



**Auditor of State  
Betty Montgomery**



CITY OF WAPAKONETA  
AUGLAIZE COUNTY

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**Auditor of State  
Betty Montgomery**

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

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

To the Members of Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, (the City), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 24, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated June 24, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

**Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the City's management dated June 24, 2005, we reported a matter related to noncompliance we deemed immaterial.

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City of Wapakoneta  
Auglaize County  
Independent Accountants' Report on Internal Control  
Over Financial Reporting and on Compliance and  
Other Matters Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of the audit committee, management, and City Council. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 24, 2005

**CITY OF WAPAKONETA  
AUGLAIZE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2003-001	ORC Sec. 135.18 & 135.181(L) – Inadequate collateral over investments	Yes – by June 2004	
2003-002	ORC Sec. 5705.39 – Appropriations exceed estimated resources	Yes	





# CITY OF WAPAKONETA, OHIO

## Comprehensive Annual Financial Report

For the Year Ended  
December 31, 2004



# Introductory Section

# **CITY OF WAPAKONETA, OHIO**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For The Year Ended December 31, 2004

Prepared By:

City Auditor

**GAIL E. WALTER**

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**CITY OF WAPAKONETA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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June 24, 2005

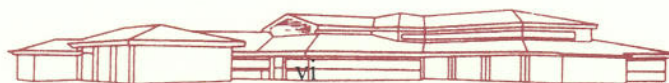
Citizens of Wapakoneta  
The Honorable Mayor  
and Members of City Council  
City of Wapakoneta, Ohio

I am pleased to present the City of Wapakoneta's Comprehensive Annual Financial Report (CAFR), for the year ended December 31, 2004. 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. To the best of our knowledge, the data presented is accurate in all material respects and is reported in an organized, comprehensive, and informative manner. All information regarding the City's financial activities has been disclosed.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. The Introductory Section includes a table of contents, this letter of transmittal, a Certificate of Achievement for Excellence in Financial Reporting, an organizational chart of the City, and a list of principal officials.
2. The Financial Section includes the independent accountants report, the management's discussion and analysis, the general-purpose external financial statements, and the notes to the financial statements, as well as the statements and schedules for the individual funds.
3. The Statistical Section presents selected financial and demographic information generally presented on a multi year basis.

The City of Wapakoneta is not required by law to prepare a CAFR. However, the City Council and Administration believe that the preparation of a CAFR increases fiscal controls and provides more meaningful financial information to citizens and investors. Included in the Financial Section of the CAFR is Management's Discussion and Analysis, which provides an analytical overview of the City's financial activities.



701 Parlette Court

## **CITY ORGANIZATION**

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

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

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

The City's reporting entity has been defined in accordance with principles established by Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the City. Component units are legally separate organizations that are fiscally dependent on the City or for which the City is financially accountable. There were no component units of the City of Wapakoneta in 2004.

## **ECONOMIC CONDITION AND OUTLOOK**

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

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

In 1991, the City annexed the six hundred eleven acre West Central Ohio Industrial Park (WCOIP) located south of U.S. 33 and west of I-75. The park is intersected by the main track for CSX railroad with spur lines available for companies and manufacturers located in the park. City utilities, electric, water, and sewer lines, have been extended to the entire six hundred eleven acres. Curbed streets and service roads were partly financed with a grant from the Ohio Department of Transportation. The WCOIP is now leasing and is aggressively contacting new industry to occupy more space in this location. General Aluminum Manufacturing Company, an automobile component manufacturing industry, has been an entity in Wapakoneta since 1997. Other businesses, which have constructed buildings and are currently occupying the industrial park, are Millers Laundry, CTL Engineering, On Time Machine, and Euro-Proteins. Currently, at least one company is in the process of purchasing property in the industrial park and will be a brand new business.

The City hosts many and varied retail and professional businesses, which are of an outstanding quality and 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.

