

# CITY OF WAPAKONETA, OHIO

## Comprehensive Annual Financial Report

For the Year Ended  
December 31, 2020



OHIO AUDITOR OF STATE  
KEITH FABER



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City of Wapakoneta  
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We have reviewed the *Independent Auditor's Report* of the City of Wapakoneta, Auglaize County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

September 16, 2021

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**INTRODUCTORY  
SECTION**

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# **CITY OF WAPAKONETA, OHIO**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For The Year Ended December 31, 2020

Prepared By:

City Auditor

**WILBUR WELLS**

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**CITY OF WAPAKONETA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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Director of Public Service and Safety  
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fgregg@wapakoneta.net

August 26, 2021

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 for the year ended December 31, 2020. This report was prepared according to generally accepted accounting principles (GAAP). Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City, specifically the City Auditor's Office. The City has a framework of internal controls established to ensure the accuracy of the presented data and the completeness and fairness of the presentation. Because the cost of internal controls should not exceed anticipated benefits, the controls provide reasonable assurance that the financial statements are free of any material misstatements.

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

The firm of James G. Zupka, CPA, Inc. has issued an unmodified opinion on the City of Wapakoneta's basic financial statements for the year ended December 31, 2020. The Independent Auditor's Report is located at the front of the financial section of this report.

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

## PROFILE OF THE CITY

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



701 Parlette Court

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

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

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

## **LOCAL ECONOMY**

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

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

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

The City of Wapakoneta received one of Ohio’s first “Job Ready Sites” grants in January 2007 to develop a 471-acre manufacturing site at the intersection of Interstate I-75 and U.S. 33. This site is designated as the West Central Ohio Industrial Center. The infrastructure projects included extension of sanitary sewer and 69kv electric lines to the site and construction of a railroad spur from the CSX Mainline Rail onto the site. This site is certified under the Ohio Department of Development’s certification standards. In 2012, the City completed the entire infrastructure which expands the usefulness of all the sites. This includes industrial width roadways for the industrial park making it truly shovel ready and being marketed around the world. The West Central Ohio Industrial Center has become one of Ohio’s first, and largest, certified green field manufacturing sites. In 2018, Wapakoneta welcomed Pratt Industries to the WCOIC. Pratt started production in August 2019.

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

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

## **LONG-TERM FINANCIAL PLANNING**

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

While tradeoffs are sometimes necessary, it is the goal of City Council to budget and monitor spending to all areas and not compromise the services of the City.

City Council has always transferred monies from the General Fund to the Street and Sewer Improvement capital projects fund. In 2020, the available funds were used for projects including repaving and maintenance of streets, curbs, and sidewalks. The City has always been able to maximize its available resources and grants, and to work with other communities, the County, or the schools and get things done to enhance the community.

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

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

## **RELEVANT FINANCIAL POLICIES**

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

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

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

## **MAJOR INITIATIVES**

Fourteen city streets were part of a grind and pave project in 2020. This project also included updated catch basins, storm sewers, storm manholes, and the replacement of curb and gutters. Many streets were also re-stripped with thermos plastic center lines, stop bars, and crosswalks.

The reclamite project for 2020 treated twelve streets. This project prolongs the life of the asphalt 5-7 years longer before repaving. This has become an annual project within the City.

The reconstruction of Perry Street was completed in 2020. This project consisted of replacing water, sanitary sewer and storm sewer lines, sidewalks, driveway approaches, streets lights, and repaving. The Benton Street Phase I project was also completed in 2020. It also included upgrades of the water, sanitary sewer and storm sewer lines, and electrical systems. Benton Street Phase II will be started in 2021.

Design work has started for the Water Street reconstruction project from East Benton Street to North Street. The City has identified many failures in the infrastructure and is being proactive in preparing for a total street reconstruction. Field and onsite work started in 2019. This project will impact a large number of residents. This project has been pushed back until 2021 or 2022.

ODOT awarded the City approximately \$1.8 million for the Riverscape project. This project involves utilities, asphalt, curb, gutter, a shelter house, and restrooms. This project is almost 95 percent completed.

A storm sewer review of city polices and of various subdivisions within the community has started. The City has identified areas for improvements. These projects began in 2019 and will continue in 2021.

During 2020, the engineering department issued 151 permits for commercial remodeling, new structures, residential living units, garages, residential remodeling, signage, sidewalk, demolition, swimming pools, decks, sheds, and patios. The City registered 314 contractors working within the city limits.

## **AWARDS AND ACKNOWLEDGEMENTS**

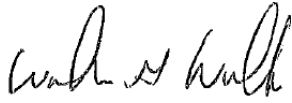
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wapakoneta for its comprehensive annual financial report for the year ended December 31, 2019. This was the thirtieth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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



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

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Wilbur Wells".

Wilbur Wells  
City Auditor



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Ohio**

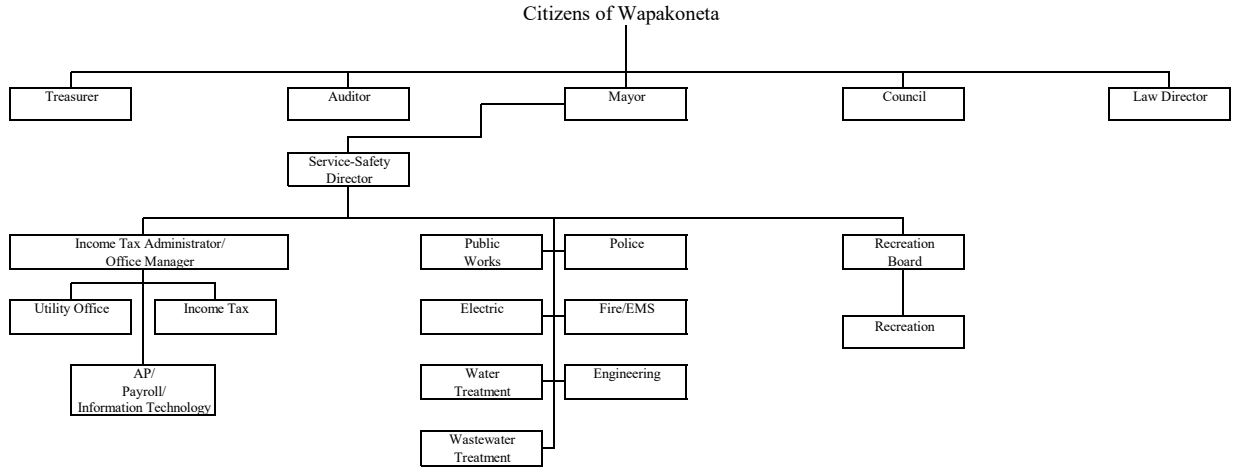
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*

Executive Director/CEO

# City of Wapakoneta Organizational Chart



**CITY OF WAPAKONETA  
LIST OF PRINCIPAL OFFICIALS**

Mayor	Thomas A. Stinebaugh
Director of Public Service and Safety	Floyd T. Gregg
Income Tax Administrator/Office Manager	Diana L. Blackburn
Police Chief	Calvin D. Schneider
Fire Chief/EMS Director	Anthony L. Stinebaugh
Recreation Director	Jack R. Hayzlett
Public Works Superintendent	William R. Thomas
Electric Superintendent	Levi J. Cecil
Water Superintendent	Brent J. Hamel
Wastewater Superintendent	Justin T. Waid
Engineering Superintendent	Mary A. Ruck
Auditor	Wilbur Wells
Treasurer	Barbara Steinke
Law Director	Grant J. Neal
President of Council	Stephen E. Henderson
Member of Council	Terry Campbell
Member of Council	Daniel Lee
Member of Council	Brandon Miller
Member of Council	Ross Kantner
Member of Council	Chad Doll
Member of Council	Chad Dunlap
Member of Council	John Sheipline
Council Clerk	Terry McDonald
Civil Service Secretary	Peter Noyes

**FINANCIAL**  
**SECTION**

**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

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Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To the Members of City Council  
City of Wapakoneta  
Wapakoneta, Ohio

The Honorable Keith Faber  
Auditor of State  
State of Ohio

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, Ohio, (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***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 as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 25 to the basic financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying

accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



James G. Zupka, CPA, Inc.  
Certified Public Accountants

August 26, 2021



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**CITY OF WAPAKONETA**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
(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, 2020. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

**HIGHLIGHTS**

Highlights for 2020 are as follows:

In total, the City's net position increased \$5,918,926, or almost 9 percent. Governmental activities had an increase in net position of \$1,871,187 (9 percent) and business-type activities had an increase in net position of \$4,047,739 (8 percent).

A review of the enterprise funds reflects an operating income for all funds (Electric, Water, Sewer, Storm Sewer, and Refuse) as well as an increase in net position. The City's electric rates are determined by contract with the electric provider and these contracts typically are on a 1-5 year cycle (rates last increase in 2019). The sewer rates are on a scheduled increase by ordinance every year so the City can anticipate increased costs without a rate study. There was also an increase in water rates in 2020. 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 position and the statement of activities provide information about the activities of the City as a whole, presenting both an aggregate and a longer-term view of the City.

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

**REPORTING THE CITY AS A WHOLE**

The statement of net position and the statement of activities reflect how the City did financially during 2020. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

**CITY OF WAPAKONETA**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
(Unaudited)

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

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

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

### **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

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

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

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

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

**CITY OF WAPAKONETA**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
(Unaudited)

The City maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and change in fund balance 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 nonmajor 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 includes required supplementary information and presents combining and individual fund statements and schedules.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Table 1 provides a summary of the City's net position for 2020 and 2019.

Table 1  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<u>Assets</u>						
Current and Other Assets	\$9,597,375	\$8,113,491	\$23,935,750	\$20,679,472	\$33,533,125	\$28,792,963
Net Pension Asset	33,451	14,772	50,180	23,113	83,631	37,885
Capital Assets, Net	24,224,673	22,523,652	76,338,463	69,363,685	100,563,136	91,887,337
Total Assets	33,855,499	30,651,915	100,324,393	90,066,270	134,179,892	120,718,185

(continued)

**CITY OF WAPAKONETA**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2020**  
**(Unaudited)**

Table 1  
Net Position  
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<u>Deferred Outflows of Resources</u>						
Pension	\$1,146,603	\$2,476,903	\$419,382	\$1,101,597	\$1,551,807	\$3,574,939
OPEB	654,507	490,715	274,648	141,916	922,691	632,631
Total Deferred Outflows of Resources	1,801,110	2,967,618	694,030	1,243,513	2,474,498	4,207,570
<u>Liabilities</u>						
Current and Other Liabilities	1,356,334	451,411	3,951,164	3,409,928	5,307,498	3,861,339
Long-Term Liabilities						
Pension	6,945,084	8,657,776	2,505,654	3,620,499	9,450,738	12,278,275
OPEB	1,926,157	1,784,582	1,729,119	1,684,440	3,655,276	3,469,022
Other Amounts	476,364	446,717	39,126,932	33,701,004	39,603,296	34,147,721
Total Liabilities	10,703,939	11,340,486	47,312,869	42,415,871	58,016,808	53,756,357
<u>Deferred Inflows of Resources</u>						
Pension	1,312,110	607,342	692,848	178,183	1,990,780	781,964
OPEB	837,411	698,749	300,009	50,771	1,130,956	749,520
Other Amounts	531,233	572,227	0	0	531,233	572,227
Total Deferred Inflows of Resources	2,680,754	1,878,318	992,857	228,954	3,652,969	2,103,711
<u>Net Position</u>						
Net Investment in Capital Assets	24,081,484	22,472,755	39,552,161	37,894,241	63,633,645	60,366,996
Restricted	1,980,171	2,187,635	0	0	1,980,171	2,187,635
Unrestricted (Deficit)	(3,789,739)	(4,259,661)	13,160,536	10,770,717	9,370,797	6,511,056
Total Net Position	\$22,271,916	\$20,400,729	\$52,712,697	\$48,664,958	\$74,984,613	\$69,065,687

The net pension liability (asset) and the net OPEB liability reported by the City at December 31, 2020, are reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". For reasons discussed below, end users of these financial statements will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability (asset), and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB

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GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension or net OPEB liability. GASB Statements No. 68 and No. 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB Statements No. 68 and No. 75 require the net pension liability (asset) and the net OPEB liability to equal the City's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

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

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

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

In accordance with GASB Statements No. 68 and No. 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability (asset) and the net OPEB liability, respectively, not accounted for as deferred outflows/inflows.

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Pension/OPEB changes noted in the above table reflect an overall decrease in deferred outflows and overall increase in deferred inflows. These changes are affected by changes in benefits, contribution rates, return on investments, and actuarial assumptions. The decrease in the net pension liability and increase in the net OPEB liability represent the City's proportionate share of the unfunded benefits.

Aside from the changes related to pension/OPEB, there were a couple of other changes of note for governmental activities. The increase in current and other assets is primarily due to an increase in cash and cash equivalents (1.4 million). This is largely due to federal resources received for COVID relief that were not spent as of year end and workers' compensation refunds received from the State. The increase in current and other liabilities is generally related to accounts payable (timing of payments) and unearned revenue (related to unspent COVID relief monies).

For business-type activities, the increase in current and other assets is due, in large part, to two sources; an increase in cash and cash equivalents and an increase in accounts receivable. The electric, water, and sewer utilities all had increases in charges for services revenue from the prior year. Both the water and sewer utilities had rate increases and all three utilities were impacted by business growth in the City (for instance, the growth at Pratt Industries and Golden Fresh Farms). The increase in accounts receivable was a combination of unreimbursed expenses incurred by the Electric Fund and from timing for monthly utility billing receipts. The increase in unrestricted net position is generally due to this increase in current and other assets. The increase in net capital assets is the result of construction being completed on a number of projects. A number of factors contributed to the increase in current and other liabilities; an increase in accounts payable (generally due to timing), an increase in contracts and retainage payable (related to ongoing construction), and an increase in accrued interest payable due to additional debt issued during the year. The increase in other long-term obligations is due to additional borrowing from the Ohio Water Development Authority for water and sewer projects (including wastewater treatment plant expansion) and the loan for electric system upgrades (including substations and other improvements).

Table 2 reflects the change in net position for 2020 and 2019.

Table 2  
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$998,892	\$983,679	\$32,184,037	\$28,171,540	\$33,182,929	\$29,155,219
Operating Grants, Contributions, and Interest	1,070,404	574,846	0	21,004	1,070,404	595,850
Capital Grants and Contributions	678,533	1,680,124	12,602	92,283	691,135	1,772,407
Total Program Revenues	<u>2,747,829</u>	<u>3,238,649</u>	<u>32,196,639</u>	<u>28,284,827</u>	<u>34,944,468</u>	<u>31,523,476</u>

(continued)

**CITY OF WAPAKONETA**  
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**For the Year Ended December 31, 2020**  
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Table 2  
Change in Net Position  
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>General Revenues</b>						
Property Taxes-General Purposes	\$412,189	\$414,453	\$0	\$0	\$412,189	\$414,453
Property Taxes-Recreation	154,760	155,585	0	0	154,760	155,585
Municipal Income Taxes-General Purposes	2,527,347	2,850,549	0	0	2,527,347	2,850,549
Municipal Income Taxes-Street Maintenance	2,338,328	1,735,770	0	0	2,338,328	1,735,770
Other Local Taxes	1,273,810	1,003,489	0	0	1,273,810	1,003,489
Grants and Entitlements	307,987	310,949	0	0	307,987	310,949
Franchise Taxes	115,848	119,507	0	0	115,848	119,507
Interest	111,895	245,341	0	22,186	111,895	267,527
Gifts and Donations	6,736	1,043	0	0	6,736	1,043
Other	445,893	54,637	284,247	330,908	730,140	385,545
<b>Total General Revenues</b>	<b>7,694,793</b>	<b>6,891,323</b>	<b>284,247</b>	<b>353,094</b>	<b>7,979,040</b>	<b>7,244,417</b>
<b>Total Revenues</b>	<b>10,442,622</b>	<b>10,129,972</b>	<b>32,480,886</b>	<b>28,637,921</b>	<b>42,923,508</b>	<b>38,767,893</b>
<b>Program Expenses</b>						
<b>Security of Persons and Property</b>						
Police	2,008,529	665,015	0	0	2,008,529	665,015
Fire	1,803,173	(242,156)	0	0	1,803,173	(242,156)
Public Health	117,029	167,146	0	0	117,029	167,146
Leisure Time Activities	517,010	577,249	0	0	517,010	577,249
Community Environment	535,934	246,454	0	0	535,934	246,454
Basic Utilities	7,217	0	0	0	7,217	0
Transportation	2,060,347	2,777,214	0	0	2,060,347	2,777,214
General Government	1,284,595	741,754	0	0	1,284,595	741,754
Interest and Fiscal Charges	4,416	0	0	0	4,416	0
Electric	0	0	21,805,527	19,704,728	21,805,527	19,704,728
Water	0	0	2,234,728	2,183,723	2,234,728	2,183,723
Sewer	0	0	3,412,292	4,025,321	3,412,292	4,025,321
Storm Sewer	0	0	160,330	217,109	160,330	217,109
Refuse	0	0	1,053,455	1,176,895	1,053,455	1,176,895
<b>Total Expenses</b>	<b>8,338,250</b>	<b>4,932,676</b>	<b>28,666,332</b>	<b>27,307,776</b>	<b>37,004,582</b>	<b>32,240,452</b>
<b>Increase in Net Position Before Transfers</b>	<b>2,104,372</b>	<b>5,197,296</b>	<b>3,814,554</b>	<b>1,330,145</b>	<b>5,918,926</b>	<b>6,527,441</b>
<b>Transfers</b>	<b>(233,185)</b>	<b>0</b>	<b>233,185</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Increase in Net Position</b>	<b>1,871,187</b>	<b>5,197,296</b>	<b>4,047,739</b>	<b>1,330,145</b>	<b>5,918,926</b>	<b>6,527,441</b>
<b>Net Position Beginning of Year</b>	<b>20,400,729</b>	<b>15,203,433</b>	<b>48,664,958</b>	<b>47,334,813</b>	<b>69,065,687</b>	<b>62,538,246</b>
<b>Net Position End of Year</b>	<b>22,271,916</b>	<b>\$20,400,729</b>	<b>52,712,697</b>	<b>\$48,664,958</b>	<b>74,984,613</b>	<b>\$69,065,687</b>



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For governmental activities, there was a 15 percent decrease in program revenues. The increase in operating grants and contributions was generally due an increase in gas taxes; the State increased the gas tax mid-2019 which provided for an increase in the distribution made to local governments and also due to COVID relief monies received in 2020. The decrease in capital grants and contributions was due to significant resources received in the prior year from Jobs Ohio, the Ohio Department of Transportation, and the Ohio Development Services Agency. The increase in general revenues was primarily due to an improvement in income tax revenues and reimbursements of workers' compensation monies from the State. The increase in expenses is primarily related to an increase in OPEB expenses (primarily for police and fire personnel). The overall increase in pension/OPEB expenses from the prior year was \$2.8 million. The increases in the community environment and general government programs were largely due to COVID related expenses.

For business-type activities, program revenues in the form of charges for services, continue to fund the operation of the City's utilities. The increase in charges for services is due to rate increases for water and sewer services as well as due to business growth in the City and indicated previously. The increase in expenses was largely found in the Electric Fund and generally related to the costs of purchased power.

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	
	2020	2019	2020	2019
Security of Persons and Property				
Police	\$2,008,529	\$665,015	\$1,965,490	\$635,248
Fire	1,803,173	(242,156)	1,696,226	(304,910)
Public Health	117,029	167,146	(435,501)	(265,384)
Leisure Time Activities	517,010	577,249	353,822	327,231
Community Environment	535,934	246,454	235,449	243,217
Basic Utilities	7,217	0	0	0
Transportation	2,060,347	2,777,214	535,171	393,428
General Government	1,284,595	741,754	1,235,348	665,197
Interest and Fiscal Charges	4,416	0	4,416	0
Total Expenses	<u>\$8,338,250</u>	<u>\$4,932,676</u>	<u>\$5,590,421</u>	<u>\$1,694,027</u>

While a substantial percentage of the revenues to provide governmental activities services are derived from the City's general revenues (primarily municipal income taxes, other local taxes, and State shared revenues), note that several of the City's programs were able to offset costs through program revenues including the public health, leisure time activities, community environment, and transportation programs. Public health expenses are primarily funded by EMS and ambulance charges received during the year. The leisure time activities program is funded from gifts and donations as well as usage fees for the swimming pool. The community environment program was offset with federal COVID resources in 2020. The transportation program receives charges for services in the form of permissive motor vehicle license monies. The transportation program also receives operating monies in the form of State levied motor vehicle license fees and gas taxes.

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**GOVERNMENTAL FUNDS FINANCIAL ANALYSIS**

The City's major governmental funds are the General Fund and the Street and Sewer Improvement capital projects fund. Resources in the General Fund have no limitations on their use while the resources of the Street and Sewer Improvement Fund are limited to infrastructure improvements.

The General Fund had a 12 percent increase in fund balance despite a modest decrease in revenues and increase in expenditures. However, the General Fund decreased the resources transferred to other funds to subsidize activities in other funds. In 2019, the amount of this transfer was \$820,000, in 2020, the amount of this transfer was \$325,000.

Fund balance decreased in the Street and Sewer Improvement capital projects fund primarily due to fewer grant resources obtained for projects and no operating subsidy from the General Fund in 2020.

**BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS**

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

The change in net position for the Electric Fund was not significant (less than 2 percent increase). The increase in charges for services revenue was largely due to business growth (including Pratt Industries and Golden Fresh Farms). The increase in expenses was primarily due to purchased power costs.

The Water Fund had a 17 percent increase in net position. There was a 43 percent increase in revenues resulting from a rate increase and business growth. Expenses were similar to the prior year.

The Sewer Fund had a 12 percent increase in net position. There was a 24 percent increase in revenues resulting from a rate increase and business growth. There was also a decrease in expenses, mostly found in materials and supplies but there was also a slight reduction in personnel costs.

The Storm Sewer utility provides the City the ability to undertake storm water separation. The EPA has mandated the separation of storm water and sanitary sewers. The increase in net position was due to a contribution of capital assets from governmental activities.

Revenues and expenses were similar to the prior year for the Refuse Fund, yet there was an increase in net position as the City was able to maintain operations within available resources.

**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, changes from the original budget to the final budget were primarily related to resources received from the sale of property that was held for resale and for workers' compensation refunds. Changes from the final budget to actual revenues were primarily due to budgeting conservatively for municipal income taxes and other local taxes.

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For expenditures, changes from the original budget to the final budget were due to short-term borrowing for land that was purchased and held for resale (purchased and sold during 2020) and anticipated COVID related costs. Changes from the final budget to actual expenditures were primarily found in budgeting conservatively for police and fire personnel costs and as well as for income tax refunds and COVID costs (general government program).

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2020, was \$24,081,484 and \$39,552,161, respectively (net of accumulated depreciation and related debt).

Governmental activities additions included new construction in progress for West Benton Street Phase 2 and Water Street, completed construction on West Benton Street Phase 1 and Perry Street, a new truck with snow plow, and a power cot system. Disposals were minimal. Business-type activities additions included electric system improvements and sewer improvements (construction in progress), a trailer, pickup truck, and backhoe. Disposals were minimal. For further information regarding the City's capital assets, refer to Note 10 to the basic financial statements.

Debt - During 2020, the City obtained a short-term loan to acquire land which was to be resold during the year. The loan was obtained and retired within 2020. Also during 2020, the City increased the loan with AMP, by \$5.7 million, for electric system improvements.

At December 31, 2020, the City had a number of long-term obligations outstanding. Business-type activities obligations included \$3,830,000 in general obligation bonds, \$21,121,357 in OWDA loans, a \$12,708,106 loan for electric improvements (above), and \$582,276 in landfill postclosure costs.

In addition to the debt outlined above, the City's long-term obligations also include capital leases, compensated absences, and the net pension/OPEB liability. For further information regarding the City's debt, refer to Notes 17, 18, 19, and 20 to the basic financial statements.

**CURRENT ISSUES**

The major projects for 2021 will be the completion of West Benton Street Phase 2 and the start of the Clover Ridge Storm Sewer Project.

The City finished the construction of the 138 to 69kv electrical substation that will provide the City with extra capacity. The City is also in the process of designing new water and wastewater treatment plants. This will give the City needed capacity for residential and industrial growth. Construction should begin in 2023 or 2024.

Other projects the City is currently working on for 2021 are the annual reclamite program and street repaving.

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**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 Wilbur Wells, Wapakoneta City Auditor, 701 Parlette Court, P.O. Box 269, Wapakoneta, Ohio 45895.

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City of Wapakoneta  
Statement of Net Position  
December 31, 2020

	Governmental Activities	Business-Type Activities*	Total *
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$6,387,464	\$15,483,461	\$21,870,925
Cash and Cash Equivalents with Fiscal Agents	0	194,323	194,323
Accounts Receivable	452,837	5,376,737	5,829,574
Due from Other Governments	584,148	479,876	1,064,024
Municipal Income Taxes Receivable	1,248,662	0	1,248,662
Other Local Taxes Receivable	9,268	109,899	119,167
Internal Balances	135,951	(135,951)	0
Prepaid Items	42,743	109,069	151,812
Materials and Supplies Inventory	38,208	2,318,336	2,356,544
Accrued Interest Receivable	5,367	0	5,367
Property Taxes Receivable	533,420	0	533,420
Notes Receivable	93,827	0	93,827
Special Assessments Receivable	65,480	0	65,480
Net Pension Asset	33,451	50,180	83,631
Nondepreciable Capital Assets	2,445,592	3,477,226	5,922,818
Depreciable Capital Assets, Net	21,779,081	72,861,237	94,640,318
<b>Total Assets</b>	<b>33,855,499</b>	<b>100,324,393</b>	<b>134,179,892</b>
<u>Deferred Outflows of Resources</u>			
Pension	1,146,603	419,382	1,551,807
OPEB	654,507	274,648	922,691
<b>Total Deferred Outflows of Resources</b>	<b>1,801,110</b>	<b>694,030</b>	<b>2,474,498</b>
<u>Liabilities</u>			
Accrued Wages Payable	175,288	112,649	287,937
Accounts Payable	467,309	346,700	814,009
Contracts Payable	70,374	2,374,139	2,444,513
Due to Other Governments	55,403	24,062	79,465
Retainage Payable	72,815	101,371	174,186
Unearned Revenue	515,145	0	515,145
Accrued Interest Payable	0	657,267	657,267
Refundable Deposits	0	334,976	334,976
Long-Term Liabilities			
Due Within One Year	137,836	1,587,209	1,725,045
Due in More Than One Year			
Net Pension Liability	6,945,084	2,505,654	9,450,738
Net OPEB Liability	1,926,157	1,729,119	3,655,276
Other Amounts	338,528	37,539,723	37,878,251
<b>Total Liabilities</b>	<b>10,703,939</b>	<b>47,312,869</b>	<b>58,016,808</b>
<u>Deferred Inflows of Resources</u>			
Property Taxes	531,233	0	531,233
Pension	1,312,110	692,848	1,990,780
OPEB	837,411	300,009	1,130,956
<b>Total Deferred Inflows of Resources</b>	<b>2,680,754</b>	<b>992,857</b>	<b>3,652,969</b>
<u>Net Position</u>			
Net Investment in Capital Assets	24,081,484	39,552,161	63,633,645
Restricted for			
Debt Service	1,160	0	1,160
Capital Projects	1,216,538	0	1,216,538
Community Environment	115,581	0	115,581
Recreation	42,464	0	42,464
Street and Highway Maintenance and Repair	222,634	0	222,634
Other Purposes	381,794	0	381,794
Unrestricted (Deficit)	(3,789,739)	13,160,536	9,370,797
<b>Total Net Position</b>	<b>\$22,271,916</b>	<b>\$52,712,697</b>	<b>\$74,984,613</b>

\* After deferred inflows and outflows related to the change in internal proportionate share of pension/OPEB related items have been eliminated.

