>				
Deposits Held and Due to Others	\$508	\$126,823	\$127,168	\$163
<u>Police Auxiliary</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$18,418	\$18,641	\$15,639	\$21,420
<u>Liabilities</u>				
Undistributed Assets	\$18,418	\$18,641	\$15,639	\$21,420
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$18,926	\$145,464	\$142,807	\$21,583
<u>Liabilities</u>				
Deposits Held and Due to Others	\$508	\$126,823	\$127,168	\$163
Undistributed Assets	18,418	18,641	15,639	21,420
Total Liabilities	\$18,926	\$145,464	\$142,807	\$21,583

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

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$360,564	\$311,387	\$382,424	\$71,037
Municipal Income Taxes	2,195,000	2,315,000	2,316,932	1,932
Other Local Taxes	436,000	651,000	651,174	174
Charges for Services	321,100	274,550	374,811	100,261
Fees, Licenses, and Permits	46,800	58,265	58,235	(30)
Fines and Forfeitures	20,500	27,040	27,053	13
Intergovernmental	2,406,336	633,936	833,803	199,867
Interest	550,000	547,850	947,845	399,995
Gifts and Donations	7,900	10,800	6,952	(3,848)
Other	6,700	17,370	17,320	(50)
Total Revenues	6,350,900	4,847,198	5,616,549	769,351
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police Department				
Personal Services	1,148,832	1,148,832	1,095,577	53,255
Contractual Services	156,791	161,791	137,529	24,262
Materials and Supplies	30,390	30,841	21,488	9,353
Capital Outlay	41,100	41,100	31,977	9,123
Total Police Department	1,377,113	1,382,564	1,286,571	95,993
Fire Department				
Personal Services	1,085,915	1,085,915	1,024,506	61,409
Contractual Services	114,213	114,213	95,488	18,725
Materials and Supplies	44,788	44,788	22,961	21,827
Capital Outlay	78,595	78,595	56,251	22,344
Total Fire Department	1,323,511	1,323,511	1,199,206	124,305
Safety Director				
Personal Services	5,000	5,000	4,314	686
Contractual Services	10,100	10,100	10,000	100
Materials and Supplies	450	0	0	0
Total Safety Director	15,550	15,100	14,314	786
Total Security of Persons and Property	2,716,174	2,721,175	2,500,091	221,084

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Public Health				
Emergency Medical				
Personal Services	\$175,295	\$175,295	\$124,093	\$51,202
Contractual Services	78,407	78,356	64,417	13,939
Materials and Supplies	16,855	18,905	12,319	6,586
Capital Outlay	12,612	12,612	11,782	830
Other	405	405	105	300
Total Emergency Medical	<u>283,574</u>	<u>285,573</u>	<u>212,716</u>	<u>72,857</u>
Miscellaneous				
Contractual Services	3,000	3,000	632	2,368
Capital Outlay	30,756	30,756	17,884	12,872
Total Miscellaneous	<u>33,756</u>	<u>33,756</u>	<u>18,516</u>	<u>15,240</u>
Total Public Health	<u>317,330</u>	<u>319,329</u>	<u>231,232</u>	<u>88,097</u>
Community Environment				
Boards and Commissions				
Contractual Services	63,800	62,800	49,575	13,225
Materials and Supplies	18,092	19,092	17,061	2,031
Capital Outlay	42,504	42,504	1,146	41,358
Total Community Environment	<u>124,396</u>	<u>124,396</u>	<u>67,782</u>	<u>56,614</u>
General Government				
Council				
Personal Services	37,000	37,000	36,900	100
Materials and Supplies	10,503	10,503	2,925	7,578
Total Council	<u>47,503</u>	<u>47,503</u>	<u>39,825</u>	<u>7,678</u>
Clerk of Council				
Personal Services	3,200	3,200	3,200	0
Contractual Services	4,754	4,754	4,647	107
Materials and Supplies	100	100	27	73
Total Clerk of Council	<u>8,054</u>	<u>8,054</u>	<u>7,874</u>	<u>180</u>
Administrative				
Personal Services	75,516	75,516	68,305	7,211
Contractual Services	178,083	176,083	150,542	25,541
Materials and Supplies	59,722	61,722	50,376	11,346
Capital Outlay	1,800	2,800	2,792	8
Other	1,900,000	580,000	573,504	6,496
Total Administrative	<u>2,215,121</u>	<u>896,121</u>	<u>845,519</u>	<u>50,602</u>

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Finance				
Personal Services	\$32,500	\$32,500	\$27,000	\$5,500
Contractual Services	56,500	66,500	59,897	6,603
Materials and Supplies	1,500	1,500	731	769
Total Finance	90,500	100,500	87,628	12,872
Income Tax				
Personal Services	49,000	49,000	43,592	5,408
Contractual Services	8,105	12,305	6,901	5,404
Materials and Supplies	22,090	22,889	20,346	2,543
Capital Outlay	1,000	3,000	2,081	919
Other	1,236,600	1,020,600	59,918	960,682
Total Income Tax	1,316,795	1,107,794	132,838	974,956
Law Director				
Personal Services	25,000	25,000	20,000	5,000
Contractual Services	1,000	1,000	0	1,000
Materials and Supplies	500	500	378	122
Total Law Director	26,500	26,500	20,378	6,122
Civil Service				
Personal Services	1,200	1,200	1,000	200
Materials and Supplies	1,000	2,100	1,767	333
Total Civil Service	2,200	3,300	2,767	533
Elections				
Contractual Services	3,000	3,000	2,377	623
Auglaize County				
Contractual Services	20,100	20,000	5,673	14,327
Administrative Support				
Other	7,100	17,100	7,313	9,787
Total General Government	3,736,873	2,229,872	1,152,192	1,077,680
Debt Service:				
Principal Retirement	22,342	22,342	22,342	0
Interest and Fiscal Charges	1,341	1,341	1,341	0
Total Debt Service	23,683	23,683	23,683	0
Total Expenditures	6,918,456	5,418,455	3,974,980	1,443,475
Excess of Revenues Over (Under) Expenditures	(567,556)	(571,257)	1,641,569	2,212,826

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	\$500	\$4,201	\$4,201	\$0
Transfers Out	(1,649,000)	(1,649,000)	(1,074,000)	575,000
Total Other Financing Sources (Uses)	<u>(1,648,500)</u>	<u>(1,644,799)</u>	<u>(1,069,799)</u>	<u>575,000</u>
Change in Fund Balance	(2,216,056)	(2,216,056)	571,770	2,787,826
Fund Balance Beginning of Year	2,150,245	2,150,245	2,150,245	0
Prior Year Encumbrances Appropriated	<u>95,803</u>	<u>95,803</u>	<u>95,803</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$29,992</u></u>	<u><u>\$29,992</u></u>	<u><u>\$2,817,818</u></u>	<u><u>\$2,787,826</u></u>

City of Wapakoneta
Street and Sewer Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Special Assessments	\$39,245	\$79,792	\$40,547
Intergovernmental	28,000	31,869	3,869
Interest	7,755	7,755	0
Total Revenues	<u>75,000</u>	<u>119,416</u>	<u>44,416</u>
<u>Expenditures</u>			
Current:			
Transportation			
Street and Sewer Improvement			
Contractual Services	96,092	46,234	49,858
Capital Outlay	558,305	387,085	171,220
Total Transportation	<u>654,397</u>	<u>433,319</u>	<u>221,078</u>
Debt Service:			
Principal Retirement	87,000	86,650	350
Interest and Fiscal Charges	7,500	6,942	558
Total Debt Service	<u>94,500</u>	<u>93,592</u>	<u>908</u>
Total Expenditures	<u>748,897</u>	<u>526,911</u>	<u>221,986</u>
Excess of Revenues Under Expenditures	(673,897)	(407,495)	266,402
<u>Other Financing Sources</u>			
Transfers In	21,000	21,000	0
Change in Fund Balance	(652,897)	(386,495)	266,402
Fund Balance Beginning of Year	633,682	633,682	0
Prior Year Encumbrances Appropriated	74,397	74,397	0
Fund Balance End of Year	<u>\$55,182</u>	<u>\$321,584</u>	<u>\$266,402</u>

City of Wapakoneta
Electric Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$14,615,800	\$14,666,893	\$51,093
Other Local Taxes	107,200	107,148	(52)
Utility Deposits	10,500	15,760	5,260
Other	26,700	26,600	(100)
	<u>14,760,200</u>	<u>14,816,401</u>	<u>56,201</u>
<u>Expenses</u>			
Personal Services	831,156	773,333	57,823
Contractual Services	15,652,554	14,937,502	715,052
Materials and Supplies	500,972	298,580	202,392
Capital Outlay	3,024,750	471,510	2,553,240
Utility Refunds	17,500	10,152	7,348
Other	5,598,600	86,432	5,512,168
Debt Service:			
Principal Retirement	27,000	26,539	461
Interest Expense	10,000	6,356	3,644
	<u>25,662,532</u>	<u>16,610,404</u>	<u>9,052,128</u>
Excess of Revenues Under Expenses	(10,902,332)	(1,794,003)	9,108,329
Transfers In	1,900,000	650,000	(1,250,000)
Transfers Out	(1,250,000)	0	1,250,000
Change in Fund Balance	(10,252,332)	(1,144,003)	9,108,329
Fund Balance Beginning of Year	9,474,474	9,474,474	0
Prior Year Encumbrances Appropriated	1,455,232	1,455,232	0
Fund Balance End of Year	<u>\$677,374</u>	<u>\$9,785,703</u>	<u>\$9,108,329</u>