Wal-Mart built a superstore near the I-75 interstate highway, which is the east side of the City and is visible to U.S. 33 on the south side of the City. Along with Wal-Mart, there is a new Aldi grocery store and a new gas station. Recently an ordinance was passed to expand a small area on the east side of the City near this growing area and a developer is in negotiations with a business who would like to come to Wapakoneta. On the northwest side of town, a new carryout-gas station is being built near our strip mall. The City is anxiously optimistic about these new ventures and what other changes will come along in the near future.

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

The City issued one hundred ninety-seven building permits during 2004, including thirty-five for new residences, twenty-seven for garages and additions to current residences, and nine commercial permits. 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.

## **MAJOR INITIATIVES**

Again in 2004, the City of Wapakoneta continued to improve its facilities and infrastructure to serve its citizens. This includes the continuation of the sidewalk, curb, and gutter program and construction and reconstruction of streets within the City. The following projects were completed in 2004:

- a. Defiance Street from Harrison Street north to the State Route 198-501 split near St. Joseph elementary school was reconstructed including water, sewer, storm sewer, and electric lines, as well as sidewalks, curbs, and gutters. This was a joint project with the State of Ohio contributing to the asphalt grinding and repaving.
- b. A walkway/park area was constructed in the downtown area. This walkway has handicap accessible walk, steps, benches, and picnic tables, and connects the parking area behind downtown next to the Auglaize River and the main street of Wapakoneta. This gives the citizens better access to the downtown businesses and the businesses better access to extra parking. The park will also include plantings of flowers and trees etc. as the summer gets underway and as time goes on it will become more and more beautiful. This project was the result of CDBG grant funding and the donation of the parcel of land.

The City received Federal Emergency Management Assistance (FEMA) monies in 2004 for the fire department. Monies were used to install an SCBA fill station and cascade system, purchase a new treadmill for the exercise room, purchase pagers for emergency call back, purchase one hour SCBA units for technical rescue support, and purchase much needed equipment for confined space rescue. The FEMA grant also included monies for three firepersons to get certified in the physical fitness program. These three firepersons will now be able to lead the department in the physical fitness program.

For the Year - During 2004, the City was fortunate to receive plan approval for the proposed "satellite water treatment plant" that is to be constructed south of U.S. 33. The Ohio EPA approved plans that had been developed on the City's behalf by Poggemeyer design group of Bowling Green, Ohio. The City is now moving ahead with other aspects of well field approval that need to be obtained prior to the construction of a new treatment plant.

During 2004, the water plant staff continued to work with Ohio Drilling and Reynolds, Inc. to further explore the opportunities of finding water on the south side of U.S. 33 on the property previously purchased by the City. So far there has been reasonable success in finding ample supply; however, it is a goal to develop this new wellfield with a minimum capacity of 2.5 million gallons per day in order to match the capacity of the proposed water treatment plant.

The wastewater treatment plant expansion construction has continued in 2004. Started in 2003, the major aspects of this project include installation of storm water equalization, expansion of the aeration, expansion of the sedimentation facilities, and incorporation of odor control equipment. It is contemplated that this project will be completed in 2005.

The City of Wapakoneta also operates its own refuse collection department, offering the service to all residents of the City as well as to many commercial and industrial establishments. The City serves 4,057 customers, 3,852 residential and 205 commercial. Sixty-three dumpsters were placed at resident's homes and special events. The City had revenue from the sale of trash bags of approximately \$222,600 in 2004. The City is hauling garbage to Waste Management in Lima, Ohio.

The City of Wapakoneta currently provides curbside recycling service to all residential refuse customers, including those living in apartments. The City has been able to provide this service as a result of two grants received from the Ohio Department of Natural Resources. Several years ago, the State of Ohio mandated the percentage of collected refuse a community has to recycle. In 2004, the City's recycling percentage was 25 percent, which is 1,466 tons of recyclables. Approximately 4,200 gallons of used motor oil was collected and recycled by using it to operate the furnace in the public works building. In 2004, 4,129 tons of refuse were collected and 889 cases of large white and small red refuse bags were sold and distributed. The compost farm had 5,477 vehicles come to discard composting materials and sold one hundred fifty-four loads of mulch.