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta  
Statement of Activities  
For the Year Ended December 31, 2020

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$2,008,529	\$38,740	\$4,299	\$0
Fire	1,803,173	63,028	43,919	0
Public Health	117,029	550,819	1,711	0
Leisure Time Activities	517,010	138,668	24,520	0
Community Environment	535,934	0	300,485	0
Basic Utility Services	7,217	0	7,217	0
Transportation	2,060,347	179,583	667,060	678,533
General Government	1,284,595	28,054	21,193	0
Interest and Fiscal Charges	4,416	0	0	0
Total Governmental Activities	8,338,250	998,892	1,070,404	678,533
<u>Business-Type Activities</u>				
Electric	21,805,527	22,008,840	0	0
Water	2,234,728	3,709,503	0	0
Sewer	3,412,292	4,847,498	0	12,602
Storm Sewer	160,330	160,070	0	0
Refuse	1,053,455	1,458,126	0	0
Total Business-Type Activities	28,666,332	32,184,037	0	12,602
Total	\$37,004,582	\$33,182,929	\$1,070,404	\$691,135

General Revenues

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

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue  
and Change in Net Position

Governmental Activities	Business-Type Activities	Total
(\$1,965,490)	\$0	(\$1,965,490)
(1,696,226)	0	(1,696,226)
435,501	0	435,501
(353,822)	0	(353,822)
(235,449)	0	(235,449)
0	0	0
(535,171)	0	(535,171)
(1,235,348)	0	(1,235,348)
(4,416)	0	(4,416)
<u>(5,590,421)</u>	<u>0</u>	<u>(5,590,421)</u>
0	203,313	203,313
0	1,474,775	1,474,775
0	1,447,808	1,447,808
0	(260)	(260)
<u>0</u>	<u>404,671</u>	<u>404,671</u>
<u>0</u>	<u>3,530,307</u>	<u>3,530,307</u>
<u>(5,590,421)</u>	<u>3,530,307</u>	<u>(2,060,114)</u>
412,189	0	412,189
154,760	0	154,760
2,527,347	0	2,527,347
2,338,328	0	2,338,328
1,199,419	0	1,199,419
74,391	0	74,391
307,987	0	307,987
115,848	0	115,848
111,895	0	111,895
6,736	0	6,736
<u>445,893</u>	<u>284,247</u>	<u>730,140</u>
7,694,793	284,247	7,979,040
<u>(233,185)</u>	<u>233,185</u>	<u>0</u>
<u>7,461,608</u>	<u>517,432</u>	<u>7,979,040</u>
1,871,187	4,047,739	5,918,926
<u>20,400,729</u>	<u>48,664,958</u>	<u>69,065,687</u>
<u>\$22,271,916</u>	<u>\$52,712,697</u>	<u>\$74,984,613</u>



City of Wapakoneta  
Balance Sheet  
Governmental Funds  
December 31, 2020

	General	Street and Sewer Improvement	Other Governmental	Total Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$4,148,296	\$829,846	\$1,352,881	\$6,331,023
Accounts Receivable	452,655	0	182	452,837
Due from Other Governments	165,205	20,656	398,287	584,148
Municipal Income Taxes Receivable	947,989	300,673	0	1,248,662
Other Local Taxes Receivable	3,259	0	6,009	9,268
Interfund Receivable	108,057	0	0	108,057
Prepaid Items	32,312	0	7,895	40,207
Materials and Supplies Inventory	18,596	0	18,182	36,778
Accrued Interest Receivable	1,150	2,539	1,678	5,367
<u>Restricted Assets</u>				
Equity in Pooled Cash and Cash Equivalents	36,841	0	0	36,841
Property Taxes Receivable	377,696	0	155,724	533,420
Notes Receivable	78,461	0	15,366	93,827
Special Assessments Receivable	0	65,480	0	65,480
<b>Total Assets</b>	<b>\$6,370,517</b>	<b>\$1,219,194</b>	<b>\$1,956,204</b>	<b>\$9,545,915</b>
<u>Liabilities</u>				
Accrued Wages Payable	\$146,084	\$0	\$20,594	\$166,678
Accounts Payable	458,857	0	7,609	466,466
Contracts Payable	13,104	57,270	0	70,374
Due to Other Governments	48,133	2,656	3,292	54,081
Retainage Payable	0	72,815	0	72,815
Unearned Revenue	0	0	515,145	515,145
Interfund Payable	5,019	0	3,333	8,352
<b>Total Liabilities</b>	<b>671,197</b>	<b>132,741</b>	<b>549,973</b>	<b>1,353,911</b>
<u>Deferred Inflows of Resources</u>				
Property Taxes	376,033	0	155,200	531,233
Unavailable Revenue	1,243,302	261,700	350,659	1,855,661
<b>Total Deferred Inflows of Resources</b>	<b>1,619,335</b>	<b>261,700</b>	<b>505,859</b>	<b>2,386,894</b>
<u>Fund Balance</u>				
Nonspendable	87,749	0	26,077	113,826
Restricted	14,566	824,753	394,040	1,233,359
Assigned	3,371,634	0	480,255	3,851,889
Unassigned	606,036	0	0	606,036
<b>Total Fund Balance</b>	<b>4,079,985</b>	<b>824,753</b>	<b>900,372</b>	<b>5,805,110</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$6,370,517</b>	<b>\$1,219,194</b>	<b>\$1,956,204</b>	<b>\$9,545,915</b>

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta  
 Reconciliation of Total Governmental Fund Balance  
 to Net Position of Governmental Activities  
 December 31, 2020

Total Governmental Fund Balance \$5,805,110

Amounts reported for governmental activities on the statement of net position 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	24,224,673	
Internal Service Fund	(31,531)	
		24,193,142

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

Accounts Receivable	406,519	
Due from Other Governments	513,182	
Municipal Income Taxes Receivable	864,279	
Accrued Interest Receivable	4,014	
Delinquent Property Taxes Receivable	2,187	
Special Assessments Receivable	65,480	
		1,855,661

An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities.

36,776

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

Compensated Absences Payable	(476,364)	
Compensated Absences Payable-Internal Service Fund	29,264	
		(447,100)

The net pension asset, net pension liability, and net OPEB liability are not due and payable in the current period, therefore, the asset, liability, and related deferred outflows/inflows are not reported in the governmental funds.

Net Pension Asset	33,451	
Net Pension Asset - Internal Service Fund	(5,020)	
Deferred Outflows - Pension	1,146,603	
Deferred Outflows - Pension - Internal Service Fund	(48,440)	
Deferred Inflows - Pension	(1,312,110)	
Deferred Inflows - Pension - Internal Service Fund	60,447	
Net Pension Liability	(6,945,084)	
Net Pension Liability - Internal Service Fund	250,565	
Deferred Outflows - OPEB	654,507	
Deferred Outflows - OPEB - Internal Service Fund	(33,356)	
Deferred Inflows - OPEB	(837,411)	
Deferred Inflows - OPEB - Internal Service Fund	26,054	
Net OPEB Liability	(1,926,157)	
Net OPEB Liability - Internal Service Fund	172,909	
		(8,763,042)

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

(408,631)

Net Position of Governmental Activities

\$22,271,916

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, 2020

	General	Street and Sewer Improvement	Other Governmental	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$413,623	\$0	\$155,402	\$569,025
Municipal Income Taxes	2,511,264	2,322,508	0	4,833,772
Other Local Taxes	1,273,810	0	148,108	1,421,918
Special Assessments	0	27,862	0	27,862
Charges for Services	644,254	0	29,751	674,005
Fees, Licenses, and Permits	134,424	0	0	134,424
Fines and Forfeitures	8,212	0	1,215	9,427
Intergovernmental	297,504	520,700	1,010,401	1,828,605
Interest	109,357	3,590	12,933	125,880
Gifts and Donations	11,717	0	9,266	20,983
Other	404,556	0	41,337	445,893
<b>Total Revenues</b>	<b>5,808,721</b>	<b>2,874,660</b>	<b>1,408,413</b>	<b>10,091,794</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,824,118	0	318	1,824,436
Fire	1,540,968	0	43,919	1,584,887
Public Health	127,336	0	711	128,047
Leisure Time Activities	232,660	0	192,147	424,807
Community Environment	128,934	0	394,605	523,539
Basic Utility Services	0	0	7,217	7,217
Transportation	0	3,054,002	1,046,896	4,100,898
General Government	1,230,237	0	21,193	1,251,430
Debt Service:				
Interest and Fiscal Charges	4,416	0	0	4,416
<b>Total Expenditures</b>	<b>5,088,669</b>	<b>3,054,002</b>	<b>1,707,006</b>	<b>9,849,677</b>
Excess of Revenues Over (Under) Expenditures	720,052	(179,342)	(298,593)	242,117
<u>Other Financing Sources (Uses)</u>				
Transfers In	45,000	0	325,000	370,000
Transfers Out	(325,000)	0	(45,000)	(370,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(280,000)</b>	<b>0</b>	<b>280,000</b>	<b>0</b>
<b>Change in Fund Balance</b>	<b>440,052</b>	<b>(179,342)</b>	<b>(18,593)</b>	<b>242,117</b>
Fund Balance Beginning of Year	3,639,933	1,004,095	918,965	5,562,993
<b>Fund Balance End of Year</b>	<b>\$4,079,985</b>	<b>\$824,753</b>	<b>\$900,372</b>	<b>\$5,805,110</b>

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, 2020

Change in Fund Balance - Total Governmental Funds \$242,117

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	3,042,519	
Depreciation	(1,236,490)	
Depreciation-Internal Service Fund	<u>1,873</u>	
		1,807,902

The cost of the capital assets is removed from the capital asset account on the statement of net position when disposed of resulting in a loss on disposal of capital assets on the statement of activities. (105,008)

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

Delinquent Property Taxes	(2,076)	
Municipal Income Taxes	31,903	
Special Assessments	(26,220)	
Charges for Services	147,742	
Fees, Licenses, and Permits	(608)	
Intergovernmental	202,487	
Interest	<u>(2,400)</u>	
		350,828

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	(29,647)	
Compensated Absences Payable-Internal Service Fund	<u>3,621</u>	
		(26,026)

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

Pension Expense	(887,059)	
Pension Expense - Internal Service Fund	48,167	
OPEB Expense	(125,924)	
OPEB Expense - Internal Service Fund	<u>24,919</u>	
		(939,897)

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

Contractually Required Contributions - Pension	583,362	
Contractually Required Contributions - Pension - Internal Service Fund	(27,043)	
Contractually Required Contributions - OPEB	9,479	
Contractually Required Contributions - OPEB - Internal Service Fund	<u>(7)</u>	
		565,791

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. (24,520)

Change in Net Position of Governmental Activities \$1,871,187

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property Taxes	\$415,000	\$676,541	\$413,623	(\$262,918)
Municipal Income Taxes	1,685,000	1,685,000	2,492,639	807,639
Other Local Taxes	785,000	785,000	1,280,783	495,783
Charges for Services	770,000	770,000	637,217	(132,783)
Fees, Licenses, and Permits	101,700	101,700	134,424	32,724
Fines and Forfeitures	15,000	15,000	7,864	(7,136)
Intergovernmental	245,700	245,700	296,324	50,624
Interest	173,400	173,400	91,922	(81,478)
Gifts and Donations	1,000	1,000	11,717	10,717
Other	65,000	2,837,659	3,196,304	358,645
<b>Total Revenues</b>	<b>4,256,800</b>	<b>7,291,000</b>	<b>8,562,817</b>	<b>1,271,817</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	2,176,820	2,176,820	1,850,232	326,588
Fire	1,827,756	1,827,756	1,532,659	295,097
Other	4,585	4,585	0	4,585
Public Health	184,888	184,889	131,863	53,026
Leisure Time Activities	265,326	334,526	232,820	101,706
Community Environment	330,200	330,200	131,454	198,746
General Government	2,092,711	5,077,711	3,631,524	1,446,187
Debt Service:				
Principal Retirement	0	3,000,000	3,000,000	0
Interest and Fiscal Charges	0	10,000	4,416	5,584
<b>Total Expenditures</b>	<b>6,882,286</b>	<b>12,946,487</b>	<b>10,514,968</b>	<b>2,431,519</b>
Excess of Revenues Under Expenditures	(2,625,486)	(5,655,487)	(1,952,151)	3,703,336
<u>Other Financing Sources (Uses)</u>				
Loans Issued	0	3,000,000	3,000,000	0
Transfers In	0	45,000	45,000	0
Transfers Out	0	(325,000)	(325,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>2,720,000</b>	<b>2,720,000</b>	<b>0</b>
<b>Change in Fund Balance</b>	<b>(2,625,486)</b>	<b>(2,935,487)</b>	<b>767,849</b>	<b>3,703,336</b>
Fund Balance Beginning of Year	3,297,926	3,297,926	3,297,926	0
Prior Year Encumbrances Appropriated	23,535	23,535	23,535	0
<b>Fund Balance End of Year</b>	<b>\$695,975</b>	<b>\$385,974</b>	<b>\$4,089,310</b>	<b>\$3,703,336</b>

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta  
Statement of Fund Net Position  
Proprietary Funds  
December 31, 2020

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
<u>Assets</u>				
<u>Current Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$9,424,616	\$1,946,159	\$1,979,661	\$574,364
Cash and Cash Equivalents with Fiscal Agents	194,323	0	0	0
Accounts Receivable	4,046,344	582,718	552,855	13,372
Due from Other Governments	0	359,631	119,064	0
Other Local Taxes Receivable	109,899	0	0	0
Interfund Receivable	85,663	41	114	17
Prepaid Items	61,955	15,070	22,936	0
Materials and Supplies Inventory	2,066,152	163,519	88,665	0
Total Current Assets	<u>15,988,952</u>	<u>3,067,138</u>	<u>2,763,295</u>	<u>587,753</u>
<u>Non-Current Assets</u>				
Restricted Assets				
Equity in Pooled Cash and Cash Equivalents	334,976	0	0	0
Net Pension Asset	21,745	8,362	12,545	0
Nondepreciable Capital Assets	477,605	2,180,584	395,223	95,713
Depreciable Capital Assets, Net	<u>24,828,930</u>	<u>17,723,544</u>	<u>25,977,445</u>	<u>3,410,422</u>
Total Non-Current Assets	<u>25,663,256</u>	<u>19,912,490</u>	<u>26,385,213</u>	<u>3,506,135</u>
Total Assets	<u>41,652,208</u>	<u>22,979,628</u>	<u>29,148,508</u>	<u>4,093,888</u>
<u>Deferred Outflows of Resources</u>				
Pension	187,370	68,240	102,382	0
OPEB	<u>129,458</u>	<u>45,787</u>	<u>68,456</u>	<u>0</u>
Total Deferred Outflows of Resources	<u>316,828</u>	<u>114,027</u>	<u>170,838</u>	<u>0</u>
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accrued Wages Payable	48,599	18,183	27,809	0
Accounts Payable	207,173	36,501	55,590	0
Contracts Payable	1,956,872	291,400	125,867	0
Due to Other Governments	10,530	2,904	7,838	0
Interfund Payable	108,280	37,098	36,274	0
Retainage Payable	101,371	0	0	0
Accrued Interest Payable	317,703	175,327	164,237	0
General Obligation Bonds Payable	0	0	715,000	0
OWDA Loans Payable	0	257,844	284,840	0
Capital Leases Payable	0	0	30,078	30,077
Compensated Absences Payable	37,582	21,184	25,115	0
Landfill Postclosure Costs Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Liabilities	<u>2,788,110</u>	<u>840,441</u>	<u>1,472,648</u>	<u>30,077</u>

Refuse	Total Enterprise Funds	Governmental Activity Internal Service Fund
\$1,223,685	\$15,148,485	\$19,600
0	194,323	0
181,448	5,376,737	0
1,181	479,876	0
0	109,899	0
51	85,886	0
9,108	109,069	2,536
0	2,318,336	1,430
1,415,473	23,822,611	23,566
0	334,976	0
7,528	50,180	5,020
328,101	3,477,226	0
920,896	72,861,237	31,531
1,256,525	76,723,619	36,551
2,671,998	100,546,230	60,117
61,415	419,407	48,440
41,195	284,896	33,356
102,610	704,303	81,796
18,058	112,649	8,610
47,436	346,700	843
0	2,374,139	0
2,790	24,062	1,322
3,409	185,061	530
0	101,371	0
0	657,267	0
0	715,000	0
0	542,684	0
103,194	163,349	0
18,172	102,053	8,363
64,123	64,123	0
257,182	5,388,458	19,668

(continued)



City of Wapakoneta  
Statement of Fund Net Position  
Proprietary Funds  
December 31, 2020  
(continued)

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
<u>Non-Current Liabilities</u>				
Refundable Deposits	\$334,976	\$0	\$0	\$0
General Obligation Bonds Payable	0	0	3,115,000	0
OWDA Loans Payable	0	10,650,773	9,927,900	0
Net Pension Liability	1,085,782	417,609	626,413	0
Net OPEB Liability	749,284	288,188	432,280	0
Capital Loan Payable	12,708,106	0	0	0
Capital Leases Payable	0	0	31,068	31,069
Compensated Absences Payable	122,487	95,373	62,399	0
Landfill Postclosure Costs Payable	0	0	0	0
<b>Total Non-Current Liabilities</b>	<b>15,000,635</b>	<b>11,451,943</b>	<b>14,195,060</b>	<b>31,069</b>
<b>Total Liabilities</b>	<b>17,788,745</b>	<b>12,292,384</b>	<b>15,667,708</b>	<b>61,146</b>
<u>Deferred Inflows of Resources</u>				
Pension	264,141	138,111	192,560	0
OPEB	116,289	63,680	87,749	0
<b>Total Deferred Inflows of Resources</b>	<b>380,430</b>	<b>201,791</b>	<b>280,309</b>	<b>0</b>
<u>Net Position</u>				
Net Investment in Capital Assets	14,220,761	8,826,362	12,161,266	3,444,989
Unrestricted (Deficit)	9,579,100	1,773,118	1,210,063	587,753
<b>Total Net Position (Deficit)</b>	<b>\$23,799,861</b>	<b>\$10,599,480</b>	<b>\$13,371,329</b>	<b>\$4,032,742</b>

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

Net position of business-type activities

See Accompanying Notes to the Basic Financial Statements

Refuse	Total Enterprise Funds	Governmental Activity Internal Service Fund
\$0	\$334,976	\$0
0	3,115,000	0
0	20,578,673	0
375,850	2,505,654	250,565
259,367	1,729,119	172,909
0	12,708,106	0
247,020	309,157	0
30,375	310,634	20,901
518,153	518,153	0
1,430,765	42,109,472	444,375
1,687,947	47,497,930	464,043
98,061	692,873	60,447
42,539	310,257	26,054
140,600	1,003,130	86,501
898,783	39,552,161	31,531
47,278	13,197,312	(440,162)
\$946,061	52,749,473	(\$408,631)
	(36,776)	
	\$52,712,697	

City of Wapakoneta  
Statement of Revenues, Expenses,  
and Change in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2020

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
<u>Operating Revenues</u>				
Charges for Services	\$21,985,762	\$3,709,503	\$4,847,498	\$160,070
Licenses and Permits	0	0	0	0
Other	177,105	38,764	23,611	0
Total Operating Revenues	<u>22,162,867</u>	<u>3,748,267</u>	<u>4,871,109</u>	<u>160,070</u>
<u>Operating Expenses</u>				
Personal Services	1,272,954	469,707	671,168	0
Contractual Services	17,710,249	356,465	536,966	35,002
Materials and Supplies	1,436,728	670,537	1,011,699	18,194
Depreciation	850,900	406,957	745,778	102,245
Other	67,930	11,686	24,251	0
Total Operating Expenses	<u>21,338,761</u>	<u>1,915,352</u>	<u>2,989,862</u>	<u>155,441</u>
Operating Income (Loss)	<u>824,106</u>	<u>1,832,915</u>	<u>1,881,247</u>	<u>4,629</u>
<u>Non-Operating Revenues (Expenses)</u>				
Other Local Taxes	23,078	0	0	0
Gain on Disposal of Capital Assets	12,967	0	0	0
Loss on Disposal of Capital Assets	0	(723)	(7,226)	0
Grants	0	0	12,602	0
Interest Expense	(466,717)	(318,629)	(414,767)	(2,974)
Total Non-Operating Revenues (Expenses)	<u>(430,672)</u>	<u>(319,352)</u>	<u>(409,391)</u>	<u>(2,974)</u>
Income (Loss) before Contributions	393,434	1,513,563	1,471,856	1,655
Capital Contributions	0	0	0	233,185
Change in Net Position	393,434	1,513,563	1,471,856	234,840
Net Position (Deficit) Beginning of Year	<u>23,406,427</u>	<u>9,085,917</u>	<u>11,899,473</u>	<u>3,797,902</u>
Net Position (Deficit) End of Year	<u>\$23,799,861</u>	<u>\$10,599,480</u>	<u>\$13,371,329</u>	<u>\$4,032,742</u>

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

Change in net position of business-type activities

See Accompanying Notes to the Basic Financial Statements

Refuse	Total Enterprise Funds	Governmental Activity Internal Service Fund
\$1,458,126	\$32,160,959	\$259,169
0	0	18,300
31,800	271,280	19,859
1,489,926	32,432,239	297,328
426,827	2,840,656	295,875
419,194	19,057,876	15,348
90,609	3,227,767	11,177
96,323	2,202,203	1,873
0	103,867	0
1,032,953	27,432,369	324,273
456,973	4,999,870	(26,945)
0	23,078	0
0	12,967	0
0	(7,949)	0
0	12,602	0
(20,502)	(1,223,589)	0
(20,502)	(1,182,891)	0
436,471	3,816,979	(26,945)
0	233,185	0
436,471	4,050,164	(26,945)
509,590		(381,686)
\$946,061		(\$408,631)
	(2,425)	
	\$4,047,739	

City of Wapakoneta  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2020

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
Increases (Decreases) in Cash and Cash Equivalents				
<u>Cash Flows from Operating Activities</u>				
Cash Received from Customers	\$21,988,394	\$3,582,883	\$4,828,181	\$160,255
Cash Received from Transactions with Other Funds	0	0	0	0
Cash Received from Utility Deposits	35,856	0	0	0
Cash Received from Other Revenues	147,567	38,764	54,982	0
Cash Payments for Personal Services	(1,093,816)	(445,420)	(647,789)	0
Cash Payments for Contractual Services	(17,689,795)	(357,155)	(720,212)	(35,002)
Cash Payments to Vendors	(1,059,206)	(615,496)	(1,077,410)	(18,194)
Cash Payments for Utility Refunds	(20,624)	0	0	0
Cash Payments for Other Expenses	(67,930)	(11,686)	(24,251)	0
Net Cash Provided by Operating Activities	2,240,446	2,191,890	2,413,501	107,059
<u>Cash Flows from Noncapital Financing Activities</u>				
Cash Received from Other Local Taxes	23,078	0	0	0
Cash Received from Advances In	37,100	0	0	0
Cash Payments for Advances Out	0	0	0	0
Cash Payments to Other Funds	0	0	0	0
Net Cash Provided by (Used for) Noncapital Financing Activities	60,178	0	0	0
<u>Cash Flows from Capital and Related Financing Activities</u>				
Principal Paid on General Obligation Bonds	0	0	(695,000)	0
Principal Paid on OWDA Loans	0	(203,740)	(276,179)	0
Principal Paid on Capital Leases	0	0	(29,118)	(29,118)
Interest Paid on General Obligation Bonds	0	0	(93,877)	0
Interest Paid on OWDA Loans	0	(287,002)	(323,393)	0
Interest Paid on Capital Loans	(324,970)	0	0	0
Interest Paid on Capital Leases	0	0	(2,974)	(2,974)
OWDA Loan Proceeds	0	948,087	0	0
Capital Loan Proceeds	5,380,987	0	0	0
Grants	0	0	60,912	0
Proceeds from the Sale of Capital Assets	12,967	0	0	0
Acquisition of Capital Assets	(5,625,849)	(1,572,105)	(1,438,168)	0
Net Cash Used for Capital and Related Financing Activities	(556,865)	(1,114,760)	(2,797,797)	(32,092)
Net Increase (Decrease) in Cash and Cash Equivalents	1,743,759	1,077,130	(384,296)	74,967
Cash and Cash Equivalents Beginning of Year	8,210,156	869,029	2,363,957	499,397
Cash and Cash Equivalents End of Year	\$9,953,915	\$1,946,159	\$1,979,661	\$574,364

		Governmental Activity
Refuse	Total Enterprise Funds	Internal Service
\$1,495,854	\$32,055,567	\$18,300
0	0	259,169
0	35,856	0
31,800	273,113	19,859
(384,688)	(2,571,713)	(248,423)
(510,318)	(19,312,482)	(15,450)
(72,175)	(2,842,481)	(11,246)
0	(20,624)	0
0	(103,867)	0
<u>560,473</u>	<u>7,513,369</u>	<u>22,209</u>
0	23,078	0
0	37,100	0
(37,100)	(37,100)	0
0	0	(2,609)
<u>(37,100)</u>	<u>23,078</u>	<u>(2,609)</u>
0	(695,000)	0
0	(479,919)	0
(98,873)	(157,109)	0
0	(93,877)	0
0	(610,395)	0
0	(324,970)	0
(20,502)	(26,450)	0
0	948,087	0
0	5,380,987	0
0	60,912	0
0	12,967	0
0	(8,636,122)	0
<u>(119,375)</u>	<u>(4,620,889)</u>	<u>0</u>
403,998	2,915,558	19,600
<u>819,687</u>	<u>12,762,226</u>	<u>0</u>
<u>\$1,223,685</u>	<u>\$15,677,784</u>	<u>\$19,600</u>

(continued)

City of Wapakoneta  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2020  
(continued)

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</u>				
Operating Income (Loss)	\$824,106	\$1,832,915	\$1,881,247	\$4,629
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities</u>				
Depreciation	850,900	406,957	745,778	102,245
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(38,485)	(126,626)	(19,330)	183
Decrease in Due from Other Governments	0	0	31,371	0
Increase in Other Local Taxes Receivable	(456)	0	0	0
Decrease in Interfund Receivable	11,579	6	13	2
(Increase) Decrease in Prepaid Items	(4,999)	53,732	13,425	0
Decrease in Materials and Supplies Inventory	14,775	4,747	4,436	0
Increase in Net Pension Asset	(3,163)	(1,217)	(1,825)	0
Increase (Decrease) in Accrued Wages Payable	8,466	2,909	2,349	0
Increase (Decrease) in Accounts Payable	135,575	(5,464)	28,685	0
Increase (Decrease) in Contracts Payable	252,139	0	(282,817)	0
Increase (Decrease) in Due to Other Governments	1,298	446	(188)	0
Increase (Decrease) in Interfund Payable	274	982	(12,541)	0
Increase in Refundable Deposits	15,232	0	0	0
Increase in Compensated Absences Payable	22,628	4,867	3,014	0
Decrease in Landfill Postclosure Costs	0	0	0	0
Decrease in Net Pension Liability	24,599	9,461	14,191	0
Decrease in Deferred Outflows - Pension	250,816	95,997	137,578	0
Decrease in Deferred Inflows - Pension	(215,728)	(106,587)	(157,780)	0
Increase in Net OPEB Liability	45,595	17,537	26,305	0
Decrease in Deferred Outflows - OPEB	122,848	42,483	61,299	0
Decrease in Deferred Inflows - OPEB	(77,553)	(41,255)	(61,709)	0
Net Cash Provided by Operating Activities	<u>\$2,240,446</u>	<u>\$2,191,890</u>	<u>\$2,413,501</u>	<u>\$107,059</u>

Non-Cash Capital Transactions

During 2020, governmental activities purchased capital assets and donated them to the Storm Sewer enterprise fund, in the amount of \$233,185.