City of Wapakoneta
Water Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,331,085	\$1,535,482	\$204,397
Grants	2,500	2,500	0
Bond Anticipation Notes Issued	990,000	990,000	0
Sale of Capital Assets	5,312	5,312	0
Other	4,003	3,938	(65)
Total Revenues	2,332,900	2,537,232	204,332
<u>Expenses</u>			
Personal Services	299,418	268,058	31,360
Contractual Services	406,356	268,143	138,213
Materials and Supplies	385,910	305,792	80,118
Capital Outlay	232,198	159,208	72,990
Other	405,200	0	405,200
Debt Service:			
Principal Retirement	1,662,678	1,479,080	183,598
Interest Expense	81,237	69,913	11,324
Total Expenses	3,472,997	2,550,194	922,803
Change in Fund Balance	(1,140,097)	(12,962)	1,127,135
Fund Balance Beginning of Year	1,038,992	1,038,992	0
Prior Year Encumbrances Appropriated	170,096	170,096	0
Fund Balance End of Year	\$68,991	\$1,196,126	\$1,127,135

City of Wapakoneta
Sewer Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,987,675	\$1,890,578	(\$97,097)
Interest	12,800	54,384	41,584
Sale of Capital Assets	2,000	2,000	0
Other	13,325	13,386	61
Total Revenues	2,015,800	1,960,348	(55,452)
<u>Expenses</u>			
Personal Services	605,678	570,127	35,551
Contractual Services	647,934	498,540	149,394
Materials and Supplies	268,050	178,067	89,983
Capital Outlay	146,770	85,288	61,482
Other	477,952	18,147	459,805
Debt Service:			
Principal Retirement	484,958	385,444	99,514
Interest Expense	466,830	458,682	8,148
Total Expenses	3,098,172	2,194,295	903,877
Change in Fund Balance	(1,082,372)	(233,947)	(848,425)
Fund Balance Beginning of Year	2,333,751	2,333,751	0
Prior Year Encumbrances Appropriated	95,383	95,383	0
Fund Balance End of Year	\$1,346,762	\$2,195,187	(\$848,425)

City of Wapakoneta
Storm Sewer Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$152,500	\$155,990	\$3,490
<u>Expenses</u>			
Contractual Services	35,000	1,536	33,464
Materials and Supplies	15,999	11,563	4,436
Capital Outlay	542,576	58,704	483,872
Total Expenses	593,575	71,803	521,772
Change in Fund Balance	(441,075)	84,187	525,262
Fund Balance Beginning of Year	455,824	455,824	0
Prior Year Encumbrances Appropriated	1,074	1,074	0
Fund Balance End of Year	<u>\$15,823</u>	<u>\$541,085</u>	<u>\$525,262</u>

City of Wapakoneta
Refuse Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,032,480	\$1,076,149	\$43,669
Proceeds of Loans	114,000	114,000	0
Other	1,020	1,056	36
	<hr/>	<hr/>	<hr/>
Total Revenues	1,147,500	1,191,205	43,705
	<hr/>	<hr/>	<hr/>
<u>Expenses</u>			
Personal Services	365,300	358,222	7,078
Contractual Services	763,533	597,133	166,400
Materials and Supplies	123,545	81,379	42,166
Capital Outlay	148,730	128,425	20,305
Other	130,500	0	130,500
Debt Service:			
Principal Retirement	65,980	68,436	(2,456)
Interest Expense	14,990	14,488	502
	<hr/>	<hr/>	<hr/>
Total Expenses	1,612,578	1,248,083	364,495
	<hr/>	<hr/>	<hr/>
Change in Fund Balance	(465,078)	(56,878)	408,200
Fund Balance Beginning of Year	417,499	417,499	0
Prior Year Encumbrances Appropriated	93,884	93,884	0
	<hr/>	<hr/>	<hr/>
Fund Balance End of Year	\$46,305	\$454,505	\$408,200
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

City of Wapakoneta
Street Maintenance Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$15,851	\$15,809	(\$42)
Intergovernmental	410,473	449,973	39,500
Interest	6,760	6,766	6
Other	4,316	4,318	2
	<u>437,400</u>	<u>476,866</u>	<u>39,466</u>
<u>Expenditures</u>			
Current:			
Transportation			
Street Maintenance			
Personal Services	303,200	278,847	24,353
Contractual Services	102,665	68,014	34,651
Materials and Supplies	119,767	81,910	37,857
Capital Outlay	62,179	55,940	6,239
Other	21,700	0	21,700
Debt Service:			
Principal Retirement	7,732	7,732	0
Interest and Fiscal Charges	589	589	0
	<u>617,832</u>	<u>493,032</u>	<u>124,800</u>
Change in Fund Balance	(180,432)	(16,166)	164,266
Fund Balance Beginning of Year	165,316	165,316	0
Prior Year Encumbrances Appropriated	<u>22,928</u>	<u>22,928</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$7,812</u></u>	<u><u>\$172,078</u></u>	<u><u>\$164,266</u></u>

City of Wapakoneta
State Highway Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$32,730	\$36,484	\$3,754
Interest	2,270	2,270	0
	<u>35,000</u>	<u>38,754</u>	<u>3,754</u>
<u>Expenditures</u>			
Current:			
Transportation			
State Highway			
Contractual Services	8,500	0	8,500
Capital Outlay	79,000	0	79,000
	<u>87,500</u>	<u>0</u>	<u>87,500</u>
Total Expenditures	87,500	0	87,500
Change in Fund Balance	(52,500)	38,754	91,254
Fund Balance Beginning of Year	<u>53,885</u>	<u>53,885</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,385</u>	<u>\$92,639</u>	<u>\$91,254</u>

City of Wapakoneta
Motor Vehicle Permissive Tax Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other Local Taxes	\$72,699	\$72,699	\$0
Intergovernmental	48,325	48,325	0
Interest	8,976	21,062	12,086
	<u>130,000</u>	<u>142,086</u>	<u>12,086</u>
Total Revenues			
<u>Expenditures</u>			
Current:			
Transportation			
Motor Vehicle Permissive Tax			
Contractual Services	20,000	0	20,000
Capital Outlay	550,000	308,004	241,996
Other	35,000	0	35,000
	<u>605,000</u>	<u>308,004</u>	<u>296,996</u>
Total Expenditures			
Change in Fund Balance	(475,000)	(165,918)	309,082
Fund Balance Beginning of Year	<u>516,666</u>	<u>516,666</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$41,666</u></u>	<u><u>\$350,748</u></u>	<u><u>\$309,082</u></u>

City of Wapakoneta
Community Block Grant Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Interest	\$12,500	\$11,543	(\$957)
Revolving Loan Payments	103,365	103,349	(16)
Other	29,635	250	(29,385)
	<u>145,500</u>	<u>115,142</u>	<u>(30,358)</u>
<u>Expenditures</u>			
Current:			
Community Environment			
Community Block Grant			
Contractual Services	339,747	140,877	198,870
Materials and Supplies	1,000	984	16
	<u>340,747</u>	<u>141,861</u>	<u>198,886</u>
Total Expenditures	<u>340,747</u>	<u>141,861</u>	<u>198,886</u>
Change in Fund Balance	(195,247)	(26,719)	168,528
Fund Balance Beginning of Year	201,425	201,425	0
Prior Year Encumbrances Appropriated	<u>247</u>	<u>247</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$6,425</u></u>	<u><u>\$174,953</u></u>	<u><u>\$168,528</u></u>

City of Wapakoneta
Recreation Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$103,449	\$103,431	(\$18)
Fees, Licenses, and Permits			0
Intergovernmental	11,051	11,463	412
Interest	10,200	27,519	17,319
Gifts and Donations	20,500	20,423	(77)
Other	7,300	7,320	20
Total Revenues	152,500	170,156	17,656
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Recreation			
Personal Services	61,500	49,077	12,423
Contractual Services	53,902	39,029	14,873
Materials and Supplies	28,803	22,322	6,481
Capital Outlay	138,203	92,363	45,840
Total Expenditures	282,408	202,791	79,617
Change in Fund Balance	(129,908)	(32,635)	97,273
Fund Balance Beginning of Year	142,121	142,121	0
Prior Year Encumbrances Appropriated	7,909	7,909	0
Fund Balance End of Year	\$20,122	\$117,395	\$97,273

City of Wapakoneta
Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$350	\$105	(\$245)
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Law Enforcement			
Materials and Supplies	1,600	0	1,600
Change in Fund Balance	(1,250)	105	1,355
Fund Balance Beginning of Year	1,488	1,488	0
Fund Balance End of Year	\$238	\$1,593	\$1,355

City of Wapakoneta
Enforcement and Education Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$1,500	\$1,056	(\$444)
<u>Expenditures</u>			
Current:			
Security of Persons and Property Enforcement and Education Materials and Supplies	3,600	0	3,600
Change in Fund Balance	(2,100)	1,056	3,156
Fund Balance Beginning of Year	2,616	2,616	0
Fund Balance End of Year	\$516	\$3,672	\$3,156

City of Wapakoneta
Drug Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$500	\$541	\$41
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Drug Law Enforcement			
Materials and Supplies	3,800	0	3,800
Change in Fund Balance	(3,300)	541	3,841
Fund Balance Beginning of Year	3,448	3,448	0
Fund Balance End of Year	\$148	\$3,989	\$3,841

City of Wapakoneta
Recreation Trust Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Change in Fund Balance	0	0	0
Fund Balance Beginning of Year	21,600	21,600	0
Fund Balance End of Year	\$21,600	\$21,600	\$0

City of Wapakoneta
Rudd Park Trust Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Gifts and Donations	\$250	\$265	\$15
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Rudd Park			
Materials and Supplies	500	0	500
Change in Fund Balance	(250)	265	515
Fund Balance Beginning of Year	284	284	0
Fund Balance End of Year	\$34	\$549	\$515

City of Wapakoneta
Debt Service Debt Service Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Special Assessments	\$8,808	\$20,046	\$11,238
Interest	1,192	1,192	0
Total Revenues	<u>10,000</u>	<u>21,238</u>	<u>11,238</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	43,350	43,350	0
Interest and Fiscal Charges	3,650	3,642	8
Total Expenditures	<u>47,000</u>	<u>46,992</u>	<u>8</u>
Excess of Revenues Under Expenditures	(37,000)	(25,754)	11,246
<u>Other Financing Sources</u>			
Transfers In	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Change in Fund Balance	(7,000)	4,246	11,246
Fund Balance Beginning of Year	<u>19,346</u>	<u>19,346</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$12,346</u></u>	<u><u>\$23,592</u></u>	<u><u>\$11,246</u></u>