The City of Wapakoneta electric department served a total of 5,158 customers consisting of 11 industrial, 614 commercial, and 4,533 residential customers. There were 4,295 water customers served in 2004; 23 industrial, 399 commercial, and 3,873 residential. There were 4,150 sewer customers served in 2004; 20 industrial, 363 commercial, and 3,767 residential.

For the Future - The City street reconstruction plan will be continued in 2005 with the reconstruction of East Pearl Street (Willipie Street to Bellefontaine Street). The plans have been approved and legislation passed for this project to begin in 2005. This project will include Ohio Department of Transportation monies to cover the cost of grinding and repaving the surface of the street. This project will also include the reconstruction of sidewalks, curbs, and gutters and has an estimated cost of \$336,000.

Preliminary survey and location work for the Bellefontaine Street and Water Street reconstruction project (Wagner Street to East Auglaize Street) was started in late November with an anticipated date of completion in early 2006. The preliminary estimate for the project is \$1.2 to \$1.4 million. This project will consider new underground utilities, turn lanes, and traffic flow and signalization.

The City of Wapakoneta continues its commitments to such programs as Tree City, the maintenance of our sidewalks, curbs, and gutters, ADA improvements, etc. The City provides a variety of information online, including the codified ordinances, income tax forms and information, administration information, and access to utility bills. The City of Wapakoneta has 445 customers which subscribe to auto billing which automatically debits the utility customer's account on the due date. A copy of the utility bill is still mailed to the customer and received by them several days in advance of the payment and many customers who leave town for months at a time enjoy this feature so they know the bill is taken care of in a timely fashion.

## **FINANCIAL INFORMATION**

Development of the City's accounting system included consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance states that internal controls should be evaluated to insure that the expense associated with providing internal controls should be evaluated to insure that the expense associated with providing internal controls does not exceed the benefit expected from their implementation. This evaluation involves estimates and judgments by the City administration and members of the finance office. The administrative and financial management personnel believe the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase. Each department head is furnished monthly reports showing monthly transactions and summarizing the balances available to be spent from the appropriations for goods and services.

## **OTHER INFORMATION**

### **Independent Audit**

Included in this report is an unqualified opinion rendered on the City's financial statements for the year ended December 31, 2004, by Betty Montgomery, Auditor of State. City management plans to continue to subject the City's financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

### **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wapakoneta for its comprehensive annual financial report (CAFR) for the year ended December 31, 2003. This was the fourteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### **Acknowledgments**

Sincere appreciation is extended to the Mayor and the Director of Public Safety and Service 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 Local Government Services of the Office of the Auditor of State for guidance in the preparation of this report.

Respectfully submitted,

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

Gail E. Walter  
City Auditor



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wapakoneta,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2003