At December 31, 2020, the Electric enterprise fund had payables related to the acquisition of capital assets, in the amount of \$227,608. In addition, a receivable was recorded, in the amount of \$690,504, for a requested and approved reimbursement on a capital loan.

At December 31, 2019, the Electric enterprise fund had a receivable, in the amount of \$401,635, for a requested and approved reimbursement on a capital loan.

At December 31, 2020, the Water and Sewer enterprise funds had payables related to the acquisition of capital assets, in the amount of \$291,400 and \$107,516, respectively. In addition, a receivable was recorded in the Water and Sewer enterprise funds, in the amount of \$359,631 and \$106,462, respectively, for a requested and approved reimbursement on OWDA projects.

At December 31, 2019, the Water and Sewer enterprise funds had payables related to the acquisition of capital assets, in the amount of \$298,326 and \$108,288, respectively. In addition, a receivable was recorded in the Water enterprise fund, in the amount of \$298,326, for a requested and approved reimbursement on an OWDA project.

Refuse	Total Enterprise Funds	Governmental Activity  Internal Service
\$456,973	\$4,999,870	(\$26,945)
96,323	2,202,203	1,873
37,230	(147,028)	0
480	31,851	0
0	(456)	0
18	11,618	0
(1,048)	61,110	(362)
0	23,958	142
(1,096)	(7,301)	(730)
3,995	17,719	(1,810)
(9,761)	149,035	(63)
0	(30,678)	0
565	2,121	(291)
(300)	(11,585)	8
0	15,232	0
3,572	34,081	3,621
(61,835)	(61,835)	0
8,516	56,767	5,677
82,197	566,588	62,928
(80,991)	(561,086)	(46,751)
15,782	105,219	10,522
38,102	264,732	30,985
(28,249)	(208,766)	(16,595)
\$560,473	\$7,513,369	\$22,209



City of Wapakoneta  
Statement of Fiduciary Net Position  
Custodial Funds  
December 31, 2020

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$115,548</u>
<u>Net Position</u>	
Restricted for Individuals, Organizations, and Other Governments	<u>\$115,548</u>

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta  
Statement of Change in Fiduciary Net Position  
Custodial Funds  
For the Year Ended December 31, 2020

<u>Additions</u>	
Amounts Received as Fiscal Agent	\$7,787
Amounts Held for Employees	<u>218,076</u>
Total Additions	<u>225,863</u>
<u>Deductions</u>	
Distributions as Fiscal Agent	6,603
Distributions on Behalf of Employees	<u>214,529</u>
Total Deductions	<u>221,132</u>
Net Increase in Fiduciary Net Position	4,731
Net Position Beginning of Year	<u>110,817</u>
Net Position End of Year	<u><u>\$115,548</u></u>
See Accompanying Notes to the Basic Financial Statements	

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

**A. The City**

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

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

**B. Reporting Entity**

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. There were no component units of the City of Wapakoneta in 2020.

The City participates in the Ohio Plan Risk Management, an insurance pool. This organization is presented in Note 23 to the basic financial statements.

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

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

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

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

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

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

**Fund Financial Statements**

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

**B. Fund Accounting**

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

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

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

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

Fiduciary Funds

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

The City's custodial funds account for funds deducted from employee's payroll for dependent, copayment, and COBRA insurance coverage and to account for monies belonging to the police auxiliary, an organization that is not part of the City of Wapakoneta.

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

Like the government-wide financial statements, the proprietary and fiduciary funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to beneficiaries of fiduciary activity is recognized when an event has occurred that compels the City to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

For proprietary funds, the statement of revenues, expenses, and change in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the City finances and meets the cash flow needs of its proprietary activities.

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

**D. Basis of Accounting**

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

**Revenues - Exchange and Nonexchange Transactions**

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

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

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

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



**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. For the City, deferred outflows of resources are reported on the government-wide and proprietary funds statement of net position for pension and OPEB and explained in Notes 14 and 15 to the basic financial statements.

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources includes property taxes, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2020, but which were levied to finance 2021 operations. This amount has been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes intergovernmental revenue including grants, municipal income taxes, accrued interest, delinquent property taxes, special assessments, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities on page 21. Deferred inflows of resources related to pension and OPEB are reported on the government-wide and proprietary funds statement of net position and explained in Notes 14 and 15 to the basic financial statements.

Expenses/Expenditures

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

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

E. Budgetary Process

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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”.

During 2020, investments included nonnegotiable and negotiable certificates of deposit and STAR Ohio. Investments are reported at fair value, except for nonnegotiable certificates of deposit which are reported at cost. STAR Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, “Certain External Investment Pools and Pool Participants”. The City measures the investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million requiring the excess amount to be transacted the following business day(s) but only to the \$100 million limit. All accounts of the participant will be combined for this purpose.

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 2020 was \$109,357, which includes \$92,073 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.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**H. Inventory**

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

**I. Restricted Assets**

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

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

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

**J. Capital Assets**

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

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

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

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Depreciation is computed using the straight-line method over the following useful lives:

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

**K. Interfund Assets/Liabilities**

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

Deferred outflows of resources and deferred inflows of resources from the change in internal proportionate share related to pension/OPEB items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column on the government-wide statement of net position.

**L. Compensated Absences**

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**M. Accrued Liabilities and Long-Term Obligations**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. The net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient to pay those benefits.

**N. Net Position**

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

**O. Fund Balance**

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

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

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

Assigned - Amounts in the assigned classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by City Council. Fund balance policy of City Council has authorized the Director of Public Service and Safety to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council has also assigned amounts to cover a gap between estimated resources and appropriations in the 2021 budget, debt retirement, and police and fire department operations.

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

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

**P. Operating Revenues and Expenses**

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

**Q. Capital Contributions**

Capital contributions arise from contributions from other funds of the City.

**R. Interfund Transactions**

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

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

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

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

**T. Estimates**

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

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES**

For 2020, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 83, "Certain Asset Retirement Obligations". GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset.

State and federal laws and regulations require the City to go through a decommissioning process if the wastewater treatment facility was to close. Through the decommissioning process, the City would be responsible for remediating any public safety issues associated with the wastewater treatment facility. The asset retirement obligation associated with the City's wastewater treatment facility cannot be estimated at this time.

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE**

**A. Accountability**

At December 31, 2020, the internal service fund had a deficit net position, in the amount of \$408,631, due to recording the net pension/OPEB liability. This amount will be paid by the pension/OPEB system in future years as individuals retire.

**B. Compliance**

For the year ended December 31, 2020, the Motor Vehicle Permissive Tax special revenue fund, and the Electric and Sewer enterprise funds had final appropriations in excess of estimated resources plus available balances, in the amount of \$10,596, \$2,803,647, and \$18,240, respectively. The City Auditor will review appropriations to ensure they are within amounts available.

The following accounts had expenditures plus encumbrances in excess of appropriations for the year ended December 31, 2020.

<u>Fund</u> <u>Program/Department/Object</u>	<u>Appropriations</u>	<u>Expenditures Plus</u> <u>Encumbrances</u>	<u>Excess</u>
General Fund			
Community Environment			
Boards and Commissions			
Contractual Services	\$103,000	\$108,533	\$5,533
General Government			
Council			
Materials and Supplies	5,700	7,134	1,434
Auglaize County			
Contractual Services	8,100	10,007	1,907
Recreation Fund			
Transfers Out	15,000	45,000	30,000

The City Auditor will monitor budgetary transactions to ensure expenditures are within amounts appropriated.

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

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



City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING** (continued)

The major differences between the budget basis and the GAAP basis are that:

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

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	\$440,052
<u>Increases (Decreases) Due To</u>	
Revenue Accruals:	
Accrued 2019, Received in Cash 2020	415,309
Accrued 2020, Not Yet Received in Cash	(436,676)
Expenditure Accruals:	
Accrued 2019, Paid in Cash 2020	(266,996)
Accrued 2020 Not Yet Paid in Cash	671,197
Cash Adjustments	
Unrecorded Activity 2019	117
Unrecorded Activity 2020	(16,402)
Prepaid Items	(4,108)
Materials and Supplies Inventory	1,492
Revolving Loans Payments	43,289
Encumbrances Outstanding at Year End (Budget Basis)	(79,425)
Budget Basis	\$767,849

**NOTE 6 - DEPOSITS AND INVESTMENTS**

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

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

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio (if training requirements have been met);
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed two hundred seventy days in an amount not to exceed 40 percent of the interim monies available for investment at any one time (if training requirements have been met).

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

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

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. Although the City's deposits were insured or collateralized as of year end and all State statutory requirements for the deposit of money had been followed, the City's financial institution's pledged collateral had a market value that was less than 105 percent of the deposits being secured as required by State statute, in the amount of \$316,223.

The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured or by participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

Investments

Investments are reported at fair value or amortized cost. As of December 31, 2020, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity
Fair Value - Level Two Inputs		
Negotiable Certificates of Deposit	\$238,116	4/11/2022
Negotiable Certificates of Deposit	513,286	4/10/2023
Net Value Per Share		
STAR Ohio	7,218,876	55.8 Days
Total Investments	\$7,970,278	

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2020. All of the City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

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

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

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

	Fair Value	Percentage of Portfolio
Negotiable Certificates of Deposit	\$751,402	9.43%

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2020, consisted of accounts (billings for user charged services, including unbilled utility services); intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; other local taxes; interfund; accrued interest; property taxes; notes; and special assessments. Income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Notes receivable, in the amount of \$38,061, will not be received within one year. Special assessments receivable, in the amount of \$46,529, will not be received within one year. At December 31, 2020, the amount of delinquent special assessments was \$701.

Notes receivable represent low interest loans for development projects granted to eligible City businesses. The notes have an annual interest rate of 2 percent to 5 percent and are to be repaid over periods ranging from six to eighteen years.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$30,616
Local Government	121,861
Cigarette Taxes	300
Auglaize County	634
Ohio Department of Transportation	11,794
Total General Fund	165,205
Street and Sewer Improvement	
Ohio Department of Transportation	20,656
Total Major Funds	185,861
Nonmajor Funds	
Street Maintenance	
Gasoline Tax	213,457
Motor Vehicle License Tax	38,214
Total Street Maintenance	251,671
State Highway	
Gasoline Tax	16,206
Motor Vehicle License Tax	3,071
Total State Highway	19,277
Motor Vehicle Permissive Tax	
Ohio Department of Transportation	125,383
Recreation	
Homestead and Rollback	1,956
Total Nonmajor Funds	398,287
Total Governmental Activities	\$584,148

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 7 - RECEIVABLES** (continued)

	Amount
Business-Type Activities	
Water	
Ohio Water Development Authority	\$359,631
Sewer	
Ohio Development Service Agency	12,602
Ohio Water Development Authority	106,462
Total Sewer	119,064
Refuse	
Auglaize County	1,181
Total Business-Type Activities	\$479,876

**NOTE 8 - MUNICIPAL INCOME TAXES**

The City levies an income tax of 1.5 percent on all income earned within the City as well as on income of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. Income tax revenues and expenditures for collecting, administering, and enforcing the tax are recorded in the General Fund and the Street and Sewer Improvement capital projects fund.

The City's income tax rate includes 1 percent authorized by State statute and levied by the City Council and an additional .5 percent levied with voter approval for street maintenance and improvements for a period of five years, expiring in 2022.

**NOTE 9 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2020 represent the collection of 2019 taxes. Real property taxes received in 2020 were levied after October 1, 2019, on the assessed values as of January 1, 2019, 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 2020 represent the collection of 2019 taxes. Public utility real and tangible personal property taxes received in 2020 became a lien on December 31, 2018, were levied after October 1, 2019, 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, 2020

**NOTE 9 - PROPERTY TAXES** (continued)

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

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of December 31, 2020, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2020 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

The full tax rate for all City operations for the year ended December 31, 2020, was \$3.75 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2020 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Agricultural/Residential	\$120,012,370
Commercial/Industrial	48,801,620
Public Utility Real	75,630
Public Utility Personal	3,261,930
Total	\$172,151,550

**NOTE 10 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$1,564,688	\$0	\$0	\$1,564,688
Construction in Progress	221,972	2,304,527	(1,645,595)	880,904
Total Nondepreciable Capital Assets	1,786,660	2,304,527	(1,645,595)	2,445,592
Depreciable Capital Assets				
Land Improvements	3,031,111	0	0	3,031,111
Buildings	3,599,947	0	0	3,599,947
Equipment	473,070	41,563	0	514,633
Vehicles	3,217,735	65,500	(74,046)	3,209,189
Streets	31,614,649	2,276,524	(315,023)	33,576,150
Total Depreciable Capital Assets	41,936,512	2,383,587	(389,069)	43,931,030

(continued)

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 10 - CAPITAL ASSETS** (continued)

	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020
<b>Governmental Activities (continued):</b>				
Less Accumulated Depreciation for				
Land Improvements	(\$1,045,964)	(\$83,606)	\$0	(\$1,129,570)
Buildings	(1,127,760)	(40,344)	0	(1,168,104)
Equipment	(366,581)	(15,394)	0	(381,975)
Vehicles	(2,189,446)	(133,468)	74,046	(2,248,868)
Streets	(16,469,769)	(963,678)	210,015	(17,223,432)
Total Accumulated Depreciation	(21,199,520)	(1,236,490)	284,061	(22,151,949)
Total Depreciable Capital Assets, Net	20,736,992	1,147,097	(105,008)	21,779,081
Governmental Activities Capital Assets, Net	\$22,523,652	\$3,451,624	(\$1,750,603)	\$24,224,673
	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020
<b>Business-Type Activities:</b>				
<b>Nondepreciable Capital Assets</b>				
Land	\$1,443,314	\$0	\$0	\$1,443,314
Construction in Progress	1,785,416	7,696,712	(7,448,216)	2,033,912
Total Nondepreciable Capital Assets	3,228,730	7,696,712	(7,448,216)	3,477,226
<b>Depreciable Capital Assets</b>				
Buildings	20,009,700	0	0	20,009,700
Equipment	1,159,965	112,118	0	1,272,083
Vehicles	4,743,459	137,906	(142,757)	4,738,608
Electric, Water, Sewer, and Storm Sewer Lines	71,022,445	8,686,410	(39,746)	79,669,109
Total Depreciable Capital Assets	96,935,569	8,936,434	(182,503)	105,689,500
Less Accumulated Depreciation for				
Buildings	(3,754,631)	(255,977)	0	(4,010,608)
Equipment	(655,582)	(50,904)	0	(706,486)
Vehicles	(2,673,586)	(214,935)	142,757	(2,745,764)
Electric, Water, Sewer, and Storm Sewer Lines	(23,716,815)	(1,680,387)	31,797	(25,365,405)
Total Accumulated Depreciation	(30,800,614)	(2,202,203)	174,554	(32,828,263)
Total Depreciable Capital Assets, Net	66,134,955	6,734,231	(7,949)	72,861,237
Business-Type Activities Capital Assets, Net	\$69,363,685	\$14,430,943	(\$7,456,165)	\$76,338,463

During 2020, the Storm Sewer enterprise fund accepted contributions of capital assets from governmental activities, in the amount of \$233,185.



City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 10 - CAPITAL ASSETS** (continued)

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$42,872
Security of Persons and Property - Fire	69,262
Public Health	30,545
Leisure Time Activities	67,103
Transportation	1,012,748
General Government	13,960
Total Depreciation Expense - Governmental Activities	\$1,236,490

**NOTE 11 - INTERFUND BALANCES**

Interfund balances at December 31, 2020, consisted of the following individual fund receivables and payables:

Due to General Fund from:

Electric	\$108,057
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Due to Electric Fund from:

General	\$5,019
Other Governmental	3,333
Water	37,098
Sewer	36,274
Refuse	3,409
Internal Service	530
Total Electric Fund	\$85,663

Due to Water Fund from:

Electric	\$41
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Due to Sewer Fund from:

Electric	\$114
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City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 11 - INTERFUND BALANCES** (continued)

Due to Storm Sewer from:

Electric	\$17
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Due to Refuse from:

Electric	\$51
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The balances due resulted from the time lag between dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All of these amounts are expected to be received within one year.

**NOTE 12 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

During 2020, the City contracted with the Ohio Plan Risk Management, an insurance pool, for the following coverage:

Type of Coverage	Coverage	Deductible
Property	\$95,045,547	\$5,000
General Liability		
Each Occurrence	7,000,000	0
Aggregate	9,000,000	0
Wrongful Acts		
Each Occurrence	7,000,000	5,000
Aggregate	9,000,000	5,000
Law Enforcement Liability		
Each Occurrence	7,000,000	5,000
Aggregate	9,000,000	5,000
Automobile Liability	7,000,000	250-500
Inland Marine	1,822,105	1,000
Electronic Data Processing	379,981	1,000

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

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

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**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, 2020:

Vendor	Contract Amount	Amount Paid as of 12/31/19	Outstanding Balance
A CH2M Hill, Inc.	\$700,000	\$655,495	\$44,505
Alum-Elec Structures, Inc.	29,613	0	29,613
Anixter, Inc.	216,954	15,660	201,294
Applied Environmental	210,107	81,916	128,191
Central Indiana Truck Equipment	19,491	0	19,491
Choice One Engineering Corp.	305,945	172,192	133,753
CMI	82,290	71,461	10,289
Crest Industries LLC	291,764	260,417	31,347
ELA Holding Corporation	26,000	0	26,000
Encompass Engineering	128,000	92,915	35,085
Hohenbrink Excavating	2,077,984	1,828,484	249,500
Jacobs Engineering Group, Inc.	28,000	14,116	13,884
Jones and Henry Engineers, LTD	17,500	5,296	12,204
Kalida Truck Equipment, Inc.	10,800	0	10,800
McWane Poles	15,444	0	15,444
Millennium Contractors, Inc.	16,644	0	16,644
Parks Drilling Company	68,500	0	68,500
Pennsylvania Transformer	2,400,754	2,160,679	240,075
Power Services	138,945	87,757	51,188
Smith Boughan, Inc.	49,500	0	49,500
Statewide Emergency Products	51,000	0	51,000
Utility Truck Equipment, Inc.	292,248	0	292,248
Vaughn Industries, Inc.	439,805	257,966	181,839

At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2021 are as follows:

General	\$79,425
Street and Sewer Improvement	309,016
Other Governmental Funds	112,772
Total	<u>\$501,213</u>

**NOTE 14 - DEFINED BENEFIT PENSION PLANS**

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

**Net Pension Liability (Asset)/Net OPEB Liability**

The net pension liability (asset) and the net OPEB liability reported on the statement of net position represent a liability to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions, between an employer and its employees, of salaries and benefits for employee services. Pensions/OPEB are provided to an employee on a deferred payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB Statements No. 68 and No. 75 assume the liability is solely the obligation of the employer because (1) they benefit from employee services and (2) State statute requires all funding to come from the employers. All pension contributions to date have come solely from the employer (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contribution to provide for OPEB benefits. In addition, health care plan enrollees pay a portion of the health care cost in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within thirty years. If the pension amortization period exceeds thirty years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

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

The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 14 - DEFINED BENEFIT PENSION PLANS** (continued)

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

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

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

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

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

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 14 - DEFINED BENEFIT PENSION PLANS** (continued)

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other groups and members hired on or after January 7, 2013
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement Traditional Plan Formula:</b>	<b>Public Safety and Law Enforcement Traditional Plan Formula:</b>	<b>Public Safety and Law Enforcement Traditional Plan Formula:</b>
2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years

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

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

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

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 14 - DEFINED BENEFIT PENSION PLANS** (continued)

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

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

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

	State and Local	Public Safety	Law Enforcement
<b>2020 Statutory Maximum Contribution Rates</b>			
Employer	14.0%	18.1%	18.1%
Employee *	10.0 %	**	***
<b>2020 Actual Contribution Rates</b>			
Employer			
Pension ****	14.0 %	18.1 %	18.1 %
Postemployment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Total Employee	10.0 %	12.0 %	13.0 %

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

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

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

\*\*\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contribution rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

**NOTE 14 - DEFINED BENEFIT PENSION PLANS** (continued)

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

For 2020, the City's contractually required contribution was \$426,915 for the traditional plan, \$23,795 for the combined plan, and \$307 for the member-directed plan. Of these amounts, \$21,579 is reported as an intergovernmental payable for the traditional plan, \$1,202 for the combined plan, and \$16 for the member-directed plan.

**Plan Description - Ohio Police and Fire Pension Fund (OPF)**

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

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

For members hired after July 1, 2013, the minimum retirement age is fifty-two for normal service retirement with at least twenty-five years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is forty-eight for normal service retirement with at least twenty-five years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first twenty years of service credit, 2 percent for each of the next five years of service credit, and 1.5 percent for each year of service credit in excess of twenty-five years. The maximum pension of 72 percent of the allowable average annual salary is paid after thirty-three years of service credit. (See the OPF Comprehensive Annual Financial Report referenced above for additional information including requirements for deferred retirement option plan provisions and reduced and unreduced benefits.)

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



City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 14 - DEFINED BENEFIT PENSION PLANS** (continued)

Members retiring under normal service retirement, with less than fifteen years of service credit on July 1, 2013, will receive a COLA equal to either 3 percent or the percentage increase, if any, in the Consumer Price Index over the twelve month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least fifteen years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

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

	Police	Firefighters
<b>2020 Statutory Maximum Contribution Rates</b>		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
 <b>2020 Actual Contribution Rates</b>		
Employer		
Pension	19.00 %	23.50 %
Postemployment Health Care Benefits	.50	.50
Total Employer	19.50 %	24.00 %
Total Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution was \$403,079 for 2020. Of this amount, \$39,961 is reported as an intergovernmental payable.

**Pension Liability (Asset) , Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension**

The net pension liability (asset) for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 14 - DEFINED BENEFIT PENSION PLANS** (continued)

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

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
Proportion of the Net Pension Liability/Asset				
Current Measurement Date	0.02112800%	0.04010600%	0.07829910%	
Prior Measurement Date	0.02167100%	0.03388000%	0.07770800%	
Change in Proportionate Share	<u>0.00054300%</u>	<u>0.00622600%</u>	<u>0.00059110%</u>	
Proportionate Share				
Net Pension Liability	\$4,176,093	\$0	\$5,274,645	\$9,450,738
Net Pension Asset	\$0	\$83,631	\$0	\$83,631
Pension Expense	\$566,340	\$7,036	\$639,078	\$1,212,454

Pension expense for the member-directed defined contribution plan was \$307 for 2020. The aggregate pension expense for all pension plans was \$1,212,761 for 2020.

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources.

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
<b>Deferred Outflows of Resources</b>				
Difference Between Expected and Actual Experience	\$0	\$0	\$199,662	\$199,662
Changes of Assumptions	223,053	8,623	129,478	361,154
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	0	0	137,202	137,202
City Contributions Subsequent to the Measurement Date	426,915	23,795	403,079	853,789
Total Deferred Outflows of Resources	<u>\$649,968</u>	<u>\$32,418</u>	<u>\$869,421</u>	<u>\$1,551,807</u>
<b>Deferred Inflows of Resources</b>				
Difference Between Expected and Actual Experience	\$52,800	\$19,634	\$272,035	\$344,469
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	833,037	10,847	254,808	1,098,692
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	155,603	17,648	374,368	547,619
Total Deferred Inflows of Resources	<u>\$1,041,440</u>	<u>\$48,129</u>	<u>\$901,211</u>	<u>\$1,990,780</u>

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 14 - DEFINED BENEFIT PENSION PLANS** (continued)

\$853,789 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase in the net pension asset in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

Year Ending December 31,	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
2021	(\$227,526)	(\$7,723)	(\$90,395)	(\$325,644)
2022	(294,586)	(7,518)	(76,428)	(378,532)
2023	34,497	(4,495)	1,863	31,865
2024	(330,772)	(8,467)	(249,361)	(588,600)
2025	0	(3,528)	(20,548)	(24,076)
Thereafter	0	(7,775)	0	(7,775)
<b>Total</b>	<b>(\$818,387)</b>	<b>(\$39,506)</b>	<b>(\$434,869)</b>	<b>(\$1,292,762)</b>

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with GASB Statement No. 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre-January 7, 2013	3 percent simple	3 percent simple
Post-January 7, 2013	1.4 percent simple through 2020, then 2.15 percent simple	1.4 percent simple through 2020, then 2.15 percent simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	individual entry age	individual entry age

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013, retirees changing it from 3 percent simple through 2018 then 2.15 percent simple to 1.4 percent simple through 2020 then 2.15 percent simple.

