

CITY OF WAPAKONETA, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2021

PREPARED BY:

WILBUR WELLS
CITY AUDITOR

OHIO AUDITOR OF STATE
KEITH FABER



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Members of Council
City of Wapakoneta
701 Parlette Court
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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, 2021 through December 31, 2021. 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

August 18, 2022

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INTRODUCTORY SECTION

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CITY OF WAPAKONETA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

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Director of Public Service and Safety
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June 29, 2022

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

I am pleased to present the City of Wapakoneta's Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2021. 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, 2021. 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 2021, 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

Twelve city streets were part of a grind and pave project in 2021. 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 reclamation project for 2021 treated ten streets. This project prolongs the life of the asphalt 5-7 years longer before repaving or maintenance is required. This has become an annual project within the city. The project has extended the asphalt life of all the treated streets.

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

Design work has started and near completion 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 is scheduled for 2023.

ODOT has awarded the city federal funding for 25A to widen the roadway, install storm sewer, catch basins, provide new asphalt, driveway approaches, stripping, signage. This is 95% - 5% split with ODOT and the City. This project shall commence in 2022. This project will also assist our Industrial Park.

A storm sewer review of city polices and of various subdivisions within the community has started. The city has identified areas for improvements, and these projects began in 2019 and is continuing in 2021. We have performed various storm water improvements in the residential area.

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

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

During 2021, the Engineering department issued 76 permits for commercial, 248 permits for remodeling, new structures, residential living units, garages, residential remodeling, signage, sidewalk, demolition, swimming pools, decks, sheds, and patios. The city registered 311 contractors working within the city limits. Total value of the construction is \$3,104,830.00.

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 annual comprehensive financial report (ACFR) for the year ended December 31, 2020. This was the twenty-ninth 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 annual comprehensive financial report (ACFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Sincere appreciation is extended to the Mayor and the Director of Public Service and Safety for their support and to City Council for appropriating the funds for this project. This 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,



Wilbur Wells
City Auditor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Wapakoneta
Ohio**

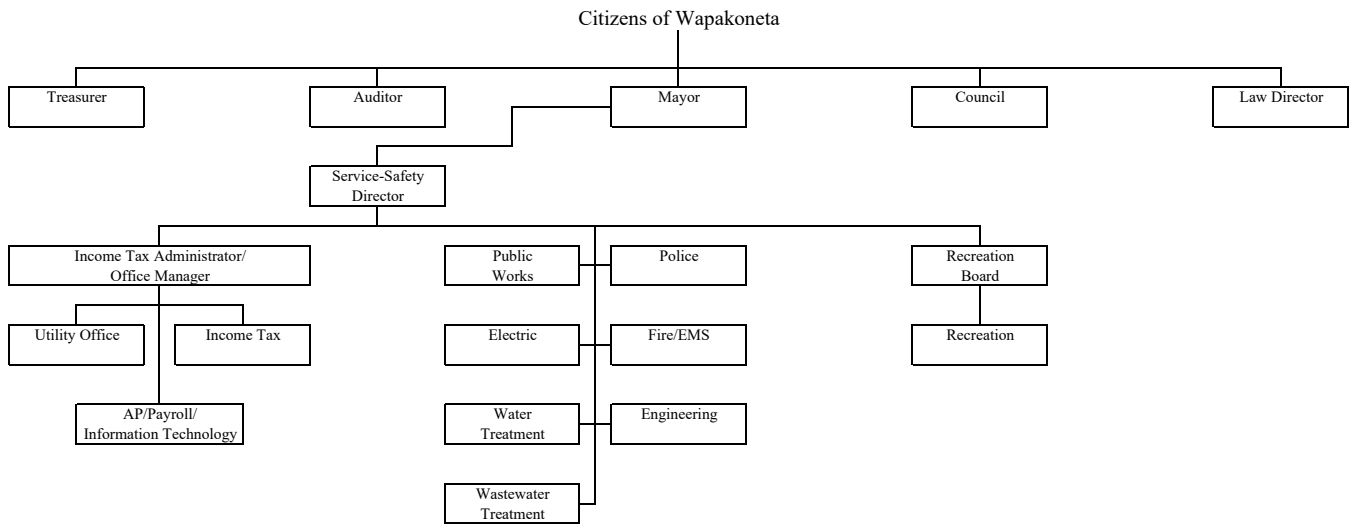
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

City of Wapakoneta Organizational Chart



**CITY OF WAPAKONETA
LIST OF PRINCIPAL OFFICIALS**

| | |
|---|---------------------|
| Interim Mayor | Steve Henderson |
| Director of Public Service and Saefy | Michael Brillhart |
| Income Tax Administrator/Office Manager | Diana Blackburn |
| Police Chief | Calvin D. Schneider |
| Fire Chief/EMS Director | Eric Sammetinger |
| Recreation Director | Jack Hayzlett |
| Public Works Superintendent | Bill Thomas |
| Electric Superintendent | Levi Cecil |
| Water Superintendent | Brent Hamel |
| Wastewater Superintendent | Justin Waid |
| Zoning & Engineering Superintendent | Mary A. Ruck |
| Auditor | Wilbur Wells |
| Treasurer | Barbara Steinke |
| Law Director | Grant Neal |
| President of Council | Steve Henderson |
| Member of Council | Terry Campbell |
| Member of Council | Daniel E. 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

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

Certified Public Accountants

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Garfield Hts., Ohio 44125

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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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, Ohio, (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Emphasis of Matter

As discussed in Note 23 to the basic financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. Our opinion is not modified with respect to this matter.

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

June 29, 2022

CITY OF WAPAKONETA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

The management's discussion and analysis of the City of Wapakoneta's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2021 by \$87,062,750 (net position). Of this amount, \$1,533,996 is restricted in use and \$66,867,781 is the net investment in capital assets. The remaining unrestricted net position is \$18,660,973.
- Total net position increased \$12,078,137 as a result of current year operations. Net position of governmental activities increased \$3,597,054, or 16.15%, while the net position of business-type activities increased \$8,481,083, or 16.09%.
- The City had \$6,080,954 in expenses related to governmental activities; \$1,916,677 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$4,164,277 were offset by general revenues (primarily property taxes and income taxes) of \$7,761,331.
- The general fund had revenues of \$6,461,559 in 2021 and expenditures and other financing uses of \$6,231,081. The fund balance for the general fund increased from \$4,079,985 to \$4,310,463.
- Net position for the business-type activities, which are made up of the electric, water, sewer, storm sewer, and refuse enterprise funds, totaled \$61,193,780.

Using this Annual Financial Report

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

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

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

CITY OF WAPAKONETA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 13.

Governmental Funds

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

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

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

CITY OF WAPAKONETA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Government-Wide Financial Analysis

The table that follows provides a summary of the City's net position for December 31, 2021 and 2020.

| | Net Position | | | | | |
|--|--------------------------------|-------------------|---------------------------------|--------------------|--------------------|--------------------|
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020*</u> | <u>2021</u> | <u>2020*</u> |
| <u>Assets</u> | | | | | | |
| Current and other assets | \$ 9,543,471 | \$ 9,597,375 | \$ 29,607,902 | \$ 23,935,750 | \$ 39,151,373 | \$ 33,533,125 |
| Net pension asset | 41,552 | 33,451 | 69,777 | 50,180 | 111,329 | 83,631 |
| Net OPEB asset | 141,681 | - | 237,921 | - | 379,602 | - |
| Capital assets, net | <u>25,951,895</u> | <u>24,224,673</u> | <u>82,647,687</u> | <u>76,338,463</u> | <u>108,599,582</u> | <u>100,563,136</u> |
| Total assets | <u>35,678,599</u> | <u>33,855,499</u> | <u>112,563,287</u> | <u>100,324,393</u> | <u>148,241,886</u> | <u>134,179,892</u> |
| <u>Deferred outflows of resources</u> | | | | | | |
| Pension | 993,553 | 1,146,603 | 421,657 | 419,382 | 1,415,210 | 1,551,807 |
| OPEB | <u>539,948</u> | <u>654,507</u> | <u>185,488</u> | <u>274,648</u> | <u>725,436</u> | <u>922,691</u> |
| Total deferred outflows of resources | <u>1,533,501</u> | <u>1,801,110</u> | <u>607,145</u> | <u>694,030</u> | <u>2,140,646</u> | <u>2,474,498</u> |

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CITY OF WAPAKONETA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

| | Net Position (Continued) | | | | | |
|---|---------------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2021 | 2020 | 2021 | 2020* | 2021 | 2020* |
| <u>Liabilities</u> | | | | | | |
| Current liabilities | \$ 892,943 | \$ 1,356,334 | \$ 4,954,210 | \$ 3,951,164 | \$ 5,847,153 | \$ 5,307,498 |
| Long-term liabilities: | | | | | | |
| Due within one year | 13,302 | 137,836 | 1,519,175 | 1,587,209 | 1,532,477 | 1,725,045 |
| Net pension liability | 6,496,509 | 6,945,084 | 2,009,433 | 2,505,654 | 8,505,942 | 9,450,738 |
| Net OPEB liability | 823,714 | 1,926,157 | - | 1,729,119 | 823,714 | 3,655,276 |
| Other amounts | <u>181,857</u> | <u>338,528</u> | <u>41,836,231</u> | <u>37,539,723</u> | <u>42,018,088</u> | <u>37,878,251</u> |
| Total liabilities | <u>8,408,325</u> | <u>10,703,939</u> | <u>50,319,049</u> | <u>47,312,869</u> | <u>58,727,374</u> | <u>58,016,808</u> |
| <u>Deferred inflows of resources</u> | | | | | | |
| Property taxes | 528,438 | 531,233 | - | - | 528,438 | 531,233 |
| Pension | 1,339,487 | 1,312,110 | 917,576 | 692,848 | 2,257,063 | 1,990,780 |
| OPEB | <u>1,066,880</u> | <u>837,411</u> | <u>740,027</u> | <u>300,009</u> | <u>1,806,907</u> | <u>1,130,956</u> |
| Total deferred inflows of resources | <u>2,934,805</u> | <u>2,680,754</u> | <u>1,657,603</u> | <u>992,857</u> | <u>4,592,408</u> | <u>3,652,969</u> |
| <u>Net position</u> | | | | | | |
| Net investment in capital assets | 25,940,175 | 24,081,484 | 40,927,606 | 39,552,161 | 66,867,781 | 63,633,645 |
| Restricted | 1,533,996 | 1,980,171 | - | - | 1,533,996 | 1,980,171 |
| Unrestricted (deficit) | <u>(1,605,201)</u> | <u>(3,789,739)</u> | <u>20,266,174</u> | <u>13,160,536</u> | <u>18,660,973</u> | <u>9,370,797</u> |
| Total net position | <u>\$ 25,868,970</u> | <u>\$ 22,271,916</u> | <u>\$ 61,193,780</u> | <u>\$ 52,712,697</u> | <u>\$ 87,062,750</u> | <u>\$ 74,984,613</u> |

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

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

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

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

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

CITY OF WAPAKONETA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (UNAUDITED)

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

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

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

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

Total net position increased \$12,078,137 or 16.11%. The net investment in capital assets of \$66,867,781 represents the City's net capital assets, less any outstanding borrowings used to acquire those assets. Another \$1,533,996 represents net position that is subject to external restrictions on its use. The remaining balance of unrestricted net position is \$18,660,973. Unrestricted net position for business-type activities amounts to \$20,266,174 while the governmental activities reports a deficit of \$1,605,201. This deficit is due to the effects of reporting pension and OPEB costs in accordance with GASB 68 and 75.

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 72.74% and 73.42% of total assets for the governmental activities and business-type activities, respectively. Capital assets include land, construction in progress, easements, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, and infrastructure. The net investment in capital assets at December 31, 2021, was \$25,940,175 and \$40,927,606 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending.

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

CITY OF WAPAKONETA, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)**

Other significant changes in net position include:

- An increase in current and other assets, particularly for the business-type activities, which is primarily due to higher cash balances on hand.
- An increase in net capital assets as a result of on-going construction projects.
- A decrease in liabilities for governmental activities due to lower accruals for wages and accounts payable (current liabilities) and a decrease in the accrual for compensated absences payable (long-term liabilities).
- An increase in current liabilities for business-type activities due to construction-related payables, and also an increase other long-term liabilities as the City issued debt obligations to help finance its capital improvement projects.

The following table provides a summary of the revenues and expenses and other changes in the City's net position for 2021 compared to 2020.

| | Change in Net Position | | | | | |
|--------------------------------------|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Governmental | | Business-type | | Total | |
| | Activities | | Activities | | | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 630,406 | \$ 998,892 | \$ 40,449,269 | \$ 32,184,037 | \$ 41,079,675 | \$ 33,182,929 |
| Operating grants and contributions | 1,286,271 | 1,070,404 | - | - | 1,286,271 | 1,070,404 |
| Capital grants and contributions | - | 678,533 | 10,502 | 12,602 | 10,502 | 691,135 |
| Total program revenues | <u>1,916,677</u> | <u>2,747,829</u> | <u>40,459,771</u> | <u>32,196,639</u> | <u>42,376,448</u> | <u>34,944,468</u> |
| General revenues: | | | | | | |
| Property taxes | 651,483 | 566,949 | - | - | 651,483 | 566,949 |
| Income taxes | 5,059,714 | 4,865,675 | - | - | 5,059,714 | 4,865,675 |
| Other local taxes | 1,439,951 | 1,273,810 | - | - | 1,439,951 | 1,273,810 |
| Unrestricted grants and entitlements | 387,127 | 307,987 | - | - | 387,127 | 307,987 |
| Franchise taxes | 112,769 | 115,848 | - | - | 112,769 | 115,848 |
| Investment earnings | 24,620 | 111,895 | - | - | 24,620 | 111,895 |
| Other | <u>85,667</u> | <u>452,629</u> | <u>392,047</u> | <u>284,247</u> | <u>477,714</u> | <u>736,876</u> |
| Total general revenues | <u>7,761,331</u> | <u>7,694,793</u> | <u>392,047</u> | <u>284,247</u> | <u>8,153,378</u> | <u>7,979,040</u> |
| Total revenues | <u>9,678,008</u> | <u>10,442,622</u> | <u>40,851,818</u> | <u>32,480,886</u> | <u>50,529,826</u> | <u>42,923,508</u> |

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CITY OF WAPAKONETA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Change in Net Position (Continued)

| | Governmental | | Business-type | | Total | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Activities | | Activities | | | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Expenses: | | | | | | |
| Security of persons and property | | | | | | |
| Police | \$ 1,667,117 | \$ 2,008,529 | \$ - | \$ - | \$ 1,667,117 | \$ 2,008,529 |
| Fire | 1,535,320 | 1,803,173 | - | - | 1,535,320 | 1,803,173 |
| Public health | 159,103 | 117,029 | - | - | 159,103 | 117,029 |
| Leisure time activity | 246,183 | 517,010 | - | - | 246,183 | 517,010 |
| Community environment | 439,823 | 535,934 | - | - | 439,823 | 535,934 |
| Basic utilities | 4,245 | 7,217 | - | - | 4,245 | 7,217 |
| Transportation | 1,614,243 | 2,060,347 | - | - | 1,614,243 | 2,060,347 |
| General government | 414,920 | 1,284,595 | - | - | 414,920 | 1,284,595 |
| Interest and fiscal charges | - | 4,416 | - | - | - | 4,416 |
| Electric | - | - | 26,247,949 | 21,805,527 | 26,247,949 | 21,805,527 |
| Water | - | - | 2,361,699 | 2,234,728 | 2,361,699 | 2,234,728 |
| Sewer | - | - | 2,581,565 | 3,412,292 | 2,581,565 | 3,412,292 |
| Storm sewer | - | - | 88,585 | 160,330 | 88,585 | 160,330 |
| Refuse | - | - | 1,090,937 | 1,053,455 | 1,090,937 | 1,053,455 |
| Total expenses | <u>6,080,954</u> | <u>8,338,250</u> | <u>32,370,735</u> | <u>28,666,332</u> | <u>38,451,689</u> | <u>37,004,582</u> |
| Change in net position before transfers | 3,597,054 | 2,104,372 | 8,481,083 | 3,814,554 | 12,078,137 | 5,918,926 |
| Transfers | <u>-</u> | <u>(233,185)</u> | <u>-</u> | <u>233,185</u> | <u>-</u> | <u>-</u> |
| Change in net position | 3,597,054 | 1,871,187 | 8,481,083 | 4,047,739 | 12,078,137 | 5,918,926 |
| Net position at beginning of year | <u>22,271,916</u> | <u>20,400,729</u> | <u>52,712,697</u> | <u>48,664,958</u> | <u>74,984,613</u> | <u>69,065,687</u> |
| Net position at end of year | <u>\$ 25,868,970</u> | <u>\$ 22,271,916</u> | <u>\$ 61,193,780</u> | <u>\$ 52,712,697</u> | <u>\$ 87,062,750</u> | <u>\$ 74,984,613</u> |

Governmental Activities

Net position increased \$3,597,054 or 16.15% as a decrease in expenses exceeded the decrease in revenues. Total revenues decreased \$764,614 or 7.32%. Charges for services and sales revenue declined in 2021, which is primarily a result of a decrease in EMS fees and also a drop in user fees for the swimming pool and other leisure time activities. Capital grants and contributions in 2020 consisted of grants from the Ohio Department of Transportation for various infrastructure improvement projects. Other significant decreases in revenues came from investment earnings, which is primarily due to a decrease in interest rates and changes in fair value for the City's investments, and other general revenues which is mostly due to a large refund of workers' compensation money from the State in 2020. Despite these decreases, there were some increases in various revenue sources, particularly for property taxes and income taxes which rose as a result of an increase in collections and an improving local economy.

CITY OF WAPAKONETA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Total expenses decreased considerably, down \$2,257,296 or 27.07% compared to 2020. This is partially due to a decrease in OPEB expense for the Ohio Public Employees Retirement System (OPERS). On an accrual basis, the governmental activities reported OPEB expense of (\$758,218) in 2021 compared to \$101,005 in 2020. On January 15, 2020, OPERS approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes along with changes in assumptions related to an increase in discount rate from 3.16% to 6.00% significantly decreased the total OPEB liability for the measurement date December 31, 2020. Pension expense also decreased for the City, down from \$838,892 in 2020 to \$319,175 in 2021. Another reason for the overall decrease in expenses is a reduction of the City's estimated liability for compensated absences based on a declining historical rate of severance payouts.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. As can be seen in the following table, the City is highly dependent upon its general revenues to support its governmental activities. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2021 and 2020. That is, it identifies the cost of these services supported by general revenues (such as taxes revenue and unrestricted grants and entitlements).

Governmental Activities

| | 2021 | | 2020 | |
|-----------------------------------|------------------------|----------------------|------------------------|----------------------|
| | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
| Security of persons and property: | | | | |
| Police | \$ 1,667,117 | \$ 1,381,578 | \$ 2,008,529 | \$ 1,965,490 |
| Fire | 1,535,320 | 1,309,838 | 1,803,173 | 1,696,226 |
| Public health | 159,103 | (166,141) | 117,029 | (435,501) |
| Leisure time activity | 246,183 | 173,571 | 517,010 | 353,822 |
| Community environment | 439,823 | 439,388 | 535,934 | 235,449 |
| Basic utilities | 4,245 | - | 7,217 | - |
| Transportation | 1,614,243 | 724,491 | 2,060,347 | 535,171 |
| General government | 414,920 | 301,552 | 1,284,595 | 1,235,348 |
| Interest and fiscal charges | - | - | 4,416 | 4,416 |
| Total | \$ 6,080,954 | \$ 4,164,277 | \$ 8,338,250 | \$ 5,590,421 |

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 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.

Business-type Activities

Business-type activities include the electric, water, sewer, storm sewer, and refuse enterprise funds. These programs had revenues, primarily charges for services, of \$40,459,771 and expenses of \$32,370,735 in 2021. Net position increased \$8,481,083 (16.09%) as the growth in revenues exceeded an increase in expenses for the year. See page 14 for further discussion of the operations of the business-type activities (the enterprise funds).

CITY OF WAPAKONETA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds reported a combined fund balance of \$6,389,898 which is \$584,788 more than last year's total balance of \$5,805,110. The schedule that follows indicates the fund balances as of December 31, 2021 and 2020, and the change in fund balances for the governmental funds.

| | <u>Fund Balance</u> <u>12/31/2021</u> | <u>Fund Balance</u> <u>12/31/2020</u> | <u>Change</u> |
|------------------------------|--|--|-------------------|
| Major funds: | | | |
| General | \$ 4,310,463 | \$ 4,079,985 | \$ 230,478 |
| Street and sewer improvement | 734,525 | 824,753 | (90,228) |
| Nonmajor governmental funds | <u>1,344,910</u> | <u>900,372</u> | <u>444,538</u> |
| Total | <u>\$ 6,389,898</u> | <u>\$ 5,805,110</u> | <u>\$ 584,788</u> |

General Fund

The City's general fund balance increased \$230,478 as revenues continued to outpace expenditures and other financing uses in 2021. The table that follows assists in illustrating the revenues of the general fund.

| | <u>2021</u> <u>Amount</u> | <u>2020</u> <u>Amount</u> | <u>Percentage</u> <u>Change</u> |
|----------------------------|------------------------------|------------------------------|------------------------------------|
| Revenues | | | |
| Income taxes | \$ 3,242,982 | \$ 2,511,264 | 29.14 % |
| Property taxes | 483,695 | 413,623 | 16.94 % |
| Other local taxes | 1,439,951 | 1,273,810 | 13.04 % |
| Charges for services | 647,614 | 644,254 | 0.52 % |
| Fees, licenses and permits | 129,843 | 134,424 | (3.41) % |
| Intergovernmental | 421,731 | 297,504 | 41.76 % |
| Investment income | 24,619 | 109,357 | (77.49) % |
| Other | <u>71,124</u> | <u>424,485</u> | (83.24) % |
| Total | <u>\$ 6,461,559</u> | <u>\$ 5,808,721</u> | 11.24 % |

Income taxes revenue is by far the general fund's largest revenue source, representing roughly half of total general fund revenues in 2021. Collections declined in the aftermath of the COVID-19 pandemic but recovered in 2021. Property tax collections also increased in 2021. Other local taxes consist of the kilowatt-hour tax and lodging tax. The increase in intergovernmental revenue is primarily due to additional local government support from the State and Auglaize County. As illustrated in the table above, the only significant decreases in general fund revenues are in the categories of investment income and other revenues; see page 11 for an explanation of these decreases.

CITY OF WAPAKONETA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

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

| | <u>2021</u> | <u>2020</u> | <u>Percentage</u> |
|----------------------------------|-------------------------|-------------------------|-------------------|
| | <u>Amount</u> | <u>Amount</u> | <u>Change</u> |
| <u>Expenditures</u> | | | |
| Security of persons and property | | | |
| Police | \$ 1,747,010 | \$ 1,824,118 | (4.23) % |
| Fire | 1,533,425 | 1,540,968 | (0.49) % |
| Public health | 159,136 | 127,336 | 24.97 % |
| Leisure time activities | 130,132 | 232,660 | (44.07) % |
| Community environment | 405,135 | 128,934 | 214.22 % |
| General government | 651,643 | 1,230,237 | (47.03) % |
| Debt service | <u>-</u> | <u>4,416</u> | (100.00) % |
| Total | <u>\$ 4,626,481</u> | <u>\$ 5,088,669</u> | (9.08) % |

As illustrated in the table above, the overall decrease in general fund expenditures compared to the prior year is a result of the decrease in general government expenditures. This is primarily due to the City purchasing land in 2020 that they held for resale which also occurred in 2020.

Street and Sewer Improvement Fund

The street and sewer improvement fund is the City's only major governmental fund other than the general fund. This fund had revenues and other financing sources of \$2,717,472 and expenditures of \$2,807,700. This resulted in a decrease in fund balance from \$824,753 to \$734,525. Fund balance is restricted for the maintenance and repair of City streets.

Enterprise Funds

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

All funds except for the storm sewer fund saw an increase in charges for services in 2021 due to rate increases and customer usage. This is particularly true for the electric fund, where the increase was 35%. In addition to rate changes, this increase was also driven by an increase in business/commercial usage. This also had the effect of increasing expenses for the electric fund due to an increase in purchased power costs. Expenses were generally comparable to the prior year for all other funds, increasing slightly commensurate with the increase in customer usage. One notable exception to that was personal services expenses, which decreased as a result of the lower OPEB and pension costs as discussed on page 12. Overall, net position increased during the year for all five funds.

Budgeting Highlights

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

CITY OF WAPAKONETA, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

In the general fund, original budgeted revenues and other financing sources of \$5,150,079 were decreased slightly to \$5,125,079 in the final budget. Actual revenues of \$6,478,022 were \$1,352,943 more than the final budgeted amount. This variance is primarily due to budgeting revenues conservatively, particularly for income taxes and other local taxes.

The final budget expenditures and other financing uses in the general fund were \$8,097,861, which represents a slight decrease from the original budget expenditures and other financing uses of \$8,182,861. Actual budget basis expenditures and other financing uses totaled \$6,904,311, or \$1,193,550 less than the final budget. This variance is partially due to the City budgeting a contingency of \$564,530 in general government expenditures that was not used during the year. In addition, the City continues to budget conservatively in order to cover unforeseen expenditures that may arise during the year. This was particularly true for the Police and Fire departments in 2021, which had budgetary variances of \$164,106 and \$126,477, respectively.

Capital Assets and Debt Administration

Capital Assets

The following table shows 2021 balances compared to 2020. Additional detail can be found in Note 9 in the notes to the basic financial statements.

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

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|--------------------------|--------------------------------|----------------------|---------------------------------|----------------------|-----------------------|-----------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Land | \$ 1,564,688 | \$ 1,564,688 | \$ 1,443,314 | \$ 1,443,314 | \$ 3,008,002 | \$ 3,008,002 |
| Construction in progress | 1,792,360 | 880,904 | 8,769,360 | 2,033,912 | 10,561,720 | 2,914,816 |
| Land improvements | 1,817,935 | 1,901,541 | - | - | 1,817,935 | 1,901,541 |
| Buildings | 2,391,499 | 2,431,843 | 15,743,115 | 15,999,092 | 18,134,614 | 18,430,935 |
| Equipment | 255,259 | 132,658 | 604,601 | 565,597 | 859,860 | 698,255 |
| Vehicles | 1,187,621 | 960,321 | 2,117,129 | 1,992,844 | 3,304,750 | 2,953,165 |
| Infrastructure | <u>16,942,533</u> | <u>16,352,718</u> | <u>53,970,168</u> | <u>54,303,704</u> | <u>70,912,701</u> | <u>70,656,422</u> |
| Totals | <u>\$ 25,951,895</u> | <u>\$ 24,224,673</u> | <u>\$ 82,647,687</u> | <u>\$ 76,338,463</u> | <u>\$ 108,599,582</u> | <u>\$ 100,563,136</u> |

For the governmental activities, the most significant capital asset activity during the year primarily involved various street improvement projects, many of which are still ongoing and reported as construction in progress. Street projects completed during the year and added to the infrastructure asset class amounted to approximately \$1.7 million in 2021. For the business-type activities, the most significant activity consisted of construction in progress for improvements at the wastewater treatment plant. In addition, infrastructure additions (electric, water, sewer, and storm sewer lines) amounted to approximately \$1.4 million in 2021.

CITY OF WAPAKONETA, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)**

Debt Administration

The City had the following long-term debt outstanding at December 31, 2021 and 2020.

| | <u>Business-type Activities</u> | |
|-----------------------------|---------------------------------|----------------------|
| | <u>2021</u> | <u>2020</u> |
| General obligation bonds | \$ 3,115,000 | \$ 3,830,000 |
| OWDA loans | 26,191,575 | 21,121,357 |
| Capital loans | 13,050,151 | 12,708,106 |
| Capital leases | <u>309,157</u> | <u>472,506</u> |
| Total long-term obligations | <u>\$ 42,665,883</u> | <u>\$ 38,131,969</u> |

OWDA loans added during 2021 were approximately \$2.3 million and \$3.4 million in the water and sewer fund, respectively. The City is using these resources for infrastructure upgrades. The City also incurred an additional \$342,045 in capital loans payable for its electric fund. See Note 16 in the notes to the basic financial statements for detail on the City's long-term obligations.

Current Issues

The major projects for 2022 will be the completion of West Benton Street Phase 2 and the continuation of the Water Treatment Plant Softening and the Wastewater Treatment Plant Extension. These last two projects are being financed primarily by low or no-interest loans from the OWDA and will give the City needed capacity for residential and industrial growth.