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



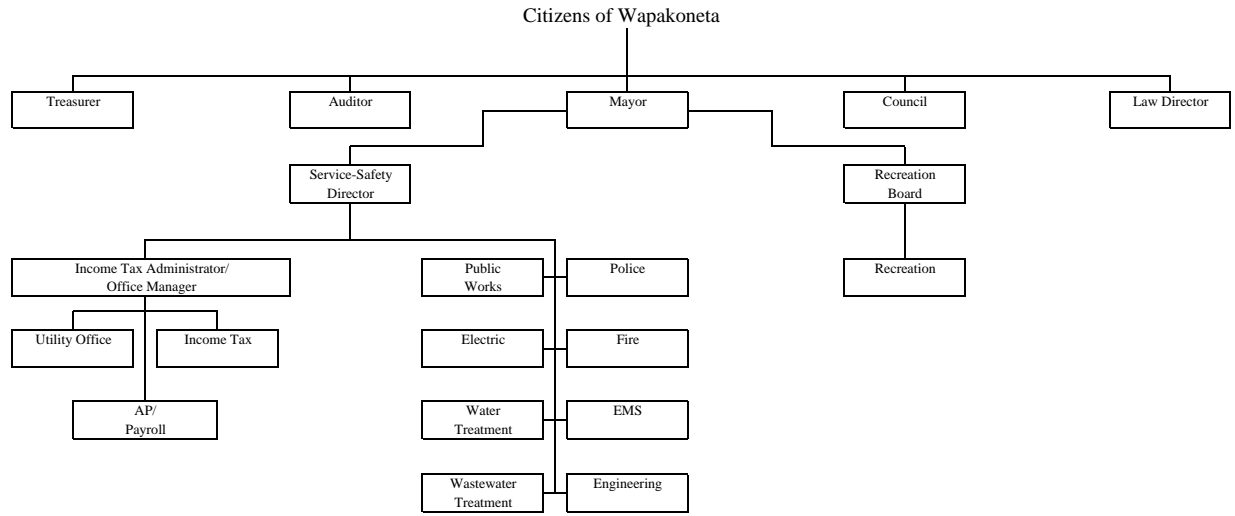
*Nancy L. Zielle*

President

*Jeffrey R. Emer*

Executive Director

# City of Wapakoneta Organizational Chart





# **CITY OF WAPAKONETA**

## **LIST OF PRINCIPAL OFFICIALS**

Mayor	Donald R. Wittwer
Director of Public Service and Safety	Rex A. Katterheinrich
Income Tax Administrator/Office Manager	Diana L. Blackburn
Police Chief	David B. Webb
Fire Chief	Donald W. Jump
EMS Director	Lynn A. Miller
Recreation Director	Jack R. Hayzlett
Public Works Superintendent	Meril W. Simpson
Electric Superintendent	William E. Lambert
Water Superintendent	Brent J. Hamel
Wastewater Superintendent	Robert T. Burns
Engineering Superintendent	Thomas W. Steinke
Auditor	Gail E. Walter
Treasurer	Nancy K. Oen
Law Director	Dennis P. Faller
President of Council	Stephen E. Henderson
Member of Council	Ruth C. Carter
Member of Council	B. David Campbell
Member of Council	Paul E. Watercutter
Member of Council	Francia L. Engle
Member of Council	Wilbur G. Wells
Member of Council	Rodney C. Metz
Member of Council	Craig F. Wisener
Council Clerk	Carlene S. Koch

## Financial Section



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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

To the Members of Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, (the City), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2005, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



**Betty Montgomery**  
Auditor of State

June 24, 2005

**CITY OF WAPAKONETA**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2004

The discussion and analysis of the City of Wapakoneta's financial performance provides an overview of the City's financial activities for the year ended December 31, 2004. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

**HIGHLIGHTS**

Key highlights for 2004 are as follows:

In total, the City's net assets increased \$2,169,565, just over 4 percent. While this dollar amount may seem substantial, it's not particularly significant when evaluating the City overall. The increase for governmental activities was a little under 4 percent and a little over 4 percent for business-type activities. Most of the increase for business-type activities is attributed to the net income in the Electric and Sewer enterprise funds.

The City continues to focus on the maintenance and repair of streets and electric, water, sewer, and storm sewer lines. In 2004, the City repaired or reconstructed three streets, had two major utility projects, and finished two sidewalk programs. One project, Defiance Street, included new underground utilities, streets, curbs, gutters, and sidewalks. The street work was performed, in part, with resources received from the Ohio Department of Transportation. Sidewalks, which are not capitalized by the City, were constructed predominately under the City's sidewalk program.

The expansion of the wastewater treatment facility, which is to increase the capacity of the plant to incorporate three overflow structures, continued in 2004. The major aspects of this project include installation of storm water equalization, expansion of the aeration, expansion of the sedimentation facilities, and incorporation of odor control equipment. This was in response to concerns from the Ohio EPA. The City's plans were finalized in 2002. Ohio EPA approval and bidding were completed in 2003. Construction was started in 2003 and continued throughout 2004. Currently, construction is substantially completed; however, the project is not totally finished.