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**NOTE 14 - DEFINED BENEFIT PENSION PLANS** (continued)

Preretirement mortality rates were based on the RP-2014 Employees Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees were based on the RP-2014 Disabled Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year were determined by applying the MP-2015 Mortality Improvement Scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

During 2019, OPERS managed investments in three investment portfolios; the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the traditional plan, the defined benefit component of the combined plan, and the annuitized accounts of the member-directed plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2 percent for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. Each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, is summarized in the following table.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other Investments	13.00	4.98
Total	<u>100.00 %</u>	

City of Wapakoneta  
Notes to the Basic Financial Statements  
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**NOTE 14 - DEFINED BENEFIT PENSION PLANS** (continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.2 percent for the traditional and the combined plans. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for all three plans was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.2 percent) or one percentage point higher (8.2 percent) than the current rate.

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
City's Proportionate Share of the Net Pension Liability (Asset)			
OPERS Traditional Plan	\$6,887,728	\$4,176,093	\$1,738,412
OPERS Combined Plan	(\$50,534)	(\$83,631)	(\$107,484)

**Actuarial Assumptions - OPF**

OPF's total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67 as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modification as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI based COLA, investment returns, salary increases, and payroll growth.

City of Wapakoneta  
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**NOTE 14 - DEFINED BENEFIT PENSION PLANS** (continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2019, are presented below.

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	entry age normal
Investment Rate of Return	8 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum compounded annually consisting of an inflation rate of 2.75 percent plus productivity increase rate of .5 percent
Cost of Living Adjustments	3 percent simple; 2.2 percent simple for increases based on lesser of the increase in CPI and 3 percent

Mortality for nondisabled participants was based on the RP-2014 Total Employee and Healthy Annuitant Mortality Table rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries were adjusted by 120 percent.

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

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

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

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

City of Wapakoneta  
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**NOTE 14 - DEFINED BENEFIT PENSION PLANS** (continued)

The long-term expected rate of return on pension plan investments was determined using a building block approach and assumes a time horizon as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2019, are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equities	16.00	5.40
Non-U.S. Equities	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income*	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

Note: assumptions are geometric

\* levered 2x

OPF's Board of Trustees has incorporated the risk parity concept into OPF's asset liability valuation with the goal of reducing equity risk exposure which reduces overall total portfolio risk without sacrificing return and creating a more risk balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the total portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total pension liability was calculated using the discount rate of 8 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

City of Wapakoneta  
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**NOTE 14 - DEFINED BENEFIT PENSION PLANS** (continued)

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate and, to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 8 percent as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7 percent) or one percentage point higher (9 percent) than the current rate.

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City’s Proportionate Share of the Net Pension Liability	\$7,310,475	\$5,274,645	\$3,571,876

**NOTE 15 - POSTEMPLOYMENT BENEFITS**

See Note 14 for a description of the net OPEB liability.

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

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

OPERS maintains a cost-sharing multiple-employer defined benefit postemployment health care trust which funds multiple health care plans including medical coverage, prescription drug coverage, and deposits to a health reimbursement arrangement to qualifying benefit recipients of both the traditional and combined pension plans. This trust is also used to fund health care for member-directed plan participants in the form of a retiree medical account (RMA). At retirement or separation, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional and combined pension plans must have twenty or more years of qualifying Ohio service credit and a minimum age of sixty or generally thirty years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB) as described in GASB Statement No. 75. (See the OPERS Comprehensive Annual Financial Report referenced below for additional information.)

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



**NOTE 15 - POSTEMPLOYMENT BENEFITS** (continued)

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed 14 percent of earnable salary and public safety and law enforcement employers contributed 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund the health care plans. For 2020, OPERS did not allocate any employer contributions to health care for members in the traditional and combined plans.

The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants of the member-directed plan was 4 percent for 2020.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$123 for 2020. Of this amount, \$6 is reported as an intergovernmental payable.

**Plan Description - Ohio Police and Fire Pension Fund (OPF)**

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

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

**NOTE 15 - POSTEMPLOYMENT BENEFITS** (continued)

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contribution for retiree health care benefits. For 2020, the portion of the employer contribution allocated to health care was .5 percent of covered payroll. The amount of the employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OPF was \$9,429 for 2020. Of this amount, \$933 is reported as an intergovernmental payable.

**OPEB Liability, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**

The net OPEB liability and the total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OPF's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

City of Wapakoneta  
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**NOTE 15 - POSTEMPLOYMENT BENEFITS** (continued)

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

	OPERS	OPF	Total
Proportion of the Net OPEB Liability			
Current Measurement Date	0.02086400%	0.07829910%	
Prior Measurement Date	0.02118000%	0.07770800%	
Change in Proportionate Share	<u>0.00031600%</u>	<u>0.00059110%</u>	
Proportionate Share of the Net OPEB Liability	\$2,881,859	\$773,417	\$3,655,276
OPEB Expense	\$284,963	\$2,219	\$287,182

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	OPERS	OPF	Total
<b>Deferred Outflows of Resources</b>			
Difference Between Expected and Actual Experience	\$77	\$0	\$77
Changes of Assumptions	456,168	452,170	908,338
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	1,348	3,376	4,724
City Contributions Subsequent to the Measurement Date	123	9,429	9,552
Total Deferred Outflows of Resources	<u>\$457,716</u>	<u>\$464,975</u>	<u>\$922,691</u>
<b>Deferred Inflows of Resources</b>			
Difference Between Expected and Actual Experience	\$263,560	\$83,174	\$346,734
Changes of Assumptions	0	164,827	164,827
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	146,744	35,590	182,334
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	62,354	374,707	437,061
Total Deferred Inflows of Resources	<u>\$472,658</u>	<u>\$658,298</u>	<u>\$1,130,956</u>

City of Wapakoneta  
Notes to the Basic Financial Statements  
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**NOTE 15 - POSTEMPLOYMENT BENEFITS** (continued)

\$9,552 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows.

Year Ending December 31,	OPERS	OPF	Total
2021	\$23,800	(\$46,417)	(\$22,617)
2022	23,726	(46,417)	(22,691)
2023	114	(39,117)	(39,003)
2024	(62,705)	(50,627)	(113,332)
2025	0	(36,568)	(36,568)
Thereafter	0	16,394	16,394
Total	(\$15,065)	(\$202,752)	(\$217,817)

**Actuarial Assumptions - OPERS**

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74.

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate	
Current Measurement Date	3.16 percent
Prior Measurement Date	3.96 percent
Investment Rate of Return	6 percent
Municipal Bond Rate	
Current Measurement Date	2.75 percent
Prior Measurement Date	3.31 percent
Health Care Cost Trend Rate	
Current Measurement Date	10.5 percent initial 3.5 percent ultimate in 2030
Prior Measurement Date	7.25 percent initial 3.25 percent ultimate in 2029
Actuarial Cost Method	individual entry age

City of Wapakoneta  
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**NOTE 15 - POSTEMPLOYMENT BENEFITS** (continued)

Preretirement mortality rates were based on the RP-2014 Employees Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees were based on the RP-2014 Disabled Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year were determined by applying the MP-2015 Mortality Improvement Scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Health Care portfolio includes assets for health care expenses for the traditional plan, the combined plan, and the member-directed plan eligible members. Within the Health Care portfolio, if any contributions are made into the plan, contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made and health care related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage adjusted for inflation. Each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2019, is summarized in the following table.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other Investments	14.00	4.90
Total	100.00 %	

City of Wapakoneta  
Notes to the Basic Financial Statements  
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**NOTE 15 - POSTEMPLOYMENT BENEFITS** (continued)

Discount Rate - A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of twenty year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the expected rate of return on the health care investment portfolio of 6 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through 2034 and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.16 percent) or one percentage point higher (4.16 percent) than the current rate.

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
City's Proportionate Share of the Net OPEB Liability	\$3,771,377	\$2,881,859	\$2,169,647

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using assumed trend rates and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1 percent lower or 1 percent higher than the current rate.

Retiree health care valuations use a health care cost trend assumption that changes over several years built into the assumption. The near term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not too distant future, the health plan cost trend will decrease to a level at or near wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate assumed to be 3.5 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$2,796,819	\$2,881,859	\$2,965,818

**NOTE 15 - POSTEMPLOYMENT BENEFITS** (continued)

**Changes Between the Measurement Date and the Reporting Date**

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in an effort to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees as well as replacing OPERS sponsored medical plans for pre-Medicare retirees with monthly allowances similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

**Actuarial Assumptions - OPF**

OPF's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled forward using generally accepted actuarial procedures. The total OPEB liability is determined by OPF's actuaries in accordance with GASB Statement No. 74 as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modification as actual results are compared with past expectations and new estimates are made about the future.

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

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

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**NOTE 15 - POSTEMPLOYMENT BENEFITS** (continued)

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

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	entry age normal
Investment Rate of Return	8 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Single Discount Rate	
Current Measurement Date	3.56 percent
Prior Measurement Date	4.66 percent
Cost of Living Adjustments	3 percent simple; 2.2 percent simple for increases based on lesser of the increase in CPI and 3 percent

Mortality for nondisabled participants was based on the RP-2014 Total Employee and Healthy Annuitant Mortality Table rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries were adjusted by 120 percent.

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

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

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

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

The OPF health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 14.



City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 15 - POSTEMPLOYMENT BENEFITS** (continued)

Discount Rate - For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, the plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019, and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation Twenty Year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to all projected costs through 2034 and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate and, to illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 3.56 percent as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent) or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
City's Proportionate Share of the Net OPEB Liability	\$958,988	\$773,417	\$619,221

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

**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 one to two weeks of vacation to be carried forward to the following year. Employees are paid for 100 percent of earned unused vacation leave upon termination.

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 16 - COMPENSATED ABSENCES** (continued)

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

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

Firefighters are paid for one-half of their earned unused sick leave up to a maximum of six hundred sixty accrued sick hours (eighty two and one-half days total maximum payment) with fifteen or more years of service. Firefighters with less than fifteen years of service are paid for one-fourth of their earned unused sick leave up to a maximum of four hundred eighty accrued sick hours (sixty days total maximum payment).

**NOTE 17 - SHORT-TERM OBLIGATIONS**

On July 10, 2020, the City obtained a loan, in the amount of \$3,000,000, for the purchase of land to be held for resale. The loan had an interest rate of 1.99 percent and was to mature on September 10, 2020. The City paid the loan in full with the proceeds of the land sale.

**NOTE 18 - LONG-TERM OBLIGATIONS**

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

	Original Issue Date	Interest Rate	Original Issue Amount
General Obligation Bonds			
Sewer System Refunding	2019	2.08%	\$4,570,000
Sewer System	2019	2.08	655,000
Ohio Water Development Authority Loans			
WTP Design/New Water Treatment Plant	2009	5.25	7,282,354
Well Field and Raw Waterline Improvement	2009	3.7	1,479,259
WTP Iron Filter Expansion	2018	3.27	2,190,669
WTP Lime Softening Project	2019	1.68 - 3.6	2,450,397
Long-Term Control Plan Design	2013	2.84	7,280,043
South Inceptor Improvements	2013	3.62	4,322,727
WWTP Expansion	2021	0	5,970,645

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 18 - LONG-TERM OBLIGATIONS** (continued)

The City's long-term obligations activity for the year ended December 31, 2020, was as follows:

	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020	Due Within One Year
<u>Governmental Activities</u>					
Net Pension Liability					
Ohio Public Employees Retirement System	\$2,314,749	\$0	\$644,310	\$1,670,439	\$0
Ohio Police and Fire	6,343,027	0	1,068,382	5,274,645	0
Total Net Pension Liability	<u>8,657,776</u>	<u>0</u>	<u>1,712,692</u>	<u>6,945,084</u>	<u>0</u>
Net OPEB Liability					
Ohio Public Employees Retirement System	1,076,932	75,808	0	1,152,740	0
Ohio Police and Fire	707,650	65,767	0	773,417	0
Total Net OPEB Liability	<u>1,784,582</u>	<u>141,575</u>	<u>0</u>	<u>1,926,157</u>	<u>0</u>
Compensated Absences Payable	446,717	29,647	0	476,364	137,836
Total Governmental Activities	<u>\$10,889,075</u>	<u>\$171,222</u>	<u>\$1,712,692</u>	<u>\$9,347,605</u>	<u>\$137,836</u>

	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020	Due Within One Year
<u>Business-Type Activities</u>					
General Obligation Bonds from Direct Placement					
2019 Sewer System Refunding Bonds	\$3,950,000	\$0	\$620,000	\$3,330,000	\$635,000
2019 Sewer System Bonds	575,000	0	75,000	500,000	80,000
Total General Obligation Bonds	<u>4,525,000</u>	<u>0</u>	<u>695,000</u>	<u>3,830,000</u>	<u>715,000</u>
Other Long-Term Obligations					
OWDA Loans from Direct Borrowings					
Water	10,102,965	1,009,392	203,740	10,908,617	257,844
Sewer	10,382,457	106,462	276,179	10,212,740	284,840
Net Pension Liability					
Ohio Public Employees Retirement System	3,620,499	0	1,114,845	2,505,654	0
Net OPEB Liability					
Ohio Public Employees Retirement System	1,684,440	69,785	25,106	1,729,119	0

(continued)

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 18 - LONG-TERM OBLIGATIONS** (continued)

	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020	Due Within One Year
<u>Business-Type Activities</u>					
Other Long-Term Obligations (continued)					
Capital Loans Payable from Direct Borrowings	\$7,038,250	\$5,669,856	\$0	\$12,708,106	\$0
Capital Leases Payable	629,615	0	157,109	472,506	163,349
Compensated Absences Payable	378,606	34,081	0	412,687	102,053
Landfill Postclosure Costs	644,111	0	61,835	582,276	64,123
Total Other Long-Term Obligations	<u>34,480,943</u>	<u>6,889,576</u>	<u>1,838,814</u>	<u>39,531,705</u>	<u>872,209</u>
Total Business-Type Activities	<u>\$39,005,943</u>	<u>\$6,889,576</u>	<u>\$2,533,814</u>	<u>\$43,361,705</u>	<u>\$1,587,209</u>

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

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

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

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

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

Year	Amount
2021	\$715,000
2022	730,000
2023	745,000
2024	765,000
2025	785,000

**NOTE 18 - LONG-TERM OBLIGATIONS** (continued)

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

OWDA Loans - OWDA loans from direct borrowings consist of money owed to the Ohio Water Development Authority for a new water treatment plant, a wellfield and raw water line improvements, a water treatment plant iron filter expansion project, a water treatment lime softening project, a long-term control plan design, south inceptor improvements, and wastewater treatment plant extension. OWDA loans will be paid from the Water and Sewer enterprise funds. Of the total loan amount, \$122,251 was not capitalized in the Water enterprise fund.

The OWDA loans will be paid from the gross revenues of the Water and Sewer enterprise funds after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments on the loans are expected to require less than 100 percent of these net revenues in future years. Principal and interest paid on the loans during 2020 was \$490,742 from the Water enterprise fund and \$599,572 from the Sewer enterprise fund. Total net revenues for the Water and Sewer enterprise funds were \$2,239,872 and \$2,627,025 respectively. The OWDA loans are payable through 2050 from the Water enterprise fund and through 2045 from the Sewer enterprise fund.

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

Capital Loans Payable - In 2018, the City obtained a loan from a direct borrowing from American Municipal Power, Inc., in an amount up to \$12,000,000, for electric system upgrades, a new 138kw/69kw substation, a new dual 25MVA substation, and other related improvements. During 2019, the loan was increased to an amount up to \$17,000,000. Of the total loan amount, \$1,849,940 was not capitalized in the Electric enterprise fund. The loan will be retired with net revenues from the Electric enterprise fund. For 2020, total net revenues for the Electric enterprise fund was \$1,675,006.

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

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

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

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 18 - LONG-TERM OBLIGATIONS** (continued)

The City's estimated share of the impaired costs at March 31, 2014, was \$860,980. The City received a credit of \$283,700 related to its participation in the AMP Fremont Energy Center (AFEC) project and another credit of \$226,124 related to the AMPGS costs deemed to have future benefit for the project participants leaving a net impaired cost estimate of \$351,156. The City had reported a liability of \$541,378 for its estimated share of the impaired costs at December 31, 2012, which the City paid during 2013. Since 2013, the City has paid an additional \$4,275 in various costs and received \$8,376 in credits. As a result of the payment in excess of the final impaired cost estimate plus additional charges and credits, the City is reporting Cash and Cash Equivalents with Fiscal Agent on the statement of net position in the Electric enterprise fund for the amount still being held on account with AMP. This amount was \$194,323 at December 31, 2020.

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

The City's legal debt margin was \$18,075,913 at December 31, 2020.

The water treatment lime softening project and wastewater treatment plant expansion project funded by OWDA loans, and the electric system upgrade funded by a capital loan have not been completed. An amortization schedule for the repayment of the loans will not be available until the projects are completed and, therefore, are not included in the following schedule.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2020, from the enterprise funds were as follows:

Year	From Direct Placement		From Direct Borrowings	
	General Obligation		OWDA Loans	
	Principal	Interest	Principal	Interest
2021	\$715,000	\$79,664	\$542,684	\$664,879
2022	730,000	64,792	563,818	645,954
2023	745,000	49,608	585,829	626,263
2024	765,000	34,112	608,761	605,778
2025	785,000	18,200	632,652	584,464
2026 to 2030	90,000	1,872	3,558,361	2,570,939
2031 to 2035	0	0	4,326,824	1,890,872
2036 to 2040	0	0	5,274,685	1,057,556
2041 to 2045	0	0	2,786,321	306,443
2046 to 2050	0	0	527,210	48,562
Total	<u>\$3,830,000</u>	<u>\$248,248</u>	<u>\$19,407,145</u>	<u>\$9,001,710</u>

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 19 - CAPITAL LEASES - LESSEE DISCLOSURE**

The City has entered into capitalized leases for equipment and vehicles. Principal payments in 2020 were \$29,118, \$29,118, and \$98,873 in the Sewer, Storm Sewer, and Refuse enterprise funds, respectively.

	Business-Type Activities
Equipment	\$71,170
Vehicles	942,798
Less Accumulated Depreciation	(272,694)
Total	\$741,274

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2020.

Year	Business-Type Activities	
	Principal	Interest
2021	\$163,349	\$20,210
2022	137,772	13,714
2023	79,254	8,048
2024	45,025	4,257
2025	47,106	2,176
Total	\$472,506	\$48,405

**NOTE 20 - 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 \$582,276 reported as landfill postclosure costs at December 31, 2020, represents the costs of maintenance and monitoring through 2028. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. A fee of \$3 and \$1.50 per month was imposed on commercial and residential refuse users, respectively, to finance the postclosure costs, which generates approximately \$155,000 annually.

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

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 21 - INTERNAL BALANCES AND TRANSFERS**

The City uses an internal proportionate share to allocate its net pension/OPEB liability (asset) and corresponding deferred outflows/inflows of resources and pension/OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension/OPEB deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the government-wide statement of net position thus allowing the total column to present the change in proportionate share for the City as a whole.

Eliminations made in the business-type activities column related to pension and OPEB include deferred outflows of resources and deferred inflows of resources, in the amount of \$25 and \$10,248, respectively.

Eliminations made in the total column of the government-wide statement of net position for pension and OPEB include deferred outflows of resources and deferred inflows of resources, in the amount of \$14,178 and \$6,464, respectively.

During 2020, the General Fund made transfers to other governmental funds, in the amount of \$325,000, to supplement recreation activities and for the purchase of emergency vehicles. Other governmental funds made transfers to the General Fund, in the amount of \$45,000, to offset the costs of the swimming pool.

**NOTE 22 - FUND BALANCE**

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

Fund Balance	General	Street and Sewer Improvement	Other Governmental	Total
Nonspendable for:				
Materials and Supplies	\$18,596	\$0	\$18,182	\$36,778
Prepaid Items	32,312	0	7,895	40,207
Unclaimed Monies	36,841	0	0	36,841
Total Nonspendable	<u>87,749</u>	<u>0</u>	<u>26,077</u>	<u>113,826</u>

(continued)



City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2020

**NOTE 22 - FUND BALANCE** (continued)

Fund Balance	General	Street and Sewer Improvement	Other Governmental	Total
Restricted for:				
Ambulance Operations	\$6,000	\$0	\$0	\$6,000
Debt Retirement	0	0	1,160	1,160
Economic Development	0	0	115,581	115,581
Police Operations	8,566	0	26,471	35,037
Recreation	0	0	35,084	35,084
Street Construction and Maintenance	0	824,753	215,744	1,040,497
<b>Total Restricted</b>	<b>14,566</b>	<b>824,753</b>	<b>394,040</b>	<b>1,233,359</b>
Assigned for:				
Debt Retirement	0	0	43,156	43,156
Police and Fire Department Operations	0	0	437,099	437,099
Swimming Pool Operations	7,958	0	0	7,958
Projected Budget Shortage	3,301,306	0	0	3,301,306
Unpaid Obligations	62,370	0	0	62,370
<b>Total Assigned</b>	<b>3,371,634</b>	<b>0</b>	<b>480,255</b>	<b>3,851,889</b>
Unassigned	606,036	0	0	606,036
<b>Total Fund Balance</b>	<b>\$4,079,985</b>	<b>\$824,753</b>	<b>\$900,372</b>	<b>\$5,805,110</b>

**NOTE 23 - INSURANCE POOL**

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

**NOTE 24 - CONTINGENT LIABILITIES**

**A. Litigation**

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

**B. Federal and State Grants**

For the period January 1, 2020, to December 31, 2020, 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.

**NOTE 25 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that may be recognized in subsequent periods, if any, cannot be determined. In addition, the impact of the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. Additional funding will be available through the Consolidated Appropriations Act 2021, passed by Congress on December 21, 2020, and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

During 2020, the City received CARES Act funding. Of the amounts received, \$299,000 was sub-granted to other organizations and is reflected as community environment expenditures in the Coronavirus Relief special revenue fund.

City of Wapakoneta  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Liability  
 Ohio Public Employees Retirement System - Traditional Plan  
 Last Seven Years (1)

	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.02112800%	0.02167100%	0.02322800%	0.02272800%
City's Proportionate Share of the Net Pension Liability	\$4,176,093	\$5,935,248	\$3,644,023	\$5,161,143
City's Covered Payroll	\$2,972,729	\$2,927,029	\$3,069,654	\$2,938,075
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	140.48%	202.77%	118.71%	175.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%	77.25%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

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<u>2016</u>	<u>2015</u>	<u>2014</u>
0.02306500%	0.02301400%	0.02301400%
\$3,995,150	\$2,775,746	\$2,713,051
\$2,870,693	\$2,821,592	\$2,703,873
139.17%	98.38%	100.34%
81.08%	86.45%	86.36%

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City of Wapakoneta  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Asset  
 Ohio Public Employees Retirement System - Combined Plan  
 Last Three Years (1)

	2020	2019	2018
City's Proportion of the Net Pension Asset	0.04010600%	0.03388000%	0.01741200%
City's Proportionate Share of the Net Pension Asset	\$83,631	\$37,885	\$23,703
City's Covered Payroll	\$178,536	\$144,900	\$71,308
City's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	-46.84%	-26.15%	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	145.28%	126.64%	137.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

City of Wapakoneta  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Liability  
 Ohio Police and Fire Pension Fund  
 Last Seven Years (1)

	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.07829910%	0.07770800%	0.07983100%	0.08979200%
City's Proportionate Share of the Net Pension Liability	\$5,274,645	\$6,343,027	\$4,899,588	\$5,687,335
City's Covered Payroll	\$1,844,283	\$1,746,328	\$1,962,825	\$1,681,070
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	286.00%	363.22%	249.62%	338.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.89%	63.07%	70.91%	68.36%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

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<u>2016</u>	<u>2015</u>	<u>2014</u>
0.08560800%	0.08273130%	0.08273130%
\$5,507,223	\$4,285,826	\$4,029,274
\$1,716,519	\$1,618,630	\$1,779,275
320.84%	264.78%	226.46%
66.77%	71.71%	73.00%



City of Wapakoneta  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net OPEB Liability  
 Ohio Public Employees Retirement System  
 Last Four Years (1)

	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.02086400%	0.02118000%	0.02222000%	0.02177000%
City's Proportionate Share of the Net OPEB Liability	\$2,881,859	\$2,761,372	\$2,412,929	\$2,198,844
City's Covered Payroll	\$3,152,140	\$3,072,154	\$3,146,712	\$3,008,950
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	91.43%	89.88%	76.68%	73.08%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

City of Wapakoneta  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net OPEB Liability  
 Ohio Police and Fire Pension Fund  
 Last Four Years (1)

	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.07829910%	0.07770800%	0.07983100%	0.08979200%
City's Proportionate Share of the Net OPEB Liability	\$773,417	\$707,650	\$4,523,113	\$4,262,224
City's Covered Payroll	\$1,844,283	\$1,746,328	\$1,962,825	\$1,681,070
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	41.94%	40.52%	230.44%	253.54%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.08%	46.57%	14.13%	15.96%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

City of Wapakoneta  
Required Supplementary Information  
Schedule of the City's Contributions  
Ohio Public Employees Retirement System  
Last Eight Years (1) (2)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Net Pension Liability - Traditional Plan</b>				
Contractually Required Contribution	\$426,915	\$416,182	\$409,784	\$399,055
Contributions in Relation to the Contractually Required Contribution	<u>(426,915)</u>	<u>(416,182)</u>	<u>(409,784)</u>	<u>(399,055)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$3,049,393	\$2,972,729	\$2,927,029	\$3,069,654
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%
<b>Net Pension Asset - Combined Plan</b>				
Contractually Required Contribution	\$23,795	\$24,995	\$20,286	\$9,270
Contributions in Relation to the Contractually Required Contribution	<u>(23,795)</u>	<u>(24,995)</u>	<u>(20,286)</u>	<u>(9,270)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$169,964	\$178,536	\$144,900	\$71,308
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%
<b>Net OPEB Liability - OPEB Plan (2)</b>				
Contractually Required Contribution	\$123	\$35	\$9	\$31,640
Contributions in Relation to the Contractually Required Contribution	<u>(123)</u>	<u>(35)</u>	<u>(9)</u>	<u>(31,640)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$3,222,432	\$3,152,140	\$3,072,154	\$3,146,712
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	1.01%

(1) Information prior to 2013 is not available.