City of Wapakoneta
Downtown Debt Debt Service Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	187,850	187,844	6
Interest and Fiscal Charges	35,250	35,208	42
Total Expenditures	<u>223,100</u>	<u>223,052</u>	<u>48</u>
Excess of Revenues Under Expenditures	(223,100)	(223,052)	48
<u>Other Financing Sources</u>			
Transfers In	<u>333,000</u>	<u>333,000</u>	<u>0</u>
Change in Fund Balance	109,900	109,948	48
Fund Balance Beginning of Year	<u>386,531</u>	<u>386,531</u>	<u>0</u>
Fund Balance End of Year	<u>\$496,431</u>	<u>\$496,479</u>	<u>\$48</u>

City of Wapakoneta
Swimming Pool Capital Projects Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$32,000	\$32,147	\$147
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Recreation			
Contractual Services	116,000	99,863	16,137
Materials and Supplies	4,000	0	4,000
Capital Outlay	1,323,000	1,325,427	(2,427)
Total Expenditures	1,443,000	1,425,290	17,710
Excess of Revenues			
Under Expenditures	(1,411,000)	(1,393,143)	17,857
<u>Other Financing Sources</u>			
Gain on Sale of Investment	1,411,000	758,441	(652,559)
Change in Fund Balance	0	(634,702)	(634,702)
Fund Balance Beginning of Year	0	0	0
Fund Balance (Deficit) End of Year	\$0	(\$634,702)	(\$634,702)

City of Wapakoneta
Capital Fire Truck Capital Projects Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Excess of Revenues Over Expenditures	0	0	0
<u>Other Financing Sources</u>			
Transfers In	40,000	40,000	0
Change in Fund Balance	40,000	40,000	0
Fund Balance Beginning of Year	62,425	62,425	0
Fund Balance End of Year	\$102,425	\$102,425	\$0

City of Wapakoneta
Engineering Internal Service Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$102,715	\$97,450	(\$5,265)
Fees, Licenses, and Permits	15,285	14,147	(1,138)
Other	500	690	190
	<u>118,500</u>	<u>112,287</u>	<u>(6,213)</u>
Total Revenues			
<u>Expenses</u>			
Personal Services	156,800	110,436	46,364
Contractual Services	19,131	13,753	5,378
Materials and Supplies	14,056	8,569	5,487
Capital Outlay	2,000	0	2,000
Other	2,300	0	2,300
	<u>194,287</u>	<u>132,758</u>	<u>61,529</u>
Total Expenses			
Change in Fund Balance	(75,787)	(20,471)	55,316
Fund Balance Beginning of Year	73,538	73,538	0
Prior Year Encumbrances Appropriated	<u>2,287</u>	<u>2,287</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$38</u></u>	<u><u>\$55,354</u></u>	<u><u>\$55,316</u></u>

SCHEDULES OF CAPITAL ASSETS
USED IN THE OPERATION OF
GOVERNMENTAL FUNDS

City of Wapakoneta

Capital Assets Used in the Operation of Governmental Funds
 Schedule by Program and Department
 December 31, 2007

<u>Program/Department</u>	<u>Total</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Land Improvements</u>
Security of Persons and Property				
Police	\$1,326,352	\$46,702	\$0	\$0
Fire	<u>1,847,490</u>	<u>46,702</u>	<u>0</u>	<u>48,229</u>
Total Security of Persons and Property	3,173,842	93,404	0	48,229
Public Health				
Emergency Medical	587,073	0	0	0
Leisure Time Activities				
Recreation	941,679	63,300	81,828	418,058
Transportation				
Street	24,495,695	32,860	33,590	0
General Government				
City Offices	<u>1,807,891</u>	<u>573,505</u>	<u>0</u>	<u>0</u>
Total General Capital Assets Allocated to Programs	<u>\$31,006,180</u>	<u>\$763,069</u>	<u>\$115,418</u>	<u>\$466,287</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service fund are excluded from the above amounts. The capital assets of the internal service fund are included as part of governmental activities on the statement of net assets.

<u>Buildings</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Streets</u>
\$1,057,574	\$62,372	\$159,704	\$0
468,679	145,934	1,137,946	0
1,526,253	208,306	1,297,650	0
342,156	0	244,917	0
261,483	117,010	0	0
104,250	58,510	699,837	23,566,648
1,088,679	107,671	38,036	0
<u>\$3,322,821</u>	<u>\$491,497</u>	<u>\$2,280,440</u>	<u>\$23,566,648</u>

City of Wapakoneta

Capital Assets Used in the Operation of Governmental Funds
 Schedule of Change by Program and Department
 For the Year Ended December 31, 2007

Program/Department	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
Security of Persons and Property				
Police	\$1,300,655	\$44,966	\$19,269	\$1,326,352
Fire	1,864,900	12,590	30,000	1,847,490
Total Security of Persons and Property	3,165,555	57,556	49,269	3,173,842
Public Health				
Emergency Medical	587,073	0	0	587,073
Leisure Time Activities				
Recreation	846,687	94,992	0	941,679
Transportation				
Street	24,032,250	463,445	0	24,495,695
General Government				
City Offices	1,249,893	602,964	44,966	1,807,891
Total General Capital Assets Allocated to Programs	<u>\$29,881,458</u>	<u>\$1,218,957</u>	<u>\$94,235</u>	<u>\$31,006,180</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service fund are excluded from the above amounts. The capital assets of the internal service fund are included as part of governmental activities on the statement of net assets.

City of Wapakoneta

Capital Assets Used in the Operation of Governmental Funds
 Schedule by Source
 December 31, 2007

	<u>Amounts</u>
<u>Governmental Funds Capital Assets</u>	
Land	\$763,069
Construction in Progress	115,418
Land Improvements	466,287
Buildings	3,322,821
Equipment	491,497
Vehicles	2,280,440
Streets	<u>23,566,648</u>
Total Capital Assets	<u><u>\$31,006,180</u></u>
 <u>Investment in Governmental Funds Capital Assets</u>	
General Fund	\$3,323,046
Special Revenue Funds	2,198,400
Capital Projects Funds	1,494,668
Enterprise Funds	2,536,935
General Capital Assets Acquired Prior to 1986	<u>21,453,131</u>
Total Investment in Capital Assets	<u><u>\$31,006,180</u></u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service fund are excluded from the above amounts. The capital assets of the internal service fund are included as part of governmental activities on the statement of net assets.

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**STATISTICAL
SECTION**

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

City of Wapakoneta
Statistical Section

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

Contents **Page**

Financial Trends.....S-3

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

Revenue Capacity.....S-8

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

Debt Capacity.....S-30

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

Demographic and Economic Information.....S-37

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

Operating Information.....S-40

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

Source: Unless otherwise noted the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Wapakoneta
Net Assets
Last Five Years
(Accrual Basis of Accounting)

	2007	2006	2005	2004	2003
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$16,550,369	\$15,550,482	\$14,957,082	\$14,695,619	\$14,325,984
Restricted for					
Debt Service	534,616	440,193	344,370	550,261	555,349
Capital Projects	4,691,427	1,020,043	842,208	816,352	1,469,441
Other Purposes	1,651,443	3,001,698	2,557,353	2,352,316	2,002,016
Unrestricted	3,718,111	3,002,012	2,471,796	1,874,180	1,184,646
Total Governmental Activities Net Assets	27,145,966	23,014,428	21,172,809	20,288,728	19,537,436
Business-Type Activities					
Invested in Capital Assets, Net of Related Debt	18,277,471	18,054,990	18,859,104	18,380,759	18,897,701
Restricted	1,236,810	1,164,741	355,195	396,777	413,447
Unrestricted	15,364,398	15,117,904	16,125,101	14,648,742	12,696,857
Total Business-Type Activities Net Assets	34,878,679	34,337,635	35,339,400	33,426,278	32,008,005
Primary Government					
Invested in Capital Assets, Net of Related Debt	34,827,840	33,605,472	33,816,186	33,076,378	33,223,685
Restricted	8,114,296	5,626,675	4,099,126	4,115,706	4,440,253
Unrestricted	19,082,509	18,119,916	18,596,897	16,522,922	13,881,503
Total Primary Government Net Assets	\$62,024,645	\$57,352,063	\$56,512,209	\$53,715,006	\$51,545,441

City of Wapakoneta
Change in Net Assets
Last Five Years
(Accrual Basis of Accounting)