All of the City's enterprise funds had an operating income in 2004 indicating operating revenues are currently sufficient to cover operating expenses of the respective funds. The City was in the process of evaluating the water rates in 2004 in anticipation of constructing a new satellite water treatment plant. No increases will go into effect until 2005. Rates for all enterprise funds are monitored by the Administration to maintain the revenue needed to operate these activities.

**USING THIS ANNUAL REPORT**

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

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

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

**REPORTING THE CITY AS A WHOLE**

The statement of net assets and the statement of activities reflect how the City did financially during 2004. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

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

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

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

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

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

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

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

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

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

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Table 1 provides a summary of the City's net assets for 2004 and 2003.

Table 1  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
<u>Assets</u>						
Current and Other						
Assets	\$6,776,587	\$6,426,793	\$18,149,444	\$19,478,964	\$24,926,031	\$25,905,757
Capital Assets, Net	17,851,502	17,903,748	29,921,689	27,258,040	47,773,191	45,161,788
Total Assets	<u>24,628,089</u>	<u>24,330,541</u>	<u>48,071,133</u>	<u>46,737,004</u>	<u>72,699,222</u>	<u>71,067,545</u>
<u>Liabilities</u>						
Current and Other						
Liabilities	767,280	796,718	9,537,930	9,336,210	10,305,210	10,132,928
Long-Term Liabilities	3,575,957	3,996,387	5,103,049	5,392,789	8,679,006	9,389,176
Total Liabilities	<u>4,343,237</u>	<u>4,793,105</u>	<u>14,640,979</u>	<u>14,728,999</u>	<u>18,984,216</u>	<u>19,522,104</u>
<u>Net Assets</u>						
Invested in Capital						
Assets, Net of						
Related Debt	14,695,619	14,325,984	18,380,759	18,897,701	33,076,378	33,223,685
Restricted	3,718,929	3,756,989	396,777	413,447	4,115,706	4,170,436
Unrestricted	1,870,304	1,454,463	14,652,618	12,696,857	16,522,922	14,151,320
Total Net Assets	<u>\$20,284,852</u>	<u>\$19,537,436</u>	<u>\$33,430,154</u>	<u>\$32,008,005</u>	<u>\$53,715,006</u>	<u>\$51,545,441</u>

Total net assets for governmental activities increased \$747,416, or a little under 4 percent. This is just slightly higher than the prior year's growth of over 3 percent. While overall this change was fairly insignificant, there are several items worth noting. The balance of the City's investments was \$186,146 greater than that at the end of the prior year as a result of recording Telephone Service Company Stock at market value. In addition, the City experienced an increase in estate tax revenue for the year as well as a greater amount of receivables due from other governments at the end of 2004 from various state and federal grants. The drop in liabilities from the prior year primarily resulted from the payment on general obligation bonds.

Total net assets for business-type activities increased \$1,422,149, or a little over 4 percent. The Electric enterprise fund is primarily responsible for this increase. However, the Sewer enterprise fund also contributed to the increase. The combination of operating income and monies transferred from the General Fund contributed to an increase in cash and cash equivalents in the Electric enterprise fund and is also reflected in the increase in unrestricted net assets. Other important transactions in 2004 included the issuance of bond anticipation notes, in the amount of \$5,650,000, for improvements to the sewer system. At the end of the year, only \$109,360 of these proceeds remained unspent. The small increase in current and other liabilities (as the result of an increase in notes payable being greater than the decrease in contracts payable) is related to construction activities. The small decrease in long-term liabilities is primarily the result of principal payments on long-term liabilities.



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Table 2 reflects the change in net assets for 2004 and 2003.