(2) Beginning in 2016, OPERS used one trust as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(3) The OPEB plan includes the members from the traditional plan, the combined plan, and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See Accompanying Notes to the Required Supplementary Information

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$352,569	\$344,483	\$338,591	\$351,504
<u>(352,569)</u>	<u>(344,483)</u>	<u>(338,591)</u>	<u>(351,504)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,938,075	\$2,870,693	\$2,821,592	\$2,703,873
12.00%	12.00%	12.00%	13.00%
\$7,860	\$7,961	\$7,804	\$8,765
<u>(7,860)</u>	<u>(7,961)</u>	<u>(7,804)</u>	<u>(8,765)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$65,500	\$66,342	\$65,033	\$67,423
12.00%	12.00%	12.00%	13.00%
\$60,287			
<u>(60,287)</u>			
<u>\$0</u>			
\$3,008,950			
2.00%			

City of Wapakoneta  
 Required Supplementary Information  
 Schedule of the City's Contributions  
 Ohio Police and Fire Pension Fund  
 Last Ten Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$403,079	\$393,451	\$371,562	\$422,858
Contributions in Relation to the Contractually Required Contribution	<u>(403,079)</u>	<u>(393,451)</u>	<u>(371,562)</u>	<u>(422,858)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$1,885,775	\$1,844,283	\$1,746,328	\$1,962,825
Pension Contributions as a Percentage of Covered Payroll	21.37%	21.33%	21.28%	21.54%
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$9,429	\$9,222	\$8,732	\$9,814
Contributions in Relation to the Contractually Required Contribution	<u>(9,429)</u>	<u>(9,222)</u>	<u>(8,732)</u>	<u>(9,814)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>21.87%</u>	<u>21.83%</u>	<u>21.78%</u>	<u>22.04%</u>

(1) The City's Covered payroll is the same for Pension and OPEB.

See Accompanying Notes to the Required Supplementary Information

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$358,081	\$367,289	\$346,225	\$323,424	\$281,890	\$274,662
<u>(358,081)</u>	<u>(367,289)</u>	<u>(346,225)</u>	<u>(323,424)</u>	<u>(281,890)</u>	<u>(274,662)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,681,070	\$1,716,519	\$1,618,630	\$1,779,275	\$1,888,878	\$1,844,755
21.30%	21.40%	21.39%	18.18%	14.92%	14.89%
\$8,406	\$8,582	\$8,093	\$64,351	\$127,499	\$124,521
<u>(8,406)</u>	<u>(8,582)</u>	<u>(8,093)</u>	<u>(64,351)</u>	<u>(127,499)</u>	<u>(124,521)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>3.62%</u>	<u>6.75%</u>	<u>6.75%</u>
<u>21.80%</u>	<u>21.90%</u>	<u>21.89%</u>	<u>21.80%</u>	<u>21.67%</u>	<u>21.64%</u>

City of Wapakoneta  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2020

**Changes in Assumptions - OPERS Pension - Traditional Plan**

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below.

	<u>2019</u>	<u>2018 and 2017</u>	<u>2016 and Prior</u>
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
Pre-January 7, 2013	3 percent simple	3 percent simple	3 percent simple
Post-January 7, 2013	see below	see below	see below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	individual entry age	individual entry age	individual entry age

The assumptions related to COLA and Ad Hoc COLA for post-January 7, 2013, retirees are as follows.

2020	1.4 percent simple through 2020, then 2.15 percent simple
2017 through 2019	3 percent simple through 2019, then 2.15 percent simple
2016 and prior	3 percent simple through 2018, then 2.8 percent simple

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant Mortality Table. For males, healthy annuitant mortality tables were used adjusted for mortality improvement back to the observation period base year of 2006 and then established the base year as 2015. For females, healthy annuitant mortality tables were used adjusted for mortality improvement back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality Table adjusted for mortality improvement back to the observation period base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables were determined by applying the MP-2015 Mortality Improvement Scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected twenty years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 Mortality Table with no projections. For males, 120 percent of the disabled female mortality rates were used, set forward two years. For females, 100 percent of the disabled female mortality rates were used.

**Changes in Assumptions - OPERS Pension - Combined Plan**

For 2020, the combined plan had the same change in COLA or Ad Hoc COLA for post-January 7, 2013, retirees as the traditional plan. For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

City of Wapakoneta  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2020

**Changes in Assumptions - OPF Pension**

Amounts reported beginning in 2018 incorporate changes in assumptions used by OPF in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in 2017 and prior are presented below.

Valuation Date	<u>Beginning in 2018</u> January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017 individual entry age	<u>2017 and Prior</u> January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016 individual entry age
Actuarial Cost Method	8 percent	8.25 percent
Investment Rate of Return	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Projected Salary Increases	inflation rate of 2.75 percent plus productivity increase rate of .5 percent	inflation rate of 3.25 percent plus productivity increase rate of .5 percent
Payroll Growth	3 percent simple; 2.2 percent simple for increase based on the lesser of the increase in CPI and 3 percent	3 percent simple; 2.6 percent simple for increase based on the lesser of the increase in CPI and 3 percent
Cost of Living Adjustments		

Amounts reported beginning in 2018 use valuation, mortality for nondisabled participants was based on the RP-2014 Total Employee and Healthy Annuitant Mortality Table rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

Amounts reported beginning in 2018 use valuation, mortality for disabled participants was based on the RP-2014 Disabled Mortality Table rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale.

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

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP-2000 Combined Table age adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis with a base year of 2009 using Mortality Improvement Scale AA.



City of Wapakoneta  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2020

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**Changes in Assumptions - OPERS OPEB**

Investment Return Assumption	
Beginning in 2019	6 percent
2018	6.5 percent
Municipal Bond Rate	
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate	
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate	
2020	10.5 percent initial 3.5 percent ultimate in 2030
2019	10 percent initial 3.25 percent ultimate in 2029
2018	7.5 percent initial 3.25 percent ultimate in 2028

**Changes in Assumptions - OPF OPEB**

Single Discount Rate	
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

**Changes in Benefit Terms - OPF OPEB**

For 2019, OPF recognized a change in benefit terms. Under the new model, OPF provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This model replaced the self-insured health care plan used in prior years.

**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

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### **Nonmajor Special Revenue Funds**

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

Street Maintenance Fund

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

State Highway Fund

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

Motor Vehicle Permissive Tax Fund

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

Community Block Grant Fund

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

Recreation Fund

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

Law Enforcement Fund

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

Enforcement and Education Fund

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

Drug Law Enforcement Fund

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

Coronavirus Relief Fund

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

Rudd Park Trust Fund

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

(continued)

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

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**Nonmajor Debt Service Funds**

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

Debt Service Fund

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

Downtown Debt Fund

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

**Nonmajor Capital Projects Fund**

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

Capital Emergency Fund

To account for transfers from the General Fund assigned for the purchase or repair of emergency vehicles.

City of Wapakoneta  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$871,466	\$44,316	\$437,099	\$1,352,881
Accounts Receivable	182	0	0	182
Due from Other Governments	398,287	0	0	398,287
Other Local Taxes Receivable	6,009	0	0	6,009
Prepaid Items	7,895	0	0	7,895
Materials and Supplies Inventory	18,182	0	0	18,182
Accrued Interest Receivable	1,678	0	0	1,678
Property Taxes Receivable	155,724	0	0	155,724
Notes Receivable	15,366	0	0	15,366
Total Assets	<u>\$1,474,789</u>	<u>\$44,316</u>	<u>\$437,099</u>	<u>\$1,956,204</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$20,594	\$0	\$0	\$20,594
Accounts Payable	7,609	0	0	7,609
Due to Other Governments	3,292	0	0	3,292
Unearned Revenue	515,145	0	0	515,145
Interfund Payable	3,333	0	0	3,333
Total Liabilities	<u>549,973</u>	<u>0</u>	<u>0</u>	<u>549,973</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	155,200	0	0	155,200
Unavailable Revenue	350,659	0	0	350,659
Total Deferred Inflows of Resources	<u>505,859</u>	<u>0</u>	<u>0</u>	<u>505,859</u>
<u>Fund Balance</u>				
Nonspendable	26,077	0	0	26,077
Restricted	392,880	1,160	0	394,040
Assigned	0	43,156	437,099	480,255
Total Fund Balance	<u>418,957</u>	<u>44,316</u>	<u>437,099</u>	<u>900,372</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$1,474,789</u>	<u>\$44,316</u>	<u>\$437,099</u>	<u>\$1,956,204</u>

City of Wapakoneta  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2020

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Motor Vehicle Permissive Tax</u>	<u>Community Block Grant</u>
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$36,034	\$68,004	\$84,961	\$100,215
Accounts Receivable	182	0	0	0
Due from Other Governments	251,671	19,277	125,383	0
Other Local Taxes Receivable	0	0	6,009	0
Prepaid Items	6,522	0	0	0
Materials and Supplies Inventory	15,848	0	0	0
Accrued Interest Receivable	0	0	0	0
Property Taxes Receivable	0	0	0	0
Notes Receivable	0	0	0	15,366
Total Assets	<u>\$310,257</u>	<u>\$87,281</u>	<u>\$216,353</u>	<u>\$115,581</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$19,208	\$0	\$0	\$0
Accounts Payable	5,742	0	0	0
Due to Other Governments	2,960	0	0	0
Unearned Revenue	0	0	0	0
Interfund Payable	1,163	0	0	0
Total Liabilities	<u>29,073</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	0
Unavailable Revenue	205,779	15,542	125,383	0
Total Deferred Inflows of Resources	<u>205,779</u>	<u>15,542</u>	<u>125,383</u>	<u>0</u>
<u>Fund Balance</u>				
Nonspendable	22,370	0	0	0
Restricted	53,035	71,739	90,970	115,581
Total Fund Balance	<u>75,405</u>	<u>71,739</u>	<u>90,970</u>	<u>115,581</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$310,257</u>	<u>\$87,281</u>	<u>\$216,353</u>	<u>\$115,581</u>

Recreation	Law Enforcement	Enforcement and Education	Drug Law Enforcement	Coronavirus Relief	Rudd Park Trust	Total
\$40,354	\$8,975	\$7,913	\$9,583	\$515,145	\$282	\$871,466
0	0	0	0	0	0	182
1,956	0	0	0	0	0	398,287
0	0	0	0	0	0	6,009
1,373	0	0	0	0	0	7,895
2,334	0	0	0	0	0	18,182
1,678	0	0	0	0	0	1,678
155,724	0	0	0	0	0	155,724
0	0	0	0	0	0	15,366
<u>\$203,419</u>	<u>\$8,975</u>	<u>\$7,913</u>	<u>\$9,583</u>	<u>\$515,145</u>	<u>\$282</u>	<u>\$1,474,789</u>
\$1,386	\$0	\$0	\$0	\$0	\$0	\$20,594
1,867	0	0	0	0	0	7,609
332	0	0	0	0	0	3,292
0	0	0	0	515,145	0	515,145
2,170	0	0	0	0	0	3,333
<u>5,755</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>515,145</u>	<u>0</u>	<u>549,973</u>
155,200	0	0	0	0	0	155,200
3,955	0	0	0	0	0	350,659
<u>159,155</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>505,859</u>
3,707	0	0	0	0	0	26,077
34,802	8,975	7,913	9,583	0	282	392,880
<u>38,509</u>	<u>8,975</u>	<u>7,913</u>	<u>9,583</u>	<u>0</u>	<u>282</u>	<u>418,957</u>
<u>\$203,419</u>	<u>\$8,975</u>	<u>\$7,913</u>	<u>\$9,583</u>	<u>\$515,145</u>	<u>\$282</u>	<u>\$1,474,789</u>



City of Wapakoneta  
 Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2020

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

City of Wapakoneta  
Combining Statement of Revenues, Expenditures,  
and Change in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$155,402	\$0	\$0	\$155,402
Other Local Taxes	148,108	0	0	148,108
Charges for Services	29,751	0	0	29,751
Fines and Forfeitures	1,215	0	0	1,215
Intergovernmental	1,010,401	0	0	1,010,401
Interest	12,933	0	0	12,933
Gifts and Donations	9,266	0	0	9,266
Other	41,337	0	0	41,337
<b>Total Revenues</b>	<b>1,408,413</b>	<b>0</b>	<b>0</b>	<b>1,408,413</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	318	0	0	318
Fire	43,919	0	0	43,919
Public Health	711	0	0	711
Leisure Time Activities	192,147	0	0	192,147
Community Environment	394,605	0	0	394,605
Basic Utility Services	7,217	0	0	7,217
Transportation	1,046,896	0	0	1,046,896
General Government	21,193	0	0	21,193
<b>Total Expenditures</b>	<b>1,707,006</b>	<b>0</b>	<b>0</b>	<b>1,707,006</b>
Excess of Revenues Under Expenditures	(298,593)	0	0	(298,593)
<u>Other Financing Sources (Uses)</u>				
Transfers In	25,000	0	300,000	325,000
Transfers Out	(45,000)	0	0	(45,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(20,000)</b>	<b>0</b>	<b>300,000</b>	<b>280,000</b>
Change in Fund Balance	(318,593)	0	300,000	(18,593)
Fund Balance Beginning of Year	737,550	44,316	137,099	918,965
<b>Fund Balance End of Year</b>	<b>\$418,957</b>	<b>\$44,316</b>	<b>\$437,099</b>	<b>\$900,372</b>

City of Wapakoneta  
Combining Statement of Revenues, Expenditures,  
and Change in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2020

	Street Maintenance	State Highway	Motor Vehicle Permissive Tax	Community Block Grant
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	148,108	0
Charges for Services	29,751	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	585,826	40,724	0	0
Interest	38	119	283	1,485
Gifts and Donations	0	0	0	0
Other	35,144	0	0	0
Total Revenues	<u>650,759</u>	<u>40,843</u>	<u>148,391</u>	<u>1,485</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	0	0	0	0
Fire	0	0	0	0
Public Health	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	95,605
Basic Utility Services	0	0	0	0
Transportation	678,774	6,500	356,163	0
General Government	0	0	0	0
Total Expenditures	<u>678,774</u>	<u>6,500</u>	<u>356,163</u>	<u>95,605</u>
Excess of Revenues Over (Under) Expenditures	<u>(28,015)</u>	<u>34,343</u>	<u>(207,772)</u>	<u>(94,120)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in Fund Balance	(28,015)	34,343	(207,772)	(94,120)
Fund Balance Beginning of Year	<u>103,420</u>	<u>37,396</u>	<u>298,742</u>	<u>209,701</u>
Fund Balance End of Year	<u><u>\$75,405</u></u>	<u><u>\$71,739</u></u>	<u><u>\$90,970</u></u>	<u><u>\$115,581</u></u>

Recreation	Law Enforcement	Enforcement and Education	Drug Law Enforcement	Coronavirus Relief	Rudd Park Trust	Total
\$155,402	\$0	\$0	\$0	\$0	\$0	\$155,402
0	0	0	0	0	0	148,108
0	0	0	0	0	0	29,751
0	315	200	700	0	0	1,215
4,805	0	0	0	379,046	0	1,010,401
10,844	0	0	0	0	164	12,933
9,266	0	0	0	0	0	9,266
6,193	0	0	0	0	0	41,337
<u>186,510</u>	<u>315</u>	<u>200</u>	<u>700</u>	<u>379,046</u>	<u>164</u>	<u>1,408,413</u>
0	0	0	0	318	0	318
0	0	0	0	43,919	0	43,919
0	0	0	0	711	0	711
190,340	0	0	0	1,229	578	192,147
0	0	0	0	299,000	0	394,605
0	0	0	0	7,217	0	7,217
0	0	0	0	5,459	0	1,046,896
0	0	0	0	21,193	0	21,193
<u>190,340</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>379,046</u>	<u>578</u>	<u>1,707,006</u>
<u>(3,830)</u>	<u>315</u>	<u>200</u>	<u>700</u>	<u>0</u>	<u>(414)</u>	<u>(298,593)</u>
25,000	0	0	0	0	0	25,000
<u>(45,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(45,000)</u>
<u>(20,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(20,000)</u>
(23,830)	315	200	700	0	(414)	(318,593)
62,339	8,660	7,713	8,883	0	696	737,550
<u>\$38,509</u>	<u>\$8,975</u>	<u>\$7,913</u>	<u>\$9,583</u>	<u>\$0</u>	<u>\$282</u>	<u>\$418,957</u>

City of Wapakoneta  
 Combining Statement of Revenues, Expenditures,  
 and Change in Fund Balance  
 Nonmajor Debt Service Funds  
 For the Year Ended December 31, 2020

	Debt Service	Downtown Debt	Total
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Change in Fund Balance	0	0	0
Fund Balance Beginning of Year	1,160	43,156	44,316
Fund Balance End of Year	\$1,160	\$43,156	\$44,316

City of Wapakoneta  
Combining Statements - Custodial Funds

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**Custodial Funds**

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

Dependent Coverage Fund

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 Fiduciary Net Position  
 Custodial Funds  
 December 31, 2020

	Dependent Coverage	Police Auxiliary	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$62,780	\$52,768	\$115,548
<u>Net Position</u>			
Restricted for Individuals, Organizations, and Other Governments	\$62,780	\$52,768	\$115,548

City of Wapakoneta  
Combining Statement of Change in Fiduciary Net Position  
Custodial Funds  
For the Year Ended December 31, 2020

	<u>Dependent Coverage</u>	<u>Police Auxiliary</u>	<u>Total</u>
<u>Additions</u>			
Amounts Received as Fiscal Agent	\$0	\$7,787	\$7,787
Amounts Held for Employees	218,076	0	218,076
Total Additions	<u>218,076</u>	<u>7,787</u>	<u>225,863</u>
<u>Deductions</u>			
Distributions as Fiscal Agent	0	6,603	6,603
Distributions on Behalf of Employees	214,529	0	214,529
Total Deductions	<u>214,529</u>	<u>6,603</u>	<u>221,132</u>
Net Increase in Fiduciary Net Position	3,547	1,184	4,731
Net Position Beginning of Year	<u>59,233</u>	<u>51,584</u>	<u>110,817</u>
Net Position End of Year	<u>\$62,780</u>	<u>\$52,768</u>	<u>\$115,548</u>



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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, 2020

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$415,000	\$676,541	\$413,623	(\$262,918)
Municipal Income Taxes	1,685,000	1,685,000	2,492,639	807,639
Other Local Taxes	785,000	785,000	1,280,783	495,783
Charges for Services	770,000	770,000	637,217	(132,783)
Fees, Licenses, and Permits	101,700	101,700	134,424	32,724
Fines and Forfeitures	15,000	15,000	7,864	(7,136)
Intergovernmental	245,700	245,700	296,324	50,624
Interest	173,400	173,400	91,922	(81,478)
Gifts and Donations	1,000	1,000	11,717	10,717
Other	65,000	2,837,659	3,196,304	358,645
<b>Total Revenues</b>	<b>4,256,800</b>	<b>7,291,000</b>	<b>8,562,817</b>	<b>1,271,817</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police Department				
Personal Services	1,843,625	1,843,625	1,614,162	229,463
Contractual Services	200,284	200,284	144,516	55,768
Materials and Supplies	46,825	46,825	31,716	15,109
Capital Outlay	86,086	86,086	59,838	26,248
<b>Total Police Department</b>	<b>2,176,820</b>	<b>2,176,820</b>	<b>1,850,232</b>	<b>326,588</b>
Fire Department				
Personal Services	1,618,700	1,618,700	1,418,443	200,257
Contractual Services	99,428	99,428	55,745	43,683
Materials and Supplies	86,470	86,470	51,723	34,747
Capital Outlay	23,158	23,158	6,748	16,410
<b>Total Fire Department</b>	<b>1,827,756</b>	<b>1,827,756</b>	<b>1,532,659</b>	<b>295,097</b>
Safety Director				
Materials and Supplies	4,585	4,585	0	4,585
<b>Total Security of Persons and Property</b>	<b>4,009,161</b>	<b>4,009,161</b>	<b>3,382,891</b>	<b>626,270</b>
Public Health				
Emergency Medical				
Personal Services	16,022	16,022	9,470	6,552
Contractual Services	96,304	96,304	67,518	28,786
Materials and Supplies	16,508	16,508	6,306	10,202
Capital Outlay	53,254	53,255	47,252	6,003
Other	1,300	1,300	769	531
<b>Total Emergency Medical</b>	<b>183,388</b>	<b>183,389</b>	<b>131,315</b>	<b>52,074</b>

(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, 2020  
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Miscellaneous				
Contractual Services	\$1,500	\$1,500	\$548	\$952
Total Public Health	184,888	184,889	131,863	53,026
Leisure Time Activities				
Recreation				
Personal Services	152,500	152,500	111,988	40,512
Contractual Services	34,100	49,160	40,869	8,291
Materials and Supplies	77,070	131,210	79,963	51,247
Other	1,656	1,656	0	1,656
Total Leisure Time Activities	265,326	334,526	232,820	101,706
Community Environment				
Boards and Commissions				
Contractual Services	103,000	103,000	108,533	(5,533)
Materials and Supplies	227,200	227,200	22,921	204,279
Total Community Environment	330,200	330,200	131,454	198,746
General Government				
Council				
Personal Services	46,000	46,000	44,750	1,250
Materials and Supplies	5,700	5,700	7,134	(1,434)
Total Council	51,700	51,700	51,884	(184)
Clerk of Council				
Personal Services	7,000	7,000	5,450	1,550
Contractual Services	6,000	6,000	5,265	735
Total Clerk of Council	13,000	13,000	10,715	2,285
Administrative				
Personal Services	107,500	107,500	106,817	683
Contractual Services	52,000	57,955	55,329	2,626
Materials and Supplies	125,810	119,855	102,449	17,406
Capital Outlay	8,356	3,008,356	2,867,486	140,870
Total Administrative	293,666	3,293,666	3,132,081	161,585

(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, 2020  
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Finance				
Personal Services	\$39,000	\$39,000	\$39,000	\$0
Contractual Services	62,000	62,000	41,613	20,387
Materials and Supplies	2,500	2,500	220	2,280
<b>Total Finance</b>	<b>103,500</b>	<b>103,500</b>	<b>80,833</b>	<b>22,667</b>
Income Tax				
Personal Services	91,700	91,700	76,785	14,915
Contractual Services	8,500	7,700	5,840	1,860
Materials and Supplies	10,225	11,025	9,463	1,562
Capital Outlay	3,244	3,244	1,182	2,062
Other	1,433,335	1,418,335	221,893	1,196,442
<b>Total Income Tax</b>	<b>1,547,004</b>	<b>1,532,004</b>	<b>315,163</b>	<b>1,216,841</b>
Law Director				
Personal Services	26,000	26,000	26,000	0
Contractual Services	1,000	1,000	0	1,000
Materials and Supplies	5,000	5,000	3,509	1,491
<b>Total Law Director</b>	<b>32,000</b>	<b>32,000</b>	<b>29,509</b>	<b>2,491</b>
Civil Service				
Personal Services	1,200	1,200	1,000	200
Materials and Supplies	2,000	2,000	293	1,707
<b>Total Civil Service</b>	<b>3,200</b>	<b>3,200</b>	<b>1,293</b>	<b>1,907</b>
Elections				
Contractual Services	3,300	3,300	39	3,261
Auglaize County				
Contractual Services	8,100	8,100	10,007	(1,907)
Administrative Support				
Other	37,241	37,241	0	37,241
<b>Total General Government</b>	<b>2,092,711</b>	<b>5,077,711</b>	<b>3,631,524</b>	<b>1,446,187</b>
Debt Service:				
Principal Retirement	0	3,000,000	3,000,000	0
Interest and Fiscal Charges	0	10,000	4,416	5,584
<b>Total Debt Service</b>	<b>0</b>	<b>3,010,000</b>	<b>3,004,416</b>	<b>5,584</b>
<b>Total Expenditures</b>	<b>6,882,286</b>	<b>12,946,487</b>	<b>10,514,968</b>	<b>2,431,519</b>
Excess of Revenues Under Expenditures	(2,625,486)	(5,655,487)	(1,952,151)	3,703,336

(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, 2020  
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Other Financing Sources (Uses)</u>				
Loans Issued	\$0	\$3,000,000	\$3,000,000	\$0
Transfers In	0	45,000	45,000	0
Transfers Out	0	(325,000)	(325,000)	0
Total Other Financing Sources (Uses)	0	2,720,000	2,720,000	0
Change in Fund Balance	(2,625,486)	(2,935,487)	767,849	3,703,336
Fund Balance Beginning of Year	3,297,926	3,297,926	3,297,926	0
Prior Year Encumbrances Appropriated	23,535	23,535	23,535	0
Fund Balance End of Year	<u>\$695,975</u>	<u>\$385,974</u>	<u>\$4,089,310</u>	<u>\$3,703,336</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, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Municipal Income Taxes	\$1,970,000	\$2,313,390	\$343,390
Special Assessments	20,000	27,862	7,862
Intergovernmental	775,000	520,700	(254,300)
Interest	0	3,590	3,590
Total Revenues	<u>2,765,000</u>	<u>2,865,542</u>	<u>100,542</u>
<u>Expenditures</u>			
Current:			
Transportation			
Street and Sewer Improvement			
Contractual Services	432,214	379,250	52,964
Materials and Supplies	3,000	2,296	704
Capital Outlay	2,972,022	2,949,087	22,935
Other	115,937	0	115,937
Total Expenditures	<u>3,523,173</u>	<u>3,330,633</u>	<u>192,540</u>
Change in Fund Balance	(758,173)	(465,091)	293,082
Fund Balance Beginning of Year	897,684	897,684	0
Prior Year Encumbrances Appropriated	<u>88,237</u>	<u>88,237</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$227,748</u></u>	<u><u>\$520,830</u></u>	<u><u>\$293,082</u></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, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$21,045,500	\$21,988,394	\$942,894
Other Local Taxes	22,000	23,078	1,078
Utility Deposits	50,000	35,856	(14,144)
Capital Loans Issued	10,000,000	5,380,987	(4,619,013)
Other	18,500	147,567	129,067
<b>Total Revenues</b>	<b>31,136,000</b>	<b>27,575,882</b>	<b>(3,560,118)</b>
<u>Expenses</u>			
Personal Services	1,347,000	1,153,143	193,857
Contractual Services	21,508,116	19,880,665	1,627,451
Materials and Supplies	9,608,772	5,025,627	4,583,145
Capital Outlay	6,652,472	915,324	5,737,148
Utility Refunds	251,477	22,437	229,040
Other	2,545,386	23,058	2,522,328
Debt Service			
Interest Expense	44,982	44,982	0
<b>Total Expenses</b>	<b>41,958,205</b>	<b>27,065,236</b>	<b>14,892,969</b>
Excess of Revenues Over (Under) Expenditures	(10,822,205)	510,646	11,332,851
Sale of Capital Assets	0	12,967	12,967
Advances In	0	37,100	37,100
<b>Change in Fund Balance</b>	<b>(10,822,205)</b>	<b>560,713</b>	<b>11,382,918</b>
Fund Balance Beginning of Year	5,268,721	5,268,721	0
Prior Year Encumbrances Appropriated	2,749,837	2,749,837	0
<b>Fund Balance (Deficit) End of Year</b>	<b>(\$2,803,647)</b>	<b>\$8,579,271</b>	<b>\$11,382,918</b>