Contacting the City's Financial Management

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

CITY OF WAPAKONETA, OHIO

STATEMENT OF NET POSITION

DECEMBER 31, 2021

| | Governmental Activities | Business-type Activities | Total |
|--|------------------------------------|-------------------------------------|----------------------|
| Assets: | | | |
| Equity in pooled cash and cash equivalents | \$ 6,302,411 | \$ 19,125,910 | \$ 25,428,321 |
| Cash and cash equivalents with fiscal agents | - | 195,993 | 195,993 |
| Receivables: | | | |
| Income taxes | 1,625,952 | - | 1,625,952 |
| Property taxes | 539,224 | - | 539,224 |
| Other local taxes | 10,839 | 111,511 | 122,350 |
| Intergovernmental | 498,892 | 1,839,627 | 2,338,519 |
| Special assessments | 46,529 | - | 46,529 |
| Accrued interest | 1,905 | - | 1,905 |
| Accounts | 242,794 | 5,210,865 | 5,453,659 |
| Internal balance | 96,344 | (96,344) | - |
| Notes receivable | 43,038 | - | 43,038 |
| Prepayments | 111,519 | 154,634 | 266,153 |
| Materials and supplies inventory | 24,024 | 3,065,706 | 3,089,730 |
| Net pension asset | 41,552 | 69,777 | 111,329 |
| Net OPEB asset | 141,681 | 237,921 | 379,602 |
| Capital assets: | | | |
| Nondepreciable capital assets | 3,357,048 | 10,212,674 | 13,569,722 |
| Depreciable capital assets, net | 22,594,847 | 72,435,013 | 95,029,860 |
| Total capital assets, net | <u>25,951,895</u> | <u>82,647,687</u> | <u>108,599,582</u> |
| Total assets | <u>35,678,599</u> | <u>112,563,287</u> | <u>148,241,886</u> |
| Deferred outflows of resources: | | | |
| Pension | 993,553 | 421,657 | 1,415,210 |
| OPEB | 539,948 | 185,488 | 725,436 |
| Total deferred outflows of resources | <u>1,533,501</u> | <u>607,145</u> | <u>2,140,646</u> |
| Liabilities: | | | |
| Accounts payable | 220,773 | 2,321,928 | 2,542,701 |
| Contracts payable | 11,720 | 1,715,146 | 1,726,866 |
| Retainage payable | - | 10,000 | 10,000 |
| Accrued wages and benefits payable | 66,790 | 44,889 | 111,679 |
| Intergovernmental payable | 62,416 | 21,536 | 83,952 |
| Accrued interest payable | - | 459,463 | 459,463 |
| Unearned revenue | 531,244 | - | 531,244 |
| Refundable deposits | - | 381,248 | 381,248 |
| Long-term liabilities: | | | |
| Due within one year | 13,302 | 1,519,175 | 1,532,477 |
| Due in more than one year: | | | |
| Net pension liability | 6,496,509 | 2,009,433 | 8,505,942 |
| Net OPEB liability | 823,714 | - | 823,714 |
| Other amounts due in more than one year | 181,857 | 41,836,231 | 42,018,088 |
| Total liabilities | <u>8,408,325</u> | <u>50,319,049</u> | <u>58,727,374</u> |
| Deferred inflows of resources: | | | |
| Property taxes levied for the next fiscal year | 528,438 | - | 528,438 |
| Pension | 1,339,487 | 917,576 | 2,257,063 |
| OPEB | 1,066,880 | 740,027 | 1,806,907 |
| Total deferred inflows of resources | <u>2,934,805</u> | <u>1,657,603</u> | <u>4,592,408</u> |
| Net position: | | | |
| Net investment in capital assets | 25,940,175 | 40,927,606 | 66,867,781 |
| Restricted for: | | | |
| Debt service | 1,160 | - | 1,160 |
| Capital projects | 1,053,804 | - | 1,053,804 |
| Community environment | 31,237 | - | 31,237 |
| Recreation | 410 | - | 410 |
| Street highway maintenance and repair | 405,268 | - | 405,268 |
| Police operations | 42,117 | - | 42,117 |
| Unrestricted (deficit) | <u>(1,605,201)</u> | <u>20,266,174</u> | <u>18,660,973</u> |
| Total net position | <u>\$ 25,868,970</u> | <u>\$ 61,193,780</u> | <u>\$ 87,062,750</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WAPAKONETA, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Expenses</u> | <u>Program Revenues</u> | | |
|-----------------------------------|----------------------|---------------------------------------|---|---|
| | | <u>Charges for Services and Sales</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Governmental activities: | | | | |
| Security of persons and property: | | | | |
| Police | \$ 1,667,117 | \$ 1,940 | \$ 283,599 | \$ - |
| Fire | 1,535,320 | 63,103 | 162,379 | - |
| Public health | 159,103 | 324,994 | 250 | - |
| Leisure time activities | 246,183 | 62,179 | 10,433 | - |
| Community environment | 439,823 | - | 435 | - |
| Basic utility services | 4,245 | - | 4,245 | - |
| Transportation | 1,614,243 | 149,259 | 740,493 | - |
| General government | 414,920 | 28,931 | 84,437 | - |
| Total governmental activities | <u>6,080,954</u> | <u>630,406</u> | <u>1,286,271</u> | <u>-</u> |
| Business-type activities: | | | | |
| Electric | 26,247,949 | 29,653,017 | - | - |
| Water | 2,361,699 | 4,015,885 | - | - |
| Sewer | 2,581,565 | 5,234,602 | - | 10,502 |
| Storm sewer | 88,585 | 40,973 | - | - |
| Refuse | 1,090,937 | 1,504,792 | - | - |
| Total business-type activities | <u>32,370,735</u> | <u>40,449,269</u> | <u>-</u> | <u>10,502</u> |
| Total primary government | <u>\$ 38,451,689</u> | <u>\$ 41,079,675</u> | <u>\$ 1,286,271</u> | <u>\$ 10,502</u> |

General revenues:

- Property taxes levied for:
 - General purposes
 - Recreation
- Municipal income taxes levied for:
 - General purposes
 - Street maintenance
 - Other local taxes - Kilowatt
 - Other local taxes - Lodging
- Grants and entitlements not restricted to specific programs
- Franchise taxes
- Investment earnings
- Other

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Position**

| Governmental Activities | Business-type Activities | Total |
|------------------------------------|-------------------------------------|----------------------|
| \$ (1,381,578) | \$ - | \$ (1,381,578) |
| (1,309,838) | - | (1,309,838) |
| 166,141 | - | 166,141 |
| (173,571) | - | (173,571) |
| (439,388) | - | (439,388) |
| - | - | - |
| (724,491) | - | (724,491) |
| (301,552) | - | (301,552) |
| <u>(4,164,277)</u> | <u>-</u> | <u>(4,164,277)</u> |
| - | 3,405,068 | 3,405,068 |
| - | 1,654,186 | 1,654,186 |
| - | 2,663,539 | 2,663,539 |
| - | (47,612) | (47,612) |
| - | 413,855 | 413,855 |
| <u>-</u> | <u>8,089,036</u> | <u>8,089,036</u> |
| <u>(4,164,277)</u> | <u>8,089,036</u> | <u>3,924,759</u> |
| 490,124 | - | 490,124 |
| 161,359 | - | 161,359 |
| 3,336,009 | - | 3,336,009 |
| 1,723,705 | - | 1,723,705 |
| 1,334,297 | - | 1,334,297 |
| 105,654 | - | 105,654 |
| 387,127 | - | 387,127 |
| 112,769 | - | 112,769 |
| 24,620 | - | 24,620 |
| 85,667 | 392,047 | 477,714 |
| <u>7,761,331</u> | <u>392,047</u> | <u>8,153,378</u> |
| 3,597,054 | 8,481,083 | 12,078,137 |
| 22,271,916 | 52,712,697 | 74,984,613 |
| <u>\$ 25,868,970</u> | <u>\$ 61,193,780</u> | <u>\$ 87,062,750</u> |

CITY OF WAPAKONETA, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

| | <u>General</u> | <u>Street and Sewer Improvement</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|---------------------|---|--|---|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 3,816,460 | \$ 556,125 | \$ 1,892,732 | \$ 6,265,317 |
| Receivables: | | | | |
| Income taxes | 1,173,458 | 452,494 | - | 1,625,952 |
| Property taxes | 375,468 | - | 163,756 | 539,224 |
| Other local taxes | 4,863 | - | 5,976 | 10,839 |
| Intergovernmental | 171,591 | - | 327,301 | 498,892 |
| Special assessments | - | 46,529 | - | 46,529 |
| Accrued interest | 199 | - | 1,706 | 1,905 |
| Due from other funds | 109,706 | - | - | 109,706 |
| Accounts | 242,654 | - | - | 242,654 |
| Notes | 35,224 | - | 7,814 | 43,038 |
| Materials and supplies inventory | 17,161 | - | 6,030 | 23,191 |
| Prepayments | 90,861 | - | 15,182 | 106,043 |
| Restricted assets: | | | | |
| Equity in pooled cash and cash equivalents | 36,841 | - | - | 36,841 |
| Total assets | <u>\$ 6,074,486</u> | <u>\$ 1,055,148</u> | <u>\$ 2,420,497</u> | <u>\$ 9,550,131</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 127,765 | \$ - | \$ 92,383 | \$ 220,148 |
| Contracts payable | - | 11,720 | - | 11,720 |
| Accrued wages and benefits payable | 55,312 | - | 7,315 | 62,627 |
| Intergovernmental payable | 57,780 | 1,344 | 2,234 | 61,358 |
| Due to other funds | 5,155 | - | 4,138 | 9,293 |
| Unearned revenue | - | - | 531,244 | 531,244 |
| Total liabilities | <u>246,012</u> | <u>13,064</u> | <u>637,314</u> | <u>896,390</u> |
| Deferred inflows of resources: | | | | |
| Property taxes levied for the next fiscal year | 367,376 | - | 161,062 | 528,438 |
| Delinquent property tax revenue not available | 8,092 | - | 2,694 | 10,786 |
| Accrued interest not available | 1 | - | 1,493 | 1,494 |
| Miscellaneous revenue not available | 210,075 | - | - | 210,075 |
| Income tax revenue not available | 784,281 | 261,030 | - | 1,045,311 |
| Intergovernmental revenue not available | 148,186 | - | 273,024 | 421,210 |
| Special assessments revenue not available | - | 46,529 | - | 46,529 |
| Total deferred inflows of resources | <u>1,518,011</u> | <u>307,559</u> | <u>438,273</u> | <u>2,263,843</u> |
| Fund balances: | | | | |
| Nonspendable | 144,863 | - | 21,212 | 166,075 |
| Restricted | 14,816 | 734,525 | 601,527 | 1,350,868 |
| Assigned | 3,060,573 | - | 722,171 | 3,782,744 |
| Unassigned | 1,090,211 | - | - | 1,090,211 |
| Total fund balances | <u>4,310,463</u> | <u>734,525</u> | <u>1,344,910</u> | <u>6,389,898</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 6,074,486</u> | <u>\$ 1,055,148</u> | <u>\$ 2,420,497</u> | <u>\$ 9,550,131</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WAPAKONETA, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021

| | | | |
|---|----|-------------|------------------------|
| Total governmental fund balances | | \$ | 6,389,898 |
| <i>Amounts reported for governmental activities on the statement of net position are different because:</i> | | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | | 25,922,237 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds. | | | |
| Delinquent property taxes receivable | \$ | 10,786 | |
| Municipal income taxes receivable | | 1,045,311 | |
| Accounts receivable | | 210,075 | |
| Intergovernmental receivable | | 421,210 | |
| Special assessments receivable | | 46,529 | |
| Accrued interest receivable | | 1,494 | |
| Total | | <hr/> | 1,735,405 |
| The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds. | | | |
| Net pension asset | | 34,857 | |
| Deferred outflows of resources | | 960,068 | |
| Net pension liability | | (6,303,699) | |
| Deferred inflows of resources | | (1,252,343) | |
| Total | | <hr/> | (6,561,117) |
| The net OPEB asset and net OPEB liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds. | | | |
| Net OPEB asset | | 118,852 | |
| Deferred outflows of resources | | 526,421 | |
| Net OPEB liability | | (823,714) | |
| Deferred inflows of resources | | (996,718) | |
| Total | | <hr/> | (1,175,159) |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | | | |
| Compensated absences | | | (182,072) |
| Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position. | | | (256,696) |
| An internal balance is recorded in governmental activities to reflect overpayments to the internal service funds by the business-type activities. | | | <hr/> |
| | | | (3,526) |
| Net position of governmental activities | | \$ | <hr/> <hr/> 25,868,970 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WAPAKONETA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>General</u> | <u>Street and Sewer Improvement</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|---|--|---|
| Revenues: | | | | |
| Municipal income taxes | \$ 3,242,982 | \$ 1,635,700 | \$ - | \$ 4,878,682 |
| Property taxes | 483,695 | - | 159,189 | 642,884 |
| Other local taxes | 1,439,951 | - | 83,019 | 1,522,970 |
| Special assessments | - | 55,334 | - | 55,334 |
| Charges for services | 647,614 | - | 33,561 | 681,175 |
| Fees, licenses and permits | 129,843 | - | - | 129,843 |
| Fines and forfeitures | 10,908 | - | 830 | 11,738 |
| Intergovernmental | 421,731 | - | 1,311,667 | 1,733,398 |
| Interest | 24,619 | - | 10,463 | 35,082 |
| Contributions and donations | 7,401 | - | - | 7,401 |
| Other | 52,815 | 26,438 | 20,504 | 99,757 |
| Total revenues | <u>6,461,559</u> | <u>1,717,472</u> | <u>1,619,233</u> | <u>9,798,264</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property: | | | | |
| Police | 1,747,010 | - | 240,778 | 1,987,788 |
| Fire | 1,533,425 | - | 520,463 | 2,053,888 |
| Public health | 159,136 | - | - | 159,136 |
| Leisure time activities | 130,132 | - | 173,009 | 303,141 |
| Community environment | 405,135 | - | 86,539 | 491,674 |
| Basic utility services | - | - | 4,245 | 4,245 |
| Transportation | - | 2,807,700 | 665,224 | 3,472,924 |
| General government | 651,643 | - | 84,437 | 736,080 |
| Total expenditures | <u>4,626,481</u> | <u>2,807,700</u> | <u>1,774,695</u> | <u>9,208,876</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,835,078</u> | <u>(1,090,228)</u> | <u>(155,462)</u> | <u>589,388</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | 1,000,000 | 600,000 | 1,600,000 |
| Transfers (out) | <u>(1,604,600)</u> | - | - | <u>(1,604,600)</u> |
| Total other financing sources (uses) | <u>(1,604,600)</u> | <u>1,000,000</u> | <u>600,000</u> | <u>(4,600)</u> |
| Net change in fund balances | 230,478 | (90,228) | 444,538 | 584,788 |
| Fund balances at beginning of year | <u>4,079,985</u> | <u>824,753</u> | <u>900,372</u> | <u>5,805,110</u> |
| Fund balances at end of year | <u>\$ 4,310,463</u> | <u>\$ 734,525</u> | <u>\$ 1,344,910</u> | <u>\$ 6,389,898</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WAPAKONETA, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

| | | |
|---|----|-------------------------|
| Net change in fund balances - total governmental funds | \$ | 584,788 |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i> | | |
| Governmental funds report capital asset purchases as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. | | |
| Capital asset additions | \$ | 3,116,785 |
| Current year depreciation | | <u>(1,386,003)</u> |
| Total | | 1,730,782 |
| Governmental activities only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. | | |
| | | (1,687) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Delinquent property taxes | | 8,599 |
| Municipal income taxes | | 181,032 |
| Intergovernmental revenues | | (91,972) |
| Special assessments | | (18,951) |
| Investment income | | (2,520) |
| Other revenues | | <u>(196,444)</u> |
| Total | | (120,256) |
| Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows of resources. | | |
| Pension | | 577,646 |
| OPEB | | <u>10,077</u> |
| Total | | 587,723 |
| Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB asset/liability are reported as pension/OPEB expense in the statement of activities. | | |
| Pension | | (319,175) |
| OPEB | | <u>758,218</u> |
| Total | | 439,043 |
| Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| | | 265,028 |
| Internal service funds used by management to charge the cost of insurance, postage and gasoline to individual funds are not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenues (expenses) of the internal service fund (net of any amounts allocated to the business-type activities) are allocated among the governmental activities. | | |
| | | <u>111,633</u> |
| Change in net position of governmental activities | \$ | <u><u>3,597,054</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF WAPAKONETA, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Municipal income taxes | \$ 2,768,162 | \$ 2,768,162 | \$ 3,197,447 | \$ 429,285 |
| Property taxes | 428,717 | 428,717 | 483,695 | 54,978 |
| Other local taxes | 760,000 | 760,000 | 1,436,698 | 676,698 |
| Charges for services | 690,000 | 690,000 | 661,353 | (28,647) |
| Fees, licenses and permits | 103,100 | 103,100 | 129,843 | 26,743 |
| Fines and forfeitures | 5,000 | 5,000 | 11,542 | 6,542 |
| Intergovernmental | 250,700 | 250,700 | 418,849 | 168,149 |
| Interest | 43,400 | 43,400 | 35,142 | (8,258) |
| Contributions and donations | 1,000 | 1,000 | 7,401 | 6,401 |
| Other | 75,000 | 75,000 | 96,052 | 21,052 |
| Total revenues | <u>5,125,079</u> | <u>5,125,079</u> | <u>6,478,022</u> | <u>1,352,943</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property: | | | | |
| Police | 2,037,612 | 2,015,994 | 1,851,888 | 164,106 |
| Fire | 1,727,002 | 1,727,002 | 1,600,525 | 126,477 |
| Other | 8,566 | 8,566 | - | 8,566 |
| Public health | 194,888 | 190,223 | 161,518 | 28,705 |
| Leisure time activities | 273,862 | 273,862 | 132,397 | 141,465 |
| Community environment | 408,806 | 445,501 | 405,135 | 40,366 |
| General government | 1,907,125 | 1,825,228 | 1,148,248 | 676,980 |
| Total expenditures | <u>6,557,861</u> | <u>6,486,376</u> | <u>5,299,711</u> | <u>1,186,665</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,432,782)</u> | <u>(1,361,297)</u> | <u>1,178,311</u> | <u>2,539,608</u> |
| Other financing sources (uses): | | | | |
| Advances in | 25,000 | - | - | - |
| Transfers out | (1,625,000) | (1,611,485) | (1,604,600) | 6,885 |
| Total other financing sources (uses) | <u>(1,600,000)</u> | <u>(1,611,485)</u> | <u>(1,604,600)</u> | <u>6,885</u> |
| Net change in fund balance | (3,032,782) | (2,972,782) | (426,289) | 2,546,493 |
| Fund balance at beginning of year | 4,089,310 | 4,089,310 | 4,089,310 | - |
| Prior year encumbrances appropriated | 79,425 | 79,425 | 79,425 | - |
| Fund balance at end of year | <u>\$ 1,135,953</u> | <u>\$ 1,195,953</u> | <u>\$ 3,742,446</u> | <u>\$ 2,546,493</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WAPAKONETA, OHIO

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2021

Business-type Activities - Enterprise Funds

| | Electric | Water | Sewer | Storm Sewer | Refuse |
|--|---------------|---------------|---------------|--------------|--------------|
| Assets: | | | | | |
| Current assets: | | | | | |
| Equity in pooled cash and cash equivalents | \$ 11,688,366 | \$ 3,149,497 | \$ 2,042,502 | \$ 592,272 | \$ 1,272,025 |
| Cash and cash equivalents with fiscal agents | 195,993 | - | - | - | - |
| Receivables: | | | | | |
| Other local taxes | 111,511 | - | - | - | - |
| Accounts | 3,832,378 | 583,391 | 626,185 | - | 168,911 |
| Due from other funds | 93,213 | 32 | 102 | 17 | 433 |
| Intergovernmental | - | 1,380,256 | 459,371 | - | - |
| Prepayments | 82,269 | 22,183 | 33,605 | - | 16,577 |
| Materials and supplies inventory | 2,776,875 | 170,666 | 118,165 | - | - |
| Total current assets | 18,780,605 | 5,306,025 | 3,279,930 | 592,289 | 1,457,946 |
| Noncurrent assets: | | | | | |
| Net pension asset | 30,352 | 11,295 | 17,281 | - | 10,849 |
| Net OPEB asset | 103,490 | 38,512 | 58,925 | - | 36,994 |
| Restricted assets: | | | | | |
| Equity in pooled cash and cash equivalents | 381,248 | - | - | - | - |
| Capital assets: | | | | | |
| Nondepreciable capital assets | 477,605 | 4,479,357 | 4,831,898 | 95,713 | 328,101 |
| Depreciable capital assets, net | 25,053,976 | 17,495,149 | 25,488,622 | 3,572,693 | 824,573 |
| Total noncurrent assets | 26,046,671 | 22,024,313 | 30,396,726 | 3,668,406 | 1,200,517 |
| Total assets | 44,827,276 | 27,330,338 | 33,676,656 | 4,260,695 | 2,658,463 |
| Deferred outflows of resources: | | | | | |
| Pension | 186,250 | 59,982 | 100,407 | - | 75,018 |
| OPEB | 82,421 | 24,957 | 43,474 | - | 34,636 |
| Total deferred outflows of resources | 268,671 | 84,939 | 143,881 | - | 109,654 |
| Liabilities: | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 2,188,805 | 31,011 | 66,891 | - | 35,221 |
| Contracts payable | - | 1,380,256 | 334,890 | - | - |
| Retainage payable | - | - | 10,000 | - | - |
| Accrued wages and benefits payable | 20,152 | 7,200 | 10,673 | - | 6,864 |
| Due to other funds | 110,290 | 38,558 | 41,361 | - | 3,458 |
| Intergovernmental payable | 7,924 | 6,760 | 4,790 | - | 2,062 |
| Accrued interest payable | 130,502 | 170,425 | 158,536 | - | - |
| General obligation bonds payable | - | - | 730,000 | - | - |
| Compensated absences payable | 10,184 | 4,918 | 2,803 | - | 1,326 |
| OWDA loans payable | - | 270,043 | 293,775 | - | - |
| Capital leases payable | - | - | 31,068 | 31,069 | 75,635 |
| Landfill postclosure costs payable | - | - | - | - | 68,354 |
| Total current liabilities | 2,467,857 | 1,909,171 | 1,684,787 | 31,069 | 192,920 |
| Noncurrent liabilities: | | | | | |
| General obligation bonds payable | - | - | 2,385,000 | - | - |
| Capital loan payable | 13,050,151 | - | - | - | - |
| Compensated absences payable | 58,546 | 47,835 | 32,101 | - | 16,205 |
| OWDA loans payable | - | 12,593,226 | 13,034,531 | - | - |
| Landfill postclosure costs payable | - | - | - | - | 447,251 |
| Capital leases payable | - | - | - | - | 171,385 |
| Refundable deposits | 381,248 | - | - | - | - |
| Net pension liability | 874,062 | 325,262 | 497,667 | - | 312,442 |
| Total noncurrent liabilities | 14,364,007 | 12,966,323 | 15,949,299 | - | 947,283 |
| Total liabilities | 16,831,864 | 14,875,494 | 17,634,086 | 31,069 | 1,140,203 |
| Deferred inflows of resources: | | | | | |
| Pension | 384,646 | 157,047 | 234,869 | - | 141,014 |
| OPEB | 312,491 | 125,304 | 188,220 | - | 114,012 |
| Total deferred inflows of resources | 697,137 | 282,351 | 423,089 | - | 255,026 |
| Net position: | | | | | |
| Net investment in capital assets | 14,673,415 | 8,209,944 | 13,501,256 | 3,637,337 | 905,654 |
| Unrestricted | 12,893,531 | 4,047,488 | 2,262,106 | 592,289 | 467,234 |
| Total net position | \$ 27,566,946 | \$ 12,257,432 | \$ 15,763,362 | \$ 4,229,626 | \$ 1,372,888 |

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

Net position of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

| Total Enterprise Funds | Governmental Activities - Internal Service Funds |
|---------------------------------------|---|
| \$ 18,744,662 | \$ 253 |
| 195,993 | - |
| 111,511 | - |
| 5,210,865 | 140 |
| 93,797 | - |
| 1,839,627 | - |
| 154,634 | 5,476 |
| 3,065,706 | 833 |
| <u>29,416,795</u> | <u>6,702</u> |
| 69,777 | 6,695 |
| 237,921 | 22,829 |
| 381,248 | - |
| 10,212,674 | - |
| 72,435,013 | 29,658 |
| <u>83,336,633</u> | <u>59,182</u> |
| <u>112,753,428</u> | <u>65,884</u> |
| 421,657 | 33,485 |
| 185,488 | 13,527 |
| <u>607,145</u> | <u>47,012</u> |
| 2,321,928 | 625 |
| 1,715,146 | - |
| 10,000 | - |
| 44,889 | 4,163 |
| 193,667 | 543 |
| 21,536 | 1,058 |
| 459,463 | - |
| 730,000 | - |
| 19,231 | 2,866 |
| 563,818 | - |
| 137,772 | - |
| 68,354 | - |
| <u>6,285,804</u> | <u>9,255</u> |
| 2,385,000 | - |
| 13,050,151 | - |
| 154,687 | 10,221 |
| 25,627,757 | - |
| 447,251 | - |
| 171,385 | - |
| 381,248 | - |
| 2,009,433 | 192,810 |
| <u>44,226,912</u> | <u>203,031</u> |
| <u>50,512,716</u> | <u>212,286</u> |
| 917,576 | 87,144 |
| 740,027 | 70,162 |
| <u>1,657,603</u> | <u>157,306</u> |
| 40,927,606 | 29,658 |
| 20,262,648 | (286,354) |
| 61,190,254 | \$ (256,696) |
| 3,526 | |
| <u>\$ 61,193,780</u> | |

CITY OF WAPAKONETA, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

| | Business-type Activities - Enterprise Funds | | | | |
|---|--|----------------------|----------------------|---------------------|---------------------|
| | Electric | Water | Sewer | Storm Sewer | Refuse |
| Operating revenues: | | | | | |
| Charges for services | \$ 29,645,025 | \$ 4,015,885 | \$ 5,234,602 | \$ 40,973 | \$ 1,504,792 |
| Licenses and permits | - | - | - | - | - |
| Other | 362,066 | 4,123 | 12,886 | - | 12,972 |
| Total operating revenues | 30,007,091 | 4,020,008 | 5,247,488 | 40,973 | 1,517,764 |
| Operating expenses: | | | | | |
| Personal services | 285,131 | 80,697 | 171,037 | - | 117,744 |
| Contract services | 24,603,043 | 994,526 | 972,199 | 4,345 | 741,131 |
| Materials and supplies | 308,854 | 494,881 | 298,199 | - | 119,558 |
| Other | 31,023 | - | 12,448 | - | - |
| Depreciation | 887,940 | 405,440 | 751,450 | 107,644 | 96,323 |
| Total operating expenses | 26,115,991 | 1,975,544 | 2,205,333 | 111,989 | 1,074,756 |
| Operating income (loss) | 3,891,100 | 2,044,464 | 3,042,155 | (71,016) | 443,008 |
| Nonoperating revenues (expenses): | | | | | |
| Interest and fiscal charges | (130,502) | (386,512) | (390,709) | (2,015) | (16,181) |
| Loss on disposal of capital assets | (1,505) | - | - | - | - |
| Other local taxes | 7,992 | - | - | - | - |
| Total nonoperating revenues (expenses) | (124,015) | (386,512) | (390,709) | (2,015) | (16,181) |
| Income (loss) before transfers and capital contributions | 3,767,085 | 1,657,952 | 2,651,446 | (73,031) | 426,827 |
| Transfers in | - | - | - | 269,915 | - |
| Transfers out | - | - | (269,915) | - | - |
| Capital contributions | - | - | 10,502 | - | - |
| Change in net position | 3,767,085 | 1,657,952 | 2,392,033 | 196,884 | 426,827 |
| Net position at beginning of year | 23,799,861 | 10,599,480 | 13,371,329 | 4,032,742 | 946,061 |
| Net position at end of year | \$ 27,566,946 | \$ 12,257,432 | \$ 15,763,362 | \$ 4,229,626 | \$ 1,372,888 |

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

Change in net position of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

| Total Enterprise Funds | Governmental Activities - Internal Service Funds |
|---------------------------------------|---|
| \$ 40,441,277 | \$ 292,577 |
| - | 18,899 |
| 392,047 | 694 |
| 40,833,324 | 312,170 |
| 654,609 | 136,941 |
| 27,315,244 | 18,969 |
| 1,221,492 | 7,044 |
| 43,471 | 8 |
| 2,248,797 | 1,873 |
| 31,483,613 | 164,835 |
| 9,349,711 | 147,335 |
| (925,919) | - |
| (1,505) | - |
| 7,992 | - |
| (919,432) | - |
| 8,430,279 | 147,335 |
| 269,915 | 4,600 |
| (269,915) | - |
| 10,502 | - |
| 8,440,781 | 151,935 |
| | (408,631) |
| | <u>\$ (256,696)</u> |
| 40,302 | |
| <u>\$ 8,481,083</u> | |