Table 2  
Change in Net Assets

	Governmental Activities	Governmental Activities	Business- Type Activities	Business- Type Activities	Total	Total
	2004	2003	2004	2003	2004	2003
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$506,839	\$428,585	\$11,302,339	\$11,135,758	\$11,809,178	\$11,564,343
Operating Grants, Contributions, and Interest	778,158	604,227	0	0	778,158	604,227
Capital Grants and Contributions	512,480	384,169	155,203	50,000	667,683	434,169
Total Program Revenues	<u>1,797,477</u>	<u>1,416,981</u>	<u>11,457,542</u>	<u>11,185,758</u>	<u>13,255,019</u>	<u>12,602,739</u>
General Revenues						
Property Taxes-General Purposes	343,628	349,783	0	0	343,628	349,783
Property Taxes-Recreation	102,350	104,731	0	0	102,350	104,731
Municipal Income Taxes	2,118,637	2,004,839	0	0	2,118,637	2,004,839
Other Local Taxes	639,180	641,975	0	0	639,180	641,975
Grants and Entitlements not Restricted to Specific Programs	653,985	515,817	0	0	653,985	515,817
Franchise Fees	37,741	57,486	0	0	37,741	57,486
Interest	236,441	260,864	30,482	2,001	266,923	262,865
Gifts and Donations	17,348	22,090	0	0	17,348	22,090
Other	24,438	32,297	28,063	39,259	52,501	71,556
Total General Revenues	<u>4,173,748</u>	<u>3,989,882</u>	<u>58,545</u>	<u>41,260</u>	<u>4,232,293</u>	<u>4,031,142</u>
Total Revenues	5,971,225	5,406,863	11,516,087	11,227,018	17,487,312	16,633,881
Transfers	(325,256)	(554,880)	325,256	554,880	0	0
Total Revenues and Transfers	<u>5,645,969</u>	<u>4,851,983</u>	<u>11,841,343</u>	<u>11,781,898</u>	<u>17,487,312</u>	<u>16,633,881</u>
<u>Program Expenses</u>						
Security of Persons and Property						
Police	1,145,709	1,142,760	0	0	1,145,709	1,142,760
Fire	1,166,485	1,011,846	0	0	1,166,485	1,011,846
Other	20,226	56,884	0	0	20,226	56,884
Public Health	226,206	222,529	0	0	226,206	222,529
Leisure Time Activities	165,706	161,476	0	0	165,706	161,476
Community Environment	64,199	96,002	0	0	64,199	96,002
Transportation	1,599,098	929,288	0	0	1,599,098	929,288
General Government	390,067	441,101	0	0	390,067	441,101
Interest and Fiscal Charges	120,857	203,770	0	0	120,857	203,770
Electric	0	0	6,772,076	6,719,239	6,772,076	6,719,239
Water	0	0	1,194,769	1,076,275	1,194,769	1,076,275
Sewer	0	0	1,539,835	1,430,243	1,539,835	1,430,243
Storm Sewer	0	0	146,294	73,960	146,294	73,960
Refuse	0	0	766,220	858,130	766,220	858,130
Total Expenses	<u>4,898,553</u>	<u>4,265,656</u>	<u>10,419,194</u>	<u>10,157,847</u>	<u>15,317,747</u>	<u>14,423,503</u>
Increase in Net Assets	<u>\$747,416</u>	<u>\$586,327</u>	<u>\$1,422,149</u>	<u>\$1,624,051</u>	<u>\$2,169,565</u>	<u>\$2,210,378</u>

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Program revenues accounted for 30 percent of total revenues for governmental activities for 2004. The amount of program revenues increased somewhat from the prior year, most of the increase related to operating and capital grants and contributions (resources used for EMS and the fire department and street repaving). Governmental activities services are primarily funded through general revenues, those being basically property taxes, municipal income taxes, other local taxes, and State shared revenues. These revenue sources make up 92 percent of general revenues and over 65 percent of revenues overall. The City's general revenues changed very little from the prior year. For business-type activities, program revenues (primarily charges for services) accounted for over 99 percent of total revenues. This is also consistent with those of the prior year.