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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$2,511,000	\$3,582,883	\$1,071,883
OWDA Loan Proceeds	1,509,194	948,087	(561,107)
Other	0	38,764	38,764
Total Revenues	<u>4,020,194</u>	<u>4,569,734</u>	<u>549,540</u>
<u>Expenses</u>			
Personal Services	535,613	445,420	90,193
Contractual Services	444,692	358,450	86,242
Materials and Supplies	629,923	544,610	85,313
Capital Outlay	2,665,767	1,705,104	960,663
Other	12,700	11,686	1,014
Debt Service:			
Principal Retirement	204,348	203,740	608
Interest Expense	363,424	287,002	76,422
Total Expenses	<u>4,856,467</u>	<u>3,556,012</u>	<u>1,300,455</u>
Change in Fund Balance	(836,273)	1,013,722	1,849,995
Fund Balance Beginning of Year	822,543	822,543	0
Prior Year Encumbrances Appropriated	<u>46,486</u>	<u>46,486</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$32,756</u></u>	<u><u>\$1,882,751</u></u>	<u><u>\$1,849,995</u></u>

City of Wapakoneta  
Sewer Enterprise Fund

Schedule of Revenues, Expenses,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$3,900,000	\$4,828,181	\$928,181
Grants	210,107	60,912	(149,195)
Other	<u>0</u>	<u>54,982</u>	<u>54,982</u>
Total Revenues	<u>4,110,107</u>	<u>4,944,075</u>	<u>833,968</u>
<u>Expenses</u>			
Personal Services	756,650	647,789	108,861
Contractual Services	845,942	779,218	66,724
Materials and Supplies	357,074	285,598	71,476
Capital Outlay	3,017,638	2,502,052	515,586
Other	85,495	24,251	61,244
Debt Service:			
Principal Retirement	971,249	971,179	70
Interest Expense	<u>458,256</u>	<u>417,270</u>	<u>40,986</u>
Total Expenses	<u>6,492,304</u>	<u>5,627,357</u>	<u>864,947</u>
Change in Fund Balance	(2,382,197)	(683,282)	1,698,915
Fund Balance Beginning of Year	2,244,667	2,244,667	0
Prior Year Encumbrances Appropriated	<u>119,290</u>	<u>119,290</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>(\$18,240)</u>	<u>\$1,680,675</u>	<u>\$1,698,915</u>

City of Wapakoneta  
Storm Sewer Enterprise Fund

Schedule of Revenues, Expenses,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$160,000	\$160,255	\$255
<u>Expenses</u>			
Contractual Services	82,000	35,002	46,998
Materials and Supplies	3,000	0	3,000
Capital Outlay	520,686	50,286	470,400
Other	22,171	0	22,171
Total Expenses	627,857	85,288	542,569
Change in Fund Balance	(467,857)	74,967	542,824
Fund Balance Beginning of Year	476,711	476,711	0
Prior Year Encumbrances Appropriated	22,686	22,686	0
Fund Balance End of Year	\$31,540	\$574,364	\$542,824

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, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,284,738	\$1,495,854	\$211,116
Other	0	31,800	31,800
Total Revenues	<u>1,284,738</u>	<u>1,527,654</u>	<u>242,916</u>
<u>Expenses</u>			
Personal Services	447,200	384,688	62,512
Contractual Services	854,669	516,449	338,220
Materials and Supplies	90,121	62,107	28,014
Capital Outlay	156,905	149,524	7,381
Other	160,760	0	160,760
Debt Service			
Principal Retirement	<u>229,302</u>	<u>0</u>	<u>229,302</u>
Total Expenses	<u>1,938,957</u>	<u>1,112,768</u>	<u>826,189</u>
Excess of Revenues Over (Under) Expenditures	(654,219)	414,886	1,069,105
Advances Out	<u>(37,100)</u>	<u>(37,100)</u>	<u>0</u>
Change in Fund Balance	(691,319)	377,786	1,069,105
Fund Balance Beginning of Year	814,166	814,166	0
Prior Year Encumbrances Appropriated	<u>5,521</u>	<u>5,521</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$128,368</u></u>	<u><u>\$1,197,473</u></u>	<u><u>\$1,069,105</u></u>

City of Wapakoneta  
Street Maintenance Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$35,000	\$29,751	(\$5,249)
Intergovernmental	650,000	590,954	(59,046)
Interest	500	38	(462)
Other	500	35,144	34,644
Total Revenues	<u>686,000</u>	<u>655,887</u>	<u>(30,113)</u>
<u>Expenditures</u>			
Current:			
Transportation			
Street Maintenance			
Personal Services	445,550	439,064	6,486
Contractual Services	80,236	68,905	11,331
Materials and Supplies	105,060	100,542	4,518
Capital Outlay	113,112	76,601	36,511
Total Expenditures	<u>743,958</u>	<u>685,112</u>	<u>58,846</u>
Change in Fund Balance	(57,958)	(29,225)	28,733
Fund Balance Beginning of Year	53,854	53,854	0
Prior Year Encumbrances Appropriated	<u>4,104</u>	<u>4,104</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$28,733</u></u>	<u><u>\$28,733</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$22,000	\$41,140	\$19,140
Interest	300	119	(181)
Total Revenues	22,300	41,259	18,959
<u>Expenditures</u>			
Current:			
Transportation			
State Highway			
Capital Outlay	54,300	16,750	37,550
Change in Fund Balance	(32,000)	24,509	56,509
Fund Balance Beginning of Year	33,245	33,245	0
Fund Balance End of Year	<u>\$1,245</u>	<u>\$57,754</u>	<u>\$56,509</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Other Local Taxes	\$70,000	\$148,048	\$78,048
Interest	700	283	(417)
Total Revenues	<u>70,700</u>	<u>148,331</u>	<u>77,631</u>
<u>Expenditures</u>			
Current:			
Transportation			
Motor Vehicle Permissive Tax			
Contractual Services	15,000	0	15,000
Capital Outlay	<u>159,859</u>	<u>156,933</u>	<u>2,926</u>
Total Expenditures	<u>174,859</u>	<u>156,933</u>	<u>17,926</u>
Change in Fund Balance	(104,159)	(8,602)	95,557
Fund Balance Beginning of Year	84,404	84,404	0
Prior Year Encumbrances Appropriated	<u>9,159</u>	<u>9,159</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u><u>(\$10,596)</u></u>	<u><u>\$84,961</u></u>	<u><u>\$95,557</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, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$150	\$407	\$257
Revolving Loan Payments	23,500	20,863	(2,637)
Total Revenues	23,650	21,270	(2,380)
<u>Expenditures</u>			
Current:			
Community Environment Community Block Grant Contractual Services	198,200	100,621	97,579
Change in Fund Balance	(174,550)	(79,351)	95,199
Fund Balance Beginning of Year	174,550	174,550	0
Fund Balance End of Year	\$0	\$95,199	\$95,199



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, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$160,000	\$155,402	(\$4,598)
Intergovernmental	5,000	4,805	(195)
Interest	13,000	10,986	(2,014)
Gifts and Donations	6,016	9,266	3,250
Other	10,000	6,538	(3,462)
<b>Total Revenues</b>	<u>194,016</u>	<u>186,997</u>	<u>(7,019)</u>
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Recreation			
Personal Services	91,100	90,906	194
Contractual Services	37,385	25,409	11,976
Materials and Supplies	31,275	30,705	570
Capital Outlay	45,286	43,598	1,688
<b>Total Expenditures</b>	<u>205,046</u>	<u>190,618</u>	<u>14,428</u>
Excess of Revenues			
Under Expenditures	<u>(11,030)</u>	<u>(3,621)</u>	<u>7,409</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	15,000	25,000	10,000
Transfers Out	<u>(15,000)</u>	<u>(45,000)</u>	<u>(30,000)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>(20,000)</u>	<u>(20,000)</u>
<b>Change in Fund Balance</b>	<b>(11,030)</b>	<b>(23,621)</b>	<b>(12,591)</b>
Fund Balance Beginning of Year	61,970	61,970	0
Prior Year Encumbrances Appropriated	<u>660</u>	<u>660</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$51,600</u></u>	<u><u>\$39,009</u></u>	<u><u>(\$12,591)</u></u>

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, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$0	\$315	\$315
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Law Enforcement			
Personal Services	500	0	500
Materials and Supplies	2,000	0	2,000
Capital Outlay	6,160	0	6,160
Total Expenditures	8,660	0	8,660
Change in Fund Balance	(8,660)	315	8,975
Fund Balance Beginning of Year	8,660	8,660	0
Fund Balance End of Year	\$0	\$8,975	\$8,975

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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Fines and Forfeitures	\$700	\$300	(\$400)
<u>Expenditures</u>			
Current:			
Security of Persons and Property Enforcement and Education			
Materials and Supplies	3,000	0	3,000
Capital Outlay	5,313	0	5,313
Total Expenditures	8,313	0	8,313
Change in Fund Balance	(7,613)	300	7,913
Fund Balance Beginning of Year	7,613	7,613	0
Fund Balance End of Year	<u>\$0</u>	<u>\$7,913</u>	<u>\$7,913</u>

City of Wapakoneta  
Drug Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$1,000	\$700	(\$300)
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Drug Law Enforcement			
Materials and Supplies	2,500	0	2,500
Capital Outlay	7,383	0	7,383
Total Expenditures	9,883	0	9,883
Change in Fund Balance	(8,883)	700	9,583
Fund Balance Beginning of Year	8,883	8,883	0
Fund Balance End of Year	\$0	\$9,583	\$9,583

City of Wapakoneta  
 Coronavirus Relief 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, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$709,474	\$894,191	\$184,717
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police Department			
Materials and Supplies	318	318	0
Fire Department			
Contractual Services	125	125	0
Materials and Supplies	39,859	39,859	0
Capital Outlay	3,935	3,935	0
Total Fire Department	43,919	43,919	0
Total Security of Persons and Property	44,237	44,237	0
Public Health			
Emergency Medical			
Personal Services	170	170	0
Contractual Services	330,428	51,522	278,906
Materials and Supplies	541	541	0
Total Public Health	331,139	52,233	278,906
Leisure Time Activities			
Recreation			
Contractual Services	661	661	0
Materials and Supplies	568	568	0
Total Leisure Time Activities	1,229	1,229	0
Community Environment			
Boards and Commissions			
Contractual Services	299,000	299,000	0
Basic Utility Services			
Materials and Supplies	7,217	7,217	0
Transportation			
Materials and Supplies	5,459	5,459	0
General Government			
Council			
Materials and Supplies	3,914	3,914	0
Administrative			
Materials and Supplies	17,060	17,060	0

(continued)

City of Wapakoneta  
 Coronavirus Relief 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, 2020  
 (continued)

	Budget	Actual	Variance Over (Under)
Income Tax			
Materials and Supplies	\$219	\$219	\$0
Total General Government	21,193	21,193	0
Total Expenditures	709,474	430,568	278,906
Change in Fund Balance	0	463,623	(94,189)
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$463,623	(\$94,189)

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, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$0	\$164	\$164
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Rudd Park			
Materials and Supplies	696	578	118
Change in Fund Balance	(696)	(414)	282
Fund Balance Beginning of Year	696	696	0
Fund Balance End of Year	\$0	\$282	\$282

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, 2020

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



City of Wapakoneta  
Downtown Debt Debt Service Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	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	43,156	43,156	0
Fund Balance End of Year	\$43,156	\$43,156	\$0

City of Wapakoneta  
Capital Emergency 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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police Department			
Capital Outlay	481,536	95,437	386,099
Excess of Revenues Under Expenditures	(481,536)	(95,437)	386,099
<u>Other Financing Sources</u>			
Transfers In	300,000	300,000	0
Change in Fund Balance	(181,536)	204,563	386,099
Fund Balance Beginning of Year	136,536	136,536	0
Prior Year Encumbrances Appropriated	45,000	45,000	0
Fund Balance End of Year	<u>\$0</u>	<u>\$386,099</u>	<u>\$386,099</u>

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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$315,000	\$259,169	(\$55,831)
Licenses and Permits	14,200	17,034	2,834
Other	100	19,859	19,759
Total Revenues	<u>329,300</u>	<u>296,062</u>	<u>(33,238)</u>
<u>Expenses</u>			
Personal Services	290,950	248,423	42,527
Contractual Services	18,120	15,450	2,670
Materials and Supplies	11,250	7,809	3,441
Capital Outlay	5,152	3,437	1,715
Other	1,219	0	1,219
Total Expenses	<u>326,691</u>	<u>275,119</u>	<u>51,572</u>
Change in Fund Balance	2,609	20,943	18,334
Fund Balance (Deficit) Beginning of Year	(2,781)	(2,781)	0
Prior Year Encumbrances Appropriated	<u>172</u>	<u>172</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$18,334</u>	<u>\$18,334</u>

**STATISTICAL  
SECTION**

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

**Contents** **Page**

Financial Trends..... S-2

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

Revenue Capacity..... S-12

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

Debt Capacity..... S-32

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

Demographic and Economic Information.....S-41

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-44

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental Activities				
Net Investment in Capital Assets	\$24,081,484	\$22,472,755	\$21,109,878	\$20,795,656
Restricted for				
Debt Service	1,160	1,160	1,160	785
Capital Projects	1,216,538	1,262,281	525,384	489,078
Other Purposes	762,473	924,194	1,048,335	1,279,374
Unrestricted (Deficit)	<u>(3,789,739)</u>	<u>(4,259,661)</u>	<u>(7,481,324)</u>	<u>(7,798,064)</u>
Total Governmental Activities Net Position	<u>22,271,916</u>	<u>20,400,729</u>	<u>15,203,433</u>	<u>14,766,829</u>
Business-Type Activities				
Net Investment in Capital Assets	39,552,161	37,894,241	35,933,035	35,546,650
Restricted	0	0	833,950	1,256,831
Unrestricted	<u>13,160,536</u>	<u>10,770,717</u>	<u>10,567,828</u>	<u>8,669,072</u>
Total Business-Type Activities Net Position	<u>52,712,697</u>	<u>48,664,958</u>	<u>47,334,813</u>	<u>45,472,553</u>
Primary Government				
Net Investment in Capital Assets	63,633,645	60,366,996	57,042,913	56,342,306
Restricted	1,980,171	2,187,635	2,408,829	3,026,068
Unrestricted	<u>9,370,797</u>	<u>6,511,056</u>	<u>3,086,504</u>	<u>871,008</u>
Total Primary Government Net Position	<u>\$74,984,613</u>	<u>\$69,065,687</u>	<u>\$62,538,246</u>	<u>\$60,239,382</u>

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

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$21,571,664	\$21,944,652	\$21,180,841	\$21,411,432	\$20,891,574	\$20,767,868
424	77	0	0	0	0
292,553	132,894	1,103,853	1,175,919	2,039,417	2,166,097
1,145,763	1,414,247	1,284,340	1,427,570	1,369,753	1,375,679
<u>(2,006,605)</u>	<u>(1,739,121)</u>	<u>(1,843,855)</u>	<u>2,484,015</u>	<u>2,885,648</u>	<u>3,266,843</u>
<u>21,003,799</u>	<u>21,752,749</u>	<u>21,725,179</u>	<u>26,498,936</u>	<u>27,186,392</u>	<u>27,576,487</u>
35,104,589	34,580,463	32,786,072	32,464,606	30,836,570	29,921,959
1,255,353	1,254,595	1,256,749	1,258,937	1,259,685	1,114,899
<u>9,460,399</u>	<u>7,963,497</u>	<u>9,010,157</u>	<u>9,831,047</u>	<u>9,353,383</u>	<u>9,881,292</u>
<u>45,820,341</u>	<u>43,798,555</u>	<u>43,052,978</u>	<u>43,554,590</u>	<u>41,449,638</u>	<u>40,918,150</u>
56,676,253	56,525,115	53,966,913	53,876,038	51,728,144	50,689,827
2,694,093	2,801,813	3,644,942	3,862,426	4,668,855	4,656,675
<u>7,453,794</u>	<u>6,224,376</u>	<u>7,166,302</u>	<u>12,315,062</u>	<u>12,239,031</u>	<u>13,148,135</u>
<u>\$66,824,140</u>	<u>\$65,551,304</u>	<u>\$64,778,157</u>	<u>\$70,053,526</u>	<u>\$68,636,030</u>	<u>\$68,494,637</u>

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

	2020	2019	2018	2017
<u>Expenses</u>				
Governmental Activities				
Security of Persons and Property				
Police	\$2,008,529	\$665,015	\$2,175,771	\$2,032,266
Fire	1,803,173	(242,156)	1,704,281	1,712,394
Other	0	0	0	0
Public Health	117,029	167,146	154,457	138,700
Leisure Time Activities	517,010	577,249	498,871	514,667
Community Environment	535,934	246,454	172,039	177,490
Basic Utility Services	7,217	0	0	0
Transportation	2,060,347	2,777,214	2,257,470	2,214,462
General Government	1,284,595	741,754	879,819	858,914
Interest and Fiscal Charges	4,416	0	959	5,323
Total Governmental Activities Expenses	<u>8,338,250</u>	<u>4,932,676</u>	<u>7,843,667</u>	<u>7,654,216</u>
Business-Type Activities				
Electric	21,805,527	19,704,728	17,839,610	16,997,959
Water	2,234,728	2,183,723	2,078,435	2,263,282
Sewer	3,412,292	4,025,321	3,402,744	3,111,041
Storm Sewer	160,330	217,109	135,419	207,604
Refuse	1,053,455	1,176,895	1,144,478	791,071
Total Business-Type Activities Expenses	<u>28,666,332</u>	<u>27,307,776</u>	<u>24,600,686</u>	<u>23,370,957</u>
Total Primary Government Expenses	<u>37,004,582</u>	<u>32,240,452</u>	<u>32,444,353</u>	<u>31,025,173</u>
<u>Program Revenues</u>				
Governmental Activities				
Charges for Services				
Security of Persons and Property				
Police	38,740	28,317	51,934	4,680
Fire	63,028	62,754	64,078	63,607
Public Health	550,819	427,196	516,018	422,775
Leisure Time Activities	138,668	230,118	213,291	224,543
Transportation	179,583	182,357	200,059	151,256
General Government	28,054	52,937	29,480	23,786
Total Charges for Services	<u>998,892</u>	<u>983,679</u>	<u>1,074,860</u>	<u>890,647</u>
Operating Grants, Contributions, and Interest	1,070,404	574,846	497,290	545,424
Capital Grants and Contributions	678,533	1,680,124	93,729	432,720
Total Governmental Activities Program Revenues	<u>2,747,829</u>	<u>3,238,649</u>	<u>1,665,879</u>	<u>1,868,791</u>
Business-Type Activities				
Charges for Services				
Electric	22,008,840	20,096,913	18,305,299	17,232,897
Water	3,709,503	2,589,064	2,117,866	2,115,395
Sewer	4,847,498	3,920,181	3,526,833	3,438,526
Storm Sewer	160,070	159,820	158,493	157,780
Refuse	1,458,126	1,405,562	1,313,762	1,291,906
Total Charges for Services	<u>32,184,037</u>	<u>28,171,540</u>	<u>25,422,253</u>	<u>24,236,504</u>
Operating Grants and Contributions	0	21,004	0	0
Capital Grants and Contributions	12,602	92,283	933,660	0
Total Business-Type Activities Program Revenues	<u>32,196,639</u>	<u>28,284,827</u>	<u>26,355,913</u>	<u>24,236,504</u>
Total Primary Government Program Revenues	<u>34,944,468</u>	<u>31,523,476</u>	<u>28,021,792</u>	<u>26,105,295</u>



2016	2015	2014	2013	2012	2011
\$1,922,596	\$1,760,195	\$1,613,384	\$1,516,675	\$1,545,559	\$1,584,868
1,917,941	1,616,058	1,514,617	1,503,565	1,494,511	1,353,865
0	2,833	4,426	5,004	4,557	8,492
175,745	193,759	162,403	180,131	172,130	177,297
484,211	431,140	484,814	463,263	433,670	492,736
131,753	91,948	126,153	86,893	84,148	116,039
0	0	0	0	0	0
1,861,607	1,341,215	1,911,883	2,317,993	2,049,319	2,236,189
594,651	541,709	594,323	515,084	510,071	512,540
6,508	10,379	8,219	17,988	38,654	49,942
<u>7,095,012</u>	<u>5,989,236</u>	<u>6,420,222</u>	<u>6,606,596</u>	<u>6,332,619</u>	<u>6,531,968</u>
15,693,356	16,139,240	15,259,517	15,277,737	13,550,781	14,371,849
1,950,485	2,215,944	2,041,383	1,813,945	1,758,911	1,843,734
2,528,933	2,666,829	1,978,245	2,161,928	2,241,662	2,171,320
123,464	221,359	155,091	142,646	271,419	114,124
1,145,654	963,583	1,102,022	1,089,290	1,113,500	1,053,317
<u>21,441,892</u>	<u>22,206,955</u>	<u>20,536,258</u>	<u>20,485,546</u>	<u>18,936,273</u>	<u>19,554,344</u>
<u>28,536,904</u>	<u>28,196,191</u>	<u>26,956,480</u>	<u>27,092,142</u>	<u>25,268,892</u>	<u>26,086,312</u>
55,003	6,820	5,117	7,004	6,946	8,473
63,002	50,320	48,522	50,380	53,961	50,157
714,370	476,706	398,918	523,208	504,789	413,758
247,800	211,839	195,415	203,119	259,592	228,629
107,248	148,011	104,608	158,633	83,734	94,715
20,243	17,604	16,148	33,287	11,970	23,581
1,207,666	911,300	768,728	975,631	920,992	819,313
659,296	541,534	509,078	635,984	524,997	582,636
410,366	1,537,762	606,014	1,923,549	837,654	572,510
<u>2,277,328</u>	<u>2,990,596</u>	<u>1,883,820</u>	<u>3,535,164</u>	<u>2,283,643</u>	<u>1,974,459</u>
16,033,338	14,861,386	14,818,934	14,383,981	13,443,956	14,410,686
2,014,148	1,870,405	1,825,871	1,724,995	1,607,652	1,560,401
3,503,012	3,316,260	3,258,877	3,127,622	2,716,328	2,415,413
156,591	161,136	155,904	155,599	154,668	154,095
1,252,322	1,235,415	1,214,454	1,108,914	1,106,281	1,114,270
22,959,411	21,444,602	21,274,040	20,501,111	19,028,885	19,654,865
0	0	0	0	0	0
0	0	246,836	0	0	0
<u>22,959,411</u>	<u>21,444,602</u>	<u>21,520,876</u>	<u>20,501,111</u>	<u>19,028,885</u>	<u>19,654,865</u>
<u>25,236,739</u>	<u>24,435,198</u>	<u>23,404,696</u>	<u>24,036,275</u>	<u>21,312,528</u>	<u>21,629,324</u>

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

	2020	2019	2018	2017
<u>Net (Expense) Revenue</u>				
Governmental Activities	(\$5,590,421)	(\$1,694,027)	(\$6,177,788)	(\$5,785,425)
Business-Type Activities	3,530,307	977,051	1,755,227	865,547
Total Primary Government Net Expense	<u>(2,060,114)</u>	<u>(716,976)</u>	<u>(4,422,561)</u>	<u>(4,919,878)</u>
<u>General Revenues and Other Changes in Net Position</u>				
Governmental Activities				
Property Taxes Levied for General Purposes	412,189	414,453	403,478	383,253
Property Taxes Levied for Recreation	154,760	155,585	151,430	152,784
Municipal Income Taxes for General Purposes	2,527,347	2,850,549	3,070,596	2,722,228
Municipal Income Taxes for Street Maintenance	2,338,328	1,735,770	1,206,341	0
Other Local Taxes	1,273,810	874,140	829,322	766,069
Grants and Entitlements not Restricted to Specific Programs	307,987	129,349	264,896	252,161
Franchise Taxes	115,848	310,949	117,400	116,530
Interest	111,895	119,507	190,240	101,823
Gifts and Donations	6,736	245,341	1,085	16,654
Other	445,893	1,043	379,604	157,404
Transfers	(233,185)	54,637	0	(19,453)
Total Governmental Activities	<u>7,461,608</u>	<u>6,891,323</u>	<u>6,614,392</u>	<u>4,649,453</u>
Business-Type Activities				
Interest	0	22,186	16,520	9,490
Other	284,247	330,908	90,513	76,338
Transfers	233,185	0	0	19,453
Total Business-Type Activities	<u>517,432</u>	<u>353,094</u>	<u>107,033</u>	<u>105,281</u>
Total Primary Government	<u>7,979,040</u>	<u>7,244,417</u>	<u>6,721,425</u>	<u>4,754,734</u>
<u>Change in Net Position</u>				
Governmental Activities	1,871,187	5,197,296	436,604	(1,135,972)
Business-Type Activities	4,047,739	1,330,145	1,862,260	970,828
Total Primary Government Change in Net Position	<u>\$5,918,926</u>	<u>\$6,527,441</u>	<u>\$2,298,864</u>	<u>(\$165,144)</u>

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

2016	2015	2014	2013	2012	2011
(\$4,817,684)	(\$2,998,640)	(\$4,536,402)	(\$3,071,432)	(\$4,048,976)	(\$4,557,509)
1,517,519	(762,353)	984,618	15,565	92,612	100,521
(3,300,165)	(3,760,993)	(3,551,784)	(3,055,867)	(3,956,364)	(4,456,988)
372,286	369,966	362,175	356,365	373,447	369,263
99,006	97,698	95,171	92,535	88,625	92,756
2,605,349	2,645,764	2,602,279	2,590,749	2,280,139	2,271,225
0	0	0	0	0	0
822,341	877,632	722,090	686,875	651,985	642,164
255,631	256,699	254,085	249,320	454,557	550,652
119,516	79,168	144,915	83,156	86,280	83,736
53,915	10,215	15,376	13,721	32,570	35,706
17,893	57,483	1,040	2,639	1,772	1,374
59,600	73,657	58,133	80,453	87,243	48,596
(336,803)	(1,442,072)	(26,000)	(1,771,837)	(397,737)	(582,256)
4,068,734	3,026,210	4,229,264	2,383,976	3,658,881	3,513,216
1,088	564	0	0	29	7
166,376	65,294	78,660	317,550	41,110	72,808
336,803	1,442,072	26,000	1,771,837	397,737	582,256
504,267	1,507,930	104,660	2,089,387	438,876	655,071
4,573,001	4,534,140	4,333,924	4,473,363	4,097,757	4,168,287
(748,950)	27,570	(307,138)	(687,456)	(390,095)	(1,044,293)
2,021,786	745,577	1,089,278	2,104,952	531,488	755,592
\$1,272,836	\$773,147	\$782,140	\$1,417,496	\$141,393	(\$288,701)