	2007	2006	2005	2004	2003
<u>Expenses</u>					
<u>Governmental Activities</u>					
Security of Persons and Property					
Police	\$1,283,549	\$1,266,253	\$1,221,018	\$1,145,709	\$1,142,760
Fire	1,189,033	1,153,285	1,182,460	1,166,485	1,011,846
Other	14,584	11,066	119,623	20,226	56,884
Public Health	231,311	215,334	212,986	226,206	222,529
Leisure Time Activities	217,175	196,271	223,249	165,540	161,832
Community Environment	87,005	98,537	120,691	62,593	99,744
Transportation	1,212,316	1,029,441	1,439,048	1,596,994	937,128
General Government	568,638	550,479	434,292	390,067	441,101
Interest and Fiscal Charges	82,806	93,647	103,670	120,857	203,770
Total Governmental Activities Expenses	4,886,417	4,614,313	5,057,037	4,894,677	4,277,594
<u>Business-Type Activities</u>					
Electric	15,018,241	14,306,107	7,035,506	6,772,154	6,718,403
Water	1,022,962	1,013,762	813,587	1,196,319	1,072,455
Sewer	2,095,884	2,077,733	1,736,226	1,540,649	1,426,900
Storm Sewer	71,239	120,408	102,578	147,612	71,095
Refuse	1,413,105	1,033,454	872,598	766,336	857,056
Total Business-Type Activities Expenses	19,621,431	18,551,464	10,560,495	10,423,070	10,145,909
Total Primary Government Expenses	24,507,848	23,165,777	15,617,532	15,317,747	14,423,503
<u>Program Revenues</u>					
<u>Governmental Activities</u>					
<u>Charges for Services</u>					
Security of Persons and Property					
Police	10,723	9,996	7,352	9,314	6,203
Fire	42,190	49,611	38,084	37,657	41,073
Public Health	371,603	296,934	295,465	181,748	180,201
Leisure Time Activities	0	0	350	1,130	0
Community Environment	250	0	0	0	0
Transportation	156,627	207,116	322,510	241,842	170,253
General Government	33,621	26,362	26,651	35,148	30,855
Total Charges for Services	615,014	590,019	690,412	506,839	428,585
Operating Grants, Contributions, and Interest	739,172	871,074	1,263,577	778,158	604,227
Capital Grants and Contributions	2,150,030	161,197	29,847	512,480	384,169
Total Governmental Activities Program Revenues	3,504,216	1,622,290	1,983,836	1,797,477	1,416,981
<u>Business-Type Activities</u>					
<u>Charges for Services</u>					
Electric	14,907,663	12,848,899	7,785,644	7,250,248	7,250,893
Water	1,544,797	1,404,361	1,312,634	1,210,189	1,155,879
Sewer	1,888,360	1,856,922	1,827,371	1,799,788	1,677,186
Storm Sewer	155,588	156,184	154,160	151,128	149,247
Refuse	1,085,587	921,989	924,455	890,986	902,553
Total Charges for Services	19,581,995	17,188,355	12,004,264	11,302,339	11,135,758
Operating Grants, Contributions, and Interest	0	13,000	0	155,203	50,000
Total Business-Type Activities Program Revenues	19,581,995	17,201,355	12,004,264	11,457,542	11,185,758
Total Primary Government Program Revenues	23,086,211	18,823,645	13,988,100	13,255,019	12,602,739
<u>Net (Expense) Revenue</u>					
Governmental Activities	(1,382,201)	(2,992,023)	(3,073,201)	(3,097,200)	(2,860,613)
Business-Type Activities	(39,436)	(1,350,109)	1,443,769	1,034,472	1,039,849
Total Primary Government Net Expense	(1,421,637)	(4,342,132)	(1,629,432)	(2,062,728)	(1,820,764)

(continued)

City of Wapakoneta
Change in Net Assets
Last Five Years
(continued)
(Accrual Basis of Accounting)

	2007	2006	2005	2004	2003
<u>General Revenues and Other Changes in Net Assets</u>					
<u>Governmental Activities</u>					
Property Taxes Levied for General Purposes	\$382,346	\$390,020	\$356,201	\$343,628	\$349,783
Property Taxes Levied for Recreation	103,445	106,334	105,934	102,350	104,731
Municipal Income Taxes	2,286,433	2,290,400	2,136,920	2,118,637	2,004,839
Other Local Taxes	702,847	678,614	656,921	639,180	641,975
Grants and Entitlements not Restricted to Specific Programs	699,524	530,856	483,500	653,985	515,817
Franchise Taxes	50,369	45,289	39,650	37,741	57,486
Interest	919,480	892,006	546,259	236,441	260,864
Gifts and Donations	8,352	13,142	7,791	17,348	22,090
Other	30,384	153,570	9,090	24,438	32,297
Gain on Sale of Investments	758,441	0	0	0	0
Transfers	(427,882)	(266,589)	(384,984)	(325,256)	(554,880)
Total Governmental Activities	5,513,739	4,833,642	3,957,282	3,848,492	3,435,002
<u>Business-Type Activities</u>					
Interest	59,555	36,694	10,904	30,482	2,001
Other	93,043	45,061	73,465	28,063	39,259
Transfers	427,882	266,589	384,984	325,256	554,880
Total Business-Type Activities	580,480	348,344	469,353	383,801	596,140
Total Primary Government	6,094,219	5,181,986	4,426,635	4,232,293	4,031,142
<u>Change in Net Assets</u>					
Governmental Activities	4,131,538	1,841,619	884,081	751,292	574,389
Business-Type Activities	541,044	(1,001,765)	1,913,122	1,418,273	1,635,989
Total Primary Government Change in Net Assets	\$4,672,582	\$839,854	\$2,797,203	\$2,169,565	\$2,210,378

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund					
Reserved	\$204,428	\$82,397	\$40,641	\$38,253	\$59,165
Unreserved	<u>2,838,888</u>	<u>2,303,358</u>	<u>1,731,727</u>	<u>899,035</u>	<u>690,012</u>
Total General Fund	<u>3,043,316</u>	<u>2,385,755</u>	<u>1,772,368</u>	<u>937,288</u>	<u>749,177</u>
All Other Governmental Funds					
Reserved	1,859,426	485,067	841,079	298,187	142,587
Unreserved, Reported in					
Special Revenue Funds	1,078,936	2,444,533	1,894,745	2,175,390	1,805,603
Debt Service Funds	520,071	413,201	301,980	229,925	161,129
Capital Projects Funds	<u>1,384,703</u>	<u>688,783</u>	<u>478,067</u>	<u>831,123</u>	<u>1,364,097</u>
Total All Other Governmental Funds	<u>4,843,136</u>	<u>4,031,584</u>	<u>3,515,871</u>	<u>3,534,625</u>	<u>3,473,416</u>
Total Governmental Funds	<u>\$7,886,452</u>	<u>\$6,417,339</u>	<u>\$5,288,239</u>	<u>\$4,471,913</u>	<u>\$4,222,593</u>

Information prior to 2003 not available.

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

	2007	2006	2005	2004	2003
<u>Revenues</u>					
Property Taxes	\$485,855	\$494,322	\$463,550	\$450,912	\$449,601
Municipal Income Taxes	2,330,159	2,186,885	2,155,844	2,064,190	2,031,494
Other Local Taxes	775,349	750,786	729,535	712,250	714,371
Special Assessments	99,838	127,830	141,800	110,523	122,025
Charges for Services	383,477	394,449	314,313	282,566	272,376
Fees, Licenses, and Permits	58,235	49,667	53,014	54,022	44,452
Fines and Forfeitures	28,153	26,397	19,469	28,312	25,471
Intergovernmental	1,429,731	1,112,975	1,932,243	1,319,319	1,202,606
Interest	1,385,496	1,123,113	622,515	497,487	304,393
Gifts and Donations	29,040	39,358	33,081	35,090	105,535
Other	29,805	153,570	9,443	24,085	30,794
Total Revenues	7,035,138	6,459,352	6,474,807	5,578,756	5,303,118
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	1,275,070	1,261,097	1,184,347	1,115,067	1,175,836
Fire	1,157,457	1,468,411	1,201,714	1,127,628	995,116
Other	14,333	13,040	119,204	20,343	56,880
Public Health	218,356	191,798	188,684	204,721	315,559
Leisure Time Activities	283,512	209,160	284,270	140,660	249,335
Community Environment	75,643	113,779	121,393	133,654	134,590
Transportation	1,128,899	741,257	1,203,088	1,395,155	995,578
General Government	1,129,757	533,235	416,606	374,390	426,549
Debt Service:					
Principal Retirement	454,074	448,553	448,060	431,989	3,020,000
Interest and Fiscal Charges	73,146	84,149	94,174	118,485	306,967
Total Expenditures	5,810,247	5,064,479	5,261,540	5,062,092	7,676,410
Excess of Revenues Over (Under) Expenditures	1,224,891	1,394,873	1,213,267	516,664	(2,373,292)
<u>Other Financing Sources (Uses)</u>					
Sale of Capital Assets	4,201	816	0	0	1,510
Capital Loans Issued	0	0	0	0	145,000
General Obligation Bonds Issued	0	0	0	0	288,400
General Obligation Refunding Bonds Issued	0	0	0	0	2,836,000
Gain on Sale of Investments	758,441	0	0	0	0
Transfers In	1,751,741	967,411	500,059	876,428	1,225,000
Transfers Out	(2,270,161)	(1,234,000)	(897,000)	(1,143,772)	(1,758,500)
Total Other Financing Sources (Uses)	244,222	(265,773)	(396,941)	(267,344)	2,737,410
Change in Fund Balance	\$1,469,113	\$1,129,100	\$816,326	\$249,320	\$364,118
Debt Service as a Percentage of Noncapital Expenditures	11.15%	12.11%	11.61%	11.90%	48.13%

Information prior to 2003 not available.

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

Year	Real Property					Public Utility Personal Property	
	Assessed Value			Total Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial	Public Utility				
2007	\$98,356,360	\$41,575,210	\$43,590	\$139,975,160	\$399,929,029	\$3,300,180	\$3,750,205
2006	96,797,980	39,755,360	77,760	136,631,100	390,374,571	3,745,680	4,256,455
2005	85,608,830	33,803,110	76,420	119,488,360	341,395,314	3,715,910	4,222,625
2004	84,027,250	33,452,810	75,780	117,555,840	335,873,829	3,816,660	4,337,114
2003	82,548,700	33,025,070	74,390	115,648,160	330,423,314	3,954,800	4,494,091
2002	76,609,370	32,569,640	71,520	109,250,530	312,144,371	4,045,290	4,596,920
2001	74,844,900	33,066,020	73,910	107,984,830	308,528,086	4,711,420	5,353,886
2000	72,754,680	32,587,890	87,770	105,430,340	301,229,543	3,802,580	4,321,114
1999	60,169,690	28,788,710	65,400	89,023,800	254,353,714	4,623,490	5,253,966
1998	58,485,680	27,131,710	60,100	85,677,490	244,792,830	4,781,650	5,433,690

Source: Auglaize County Auditor

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

The assessed value of real property (including public utility real property) is 35 percent of estimated actual value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of actual value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed at 25 percent of actual value for machinery and equipment and 23 percent for inventory. The general business tangible personal property tax is being phased out. The percentage was 18.75 percent for 2006, and is 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009.