CITY OF WAPAKONETA, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Business-type Activities - Enterprise Funds

| | <u>Electric</u> | <u>Water</u> | <u>Sewer</u> | <u>Storm Sewer</u> | <u>Refuse</u> |
|--|----------------------|---------------------|---------------------|--------------------|---------------------|
| Cash flows from operating activities: | | | | | |
| Cash received from customers | \$ 29,125,159 | \$ 4,015,221 | \$ 5,161,284 | \$ 54,345 | \$ 1,518,057 |
| Cash received from interfund services | - | - | - | - | - |
| Cash received from utility deposits | 72,858 | - | - | - | - |
| Cash received from other operations | 391,604 | 4,123 | 12,886 | - | 12,972 |
| Cash payments for personal services | (1,134,053) | (476,151) | (707,898) | - | (424,492) |
| Cash payments for contract services | (24,070,051) | (1,020,073) | (1,027,166) | - | (826,806) |
| Cash payments for materials and supplies | (1,396,955) | (475,372) | (273,651) | - | (112,016) |
| Cash payments for utility refunds | (26,586) | - | - | - | - |
| Cash payments for interfund services | - | (61) | (2,596) | (4,345) | - |
| Cash payments for other expenses | (31,023) | - | (12,448) | - | - |
| Net cash provided by (used in) operating activities | <u>2,930,953</u> | <u>2,047,687</u> | <u>3,150,411</u> | <u>50,000</u> | <u>167,715</u> |
| Cash flows from noncapital financing activities: | | | | | |
| Cash received from other local taxes | 7,992 | - | - | - | - |
| Cash received from transfers in | - | - | - | - | - |
| Net cash provided by noncapital financing activities | <u>7,992</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Acquisition of capital assets | (1,342,099) | (1,386,962) | (4,731,843) | - | - |
| Grants | - | - | 23,104 | - | - |
| Principal paid on debt | - | (360,160) | (1,029,918) | (30,077) | (103,194) |
| Interest and fiscal charges paid on debt | (317,703) | (391,414) | (396,410) | (2,015) | (16,181) |
| Loan proceeds | 1,032,549 | 1,294,187 | 3,047,497 | - | - |
| Net cash used in capital and related financing activities | <u>(627,253)</u> | <u>(844,349)</u> | <u>(3,087,570)</u> | <u>(32,092)</u> | <u>(119,375)</u> |
| Net increase (decrease) in cash and investments | 2,311,692 | 1,203,338 | 62,841 | 17,908 | 48,340 |
| Cash and investments at beginning of year | 9,953,915 | 1,946,159 | 1,979,661 | 574,364 | 1,223,685 |
| Cash and investments at end of year | <u>\$ 12,265,607</u> | <u>\$ 3,149,497</u> | <u>\$ 2,042,502</u> | <u>\$ 592,272</u> | <u>\$ 1,272,025</u> |

| <u>Total Enterprise Funds</u> | <u>Governmental Activities - Internal Service Funds</u> |
|---------------------------------------|---|
| \$ 39,874,066 | \$ 18,759 |
| - | 292,577 |
| 72,858 | - |
| 421,585 | 694 |
| (2,742,594) | (310,726) |
| (26,944,096) | (19,561) |
| (2,257,994) | (5,682) |
| (26,586) | - |
| (7,002) | - |
| <u>(43,471)</u> | <u>(8)</u> |
| | |
| <u>8,346,766</u> | <u>(23,947)</u> |
| | |
| 7,992 | - |
| - | 4,600 |
| <u>7,992</u> | <u>4,600</u> |
| | |
| (7,460,904) | - |
| 23,104 | - |
| (1,523,349) | - |
| (1,123,723) | - |
| <u>5,374,233</u> | <u>-</u> |
| | |
| <u>(4,710,639)</u> | <u>-</u> |
| | |
| 3,644,119 | (19,347) |
| 15,677,784 | 19,600 |
| <u>\$ 19,321,903</u> | <u>\$ 253</u> |

-- Continued

CITY OF WAPAKONETA, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2021

Business-type Activities - Enterprise Funds

| | <u>Electric</u> | <u>Water</u> | <u>Sewer</u> | <u>Storm Sewer</u> | <u>Refuse</u> |
|--|---------------------|---------------------|---------------------|--------------------|-------------------|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | | |
| Operating income (loss) | \$ 3,891,100 | \$ 2,044,464 | \$ 3,042,155 | \$ (71,016) | \$ 443,008 |
| Adjustments: | | | | | |
| Depreciation | 887,940 | 405,440 | 751,450 | 107,644 | 96,323 |
| Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources: | | | | | |
| Materials and supplies inventory | (710,723) | (7,147) | (29,500) | - | - |
| Other local taxes | (1,612) | - | - | - | - |
| Accounts receivable | (476,538) | (673) | (73,330) | 13,372 | 12,537 |
| Intergovernmental receivable | - | - | - | - | 1,181 |
| Due from other funds | (7,550) | 9 | 12 | - | (382) |
| Prepayments | (20,314) | (7,113) | (10,669) | - | (7,469) |
| Net pension asset | (8,607) | (2,933) | (4,736) | - | (3,321) |
| Net OPEB asset | (103,490) | (38,512) | (58,925) | - | (36,994) |
| Deferred outflows - pension | 1,120 | 8,258 | 1,975 | - | (13,603) |
| Deferred outflows - OPEB | 47,037 | 20,830 | 24,982 | - | 6,559 |
| Accounts payable | 2,107,869 | (5,490) | 11,301 | - | (12,215) |
| Contracts payable | (1,956,872) | - | (18,351) | - | - |
| Accrued wages and benefits | (28,447) | (10,983) | (17,136) | - | (11,194) |
| Intergovernmental payable | (2,606) | 3,856 | (3,048) | - | (728) |
| Due to other funds | 2,010 | 1,460 | 5,087 | - | 49 |
| Compensated absences payable | (91,339) | (63,804) | (52,610) | - | (31,016) |
| Refundable deposits | 46,272 | - | - | - | - |
| Landfill postclosure costs | - | - | - | - | (66,671) |
| Net pension liability | (211,720) | (92,347) | (128,746) | - | (63,408) |
| Net OPEB liability | (749,284) | (288,188) | (432,280) | - | (259,367) |
| Deferred inflows - pension | 120,505 | 18,936 | 42,309 | - | 42,953 |
| Deferred inflows - OPEB | 196,202 | 61,624 | 100,471 | - | 71,473 |
| Net cash provided by (used in) operating activities | <u>\$ 2,930,953</u> | <u>\$ 2,047,687</u> | <u>\$ 3,150,411</u> | <u>\$ 50,000</u> | <u>\$ 167,715</u> |

Non-cash capital transactions:

At December 31, 2021 and December 31, 2020, the Water and Sewer funds had payables related to the acquisition of capital assets in the amount of \$1,380,256 and \$344,890, respectively. In addition, a receivable was recorded in the Water and Sewer funds in the amount of \$1,380,256 and \$459,371, respectively, for a requested and approved reimbursement on an OWDA project.

During 2021, the Sewer fund purchased capital assets and transferred them to the Storm Sewer fund, in the amount of \$269,915.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

| <u>Total Enterprise Funds</u> | <u>Governmental Activities - Internal Service Funds</u> |
|---------------------------------------|---|
| \$ 9,349,711 | \$ 147,335 |
| 2,248,797 | 1,873 |
| (747,370) | 597 |
| (1,612) | - |
| (524,632) | (140) |
| 1,181 | - |
| (7,911) | - |
| (45,565) | (2,940) |
| (19,597) | (1,675) |
| (237,921) | (22,829) |
| (2,250) | 14,955 |
| 99,408 | 19,829 |
| 2,101,465 | (218) |
| (1,975,223) | - |
| (67,760) | (4,447) |
| (2,526) | (264) |
| 8,606 | 13 |
| (238,769) | (16,177) |
| 46,272 | - |
| (66,671) | - |
| (496,221) | (57,755) |
| (1,729,119) | (172,909) |
| 224,703 | 26,697 |
| 429,770 | 44,108 |
| <u>\$ 8,346,766</u> | <u>\$ (23,947)</u> |

CITY OF WAPAKONETA, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

| | <u>Custodial</u> |
|---|-------------------|
| Assets: | |
| Equity in pooled cash and investments | \$ 126,526 |
| Total assets | <u>126,526</u> |
| Liabilities: | |
| Accounts payable | 547 |
| Accrued wages and benefits | 39 |
| Intergovernmental payable | 5 |
| Total liabilities | <u>591</u> |
| Net position: | |
| Restricted for individuals, organizations, and other governments | \$ 125,935 |
| Total net position | <u>\$ 125,935</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WAPAKONETA, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Custodial</u> |
|--|--------------------------|
| Additions: | |
| Amounts received as fiscal agent | \$ 6,690 |
| Amounts held for employees | <u>236,499</u> |
| Total additions | <u>243,189</u> |
| Deductions: | |
| Distributions as fiscal agent | 7,803 |
| Distributions on behalf of employees | <u>224,999</u> |
| Total deductions | <u>232,802</u> |
| Change in net position | 10,387 |
| Net position at beginning of year | <u>115,548</u> |
| Net position at end of year | <u><u>\$ 125,935</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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 2021.

The City participates in the Ohio Plan Risk Management, an insurance pool. This organization is presented in Note 21 to the basic financial statements.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-Wide Financial Statements

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

B. Fund Accounting

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

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

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

Street and Sewer Improvement Fund - The Street and Sewer Improvement Fund accounts for the residents' portion of special assessments for curbs, gutters, and sidewalks; grant resources for infrastructure improvements; municipal income taxes levied for street improvements; the issuance of notes to pay for projects prior to the assessment of property owners; and transfers from the General Fund for improvements to streets 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.

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

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

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

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

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

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

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

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.

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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.

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 assets 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 13 and 14 to the basic financial statements.

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized 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, 2021, but which were levied to finance the subsequent year's 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 Balances 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 13 and 14 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.

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".

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

During 2021, investments included nonnegotiable and negotiable certificates of deposit and the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value, except for nonnegotiable certificates of deposit which are reported at cost. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants". The City measures the investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2021, 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 \$250 million requiring the excess amount to be transacted the following business day(s) but only to the \$250 million limit. All accounts of the participant will be combined for 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 2021 was \$24,619, which includes \$20,436 assigned from other City funds.

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Inventory

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

I. Restricted Assets

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

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

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

J. Capital Assets

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

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

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

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

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

K. Interfund Assets/Liabilities

On fund financial statements, receivables and payables resulting from interfund services provided and used are classified as "Due to/from other funds". Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as an "Internal balance".

L. Compensated Absences

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

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Net Position

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

O. Fund Balance

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

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

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

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

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

Assigned - Amounts in the assigned classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by City Council. Fund balance policy of City Council has authorized the Director of Public Service and Safety to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council has also assigned amounts to cover a gap between estimated resources and appropriations in the 2022 budget, debt retirement, and police and fire department operations.

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

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

P. Operating Revenues and Expenses

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

Q. Capital Contributions

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

R. Interfund Transactions

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

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

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

S. Pensions/Other Postemployment Benefits (OPEB)

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

T. Estimates

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2021, the City has implemented GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period" and GASB Statement No. 98, "The Annual Comprehensive Financial Report."

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

GASB Statement No. 98 establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in general accepted accounting principles for state and local governments.

For 2021, the City has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021 and to GASB Statement No. 87, which was originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncements are postponed by one year and the City has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The following pronouncements are postponed by eighteen months and the City has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

B. Compliance

At December 31, 2021, the Water fund had principal retirement expenditures in excess of appropriations in the amount of \$42,678. The City Auditor will monitor budgetary transactions to ensure expenditures are within the amounts appropriated.

CITY OF WAPAKONETA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

Net Change in Fund Balance

| | <u>General</u> |
|---|-------------------|
| Budget basis | \$ (426,289) |
| Net adjustment for revenue accruals | (16,463) |
| Net adjustment for expenditure accruals | 569,206 |
| Adjustment for encumbrances | <u>104,024</u> |
| GAAP basis | <u>\$ 230,478</u> |

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 5 - DEPOSITS AND INVESTMENTS – (Continued)

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio (if training requirements have been met);
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed two hundred seventy days in an amount not to exceed 40 percent of the interim monies available for investment at any one time (if training requirements have been met).

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

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

A. Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 5 - DEPOSITS AND INVESTMENTS – (Continued)

B. Investments

Investments are reported at fair value or amortized cost. As of December 31, 2021, the City had the following investments:

| Measurement/Investment | Measurement Amount | Maturity |
|------------------------------------|-----------------------|-----------|
| Fair Value - Level Two Inputs | | |
| Negotiable Certificates of Deposit | \$ 235,641 | 4/11/2022 |
| Negotiable Certificates of Deposit | 506,190 | 4/10/2023 |
| Net Value Per Share | | |
| STAR Ohio | 7,224,781 | 54 Days |
| Total Investments | \$ 7,966,612 | |

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, 2021. 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.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2021, 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 \$2,860, are not expected to be received within one year. Special assessments receivable, in the amount of \$23,713, are not expected to be received within one year.

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 6 - RECEIVABLES - (Continued)

A summary of the principal items of intergovernmental receivables follows:

| | <u>Amount</u> |
|----------------------------------|---------------------|
| Governmental Activities | |
| Major Funds | |
| General Fund | |
| Homestead and Rollback | \$ 30,671 |
| Local Government | 140,920 |
| Total General Fund | <u>171,591</u> |
| Nonmajor Funds | |
| Street Maintenance | |
| Gasoline Tax | 266,783 |
| Motor Vehicle License Tax | 38,100 |
| Total Street Maintenance | <u>304,883</u> |
| State Highway | |
| Gasoline Tax | 17,360 |
| Motor Vehicle License Tax | 3,089 |
| Total State Highway | <u>20,449</u> |
| Recreation | |
| Homestead and Rollback | 1,969 |
| Total Nonmajor Funds | <u>327,301</u> |
| Total Governmental Activities | <u>\$ 498,892</u> |
| | |
| Business-Type Activities | |
| Water Fund | |
| Ohio Water Development Authority | \$ 1,380,256 |
| Sewer Fund | |
| Ohio Water Development Authority | 459,371 |
| Total Business-Type Activities | <u>\$ 1,839,627</u> |

NOTE 7 - MUNICIPAL INCOME TAXES

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

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

CITY OF WAPAKONETA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 8 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2021 represent the collection of 2020 taxes. Real property taxes received in 2021 were levied after October 1, 2020, on the assessed values as of January 1, 2020, 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 2021 represent the collection of 2020 taxes. Public utility real and tangible personal property taxes received in 2021 became a lien on December 31, 2019, were levied after October 1, 2020, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City 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, 2021, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2021 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, 2021, was \$3.75 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2021 property tax receipts were based are as follows:

| Category | Assessed Value |
|--------------------------|-----------------------|
| Real Estate | |
| Agricultural/Residential | \$ 147,176,280 |
| Commercial/Industrial | 48,756,220 |
| Public Utility Real | 82,300 |
| Public Utility Personal | 3,324,720 |
| Total | <u>\$ 199,339,520</u> |

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, was as follows:

| | Balance 12/31/20 | Additions | Deductions | Balance 12/31/21 |
|---|----------------------|---------------------|-------------------|----------------------|
| Governmental Activities | | | | |
| Nondepreciable Capital assets: | | | | |
| Land | \$ 1,564,688 | \$ - | \$ - | \$ 1,564,688 |
| Construction in progress | 880,904 | 911,456 | - | 1,792,360 |
| Total Nondepreciable Capital Assets | <u>2,445,592</u> | <u>911,456</u> | <u>-</u> | <u>3,357,048</u> |
| Depreciable Capital Assets: | | | | |
| Land Improvements | 3,031,111 | - | - | 3,031,111 |
| Buildings | 3,599,947 | - | - | 3,599,947 |
| Equipment | 514,633 | 152,621 | - | 667,254 |
| Vehicles | 3,209,189 | 394,859 | (39,283) | 3,564,765 |
| Streets | 33,576,150 | 1,657,849 | - | 35,233,999 |
| Total Depreciable Capital Assets | <u>43,931,030</u> | <u>2,205,329</u> | <u>(39,283)</u> | <u>46,097,076</u> |
| Less Accumulated Depreciation for | | | | |
| Land Improvements | (1,129,570) | (83,606) | - | (1,213,176) |
| Buildings | (1,168,104) | (40,344) | - | (1,208,448) |
| Equipment | (381,975) | (30,020) | - | (411,995) |
| Vehicles | (2,248,868) | (165,872) | 37,596 | (2,377,144) |
| Streets | (17,223,432) | (1,068,034) | - | (18,291,466) |
| Total Accumulated Depreciation | <u>(22,151,949)</u> | <u>(1,387,876)</u> | <u>37,596</u> | <u>(23,502,229)</u> |
| Total Depreciable Capital Assets, Net | <u>21,779,081</u> | <u>817,453</u> | <u>(1,687)</u> | <u>22,594,847</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 24,224,673</u> | <u>\$ 1,728,909</u> | <u>\$ (1,687)</u> | <u>\$ 25,951,895</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|---|---------------------|
| Security of Persons and Property - Police | \$ 12,087 |
| Security of Persons and Property - Fire | 67,103 |
| Public Health | 59,338 |
| Leisure Time Activities | 69,262 |
| Transportation | 61,109 |
| General Government | <u>1,118,977</u> |
| Total Depreciation Expense | <u>\$ 1,387,876</u> |

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 9 - CAPITAL ASSETS - (Continued)

| | Balance 12/31/20 | Additions | Deductions | Balance 12/31/21 |
|--|---------------------|--------------|--------------|---------------------|
| Business-type activities | | | | |
| Nondepreciable Capital Assets | | | | |
| Land | \$ 1,443,314 | \$ - | \$ - | \$ 1,443,314 |
| Construction in progress | 2,033,912 | 7,413,593 | (678,145) | 8,769,360 |
| Total Nondepreciable Capital Assets | 3,477,226 | 7,413,593 | (678,145) | 10,212,674 |
| Depreciable Capital Assets | | | | |
| Buildings | 20,009,700 | - | - | 20,009,700 |
| Equipment | 1,272,083 | 95,814 | - | 1,367,897 |
| Vehicles | 4,738,608 | 358,658 | (60,411) | 5,036,855 |
| Electric, Water, Sewer, and Storm | | | | |
| Sewer Lines | 79,669,109 | 1,369,606 | - | 81,038,715 |
| Total Depreciable Capital Assets | 105,689,500 | 1,824,078 | (60,411) | 107,453,167 |
| Less Accumulated Depreciation for | | | | |
| Buildings | (4,010,608) | (255,977) | - | (4,266,585) |
| Equipment | (706,486) | (56,810) | - | (763,296) |
| Vehicles | (2,745,764) | (232,868) | 58,906 | (2,919,726) |
| Electric, Water, Sewer, and Storm | | | | |
| Sewer Lines | (25,365,405) | (1,703,142) | - | (27,068,547) |
| Total Accumulated Depreciation | (32,828,263) | (2,248,797) | 58,906 | (35,018,154) |
| Total Depreciable Capital Assets, Net | 72,861,237 | (424,719) | (1,505) | 72,435,013 |
| Business-Type Activities Capital Assets, Net | \$ 76,338,463 | \$ 6,988,874 | \$ (679,650) | \$ 82,647,687 |

NOTE 10 - INTERFUND BALANCES

Interfund balances at December 31, 2021, consisted of the following amounts due to/from other funds:

| Due to other funds | Due from other funds | | | | | | Totals |
|-----------------------------|----------------------|------------------|--------------|---------------|--------------|---------------|------------------|
| | General | Electric | Water | Sewer | Storm Sewer | Refuse | |
| General | \$ - | \$ 5,155 | \$ - | \$ - | \$ - | \$ - | \$ 5,155 |
| Nonmajor governmental funds | - | 4,138 | - | - | - | - | 4,138 |
| Electric | 109,706 | - | 32 | 102 | 17 | 433 | 110,290 |
| Water | - | 38,558 | - | - | - | - | 38,558 |
| Sewer | - | 41,361 | - | - | - | - | 41,361 |
| Refuse | - | 3,458 | - | - | - | - | 3,458 |
| Internal service | - | 543 | - | - | - | - | 543 |
| Totals | <u>\$109,706</u> | <u>\$ 93,213</u> | <u>\$ 32</u> | <u>\$ 102</u> | <u>\$ 17</u> | <u>\$ 433</u> | <u>\$203,503</u> |

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 10 - INTERFUND BALANCES - (Continued)

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 11 - RISK MANAGEMENT

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

During 2021, 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 | - |
| Aggregate | 9,000,000 | - |
| Wrongful Acts | | |
| Each Occurrence | 7,000,000 | 5,000 |
| Aggregate | 9,000,000 | 5,000 |
| Law Enforcement Liability | | |
| Each Occurrence | 7,000,000 | 5,000 |
| Aggregate | 9,000,000 | 5,000 |
| Automobile Liability | 7,000,000 | 250-500 |
| Inland Marine | 1,822,105 | 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, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - SIGNIFICANT CONTRACTUAL COMMITMENTS

The City has several outstanding contracts for professional services. The following are the more significant contracts outstanding as of December 31, 2021:

| Vendor | Contract Amount | Amount Paid as of 12/31/2021 | Outstanding Balance |
|--------------------------------|--------------------|---------------------------------|------------------------|
| A CH2M Hill, Inc. | \$ 600,000 | \$ 591,081 | \$ 8,919 |
| Beaverdam Contracting | 527,688 | 429,155 | 98,533 |
| Choice One Engineering Corp. | 222,645 | 167,914 | 54,731 |
| Encompass Engineering | 318,000 | 136,399 | 181,601 |
| HAD Inc | 393,000 | 67,444 | 325,556 |
| Jacobs Engineering Group, Inc. | 83,000 | 79,617 | 3,383 |
| Pennsylvania Transformer | 376,134 | - | 376,134 |
| Peterson Construction | 160,000 | 117,000 | 43,000 |
| Schaub Excavating | 24,625 | 8,033 | 16,592 |

At year end, encumbrances expected to be honored upon performance by the vendor in 2022 are as follows:

| | |
|------------------------------|-------------------|
| General | \$ 104,024 |
| Street and Sewer Improvement | 27,118 |
| Nonmajor Governmental Funds | 111,220 |
| Total | <u>\$ 242,362</u> |

NOTE 13 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability/Asset

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions 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 net pension liability/asset and the net OPEB liability/asset represent the City’s proportionate share of each pension/OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan’s fiduciary net position. The net pension/OPEB liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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.

CITY OF WAPAKONETA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

| | <u>State and Local</u> | <u>Public Safety</u> | <u>Law Enforcement</u> |
|--|----------------------------|--------------------------|----------------------------|
| 2021 Statutory Maximum Contribution Rates | | | |
| Employer | 14.0 % | 18.1 % | 18.1 % |
| Employee * | 10.0 % | *** | *** |
| 2021 Actual Contribution Rates | | | |
| Employer: | | | |
| Pension ** | 14.0 % | 18.1 % | 18.1 % |
| Post-employment Health Care Benefits **** | 0.0 % | 0.0 % | 0.0 % |
| Total Employer | <u>14.0 %</u> | <u>18.1 %</u> | <u>18.1 %</u> |
| Employee | <u>10.0 %</u> | <u>12.0 %</u> | <u>13.0 %</u> |

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

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

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

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$470,358 for 2021. Of this amount, \$8,271 is reported as intergovernmental payable.

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

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

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

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

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

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

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

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

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

| | <u>Police</u> | <u>Firefighters</u> |
|--|----------------|---------------------|
| 2021 Statutory Maximum Contribution Rates | | |
| Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 % |
| 2021 Actual Contribution Rates | | |
| Employer: | | |
| Pension | 19.00 % | 23.50 % |
| Post-employment Health Care Benefits | <u>0.50 %</u> | <u>0.50 %</u> |
| Total Employer | <u>19.50 %</u> | <u>24.00 %</u> |
| Employee | 12.25 % | 12.25 % |

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$430,379 for 2021. Of this amount, \$44,745 is reported as intergovernmental payable.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2020, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

| | <u>OPERS - Traditional</u> | <u>OPERS - Combined</u> | <u>OP&F</u> | <u>Total</u> |
|--|--------------------------------|-----------------------------|---------------------|--------------|
| Proportion of the net pension liability/asset prior measurement date | 0.02112800% | 0.04010600% | 0.07829910% | |
| Proportion of the net pension liability/asset current measurement date | <u>0.02165100%</u> | <u>0.03856700%</u> | <u>0.07774430%</u> | |
| Change in proportionate share | <u>0.00052300%</u> | <u>-0.00153900%</u> | <u>-0.00055480%</u> | |
| Proportionate share of the net pension liability | \$ 3,206,043 | \$ - | \$ 5,299,899 | \$ 8,505,942 |
| Proportionate share of the net pension (asset) | - | (111,329) | - | (111,329) |
| Pension expense | (38,195) | 2,625 | 366,694 | 331,124 |

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>OPERS - Traditional</u> | <u>OPERS - Combined</u> | <u>OP&F</u> | <u>Total</u> |
|--|--------------------------------|-----------------------------|-------------------|---------------------|
| Deferred outflows of resources | | | | |
| Differences between expected and actual experience | \$ - | \$ - | \$ 221,557 | \$ 221,557 |
| Changes of assumptions | - | 6,956 | 88,884 | 95,840 |
| Changes in employer's proportionate percentage/ difference between employer contributions | 127,273 | - | 69,803 | 197,076 |
| Contributions subsequent to the measurement date | 449,173 | 21,185 | 430,379 | 900,737 |
| Total deferred outflows of resources | <u>\$ 576,446</u> | <u>\$ 28,141</u> | <u>\$ 810,623</u> | <u>\$ 1,415,210</u> |
| | | | | |
| | <u>OPERS - Traditional</u> | <u>OPERS - Combined</u> | <u>OP&F</u> | <u>Total</u> |
| Deferred inflows of resources | | | | |
| Differences between expected and actual experience | \$ 134,111 | \$ 21,000 | \$ 206,467 | \$ 361,578 |
| Net difference between projected and actual earnings on pension plan investments | 1,249,623 | 16,555 | 257,078 | 1,523,256 |
| Changes in employer's proportionate percentage/ difference between employer contributions | 82,301 | - | 289,928 | 372,229 |
| Total deferred inflows of resources | <u>\$ 1,466,035</u> | <u>\$ 37,555</u> | <u>\$ 753,473</u> | <u>\$ 2,257,063</u> |

\$900,737 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/asset in the year ending December 31, 2022.

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

| Year Ending December 31: | OPERS - Traditional | OPERS - Combined | OP&F | Total |
|--------------------------|------------------------|---------------------|---------------------|-----------------------|
| 2022 | \$ (507,060) | \$ (7,971) | \$ (85,362) | \$ (600,393) |
| 2023 | (151,884) | (5,064) | (7,890) | (164,838) |
| 2024 | (509,388) | (8,882) | (256,712) | (774,982) |
| 2025 | (170,430) | (4,130) | (29,380) | (203,940) |
| 2026 | - | (1,768) | 6,115 | 4,347 |
| Thereafter | - | (2,784) | - | (2,784) |
| Total | <u>\$ (1,338,762)</u> | <u>\$ (30,599)</u> | <u>\$ (373,229)</u> | <u>\$ (1,742,590)</u> |

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below.

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

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.40% simple through 2020 then 2.15% simple to 0.50% simple through 2021 then 2.15% simple.

Pre-retirement mortality rates are 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. Post-retirement mortality rates are 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. Post-retirement mortality rates for disabled retirees are 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 are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

During 2020, 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 for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 11.70% for 2020.

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

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u> |
|------------------------|------------------------------|---|
| Fixed income | 25.00 % | 1.32 % |
| Domestic equities | 21.00 | 5.64 |
| Real estate | 10.00 | 5.39 |
| Private equity | 12.00 | 10.42 |
| International equities | 23.00 | 7.36 |
| Other investments | 9.00 | 4.75 |
| Total | <u>100.00 %</u> | <u>5.43 %</u> |

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2020 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate -
The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|---|--------------------|----------------------------------|--------------------|
| City's proportionate share of the net pension liability (asset): | | | |
| Traditional Pension Plan | \$ 6,115,541 | \$ 3,206,043 | \$ 786,797 |
| Combined Plan | (77,520) | (111,329) | 527 |

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2020, are presented below.

| | |
|----------------------------|--|
| Valuation date | 1/1/20 with actuarial liabilities rolled forward to 12/31/20 |
| Actuarial cost method | Entry age normal (level percent of payroll) |
| Investment rate of return | 8.00% |
| Projected salary increases | 3.75% - 10.50% |
| Payroll growth | 3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50% |
| Cost of living adjustments | 3.00% per year simple, 2.20% simple for increases based on the lesser of the increase in CPI and 3.00% |

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

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return ** |
|---------------------------------|----------------------|--|
| Cash and Cash Equivalents | - % | 0.00 % |
| Domestic Equity | 21.00 | 5.40 |
| International Equity | 14.00 | 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 |
| Midstream Energy Infrastructure | 5.00 | 6.60 |
| Real Assets | 8.00 | 7.40 |
| Gold | 5.00 | 1.90 |
| Private Real Estate | 12.00 | 6.40 |
| Total | 125.00 % | |

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|--|--------------------|----------------------------------|--------------------|
| City's proportionate share of the net pension liability | \$ 7,378,138 | \$ 5,299,899 | \$ 3,560,622 |

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2021.

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$10,077 for 2021. Of this amount, \$1,048 is reported as intergovernmental payable.

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

The net OPEB liability/asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. 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.

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

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|--------------------|---------------------|--------------|
| Proportion of the net OPEB liability prior measurement date | 0.02086400% | 0.07829910% | |
| Proportion of the net OPEB liability/asset current measurement date | <u>0.02130700%</u> | <u>0.07774430%</u> | |
| Change in proportionate share | <u>0.00044300%</u> | <u>-0.00055480%</u> | |
| | | | |
| Proportionate share of the net OPEB liability | \$ - | \$ 823,714 | \$ 823,714 |
| Proportionate share of the net OPEB (asset) | (379,602) | - | (379,602) |
| OPEB expense | (2,326,491) | (1,390) | (2,327,881) |

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|-------------------|-------------------|-------------------|
| Deferred outflows of resources | | | |
| Changes of assumptions | \$ 186,617 | \$ 455,055 | \$ 641,672 |
| Changes in employer's proportionate percentage/ difference between employer contributions | 70,827 | 2,860 | 73,687 |
| Contributions subsequent to the measurement date | - | 10,077 | 10,077 |
| Total deferred outflows of resources | <u>\$ 257,444</u> | <u>\$ 467,992</u> | <u>\$ 725,436</u> |

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--|---------------------|-------------------|---------------------|
| Deferred inflows of resources | | | |
| Differences between expected and actual experience | \$ 342,587 | \$ 135,868 | \$ 478,455 |
| Net difference between projected and actual earnings on OPEB plan investments | 202,185 | 30,609 | 232,794 |
| Changes of assumptions | 615,069 | 131,314 | 746,383 |
| Changes in employer's proportionate percentage/difference between employer contributions | 47,515 | 301,760 | 349,275 |
| Total deferred inflows of resources | <u>\$ 1,207,356</u> | <u>\$ 599,551</u> | <u>\$ 1,806,907</u> |

\$10,077 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 the year ending December 31, 2022.

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

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--------------------------|---------------------|---------------------|-----------------------|
| Year Ending December 31: | | | |
| 2022 | \$ (498,080) | \$ (44,837) | \$ (542,917) |
| 2023 | (340,146) | (37,589) | (377,735) |
| 2024 | (87,859) | (49,017) | (136,876) |
| 2025 | (23,827) | (34,989) | (58,816) |
| 2026 | - | 12,574 | 12,574 |
| Thereafter | - | 12,222 | 12,222 |
| Total | <u>\$ (949,912)</u> | <u>\$ (141,636)</u> | <u>\$ (1,091,548)</u> |

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020.