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund				
Nonspendable	\$87,749	\$85,133	\$80,948	\$79,931
Restricted	14,566	9,585	7,799	5,198
Assigned	3,371,634	2,501,423	1,833,007	1,143,590
Unassigned	<u>606,036</u>	<u>1,043,792</u>	<u>1,142,482</u>	<u>780,606</u>
Total General Fund	<u>4,079,985</u>	<u>3,639,933</u>	<u>3,064,236</u>	<u>2,009,325</u>
All Other Governmental Funds				
Unreserved, Reported in				
Nonspendable	26,077	227,272	24,485	28,169
Restricted	1,218,793	1,515,533	1,089,326	1,432,271
Assigned	480,255	180,255	74,692	233,152
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total All Other Governmental Funds	<u>1,725,125</u>	<u>1,923,060</u>	<u>1,188,503</u>	<u>1,693,592</u>
Total Governmental Funds	<u><u>\$5,805,110</u></u>	<u><u>\$5,562,993</u></u>	<u><u>\$4,252,739</u></u>	<u><u>\$3,702,917</u></u>

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$113,227	\$80,527	\$86,112	\$87,798	\$85,291	\$48,027
2,948	2,698	10,154	10,154	18,517	18,457
1,254,981	765,135	709,905	71,374	237,724	244,541
691,667	1,053,284	862,133	1,671,656	1,603,958	2,035,875
<u>2,062,823</u>	<u>1,901,644</u>	<u>1,668,304</u>	<u>1,840,982</u>	<u>1,945,490</u>	<u>2,346,900</u>
24,311	28,217	30,778	29,308	30,129	31,950
1,177,516	1,201,241	2,084,349	1,920,873	2,700,149	2,954,653
233,152	233,152	402,702	277,702	723,004	698,244
0	(1,389)	(16,307)	(126,225)	(456,253)	0
<u>1,434,979</u>	<u>1,461,221</u>	<u>2,501,522</u>	<u>2,101,658</u>	<u>2,997,029</u>	<u>3,684,847</u>
<u>\$3,497,802</u>	<u>\$3,362,865</u>	<u>\$4,169,826</u>	<u>\$3,942,640</u>	<u>\$4,942,519</u>	<u>\$6,031,747</u>

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

	2020	2019	2018	2017
<u>Revenues</u>				
Property Taxes	\$569,025	\$569,137	\$559,738	\$530,220
Municipal Income Taxes	4,833,772	4,569,465	4,064,067	2,671,757
Other Local Taxes	1,421,918	1,082,623	912,709	835,653
Special Assessments	27,862	24,566	38,829	34,458
Charges for Services	674,005	874,291	902,643	922,726
Fees, Licenses, and Permits	134,424	124,481	121,769	122,210
Fines and Forfeitures	9,427	22,714	28,647	22,167
Intergovernmental	1,828,605	2,510,666	832,065	1,192,154
Interest	125,880	261,920	212,132	118,462
Gifts and Donations	20,983	5,504	8,176	33,228
Other	445,893	56,514	378,554	156,704
<b>Total Revenues</b>	<b>10,091,794</b>	<b>10,101,881</b>	<b>8,059,329</b>	<b>6,639,739</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,824,436	1,897,102	1,837,036	1,945,311
Fire	1,584,887	1,496,645	1,564,302	1,427,616
Other	0	0	0	0
Public Health	128,047	131,123	121,421	120,307
Leisure Time Activities	424,807	433,627	385,787	395,366
Community Environment	523,539	202,456	142,524	152,147
Basic Utilities	7,217			
Transportation	4,100,898	3,979,343	2,596,861	1,557,799
General Government	1,251,430	651,331	815,232	787,806
Debt Service:				
Principal Retirement	0	0	45,010	43,288
Interest and Fiscal Charges	4,416	0	1,334	5,684
<b>Total Expenditures</b>	<b>9,849,677</b>	<b>8,791,627</b>	<b>7,509,507</b>	<b>6,435,324</b>
Excess of Revenues Over (Under) Expenditures	242,117	1,310,254	549,822	204,415
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	0	700
Inception of Capital Lease	0	0	0	0
Transfers In	370,000	830,000	1,586,341	700,000
Transfers Out	(370,000)	(830,000)	(1,586,341)	(700,000)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>700</b>
<b>Change in Fund Balance</b>	<b>\$242,117</b>	<b>\$1,310,254</b>	<b>\$549,822</b>	<b>\$205,115</b>
Debt Service as a Percentage of Noncapital Expenditures	0.06%	0.00%	0.77%	0.82%

2016	2015	2014	2013	2012	2011
\$474,524	\$465,520	\$458,036	\$453,266	\$459,863	\$467,205
2,812,389	2,665,795	2,594,506	2,415,109	2,262,379	2,230,352
900,709	954,248	797,205	780,110	705,308	707,507
20,204	27,686	39,784	52,670	57,956	49,364
874,832	751,539	750,578	711,028	774,341	686,888
120,915	113,940	134,013	103,076	87,538	90,097
25,573	20,355	15,086	18,785	13,412	21,706
1,362,908	2,242,652	1,169,747	3,247,382	1,272,298	2,111,174
71,488	36,981	25,239	36,097	50,039	78,486
29,074	73,028	19,171	10,508	16,222	4,794
58,640	73,657	58,133	72,016	87,243	48,596
<u>6,751,256</u>	<u>7,425,401</u>	<u>6,061,498</u>	<u>7,900,047</u>	<u>5,786,599</u>	<u>6,496,169</u>
1,698,831	1,608,199	1,714,844	1,507,378	1,550,757	1,569,832
1,566,585	1,726,979	1,481,619	1,927,319	1,461,318	1,283,633
0	4,504	4,792	4,685	4,592	8,166
161,023	177,468	149,970	159,821	143,550	147,474
400,724	363,140	410,517	389,085	357,705	452,069
571,094	94,072	126,163	93,366	81,344	111,158
1,574,351	3,634,852	1,341,304	3,916,917	2,396,004	1,635,535
564,628	531,671	579,587	498,250	491,108	489,958
72,228	80,503	82,656	273,007	261,167	376,099
6,855	10,974	8,789	19,251	28,938	41,045
<u>6,616,319</u>	<u>8,232,362</u>	<u>5,900,241</u>	<u>8,789,079</u>	<u>6,776,483</u>	<u>6,114,969</u>
<u>134,937</u>	<u>(806,961)</u>	<u>161,257</u>	<u>(889,032)</u>	<u>(989,884)</u>	<u>381,200</u>
0	0	0	26,760	0	0
0	0	91,929	0	0	0
740,000	640,000	791,225	747,893	1,044,156	1,052,712
<u>(740,000)</u>	<u>(640,000)</u>	<u>(817,225)</u>	<u>(885,500)</u>	<u>(1,143,500)</u>	<u>(1,502,000)</u>
<u>0</u>	<u>0</u>	<u>65,929</u>	<u>(110,847)</u>	<u>(99,344)</u>	<u>(449,288)</u>
<u>\$134,937</u>	<u>(\$806,961)</u>	<u>\$227,186</u>	<u>(\$999,879)</u>	<u>(\$1,089,228)</u>	<u>(\$68,088)</u>
1.34%	1.46%	1.64%	4.02%	5.05%	7.81%

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				
2020	\$120,012,370	\$48,801,620	\$75,630	\$168,889,620	\$482,541,771	\$3,261,930	\$3,706,739
2019	118,570,690	47,805,540	66,230	166,442,460	475,549,886	3,219,260	3,658,250
2018	119,826,660	50,904,520	105,350	170,836,530	488,104,371	3,310,930	3,762,420
2017	108,044,270	44,642,180	64,140	152,750,590	436,430,257	3,338,040	3,793,227
2016	107,511,780	44,587,200	66,420	152,165,400	434,758,286	3,262,400	3,707,273
2015	106,495,310	44,517,970	65,790	151,079,070	431,654,486	1,122,690	1,275,784
2014	105,469,010	45,237,190	64,720	150,770,920	430,774,057	1,120,460	1,273,250
2013	104,962,290	46,822,260	62,380	151,846,930	433,848,371	1,055,660	1,199,614
2012	104,390,450	47,087,190	74,990	151,552,630	433,007,514	426,650	484,830
2011	108,463,200	45,560,200	66,570	154,089,970	440,257,057	412,220	468,432

Source: Auglaize County Auditor

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

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

The assessed value of real property (including public utility real property) is 35 percent of estimated actual value. 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.

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.



Total		Weighted Average Tax Rate (1)
Assessed Value	Estimated Actual Value	
\$172,151,550	\$486,248,510	\$3.75
169,661,720	479,208,136	3.75
174,147,460	491,866,791	3.75
156,088,630	440,223,484	3.75
155,427,800	438,465,559	3.46
152,201,760	432,930,270	3.46
151,891,380	432,047,307	3.46
152,902,590	435,047,985	3.46
151,979,280	433,492,344	3.44
154,502,190	440,725,489	3.43

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

Collection Year	2020	2019	2018	2017
Voted Millage				
Recreation				
Effective Millage Rates				
Residential/Agriculture	\$0.9236	\$0.9252	\$0.9252	\$0.9997
Commercial/Industrial	0.9764	0.9722	0.9715	1.0000
Tangible/Public Utility Personal	1.0000	1.0000	1.0000	1.0000
Unvoted Millage				
General	2.1500	2.1500	2.1500	2.1500
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	2.7500	2.7500	2.7500	2.7500
Total Millage (Total Direct Rate)				
Total Effective Millage by Type of Property				
Residential/Agriculture	3.6736	3.6752	3.6752	3.7497
Commercial/Industrial	3.7264	3.7222	3.7215	3.7500
Tangible/Public Utility Personal	3.7500	3.7500	3.7500	3.7500
Total Weighted Average Tax Rate	3.7500	3.7500	3.7500	3.7500
Auglaize County	12.7500	12.7500	12.7500	12.7500
Wapakoneta City School District	30.6000	30.6000	30.6000	30.6000
Apollo Career Center	3.1900	3.3200	3.0900	3.0400
Duchouquet Township	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.

2016	2015	2014	2013	2012	2011
\$0.6236	\$0.6236	\$0.6246	\$0.6274	\$0.6261	\$0.5995
0.9010	0.9010	0.9011	0.8902	0.8430	0.8555
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2.1500	2.1500	2.1500	2.1500	2.1500	2.1500
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
2.7500	2.7500	2.7500	2.7500	2.7500	2.7500
3.3736	3.3736	3.3746	3.3774	3.3761	3.3495
3.6510	3.6510	3.6511	3.6402	3.5930	3.6055
3.7500	3.7500	3.7500	3.7500	3.7500	3.7500
3.4612	3.4584	3.4606	3.4606	3.4445	3.4262
12.7500	12.7500	12.7500	11.7500	11.7500	11.7500
30.6000	30.6000	31.3000	31.3000	31.3000	31.3000
3.0000	3.3400	3.4400	3.4400	2.2000	2.2000
0.2000	0.2000	0.2000	0.2000	0.2000	0.2000

City of Wapakoneta  
Real Property Tax Levies and Collections  
Last Ten Years

Year	Current Tax Levy (1)	Delinquent Tax Levy (2)	Total Tax Levy	Current Tax Collections	Percentage of Current Tax Collections to Current Tax Levy
2020	\$631,103	\$12,298	\$643,401	\$606,155	96.05%
2019	621,910	13,319	635,229	602,122	96.82
2018	639,043	9,815	648,858	595,355	93.16
2017	581,688	10,161	591,849	556,708	95.71
2016	534,164	10,807	544,971	517,836	96.94
2015	522,607	14,503	537,110	514,134	98.38
2014	521,688	138,065	659,753	504,208	95.11
2013	523,622	19,687	543,309	501,674	95.19
2012	519,540	16,967	725,851	504,972	95.96
2011	591,313	19,618	727,166	514,116	94.32

Source: Auglaize County Auditor

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

(2) Amounts listed include penalties and interest.

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

<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percentage of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes (2)</u>	<u>Percentage of Outstanding Delinquent Taxes to Total Tax Levy</u>
\$8,036	\$614,191	95.46%	\$4,263	0.66%
10,360	612,482	96.42	2,959	0.47
7,318	602,673	92.88	2,497	0.38
8,236	564,944	95.45	2,375	0.40
8,122	525,958	96.51	2,685	0.49
11,040	525,174	97.78	3,463	0.64
13,355	517,563	91.35	4,490	8.30
10,832	512,506	92.00	8,855	7.03
10,329	515,301	93.61	6,638	6.07
13,130	527,246	72.51	6,489	6.78

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

Taxpayer	Type of Business	2020		
		Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Wal-Mart Stores East LP	Retail Business	\$2,318,750	1	1.37%
Lowes Home Centers, Inc.	Retail Business	1,840,760	2	1.09
Ametek, Inc.	Plastic Compounds	1,344,100	3	0.80
Koneta, Inc.	Rubber Truck Accessories Manufacturing	1,299,150	4	0.77
DW 28 Wapakoneta LLC	Retail Business	1,298,427	5	0.77
Schlenker Enterprises	Land Developments and Apartments	1,249,448	6	0.74
Quaker Run Farms	Warehousing and Distribution	1,202,317	7	0.71
GAMCO Components Group LLC	Automotive Suspension Manufacturing	1,154,380	8	0.68
Celebrity House of Wapakoneta	Retirement and Assisted Living Facility	969,470	9	0.57
Mid America Properties, Inc.	Apartment Complex	904,740	10	0.54
Normandy Ridge Limited	Residential Apartments			
Miller's Textile Services, Inc.	Uniform Rentals			
	Total	13,581,542		8.04
	All Other Taxpayers	<u>155,308,078</u>		<u>91.96</u>
	Total Assessed Valuation	<u>\$168,889,620</u>		<u>100.00%</u>

Source: Auglaize County Auditor

2011		
<u>Real Property Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
\$3,370,620	1	2.19%
1,726,530	3	1.12
1,067,460	7	0.69
1,074,930	6	0.70
1,080,390	5	0.70
1,639,200	4	1.06
992,550	8	0.65
1,785,390	2	1.16
859,710	9	0.56
<u>822,590</u>	<u>10</u>	<u>0.53</u>
14,419,370		9.36
<u>139,670,600</u>		<u>90.64</u>
<u>\$154,089,970</u>		<u>100.00%</u>

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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individual Payments</u>	<u>Percentage of Taxes from Individual Payments</u>
2020	1.50%	\$4,865,675	\$3,535,433	72.66%	\$854,860	17.57%	\$475,382	9.77%
2019	1.50	4,586,319	3,480,928	75.90	462,975	10.09	642,416	14.01
2018	1.50	4,276,937	3,315,417	77.52	425,401	9.95	536,119	12.54
2017	1.00	2,722,228	2,070,967	76.08	276,878	10.17	374,383	13.75
2016	1.00	2,605,349	1,959,370	75.21	304,085	11.67	341,894	13.12
2015	1.00	2,645,764	2,219,838	83.90	226,223	8.55	199,703	7.55
2014	1.00	2,602,279	2,459,828	94.53	129,418	4.97	13,033	0.50
2013	1.00	2,590,749	2,015,566	77.80	295,940	11.42	279,243	10.78
2012	1.00	2,280,139	1,986,930	87.14	144,118	6.32	149,091	6.54
2011	1.00	2,271,225	1,693,982	74.59	232,213	10.22	345,030	15.19

Source: City Records

City of Wapakoneta  
Electric Utility Statistics  
Last Ten Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Kilowatt Hours Purchased from:					
AMP-Ohio	327,651,334	232,113,764	199,531,156	192,537,820	191,214,926
Solar Planet	<u>3,419,296</u>	<u>3,243,599</u>	<u>3,200,172</u>	<u>3,639,898</u>	<u>3,772,124</u>
<b>Total Kilowatt Hours Purchased</b>	<b><u>331,070,630</u></b>	<b><u>235,357,363</u></b>	<b><u>202,731,328</u></b>	<b><u>196,177,718</u></b>	<b><u>194,987,050</u></b>
Payments for Purchased Power to:					
AMP-Ohio	\$16,564,848	\$14,964,732	\$14,675,982	\$13,768,607	\$12,699,695
Solar Planet	<u>309,072</u>	<u>282,221</u>	<u>267,152</u>	<u>292,218</u>	<u>291,028</u>
<b>Total Payments for Purchased Power</b>	<b><u>\$16,873,920</u></b>	<b><u>\$15,246,953</u></b>	<b><u>\$14,943,134</u></b>	<b><u>\$14,060,825</u></b>	<b><u>\$12,990,723</u></b>
Kilowatt Hours Sold to Users					
Residential	49,198,006	48,969,766	51,372,837	46,367,341	49,392,226
Commercial	43,227,830	47,075,809	48,649,548	46,863,363	51,438,287
Industrial	<u>208,311,023</u>	<u>89,019,896</u>	<u>94,027,246</u>	<u>89,858,285</u>	<u>84,614,380</u>
<b>Total Kilowatt Hours Sold to Users</b>	<b><u>300,736,859</u></b>	<b><u>185,065,471</u></b>	<b><u>194,049,631</u></b>	<b><u>183,088,989</u></b>	<b><u>185,444,893</u></b>
Charges for Kilowatt Hours Sold to Users					
Residential	\$6,141,117	\$5,690,144	\$5,811,320	\$4,915,843	\$4,752,885
Commercial	5,386,924	5,521,963	5,631,339	5,315,927	5,307,928
Industrial	<u>7,148,066</u>	<u>6,209,494</u>	<u>6,506,777</u>	<u>6,842,184</u>	<u>6,513,716</u>
<b>Total Dollar Amount of Kilowatt Hours Sold to Users</b>	<b><u>\$18,676,107</u></b>	<b><u>\$17,421,601</u></b>	<b><u>\$17,949,436</u></b>	<b><u>\$17,073,954</u></b>	<b><u>\$16,574,529</u></b>

Rate

Residential		
Service Charge (base)	\$14.50	per month
Energy Charge:		
0 - 750 kwh	\$0.096	per kwh
751 - 9,999,999 kwh	\$0.096	per kwh
Commercial		
Service Charge (base)	\$25.00	per month
Demand:		
0 - 9,999,999 kwh	\$9.00	per kwh
Energy Charge:		
First 1,000 kwh	\$0.0810	per kwh
1,001 - 9,999,999 kwh	\$0.0810	per kwh
Industrial (Large Power)		
Service Charge (base)	\$100.00	per month
Demand	\$20.00	per kwh
Energy Charge	\$0.0390	per kwh

Source: City Records

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

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
199,918,896	202,219,618	195,926,166	186,176,513	180,959,049
<u>3,755,014</u>	<u>3,759,567</u>	<u>1,396,868</u>	<u>0</u>	<u>0</u>
<u>203,673,910</u>	<u>205,979,185</u>	<u>197,323,034</u>	<u>186,176,513</u>	<u>180,959,049</u>
\$12,101,040	\$12,388,027	\$12,125,226	\$11,076,435	\$11,968,304
<u>278,912</u>	<u>268,363</u>	<u>97,781</u>	<u>0</u>	<u>0</u>
<u>\$12,379,952</u>	<u>\$12,656,390</u>	<u>\$12,223,007</u>	<u>\$11,076,435</u>	<u>\$11,968,304</u>
49,280,300	49,954,412	48,670,513	49,046,019	50,710,995
53,645,140	54,550,253	55,505,734	51,663,059	53,536,889
<u>91,507,360</u>	<u>90,524,080</u>	<u>81,355,860</u>	<u>74,799,100</u>	<u>68,122,540</u>
<u>194,432,800</u>	<u>195,028,745</u>	<u>185,532,107</u>	<u>175,508,178</u>	<u>172,370,424</u>
\$4,465,330	\$4,405,323	\$4,247,295	\$4,207,297	\$4,730,277
5,233,331	5,175,088	5,239,272	4,837,440	5,390,470
<u>6,061,489</u>	<u>5,836,043</u>	<u>5,513,562</u>	<u>5,080,856</u>	<u>5,223,424</u>
<u>\$15,760,150</u>	<u>\$15,416,454</u>	<u>\$15,000,129</u>	<u>\$14,125,593</u>	<u>\$15,344,171</u>

City of Wapakoneta  
Water Utility Statistics  
Last Ten Years

Type of Customer	2020	2019	2018	2017	2016
Residential	\$1,509,810	\$1,386,402	\$1,307,664	\$1,262,812	\$1,247,623
Industrial	1,634,097	667,990	405,265	391,409	402,659
Commercial	385,765	434,586	379,909	434,407	326,741
<b>Total Billed</b>	<b><u>\$3,529,672</u></b>	<b><u>\$2,488,978</u></b>	<b><u>\$2,092,838</u></b>	<b><u>\$2,088,628</u></b>	<b><u>\$1,977,023</u></b>
Billed in Cubic Feet					
Rate in Cubic Feet:					
All Customers					
0 - 200	\$12.59	\$11.99	\$11.42	\$10.88	\$10.36
201 - 1,300	5.30	5.05	4.81	4.58	4.36
1,301 - 6,100	4.42	4.21	4.01	3.82	3.64
6,101 - 22,800	3.59	3.42	3.26	3.10	2.95
22,801 and up	3.24	3.09	2.94	2.80	2.67
Multi Residential					
0 - 200	\$12.59	\$11.99	\$11.42	\$10.88	\$10.36
Each Additional 100	5.13	4.89	4.65	4.43	4.22

Outside Rates 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 Change in Fund Net Position.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$1,168,845	\$1,120,415	\$1,090,272	\$1,037,648	\$1,012,829
348,555	354,636	313,989	273,445	270,269
<u>315,901</u>	<u>302,352</u>	<u>286,194</u>	<u>262,502</u>	<u>263,642</u>
<u><u>\$1,833,301</u></u>	<u><u>\$1,777,403</u></u>	<u><u>\$1,690,455</u></u>	<u><u>\$1,573,595</u></u>	<u><u>\$1,546,740</u></u>

\$9.87	\$9.40	\$8.95	\$8.52	\$7.72
4.15	3.95	3.76	3.58	3.25
3.46	3.30	3.14	2.99	2.71
2.81	2.68	2.55	2.43	2.20
2.55	2.43	2.31	2.19	1.99

\$9.87	\$9.40	\$8.95	\$8.52	\$7.72
4.02	3.83	3.65	3.48	3.15

City of Wapakoneta  
Sewer Utility Statistics  
Last Ten Years

Type of Customer	2020	2019	2018	2017	2016
Residential	\$1,417,423	\$1,337,017	\$1,284,523	\$1,261,470	\$1,261,962
Commercial	379,766	426,961	375,005	358,900	347,329
Industrial	663,656	610,053	628,543	601,560	678,411
<b>Total Billed</b>	<b><u>\$2,460,845</u></b>	<b><u>\$2,374,031</u></b>	<b><u>\$2,288,071</u></b>	<b><u>\$2,221,930</u></b>	<b><u>\$2,287,702</u></b>

Billed in Cubic Feet

Base Rate for First 200 Cubic Feet:

Residential	\$14.86	\$14.43	\$14.01	\$13.60	\$13.20
Commercial	14.86	14.43	14.01	13.60	13.20
Industrial	14.86	14.43	14.01	13.60	13.20

Additional per 100 Cubic Feet:

Residential	\$4.35	\$4.22	\$4.10	\$3.98	\$3.86
Commercial	4.67	4.53	4.40	4.27	4.15
Industrial	4.35	4.22	4.10	3.98	3.86

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 Change in Fund Net Position.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$1,214,430	\$1,184,334	\$1,167,565	\$1,158,891	\$1,123,865
338,763	326,180	328,079	308,411	318,190
<u>515,794</u>	<u>536,659</u>	<u>420,142</u>	<u>347,512</u>	<u>370,480</u>
<u><u>\$2,068,987</u></u>	<u><u>\$2,047,173</u></u>	<u><u>\$1,915,786</u></u>	<u><u>\$1,814,814</u></u>	<u><u>\$1,812,535</u></u>

\$12.83	\$12.45	\$12.10	\$11.74	\$11.40
12.83	12.45	12.10	11.74	11.40
12.83	12.45	12.10	11.74	11.40
\$3.74	\$3.64	\$3.53	\$3.43	\$3.33
4.03	3.91	3.80	3.69	3.58
3.74	3.64	3.53	3.43	3.33

City of Wapakoneta  
Storm Sewer Utility Statistics  
Last Ten Years

Type of Customer	2020	2019	2018	2017	2016
Residential	\$92,376	\$91,152	\$91,296	\$91,008	\$99,528
Commercial/Industrial	67,317	67,241	66,059	65,703	56,166
<b>Total Billed</b>	<b>\$159,693</b>	<b>\$158,393</b>	<b>\$157,355</b>	<b>\$156,711</b>	<b>\$155,694</b>

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 Change in Fund Net Position.



<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$99,408	\$89,856	\$89,256	\$88,846	\$87,912
<u>55,353</u>	<u>64,905</u>	<u>64,883</u>	<u>64,942</u>	<u>65,389</u>
<u><u>\$154,761</u></u>	<u><u>\$154,761</u></u>	<u><u>\$154,139</u></u>	<u><u>\$153,788</u></u>	<u><u>\$153,301</u></u>

City of Wapakoneta  
Refuse Utility Statistics  
Last Ten Years

Type of Customer	2020	2019	2018	2017	2016
Residential	\$554,902	\$531,962	\$531,805	\$508,211	\$489,186
Commercial/Industrial	205,924	197,758	205,628	193,823	187,969
Bag Sales (all customers)	366,125	353,705	345,125	339,875	337,780
Total	<u>\$1,126,951</u>	<u>\$1,083,425</u>	<u>\$1,082,558</u>	<u>\$1,041,909</u>	<u>\$1,014,935</u>
Amount Paid by City to Rumpke	<u>\$261,323</u>	<u>\$260,326</u>	<u>\$290,134</u>	<u>\$276,131</u>	<u>\$269,362</u>
Amount per Ton Paid to Rumpke	\$60.00	\$66.00	\$73.56	\$72.39	\$70.97
<u>Monthly Base Rate:</u>					
Residential Inside	\$11.00	\$11.00	\$11.00	\$10.50	\$10.00
Residential Outside	15.00	15.00	15.00	14.50	14.00

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

In addition to a flat fee, customers must also purchase trash bags from the City, which sell for \$1.00 or \$1.50 each. Customers are also charged a monthly fee for landfill monitoring that varies for type of customer and size of commercial dumpster.