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

Tangible Personal Property		Total		Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$8,454,304	\$67,634,432	\$151,729,644	\$471,313,666	\$3.47
10,846,559	57,848,315	151,223,339	452,479,341	3.48
14,938,545	59,754,180	138,142,815	405,372,119	3.55
21,012,884	84,051,536	142,385,384	424,262,479	3.56
22,326,522	89,306,088	141,929,482	424,223,493	3.56
22,437,024	89,748,096	135,732,844	406,489,387	3.59
25,315,900	101,263,600	138,012,150	415,145,572	3.59
22,119,150	88,476,600	131,352,070	394,027,257	3.59
20,180,660	80,722,640	113,827,950	340,330,320	3.68
22,239,512	79,426,828	112,698,652	329,653,348	3.68

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

Collection Year	2007	2006	2005	2004	2003
Voted Millage					
2002 Recreation - 5 Years					
Effective Millage Rates					
Residential/Agriculture	\$0.6299	\$0.6316	\$0.7014	\$0.7028	\$0.7035
Commercial/Industrial	0.8607	0.8528	0.9316	0.9314	0.9301
Tangible/Public Utility Personal	1.0000	1.0000	1.0000	1.0000	1.0000
Unvoted Millage					
General	2.1500	2.1500	2.1500	2.1500	2.1500
Fire Pension	0.3000	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	2.7500	2.7500	2.7500	2.7500	2.7500
Total Millage					
Total Effective Millage by Type of Property					
Residential/Agriculture	3.3799	3.3816	3.4514	3.4528	3.4535
Commercial/Industrial	3.6107	3.6028	3.6816	3.6814	3.6801
Tangible/Public Utility Personal	3.7500	3.7500	3.7500	3.7500	3.7500
Auglaize County	11.7500	11.2500	11.2500	11.2500	9.3700
Wapakoneta City School District	31.3000	29.6000	29.6000	29.6000	29.8000
Apollo Career Center	2.2000	2.2000	2.2000	2.2000	2.2000
Duchouquet Township	0.2000	0.2000	0.2000	0.2000	0.2000

Source: Auglaize County Auditor

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

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

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

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$0.7451	\$0.7477	\$0.7509	\$0.8780	\$0.8791
0.9256	0.8999	0.8985	0.9623	0.9621
<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>
2.1500	2.1500	2.1500	2.1500	2.1500
0.3000	0.3000	0.3000	0.3000	0.3000
<u>0.3000</u>	<u>0.3000</u>	<u>0.3000</u>	<u>0.3000</u>	<u>0.3000</u>
<u>2.7500</u>	<u>2.7500</u>	<u>2.7500</u>	<u>2.7500</u>	<u>2.7500</u>
3.4951	3.4977	3.5009	3.6280	3.6291
3.6756	3.6499	3.6485	3.7123	3.7121
<u>3.7500</u>	<u>3.7500</u>	<u>3.7500</u>	<u>3.7500</u>	<u>3.7500</u>
9.4000	9.4000	9.4000	9.5000	9.5000
30.7000	30.7000	30.7000	31.8000	32.0000
2.2000	2.2000	2.2000	2.2000	2.2000
0.2000	0.2000	0.2000	0.2000	0.2000

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City of Wapakoneta
Property Tax Levies and Collections
Last Ten Years

Collection Year	Current Tax Levy (1)	Current Tax Collections	Percent Collected	Total Outstanding Delinquent Taxes	Percent Delinquent
2007	\$545,199	\$598,187	109.72%	\$14,151	2.60%
2006	553,228	606,765	109.68	12,849	2.32
2005	548,783	583,413	106.31	7,559	1.38
2004	508,913	491,031	96.49	13,257	2.60
2003	502,468	486,704	96.86	20,341	4.05
2002	494,903	469,867	94.94	12,646	2.56
2001	481,194	471,669	98.02	8,475	1.76
2000	461,863	456,994	98.95	8,545	1.85
1999	424,489	408,828	96.31	9,381	2.21
1998	407,044	405,461	99.61	12,246	3.01

Source: Auglaize County Auditor

(1) State reimbursement of rollback and homestead exemptions are included

Note: The County does not maintain delinquency information by tax year

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

Taxpayer	Type of Business	2007		
		Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Wal-Mart Stores East LP	Retail Business	\$3,387,440	1	2.42%
GAMCO Components Group LLC	Automotive Suspension Manufacturing	2,398,890	2	1.71
Schlenker Enterprises	Land Developments and Apartments	1,885,650	3	1.35
Ametek, Inc.	Plastic Compounds	1,164,360	4	0.83
DW 28 Wapakoneta LLC	Retail Business	1,097,780	5	0.78
Koneta, Inc.	Rubber Truck Accessories Manufacturing	1,081,660	6	0.77
Quaker Run Farms	Warehousing and Distribution	987,150	7	0.71
Normandy Ridge Limited	Residential Apartments	858,600	8	0.62
Miller's Textile Services, Inc.	Uniform Rentals	844,160	9	0.60
Dr. L.Y. Soo	Individual Property Owner	735,550	10	0.53
L & G Truckers	Truck Stop			
Quaker Run	Residential Apartments			
Hi Pockets, Inc.	Residential Investments			
Auglaize Investment Company	Big Bear Department Store			
JB Tool and Machine Company	Metal Stamping			
WGP Holding	Superior Tube			
Gray Fox LTD	Individual Property Owner			
Kenneth J. Steinke	Individual Property Owner			
	Total	14,441,240		10.32
	All Other Taxpayers	125,533,920		89.68
	Total Assessed Valuation	<u>\$139,975,160</u>		<u>100.00%</u>

Source: Auglaize County Auditor

1998		
<u>Real Property Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
\$1,905,690	1	2.22%
1,383,390	2	1.61
878,170	3	1.02
749,670	4	0.87
731,170	5	0.85
679,980	6	0.80
573,570	7	0.67
547,660	8	0.64
518,130	9	0.61
<u>475,200</u>	10	<u>0.56</u>
8,442,630		9.85
<u>77,234,860</u>		<u>90.15</u>
<u><u>\$85,677,490</u></u>		<u><u>100.00%</u></u>

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

Taxpayer	Type of Business	2007		
		Personal Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Superior Metal Products, Inc.	Metal Stamping	\$1,359,330	1	16.08%
Telephone Service Company	Telephone Communications	1,032,590	2	12.21
Wal-Mart Stores East LP	Retail Business	851,880	3	10.08
Koneta, Inc.	Rubber Truck Accessories Manufacturing	720,730	4	8.53
Midwest Elastomers, Inc.	Rubber Products	563,410	5	6.66
Ametek, Inc.	Plastic Compounds	530,270	6	6.27
Durez Corporation	Manufacturing	525,760	7	6.22
Miller's Textile Services, Inc.	Uniform Rentals	515,270	8	6.09
Alcan Primary Products	Aluminum Manufacturing	410,530	9	4.86
Wapakoneta Machine Company	Machine Knives	321,020	10	3.80
Ruck Brady Company	Paper Bag Manufacturing			
Mike Swaney Pontiac/Buick/GMC Trucks	Car Dealership			
Kinstle Truck & Auto Service, Inc.	Truck Dealership			
JB Tool and Machine Company	Metal Stamping			
NuTek Foods, Inc.	Cheese Processing			
American Trim Limited	Liability Company			
LRV Acquisition Corporation	Hotel Properties			
Penn Traffic Company	Retail Grocery and Department Store			
Besnier Scerma USA	Import/Export Milk Protein			
	Total	6,830,790		80.80
	All Other Taxpayers	1,623,514		19.20
	Total Assessed Valuation	\$8,454,304		100.00%

Source: Auglaize County Auditor

1998		
Personal Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
\$609,520	9	2.74%
819,570	6	3.69
621,280	8	2.79
534,900	10	2.41
2,891,810	1	13.00
2,213,320	2	9.95
1,458,020	3	6.56
1,381,510	4	6.21
855,410	5	3.85
<u>717,132</u>	7	<u>3.22</u>
12,102,472		54.42
<u>10,137,040</u>		<u>45.58</u>
<u><u>\$22,239,512</u></u>		<u><u>100.00%</u></u>

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

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Net Profits	Percentage of Taxes from Net Profits	Taxes From Individual Payments	Percentage of Taxes from Individual Payments
2007	1.00%	\$2,286,433	\$1,794,095	78.47%	\$169,089	7.40%	\$323,249	14.14%
2006	1.00	2,290,400	1,689,748	73.78	309,030	13.49	291,622	12.73
2005	1.00	2,136,920	1,726,299	80.78	139,636	6.53	270,985	12.68
2004	1.00	2,118,637	1,648,114	77.79	157,669	7.44	312,854	14.77

Source: City Records

Note: Tax years prior to 2004 not available.