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

| | |
|--|--|
| Wage Inflation | 3.25% |
| Projected Salary Increases, including inflation | 3.25 to 10.75% including wage inflation |
| Single Discount Rate: | |
| Current measurement date | 6.00% |
| Prior Measurement date | 3.16% |
| Investment Rate of Return | |
| Current measurement date | 6.00% |
| Prior Measurement date | 6.00% |
| Municipal Bond Rate | |
| Current measurement date | 2.00% |
| Prior Measurement date | 2.75% |
| Health Care Cost Trend Rate | |
| Current measurement date | 8.50% initial, 3.50% ultimate in 2035 |
| Prior Measurement date | 10.50%, initial 3.50%, ultimate in 2030 |
| Actuarial Cost Method | Individual Entry Age Normal |

Pre-retirement mortality rates are 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. Post-retirement mortality rates are 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. Post-retirement mortality rates for disabled retirees are 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 are 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.

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

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. 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 10.50% for 2020.

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u> |
|------------------------------|------------------------------|---|
| Fixed Income | 34.00 % | 1.07 % |
| Domestic Equities | 25.00 | 5.64 |
| Real Estate Investment Trust | 7.00 | 6.48 |
| International Equities | 25.00 | 7.36 |
| Other investments | 9.00 | 4.02 |
| Total | <u>100.00 %</u> | <u>4.43 %</u> |

Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 2.00% and a municipal bond rate of 2.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Change in Benefit Terms - On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the City at December 31, 2021. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---|-------------|--------------------------|-------------|
| City's proportionate share of the net OPEB asset | \$ 94,390 | \$ 379,602 | \$ 614,068 |

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption 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 2021 is 8.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is 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 3.50% in the most recent valuation.

| | 1% Decrease | Current Health Care Trend Rate Assumption | 1% Increase |
|---|-------------|---|-------------|
| City's proportionate share of the net OPEB asset | \$ 388,853 | \$ 379,602 | \$ 369,250 |

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

| | |
|----------------------------|--|
| Valuation Date | January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020 |
| Actuarial Cost Method | Entry Age Normal (Level Percent of Payroll) |
| Investment Rate of Return | 8.00% |
| Projected Salary Increases | 3.75% to 10.50% |
| Payroll Growth | Inflation rate of 2.75% plus productivity increase rate of 0.50% |
| Single discount rate: | |
| Current measurement date | 2.96% |
| Prior measurement date | 3.56% |
| Cost of Living Adjustments | 3.00% per year simple, 2.20% simple for increases based on the lesser of the increase in CPI and 3.00% |

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

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

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the 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% |

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

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return ** |
|---------------------------------|----------------------|--|
| Cash and Cash Equivalents | - % | 0.00 % |
| Domestic Equity | 21.00 | 5.40 |
| Non-US Equity | 14.00 | 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 |
| Midstream Energy Infrastructure | 5.00 | 6.60 |
| Real Assets | 8.00 | 7.40 |
| Gold | 5.00 | 1.90 |
| Private Real Estate | 12.00 | 6.40 |
| Total | <u>125.00 %</u> | |

Note: assumptions are geometric.

* levered 2.5x

** numbers include inflation

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

Discount Rate - The total OPEB liability was calculated using the discount rate of 2.96%. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.00%. Based on those assumptions, OP&F'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 2.12% at December 31, 2020 and 2.75% at December 31, 2019, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 2.96% for 2020 and 3.56% for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, 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 2.96%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96%), or one percentage point higher (3.96%) than the current rate.

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---|--------------|--------------------------|-------------|
| City's proportionate share of the net OPEB liability | \$ 1,027,124 | \$ 823,714 | \$ 655,924 |

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 15 - COMPENSATED ABSENCES

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

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

Sick leave is earned at various rates as defined by City policy and union contracts. 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 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).

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 16 - LONG-TERM OBLIGATIONS

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

| | <u>Original Issue Date</u> | <u>Interest Rate</u> | <u>Original Issue Amount</u> |
|---|--------------------------------|--------------------------|----------------------------------|
| General Obligation Bonds | | | |
| Sewer System Refunding | 2019 | 2.08% | \$ 4,570,000 |
| Sewer System | 2019 | 2.08 | 655,000 |
| Ohio Water Development Authority Loans | | | |
| WTP Design/New Water Treatment Plant | 2009 | 5.25 | 7,282,354 |
| Well Field and Raw Waterline 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 |

The City’s long-term obligations activity for the year ended December 31, 2021, was as follows:

| | <u>Balance 12/31/2020</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 12/31/2021</u> | <u>Due Within One Year</u> |
|---------------------------------------|-------------------------------|------------------|-----------------------|-------------------------------|--------------------------------|
| <u>Governmental Activities</u> | | | | | |
| Net Pension Liability | \$ 6,945,084 | \$ 25,254 | \$ (473,829) | \$ 6,496,509 | \$ - |
| Net OPEB Liability | 1,926,157 | 50,297 | (1,152,740) | 823,714 | - |
| Compensated Absences Payable | 476,364 | 13,087 | (294,292) | 195,159 | 13,302 |
| Total Governmental Activities | \$ 9,347,605 | \$ 88,638 | \$ (1,920,861) | \$ 7,515,382 | \$ 13,302 |

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

| | Balance 12/31/2020 | Additions | Reductions | Balance 12/31/2021 | Due Within One Year |
|--|-----------------------|--------------|----------------|-----------------------|------------------------|
| <u>Business-Type Activities</u> | | | | | |
| General Obligation Bonds from Direct Placement | | | | | |
| 2019 Sewer System Refunding Bonds | \$ 3,330,000 | \$ - | \$ (635,000) | \$ 2,695,000 | \$ 650,000 |
| 2019 Sewer System Bonds | 500,000 | - | (80,000) | 420,000 | 80,000 |
| Total General Obligation Bonds | 3,830,000 | - | (715,000) | 3,115,000 | 730,000 |
| Other Long-Term Obligations | | | | | |
| OWDA Loans from Direct Borrowings | | | | | |
| Water | 10,908,617 | 2,314,812 | (360,160) | 12,863,269 | 270,043 |
| Sewer | 10,212,740 | 3,400,406 | (284,840) | 13,328,306 | 293,775 |
| Net Pension Liability | 2,505,654 | - | (496,221) | 2,009,433 | - |
| Net OPEB Liability | 1,729,119 | - | (1,729,119) | - | - |
| Capital Loans Payable from | | | | | |
| Direct Borrowings | 12,708,106 | 342,045 | - | 13,050,151 | - |
| Capital Leases Payable | 472,506 | - | (163,349) | 309,157 | 137,772 |
| Compensated Absences Payable | 412,687 | - | (238,769) | 173,918 | 19,231 |
| Landfill Postclosure Costs | 582,276 | - | (66,671) | 515,605 | 68,354 |
| Total Other Long-Term Obligations | 39,531,705 | 6,057,263 | (3,339,129) | 42,249,839 | 789,175 |
| Total Business-Type Activities | \$ 43,361,705 | \$ 6,057,263 | \$ (4,054,129) | \$ 45,364,839 | \$ 1,519,175 |

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 |
|------|------------|
| 2022 | \$ 730,000 |
| 2023 | 745,000 |
| 2024 | 765,000 |
| 2025 | 785,000 |

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

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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, \$478,963 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 2021 was \$710,306 from the Water enterprise fund and \$599,573 from the Sewer enterprise fund. Total net revenues for the Water and Sewer enterprise funds were \$2,449,904 and \$3,793,605 respectively. The OWDA loans are payable through 2050 from the Water enterprise fund and through 2045 from the Sewer enterprise fund.

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

Capital Loans Payable - In 2018, the City obtained a loan from a direct borrowing from American Municipal Power, Inc., in an amount up to \$12,000,000, for electric system upgrades, a new 138kw/69kw substation, a new dual 25MVA substation, and other related improvements. During 2019, the loan was increased to an amount up to \$17,000,000. Of the total loan amount, \$2,191,985 was not capitalized in the Electric enterprise fund. The loan will be retired with net revenues from the Electric enterprise fund. For 2021, total net revenues for the Electric enterprise fund was \$5,274,236.

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.

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 \$195,993 at December 31, 2021.

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 \$20,930,650 at December 31, 2021.

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)

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, 2021, from the enterprise funds were as follows:

| Year Ending December 31, | From Direct Placement | | | From Direct Borrowing | | |
|-----------------------------|--------------------------|-------------------|---------------------|-----------------------|---------------------|----------------------|
| | General Obligation Bonds | | | OWDA Loans | | |
| | Principal | Interest | Total | Principal | Interest | Total |
| 2022 | \$ 730,000 | \$ 64,792 | \$ 794,792 | \$ 563,818 | \$ 645,954 | \$ 1,209,772 |
| 2023 | 745,000 | 49,608 | 794,608 | 585,829 | 626,263 | 1,212,092 |
| 2024 | 765,000 | 34,112 | 799,112 | 608,761 | 605,778 | 1,214,539 |
| 2025 | 785,000 | 18,200 | 803,200 | 632,652 | 584,464 | 1,217,116 |
| 2026 | 90,000 | 1,872 | 91,872 | 657,547 | 562,284 | 1,219,831 |
| 2027 - 2031 | - | - | - | 3,699,526 | 2,445,671 | 6,145,197 |
| 2032 - 2036 | - | - | - | 4,500,757 | 1,737,538 | 6,238,295 |
| 2037 - 2041 | - | - | - | 4,915,648 | 874,995 | 5,790,643 |
| 2042 - 2046 | - | - | - | 2,271,428 | 221,763 | 2,493,191 |
| 2047 - 2050 | - | - | - | 428,495 | 32,124 | 460,619 |
| Total | <u>\$ 3,115,000</u> | <u>\$ 168,584</u> | <u>\$ 3,283,584</u> | <u>\$ 18,864,461</u> | <u>\$ 8,336,834</u> | <u>\$ 27,201,295</u> |

NOTE 17 - CAPITAL LEASES - LESSEE DISCLOSURE

The City has entered into capitalized leases for equipment and vehicles. Principal payments in 2021 were \$30,078, \$30,077, and \$103,194 in the Sewer, Storm Sewer, and Refuse enterprise funds, respectively.

| | Business-Type Activities |
|-------------------------------|-----------------------------|
| Equipment | \$ 71,170 |
| Vehicles | 942,798 |
| Less Accumulated Depreciation | (334,887) |
| Total | <u>\$ 679,081</u> |

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, 2021.

| Year | Business-Type Activities | |
|-------|--------------------------|------------------|
| | Principal | Interest |
| 2022 | \$ 137,772 | \$ 13,714 |
| 2023 | 79,254 | 8,048 |
| 2024 | 45,025 | 4,257 |
| 2025 | 47,106 | 2,176 |
| Total | <u>\$ 309,157</u> | <u>\$ 28,195</u> |

CITY OF WAPAKONETA, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 18 - LANDFILL POSTCLOSURE COSTS

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City stopped accepting waste at its landfill in 1994. The Ohio EPA approved the final closure and postclosure plan in July 1998. The \$515,605 reported as landfill postclosure costs at December 31, 2021, 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.

NOTE 19 - INTERFUND TRANSFERS

During 2021, the general fund made transfers \$1,000,000 to the street and sewer improvement fund and \$600,000 to nonmajor governmental funds to provide resources for capital projects. The general fund also transferred \$4,600 to the internal service fund to provide additional resources so the fund would not be left with a deficit cash balance.

NOTE 20 - 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, 2021, to December 31, 2021, 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 21 - INSURANCE POOL

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

CITY OF WAPAKONETA, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 22 - FUND BALANCE

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

| Fund balance | General | Street and Sewer Improvement | Nonmajor Governmental Funds | Total Governmental Funds |
|---------------------------------------|---------------------|------------------------------------|-----------------------------------|--------------------------------|
| Nonspendable: | | | | |
| Materials and supplies inventory | \$ 17,161 | \$ - | \$ 6,030 | \$ 23,191 |
| Prepayments | 90,861 | - | 15,182 | 106,043 |
| Unclaimed monies | 36,841 | - | - | 36,841 |
| Total nonspendable | <u>144,863</u> | <u>-</u> | <u>21,212</u> | <u>166,075</u> |
| Restricted: | | | | |
| Ambulance operations | 6,250 | - | - | 6,250 |
| Debt retirement | - | - | 1,160 | 1,160 |
| Economic development | - | - | 31,237 | 31,237 |
| Police operations | 8,566 | - | 27,301 | 35,867 |
| Recreation | - | - | 35,326 | 35,326 |
| Street construction and maintenance | - | 734,525 | 506,503 | 1,241,028 |
| Total restricted | <u>14,816</u> | <u>734,525</u> | <u>601,527</u> | <u>1,350,868</u> |
| Assigned: | | | | |
| Debt retirement | - | - | 43,156 | 43,156 |
| Police and Fire Department operations | - | - | 679,015 | 679,015 |
| Projected budget shortage | 2,990,373 | - | - | 2,990,373 |
| Unpaid obligations | 70,200 | - | - | 70,200 |
| Total assigned | <u>3,060,573</u> | <u>-</u> | <u>722,171</u> | <u>3,782,744</u> |
| Unassigned | 1,090,211 | - | - | 1,090,211 |
| Total fund balances | <u>\$ 4,310,463</u> | <u>\$ 734,525</u> | <u>\$ 1,344,910</u> | <u>\$ 6,389,898</u> |

NOTE 23 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WAPAKONETA, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT YEARS

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|--------------|--------------|--------------|--------------|
| <i>Traditional Plan:</i> | | | | |
| City's proportion of the net pension liability | 0.021651% | 0.021128% | 0.021671% | 0.023228% |
| City's proportionate share of the net pension liability | \$ 3,206,042 | \$ 4,176,093 | \$ 5,935,248 | \$ 3,644,023 |
| City's covered payroll | \$ 3,049,393 | \$ 2,972,729 | \$ 2,927,029 | \$ 3,069,654 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 105.14% | 140.48% | 202.77% | 118.71% |
| Plan fiduciary net position as a percentage of the total pension liability | 86.88% | 82.17% | 74.70% | 84.66% |
| <i>Combined Plan:</i> | | | | |
| City's proportion of the net pension asset | 0.038567% | 0.040106% | 0.033880% | 0.017412% |
| City's proportionate share of the net pension asset | \$ 111,329 | \$ 83,631 | \$ 37,885 | \$ 23,703 |
| City's covered payroll | \$ 169,964 | \$ 178,536 | \$ 144,900 | \$ 71,308 |
| City's proportionate share of the net pension asset as a percentage of its covered payroll | 65.50% | 46.84% | 26.15% | 33.24% |
| Plan fiduciary net position as a percentage of the total pension asset | 157.67% | 145.28% | 126.64% | 137.28% |

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|----|-------------|--------------|--------------|--------------|
| | 0.022728% | 0.023065% | 0.023014% | 0.023014% |
| \$ | 5,161,143 | \$ 3,995,150 | \$ 2,775,746 | \$ 2,713,051 |
| \$ | 2,938,075 | \$ 2,870,693 | \$ 2,821,592 | \$ 2,703,873 |
| | 175.66% | 139.17% | 98.38% | 100.34% |
| | 77.25% | 81.08% | 86.45% | 86.36% |

CITY OF WAPAKONETA, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT YEARS

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|--------------|--------------|--------------|--------------|
| City's proportion of the net pension liability | 0.07774430% | 0.07829910% | 0.07770800% | 0.07983100% |
| City's proportionate share of the net pension liability | \$ 5,299,899 | \$ 5,274,645 | \$ 6,343,027 | \$ 4,899,588 |
| City's covered payroll | \$ 1,885,775 | \$ 1,844,283 | \$ 1,746,328 | \$ 1,962,825 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 281.05% | 286.00% | 363.22% | 249.62% |
| Plan fiduciary net position as a percentage of the total pension liability | 70.65% | 69.89% | 63.07% | 70.91% |

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| 2017 | 2016 | 2015 | 2014 |
|--------------|--------------|--------------|--------------|
| 0.08979200% | 0.08560800% | 0.08273130% | 0.08273130% |
| \$ 5,687,335 | \$ 5,507,223 | \$ 4,285,826 | \$ 4,029,274 |
| \$ 1,681,070 | \$ 1,716,519 | \$ 1,618,630 | \$ 1,779,275 |
| 338.32% | 320.84% | 264.78% | 226.46% |
| 68.36% | 66.77% | 71.71% | 73.00% |

CITY OF WAPAKONETA, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

| | LAST NINE YEARS | | | |
|--|------------------|------------------|------------------|------------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
| <i>Traditional Plan:</i> | | | | |
| Contractually required contribution | \$ 449,173 | \$ 426,915 | \$ 416,182 | \$ 409,784 |
| Contributions in relation to the contractually required contribution | <u>(449,173)</u> | <u>(426,915)</u> | <u>(416,182)</u> | <u>(409,784)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered payroll | \$ 3,208,379 | \$ 3,049,393 | \$ 2,972,729 | \$ 2,927,029 |
| Contributions as a percentage of covered payroll | 14.00% | 14.00% | 14.00% | 14.00% |
| <i>Combined Plan:</i> | | | | |
| Contractually required contribution | \$ 21,185 | \$ 23,795 | \$ 24,995 | \$ 20,286 |
| Contributions in relation to the contractually required contribution | <u>(21,185)</u> | <u>(23,795)</u> | <u>(24,995)</u> | <u>(20,286)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered payroll | \$ 151,321 | \$ 169,964 | \$ 178,536 | \$ 144,900 |
| Contributions as a percentage of covered payroll | 14.00% | 14.00% | 14.00% | 14.00% |

Note: The schedule is intended to show information for 10 years. Information prior to 2013 is not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

CITY OF WAPAKONETA, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

| | LAST TEN YEARS | | | |
|--|------------------|------------------|------------------|------------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
| Contractually required contribution | \$ 430,379 | \$ 403,079 | \$ 393,451 | \$ 371,562 |
| Contributions in relation to the contractually required contribution | <u>(430,379)</u> | <u>(403,079)</u> | <u>(393,451)</u> | <u>(371,562)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered payroll | \$ 2,015,292 | \$ 1,885,775 | \$ 1,844,283 | \$ 1,746,328 |
| Contributions as a percentage of covered payroll | 21.36% | 21.37% | 21.33% | 21.28% |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ 422,858 | \$ 358,081 | \$ 367,289 | \$ 346,225 | \$ 323,424 | \$ 281,890 |
| <u>(422,858)</u> | <u>(358,081)</u> | <u>(367,289)</u> | <u>(346,225)</u> | <u>(323,424)</u> | <u>(281,890)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 1,962,825 | \$ 1,681,070 | \$ 1,716,519 | \$ 1,618,630 | \$ 1,779,275 | \$ 1,888,878 |
| 21.54% | 21.30% | 21.40% | 21.39% | 18.18% | 14.92% |

CITY OF WAPAKONETA, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE YEARS

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|--------------|--------------|--------------|--------------|--------------|
| City's proportion of the net OPEB liability/asset | 0.021307% | 0.020864% | 0.021180% | 0.022220% | 0.021770% |
| City's proportionate share of the net OPEB liability/(asset) | \$ (379,601) | \$ 2,881,859 | \$ 2,761,372 | \$ 2,412,929 | \$ 2,198,844 |
| City's covered payroll | \$ 3,222,432 | \$ 3,152,140 | \$ 3,072,154 | \$ 3,146,712 | \$ 3,008,950 |
| City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll | 11.78% | 91.43% | 89.88% | 76.68% | 73.08% |
| Plan fiduciary net position as a percentage of the total OPEB liability/asset | 115.57% | 47.80% | 46.33% | 54.14% | 54.05% |

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WAPAKONETA, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE YEARS

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|--------------|--------------|--------------|--------------|--------------|
| City's proportion of the net OPEB liability | 0.07774430% | 0.07829910% | 0.07770800% | 0.07983100% | 0.08979200% |
| City's proportionate share of the net OPEB liability | \$ 823,714 | \$ 773,417 | \$ 707,650 | \$ 4,523,113 | \$ 4,262,224 |
| City's covered payroll | \$ 1,885,775 | \$ 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 its covered payroll | 43.68% | 41.94% | 40.52% | 230.44% | 253.54% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 45.42% | 47.08% | 46.57% | 14.13% | 15.96% |

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WAPAKONETA, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

| | LAST SIX YEARS | | | |
|--|----------------|--------------|--------------|--------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
| Contractually required contribution | \$ - | \$ 123 | \$ 35 | \$ 9 |
| Contributions in relation to the contractually required contribution | <u>-</u> | <u>(123)</u> | <u>(35)</u> | <u>(9)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered payroll | \$ 3,359,700 | \$ 3,219,357 | \$ 3,151,265 | \$ 3,071,929 |
| Contributions as a percentage of covered payroll | 0.00% | 0.00% | 0.00% | 0.00% |

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

CITY OF WAPAKONETA, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|-----------------|----------------|----------------|----------------|
| Contractually required contribution | \$ 10,077 | \$ 9,429 | \$ 9,222 | \$ 8,732 |
| Contributions in relation to the contractually required contribution | <u>(10,077)</u> | <u>(9,429)</u> | <u>(9,222)</u> | <u>(8,732)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City's covered payroll | \$ 2,015,292 | \$ 1,885,775 | \$ 1,844,283 | \$ 1,746,328 |
| Contributions as a percentage of covered payroll | 0.50% | 0.50% | 0.50% | 0.50% |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|----------------|----------------|----------------|----------------|-----------------|------------------|
| \$ 9,814 | \$ 8,406 | \$ 8,582 | \$ 8,093 | \$ 64,351 | \$ 127,499 |
| <u>(9,814)</u> | <u>(8,406)</u> | <u>(8,582)</u> | <u>(8,093)</u> | <u>(64,351)</u> | <u>(127,499)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 1,962,825 | \$ 1,681,070 | \$ 1,716,519 | \$ 1,618,630 | \$ 1,779,275 | \$ 1,888,878 |
| 0.50% | 0.50% | 0.50% | 0.50% | 3.62% | 6.75% |

CITY OF WAPAKONETA, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.

(Continued)

CITY OF WAPAKONETA, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

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

Changes in assumptions :

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

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

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

Changes in assumptions :

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

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

CITY OF WAPAKONETA

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

GENERAL FUND

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

MAJOR CAPITAL PROJECTS FUND

Street and Sewer Improvement Fund

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

NONMAJOR SPECIAL REVENUE FUNDS

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

Street Maintenance Fund

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

State Highway Fund

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

Motor Vehicle Permissive Tax Fund

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

Community Block Grant Fund

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

Recreation Fund

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

Law Enforcement Fund

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

Enforcement and Education Fund

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

Drug Law Enforcement Fund

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

Rudd Park Trust Fund

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

Coronavirus Relief Fund

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

American Rescue Plan Act Fund

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

CITY OF WAPAKONETA

FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

NONMAJOR DEBT SERVICE FUNDS

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

Debt Service Fund

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

Downtown Debt Fund

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

NONMAJOR CAPITAL PROJECTS FUND

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

Capital Emergency Fund

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

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Property taxes | \$ 428,717 | \$ 428,717 | \$ 483,695 | \$ 54,978 |
| Municipal income taxes | 2,768,162 | 2,768,162 | 3,197,447 | 429,285 |
| Other local taxes | 760,000 | 760,000 | 1,436,698 | 676,698 |
| Charges for services | 690,000 | 690,000 | 661,353 | (28,647) |
| Fees, licenses and permits | 103,100 | 103,100 | 129,843 | 26,743 |
| Fines and forfeitures | 5,000 | 5,000 | 11,542 | 6,542 |
| Intergovernmental | 250,700 | 250,700 | 418,849 | 168,149 |
| Interest | 43,400 | 43,400 | 35,142 | (8,258) |
| Gifts and donations | 1,000 | 1,000 | 7,401 | 6,401 |
| Other | 75,000 | 75,000 | 96,052 | 21,052 |
| Total revenues | <u>5,125,079</u> | <u>5,125,079</u> | <u>6,478,022</u> | <u>1,352,943</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Police | | | | |
| Personal services | 1,682,650 | 1,666,698 | 1,571,509 | 95,189 |
| Contractual services | 202,100 | 205,544 | 169,738 | 35,806 |
| Materials and supplies | 45,522 | 45,522 | 31,078 | 14,444 |
| Capital outlay | 107,340 | 98,230 | 79,563 | 18,667 |
| Total | <u>2,037,612</u> | <u>2,015,994</u> | <u>1,851,888</u> | <u>164,106</u> |
| Fire | | | | |
| Personal services | 1,538,670 | 1,538,670 | 1,455,188 | 83,482 |
| Contractual services | 100,157 | 100,157 | 74,282 | 25,875 |
| Materials and supplies | 64,600 | 64,600 | 51,460 | 13,140 |
| Capital outlay | 23,575 | 23,575 | 19,595 | 3,980 |
| Total fire | <u>1,727,002</u> | <u>1,727,002</u> | <u>1,600,525</u> | <u>126,477</u> |
| Safety director | | | | |
| Materials and supplies | 8,566 | 8,566 | - | 8,566 |
| Total safety director | <u>8,566</u> | <u>8,566</u> | <u>-</u> | <u>8,566</u> |
| Total security of persons and property | <u>3,773,180</u> | <u>3,751,562</u> | <u>3,452,413</u> | <u>299,149</u> |
| Public health | | | | |
| Emergency medical | | | | |
| Personal services | 19,363 | 19,363 | 16,535 | 2,828 |
| Contractual services | 102,900 | 98,235 | 86,346 | 11,889 |
| Materials and supplies | 16,025 | 16,025 | 9,293 | 6,732 |
| Capital outlay | 53,000 | 53,000 | 47,972 | 5,028 |
| Other | 2,100 | 2,100 | 824 | 1,276 |
| Total emergency medical | <u>193,388</u> | <u>188,723</u> | <u>160,970</u> | <u>27,753</u> |
| Miscellaneous | | | | |
| Contractual services | 1,500 | 1,500 | 548 | 952 |
| Total miscellaneous | <u>1,500</u> | <u>1,500</u> | <u>548</u> | <u>952</u> |
| Total public health | <u>194,888</u> | <u>190,223</u> | <u>161,518</u> | <u>28,705</u> |

(Continued)

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-------------------------------|-------------------------|------------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Leisure time activities | | | | |
| Recreation | | | | |
| Personal services | 156,500 | 156,500 | 56,525 | 99,975 |
| Contractual services | 34,000 | 34,000 | 26,894 | 7,106 |
| Materials and supplies | 77,000 | 77,000 | 48,978 | 28,022 |
| Other | 6,362 | 6,362 | - | 6,362 |
| Total recreation | <u>273,862</u> | <u>273,862</u> | <u>132,397</u> | <u>141,465</u> |
| Total leisure time activities | <u>273,862</u> | <u>273,862</u> | <u>132,397</u> | <u>141,465</u> |
| Community environment | | | | |
| Boards and commissions | | | | |
| Contractual services | 110,000 | 138,193 | 137,458 | 735 |
| Materials and supplies | 298,806 | 301,308 | 261,677 | 39,631 |
| Capital outlay | - | 6,000 | 6,000 | - |
| Total boards and commissions | <u>408,806</u> | <u>445,501</u> | <u>405,135</u> | <u>40,366</u> |
| Total community environment | <u>408,806</u> | <u>445,501</u> | <u>405,135</u> | <u>40,366</u> |
| General government | | | | |
| Council | | | | |
| Personal services | 46,000 | 53,102 | 53,100 | 2 |
| Materials and supplies | 15,500 | 34,400 | 34,312 | 88 |
| Total council | <u>61,500</u> | <u>87,502</u> | <u>87,412</u> | <u>90</u> |
| Clerk of council | | | | |
| Personal services | 7,000 | 5,558 | 5,450 | 108 |
| Contractual services | 6,000 | 6,000 | 5,456 | 544 |
| Total clerk of council | <u>13,000</u> | <u>11,558</u> | <u>10,906</u> | <u>652</u> |
| Administrative | | | | |
| Personal services | 109,950 | 116,798 | 114,814 | 1,984 |
| Contractual services | 72,000 | 72,000 | 65,005 | 6,995 |
| Materials and supplies | 218,095 | 245,273 | 238,445 | 6,828 |
| Capital outlay | 39,373 | 42,483 | 41,409 | 1,074 |
| Total administrative | <u>439,418</u> | <u>476,554</u> | <u>459,673</u> | <u>16,881</u> |
| Finance | | | | |
| Personal services | 39,000 | 39,000 | 39,000 | - |
| Contractual services | 62,000 | 46,892 | 42,370 | 4,522 |
| Materials and supplies | 3,500 | 3,500 | 220 | 3,280 |
| Total finance | <u>104,500</u> | <u>89,392</u> | <u>81,590</u> | <u>7,802</u> |
| Income tax | | | | |
| Personal services | 95,700 | 95,700 | 87,910 | 7,790 |
| Contractual services | 10,500 | 10,500 | 7,044 | 3,456 |
| Materials and supplies | 10,191 | 12,801 | 10,299 | 2,502 |
| Capital outlay | 3,000 | 3,000 | 1,256 | 1,744 |
| Other | 1,085,375 | 956,890 | 364,694 | 592,196 |
| Total income tax | <u>1,204,766</u> | <u>1,078,891</u> | <u>471,203</u> | <u>607,688</u> |

(Continued)