The major program expenses for governmental activities continue to be for the police and fire departments, which account for just over 47 percent of all governmental activities expenses. Maintenance of the City's streets also represents a significant amount of the City's governmental expenses, 33 percent. The general business of operating the City accounts for 8 percent of governmental expenses. These four programs alone represent 88 percent of the general expenses of the City and are funded almost entirely from property taxes, municipal income taxes, other local taxes, and State shared revenues. Expenses for the various programs remained very comparable to the prior year with the exception of transportation as the result of street reconstruction. These streets included Defiance Street, Riverside Drive, and Glynwood Road.

Because the City anticipates a decline in monies available for capital projects over the next few years, it would seem that major reconstruction projects may be put on hold temporarily. The City tried to implement a property tax levy for capital street construction which was defeated. The City has also tried to increase the income tax an additional one-half percent for capital street reconstruction. This was also defeated. Currently, City Council has put these efforts on hold.

The City's electric, water, and sewer operations account for over 91 percent of the expenses of the City's business-type activities and are funded almost entirely from charges for services.

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

Table 3  
Governmental Activities

	Total Cost of Services 2004	Total Cost of Services 2003	Net Cost of Services 2004	Net Cost of Services 2003
Security of Persons and Property				
Police	\$1,145,709	\$1,142,760	\$1,135,600	\$1,121,557
Fire	1,166,485	1,011,846	1,051,668	828,808
Other	20,226	56,884	20,226	56,884
Public Health	226,206	222,529	38,133	38,064
Leisure Time Activities	165,706	161,476	(99,764)	30,420
Community Environment	64,199	96,002	13,672	89,644
Transportation	1,599,098	929,288	465,765	69,282
General Government	390,067	441,101	354,919	410,246
Interest and Fiscal Charges	120,857	203,770	120,857	203,770
<b>Total Expenses</b>	<b>\$4,898,553</b>	<b>\$4,265,656</b>	<b>\$3,101,076</b>	<b>\$2,848,675</b>

**CITY OF WAPAKONETA**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2004

As reflected in the above table, over 63 percent of the revenues to provide governmental activities services are derived from the City's general revenues; that being primarily property taxes, municipal income taxes, other local taxes, and State shared revenues. The percentage of general revenues required to pay for these services is comparable with the prior year. A few programs which were able to offset costs through program revenues include public health, leisure time activities, and transportation.

Public health expenses are primarily funded by EMS and ambulance charges and a few small grants were received during the year. The leisure time activities program is funded from gifts and donations as well as from interest and dividends from the Hauss-Helms Foundation and Telephone Service Company stock held in the City's name and restricted to funding recreation related activities. The transportation program receives charges for services in the form of permissive motor vehicle license monies. The transportation program also receives operating grants in the form of State levied motor vehicle and gas taxes and, in 2004, received grant monies for street resurfacing projects.

**GOVERNMENTAL FUNDS FINANCIAL ANALYSIS**

The City's major governmental funds are the General Fund and the Street and Sewer Improvement capital projects fund. Fortunately, the General Fund reflects a 25 percent increase in fund balance from the prior year. The primary factor contributing to this increase was a fairly significant reduction in the amount the General Fund transferred to other funds in 2004 compared to 2003. The Street and Sewer Improvement capital projects fund reflects a 34 percent decrease in fund balance for the year. The two factors causing this decrease were higher expenditures for street reconstruction/resurfacing projects in 2004 and transfers from the General Fund were almost half those of the prior year.

**BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS**

The City's enterprise funds are the Electric, Water, Sewer, Storm Sewer, and Refuse funds. As can be seen on the statement of activities, program revenues, primarily charges for services, have been sufficient to cover the operating expenses of the respective funds.

The Electric fund rates continue to be the same as they have been since 1985. They are sufficient to cover operating expenses and maintenance. While the City has increased in size and population, the Electric fund continues to stay on the side of positive cash flows as upgrades, improvements, and new infrastructure is built. In 2004, the City was in negotiations for the purchase price of energy with American Electric Power. Rates will have an adjustment when these negotiations are complete. The current wisdom is to add the increase to the rate over a period of several years and subsidize the change with carryover balances so that there is not a major jump in rates for anyone.