City of Wapakoneta
Electric Utility Statistics
Last Ten Years

	2007	2006	2005	2004	2003
Kilowatt Hours Purchased from:					
American Electric Power	197,661,771	187,474,222	187,080,998	182,064,625	179,583,038
AMP-Ohio	4,149,000	4,122,000	4,096,736	4,172,642	4,749,257
Total Kilowatt Hours Purchased	201,810,771	191,596,222	191,177,734	186,237,267	184,332,295
Payments for Purchased Power to:					
American Electric Power	\$13,344,311	\$12,570,995	\$5,252,736	\$5,035,490	\$4,939,067
AMP-Ohio	146,348	136,101	165,854	97,896	115,651
Total Payments for Purchased Power	\$13,490,659	\$12,707,096	\$5,418,590	\$5,133,386	\$5,054,718
Kilowatt Hours Sold to Users					
Residential	50,710,462	48,981,563	51,072,037	48,335,392	47,658,779
Commercial	59,434,626	62,709,278	61,528,576	56,617,209	55,814,108
Industrial	78,444,120	70,704,980	63,297,900	65,596,500	68,457,100
Total Kilowatt Hours Sold to Users	188,589,208	182,395,821	175,898,513	170,549,101	171,929,987
Charges for Kilowatt Hours Sold to Users					
Residential	\$4,324,976	\$3,691,525	\$2,568,233	\$2,404,143	\$2,364,694
Commercial	5,510,541	4,938,547	3,158,202	2,862,108	2,817,770
Industrial	5,511,166	4,587,937	2,604,184	2,548,999	2,601,531
Total Dollar Amount of Kilowatt Hours Sold to Users	\$15,346,683	\$13,218,009	\$8,330,619	\$7,815,250	\$7,783,995

Rate

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

Source: City Records

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

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
179,215,817	169,197,813	177,338,340	169,407,160	164,244,364
<u>5,021,624</u>	<u>4,706,427</u>	<u>5,537,652</u>	<u>5,814,896</u>	<u>7,179,238</u>
<u>184,237,441</u>	<u>173,904,240</u>	<u>182,875,992</u>	<u>175,222,056</u>	<u>171,423,602</u>
\$4,977,901	\$4,744,500	\$5,000,663	\$4,845,661	\$5,306,816
<u>121,407</u>	<u>112,609</u>	<u>100,395</u>	<u>116,745</u>	<u>155,880</u>
<u>\$5,099,308</u>	<u>\$4,857,109</u>	<u>\$5,101,058</u>	<u>\$4,962,406</u>	<u>\$5,462,696</u>
49,167,864	45,955,454	43,937,445	45,558,562	42,378,075
56,865,233	57,127,766	58,086,396	60,089,223	60,078,541
<u>69,255,300</u>	<u>62,258,000</u>	<u>70,867,400</u>	<u>65,245,700</u>	<u>61,784,367</u>
<u>175,288,397</u>	<u>165,341,220</u>	<u>172,891,241</u>	<u>170,893,485</u>	<u>164,240,983</u>
\$2,442,441	\$2,309,352	\$2,202,581	\$2,285,449	\$2,178,704
2,867,954	2,896,209	2,946,545	3,049,840	3,086,543
<u>2,646,084</u>	<u>2,466,596</u>	<u>2,679,322</u>	<u>2,532,610</u>	<u>2,519,449</u>
<u>\$7,956,479</u>	<u>\$7,672,157</u>	<u>\$7,828,448</u>	<u>\$7,867,899</u>	<u>\$7,784,696</u>

City of Wapakoneta
Water Utility Statistics
Last Ten Years

Type of Customer	2007	2006	2005	2004	2003
Residential	\$931,953	\$845,137	\$803,042	\$709,519	\$707,773
Industrial	310,036	263,913	209,814	207,575	167,426
Commercial	271,697	264,331	256,465	204,331	227,810
Total Billed	\$1,513,686	\$1,373,381	\$1,269,321	\$1,121,425	\$1,103,009
Billed in Cubic Feet					
Rate in Cubic Feet:					
All Customers					
0 - 200	\$6.61	\$6.12	\$5.67	\$5.25	\$5.25
201 - 1,300	2.79	2.58	2.39	2.21	2.21
1,301 - 6,100	2.32	2.15	1.99	1.84	1.84
6,101 - 22,800	1.89	1.75	1.62	1.50	1.50
22,801 and up	1.70	1.57	1.45	1.34	1.34
Multi Residential					
0 - 200	\$6.61	\$6.12	\$5.67	\$5.25	\$5.25
Each Additional 100	2.69	2.49	2.31	2.14	2.14

Outside Rates prior to February 1, 2005, add 150%
Outside Rates after February 1, 2005, add 200%

Source: City Records

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

2002	2001	2000	1999	1998
\$754,799	\$743,662	\$609,917	\$530,869	\$512,859
156,204	159,939	118,322	75,824	94,198
246,097	228,353	198,081	172,012	146,091
<u>\$1,157,100</u>	<u>\$1,131,954</u>	<u>\$926,320</u>	<u>\$778,705</u>	<u>\$753,148</u>

\$5.25	\$5.25	\$4.50	\$3.80	\$3.80
2.21	2.21	1.81	1.49	1.49
1.84	1.84	1.44	1.12	1.12
1.50	1.50	1.10	0.78	0.78
1.34	1.34	0.94	0.62	0.62
\$5.25	\$5.25	\$4.50	\$3.80	\$3.80
2.14	2.14	1.74	1.42	1.42

City of Wapakoneta
Sewer Utility Statistics
Last Ten Years

Type of Customer	2007	2006	2005	2004	2003
Residential	\$1,045,093	\$1,013,454	\$1,016,743	\$994,203	\$974,159
Commercial	318,508	348,872	365,911	304,829	342,570
Industrial	512,977	471,939	414,251	425,951	337,538
Total Billed	\$1,876,578	\$1,834,265	\$1,796,905	\$1,724,983	\$1,654,267

Billed in Cubic Feet

Base Rate for First 200 Cubic Feet:

Residential	\$9.90	\$9.75	\$9.60	\$9.46	\$9.32
Commercial	9.90	9.75	9.60	9.46	9.32
Industrial	9.90	9.75	9.60	9.46	9.32

Additional per 100 Cubic Feet:

Residential	\$3.11	\$3.06	\$3.01	\$2.97	\$2.93
Commercial	2.89	2.85	2.81	2.77	2.73
Industrial	2.89	2.85	2.81	2.77	2.73

Outside Rates add 115%

Source: City Records

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

2002	2001	2000	1999	1998
\$854,661	\$667,021	\$641,624	\$658,871	\$557,966
318,176	231,829	273,393	297,845	237,008
285,997	233,445	236,919	210,233	326,503
<u>\$1,458,834</u>	<u>\$1,132,295</u>	<u>\$1,151,936</u>	<u>\$1,166,949</u>	<u>\$1,121,477</u>

\$7.76	\$6.21	\$6.03	\$6.03	\$5.94
7.76	6.21	6.03	6.03	5.94
7.76	6.21	6.03	6.03	5.94
\$2.44	\$1.95	\$1.89	\$1.89	\$1.86
2.28	1.82	1.76	1.76	1.73
2.28	1.82	1.76	1.76	1.73

City of Wapakoneta
Storm Sewer Utility Statistics
Last Nine Years

Type of Customer	2007	2006	2005	2004	2003	2002	2001
Residential	\$87,348	\$86,742	\$85,832	\$84,732	\$83,888	\$82,568	\$82,146
Commercial/Industrial	67,425	67,411	66,755	64,812	63,852	63,684	62,757
Total Billed	<u>\$154,773</u>	<u>\$154,153</u>	<u>\$152,587</u>	<u>\$149,544</u>	<u>\$147,740</u>	<u>\$146,252</u>	<u>\$144,903</u>

Rates:

Residential: \$2 per month

Commercial/Industrial:

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

Source: City Records

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

Information prior to 1999 not available.

<u>2000</u>	<u>1999</u>
\$81,802	\$80,926
<u>62,799</u>	<u>61,378</u>
<u><u>\$144,601</u></u>	<u><u>\$142,304</u></u>

City of Wapakoneta
Refuse Utility Statistics
Last Ten Years

Type of Customer	2007	2006	2005	2004	2003
Residential	\$342,334	\$294,849	\$291,252	\$290,097	\$289,368
Commercial/Industrial	203,805	136,612	141,192	128,449	128,209
Bag Sales (all customers)	267,579	236,150	241,800	195,500	188,450
Total	<u>\$813,718</u>	<u>\$667,611</u>	<u>\$674,244</u>	<u>\$614,046</u>	<u>\$606,027</u>
Amount Paid by City to Waste Management	<u>\$220,755</u>	<u>\$219,332</u>	<u>\$180,182</u>	<u>\$161,692</u>	<u>\$160,854</u>
Amount per Ton Paid to Waste Management	\$53.55	\$51.00	\$41.60	\$39.30	\$37.30
<u>Monthly Base Rate:</u>					
Residential Inside	\$7	\$6	\$6	\$6	\$6
Residential Outside	\$11	\$10	\$10	\$10	\$10

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

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

Source: City Records

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

2002	2001	2000	1999	1998
\$288,412	\$289,659	\$287,472	\$287,472	\$287,616
124,606	125,568	116,691	116,691	108,874
209,700	225,200	200,000	200,000	191,650
<u>\$622,718</u>	<u>\$640,427</u>	<u>\$604,163</u>	<u>\$604,163</u>	<u>\$588,140</u>
<u>\$146,767</u>	<u>\$144,449</u>	<u>\$112,203</u>	<u>\$112,203</u>	<u>\$107,685</u>
\$37.30	\$36.50	\$36.50	\$36.50	\$36.50
\$6	\$6	\$6	\$6	\$6
\$10	\$10	\$10	\$10	\$10

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

Year	Governmental Activities				Business-Type Activities		
	General Obligation Bonds	Special Assessment Bonds	Capital Loans	Police and Fire Pension	General Obligation Bonds	Mortgage Revenue Bonds	Due to Auglaize County
2007	\$1,805,581	\$0	\$31,024	\$0	\$89,300	\$9,986,450	\$13,750
2006	2,218,912	0	61,098	0	110,300	10,308,232	16,250
2005	2,627,902	0	90,251	0	130,900	3,050,543	18,750
2004	3,037,372	0	118,511	0	151,100	3,213,383	21,250
2003	3,432,764	0	145,000	0	170,600	3,367,280	23,750
2002	3,425,000	0	0	0	0	3,516,177	26,250
2001	3,705,000	0	0	0	0	3,760,000	28,750
2000	3,982,541	17,459	30,059	0	0	3,910,000	31,250
1999	4,250,083	34,917	80,955	90,155	0	4,055,000	33,750
1998	4,490,809	52,375	158,652	91,506	0	4,190,000	36,250

Source: City Records

(1) See S-37 for population and personal income. These ratios are calculated using population and personal income for the prior calendar year.