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Law director | | | | |
| Personal services | 26,000 | 26,000 | 26,000 | - |
| Contractual services | 1,000 | 1,000 | - | 1,000 |
| Materials and supplies | 5,000 | 5,000 | 3,042 | 1,958 |
| Total law director | <u>32,000</u> | <u>32,000</u> | <u>29,042</u> | <u>2,958</u> |
| Civil service | | | | |
| Personal services | 1,200 | 1,200 | 1,000 | 200 |
| Contractual services | 2,500 | 22 | 22 | - |
| Materials and supplies | 2,000 | 2,000 | - | 2,000 |
| Total civil service | <u>5,700</u> | <u>3,222</u> | <u>1,022</u> | <u>2,200</u> |
| Elections | | | | |
| Contractual services | 1,000 | 868 | - | 868 |
| Total elections | <u>1,000</u> | <u>868</u> | <u>-</u> | <u>868</u> |
| Auglaize County | | | | |
| Contractual services | 8,000 | 8,000 | 7,400 | 600 |
| Total Auglaize County | <u>8,000</u> | <u>8,000</u> | <u>7,400</u> | <u>600</u> |
| Administrative support | | | | |
| Other | 37,241 | 37,241 | - | 37,241 |
| Total administrative support | <u>37,241</u> | <u>37,241</u> | <u>-</u> | <u>37,241</u> |
| Total general government | <u>1,907,125</u> | <u>1,825,228</u> | <u>1,148,248</u> | <u>676,980</u> |
| Total expenditures | <u>6,557,861</u> | <u>6,486,376</u> | <u>5,299,711</u> | <u>1,186,665</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,432,782)</u> | <u>(1,361,297)</u> | <u>1,178,311</u> | <u>2,539,608</u> |
| Other financing sources (uses): | | | | |
| Transfers out | (1,625,000) | (1,611,485) | (1,604,600) | 6,885 |
| Advances in | 25,000 | - | - | - |
| Total other financing sources (uses) | <u>(1,600,000)</u> | <u>(1,611,485)</u> | <u>(1,604,600)</u> | <u>6,885</u> |
| Net change in fund balance | (3,032,782) | (2,972,782) | (426,289) | 2,546,493 |
| Fund balance at beginning of year | 4,089,310 | 4,089,310 | 4,089,310 | - |
| Prior year encumbrances appropriated | <u>79,425</u> | <u>79,425</u> | <u>79,425</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 1,135,953</u> | <u>\$ 1,195,953</u> | <u>\$ 3,742,446</u> | <u>\$ 2,546,493</u> |

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET AND SEWER IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|--------------------|--------------------|---|
| Revenues: | | | |
| Municipal income taxes | \$ 1,565,000 | \$ 1,571,884 | \$ 6,884 |
| Special Assessments | 7,500 | 55,334 | 47,834 |
| Other | - | 26,438 | 26,438 |
| Total revenues | <u>1,572,500</u> | <u>1,653,656</u> | <u>81,156</u> |
| Expenditures: | | | |
| Current: | | | |
| Transportation | | | |
| Street and Sewer Improvement | | | |
| Contractual services | 504,306 | 353,912 | 150,394 |
| Materials and supplies | 3,000 | 2,936 | 64 |
| Capital outlay | 2,646,709 | 2,597,647 | 49,062 |
| Other | 13,083 | - | 13,083 |
| Total expenditures | <u>3,167,098</u> | <u>2,954,495</u> | <u>212,603</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,594,598)</u> | <u>(1,300,839)</u> | <u>293,759</u> |
| Other financing sources (uses): | | | |
| Transfers in | <u>1,000,000</u> | <u>1,000,000</u> | <u>-</u> |
| Total other financing sources (uses) | <u>1,000,000</u> | <u>1,000,000</u> | <u>-</u> |
| Net change in fund balance | (594,598) | (300,839) | 293,759 |
| Fund balance at beginning of year | 520,830 | 520,830 | - |
| Prior year encumbrances appropriated | <u>309,016</u> | <u>309,016</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 235,248</u> | <u>\$ 529,007</u> | <u>\$ 293,759</u> |

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CITY OF WAPAKONETA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|---|--|---|--|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 1,169,401 | \$ 44,316 | \$ 679,015 | \$ 1,892,732 |
| Receivables: | | | | |
| Property taxes | 163,756 | - | - | 163,756 |
| Other local taxes | 5,976 | - | - | 5,976 |
| Intergovernmental | 327,301 | - | - | 327,301 |
| Accrued interest | 1,706 | - | - | 1,706 |
| Notes receivable | 7,814 | - | - | 7,814 |
| Prepayments | 15,182 | - | - | 15,182 |
| Materials and supplies inventory | 6,030 | - | - | 6,030 |
| Total assets | \$ 1,697,166 | \$ 44,316 | \$ 679,015 | \$ 2,420,497 |
| Liabilities: | | | | |
| Accounts payable | \$ 92,383 | \$ - | \$ - | \$ 92,383 |
| Accrued wages and benefits payable | 7,315 | - | - | 7,315 |
| Intergovernmental payable | 2,234 | - | - | 2,234 |
| Due to other funds | 4,138 | - | - | 4,138 |
| Unearned revenue | 531,244 | - | - | 531,244 |
| Total liabilities | 637,314 | - | - | 637,314 |
| Deferred inflows of resources: | | | | |
| Property taxes levied for the next fiscal year | 161,062 | - | - | 161,062 |
| Delinquent property tax revenue not available | 2,694 | - | - | 2,694 |
| Accrued interest not available | 1,493 | - | - | 1,493 |
| Intergovernmental revenue not available | 273,024 | - | - | 273,024 |
| Total deferred inflows of resources | 438,273 | - | - | 438,273 |
| Fund balances: | | | | |
| Nonspendable | 21,212 | - | - | 21,212 |
| Restricted | 600,367 | 1,160 | - | 601,527 |
| Assigned | - | 43,156 | 679,015 | 722,171 |
| Total fund balances | 621,579 | 44,316 | 679,015 | 1,344,910 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 1,697,166 | \$ 44,316 | \$ 679,015 | \$ 2,420,497 |

CITY OF WAPAKONETA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2021

| | Street Maintenance | State Highway | Motor Vehicle Permissive Tax | Community Block Grant | Recreation |
|--|-------------------------------|--------------------------|---|----------------------------------|-------------------|
| Assets: | | | | | |
| Equity in pooled cash and cash equivalents | \$ 82,249 | \$ 89,794 | \$ 289,049 | \$ 23,423 | \$ 44,689 |
| Receivables: | | | | | |
| Property taxes | - | - | - | - | 163,756 |
| Other local taxes | - | - | 5,976 | - | - |
| Intergovernmental | 304,883 | 20,449 | - | - | 1,969 |
| Accrued interest | - | - | - | - | 1,706 |
| Notes | - | - | - | 7,814 | - |
| Materials and supplies inventory | 3,878 | - | - | - | 2,152 |
| Prepayments | 12,464 | - | - | - | 2,718 |
| Total assets | \$ 403,474 | \$ 110,243 | \$ 295,025 | \$ 31,237 | \$ 216,990 |
| Liabilities: | | | | | |
| Accounts payable | \$ 4,451 | \$ - | \$ - | \$ - | \$ 6,690 |
| Accrued wages and benefits payable | 6,893 | - | - | - | 422 |
| Intergovernmental payable | 1,870 | - | - | - | 364 |
| Due to other funds | 1,628 | - | - | - | 2,510 |
| Unearned revenue | - | - | - | - | - |
| Total liabilities | 14,842 | - | - | - | 9,986 |
| Deferred inflows of resources: | | | | | |
| Property taxes levied for the next fiscal year | - | - | - | - | 161,062 |
| Delinquent property tax revenue not available | - | - | - | - | 2,694 |
| Accrued interest not available | - | - | - | - | 1,493 |
| Intergovernmental revenue not available | 254,677 | 16,378 | - | - | 1,969 |
| Total deferred inflows of resources | 254,677 | 16,378 | - | - | 167,218 |
| Fund balances: | | | | | |
| Nonspendable | 16,342 | - | - | - | 4,870 |
| Restricted | 117,613 | 93,865 | 295,025 | 31,237 | 34,916 |
| Total fund balances | 133,955 | 93,865 | 295,025 | 31,237 | 39,786 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 403,474 | \$ 110,243 | \$ 295,025 | \$ 31,237 | \$ 216,990 |

- - Continued

| <u>Law Enforcement</u> | <u>Enforcement and Education</u> | <u>Drug Law Enforcement</u> | <u>Rudd Paul Trust</u> | <u>Coronavirus Relief</u> | <u>American Rescue Plan Act</u> | <u>Total</u> |
|------------------------|----------------------------------|-----------------------------|------------------------|---------------------------|---------------------------------|---------------------|
| \$ 9,605 | \$ 8,113 | \$ 9,583 | \$ 410 | \$ 104,548 | \$ 507,938 | \$ 1,169,401 |
| - | - | - | - | - | - | 163,756 |
| - | - | - | - | - | - | 5,976 |
| - | - | - | - | - | - | 327,301 |
| - | - | - | - | - | - | 1,706 |
| - | - | - | - | - | - | 7,814 |
| - | - | - | - | - | - | 6,030 |
| - | - | - | - | - | - | 15,182 |
| <u>\$ 9,605</u> | <u>\$ 8,113</u> | <u>\$ 9,583</u> | <u>\$ 410</u> | <u>\$ 104,548</u> | <u>\$ 507,938</u> | <u>\$ 1,697,166</u> |
| \$ - | \$ - | \$ - | \$ - | \$ 81,242 | \$ - | \$ 92,383 |
| - | - | - | - | - | - | 7,315 |
| - | - | - | - | - | - | 2,234 |
| - | - | - | - | - | - | 4,138 |
| - | - | - | - | 23,306 | 507,938 | 531,244 |
| - | - | - | - | 104,548 | 507,938 | 637,314 |
| - | - | - | - | - | - | 161,062 |
| - | - | - | - | - | - | 2,694 |
| - | - | - | - | - | - | 1,493 |
| - | - | - | - | - | - | 273,024 |
| - | - | - | - | - | - | 438,273 |
| - | - | - | - | - | - | 21,212 |
| 9,605 | 8,113 | 9,583 | 410 | - | - | 600,367 |
| <u>9,605</u> | <u>8,113</u> | <u>9,583</u> | <u>410</u> | <u>-</u> | <u>-</u> | <u>621,579</u> |
| <u>\$ 9,605</u> | <u>\$ 8,113</u> | <u>\$ 9,583</u> | <u>\$ 410</u> | <u>\$ 104,548</u> | <u>\$ 507,938</u> | <u>\$ 1,697,166</u> |

CITY OF WAPAKONETA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2021

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

CITY OF WAPAKONETA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|---|--|---|--|
| Revenues: | | | | |
| Property taxes | \$ 159,189 | \$ - | \$ - | \$ 159,189 |
| Other local taxes | 83,019 | - | - | 83,019 |
| Charges for services | 33,561 | - | - | 33,561 |
| Fines and forfeitures | 830 | - | - | 830 |
| Intergovernmental | 1,311,667 | - | - | 1,311,667 |
| Interest | 10,463 | - | - | 10,463 |
| Other | 20,504 | - | - | 20,504 |
| Total revenues | 1,619,233 | - | - | 1,619,233 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons and property | | | | |
| Police | 240,778 | - | - | 240,778 |
| Fire | 162,379 | - | 358,084 | 520,463 |
| Leisure time activities | 173,009 | - | - | 173,009 |
| Community environment | 86,539 | - | - | 86,539 |
| Basic utility services | 4,245 | - | - | 4,245 |
| Transportation | 665,224 | - | - | 665,224 |
| General government | 84,437 | - | - | 84,437 |
| Total expenditures | 1,416,611 | - | 358,084 | 1,774,695 |
| Excess (deficiency) of revenues over (under) expenditures | 202,622 | - | (358,084) | (155,462) |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | 600,000 | 600,000 |
| Total other financing sources (uses) | - | - | 600,000 | 600,000 |
| Net change in fund balances | 202,622 | - | 241,916 | 444,538 |
| Fund balances at beginning of year | 418,957 | 44,316 | 437,099 | 900,372 |
| Fund balances at end of year | \$ 621,579 | \$ 44,316 | \$ 679,015 | \$ 1,344,910 |

CITY OF WAPAKONETA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Street Maintenance</u> | <u>State Highway</u> | <u>Motor Vehicle Permissive Tax</u> | <u>Community Block Grant</u> | <u>Recreation</u> |
|--|-------------------------------|--------------------------|---|----------------------------------|-------------------|
| Revenues: | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ 159,189 |
| Other local taxes | - | - | 83,019 | - | - |
| Charges for services | 32,578 | - | - | - | 983 |
| Fines and forfeitures | - | - | - | - | - |
| Intergovernmental | 646,709 | 43,798 | 125,383 | - | 3,938 |
| Interest | 6 | 17 | 47 | 435 | 9,830 |
| Other | 18,398 | - | - | 1,760 | 346 |
| Total revenues | <u>697,691</u> | <u>43,815</u> | <u>208,449</u> | <u>2,195</u> | <u>174,286</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Security of persons and property | | | | | |
| Police | - | - | - | - | - |
| Fire | - | - | - | - | - |
| Leisure time activities | - | - | - | - | 173,009 |
| Community environment | - | - | - | 86,539 | - |
| Basic utility services | - | - | - | - | - |
| Transportation | 639,141 | 21,689 | 4,394 | - | - |
| General government | - | - | - | - | - |
| Total expenditures | <u>639,141</u> | <u>21,689</u> | <u>4,394</u> | <u>86,539</u> | <u>173,009</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>58,550</u> | <u>22,126</u> | <u>204,055</u> | <u>(84,344)</u> | <u>1,277</u> |
| Net change in fund balances | 58,550 | 22,126 | 204,055 | (84,344) | 1,277 |
| Fund balances at beginning of year | <u>75,405</u> | <u>71,739</u> | <u>90,970</u> | <u>115,581</u> | <u>38,509</u> |
| Fund balances at end of year | <u>\$ 133,955</u> | <u>\$ 93,865</u> | <u>\$ 295,025</u> | <u>\$ 31,237</u> | <u>\$ 39,786</u> |

| <u>Law Enforcement</u> | <u>Enforcement and Education</u> | <u>Drug Law Enforcement</u> | <u>Rudd Paul Trust</u> | <u>Coronavirus Relief</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|------------------------|----------------------------------|-----------------------------|------------------------|---------------------------|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 159,189 |
| - | - | - | - | - | 83,019 |
| - | - | - | - | - | 33,561 |
| 630 | 200 | - | - | - | 830 |
| - | - | - | - | 491,839 | 1,311,667 |
| - | - | - | 128 | - | 10,463 |
| - | - | - | - | - | 20,504 |
| <u>630</u> | <u>200</u> | <u>-</u> | <u>128</u> | <u>491,839</u> | <u>1,619,233</u> |
| - | - | - | - | 240,778 | 240,778 |
| - | - | - | - | 162,379 | 162,379 |
| - | - | - | - | - | 173,009 |
| - | - | - | - | - | 86,539 |
| - | - | - | - | 4,245 | 4,245 |
| - | - | - | - | - | 665,224 |
| - | - | - | - | 84,437 | 84,437 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>491,839</u> | <u>1,416,611</u> |
| <u>630</u> | <u>200</u> | <u>-</u> | <u>128</u> | <u>-</u> | <u>202,622</u> |
| 630 | 200 | - | 128 | - | 202,622 |
| <u>8,975</u> | <u>7,913</u> | <u>9,583</u> | <u>282</u> | <u>-</u> | <u>418,957</u> |
| <u>\$ 9,605</u> | <u>\$ 8,113</u> | <u>\$ 9,583</u> | <u>\$ 410</u> | <u>\$ -</u> | <u>\$ 621,579</u> |

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET MAINTENANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|----------------|------------------|---|
| Revenues: | | | |
| Charges for services | \$ 30,000 | \$ 32,578 | \$ 2,578 |
| Intergovernmental | 640,000 | 642,577 | 2,577 |
| Interest | 500 | 6 | (494) |
| Other | 500 | 18,398 | 17,898 |
| Total revenues | <u>671,000</u> | <u>693,559</u> | <u>22,559</u> |
| Expenditures: | | | |
| Current: | | | |
| Transportation | | | |
| Street maintenance | | | |
| Personal services | 482,550 | 472,932 | 9,618 |
| Contractual services | 83,666 | 76,074 | 7,592 |
| Materials and supplies | 104,365 | 88,072 | 16,293 |
| Capital outlay | 34,720 | 12,592 | 22,128 |
| Other | 1,733 | - | 1,733 |
| Total expenditures | <u>707,034</u> | <u>649,670</u> | <u>57,364</u> |
| Net change in fund balance | (36,034) | 43,889 | 79,923 |
| Fund balance at beginning of year | 28,733 | 28,733 | - |
| Prior year encumbrances appropriated | <u>7,301</u> | <u>7,301</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 79,923</u> | <u>\$ 79,923</u> |

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|---------------|------------------|---|
| Revenues: | | | |
| Intergovernmental | \$ 22,000 | \$ 43,462 | \$ 21,462 |
| Interest | 300 | 17 | (283) |
| Total revenues | <u>22,300</u> | <u>43,479</u> | <u>21,179</u> |
| Expenditures: | | | |
| Current: | | | |
| Transportation | | | |
| State highway | | | |
| Capital outlay | 90,304 | 21,689 | 68,615 |
| Total expenditures | <u>90,304</u> | <u>21,689</u> | <u>68,615</u> |
| Net change in fund balance | (68,004) | 21,790 | 89,794 |
| Fund balance at beginning of year | 57,754 | 57,754 | - |
| Prior year encumbrances appropriated | <u>10,250</u> | <u>10,250</u> | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 89,794</u> | <u>\$ 89,794</u> |

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOTOR VEHICLE PERMISSIVE TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------|-------------------|---|
| Revenues: | | | |
| Other local taxes | \$ 325,000 | \$ 83,052 | \$ (241,948) |
| Intergovernmental | - | 125,383 | 125,383 |
| Interest | 700 | 47 | (653) |
| Total revenues | <u>325,700</u> | <u>208,482</u> | <u>(117,218)</u> |
| Expenditures: | | | |
| Current: | | | |
| Transportation | | | |
| Motor vehicle permissive tax | | | |
| Contractual services | 15,000 | - | 15,000 |
| Capital outlay | 395,661 | 4,394 | 391,267 |
| Total expenditures | <u>410,661</u> | <u>4,394</u> | <u>406,267</u> |
| Net change in fund balance | (84,961) | 204,088 | 289,049 |
| Fund balance at beginning of year | <u>84,961</u> | <u>84,961</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 289,049</u> | <u>\$ 289,049</u> |

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY BLOCK GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|----------------|------------------|---|
| Revenues: | | | |
| Interest | \$ 450 | \$ 435 | \$ (15) |
| Other | 17,822 | 9,312 | (8,510) |
| Total revenues | <u>18,272</u> | <u>9,747</u> | <u>(8,525)</u> |
| Expenditures: | | | |
| Current: | | | |
| Community environment | | | |
| Community block grant | | | |
| Contractual services | 118,487 | 86,539 | 31,948 |
| Total expenditures | <u>118,487</u> | <u>86,539</u> | <u>31,948</u> |
| Net change in fund balance | (100,215) | (76,792) | 23,423 |
| Fund balance at beginning of year | 95,199 | 95,199 | - |
| Prior year encumbrances appropriated | <u>5,016</u> | <u>5,016</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 23,423</u> | <u>\$ 23,423</u> |

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RECREATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|------------------|------------------|---|
| Revenues: | | | |
| Property taxes | \$ 155,000 | \$ 159,189 | \$ 4,189 |
| Charges for services | - | 983 | 983 |
| Intergovernmental | 5,000 | 3,938 | (1,062) |
| Interest | 7,000 | 9,820 | 2,820 |
| Other | - | 346 | 346 |
| Total revenues | <u>167,000</u> | <u>174,276</u> | <u>7,276</u> |
| Expenditures: | | | |
| Current: | | | |
| Leisure time activities | | | |
| Recreation | | | |
| Personal services | 93,300 | 93,007 | 293 |
| Contractual services | 43,309 | 37,666 | 5,643 |
| Materials and supplies | 30,536 | 27,953 | 2,583 |
| Capital outlay | 18,609 | 15,661 | 2,948 |
| Total expenditures | <u>185,754</u> | <u>174,287</u> | <u>11,467</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(18,754)</u> | <u>(11)</u> | <u>18,743</u> |
| Other financing sources (uses): | | | |
| Transfers in | <u>25,000</u> | <u>-</u> | <u>(25,000)</u> |
| Total other financing sources (uses) | <u>25,000</u> | <u>-</u> | <u>(25,000)</u> |
| Net change in fund balance | 6,246 | (11) | (6,257) |
| Fund balance at beginning of year | 39,009 | 39,009 | - |
| Prior year encumbrances appropriated | <u>1,345</u> | <u>1,345</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 46,600</u> | <u>\$ 40,343</u> | <u>\$ (6,257)</u> |

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|---------------|-----------------|---|
| Revenues: | | | |
| Fines and forfeitures | \$ - | \$ 630 | \$ 630 |
| Total revenues | <u>-</u> | <u>630</u> | <u>630</u> |
| Expenditures: | | | |
| Current: | | | |
| Security of persons and property | | | |
| Law enforcement | | | |
| Personal services | 500 | - | 500 |
| Materials and supplies | 2,000 | - | 2,000 |
| Capital outlay | <u>6,475</u> | <u>-</u> | <u>6,475</u> |
| Total expenditures | <u>8,975</u> | <u>-</u> | <u>8,975</u> |
| Net change in fund balance | (8,975) | 630 | 9,605 |
| Fund balance at beginning of year | <u>8,975</u> | <u>8,975</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 9,605</u> | <u>\$ 9,605</u> |

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT AND EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|--------------------|------------------------|---|
| Revenues: | | | |
| Fines and forfeitures | \$ 500 | \$ 200 | \$ (300) |
| Total revenues | <u>500</u> | <u>200</u> | <u>(300)</u> |
| Expenditures: | | | |
| Current: | | | |
| Security of persons and property | | | |
| Enforcement and education | | | |
| Materials and supplies | 3,000 | - | 3,000 |
| Capital outlay | <u>5,413</u> | <u>-</u> | <u>5,413</u> |
| Total expenditures | <u>8,413</u> | <u>-</u> | <u>8,413</u> |
| Net change in fund balance | (7,913) | 200 | 8,113 |
| Fund balance at beginning of year | <u>7,913</u> | <u>7,913</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ -</u></u> | <u><u>\$ 8,113</u></u> | <u><u>\$ 8,113</u></u> |

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG LAW ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

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

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RUDD PARK TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|--------------------|----------------------|---|
| Revenues: | | | |
| Interest | \$ - | \$ 128 | \$ 128 |
| Total revenues | <u>-</u> | <u>128</u> | <u>128</u> |
| Expenditures: | | | |
| Current: | | | |
| Leisure time activities | | | |
| Rudd Park | | | |
| Materials and supplies | 282 | - | 282 |
| Total expenditures | <u>282</u> | <u>-</u> | <u>282</u> |
| Net change in fund balance | (282) | 128 | 410 |
| Fund balance at beginning of year | <u>282</u> | <u>282</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ -</u></u> | <u><u>\$ 410</u></u> | <u><u>\$ 410</u></u> |

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CORONAVIRUS RELIEF FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|----------------|----------------|---|
| Expenditures: | | | |
| Current: | | | |
| Security of persons and property | | | |
| Police | | | |
| Personal services | \$ 186,036 | \$ 186,036 | \$ - |
| Contractual services | 30 | 30 | - |
| Total police | <u>186,066</u> | <u>186,066</u> | <u>-</u> |
| Fire | | | |
| Personal services | 162,283 | 162,283 | - |
| Contractual services | 96 | 96 | - |
| Total fire | <u>162,379</u> | <u>162,379</u> | <u>-</u> |
| Total security of persons and property | <u>348,445</u> | <u>348,445</u> | <u>-</u> |
| Public health | | | |
| Miscellaneous | | | |
| Contractual services | 104,548 | 104,548 | - |
| Total miscellaneous | <u>104,548</u> | <u>104,548</u> | <u>-</u> |
| Total public health | <u>104,548</u> | <u>104,548</u> | <u>-</u> |
| Basic utility services | | | |
| Contractual services | 273 | 273 | - |
| Total basic utility services | <u>273</u> | <u>273</u> | <u>-</u> |
| General government | | | |
| Council | | | |
| Contractual services | 11,544 | 11,544 | - |
| Total council | <u>11,544</u> | <u>11,544</u> | <u>-</u> |
| Administrative | | | |
| Contractual services | 50,335 | 50,335 | - |
| Total administrative | <u>50,335</u> | <u>50,335</u> | <u>-</u> |
| Total general government | <u>61,879</u> | <u>61,879</u> | <u>-</u> |
| Net change in fund balance | (515,145) | (515,145) | - |
| Fund balance at beginning of year | 463,623 | 463,623 | - |
| Prior year encumbrances appropriated | <u>51,522</u> | <u>51,522</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AMERICAN RESCUE PLAN ACT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

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

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

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

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

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

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL EMERGENCY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|------------------------|-----------------------|---|
| Expenditures: | | | |
| Current: | | | |
| Security of persons and property | | | |
| Police | | | |
| Capital outlay | \$ 1,037,099 | \$ 358,084 | \$ 679,015 |
| Total expenditures | <u>1,037,099</u> | <u>358,084</u> | <u>679,015</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,037,099)</u> | <u>(358,084)</u> | <u>679,015</u> |
| Other financing sources (uses): | | | |
| Transfers in | <u>600,000</u> | <u>600,000</u> | <u>-</u> |
| Total other financing sources (uses) | <u>600,000</u> | <u>600,000</u> | <u>-</u> |
| Net change in fund balance | (437,099) | 241,916 | 679,015 |
| Fund balance at beginning of year | 386,099 | 386,099 | - |
| Prior year encumbrances appropriated | <u>51,000</u> | <u>51,000</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 679,015</u> | <u>\$ 679,015</u> |

CITY OF WAPAKONETA

FUND DESCRIPTIONS - PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

Major Enterprise Funds

Electric Fund

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

Water Fund

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

Sewer Fund

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

Storm Sewer Fund

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

Refuse Fund

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

INTERNAL SERVICE FUND

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

Engineering Fund

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

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ELECTRIC FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------|----------------------|---|
| Revenues: | | | |
| Charges for services | \$ 29,329,700 | \$ 29,125,159 | \$ (204,541) |
| Other local taxes | 22,000 | 7,992 | (14,008) |
| Utility deposits | 50,000 | 72,858 | 22,858 |
| Capital loans issued | 10,619,013 | 1,212,143 | (9,406,870) |
| Other | 18,500 | 212,010 | 193,510 |
| Total revenues | <u>40,039,213</u> | <u>30,630,162</u> | <u>(9,409,051)</u> |
| Expenses: | | | |
| Personal services | 1,491,000 | 1,284,239 | 206,761 |
| Contractual services | 27,486,353 | 24,794,202 | 2,692,151 |
| Materials and supplies | 8,833,726 | 1,745,595 | 7,088,131 |
| Capital outlay | 8,484,046 | 1,479,957 | 7,004,089 |
| Utility refunds | 383,162 | 30,326 | 352,836 |
| Other | 2,718,593 | 31,023 | 2,687,570 |
| Debt service | | | |
| Interest expense | 400,000 | 126,721 | 273,279 |
| Total expenses | <u>49,796,880</u> | <u>29,492,063</u> | <u>20,304,817</u> |
| Net change in fund equity | (9,757,667) | 1,138,099 | 10,895,766 |
| Fund equity at beginning of year | 8,579,271 | 8,579,271 | - |
| Prior year encumbrances appropriated | <u>1,180,321</u> | <u>1,180,321</u> | - |
| Fund equity at end of year | <u>\$ 1,925</u> | <u>\$ 10,897,691</u> | <u>\$ 10,895,766</u> |

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------|---------------------|---|
| Revenues: | | | |
| Charges for services | \$ 3,511,000 | \$ 4,015,221 | \$ 504,221 |
| OWDA loans issued | 1,532,712 | 1,294,187 | (238,525) |
| Intergovernmental | 18,519,019 | - | (18,519,019) |
| Other | - | 4,123 | 4,123 |
| Total revenues | <u>23,562,731</u> | <u>5,313,531</u> | <u>(18,249,200)</u> |
| Expenses: | | | |
| Personal services | 636,000 | 476,151 | 159,849 |
| Contractual services | 765,739 | 659,127 | 106,612 |
| Materials and supplies | 688,849 | 500,097 | 188,752 |
| Capital outlay | 22,665,019 | 2,085,478 | 20,579,541 |
| Other | 1,000 | - | 1,000 |
| Debt service | | | |
| Principal retirement | 317,482 | 360,160 | (42,678) |
| Interest expense | 391,814 | 391,414 | 400 |
| Total expenses | <u>25,465,903</u> | <u>4,472,427</u> | <u>20,993,476</u> |
| Net change in fund equity | (1,903,172) | 841,104 | 2,744,276 |
| Fund equity at beginning of year | 1,882,751 | 1,882,751 | - |
| Prior year encumbrances appropriated | <u>63,408</u> | <u>63,408</u> | - |
| Fund equity at end of year | <u>\$ 42,987</u> | <u>\$ 2,787,263</u> | <u>\$ 2,744,276</u> |