Source: City Records

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

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$466,974	\$440,092	\$416,494	\$414,011	\$414,234
190,931	185,454	186,212	182,251	182,801
<u>331,875</u>	<u>334,125</u>	<u>288,750</u>	<u>288,738</u>	<u>271,437</u>
<u>\$989,780</u>	<u>\$959,671</u>	<u>\$891,456</u>	<u>\$885,000</u>	<u>\$868,472</u>
<u>\$266,651</u>	<u>\$251,869</u>	<u>\$235,714</u>	<u>\$227,332</u>	<u>\$239,428</u>
\$68.22	\$68.22	\$66.63	\$65.09	\$65.09
\$9.00	\$9.00	\$8.50	\$8.50	\$8.50
13.00	13.00	12.50	12.50	12.50

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

Year	Governmental Activities				Business-Type Activities		
	General Obligation Bonds	Capital Loans	Loans	Capital Leases	General Obligation Bonds	Mortgage Revenue Bonds	Due to Auglaize County
2020	\$0	\$0	\$0	\$0	\$3,830,000	\$0	\$0
2019	0	0	0	0	4,525,000	0	0
2018	0	0	0	0	0	5,230,000	0
2017	0	0	45,010	0	0	5,770,000	0
2016	0	0	88,298	0	0	6,295,000	0
2015	0	0	129,929	30,597	0	6,780,000	0
2014	0	11,870	169,967	59,192	0	7,250,000	0
2013	0	23,283	208,473	0	0	7,705,000	0
2012	225,000	34,257	245,506	0	0	8,130,000	1,250
2011	440,000	44,809	281,121	0	0	8,540,000	3,750

Source: City Records

(1) See S-41 for population and personal income.

Business-Type Activities						
OWDA Loans	Capital Loans	Loans	Capital Leases	Total Debt	Per Capita (1)	Percentage of Personal Income (1)
\$21,121,357	\$12,708,106	\$0	\$472,506	\$38,131,969	\$3,932	14.44%
20,485,422	7,038,250	0	629,615	32,678,287	3,357	12.94
18,166,716	2,337,471	0	491,595	26,225,782	2,681	11.27
18,547,622	0	114,150	409,511	24,886,293	2,535	11.26
18,694,562	0	223,932	489,455	25,791,247	2,638	11.80
18,468,055	0	329,514	566,820	26,304,915	2,666	12.64
16,527,575	11,870	431,055	0	24,461,529	2,481	9.06
12,393,522	71,842	528,711	34,925	20,965,756	2,133	7.79
8,919,074	129,624	622,630	68,563	18,375,904	1,867	7.54
8,833,359	185,295	712,955	100,962	19,142,251	1,940	7.84

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
2020	9,698	\$486,248,510	\$0	0.00%	\$0.00
2019	9,733	479,208,136	0	0.00	0.00
2018	9,782	491,866,791	0	0.00	0.00
2017	9,816	440,223,484	0	0.00	0.00
2016	9,776	438,465,559	0	0.00	0.00
2015	9,867	432,930,270	0	0.00	0.00
2014	9,861	432,047,307	0	0.00	0.00
2013	9,830	435,047,985	0	0.00	0.00
2012	9,843	433,492,344	225,000	0.05	22.86
2011	9,867	440,725,489	440,000	0.10	44.59

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

City of Wapakoneta  
 Computation of Direct and Overlapping Debt for Governmental Activities  
 December 31, 2020

<u>Jurisdiction</u>	<u>Outstanding Debt</u>	<u>Percentage Applicable to City of Wapakoneta (1)</u>	<u>Amount Applicable to City of Wapakoneta</u>
City of Wapakoneta	\$0	100.00%	\$0
Wapakoneta City School District	21,395,000	42.08	9,003,016
Apollo Career Center	28,755,000	7.00	2,012,850
Total Overlapping Debt	50,150,000		11,015,866
Total	<u>\$50,150,000</u>		<u>\$11,015,866</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

	2020	2019	2018	2017
Total Assessed Valuation	<u>\$172,151,550</u>	<u>\$169,661,720</u>	<u>\$174,147,460</u>	<u>\$156,088,630</u>
Overall Debt Limitation - 10.5 Percent of Assessed Valuation	18,075,913	17,814,481	18,285,483	16,389,306
Gross Indebtedness	37,659,463	32,048,672	25,734,187	24,476,782
Less Debt Outside Limitation				
General Obligation Bonds	3,830,000	4,525,000	0	0
Mortgage Revenue Bonds	0	0	5,230,000	5,770,000
OWDA Loans	21,121,357	20,485,422	18,166,716	18,547,622
Capital Loans	12,708,106	7,038,250	2,337,471	0
Loans Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>114,150</u>
Net Indebtedness	0	0	0	45,010
Less Fund Balance in Debt Service Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>44,316</u>
Net Debt Within 10.5 Percent Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>694</u>
Legal Debt Margin Within 10.5 Percent Limitation	<u>\$18,075,913</u>	<u>\$17,814,481</u>	<u>\$18,285,483</u>	<u>\$16,388,612</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limitation - 5.5 Percent of Assessed Valuation	\$9,468,335	\$9,331,395	\$9,578,110	\$8,584,875
Gross Indebtedness	37,659,463	32,048,672	25,734,187	24,476,782
Less Debt Outside Limitation				
General Obligation Bonds	3,830,000	4,525,000	0	0
Mortgage Revenue Bonds	0	0	5,230,000	5,770,000
OWDA Loans	21,121,357	20,485,422	18,166,716	18,547,622
Capital Loans	12,708,106	7,038,250	2,337,471	0
Loans Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>114,150</u>
Net Indebtedness	0	0	0	45,010
Less Fund Balance in Debt Service Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>44,316</u>
Net Debt Within 5.5 Percent Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>694</u>
Legal Debt Margin Within 5.5 Percent Limitation	<u>\$9,468,335</u>	<u>\$9,331,395</u>	<u>\$9,578,110</u>	<u>\$8,584,181</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	99.99%

Source: City Records



2016	2015	2014	2013	2012	2011
<u>\$155,427,800</u>	<u>\$152,201,760</u>	<u>\$151,891,380</u>	<u>\$152,902,590</u>	<u>\$151,979,280</u>	<u>\$154,502,190</u>
16,319,919	15,981,185	15,948,595	16,054,772	15,957,824	16,222,730
25,301,792	25,707,498	24,402,337	20,930,831	18,306,091	19,037,539
0	0	0	0	0	0
6,295,000	6,780,000	7,250,000	7,705,000	8,130,000	8,540,000
18,694,562	18,468,055	16,527,575	12,393,522	8,919,074	8,833,359
0	0	11,870	71,842	129,624	185,295
<u>223,932</u>	<u>329,514</u>	<u>431,055</u>	<u>528,711</u>	<u>622,630</u>	<u>712,955</u>
88,298	129,929	181,837	231,756	504,763	765,930
<u>44,316</u>	<u>44,316</u>	<u>44,316</u>	<u>44,316</u>	<u>144,972</u>	<u>245,212</u>
<u>43,982</u>	<u>85,613</u>	<u>137,521</u>	<u>187,440</u>	<u>359,791</u>	<u>520,718</u>
<u>\$16,275,937</u>	<u>\$15,895,572</u>	<u>\$15,811,074</u>	<u>\$15,867,332</u>	<u>\$15,598,033</u>	<u>\$15,702,012</u>
99.73%	99.46%	99.14%	98.83%	97.75%	96.79%
\$8,548,529	\$8,371,097	\$8,354,026	\$8,409,642	\$8,358,860	\$8,497,620
25,301,792	25,707,498	24,402,337	20,930,831	18,306,091	19,037,539
0	0	0	0	0	0
6,295,000	6,780,000	7,250,000	7,705,000	8,130,000	8,540,000
18,694,562	18,468,055	16,527,575	12,393,522	8,919,074	8,833,359
0	0	11,870	71,842	129,624	185,295
<u>223,932</u>	<u>329,514</u>	<u>431,055</u>	<u>528,711</u>	<u>622,630</u>	<u>712,955</u>
88,298	129,929	181,837	231,756	504,763	765,930
<u>44,316</u>	<u>44,316</u>	<u>44,316</u>	<u>44,316</u>	<u>144,972</u>	<u>245,212</u>
<u>43,982</u>	<u>85,613</u>	<u>137,521</u>	<u>187,440</u>	<u>359,791</u>	<u>520,718</u>
<u>\$8,504,547</u>	<u>\$8,285,484</u>	<u>\$8,216,505</u>	<u>\$8,222,202</u>	<u>\$7,999,069</u>	<u>\$7,976,902</u>
99.49%	98.98%	98.35%	97.77%	95.70%	93.87%

City of Wapakoneta  
Pledged Revenue  
Water Fund  
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2020	\$3,748,267	\$1,508,395	\$2,239,872	\$203,740	\$287,002	\$490,742	4.56
2019	2,589,091	1,483,190	1,105,901	194,007	294,746	488,753	2.26
2018	2,119,229	1,447,727	671,502	184,745	302,119	486,864	1.38
2017	2,116,403	1,591,406	524,997	175,931	309,140	485,071	1.08
2016	2,014,208	1,308,594	705,614	167,545	315,824	483,369	1.46
2015	1,872,030	1,491,250	380,780	159,564	407,209	566,773	0.67
2014	1,833,207	1,099,767	733,440	107,093	414,804	521,897	1.41
2013	1,734,258	1,086,316	647,942	183,042	398,689	581,731	1.11
2012	1,613,831	1,010,596	603,235	136,798	431,735	568,533	1.06
2011	1,563,522	1,093,005	470,517	138,950	455,981	594,931	0.79

Source: City Records

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

City of Wapakoneta  
Pledged Revenue  
Sewer Fund  
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2020	\$4,871,109	\$2,244,084	\$2,627,025	\$971,179	\$417,270	\$1,388,449	1.89
2019	3,942,966	2,752,243	1,190,723	267,787	331,786	599,573	1.99
2018	3,543,541	2,020,620	1,522,921	803,134	510,605	1,313,739	1.16
2017	3,446,878	1,748,502	1,698,376	795,608	640,886	1,436,494	1.18
2016	3,526,130	1,404,195	2,121,935	747,443	671,158	1,418,601	1.50
2015	3,320,572	1,433,053	1,887,519	684,787	621,478	1,306,265	1.44
2014	3,266,033	1,217,489	2,048,544	455,000	334,812	789,812	2.59
2013	3,138,652	1,371,493	1,767,159	447,787	354,140	801,927	2.20
2012	2,718,422	1,174,231	1,544,191	432,900	372,773	805,673	1.92
2011	2,418,291	1,315,509	1,102,782	422,900	390,909	813,809	1.36

Source: City Records

- (1) Includes operating revenues and interest.
- (2) Total operating expenses exclusive of depreciation.
- (3) Includes mortgage revenue bonds (2011 - 2018) and OWDA loans.

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City of Wapakoneta  
Demographic and Economic Statistics  
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate Auglaize County (5)</u>
2020	9,698	\$264,086,238	\$27,231	3,035	4.40%
2019	9,733	252,629,748	25,956	3,081	2.80
2018	9,782	232,625,742	23,781	3,225	3.60
2017	9,816	220,938,528	22,508	3,113	3.30
2016	9,776	218,522,928	22,353	3,092	3.70
2015	9,867	208,134,498	21,094	3,062	3.60
2014	9,861	270,122,373	27,393	3,144	3.50
2013	9,830	269,273,190	27,393	3,133	4.60
2012	9,843	243,673,308	24,756	3,062	4.80
2011	9,867	244,267,452	24,756	3,065	6.20

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	2020		
		Number of Employees	Rank	Percentage of Total Employment
Auglaize County	Government	350	1	7.14%
Wapakoneta City School District	Government	302	2	6.18
Pratt Industries	Paper Recycling/Paper Mill	285	3	5.83
American Trim Limited	Metal Stamping	250	4	5.11
Wal-Mart Stores East LP	Retail Business	220	5	4.50
General Aluminum Manufacturing Company	Aluminum Manufacturing	207	6	4.23
Miller's Textile Services, Inc.	Uniform Rentals	150	7	3.06
GA Wintzer & Son Company	Manufacturing	125	8	2.55
Golden Fresh Farms	Produce	93	9	1.90
City of Wapakoneta	Government	86	10	1.76
Koneta, Inc.	Rubber Truck Accessories Manufacturing			
Advanced Agri Solutions	Agricultural Commodities Supplier			
Total		<u>2,068</u>		<u>42.26%</u>
Total Employment Within the City		<u>4,894</u>		

Source: City Records

2011		
<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
466	1	9.24%
288	2	5.71
158	6	3.14
170	4	3.37
125	8	2.48
172	3	3.41
102	9	2.02
81	10	1.61
154	7	3.05
<u>165</u>	5	<u>3.27</u>
<u>1,881</u>		<u>37.30%</u>
<u>5,043</u>		

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

Function/Program	2020	2019	2018	2017
<b>General Government</b>				
Mayor	1.00	1.00	1.00	1.00
Council	8.00	8.00	8.00	8.00
Clerk of Council	0.50	0.50	0.50	0.50
Auditor	1.00	1.00	1.00	1.00
Treasurer	1.00	1.00	1.00	1.00
Income Tax Administrator	1.00	1.00	1.00	1.00
Income Tax Clerk	1.00	1.00	1.00	1.00
Law Director	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
Information Technology Technician	1.00	0.50	0.50	1.00
<b>Security of Persons and Property</b>				
Police	15.00	14.00	14.00	14.00
Police - Dispatchers	5.00	5.00	5.00	5.00
Police - Auxiliary	8.00	8.00	8.00	8.00
Fire	16.00	15.00	15.00	13.00
Fire - Auxiliary	1.00	2.00	3.00	3.00
Fire - Administrative Assistant	0.00	0.00	0.00	0.50
Safety Director	1.00	0.50	0.50	1.00
<b>Public Health</b>				
Emergency Medical Services	0.00	0.00	0.00	0.00
<b>Leisure Time Activities</b>				
Recreation Director	1.00	1.00	1.00	1.00
<b>Transportation</b>				
Public Works	10.00	10.00	10.00	10.00
<b>Basic Utility Services</b>				
Engineering	4.00	3.00	3.00	3.00
Utility Clerks	4.00	4.00	4.00	4.00
Electric	11.00	11.00	10.00	10.00
Water	5.00	5.00	6.00	6.00
Sewer	5.00	5.00	5.00	5.00
Refuse	6.00	6.00	6.00	5.00
<b>Total</b>	<u>108.50</u>	<u>105.50</u>	<u>106.50</u>	<u>105.00</u>

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

Source: City Payroll Records



<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
1.00	1.00	1.00	1.00	1.00	1.00
8.00	8.00	8.00	8.00	8.00	8.00
0.50	0.50	0.50	0.50	0.50	0.50
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00	0.00
14.00	14.00	13.00	14.00	14.00	14.00
5.00	5.00	5.00	5.00	5.00	5.00
8.00	9.00	10.00	12.00	15.00	17.00
14.00	13.00	13.00	14.00	14.00	14.00
3.00	8.00	10.00	10.00	12.00	12.00
0.00	0.00	0.00	0.00	0.00	0.00
1.00	1.00	1.00	1.00	1.00	1.00
0.00	2.00	6.00	6.00	6.00	7.00
1.00	1.00	1.00	1.00	1.00	1.00
10.00	9.00	9.00	10.00	10.00	10.00
3.00	3.00	3.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	4.00	2.00
10.00	10.00	10.00	11.00	11.00	11.00
6.00	6.00	6.00	6.00	6.00	6.00
5.00	4.00	4.00	4.00	4.00	4.00
5.00	4.00	6.00	6.00	6.00	6.00
<u>104.50</u>	<u>108.50</u>	<u>116.50</u>	<u>122.50</u>	<u>127.50</u>	<u>128.50</u>

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

Function/Program	2020	2019	2018	2017
<b>Security of Persons and Property-Police</b>				
Vehicle Mileage	103,508	103,295	105,323	99,266
Number of Traffic Citations and Arrests	879	1,342	1,520	1,516
Number of Parking Tickets Issued	93	243	389	374
Dollar Amount Collected for Tickets	\$1,010	\$1,840	\$3,800	\$3,110
<b>Security of Persons and Property-Fire</b>				
Number of EMS Calls	1,572	1,696	1,627	1,593
Number of Fire Calls	228	285	232	193
Miscellaneous Calls	0	0	0	0
<b>Transportation</b>				
Number of Gallons of R-S-2 Used to Fill Potholes	3,790	2,365	4,050	2,785
Number of Tons of Cold Mix Used	85	34	0	0
<b>General Government</b>				
<b>Income Tax</b>				
Number of Individual Accounts	5,522	5,469	5,441	5,321
Number of Business Accounts	879	845	800	783
Number of Business Withholding Accounts	1,104	1,032	1,034	945
Total Receipts Collected	\$4,865,675	\$4,586,319	\$4,276,937	\$2,722,228
Amount of Interest and Penalties Charged	\$12,859	\$12,237	\$15,209	\$23,237
Amount of Interest and Penalties Collected	\$7,542	\$9,916	\$5,039	\$10,173
<b>City Commission</b>				
Number of Ordinances Passed	45	53	52	44
Number of Resolutions Passed	16	9	12	7
<b>Electric Department</b>				
Kilowatt Hours Used	331,070,630	235,357,363	202,731,328	196,177,718
City Cost of Power	\$16,873,920	\$15,246,953	\$14,943,134	\$14,060,825
<b>Water Department</b>				
Number of Wells Operating	6	6	6	6
Millions of Gallons of Finished Water	841.63	657.10	559.06	576.42
Chlorine Used (gallons)	21,688	18,731	19,007	16,051
Phosphate Used (gallons)	2,984	2,481	2,495	2,664
Salt in Tons (regenerates softening units)	2,649	2,059	1,907	2,116
Number of Gallons of Water Able to be Pumped a Day Combined	4,000,000	4,000,000	3,000,000	3,000,000
Daily Average Consumption (gallons)	2,300,000	1,800,250	1,531,000	1,583,000
Maximum Daily Capacity of Treatment Plant (gallons)	4,000,000	4,000,000	2,500,000	2,500,000
<b>Sewer Department</b>				
Number of Gallons of Sewage Treated (in millions)	1,232	1,149	1,033	996
Average Daily Flow (millions of gallons per day)	3.18	3.15	2.84	2.72
Maximum Daily Capacity of Treatment Plant (gallons)	6,000,000	6,000,000	6,000,000	6,000,000
Number of Tons of N-Viro Produced (fertilizer)	3,829	3,329	3,579	3,029
<b>Refuse Department</b>				
Number of Tons of Refuse Collected	3,960	3,944	3,944	3,891
Number of Trash Bags Sold (in cases of 250 bags)	992	1,005	983	970
Number of Tons of Recycling Collected	601	529	854	820
Number of Gallons of Used Motor Oil Collected and Recycled	0	1,000	2,000	2,200
<b>Engineering</b>				
Number of Registered Contractors	213	225	203	163
Number of Building Permits Issued	268	272	247	239

Source: City Records

2016	2015	2014	2013	2012	2011
110,984	115,612	113,720	118,841	116,181	107,529
1,319	1,187	1,023	1,143	797	961
398	444	291	435	369	340
\$3,600	\$4,100	\$2,990	\$4,390	\$3,690	\$3,400
1,308	1,159	1,283	1,260	1,249	1,074
242	300	39	21	17	38
297	240	232	219	214	229
2,510	2,655	0	0	0	0
0	0	0	0	0	0
5,302	5,198	4,765	5,435	4,996	4,740
786	803	773	828	862	827
963	923	880	963	947	925
\$2,605,349	\$2,645,764	\$2,602,279	\$2,590,749	\$2,280,139	\$2,271,225
\$27,186	\$13,813	\$31,323	\$26,254	\$26,912	\$35,654
\$7,035	\$4,668	\$15,910	\$26,293	\$8,504	\$25,571
39	41	37	33	54	62
9	12	4	5	11	11
194,987,050	203,673,910	205,979,185	197,323,034	186,176,513	180,959,049
\$12,990,723	\$12,379,952	\$12,656,390	\$12,223,007	\$11,076,435	\$11,968,304
6	6	7	7	7	10
530.80	524.00	543.00	503.00	519.00	537.00
16,458	16,556	17,649	15,275	14,695	15,799
2,514	2,268	2,138	1,887	2,035	1,755
2,297	2,056	1,861	1,693	1,571	1,296
3,000,000	3,000,000	3,000,000	3,000,000	2,500,000	2,700,000
1,450,035	1,437,000	1,450,000	1,400,000	1,350,000	1,470,000
2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,560,000
851	1,068	1,063	1,101	1,013	1,332
2.32	2.92	2.91	3.02	2.76	3.66
6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
3,634	4,091	3,013	3,273	4,775	3,830
3,795	3,832	3,692	3,621	3,680	3,680
960	988	1,080	1,018	935	962
729	713	n/a	n/a	831	816
2,055	1,700	3,000	4,600	2,900	2,900
188	178	192	232	225	240
246	252	235	317	254	233

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

Function/Program	2020	2019	2018	2017
Security of Persons and Property-Police				
Stations	1	1	1	1
Vehicles	14	14	13	12
Security of Persons and Property-Fire				
Stations	1	1	1	1
Fire Trucks	5	5	5	5
Trailer	0	0	0	0
Vehicles	3	3	3	3
Public Health				
Vehicles	4	4	4	3
Transportation				
Streets (miles)	47.19	47.19	46.37	46.37
Vehicles	18	18	17	20
General Government				
Vehicles	1	1	1	1
Electric				
Electric Lines (miles)	106.34	106.34	105.68	103.37
Number of Substations	10	9	8	8
Vehicles	23	22	20	22
Water				
Water Lines (miles)	62.98	62.98	61.28	61.28
Number of Treatment Plants	2	2	2	2
Vehicles	7	7	7	7
Sewer				
Sanitary Sewer Lines (miles)	49.78	49.78	48.39	48.39
Storm Sewer Lines (miles)	30.02	30.02	28.19	28.19
Number of Treatment Plants	1	1	1	1
Vehicles	8	8	8	8
Refuse				
Vehicles	3	4	4	6
Recycling				
Vehicles	6	6	5	5
Engineering				
Vehicles	2	2	2	2

Source: City Records

2016	2015	2014	2013	2012	2011
1 9	1 12	1 12	1 9	1 11	1 11
1 5 0 4	1 7 1 4	1 7 1 3	1 7 1 3	1 7 1 2	1 7 1 2
3	3	3	3	3	3
46.37 20	46.37 22	46.37 22	46.20 22	46.20 22	46.16 22
1	1	1	1	1	1
103.37 8 21	103.37 8 14	103.37 8 11	103.37 8 11	103.37 8 10	103.37 8 9
61.28 2 8	61.28 2 9	61.28 2 9	61.00 2 9	61.00 2 8	61.00 2 8
48.39 28.19 1 8	48.39 28.19 1 5	48.39 28.19 1 4	48.20 27.93 1 4	48.20 27.93 1 4	48.20 27.93 1 4
6	6	5	4	4	4
5	5	5	5	5	5
4	3	3	3	3	3

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**CITY OF WAPAKONETA  
AUGLAIZE COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2020**

***James G. Zupka, CPA, Inc.***  
**Certified Public Accountants**

**CITY OF WAPAKONETA  
AUGLAIZE COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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Ohio Society of Certified Public Accountants

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

To the Members of City Council  
City of Wapakoneta  
Wapakoneta, Ohio

The Honorable Keith Faber  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, Ohio, (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 26, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses that we considered a significant deficiency as item **2020-001**.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item **2020-002**.

### ***City's Response to Findings***

The City's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James G. Zupka, CPA, Inc.  
Certified Public Accountants

August 26, 2021

**CITY OF WAPAKONETA  
AUGLAIZE COUNTY, OHIO  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Finding Number 2020-001 – Significant Deficiency – Billing for Service Provided by the City**

Condition/Criteria

During our audit, we noted that the City installed sewer lines for a new residential area that previously did not have sewer access and the City did not bill for the work performed. It is also our understanding that the City installing sewer lines is not consistent with the City's past operations for new developments built within the City; instead, developers of the project install and pay for the installation of sewer lines.

Cause/Effect

The City provided and incurred costs in providing those services that were not reimbursed. The installation of sewer lines was not consistent with City operations and the City failed to bill for the costs incurred.

Recommendation

We recommend that the City follow the procedures in place for the building of new developments within the City and that the City bill for all services provided in a timely manner.

City's Response

Although this finding is from 2017 and not 2020, the City will continue to follow procedures in accordance with codified ordinances regarding the placement of new development utility services. The incident referenced in this finding will serve as an educational tool to prevent such an event from reoccurring.

**CITY OF WAPAKONETA  
 AUGLAIZE COUNTY, OHIO  
 SCHEDULE OF FINDINGS AND RESPONSES  
 FOR THE YEAR ENDED DECEMBER 31, 2020**

**Finding Number 2020-002 - Material Noncompliance - Appropriations Exceeding Estimated Resources**

Condition/Criteria

Ohio Revised Code Section 5705.39 prohibits appropriations from each fund exceeding the total of the estimated resources available. During our compliance testing, it was noted that three funds had appropriations exceeding the final estimated resources. Ohio Revised Code Section 5705.39 provides, in part, that total appropriations from each fund shall not exceed the total estimated resources (estimated revenues plus encumbranced fund balances).

In addition, based on our review of Certificates of Estimated Resources, we noted that the City is not monitoring by fund the Certificate of Estimated Resources to appropriations.

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
<u>Electric Enterprise Fund</u>			
Final Budget	\$ 36,404,721	\$ 39,208,368	\$ (2,803,647)
<u>Sewer Enterprise Fund</u>			
Final Budget	6,354,774	6,373,014	(18,240)
<u>Motor Vehicle Permissive Tax Special Revenue Fund</u>			
Final Budget	155,104	165,700	(10,596)

Cause/Effect

Contrary to Ohio Revised Code Section 5705.39, the City had appropriations exceeding estimated resources available. However, the final expenditures did not exceed the final appropriations in any of the funds.

Recommendations

We recommend that the City follow the guidance provided in Ohio Revised Code Section 5705.39, by amending the appropriations to a level that does not exceed the amended certificate. We also recommend the City monitor its Certificate of Estimated Resources and Appropriations by fund which will assist in compliance with ORC Section 5705.39.

City's Response

The Electric and Sewer funds variance is the result of two project loans the City has in progress that reimburses the City after the expense is incurred. The negative variance is a timing issue due to Purchase Orders being issued but not yet completed and therefore not collected back from the loan.

The Motor Vehicle Permissive Tax Fund is we didn't transfer from County the amount we showed in the original budget and used some of the previous years carry over to cover spending.

**CITY OF WAPAKONETA  
AUGLAIZE COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
DECEMBER 31, 2020**

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Finding Number	Finding Summary	Status	Additional Information
2019-001	Material Noncompliance - Appropriations Exceeding Estimated Resources	Not Corrected	Reissued as Finding 2020-002

Management letter recommendations were corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF WAPAKONETA**

**AUGLAIZE COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/28/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)