OWDA Loans	Capital Loans	Landfill Closure	Total Debt	Per Capita (1)	Percentage of Personal Income (1)
\$0	\$126,906	\$1,248,764	\$13,301,775	\$1,389	7.32%
0	57,749	1,274,332	14,046,873	1,463	7.71
0	105,765	1,294,710	7,318,821	768	4.05
0	151,762	1,315,484	8,008,862	841	4.43
0	195,789	1,342,111	8,677,294	916	4.83
0	115,913	1,380,609	8,463,949	893	4.71
943,414	53,977	1,404,221	9,895,362	1,044	5.50
943,414	56,370	1,436,123	10,407,216	1,099	5.79
943,414	56,370	1,458,248	11,002,892	1,068	8.88
943,414	104,716	1,493,596	11,561,318	1,122	9.33

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

Year	Population	Estimated Actual Value	Gross Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt Per Capita
2007	9,579	\$471,313,666	\$1,894,881	0.40%	\$197.82
2006	9,602	452,479,341	2,329,212	0.51	242.58
2005	9,531	405,372,119	2,758,802	0.68	289.46
2004	9,518	424,262,479	3,188,472	0.75	334.99
2003	9,474	424,223,493	3,603,364	0.85	380.34
2002	9,474	406,489,387	3,425,000	0.84	361.52
2001	9,474	415,145,572	3,705,000	0.89	391.07
2000	9,474	394,027,257	3,982,541	1.01	420.37
1999	10,303	340,330,320	4,250,083	1.25	412.51
1998	10,303	329,653,348	4,490,809	1.36	435.87

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

City of Wapakoneta
 Computation of Direct and Overlapping Debt for Governmental Activities
 December 31, 2007

Jurisdiction	Outstanding Debt	Percentage Applicable to City of Wapakoneta (1)	Amount Applicable to City of Wapakoneta
City of Wapakoneta			
1998 Various Purpose	\$85,000	100.00%	\$85,000
2003 Various Purpose	1,720,581	100.00	1,720,581
Capital Loans	31,024	100.00	31,024
	<u>1,836,605</u>		<u>1,836,605</u>
Wapakoneta City School District	40,625,000	50.27	20,422,188
Auglaize County	<u>78,678</u>	17.63	<u>13,871</u>
Total	<u>\$42,540,283</u>		<u>\$22,272,664</u>

Source: City Records
 Ohio Municipal Advisory Council

(1) The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

City of Wapakoneta
Computation of Legal Debt Margin
Last Ten Years

	2007	2006	2005	2004
Total Assessed Valuation	<u>\$151,729,644</u>	<u>\$151,223,339</u>	<u>\$138,142,815</u>	<u>\$142,385,384</u>
Overall Debt Limitation - 10.5 Percent of Assessed Valuation	15,931,613	15,878,451	14,504,996	14,950,465
Gross Indebtedness	13,112,930	14,313,847	14,724,416	15,082,873
Less Debt Outside Limitation				
Bond Anticipation Notes	990,000	1,450,000	8,588,400	8,257,600
General Obligation Bonds	89,300	110,300	130,900	151,100
Special Assessment Bonds	0	0	0	0
Mortgage Revenue Bonds	10,015,000	10,350,000	3,105,000	3,280,000
OWDA Loans	0	0	0	0
Capital Loans	<u>157,930</u>	<u>118,847</u>	<u>196,016</u>	<u>270,273</u>
Net Indebtedness	1,860,700	2,284,700	2,704,100	3,123,900
Less Fund Balance in Debt Service Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Debt Within 10.5 Percent Limitation	<u>1,860,700</u>	<u>2,284,700</u>	<u>2,704,100</u>	<u>3,123,900</u>
Legal Debt Margin Within 10.5 Percent Limitation	<u>\$14,070,913</u>	<u>\$13,593,751</u>	<u>\$11,800,896</u>	<u>\$11,826,565</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	88.32%	85.61%	81.36%	79.10%
Unvoted Debt Limitation - 5.5 Percent of Assessed Valuation	\$8,345,130	\$8,317,284	\$7,597,855	\$7,831,196
Gross Indebtedness	13,112,930	14,313,847	14,724,416	15,082,873
Less Debt Outside Limitation				
Bond Anticipation Notes	990,000	1,450,000	8,588,400	8,257,600
General Obligation Bonds	89,300	110,300	130,900	151,100
Special Assessment Bonds	0	0	0	0
Mortgage Revenue Bonds	10,015,000	10,350,000	3,105,000	3,280,000
OWDA Loans	0	0	0	0
Capital Loans	<u>157,930</u>	<u>118,847</u>	<u>196,016</u>	<u>270,273</u>
Net Indebtedness	1,860,700	2,284,700	2,704,100	3,123,900
Less Fund Balance in Debt Service Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Debt Within 5.5 Percent Limitation	<u>1,860,700</u>	<u>2,284,700</u>	<u>2,704,100</u>	<u>3,123,900</u>
Legal Debt Margin Within 5.5 Percent Limitation	<u>\$6,484,430</u>	<u>\$6,032,584</u>	<u>\$4,893,755</u>	<u>\$4,707,296</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	77.70%	72.53%	64.41%	60.11%

Source: City Records

2003	2002	2001	2000	1999	1998
<u>\$141,929,482</u>	<u>\$135,732,844</u>	<u>\$138,012,150</u>	<u>\$131,352,070</u>	<u>\$113,827,950</u>	<u>\$112,698,652</u>
14,902,596	14,251,949	14,491,276	13,791,967	11,951,935	11,833,358
14,762,589	9,958,036	13,323,554	12,869,843	11,561,840	10,272,573
7,276,800	2,547,941	4,730,977	3,835,860	2,072,500	275,000
170,600	0	0	0	0	0
0	0	0	17,459	34,917	64,191
3,445,000	3,605,000	3,760,000	3,910,000	4,055,000	4,190,000
0	1,123	943,414	943,414	943,414	943,414
340,789	115,913	53,977	86,429	185,671	309,159
3,529,400	3,688,059	3,835,186	4,076,681	4,270,338	4,490,809
161,129	118,215	60,695	64,024	120,707	181,796
3,368,271	3,569,844	3,774,491	4,012,657	4,149,631	4,309,013
<u>\$11,534,325</u>	<u>\$10,682,105</u>	<u>\$10,716,785</u>	<u>\$9,779,310</u>	<u>\$7,802,304</u>	<u>\$7,524,345</u>
77.40%	74.95%	73.95%	70.91%	65.28%	63.59%
\$7,806,122	\$7,465,306	\$7,590,668	\$7,224,364	\$6,260,537	\$6,198,426
14,762,589	9,958,036	13,323,554	12,869,843	11,561,840	10,272,573
7,276,800	2,547,941	4,730,977	3,835,860	2,072,500	275,000
170,600	0	0	0	0	0
0	0	0	17,459	34,917	64,191
3,445,000	3,605,000	3,760,000	3,910,000	4,055,000	4,190,000
0	1,123	943,414	943,414	943,414	943,414
340,789	115,913	53,977	86,429	185,671	309,159
3,529,400	3,688,059	3,835,186	4,076,681	4,270,338	4,490,809
161,129	118,215	60,695	64,024	120,707	181,796
3,368,271	3,569,844	3,774,491	4,012,657	4,149,631	4,309,013
<u>\$4,437,851</u>	<u>\$3,895,462</u>	<u>\$3,816,177</u>	<u>\$3,211,707</u>	<u>\$2,110,906</u>	<u>\$1,889,413</u>
56.85%	52.18%	50.27%	44.46%	33.72%	30.48%

City of Wapakoneta
Revenue Bond Coverage
Sewer Fund
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2007	\$1,961,301	\$1,176,047	\$785,254	\$335,000	\$450,788	\$785,788	1.00
2006	1,901,842	1,192,376	709,466	180,000	291,933	471,933	1.50
2005	1,864,785	963,590	901,195	175,000	155,092	330,092	2.73
2004	1,832,802	896,473	936,329	165,000	161,610	326,610	2.87
2003	1,693,997	860,093	833,904	160,000	167,770	327,770	2.54
2002	1,495,944	829,276	666,668	155,000	173,583	328,583	2.03
2001	1,217,966	659,164	558,802	150,000	179,058	329,058	1.70
2000	1,311,695	865,523	446,172	145,000	186,348	331,348	1.35
1999	1,312,885	831,324	481,561	135,000	188,600	323,600	1.49
1998	1,383,945	1,039,990	343,955	75,000	100,517	175,517	1.96

Source: City Records

- (1) Includes operating revenues and interest.
- (2) Total operating expenses exclusive of depreciation.

City of Wapakoneta
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (3)	School Enrollment (4)	Unemployment Rate Auglaize County (5)
2007	9,579	\$181,771,104	\$18,976	3,043	4.70%
2006	9,602	182,207,552	18,976	3,023	4.20
2005	9,531	180,860,256	18,976	3,163	4.20
2004	9,518	180,613,568	18,976	3,119	3.30
2003	9,474	179,778,624	18,976	3,069	5.50
2002	9,474	179,778,624	18,976	3,269	5.30
2001	9,474	179,778,624	18,976	3,285	4.60
2000	9,474	179,778,624	18,976	3,334	2.80
1999	10,303	123,955,393	12,031	3,455	2.90
1998	10,303	123,955,393	12,031	3,610	4.90

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

City of Wapakoneta
Principal Employers
Current Year and Nine Years Ago

Employer	Type of Business	2007		
		Number of Employees	Rank	Percentage of Total Employment
Auglaize County	Government	518	1	10.93%
Wapakoneta City School District	Government	310	2	6.54
Wal-Mart Stores East LP	Retail Business	240	3	5.06
American Trim, LLC	Product Design/Manufacturing	235	4	4.96
Koneta, Inc.	Rubber Truck Accessories Manufacturing	218	5	4.60
Auglaize Provico	Agricultural Commodities Supplier	168	6	3.55
General Aluminum Manufacturing Company	Aluminum Manufacturing	164	7	3.46
City of Wapakoneta	Government	130	8	2.74
Miller's Textile Services, Inc.	Uniform Rentals	125	9	2.64
Ametek, Inc.	Plastic Compounds	102	10	2.15
JB Tool and Machine Company	Metal Stamping			
Superior Metal Products, Inc.	Metal Stamping			
Nu-Tek Foods	Cheese Processing			
Penn Traffic Company	Retail Grocery and Department Store			
Amcast Industrial Corporation	Automotive Parts			
Total		2,210		46.63%
Total Employment Within the City		4,739		