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------|---------------------|---|
| Revenues: | | | |
| Charges for services | \$ 4,703,000 | \$ 5,161,284 | \$ 458,284 |
| OWDA loans issued | 5,970,645 | 3,047,497 | (2,923,148) |
| Intergovernmental | - | 23,104 | 23,104 |
| Other | - | 12,886 | 12,886 |
| Total revenues | <u>10,673,645</u> | <u>8,244,771</u> | <u>(2,428,874)</u> |
| Expenses: | | | |
| Personal services | 821,650 | 707,898 | 113,752 |
| Contractual services | 891,506 | 768,151 | 123,355 |
| Materials and supplies | 397,031 | 304,287 | 92,744 |
| Capital outlay | 9,005,981 | 5,250,750 | 3,755,231 |
| Other | 12,600 | 12,448 | 152 |
| Debt service | | | |
| Principal retirement | 1,042,764 | 999,840 | 42,924 |
| Interest expense | 395,932 | 394,396 | 1,536 |
| Total expenses | <u>12,567,464</u> | <u>8,437,770</u> | <u>4,129,694</u> |
| Excess (deficiency) of revenues over (under) expenses before transfers | (1,893,819) | (192,999) | 1,700,820 |
| Transfers out | <u>(59,495)</u> | <u>-</u> | <u>59,495</u> |
| Net change in fund equity | (1,953,314) | (192,999) | 1,760,315 |
| Fund equity at beginning of year | 1,680,675 | 1,680,675 | - |
| Prior year encumbrances appropriated | <u>298,986</u> | <u>298,986</u> | <u>-</u> |
| Fund equity at end of year | <u>\$ 26,347</u> | <u>\$ 1,786,662</u> | <u>\$ 1,760,315</u> |

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORM SEWER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|----------------|-------------------|---|
| Revenues: | | | |
| Charges for services | \$ 160,000 | \$ 54,345 | \$ (105,655) |
| Total revenues | <u>160,000</u> | <u>54,345</u> | <u>(105,655)</u> |
| Expenses: | | | |
| Contractual services | 82,000 | 4,344 | 77,656 |
| Materials and supplies | 3,000 | - | 3,000 |
| Capital outlay | 548,000 | 32,093 | 515,907 |
| Other | <u>101,364</u> | <u>-</u> | <u>101,364</u> |
| Total expenses | <u>734,364</u> | <u>36,437</u> | <u>697,927</u> |
| Net change in fund equity | (574,364) | 17,908 | 592,272 |
| Fund equity at beginning of year | <u>574,364</u> | <u>574,364</u> | <u>-</u> |
| Fund equity at end of year | <u>\$ -</u> | <u>\$ 592,272</u> | <u>\$ 592,272</u> |

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
REFUSE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|------------------|---------------------|---|
| Revenues: | | | |
| Charges for services | \$ 1,312,000 | \$ 1,518,057 | \$ 206,057 |
| Other | - | 12,972 | 12,972 |
| Total revenues | <u>1,312,000</u> | <u>1,531,029</u> | <u>219,029</u> |
| Expenses: | | | |
| Personal services | 577,200 | 424,492 | 152,708 |
| Contractual services | 924,575 | 510,454 | 414,121 |
| Materials and supplies | 133,740 | 112,149 | 21,591 |
| Capital outlay | 473,235 | 403,081 | 70,154 |
| Other | 315,815 | - | 315,815 |
| Debt service | | | |
| Principal retirement | 96,000 | 38,020 | 57,980 |
| Interest expense | 15,120 | - | 15,120 |
| Total expenses | <u>2,535,685</u> | <u>1,488,196</u> | <u>1,047,489</u> |
| Net change in fund equity | (1,223,685) | 42,833 | 1,266,518 |
| Fund equity at beginning of year | 1,197,473 | 1,197,473 | - |
| Prior year encumbrances appropriated | <u>26,212</u> | <u>26,212</u> | - |
| Fund equity at end of year | <u>\$ -</u> | <u>\$ 1,266,518</u> | <u>\$ 1,266,518</u> |

CITY OF WAPAKONETA

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENGINEERING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|--------------------|---------------------|---|
| Revenues: | | | |
| Charges for services | \$ 308,800 | \$ 292,577 | \$ (16,223) |
| Licenses and permits | 14,300 | 20,025 | 5,725 |
| Other | - | 694 | 694 |
| Total revenues | <u>323,100</u> | <u>313,296</u> | <u>(9,804)</u> |
| Expenses: | | | |
| Personal services | 310,925 | 310,726 | 199 |
| Contractual services | 20,093 | 18,435 | 1,658 |
| Materials and supplies | 8,908 | 5,682 | 3,226 |
| Capital outlay | 5,000 | 1,360 | 3,640 |
| Other | 1,108 | 8 | 1,100 |
| Total expenses | <u>346,034</u> | <u>336,211</u> | <u>9,823</u> |
| Excess (deficiency) of revenues over (under) expenses before transfers | (22,934) | (22,915) | 19 |
| Transfers in | <u>4,600</u> | <u>4,600</u> | <u>-</u> |
| Net change in fund equity | (18,334) | (18,315) | 19 |
| Fund equity at beginning of year | <u>18,334</u> | <u>18,334</u> | <u>-</u> |
| Fund equity at end of year | <u><u>\$ -</u></u> | <u><u>\$ 19</u></u> | <u><u>\$ 19</u></u> |

CITY OF WAPAKONETA

FUND DESCRIPTIONS - FIDUCIARY FUNDS

CUSTODIAL FUNDS

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

Dependent Coverage Fund

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

Police Auxiliary Fund

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

CITY OF WAPAKONETA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2021

| | Dependent Coverage | Police Auxiliary | Total Custodial Funds |
|---|-------------------------------|-----------------------------|--------------------------------------|
| Assets: | | | |
| Equity in pooled cash and cash equivalents | \$ 74,280 | \$ 52,246 | \$ 126,526 |
| Total assets | 74,280 | 52,246 | 126,526 |
| Liabilities: | | | |
| Accounts payable | - | 547 | 547 |
| Accrued wages and benefits payable | - | 39 | 39 |
| Intergovernmental payable | - | 5 | 5 |
| Total liabilities | - | 591 | 591 |
| Net position: | | | |
| Restricted for individuals, organizations, and other governments | 74,280 | 51,655 | 125,935 |
| Total net position | \$ 74,280 | \$ 51,655 | \$ 125,935 |

CITY OF WAPAKONETA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Dependent Coverage</u> | <u>Police Auxiliary</u> | <u>Total Custodial Funds</u> |
|--|-------------------------------|-----------------------------|--------------------------------------|
| Additions: | | | |
| Amounts received as fiscal agent | \$ - | \$ 6,690 | \$ 6,690 |
| Amounts held for employees | 236,499 | - | 236,499 |
| Total additions | <u>236,499</u> | <u>6,690</u> | <u>243,189</u> |
| Deductions: | | | |
| Distributions as fiscal agent | - | 7,803 | 7,803 |
| Distributions on behalf of employees | 224,999 | - | 224,999 |
| Total deductions | <u>224,999</u> | <u>7,803</u> | <u>232,802</u> |
| Change in fiduciary net position | 11,500 | (1,113) | 10,387 |
| Net position at beginning of year | <u>62,780</u> | <u>52,768</u> | <u>115,548</u> |
| Net position at end of year | <u>\$ 74,280</u> | <u>\$ 51,655</u> | <u>\$ 125,935</u> |

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STATISTICAL SECTION

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CITY OF WAPAKONETA

**STATISTICAL SECTION
TABLE OF CONTENTS**

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

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

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

CITY OF WAPAKONETA

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | |
| Net investment in capital assets | \$ 25,940,175 | \$ 24,081,484 | \$ 22,472,755 | \$ 21,109,878 |
| Restricted for: | | | | |
| Debt service | 1,160 | 1,160 | 1,160 | 1,160 |
| Capital projects | 1,053,804 | 1,216,538 | 1,262,281 | 525,384 |
| Other purposes | 479,032 | 762,473 | 924,194 | 1,048,335 |
| Unrestricted (deficit) | <u>(1,605,201)</u> | <u>(3,789,739)</u> | <u>(4,259,661)</u> | <u>(7,481,324)</u> |
| Total governmental activities net position | <u>\$ 25,868,970</u> | <u>\$ 22,271,916</u> | <u>\$ 20,400,729</u> | <u>\$ 15,203,433</u> |
| Business-type Activities | | | | |
| Net investment in capital assets | \$ 40,927,606 | \$ 39,552,161 | \$ 37,894,241 | \$ 35,933,035 |
| Restricted for: | | | | |
| Other purposes | - | - | - | 833,950 |
| Unrestricted | <u>20,266,174</u> | <u>13,160,536</u> | <u>10,770,717</u> | <u>10,567,828</u> |
| Total business-type activities net position | <u>\$ 61,193,780</u> | <u>\$ 52,712,697</u> | <u>\$ 48,664,958</u> | <u>\$ 47,334,813</u> |
| Total Primary Government | | | | |
| Net investment in capital assets | \$ 66,867,781 | \$ 63,633,645 | \$ 60,366,996 | \$ 57,042,913 |
| Restricted for: | | | | |
| Debt service | 1,160 | 1,160 | 1,160 | 1,160 |
| Capital projects | 1,053,804 | 1,216,538 | 1,262,281 | 525,384 |
| Other purposes | 479,032 | 762,473 | 924,194 | 1,882,285 |
| Unrestricted | <u>18,660,973</u> | <u>9,370,797</u> | <u>6,511,056</u> | <u>3,086,504</u> |
| Total primary government net position | <u>\$ 87,062,750</u> | <u>\$ 74,984,613</u> | <u>\$ 69,065,687</u> | <u>\$ 62,538,246</u> |

Note:

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

| <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 20,795,656 | \$ 21,571,664 | \$ 21,944,652 | \$ 21,180,841 | \$ 21,411,432 | \$ 20,891,574 |
| 785 | 424 | 77 | - | - | - |
| 489,078 | 292,553 | 132,894 | 1,103,853 | 1,175,919 | 2,039,417 |
| 1,279,374 | 1,145,763 | 1,414,247 | 1,284,340 | 1,427,570 | 1,369,753 |
| (7,798,064) | (2,006,605) | (1,739,121) | (1,843,855) | 2,484,015 | 2,885,648 |
| <u>\$ 14,766,829</u> | <u>\$ 21,003,799</u> | <u>\$ 21,752,749</u> | <u>\$ 21,725,179</u> | <u>\$ 26,498,936</u> | <u>\$ 27,186,392</u> |
| | | | | | |
| \$ 35,546,650 | \$ 35,104,589 | \$ 34,580,463 | \$ 32,786,072 | \$ 32,464,606 | \$ 30,836,570 |
| 1,256,831 | 1,255,353 | 1,254,595 | 1,256,749 | 1,258,937 | 1,259,685 |
| 8,669,072 | 9,460,399 | 7,963,497 | 9,010,157 | 9,831,047 | 9,353,383 |
| <u>\$ 45,472,553</u> | <u>\$ 45,820,341</u> | <u>\$ 43,798,555</u> | <u>\$ 43,052,978</u> | <u>\$ 43,554,590</u> | <u>\$ 41,449,638</u> |
| | | | | | |
| \$ 56,342,306 | \$ 56,676,253 | \$ 56,525,115 | \$ 53,966,913 | \$ 53,876,038 | \$ 51,728,144 |
| 785 | 424 | 77 | - | - | - |
| 489,078 | 292,553 | 132,894 | 1,103,853 | 1,175,919 | 2,039,417 |
| 2,536,205 | 2,401,116 | 2,668,842 | 2,541,089 | 2,686,507 | 2,629,438 |
| 871,008 | 7,453,794 | 6,224,376 | 7,166,302 | 12,315,062 | 12,239,031 |
| <u>\$ 60,239,382</u> | <u>\$ 66,824,140</u> | <u>\$ 65,551,304</u> | <u>\$ 64,778,157</u> | <u>\$ 70,053,526</u> | <u>\$ 68,636,030</u> |

CITY OF WAPAKONETA

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|----------------------|-----------------------|----------------------|-----------------------|
| Expenses: | | | | |
| Governmental activities: | | | | |
| Security of persons and property | | | | |
| Police | \$ 1,667,117 | \$ 2,008,529 | \$ 665,015 | \$ 2,175,771 |
| Fire | 1,535,320 | 1,803,173 | (242,156) | 1,704,281 |
| Other | - | - | - | - |
| Public health | 159,103 | 117,029 | 167,146 | 154,457 |
| Leisure time activities | 246,183 | 517,010 | 577,249 | 498,871 |
| Community development projects | 439,823 | 535,934 | 246,454 | 172,039 |
| Basic utility services | 4,245 | 7,217 | - | - |
| Transportation | 1,614,243 | 2,060,347 | 2,777,214 | 2,257,470 |
| General government | 414,920 | 1,284,595 | 741,754 | 879,819 |
| Interest and fiscal charges | - | 4,416 | - | 959 |
| Total governmental activities expenses | <u>6,080,954</u> | <u>8,338,250</u> | <u>4,932,676</u> | <u>7,843,667</u> |
| Business-type activities: | | | | |
| Electric | 26,247,949 | 21,805,527 | 19,704,728 | 17,839,610 |
| Water | 2,361,699 | 2,234,728 | 2,183,723 | 2,078,435 |
| Sewer | 2,581,565 | 3,412,292 | 4,025,321 | 3,402,744 |
| Storm sewer | 88,585 | 160,330 | 217,109 | 135,419 |
| Refuse | 1,090,937 | 1,053,455 | 1,176,895 | 1,144,478 |
| Total business-type activities expenses | <u>32,370,735</u> | <u>28,666,332</u> | <u>27,307,776</u> | <u>24,600,686</u> |
| Total primary government | <u>\$ 38,451,689</u> | <u>\$ 37,004,582</u> | <u>\$ 32,240,452</u> | <u>\$ 32,444,353</u> |
| Program Revenues: | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| Security of persons and property | | | | |
| Police | \$ 1,940 | \$ 38,740 | \$ 28,317 | \$ 51,934 |
| Fire | 63,103 | 63,028 | 62,754 | 64,078 |
| Public health | 324,994 | 550,819 | 427,196 | 516,018 |
| Leisure time activities | 62,179 | 138,668 | 230,118 | 213,291 |
| Transportation | 149,259 | 179,583 | 182,357 | 200,059 |
| General government | 28,931 | 28,054 | 52,937 | 29,480 |
| Operating grants, contributions, and interest | 1,286,271 | 1,070,404 | 574,846 | 497,290 |
| Capital grants and contributions | - | 678,533 | 1,680,124 | 93,729 |
| Total governmental activities program revenues | <u>1,916,677</u> | <u>2,747,829</u> | <u>3,238,649</u> | <u>1,665,879</u> |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Electric | 29,653,017 | 22,008,840 | 20,096,913 | 18,305,299 |
| Water | 4,015,885 | 3,709,503 | 2,589,064 | 2,117,866 |
| Sewer | 5,234,602 | 4,847,498 | 3,920,181 | 3,526,833 |
| Storm Sewer | 40,973 | 160,070 | 159,820 | 158,493 |
| Refuse | 1,504,792 | 1,458,126 | 1,405,562 | 1,313,762 |
| Operating grants and contributions | - | - | 21,004 | - |
| Capital grants and contributions | 10,502 | 12,602 | 92,283 | 933,660 |
| Total business-type activities program revenues | <u>40,459,771</u> | <u>32,196,639</u> | <u>28,284,827</u> | <u>26,355,913</u> |
| Total primary government | <u>\$ 42,376,448</u> | <u>\$ 34,944,468</u> | <u>\$ 31,523,476</u> | <u>\$ 28,021,792</u> |
| Net (Expense) Revenue: | | | | |
| Governmental activities | \$ (4,164,277) | \$ (5,590,421) | \$ (1,694,027) | \$ (6,177,788) |
| Business-type activities | 8,089,036 | 3,530,307 | 977,051 | 1,755,227 |
| Total primary government net expense | <u>\$ 3,924,759</u> | <u>\$ (2,060,114)</u> | <u>\$ (716,976)</u> | <u>\$ (4,422,561)</u> |

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 2,032,266 | \$ 1,922,596 | \$ 1,760,195 | \$ 1,613,384 | \$ 1,516,675 | \$ 1,545,559 |
| 1,712,394 | 1,917,941 | 1,616,058 | 1,514,617 | 1,503,565 | 1,494,511 |
| - | - | 2,833 | 4,426 | 5,004 | 4,557 |
| 138,700 | 175,745 | 193,759 | 162,403 | 180,131 | 172,130 |
| 514,667 | 484,211 | 431,140 | 484,814 | 463,263 | 433,670 |
| 177,490 | 131,753 | 91,948 | 126,153 | 86,893 | 84,148 |
| - | - | - | - | - | - |
| 2,214,462 | 1,861,607 | 1,341,215 | 1,911,883 | 2,317,993 | 2,049,319 |
| 858,914 | 594,651 | 541,709 | 594,323 | 515,084 | 510,071 |
| 5,323 | 6,508 | 10,379 | 8,219 | 17,988 | 38,654 |
| <u>7,654,216</u> | <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> |
| 16,997,959 | 15,693,356 | 16,139,240 | 15,259,517 | 15,277,737 | 13,550,781 |
| 2,263,282 | 1,950,485 | 2,215,944 | 2,041,383 | 1,813,945 | 1,758,911 |
| 3,111,041 | 2,528,933 | 2,666,829 | 1,978,245 | 2,161,928 | 2,241,662 |
| 207,604 | 123,464 | 221,359 | 155,091 | 142,646 | 271,419 |
| 791,071 | 1,145,654 | 963,583 | 1,102,022 | 1,089,290 | 1,113,500 |
| <u>23,370,957</u> | <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>\$ 31,025,173</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> |
| \$ 4,680 | \$ 55,003 | \$ 6,820 | \$ 5,117 | \$ 7,004 | \$ 6,946 |
| 63,607 | 63,002 | 50,320 | 48,522 | 50,380 | 53,961 |
| 422,775 | 714,370 | 476,706 | 398,918 | 523,208 | 504,789 |
| 224,543 | 247,800 | 211,839 | 195,415 | 203,119 | 259,592 |
| 151,256 | 107,248 | 148,011 | 104,608 | 158,633 | 83,734 |
| 23,786 | 20,243 | 17,604 | 16,148 | 33,287 | 11,970 |
| 545,424 | 659,296 | 541,534 | 509,078 | 635,984 | 524,997 |
| 432,720 | 410,366 | 1,537,762 | 606,014 | 1,923,549 | 837,654 |
| <u>1,868,791</u> | <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> |
| 17,232,897 | 16,033,338 | 14,861,386 | 14,818,934 | 14,383,981 | 13,443,956 |
| 2,115,395 | 2,014,148 | 1,870,405 | 1,825,871 | 1,724,995 | 1,607,652 |
| 3,438,526 | 3,503,012 | 3,316,260 | 3,258,877 | 3,127,622 | 2,716,328 |
| 157,780 | 156,591 | 161,136 | 155,904 | 155,599 | 154,668 |
| 1,291,906 | 1,252,322 | 1,235,415 | 1,214,454 | 1,108,914 | 1,106,281 |
| - | - | - | - | - | - |
| - | - | - | 246,836 | - | - |
| <u>24,236,504</u> | <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>\$ 26,105,295</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> |
| \$ (5,785,425) | \$ (4,817,684) | \$ (2,998,640) | \$ (4,536,402) | \$ (3,071,432) | \$ (4,048,976) |
| 865,547 | 1,517,519 | (762,353) | 984,618 | 15,565 | 92,612 |
| <u>\$ (4,919,878)</u> | <u>\$ (3,300,165)</u> | <u>\$ (3,760,993)</u> | <u>\$ (3,551,784)</u> | <u>\$ (3,055,867)</u> | <u>\$ (3,956,364)</u> |

(Continued)

CITY OF WAPAKONETA

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|----------------------|---------------------|---------------------|---------------------|
| General Revenues and Other Changes in Net Position: | | | | |
| Governmental activities | | | | |
| Taxes: | | | | |
| Property taxes levied for: | | | | |
| General purposes | \$ 490,124 | \$ 412,189 | \$ 414,453 | \$ 403,478 |
| Recreation | 161,359 | 154,760 | 155,585 | 151,430 |
| Municipal income taxes levied for: | | | | |
| General purposes | 3,336,009 | 2,527,347 | 2,850,549 | 3,070,596 |
| Street maintenance | 1,723,705 | 2,338,328 | 1,735,770 | 1,206,341 |
| Other local taxes | 1,439,951 | 1,273,810 | 874,140 | 829,322 |
| Grants and entitlements | | | | |
| not restricted to specific programs | 387,127 | 307,987 | 129,349 | 264,896 |
| Franchise taxes | 112,769 | 115,848 | 310,949 | 117,400 |
| Interest | 24,620 | 111,895 | 119,507 | 190,240 |
| Gifts and donations | - | 6,736 | 245,341 | 1,085 |
| Other | 85,667 | 445,893 | 1,043 | 379,604 |
| Transfers | - | (233,185) | 54,637 | - |
| Total governmental activities | <u>7,761,331</u> | <u>7,461,608</u> | <u>6,891,323</u> | <u>6,614,392</u> |
| Business-type activities | | | | |
| Interest | - | - | 22,186 | 16,520 |
| Other | 392,047 | 284,247 | 330,908 | 90,513 |
| Transfers | - | 233,185 | - | - |
| Total business-type activities | <u>392,047</u> | <u>517,432</u> | <u>353,094</u> | <u>107,033</u> |
| Total primary government | <u>\$ 8,153,378</u> | <u>\$ 7,979,040</u> | <u>\$ 7,244,417</u> | <u>\$ 6,721,425</u> |
| Change in Net Position: | | | | |
| Governmental activities | \$ 3,597,054 | \$ 1,871,187 | \$ 5,197,296 | \$ 436,604 |
| Business-type activities | 8,481,083 | 4,047,739 | 1,330,145 | 1,862,260 |
| Total primary government | <u>\$ 12,078,137</u> | <u>\$ 5,918,926</u> | <u>\$ 6,527,441</u> | <u>\$ 2,298,864</u> |

Note:

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

| <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 383,253 | \$ 372,286 | \$ 369,966 | \$ 362,175 | \$ 356,365 | \$ 373,447 |
| 152,784 | 99,006 | 97,698 | 95,171 | 92,535 | 88,625 |
| 2,722,228 | 2,605,349 | 2,645,764 | 2,602,279 | 2,590,749 | 2,280,139 |
| - | - | - | - | - | - |
| 766,069 | 822,341 | 877,632 | 722,090 | 686,875 | 651,985 |
| 252,161 | 255,631 | 256,699 | 254,085 | 249,320 | 454,557 |
| 116,530 | 119,516 | 79,168 | 144,915 | 83,156 | 86,280 |
| 101,823 | 53,915 | 10,215 | 15,376 | 13,721 | 32,570 |
| 16,654 | 17,893 | 57,483 | 1,040 | 2,639 | 1,772 |
| 157,404 | 59,600 | 73,657 | 58,133 | 80,453 | 87,243 |
| (19,453) | (336,803) | (1,442,072) | (26,000) | (1,771,837) | (397,737) |
| <u>4,649,453</u> | <u>4,068,734</u> | <u>3,026,210</u> | <u>4,229,264</u> | <u>2,383,976</u> | <u>3,658,881</u> |
| 9,490 | 1,088 | 564 | - | - | 29 |
| 76,338 | 166,376 | 65,294 | 78,660 | 317,550 | 41,110 |
| 19,453 | 336,803 | 1,442,072 | 26,000 | 1,771,837 | 397,737 |
| <u>105,281</u> | <u>504,267</u> | <u>1,507,930</u> | <u>104,660</u> | <u>2,089,387</u> | <u>438,876</u> |
| <u>\$ 4,754,734</u> | <u>\$ 4,573,001</u> | <u>\$ 4,534,140</u> | <u>\$ 4,333,924</u> | <u>\$ 4,473,363</u> | <u>\$ 4,097,757</u> |
| \$ (1,135,972) | \$ (748,950) | \$ 27,570 | \$ (307,138) | \$ (687,456) | \$ (390,095) |
| 970,828 | 2,021,786 | 745,577 | 1,089,278 | 2,104,952 | 531,488 |
| <u>\$ (165,144)</u> | <u>\$ 1,272,836</u> | <u>\$ 773,147</u> | <u>\$ 782,140</u> | <u>\$ 1,417,496</u> | <u>\$ 141,393</u> |

CITY OF WAPAKONETA

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund: | | | | | | |
| Nonspendable | \$ 144,863 | \$ 87,749 | \$ 85,133 | \$ 80,948 | \$ 79,931 | \$ 113,227 |
| Restricted | 14,816 | 14,566 | 9,585 | 7,799 | 5,198 | 2,948 |
| Assigned | 3,060,573 | 3,371,634 | 2,501,423 | 1,833,007 | 1,143,590 | 1,254,981 |
| Unassigned | <u>1,090,211</u> | <u>606,036</u> | <u>1,043,792</u> | <u>1,142,482</u> | <u>780,606</u> | <u>691,667</u> |
| Total general fund | <u>\$ 4,310,463</u> | <u>\$ 4,079,985</u> | <u>\$ 3,639,933</u> | <u>\$ 3,064,236</u> | <u>\$ 2,009,325</u> | <u>\$ 2,062,823</u> |
| All Other Governmental Funds: | | | | | | |
| Nonspendable | \$ 21,212 | \$ 26,077 | \$ 227,272 | \$ 24,485 | \$ 28,169 | \$ 24,311 |
| Restricted | 1,336,052 | 1,218,793 | 1,515,533 | 1,089,326 | 1,432,271 | 1,177,516 |
| Assigned | 722,171 | 480,255 | 180,255 | 74,692 | 233,152 | 233,152 |
| Unassigned (deficit) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total all other governmental funds | <u>\$ 2,079,435</u> | <u>\$ 1,725,125</u> | <u>\$ 1,923,060</u> | <u>\$ 1,188,503</u> | <u>\$ 1,693,592</u> | <u>\$ 1,434,979</u> |

| <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---------------------|---------------------|---------------------|---------------------|
| \$ 80,527 | \$ 86,112 | \$ 87,798 | \$ 85,291 |
| 2,698 | 10,154 | 10,154 | 18,517 |
| 765,135 | 709,905 | 71,374 | 237,724 |
| <u>1,053,284</u> | <u>862,133</u> | <u>1,671,656</u> | <u>1,603,958</u> |
| <u>\$ 1,901,644</u> | <u>\$ 1,668,304</u> | <u>\$ 1,840,982</u> | <u>\$ 1,945,490</u> |
| | | | |
| \$ 28,217 | \$ 30,778 | \$ 29,308 | \$ 30,129 |
| 1,201,241 | 2,084,349 | 1,920,873 | 2,700,149 |
| 233,152 | 402,702 | 277,702 | 723,004 |
| <u>(1,389)</u> | <u>(16,307)</u> | <u>(126,225)</u> | <u>(456,253)</u> |
| <u>\$ 1,461,221</u> | <u>\$ 2,501,522</u> | <u>\$ 2,101,658</u> | <u>\$ 2,997,029</u> |

CITY OF WAPAKONETA

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|--------------------|-------------------|---------------------|--------------------|-------------------|
| Revenues | | | | | |
| Property taxes | \$ 642,884 | \$ 569,025 | \$ 569,137 | \$ 559,738 | \$ 530,220 |
| Municipal income taxes | 4,878,682 | 4,833,772 | 4,569,465 | 4,064,067 | 2,671,757 |
| Other local taxes | 1,522,970 | 1,421,918 | 1,082,623 | 912,709 | 835,653 |
| Special assessments | 55,334 | 27,862 | 24,566 | 38,829 | 34,458 |
| Charges for services | 681,175 | 674,005 | 874,291 | 902,643 | 922,726 |
| Fees, licenses and permits | 129,843 | 134,424 | 124,481 | 121,769 | 122,210 |
| Fines and forfeitures | 11,738 | 9,427 | 22,714 | 28,647 | 22,167 |
| Intergovernmental | 1,733,398 | 1,828,605 | 2,510,666 | 832,065 | 1,192,154 |
| Interest | 35,082 | 125,880 | 261,920 | 212,132 | 118,462 |
| Contributions and donations | 7,401 | 20,983 | 5,504 | 8,176 | 33,228 |
| Other | 99,757 | 445,893 | 56,514 | 378,554 | 156,704 |
| Total revenues | <u>9,798,264</u> | <u>10,091,794</u> | <u>10,101,881</u> | <u>8,059,329</u> | <u>6,639,739</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Security of persons and property | | | | | |
| Police | 1,987,788 | 1,824,436 | 1,897,102 | 1,837,036 | 1,945,311 |
| Fire | 2,053,888 | 1,584,887 | 1,496,645 | 1,564,302 | 1,427,616 |
| Other | - | - | - | - | - |
| Public health | 159,136 | 128,047 | 131,123 | 121,421 | 120,307 |
| Leisure time activities | 303,141 | 424,807 | 433,627 | 385,787 | 395,366 |
| Community environment | 491,674 | 523,539 | 202,456 | 142,524 | 152,147 |
| Basic utilities | 4,245 | 7,217 | - | - | - |
| Transportation | 3,472,924 | 4,100,898 | 3,979,343 | 2,596,861 | 1,557,799 |
| General government | 736,080 | 1,251,430 | 651,331 | 815,232 | 787,806 |
| Debt service: | | | | | |
| Principal retirement | - | - | - | 45,010 | 43,288 |
| Interest and fiscal charges | - | 4,416 | - | 1,334 | 5,684 |
| Total expenditures | <u>9,208,876</u> | <u>9,849,677</u> | <u>8,791,627</u> | <u>7,509,507</u> | <u>6,435,324</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>589,388</u> | <u>242,117</u> | <u>1,310,254</u> | <u>549,822</u> | <u>204,415</u> |
| Other Financing Sources (Uses) | | | | | |
| Sale of capital assets | - | - | - | - | 700 |
| Inception of capital lease | - | - | - | - | - |
| Transfers in | 1,600,000 | 370,000 | 830,000 | 1,586,341 | 700,000 |
| Transfers out | <u>(1,604,600)</u> | <u>(370,000)</u> | <u>(830,000)</u> | <u>(1,586,341)</u> | <u>(700,000)</u> |
| Total other financing sources (uses) | <u>(4,600)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>700</u> |
| Net change in fund balances | <u>\$ 584,788</u> | <u>\$ 242,117</u> | <u>\$ 1,310,254</u> | <u>\$ 549,822</u> | <u>\$ 205,115</u> |
| Capital expenditures | \$ 3,116,785 | \$ 3,042,519 | \$ 2,369,601 | \$ 1,499,203 | \$ 455,596 |
| Debt service as a percentage of noncapital expenditures. | 0.00% | 0.06% | 0.00% | 0.77% | 0.82% |

| <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|-------------------|---------------------|-------------------|---------------------|-----------------------|
| \$ 474,524 | \$ 465,520 | \$ 458,036 | \$ 453,266 | \$ 459,863 |
| 2,812,389 | 2,665,795 | 2,594,506 | 2,415,109 | 2,262,379 |
| 900,709 | 954,248 | 797,205 | 780,110 | 705,308 |
| 20,204 | 27,686 | 39,784 | 52,670 | 57,956 |
| 874,832 | 751,539 | 750,578 | 711,028 | 774,341 |
| 120,915 | 113,940 | 134,013 | 103,076 | 87,538 |
| 25,573 | 20,355 | 15,086 | 18,785 | 13,412 |
| 1,362,908 | 2,242,652 | 1,169,747 | 3,247,382 | 1,272,298 |
| 71,488 | 36,981 | 25,239 | 36,097 | 50,039 |
| 29,074 | 73,028 | 19,171 | 10,508 | 16,222 |
| 58,640 | 73,657 | 58,133 | 72,016 | 87,243 |
| <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> |
| 1,698,831 | 1,608,199 | 1,714,844 | 1,507,378 | 1,550,757 |
| 1,566,585 | 1,726,979 | 1,481,619 | 1,927,319 | 1,461,318 |
| - | 4,504 | 4,792 | 4,685 | 4,592 |
| 161,023 | 177,468 | 149,970 | 159,821 | 143,550 |
| 400,724 | 363,140 | 410,517 | 389,085 | 357,705 |
| 571,094 | 94,072 | 126,163 | 93,366 | 81,344 |
| - | - | - | - | - |
| 1,574,351 | 3,634,852 | 1,341,304 | 3,916,917 | 2,396,004 |
| 564,628 | 531,671 | 579,587 | 498,250 | 491,108 |
| 72,228 | 80,503 | 82,656 | 273,007 | 261,167 |
| 6,855 | 10,974 | 8,789 | 19,251 | 28,938 |
| <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>134,937</u> | <u>(806,961)</u> | <u>161,257</u> | <u>(889,032)</u> | <u>(989,884)</u> |
| - | - | - | 26,760 | - |
| - | - | 91,929 | - | - |
| 740,000 | 640,000 | 791,225 | 747,893 | 1,044,156 |
| (740,000) | (640,000) | (817,225) | (885,500) | (1,143,500) |
| - | - | 65,929 | (110,847) | (99,344) |
| <u>\$ 134,937</u> | <u>\$ (806,961)</u> | <u>\$ 227,186</u> | <u>\$ (999,879)</u> | <u>\$ (1,089,228)</u> |
| \$ 698,414 | \$ 1,971,622 | \$ 318,293 | \$ 1,523,890 | \$ 1,030,490 |
| 1.34% | 1.46% | 1.64% | 4.02% | 5.05% |

CITY OF WAPAKONETA

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

| Year | Real Property | | | | Estimated Actual Value | Public Utility Personal Property | |
|------|------------------------------|---------------------------|-------------------|----------------|---------------------------|-------------------------------------|---------------------------|
| | Assessed Value | | | | | Assessed Value | Estimated Actual Value |
| | Residential/ Agricultural | Commercial/ Industrial | Public Utility | Total | | | |
| 2021 | \$ 147,176,280 | \$ 48,756,220 | \$ 82,300 | \$ 196,014,800 | \$ 560,042,286 | \$ 3,324,720 | \$ 3,778,091 |
| 2020 | 120,012,370 | 48,801,620 | 75,630 | 168,889,620 | 482,541,771 | 3,261,930 | 3,706,739 |
| 2019 | 118,570,690 | 47,805,540 | 66,230 | 166,442,460 | 475,549,886 | 3,219,260 | 3,658,250 |
| 2018 | 119,826,660 | 50,904,520 | 105,350 | 170,836,530 | 488,104,371 | 3,310,930 | 3,762,420 |
| 2017 | 108,044,270 | 44,642,180 | 64,140 | 152,750,590 | 436,430,257 | 3,338,040 | 3,793,227 |
| 2016 | 107,511,780 | 44,587,200 | 66,420 | 152,165,400 | 434,758,286 | 3,262,400 | 3,707,273 |
| 2015 | 106,495,310 | 44,517,970 | 65,790 | 151,079,070 | 431,654,486 | 1,122,690 | 1,275,784 |
| 2014 | 105,469,010 | 45,237,190 | 64,720 | 150,770,920 | 430,774,057 | 1,120,460 | 1,273,250 |
| 2013 | 104,962,290 | 46,822,260 | 62,380 | 151,846,930 | 433,848,371 | 1,055,660 | 1,199,614 |
| 2012 | 104,390,450 | 47,087,190 | 74,990 | 151,552,630 | 433,007,514 | 426,650 | 484,830 |

Source: Auglaize County Auditor

(1) Since each type of property has its own direct rate, a weighted average of the separate rates is presented.
See page S14 for the direct rate by property type.

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

The assessed value of real property is 35 percent of estimated actual value. The assessed value of public utility personal property is 88 percent of estimated actual value.

| Total | | |
|---------------------------|---------------------------------------|--|
| Assessed Value | Estimated Actual Value | Weighted Average Tax Rate (1) |
| \$ 199,339,520 | \$ 563,820,377 | \$ 3.75 |
| 172,151,550 | 486,248,510 | 3.75 |
| 169,661,720 | 479,208,136 | 3.75 |
| 174,147,460 | 491,866,791 | 3.75 |
| 156,088,630 | 440,223,484 | 3.75 |
| 155,427,800 | 438,465,559 | 3.46 |
| 152,201,760 | 432,930,270 | 3.46 |
| 151,891,380 | 432,047,307 | 3.46 |
| 152,902,590 | 435,047,985 | 3.46 |
| 151,979,280 | 433,492,344 | 3.44 |

CITY OF WAPAKONETA

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|---------------|---------------|---------------|---------------|---------------|
| Voted Millage | | | | | |
| Recreation | | | | | |
| Effective millage rates | | | | | |
| Residential/agricultural | \$0.7579 | \$0.9236 | \$0.9252 | \$0.9252 | \$0.9997 |
| Commercial/industrial | 0.9899 | 0.9764 | 0.9722 | 0.9715 | 1.0000 |
| Tangible/public utility personal | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| Unvoted Millage | | | | | |
| General | 2.1500 | 2.1500 | 2.1500 | 2.1500 | 2.1500 |
| Fire pension | 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 |
| Police pension | 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 |
| Total unvoted millage | <u>2.7500</u> | <u>2.7500</u> | <u>2.7500</u> | <u>2.7500</u> | <u>2.7500</u> |
| Total Millage (Total Direct Rate) | | | | | |
| Total effective millage by type of property | | | | | |
| Residential/agricultural | 3.5079 | 3.6736 | 3.6752 | 3.6752 | 3.7497 |
| Commercial/industrial | 3.7399 | 3.7264 | 3.7222 | 3.7215 | 3.7500 |
| Tangible/public utility personal | 3.7500 | 3.7500 | 3.7500 | 3.7500 | 3.7500 |
| Total Weighted Average Tax Rate | 3.7500 | 3.7500 | 3.7500 | 3.7500 | 3.7500 |
| Auglaize County | 12.7500 | 12.7500 | 12.7500 | 12.7500 | 12.7500 |
| Wapakoneta City School District | 29.8000 | 30.6000 | 30.6000 | 30.6000 | 30.6000 |
| Apollo Career Center | 3.1400 | 3.1900 | 3.3200 | 3.0900 | 3.0400 |
| Duchouquet Township | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 |

Source: Auglaize County Auditor

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented on the assessed values table on pages S12 and S13, generated the property tax revenue billed in that year. The basic property tax rate can only be increased by a majority vote of the City's residents.

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

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

| <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---------------|---------------|---------------|---------------|---------------|
| \$0.6236 | \$0.6236 | \$0.6246 | \$0.6274 | \$0.6261 |
| 0.9010 | 0.9010 | 0.9010 | 0.8902 | 0.8430 |
| 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 2.1500 | 2.1500 | 2.1500 | 2.1500 | 2.1500 |
| 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 |
| 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 |
| <u>2.7500</u> | <u>2.7500</u> | <u>2.7500</u> | <u>2.7500</u> | <u>2.7500</u> |
| 3.3736 | 3.3736 | 3.3746 | 3.3774 | 3.3495 |
| 3.6510 | 3.6510 | 3.6511 | 3.6402 | 3.6055 |
| 3.7500 | 3.7500 | 3.7500 | 3.7500 | 3.7500 |
| 3.4612 | 3.4584 | 3.4606 | 3.4606 | 3.4445 |
| 12.7500 | 12.7500 | 12.7500 | 11.7500 | 11.7500 |
| 30.6000 | 30.6000 | 31.3000 | 31.3000 | 31.3000 |
| 3.0000 | 3.3400 | 3.4400 | 3.4400 | 2.2000 |
| 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 |

CITY OF WAPAKONETA

REAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

| Year | Current Levy (1) | Delinquent Levy (2) | Total Levy | Current Collections | Percentage of Current Collections to Current Levy | Delinquent Collections | Total Collections |
|-------------|-------------------------|----------------------------|-------------------|----------------------------|--|-------------------------------|--------------------------|
| 2021 | \$ 706,725 | \$ 121,055 | \$ 827,780 | \$ 631,591 | 89.37% | \$ 9,244 | \$ 640,835 |
| 2020 | 631,103 | 12,298 | 643,401 | 606,155 | 96.05% | 8,036 | 614,191 |
| 2019 | 621,910 | 13,319 | 635,229 | 602,122 | 96.82% | 10,360 | 612,482 |
| 2018 | 639,043 | 9,815 | 648,858 | 595,355 | 93.16% | 7,318 | 602,673 |
| 2017 | 581,688 | 10,161 | 591,849 | 556,708 | 95.71% | 8,236 | 564,944 |
| 2016 | 534,164 | 10,807 | 544,971 | 517,836 | 96.94% | 8,122 | 525,958 |
| 2015 | 522,607 | 14,503 | 537,110 | 514,134 | 98.38% | 11,040 | 525,174 |
| 2014 | 521,688 | 138,065 | 659,753 | 504,208 | 96.65% | 13,355 | 517,563 |
| 2013 | 523,622 | 19,687 | 543,309 | 501,674 | 95.81% | 10,832 | 512,506 |
| 2012 | 519,540 | 16,967 | 536,507 | 504,972 | 97.20% | 10,329 | 515,301 |

Source: Auglaize County Auditor

(1) Includes State reimbursements of homestead rollback exemptions.

(2) Includes penalties and interest.

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

| Percentage of Total Collections to Total Levy | Outstanding Delinquent Taxes (2) | Percentage of Delinquent Taxes to Total Levy |
|--|---|---|
| 77.42% | \$ 161,488 | 19.51% |
| 95.46% | 4,263 | 0.66% |
| 96.42% | 2,959 | 0.47% |
| 92.88% | 2,497 | 0.38% |
| 95.45% | 2,375 | 0.40% |
| 96.51% | 2,685 | 0.49% |
| 97.78% | 3,463 | 0.64% |
| 78.45% | 4,490 | 0.68% |
| 94.33% | 8,855 | 1.63% |
| 96.05% | 6,638 | 1.24% |

CITY OF WAPAKONETA

PRINCIPAL TAXPAYERS
REAL PROPERTY TAX
CURRENT YEAR AND NINE YEARS AGO

| <u>December 31, 2021</u> | | | | |
|---|--|-------------------------------|-------------|-------------------------------------|
| <u>Taxpayer</u> | <u>Type of Business</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Assessed Value</u> |
| Wal-Mart Stores | Retail Business | \$ 2,318,750 | 1 | 1.18% |
| Lowes Home Center, Inc. | Retail Business | 2,027,200 | 2 | 1.03% |
| G3 Holdings LLC | Manufacturing | 1,344,090 | 3 | 0.69% |
| Koneta, Inc. | Rubber Truck Accessories Manufacturing | 1,299,590 | 4 | 0.66% |
| DW 28 Wapakoneta LLC | Retail Business | 1,234,720 | 5 | 0.63% |
| GAMCO Components Group LLC | Automotive Suspension Manufacturing | 1,154,380 | 6 | 0.59% |
| Quaker Run Farms | Warehousing and Distribution | 1,033,350 | 7 | 0.53% |
| Celebrity House of Wapakoneta | Assisted Living Facility | 969,470 | 8 | 0.49% |
| Community Property Group | Apartments | 904,740 | 9 | 0.46% |
| Miller's Textile Services, Inc. | Uniform Rentals | 854,690 | 10 | 0.44% |
| Total, Top Ten Real Property Taxpayers | | <u>\$ 13,140,980</u> | | <u>6.70%</u> |
| Total City Real Property Tax Assessed Valuation | | <u>\$ 196,014,800</u> | | |

| <u>December 31, 2012</u> | | | | |
|---|--|-------------------------------|-------------|-------------------------------------|
| <u>Taxpayer</u> | <u>Type of Business</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Assessed Value</u> |
| Wal-Mart Stores East LP | Retail Business | \$ 3,370,620 | 1 | 2.22% |
| GAMCO Components Group LLC | Automotive Suspension Manufacturing | 1,785,390 | 2 | 1.18% |
| Lowes Home Center, Inc. | Retail Business | 1,726,530 | 3 | 1.14% |
| Schlenker Enterprises | Land Developments and Apartments | 1,566,900 | 4 | 1.03% |
| Ametek, Inc. | Plastic Compounds | 1,321,360 | 5 | 0.87% |
| Koneta, Inc. | Rubber Truck Accessories Manufacturing | 1,232,880 | 6 | 0.81% |
| Quaker Run Farms | Warehousing and Distribution | 1,154,580 | 7 | 0.76% |
| DW 28 Wapakoneta LLC | Retail Business | 1,080,390 | 8 | 0.71% |
| Miller's Textile Services, Inc. | Uniform Rentals | 822,590 | 9 | 0.54% |
| Midwest Elastomers | Granulated Rubber and Plastic | 794,960 | 10 | 0.52% |
| Total, Top Ten Real Property Taxpayers | | <u>\$ 14,856,200</u> | | <u>9.78%</u> |
| Total City Real Property Tax Assessed Valuation | | <u>\$ 151,552,630</u> | | |

Source: Auglaize County Auditor

CITY OF WAPAKONETA

INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS

| <u>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 Individuals</u> | <u>Percentage of Taxes from Individuals</u> |
|-------------|-----------------|----------------------------|-------------------------------|---|-------------------------------|---|-------------------------------|---|
| 2021 | 1.50% | \$ 4,878,874 | \$ 3,666,178 | 75.14% | \$ 583,971 | 11.97% | \$ 628,725 | 12.89% |
| 2020 | 1.50% | 4,865,675 | 3,535,433 | 72.66% | 854,860 | 17.57% | 475,382 | 9.77% |
| 2019 | 1.50% | 4,586,319 | 3,480,928 | 75.90% | 462,975 | 10.09% | 642,416 | 14.01% |
| 2018 | 1.50% | 4,276,937 | 3,315,417 | 77.52% | 425,401 | 9.95% | 536,119 | 12.54% |
| 2017 | 1.00% | 2,722,228 | 2,070,967 | 76.08% | 276,878 | 10.17% | 374,383 | 13.75% |
| 2016 | 1.00% | 2,605,349 | 1,959,370 | 75.21% | 304,085 | 11.67% | 341,894 | 13.12% |
| 2015 | 1.00% | 2,645,764 | 2,219,838 | 83.90% | 226,223 | 8.55% | 199,703 | 7.55% |
| 2014 | 1.00% | 2,602,279 | 2,459,828 | 94.53% | 129,418 | 4.97% | 13,033 | 0.50% |
| 2013 | 1.00% | 2,590,749 | 2,015,566 | 77.80% | 295,940 | 11.42% | 279,243 | 10.78% |
| 2012 | 1.00% | 2,280,139 | 1,986,930 | 87.14% | 144,118 | 6.32% | 149,091 | 6.54% |

Source: City records

CITY OF WAPAKONETA

**ELECTRIC UTILITY STATISTICS
LAST TEN YEARS**

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Kilowatt hours purchased from: | | | | | |
| AMP-Ohio | 351,378,933 | 327,651,334 | 232,113,764 | 199,531,156 | 192,537,820 |
| Solar Planet | 3,492,009 | 3,419,296 | 3,243,599 | 3,200,172 | 3,639,898 |
| Madison Solar | 52,598 | - | - | - | - |
| Total kilowatt hours purchased | <u>354,923,540</u> | <u>331,070,630</u> | <u>235,357,363</u> | <u>202,731,328</u> | <u>196,177,718</u> |
| Payments for purchased power to: | | | | | |
| AMP-Ohio | \$ 23,988,737 | \$ 16,564,848 | \$ 14,964,732 | \$ 14,675,982 | \$ 13,768,607 |
| Solar Planet | 328,020 | 309,072 | 282,221 | 267,152 | 292,218 |
| Madison Solar | 3,150 | - | - | - | - |
| Total payments for purchased power | <u>\$ 24,319,907</u> | <u>\$ 16,873,920</u> | <u>\$ 15,246,953</u> | <u>\$ 14,943,134</u> | <u>\$ 14,060,825</u> |
| Kilowatt hours sold to users: | | | | | |
| Residential | 49,701,918 | 49,198,006 | 48,969,766 | 51,372,837 | 46,367,341 |
| Commercial | 46,718,099 | 43,227,830 | 47,075,809 | 48,649,548 | 46,863,363 |
| Industrial | 250,796,460 | 208,311,023 | 89,019,896 | 94,027,246 | 89,858,285 |
| Total kilowatt hours sold to users | <u>347,216,477</u> | <u>300,736,859</u> | <u>185,065,471</u> | <u>194,049,631</u> | <u>183,088,989</u> |
| Charges for kilowatt hours sold to users: | | | | | |
| Residential | \$ 5,727,242 | \$ 6,141,117 | \$ 5,690,144 | \$ 5,811,320 | \$ 4,915,843 |
| Commercial | 5,339,466 | 5,386,924 | 5,521,963 | 5,631,339 | 5,315,927 |
| Industrial | 7,654,345 | 7,148,066 | 6,209,494 | 6,506,777 | 6,842,184 |
| Total charges for kilowatt hours sold to users | <u>\$ 18,721,053</u> | <u>\$ 18,676,107</u> | <u>\$ 17,421,601</u> | <u>\$ 17,949,436</u> | <u>\$ 17,073,954</u> |
| <u>Rates:</u> | | | | | |
| Residential | | | | | |
| Service charge (base) | \$ 14.50 | | per month | | |
| Energy charge: | | | | | |
| 0 - 750 kwh | 0.096 | | per kwh | | |
| 751 - 9,999,999 kwh | 0.096 | | per kwh | | |
| Commercial | | | | | |
| Service charge (base) | 25.00 | | per month | | |
| Demand: | | | | | |
| 0 - 9,999,999 kwh | 9.00 | | per kwh | | |
| Energy charge: | | | | | |
| 0 - 1,000 kwh | 0.08100 | | per kwh | | |
| 1,001 - 9,999,999 kwh | 0.08100 | | per kwh | | |
| Industrial (large power) | | | | | |
| Service charge (base) | 100.00 | | per month | | |
| Demand | 20.00 | | per kwh | | |
| Energy charge | 0.0390 | | per kwh | | |

Source: City records

Note: Charges for kilowatt hours sold are based on collection cycles which will differ from billing cycles as reflected on the statement of revenues, expenses and changes in fund net position.

| <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| 191,214,926 | 199,918,896 | 202,219,618 | 195,926,166 | 186,176,513 |
| 3,772,124 | 3,755,014 | 3,759,567 | 1,396,868 | - |
| - | - | - | - | - |
| <u>194,987,050</u> | <u>203,673,910</u> | <u>205,979,185</u> | <u>197,323,034</u> | <u>186,176,513</u> |
| \$ 12,699,695 | \$ 12,101,040 | \$ 12,388,027 | \$ 12,125,226 | \$ 11,076,435 |
| 291,028 | 278,912 | 268,363 | 97,781 | - |
| - | - | - | - | - |
| <u>\$ 12,990,723</u> | <u>\$ 12,379,952</u> | <u>\$ 12,656,390</u> | <u>\$ 12,223,007</u> | <u>\$ 11,076,435</u> |
| 49,392,226 | 49,280,300 | 49,954,412 | 48,670,513 | 49,046,019 |
| 51,438,287 | 53,645,140 | 54,550,253 | 55,505,734 | 51,663,059 |
| 84,614,380 | 91,507,360 | 90,524,080 | 81,355,860 | 74,799,100 |
| <u>185,444,893</u> | <u>194,432,800</u> | <u>195,028,745</u> | <u>185,532,107</u> | <u>175,508,178</u> |
| \$ 4,752,885 | \$ 4,465,330 | \$ 4,405,323 | \$ 4,247,295 | \$ 4,207,297 |
| 5,307,928 | 5,233,331 | 5,175,088 | 5,239,272 | 4,837,440 |
| 6,513,716 | 6,061,489 | 5,836,043 | 5,513,562 | 5,080,856 |
| <u>\$ 16,574,529</u> | <u>\$ 15,760,150</u> | <u>\$ 15,416,454</u> | <u>\$ 15,000,129</u> | <u>\$ 14,125,593</u> |

CITY OF WAPAKONETA

**WATER UTILITY STATISTICS
LAST TEN YEARS**

| <u>Type of Customer</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Residential | \$ 1,523,667 | \$ 1,509,810 | \$ 1,386,402 | \$ 1,307,664 | \$ 1,262,812 | \$ 1,247,623 |
| Commercial | 431,502 | 1,634,097 | 667,990 | 405,265 | 391,409 | 402,659 |
| Industrial | 1,939,830 | 385,765 | 434,586 | 379,909 | 434,407 | 326,741 |
| Total billed | <u>\$ 3,894,999</u> | <u>\$ 3,529,672</u> | <u>\$ 2,488,978</u> | <u>\$ 2,092,838</u> | <u>\$ 2,088,628</u> | <u>\$ 1,977,023</u> |

Rates in Cubic Feet:

All customers

| | | | | | | |
|----------------|----------|----------|----------|----------|----------|----------|
| 0 - 200 | \$ 12.59 | \$ 12.59 | \$ 11.99 | \$ 11.42 | \$ 10.88 | \$ 10.36 |
| 201 - 1,300 | 5.30 | 5.30 | 5.05 | 4.81 | 4.58 | 4.36 |
| 1,301 - 6,100 | 4.42 | 4.42 | 4.21 | 4.01 | 3.82 | 3.64 |
| 6,101 - 22,800 | 3.59 | 3.59 | 3.42 | 3.26 | 3.10 | 2.95 |
| 22,801 and up | 3.24 | 3.24 | 3.09 | 2.94 | 2.80 | 2.67 |

Multi-residential

| | | | | | | |
|---------------------|-------|-------|-------|-------|-------|-------|
| 0 - 200 | 12.59 | 12.59 | 11.99 | 11.42 | 10.88 | 10.36 |
| Each additional 100 | 5.13 | 5.13 | 4.89 | 4.65 | 4.43 | 4.22 |

Source: City records

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the statement of revenues, expenses and changes in fund net position.

Outside rates add 200%

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

| | | | |
|---------|---------|---------|---------|
| \$ 9.87 | \$ 9.40 | \$ 8.95 | \$ 8.52 |
| 4.15 | 3.95 | 3.76 | 3.58 |
| 3.46 | 3.30 | 3.14 | 2.99 |
| 2.81 | 2.68 | 2.55 | 2.43 |
| 2.55 | 2.43 | 2.31 | 2.19 |
| 9.87 | 9.40 | 8.95 | 8.52 |
| 4.02 | 3.83 | 3.65 | 3.48 |

CITY OF WAPAKONETA

**SEWER UTILITY STATISTICS
LAST TEN YEARS**

| <u>Type of Customer</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Residential | \$ 1,425,891 | \$ 1,417,423 | \$ 1,337,017 | \$ 1,284,523 | \$ 1,261,470 | \$ 1,261,962 |
| Commercial | 395,801 | 379,766 | 426,961 | 375,005 | 358,900 | 347,329 |
| Industrial | <u>600,727</u> | <u>663,656</u> | <u>610,053</u> | <u>628,543</u> | <u>601,560</u> | <u>678,411</u> |
| Total billed | <u>\$ 2,422,419</u> | <u>\$ 2,460,845</u> | <u>\$ 2,374,031</u> | <u>\$ 2,288,071</u> | <u>\$ 2,221,930</u> | <u>\$ 2,287,702</u> |
| <u>Base rate for first 200 cubic feet:</u> | | | | | | |
| Residential | \$ 15.31 | \$ 14.86 | \$ 14.43 | \$ 14.01 | \$ 13.60 | \$ 13.20 |
| Commercial | 15.31 | 14.86 | 14.43 | 14.01 | 13.60 | 13.20 |
| Industrial | 15.31 | 14.86 | 14.43 | 14.01 | 13.60 | 13.20 |
| Mega Industrial | 15.31 | | | | | |
| <u>Each additional 100 cubic feet:</u> | | | | | | |
| Residential | 4.48 | 4.35 | 4.22 | 4.10 | 3.98 | 3.86 |
| Commercial | 4.81 | 4.67 | 4.53 | 4.40 | 4.27 | 4.15 |
| Industrial | 4.48 | 4.35 | 4.22 | 4.10 | 3.98 | 3.86 |
| Mega Industrial | 4.48 | | | | | |

Source: City records

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the statement of revenues, expenses and changes in fund net position.

Outside rates add 115%

| <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---------------------|---------------------|---------------------|---------------------|
| \$ 1,214,430 | \$ 1,184,334 | \$ 1,167,565 | \$ 1,158,891 |
| 338,763 | 326,180 | 328,079 | 308,411 |
| <u>515,794</u> | <u>536,659</u> | <u>420,142</u> | <u>347,512</u> |
| <u>\$ 2,068,987</u> | <u>\$ 2,047,173</u> | <u>\$ 1,915,786</u> | <u>\$ 1,814,814</u> |
| \$ 12.83 | \$ 12.45 | \$ 12.10 | \$ 11.74 |
| 12.83 | 12.45 | 12.10 | 11.74 |
| 12.83 | 12.45 | 12.10 | 11.74 |
| 3.74 | 3.64 | 3.53 | 3.43 |
| 4.03 | 3.91 | 3.80 | 3.69 |
| 3.74 | 3.64 | 3.53 | 3.43 |

CITY OF WAPAKONETA

**STORM SEWER UTILITY STATISTICS
LAST TEN YEARS**

| <u>Type of Customer</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Residential | \$ 92,592 | \$ 92,376 | \$ 91,152 | \$ 91,296 | \$ 91,008 | \$ 99,528 |
| Commercial/Industrial | 68,486 | 67,317 | 67,241 | 66,059 | 65,703 | 56,166 |
| Total billed | <u>\$ 161,078</u> | <u>\$ 159,693</u> | <u>\$ 158,393</u> | <u>\$ 157,355</u> | <u>\$ 156,711</u> | <u>\$ 155,694</u> |

Rates:

Residential \$2 per month

Commercial/Industrial:

| <u>Area of Property (square feet)</u> | <u>Monthly Fee</u> |
|---|------------------------|
| 1 - 10,000 | \$ 4 |
| 10,001 - 25,000 | 7 |
| 25,001 - 50,000 | 10 |
| 50,001 - 100,000 | 20 |
| 100,000 and over | 40 |

Source: City records

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the statement of revenues, expenses and changes in fund net position.

| <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|-------------------|-------------------|-------------------|-------------------|
| \$ 99,408 | \$ 89,856 | \$ 89,256 | \$ 88,846 |
| <u>55,353</u> | <u>64,905</u> | <u>64,883</u> | <u>64,942</u> |
| <u>\$ 154,761</u> | <u>\$ 154,761</u> | <u>\$ 154,139</u> | <u>\$ 153,788</u> |

CITY OF WAPAKONETA

REFUSE UTILITY STATISTICS
LAST TEN YEARS

| <u>Type of Customer</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Residential | \$ 702,071 | \$ 554,902 | \$ 531,962 | \$ 531,805 | \$ 508,211 | \$ 489,186 |
| Commercial/Industrial | 246,306 | 205,924 | 197,758 | 205,628 | 193,823 | 187,969 |
| Bag sales (all customers) | <u>358,250</u> | <u>366,125</u> | <u>353,705</u> | <u>345,125</u> | <u>339,875</u> | <u>337,780</u> |
| Total | <u>\$ 1,306,627</u> | <u>\$ 1,126,951</u> | <u>\$ 1,083,425</u> | <u>\$ 1,082,558</u> | <u>\$ 1,041,909</u> | <u>\$ 1,014,935</u> |
| Amount paid by City to Rumpke | <u>\$ 253,917</u> | <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 | \$ 60.00 | \$ 66.00 | \$ 73.56 | \$ 72.39 | \$ 70.97 |
| <u>Monthly base rate:</u> | | | | | | |
| Residential inside | 11.00 | 11.00 | 11.00 | 11.00 | 10.50 | 10.00 |
| Residential outside | 15.00 | 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 to \$1.50 each. Customers are also charged a monthly fee for landfill monitoring that varies for type of customer and size of commercial dumpster.

Source: City records

Note: Charges are based on collection cycles which will differ from billing cycles as reflected on the statement of revenues, expenses and changes in fund net position.