Source: City Records

1998		
Number of Employees	Rank	Percentage of Total Employment
516	1	12.91%
324	2	8.10
206	5	5.15
141	6	3.53
115	10	2.88
324	3	8.10
250	4	6.25
138	7	3.45
135	8	3.38
122	9	3.05
<u>2,271</u>		<u>56.80%</u>
<u>3,998</u>		

City of Wapakoneta
 Full Time Equivalent City Government Employees by Function/Program
 Last Four Years

Function/Program	2007	2006	2005
General Government			
Mayor	1.00	1.00	1.00
Council	8.00	8.00	8.00
Clerk of Council	0.50	0.50	0.50
Auditor	1.00	1.00	1.00
Treasurer	1.00	1.00	1.00
Income Tax Administrator	1.00	1.00	1.00
Income Tax Clerk	1.00	1.00	1.00
Law Director	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Security of Persons and Property			
Police	13.00	14.00	14.00
Police - Dispatchers	5.00	5.00	5.00
Police - Auxiliary	14.00	15.00	15.00
Fire	14.00	14.00	15.00
Fire - Auxiliary	11.00	11.00	14.00
Safety Director	1.00	1.00	1.00
Public Health			
Emergency Medical Services	14.00	14.00	10.00
Leisure Time Activities			
Recreation Director	0.50	0.50	0.50
Transportation			
Public Works	10.00	10.00	10.00
Basic Utility Services			
Engineering	2.00	2.00	4.00
Utility Clerks	2.00	2.00	3.00
Electric	13.00	11.00	12.00
Water	4.00	4.00	4.00
Sewer	6.00	6.00	6.00
Refuse	6.00	7.00	7.00
Total	131.00	132.00	136.00

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

Source: City Payroll Records

Note: Information prior to 2004 not available.

2004
1.00
8.00
0.50
1.00
1.00
1.00
1.00
1.00
1.00
1.00
19.00
5.00
16.00
14.00
16.00
1.00
12.00
0.50
10.00
4.00
3.00
12.00
4.00
6.00
7.00
145.00

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

Function/Program	2007	2006	2005	2004
Security of Persons and Property-Police				
Vehicle Mileage	105,005	102,691	104,561	108,388
Number of Traffic Citations and Arrests	1,316	1,070	845	1,278
Number of Parking Tickets Issued	457	429	371	377
Dollar Amount Collected for Tickets	\$4,410	\$3,870	\$3,930	\$3,280
Security of Persons and Property-Fire				
Number of EMS Calls	966	995	926	899
Number of Fire Calls	34	40	46	57
Miscellaneous Calls	186	198	422	423
Transportation				
Number of Gallons of R-S-2 Used to Fill Potholes	2,750	2,760	2,569	4,920
Number of Pounds of Crack Sealer Used	4,928	8,928	4,630	6,120
General Government				
Income Tax				
Number of Individual Accounts	4,697	4,709	4,392	4,541
Number of Business Accounts	790	823	464	756
Number of Business Withholding Accounts	854	817	805	816
Total Receipts Collected	\$2,286,433	\$2,290,400	\$2,136,920	\$2,118,637
Amount of Interest and Penalties Charged	\$6,119	\$4,901	\$5,576	\$15,676
Amount of Interest and Penalties Collected	\$9,392	\$446	\$1,211	\$7,387
City Commission				
Number of Ordinances Passed	63	62	48	47
Number of Resolutions Passed	7	8	5	12
Electric Department				
Kilowatt Hours Used	201,810,771	191,596,222	191,177,734	186,237,267
City Cost of Power	\$13,490,659	\$12,707,096	\$5,418,590	\$5,133,386
Power Factor Average	90.90%	91.50%	93.60%	93.90%
Water Department				
Number of Wells Operating	7	7	7	7
Millions of Gallons of Finished Water	559.13	530.86	561.44	562.37
Chlorine Used (pounds)	14,497	13,074	10,349	9,403
Phosphate Used (gallons)	3,154	2,606	2,639	11,449
Salt in Tons (regenerates softening units)	2,253	1,929	2,232	2,181
Number of Gallons of Water Able to be Pumped a Day Combined	2,000,000	2,000,000	2,000,000	n/a
Daily Average Consumption (gallons)	1,530,000	1,540,000	1,540,000	1,540,000
Maximum Daily Capacity of Treatment Plant (gallons)	2,722,000	2,722,000	2,722,000	2,722,000
Sewer Department				
Number of Gallons of Sewage Treated (in millions)	1,242	1,141	1,208	1,132
Average Daily Flow (millions of gallons per day)	3.40	3.13	3.31	3.10
Maximum Daily Capacity of Treatment Plant (gallons)	6,000,000	6,000,000	8,000,000	8,000,000
Number of Tons of N-Viro Produced (fertilizer)	4,242	3,460	3,145	3,285
Refuse Department				
Number of Tons of Refuse Collected	4,169	4,326	4,346	4,129
Number of Trash Bags Sold (in cases of 250 bags)	903	998	1,058	889
Number of Tons of Recycling Collected	1,376	1,338	1,429	1,466
Number of Gallons of Used Motor Oil Collected and Recycled	4,800	4,200	3,800	4,200
Engineering				
Number of Registered Contractors	245	245	226	194
Number of Building Permits Issued	223	206	192	197

Source: City Records

2003	2002	2001	2000	1999	1998
102,354	96,139	97,946	93,293	100,494	99,789
1,068	1,228	1,135	1,044	1,129	1,112
465	465	389	428	624	492
\$4,420	\$4,280	\$3,630	\$4,050	\$5,400	\$4,800
841	789	885	824	914	803
56	54	37	59	71	46
294	271	281	240	247	296
2,186	750	1,160	2,760	1,100	5,000
n/a	n/a	n/a	13,645	11,316	n/a
4,600	4,544	4,659	4,751	4,821	4,838
681	657	665	676	699	685
764	789	820	794	799	837
\$2,004,839	\$1,970,435	\$1,962,036	\$1,969,733	\$1,902,741	\$1,788,261
\$20,887	\$22,313	\$33,012	\$33,847	\$15,535	\$90,397
\$15,611	\$18,655	\$25,927	\$27,446	\$10,794	\$75,143
72	62	56	54	52	61
13	20	14	17	15	18
184,332,295	184,237,441	173,904,240	182,875,992	175,222,056	171,423,602
\$5,054,718	\$5,099,308	\$4,857,109	\$5,101,058	\$4,962,406	\$5,462,696
94.20%	93.80%	93.90%	94.40%	94.60%	94.00%
7	7	7	7	7	7
564.50	589.20	599.20	622.80	684.90	676.00
8,948	8,246	7,174	6,804	7,220	5,849
10,571	11,346	10,979	10,139	11,256	9,856
2,047	2,257	2,163	2,187	2,293	2,154
n/a	n/a	n/a	n/a	n/a	n/a
1,500,000	1,614,000	1,641,100	1,706,300	1,876,400	1,794,000
2,722,000	2,722,000	2,722,000	2,722,000	2,722,000	2,722,000
1,267	922	945	871	829	875
3.50	2.60	2.60	2.39	2.27	1.79
4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
2,693	2,288	n/a	n/a	n/a	n/a
4,120	3,953	3,917	3,750	3,345	3,352
889	982	950	887	851	706
1,444	1,473	1,524	1,488	1,496	1,145
3,100	2,400	3,400	2,700	3,200	2,200
190	153	192	100	124	104
203	176	170	56	158	147

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

Function/Program	2007	2006	2005	2004
Security of Persons and Property-Police				
Stations	1	1	1	1
Vehicles	8	7	9	8
Security of Persons and Property-Fire				
Stations	1	1	1	1
Fire Trucks	6	6	6	6
Trailer	1	1	1	1
Vehicles	2	2	2	2
Public Health				
Vehicles	3	3	3	3
Leisure Time Activities				
Vehicles	0	0	0	1
Transportation				
Streets (miles)	46.15	46.15	45.90	45.90
Vehicles	19	18	20	19
General Government				
Vehicles	1	1	1	1
Electric				
Electric Lines (miles)	106.37	106.37	106.37	102.15
Number of Substations	8	8	8	8
Vehicles	15	12	11	11
Water				
Water Lines (miles)	59.73	59.73	59.73	59.73
Number of Treatment Plants	1	1	1	1
Vehicles	4	5	4	4
Sewer				
Sanitary Sewer Lines (miles)	47.93	47.93	47.93	47.93
Storm Sewer Lines (miles)	27.80	27.80	27.80	27.80
Number of Treatment Plants	1	1	1	1
Vehicles	4	4	4	4
Refuse				
Vehicles	4	5	4	6
Recycling				
Vehicles	3	3	3	3
Engineering				
Vehicles	3	3	3	3

Source: City Records

2003	2002	2001	2000	1999	1998
1 8	1 8	1 7	1 7	1 7	1 6
1 6 1 2	1 6 1 2	1 6 1 3	1 6 1 2	1 6 1 3	1 6 1 2
3	2	2	2	2	2
0	1	1	0	0	0
45.00 20	45.00 19	46.00 17	46.00 18	46.00 15	44.80 14
1	1	1	1	1	1
98.72 8 11	98.72 8 11	98.22 7 12	96.18 7 11	89.52 7 9	87.59 7 9
58.72 1 4	58.52 1 3	58.52 1 3	58.27 1 3	58.27 1 5	n/a n/a 5
47.05 26.27 1 4	47.05 25.83 1 3	47.05 25.50 1 4	47.05 25.40 1 4	47.05 25.40 1 4	45.88 24.52 1 4
6	6	5	6	6	5
3	3	3	3	3	2
3	3	4	4	4	4

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Mary Taylor, CPA
Auditor of State

CITY OF WAPAKONETA

AUGLAIZE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 22, 2008**