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

CITY OF WAPAKONETA

**RATIOS 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 | OWDA Loans |
| 2021 | \$ - | \$ - | \$ - | \$ - | \$ 3,115,000 | \$ - | \$ - | \$ 26,191,575 |
| 2020 | - | - | - | - | 3,830,000 | - | - | 21,121,357 |
| 2019 | - | - | - | - | 4,525,000 | - | - | 20,485,422 |
| 2018 | - | - | - | - | - | 5,230,000 | - | 18,166,716 |
| 2017 | - | - | 45,010 | - | - | 5,770,000 | - | 18,547,622 |
| 2016 | - | - | 88,298 | - | - | 6,295,000 | - | 18,694,562 |
| 2015 | - | - | 129,929 | 30,597 | - | 6,780,000 | - | 18,468,055 |
| 2014 | - | 11,870 | 169,967 | 59,192 | - | 7,250,000 | - | 16,527,575 |
| 2013 | - | 23,283 | 208,473 | - | - | 7,705,000 | - | 12,393,522 |
| 2012 | 225,000 | 34,257 | 245,506 | - | - | 8,130,000 | 1,250 | 8,919,074 |

Source: City records

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

Business-Type Activities, continued

| Capital Loans | Loans | Capital Leases | Total Primary Government | Total Personal Income (1) | Percentage of Personal Income | Population (1) | Per Capita |
|--------------------------|--------------|---------------------------|---|--|--|-----------------------|-----------------------|
| \$ 13,050,151 | \$ - | \$ 309,157 | \$ 42,665,883 | \$ 271,139,067 | 15.74% | 9,957 | \$ 4,285 |
| 12,708,106 | - | 472,506 | 38,131,969 | 264,086,238 | 14.44% | 9,698 | 3,932 |
| 7,038,250 | - | 629,615 | 32,678,287 | 252,629,748 | 12.94% | 9,733 | 3,357 |
| 2,337,471 | - | 491,595 | 26,225,782 | 232,625,742 | 11.27% | 9,782 | 2,681 |
| - | 114,150 | 409,511 | 24,886,293 | 220,938,528 | 11.26% | 9,816 | 2,535 |
| - | 223,932 | 489,455 | 25,791,247 | 218,522,928 | 11.80% | 9,776 | 2,638 |
| - | 329,514 | 566,820 | 26,304,915 | 208,134,498 | 12.64% | 9,867 | 2,666 |
| 11,870 | 431,055 | - | 24,461,529 | 270,122,373 | 9.06% | 9,861 | 2,481 |
| 71,842 | 528,711 | 34,925 | 20,965,756 | 243,351,480 | 8.62% | 9,830 | 2,133 |
| 129,624 | 622,630 | 68,563 | 18,375,904 | 243,673,308 | 7.54% | 9,843 | 1,867 |

CITY OF WAPAKONETA

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

| <u>Year</u> | <u>Population (1)</u> | <u>Estimated Actual Value of Taxable Property (2)</u> | <u>Gross Bonded Debt</u> | <u>Ratio of Bonded Debt to Estimated Actual Value of Property</u> | <u>Bonded Debt Per Capita</u> |
|-------------|-----------------------|---|--------------------------|---|-------------------------------|
| 2021 | 9,957 | \$ 563,820,377 | \$ 3,115,000 | 0.55% | \$ 313 |
| 2020 | 9,698 | 486,248,510 | 3,830,000 | 0.79% | 395 |
| 2019 | 9,766 | 479,208,136 | 4,525,000 | 0.94% | 463 |
| 2018 | 9,782 | 491,866,791 | - | 0.00% | - |
| 2017 | 9,816 | 440,223,484 | - | 0.00% | - |
| 2016 | 9,776 | 438,465,559 | - | 0.00% | - |
| 2015 | 9,867 | 432,930,270 | - | 0.00% | - |
| 2014 | 9,861 | 432,047,307 | - | 0.00% | - |
| 2013 | 9,830 | 435,047,985 | - | 0.00% | - |
| 2012 | 9,843 | 433,492,344 | 225,000 | 0.05% | 23 |

Sources:

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

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

CITY OF WAPAKONETA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2021

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable (1)</u> | <u>Estimated Share of Overlapping Debt</u> |
|-----------------------------------|-----------------------------|--|--|
| Direct: | | | |
| City of Wapakoneta | \$ - | 100.00% | \$ - |
| Total direct debt | | | <u>-</u> |
| Overlapping debt: | | | |
| Wapakoneta City School District | 20,275,000 | 43.69% | 8,858,148 |
| Apollo Career Center | 28,175,000 | 7.35% | <u>2,070,863</u> |
| Total overlapping debt | | | <u>10,929,011</u> |
| Total direct and overlapping debt | | | <u>\$ 10,929,011</u> |

Sources: Ohio Municipal Advisory Council and City records

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

CITY OF WAPAKONETA

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Assessed Value | \$ 199,339,520 | \$ 172,151,550 | \$ 169,661,720 | \$ 174,147,460 |
| Overall Debt Margin: | | | | |
| Debt limitation - 10.5% of Assessed Value | 20,930,650 | 18,075,913 | 17,814,481 | 18,285,483 |
| Gross Indebtedness | 42,356,726 | 37,659,463 | 32,048,672 | 25,734,187 |
| Less: Debt Outside Limitations | | | | |
| General Obligation Bonds | (3,115,000) | (3,830,000) | (4,525,000) | - |
| Mortgage Revenue Bonds | - | - | - | (5,230,000) |
| OWDA Loans | (26,191,575) | (21,121,357) | (20,485,422) | (18,166,716) |
| Capital Loans | (13,050,151) | (12,708,106) | (7,038,250) | (2,337,471) |
| Loans Payable | - | - | - | - |
| Total Debt Outside Limitations | <u>(42,356,726)</u> | <u>(37,659,463)</u> | <u>(32,048,672)</u> | <u>(25,734,187)</u> |
| Total Debt Applicable to 10.5% Limitation | - | - | - | - |
| Less: Amount Available in Debt Service Fund to pay debt applicable to limitation | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Debt Within 10.5% Limitation | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Legal Debt Margin Within 10.5% Limitation | <u>\$ 20,930,650</u> | <u>\$ 18,075,913</u> | <u>\$ 17,814,481</u> | <u>\$ 18,285,483</u> |
| Legal Debt Margin as a Percentage of the Overall Debt Limitation | 100.00% | 100.00% | 100.00% | 100.00% |
| Unvoted Debt Limitation - 5.5% of Assessed Value | \$ 10,963,674 | \$ 9,468,335 | \$ 9,331,395 | \$ 9,578,110 |
| Gross Indebtedness Authorized by Council | 42,356,726 | 37,659,463 | 32,048,672 | 25,734,187 |
| Less: Debt Outside Limitation: | | | | |
| Total Debt Outside Limitation | <u>(42,356,726)</u> | <u>(37,659,463)</u> | <u>(32,048,672)</u> | <u>(25,734,187)</u> |
| Debt Within 5.5% Limitation | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Unvoted Debt Margin Within 5.5% Limitation | <u>\$ 10,963,674</u> | <u>\$ 9,468,335</u> | <u>\$ 9,331,395</u> | <u>\$ 9,578,110</u> |
| Unvoted Debt Margin as a Percentage of the Unvoted Debt Limitation | 100.00% | 100.00% | 100.00% | 100.00% |

Source: City records

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 156,088,630 | \$ 155,427,800 | \$ 152,201,760 | \$ 151,891,380 | \$ 152,902,590 | \$ 151,979,280 |
| 16,389,306 | 16,319,919 | 15,981,185 | 15,948,595 | 16,054,772 | 15,957,824 |
| 24,476,782 | 25,301,792 | 25,707,498 | 24,402,337 | 20,930,831 | 18,306,091 |
| - | - | - | - | - | - |
| (5,770,000) | (6,295,000) | (6,780,000) | (7,250,000) | (7,705,000) | (8,130,000) |
| (18,547,622) | (18,694,562) | (18,468,055) | (16,527,575) | (12,393,522) | (8,919,074) |
| - | - | - | (11,870) | (71,842) | (129,624) |
| (114,150) | (223,932) | (329,514) | (431,055) | (528,711) | (622,630) |
| <u>(24,431,772)</u> | <u>(25,213,494)</u> | <u>(25,577,569)</u> | <u>(24,220,500)</u> | <u>(20,699,075)</u> | <u>(17,801,328)</u> |
| 45,010 | 88,298 | 129,929 | 181,837 | 231,756 | 504,763 |
| <u>(44,316)</u> | <u>(44,316)</u> | <u>(44,316)</u> | <u>(44,316)</u> | <u>(44,316)</u> | <u>(144,972)</u> |
| 694 | 43,982 | 85,613 | 137,521 | 187,440 | 359,791 |
| <u>\$ 16,388,612</u> | <u>\$ 16,275,937</u> | <u>\$ 15,895,572</u> | <u>\$ 15,811,074</u> | <u>\$ 15,867,332</u> | <u>\$ 15,598,033</u> |
| 100.00% | 99.73% | 99.46% | 99.14% | 98.83% | 97.75% |
| \$ 8,584,875 | \$ 8,548,529 | \$ 8,371,097 | \$ 8,354,026 | \$ 8,409,642 | \$ 8,358,860 |
| 24,476,782 | 25,301,792 | 25,707,498 | 24,402,337 | 20,930,831 | 18,306,091 |
| <u>(24,431,772)</u> | <u>(25,213,494)</u> | <u>(25,577,569)</u> | <u>(24,220,500)</u> | <u>(20,699,075)</u> | <u>(17,801,328)</u> |
| <u>45,010</u> | <u>88,298</u> | <u>129,929</u> | <u>181,837</u> | <u>231,756</u> | <u>504,763</u> |
| <u>\$ 8,539,865</u> | <u>\$ 8,460,231</u> | <u>\$ 8,241,168</u> | <u>\$ 8,172,189</u> | <u>\$ 8,177,886</u> | <u>\$ 7,854,097</u> |
| 99.48% | 98.97% | 98.45% | 97.82% | 97.24% | 93.96% |

CITY OF WAPAKONETA

PLEDGED REVENUE COVERAGE - WATER FUND
LAST TEN YEARS

| <u>Year</u> | <u>Gross Revenues (1)</u> | <u>Operating Expenses (2)</u> | <u>Net Revenue Available for Debt Service</u> | <u>Debt Service Requirements (3)</u> | | | <u>Coverage</u> |
|-------------|---------------------------|-------------------------------|---|--------------------------------------|-----------------|--------------|-----------------|
| | | | | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | |
| 2021 | \$ 4,020,008 | \$ 1,570,104 | \$ 2,449,904 | \$ 360,160 | \$ 350,146 | \$ 710,306 | 3.45 |
| 2020 | 3,748,267 | 1,508,395 | 2,239,872 | 203,740 | 287,002 | 490,742 | 4.56 |
| 2019 | 2,589,091 | 1,483,190 | 1,105,901 | 194,007 | 294,746 | 488,753 | 2.26 |
| 2018 | 2,119,229 | 1,447,727 | 671,502 | 184,745 | 302,119 | 486,864 | 1.38 |
| 2017 | 2,116,403 | 1,591,406 | 524,997 | 175,931 | 309,140 | 485,071 | 1.08 |
| 2016 | 2,014,208 | 1,308,594 | 705,614 | 167,545 | 315,824 | 483,369 | 1.46 |
| 2015 | 1,872,030 | 1,491,250 | 380,780 | 159,564 | 407,209 | 566,773 | 0.67 |
| 2014 | 1,833,207 | 1,099,767 | 733,440 | 107,093 | 414,804 | 521,897 | 1.41 |
| 2013 | 1,734,258 | 1,086,316 | 647,942 | 183,042 | 398,689 | 581,731 | 1.11 |
| 2012 | 1,613,831 | 1,010,596 | 603,235 | 136,798 | 431,735 | 568,533 | 1.06 |

Source: City records

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

CITY OF WAPAKONETA

PLEGGED REVENUE COVERAGE - SEWER FUND
LAST TEN YEARS

| <u>Year</u> | <u>Gross Revenues (1)</u> | <u>Operating Expenses (2)</u> | <u>Net Revenue Available for Debt Service</u> | <u>Debt Service Requirements (3)</u> | | | <u>Coverage</u> |
|-------------|---------------------------|-------------------------------|---|--------------------------------------|-----------------|--------------|-----------------|
| | | | | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | |
| 2021 | \$ 5,247,488 | \$ 1,453,883 | \$ 3,793,605 | \$ 284,840 | \$ 314,733 | \$ 599,573 | 6.33 |
| 2020 | 4,871,109 | 2,244,084 | 2,627,025 | 276,179 | 323,393 | 599,572 | 4.38 |
| 2019 | 3,942,966 | 2,752,243 | 1,190,723 | 267,787 | 331,786 | 599,573 | 1.99 |
| 2018 | 3,543,541 | 2,020,620 | 1,522,921 | 803,134 | 510,605 | 1,313,739 | 1.16 |
| 2017 | 3,446,878 | 1,748,502 | 1,698,376 | 795,608 | 640,886 | 1,436,494 | 1.18 |
| 2016 | 3,526,130 | 1,404,195 | 2,121,935 | 747,443 | 671,158 | 1,418,601 | 1.50 |
| 2015 | 3,320,572 | 1,433,053 | 1,887,519 | 684,787 | 621,478 | 1,306,265 | 1.44 |
| 2014 | 3,266,033 | 1,217,489 | 2,048,544 | 455,000 | 334,812 | 789,812 | 2.59 |
| 2013 | 3,138,652 | 1,371,493 | 1,767,159 | 447,787 | 354,140 | 801,927 | 2.20 |
| 2012 | 2,718,422 | 1,174,231 | 1,544,191 | 432,900 | 372,773 | 805,673 | 1.92 |

Source: City records

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

CITY OF WAPAKONETA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

| <u>Year</u> | <u>Population (1)</u> | <u>Personal Income (2)</u> | <u>Per Capita Personal Income (3)</u> | <u>School Enrollment (4)</u> | <u>Annual Average Unemployment Rates (5)</u> | | |
|-------------|-----------------------|--------------------------------|---|----------------------------------|--|-------------|--------------------------|
| | | | | | <u>Auglaize County</u> | <u>Ohio</u> | <u>United States</u> |
| 2021 | 9,957 | \$ 271,139,067 | \$ 27,231 | 2,944 | 3.7% | 5.1% | 5.3% |
| 2020 | 9,698 | 264,086,238 | 27,231 | 3,035 | 6.9% | 8.1% | 8.1% |
| 2019 | 9,733 | 252,629,748 | 25,956 | 3,081 | 3.0% | 4.2% | 3.7% |
| 2018 | 9,782 | 232,625,742 | 23,781 | 3,225 | 3.3% | 4.5% | 3.9% |
| 2017 | 9,816 | 220,938,528 | 22,508 | 3,113 | 3.7% | 5.0% | 4.4% |
| 2016 | 9,776 | 218,522,928 | 22,353 | 3,092 | 3.8% | 5.0% | 4.9% |
| 2015 | 9,867 | 208,134,498 | 21,094 | 3,062 | 3.7% | 5.0% | 5.3% |
| 2014 | 9,861 | 270,122,373 | 27,393 | 3,144 | 4.3% | 5.8% | 6.2% |
| 2013 | 9,830 | 243,351,480 | 24,756 | 3,133 | 5.9% | 7.5% | 7.4% |
| 2012 | 9,843 | 243,673,308 | 24,756 | 3,062 | 6.2% | 7.4% | 8.1% |

Sources:

- (1) U.S. Census Bureau; census.gov, annual population estimates.
- (2) Estimate; calculated as population times per capital personal income.
- (3) U.S. Census Bureau; census.gov. Per capita personal income for 2021 is in 2020 dollars, the latest information available.
- (4) Wapakoneta City School District.
- (5) Ohio Job & Family Services, Ohio Labor Market Information; ohioلمي.com.

CITY OF WAPAKONETA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

| | | 2021 | | |
|--|----------------------------|------------------|-------------|--|
| Employer | Type of Business | Employees | Rank | Percentage of Total City Employment |
| Auglaize County | Government | 350 | 1 | 7.15% |
| Wapakoneta City School District | Government | 302 | 2 | 6.17% |
| Pratt Industries | Paper Recycling/Paper Mill | 285 | 3 | 5.82% |
| American Trim Limited | Metal Stamping | 250 | 4 | 5.11% |
| Wal-Mart | 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% |
| The Ohio Greenhouse Co. | Produce | 93 | 9 | 1.90% |
| City of Wapakoneta | Government | 86 | 10 | 1.76% |
| Total | | <u>2,068</u> | | <u>42.26%</u> |
| Total City Employment | | <u>4,894</u> | | |

| | | 2012 | | |
|--|--|------------------|-------------|--|
| Employer | Type of Business | Employees | Rank | Percentage of Total City Employment |
| Auglaize County | Government | 454 | 1 | 8.38% |
| Wal-Mart Stores East LP | Retail Business | 280 | 2 | 5.17% |
| Wapakoneta City School District | Government | 271 | 3 | 5.00% |
| General Aluminum Manufacturing Company | Aluminum Manufacturing | 240 | 4 | 4.43% |
| American Trim Limited | Metal Stamping | 175 | 5 | 3.23% |
| Miller's Textile Services, Inc. | Uniform Rentals | 170 | 6 | 3.14% |
| Trupointe | Agricultural Commodities Supplier | 165 | 7 | 3.05% |
| Koneta, Inc. | Rubber Truck Accessories Manufacturing | 122 | 8 | 2.25% |
| GA Wintzer & Son Company | Manufacturing | 108 | 9 | 1.99% |
| City of Wapakoneta | Government | 82 | 10 | 1.51% |
| Total | | <u>2,067</u> | | <u>38.15%</u> |
| Total City Employment | | <u>5,418</u> | | |

Source: City records

CITY OF WAPAKONETA

**FULL-TIME-EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS**

| Function/Program | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Government | | | | | | | |
| Mayor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Council | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| Clerk of Council | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Auditor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Treasurer | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Income Tax Administrator | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Income Tax Clerk | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Law Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Administrative Assistant | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Information Technology Technician | 1.00 | 1.00 | 0.50 | 0.50 | 1.00 | - | - |
| Public Safety | | | | | | | |
| Police | 13.00 | 15.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 |
| Police - Dispatchers | 4.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Police - Auxiliary | 5.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 9.00 |
| Fire | 15.00 | 16.00 | 15.00 | 15.00 | 13.00 | 14.00 | 13.00 |
| Fire - Auxiliary | 6.00 | 1.00 | 2.00 | 3.00 | 3.00 | 3.00 | 8.00 |
| Fire - Administrative Assistant | - | - | - | - | 0.50 | - | - |
| Safety Director | 1.00 | 1.00 | 0.50 | 0.50 | 1.00 | 1.00 | 1.00 |
| Public Health | | | | | | | |
| Emergency Medical Services | - | - | - | - | - | - | 2.00 |
| Leisure Time Activities | | | | | | | |
| Recreation Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Transportation | | | | | | | |
| Public Works | 11.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 9.00 |
| Basic Utility Services | | | | | | | |
| Engineering | 4.00 | 4.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Utility Clerks | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Electric | 11.00 | 11.00 | 11.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Water | 5.00 | 5.00 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Sewer | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 4.00 |
| Refuse | 5.00 | 6.00 | 6.00 | 6.00 | 5.00 | 5.00 | 4.00 |
| Total | 106.50 | 108.50 | 105.50 | 106.50 | 105.00 | 104.50 | 108.50 |

Source: City payroll records

Note: schedule prepared using 1.0 for each full-time employee and 0.5 for each part-time employee as of December 31.

| <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---------------|---------------|---------------|
| 1.00 | 1.00 | 1.00 |
| 8.00 | 8.00 | 8.00 |
| 0.50 | 0.50 | 0.50 |
| 1.00 | 1.00 | 1.00 |
| 1.00 | 1.00 | 1.00 |
| 1.00 | 1.00 | 1.00 |
| 1.00 | 1.00 | 1.00 |
| 1.00 | 1.00 | 1.00 |
| 1.00 | 1.00 | 1.00 |
| - | - | - |
| 13.00 | 14.00 | 14.00 |
| 5.00 | 5.00 | 5.00 |
| 10.00 | 12.00 | 15.00 |
| 13.00 | 14.00 | 14.00 |
| 10.00 | 10.00 | 12.00 |
| - | - | - |
| 1.00 | 1.00 | 1.00 |
| 6.00 | 6.00 | 6.00 |
| 1.00 | 1.00 | 1.00 |
| 9.00 | 10.00 | 10.00 |
| 3.00 | 3.00 | 3.00 |
| 4.00 | 4.00 | 4.00 |
| 10.00 | 11.00 | 11.00 |
| 6.00 | 6.00 | 6.00 |
| 4.00 | 4.00 | 4.00 |
| 6.00 | 6.00 | 6.00 |
| <u>116.50</u> | <u>122.50</u> | <u>127.50</u> |

CITY OF WAPAKONETA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

| Function/Program | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|--------------|--------------|--------------|--------------|--------------|
| Security of Persons and Property | | | | | |
| Police | | | | | |
| Vehicle milage | 104,343 | 103,508 | 103,295 | 105,323 | 99,266 |
| Traffic citations and arrests | 335 | 879 | 1,342 | 1,520 | 1,516 |
| Parking tickets issued | 131 | 93 | 243 | 389 | 374 |
| Amount collected for tickets | \$ 1,110 | \$ 1,010 | \$ 1,840 | \$ 3,800 | \$ 3,110 |
| Fire | | | | | |
| EMS calls | 1,722 | 1,572 | 1,696 | 1,627 | 1,593 |
| Fire calls | 243 | 228 | 285 | 232 | 193 |
| Miscellaneous calls | - | - | - | - | - |
| Transportation | | | | | |
| Gallons of R-S-2 used to fill potholes | 1,410 | 3,790 | 2,365 | 4,050 | 2,785 |
| Tons of cold mix used | 36 | 85 | 34 | - | - |
| General Government | | | | | |
| Income Tax | | | | | |
| Individual accounts | 5,440 | 5,522 | 5,469 | 5,441 | 5,321 |
| Business accounts | 903 | 879 | 845 | 800 | 783 |
| Business withholding accounts | 1,084 | 1,104 | 1,032 | 1,034 | 945 |
| Receipts collected | \$ 4,763,288 | \$ 4,865,675 | \$ 4,586,319 | \$ 4,276,937 | \$ 2,722,228 |
| Interest and penalties charges | \$ 16,622 | \$ 12,859 | \$ 12,237 | \$ 15,209 | \$ 23,237 |
| Interest and penalties collected | \$ 7,345 | \$ 7,542 | \$ 9,916 | \$ 5,039 | \$ 10,173 |
| City Commission | | | | | |
| Ordinances passed | 40 | 45 | 53 | 52 | 44 |
| Resolutions passed | 10 | 16 | 9 | 12 | 7 |
| Electric | | | | | |
| Kilowatt hours used | 354,923,541 | 331,070,630 | 235,357,363 | 202,731,328 | 196,177,718 |
| City cost of power | \$24,319,908 | \$16,873,920 | \$15,246,953 | \$14,943,134 | \$14,060,825 |
| Water | | | | | |
| Wells operating | 6 | 6 | 6 | 6 | 6 |
| Millions of gallons of finished water | 880.08 | 841.63 | 657.10 | 559.06 | 576.42 |
| Gallons of chlorine used | 20,865 | 21,688 | 18,731 | 19,007 | 16,051 |
| Gallons of phosphate used | 2,986 | 2,984 | 2,481 | 2,495 | 2,664 |
| Salt in tons (regenerates softening units) | 2,237 | 2,649 | 2,059 | 1,907 | 2,116 |
| Gallons of water able to be pumped per day combined | 4,000,000 | 4,000,000 | 4,000,000 | 3,000,000 | 3,000,000 |
| Daily average consumption (gallons) | 2,410,000 | 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 | 4,000,000 | 2,500,000 | 2,500,000 |
| Sewer | | | | | |
| Millions of gallons of sewage treated | 1,184 | 1,232 | 1,149 | 1,033 | 996 |
| Average daily flow (millions of gallons) | 3.24 | 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 | 6,000,000 |
| Tons of N-Viro produced (fertilizer) | 3,992 | 3,829 | 3,329 | 3,579 | 3,029 |
| Refuse | | | | | |
| Tons of refuse collected | 4,232 | 3,960 | 3,944 | 3,944 | 3,891 |
| Cases of trash bags sold (250 per case) | 1,022 | 992 | 1,005 | 983 | 970 |
| Tons of recycling collected | 607 | 601 | 529 | 854 | 820 |
| Gallons of used motor oil collected and recycled | - | - | 1,000 | 2,000 | 2,200 |
| Engineering | | | | | |
| Registered contractors | 311 | 213 | 225 | 203 | 163 |
| Building permits issued | 248 | 268 | 272 | 247 | 239 |

Source: City records

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

CITY OF WAPAKONETA

**CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS**

| Function/Program | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Security of Persons and Property | | | | | | | | | | |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicles | 15 | 14 | 13 | 12 | 9 | 9 | 12 | 12 | 9 | 11 |
| Fire | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire trucks | 5 | 5 | 5 | 5 | 5 | 5 | 7 | 7 | 7 | 7 |
| Trailers | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 |
| Vehicles | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 3 | 3 | 2 |
| Public Health | | | | | | | | | | |
| Vehicles | 4 | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Transportation | | | | | | | | | | |
| Streets (miles) | 48.19 | 47.19 | 46.37 | 46.37 | 46.37 | 46.37 | 46.37 | 46.37 | 46.20 | 46.20 |
| Vehicles | 20 | 18 | 17 | 20 | 20 | 20 | 22 | 22 | 22 | 22 |
| General Government | | | | | | | | | | |
| Vehicles | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Electric | | | | | | | | | | |
| Lines (miles) | 105.66 | 106.34 | 105.68 | 103.37 | 103.37 | 103.37 | 103.37 | 103.37 | 103.37 | 103.37 |
| Substations | 10 | 9 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Vehicles | 17 | 22 | 20 | 22 | 21 | 21 | 14 | 11 | 11 | 10 |
| Water | | | | | | | | | | |
| Lines (miles) | 63.98 | 62.98 | 61.28 | 61.28 | 61.28 | 61.28 | 61.28 | 61.28 | 61.00 | 61.00 |
| Treatment plants | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Vehicles | 7 | 7 | 7 | 7 | 8 | 8 | 9 | 9 | 9 | 8 |
| Sewer | | | | | | | | | | |
| Sanitary sewer lines (miles) | 55.00 | 49.78 | 48.39 | 48.39 | 48.39 | 48.39 | 48.39 | 48.39 | 48.20 | 48.20 |
| Storm sewer lines (miles) | 31.00 | 30.02 | 28.19 | 28.19 | 28.19 | 28.19 | 28.19 | 28.19 | 27.93 | 27.93 |
| Treatment plants | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicles | 4 | 8 | 8 | 8 | 8 | 8 | 5 | 4 | 4 | 4 |
| Refuse | | | | | | | | | | |
| Vehicles | 7 | 4 | 4 | 6 | 6 | 6 | 6 | 5 | 4 | 4 |
| Recycling | | | | | | | | | | |
| Vehicles | 5 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Engineering | | | | | | | | | | |
| Vehicles | 2 | 2 | 2 | 2 | 4 | 4 | 3 | 3 | 3 | 3 |

Source: City records

**CITY OF WAPAKONETA
AUGLAIZE COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

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

**CITY OF WAPAKONETA
AUGLAIZE COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

*Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125*

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Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 29, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City.

Report on 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 certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses that we considered significant deficiencies as items **2021-001 and 2022-002**.

Report on 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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

June 29, 2022

**CITY OF WAPAKONETA
AUGLAIZE COUNTY, OHIO
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Finding Number 2021-001 – 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 City residential area but did not bill for the work performed. Also, the City installing sewer lines is not consistent with the City's past operations for new developments built within the City; instead, developers of the project install and pay for the installation of sewer lines.

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. Sewer line installation costs incurred by the City are under review by legal counsel of the City.

City's Response

This issue is still being reviewed by the Ohio Ethics board.

**CITY OF WAPAKONETA
AUGLAIZE COUNTY, OHIO
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Finding Number 2021-002 – Significant Deficiency – Revenue Recorded Incorrectly

Condition/Criteria

During our testing of the City's utility billings and revenues, we noted that several months of Storm Sewer billing revenues, totaling approximately \$108,000, were incorrectly recorded in the Water Fund. We also noted that an estimated \$16,000 of Outside KWH Tax billed was erroneously credited to Inside KWH Tax.

Cause/Effect

Not recording billed services in the correct revenue accounts does not accurately reflect the fee for services that the City is charging. These variances can cause the financial statements to not be accurately stated.

Recommendations

We recommend that the City review its Utility billing system to ensure that each billing code is set to the correct corresponding revenue code in the system so that revenues from each billing are correctly directed to the correct account when payments are received from customers. We also recommend that the City intermittently review its billings detail to ensure that billings and revenues are being coded correctly.

City's Response

Due to a software upgrade, the account numbers for the Storm Sewer and Outside KWH Tax revenue were inadvertently switched. Diana Blackburn, Office Manager/Tax Administrator, has changed the revenue accounts to the correct accounts for this error. Ms. Blackburn is also working on a total that can be transferred from the incorrect account to the correct account.

**CITY OF WAPAKONETA
 AUGLAIZE COUNTY, OHIO
 SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
 DECEMBER 31, 2021**

The prior issued audit report, as of December 31, 2020, included a significant deficiency and a material non-compliance.

| Finding Number | Finding Summary | Status | Additional Information |
|----------------|--|--------------------|------------------------------|
| 2020-001 | Significant Deficiency - Billing for Service Provided by the City | Not Corrected | Reissued as Finding 2021-001 |
| 2020-002 | Material Noncompliance - Appropriations Exceeding Estimated Resources | Fully Corrected | None |

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 8/30/2022

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