While the Water fund is currently generating adequate revenues, the satellite water treatment plant construction will begin soon and the debt this will generate is significant. Water rates were increased by approximately 8 percent in February 2005 to help offset the effect of these construction costs. Water rates are continually being evaluated to determine what increases may be necessary to adequately construct and maintain buildings and infrastructure as the City grows and changes.

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Although the Sewer fund currently has a positive operating income, the fund has accumulated a significant amount of debt for major renovations in progress at the wastewater treatment plant as required to bring the City into compliance with EPA mandates. In January 2003, the City increased sewer rates by 20 percent to provide adequate funds for operations and debt retirement. The rates are on a schedule to increase 1.5 percent each year. City Council believes this will protect the City from falling into any serious problems in the near term and will monitor these rates annually.

The Storm Sewer utility was established in May 1994. This fund provided the City the ability to undertake storm water separation. The EPA has mandated the separation of storm water and sanitary sewers. For 2004, the fund had an operating income of \$724, so revenues are just keeping pace with expenses.

The City's Refuse fund continued to reflect deficit net assets as of year end; however, the fund did have an operating income for the year and the amount of the deficit net assets was reduced by over 48 percent.

**BUDGETARY HIGHLIGHTS**

The City prepares an annual budget of revenues and expenditures/expenses for all funds of the City for use by City officials and department heads and such other budgetary documents as are required by State statute, including the annual appropriations ordinance which is passed by City Council before April 1 each year. The City of Wapakoneta operates under a temporary budget for the first three months of each year. The City's most significant budgeted fund is the General Fund. Modifications from the original to the final budget have been minimal due to the fine job by department heads in keeping within their budgets. A comparison of the final budget with actual revenues and expenditures reveals minimal changes occurred here as well.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2004, was \$14,695,619 and \$18,380,759, respectively (net of accumulated depreciation and related debt). This investment in capital assets includes land; land improvements, buildings; equipment; vehicles; streets; electric, water, sewer, and storm sewer lines. Additions to governmental activities capital assets during the year consisted primarily of land improvements, a vehicle, and street repaving and reconstruction. Reductions to governmental activities capital assets consisted of a front mower and street replacements.

In the business-type activities, the most significant change was an increase in construction in progress for the water treatment plant expansion as well as the wastewater treatment plant expansion. Capital asset additions also included infrastructure improvements and two vehicles.

For further information regarding the City's capital assets, refer to Note 10 to the basic financial statements.

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For the Year Ended December 31, 2004

Debt - At December 31, 2004, the City had \$8,257,600 in bond anticipation notes payable from business-type activities.

The City also had a number of long-term obligations outstanding. The governmental activities obligations included \$3,037,372 in general obligation bonds (net of unamortized loss on advance refunding). The business-type activities obligations included \$151,100 in general obligation bonds, \$3,213,383 in mortgage revenue bonds (net of unamortized loss on advance refunding), and \$1,315,484 in landfill postclosure costs.

In addition to the debt outlined above, the City's long-term obligations also include compensated absences, capital loans, and a loan due to Auglaize County.

For further information regarding the City's long-term obligations, refer to Notes 17 and 18 to the basic financial statements.

### **CURRENT ISSUES**

The City is looking forward to the completion of the wastewater treatment plant expansion. The City issued \$6,838,400 in bond anticipation notes in May 2005, of which \$6,400,000 is toward this construction. In addition, the City issued \$800,000 in bond anticipation notes in February 2005 for water system improvements.

Sewer rates increased on January 1, 2003, by 20 percent and, as part of the ordinance passed in 2001, will increase an additional 1.5 percent every year on January 1 until the rates need to either increase more or level off.

Poggemeyer Design Group has completed the plans for a new satellite water treatment plant. The plans were submitted to the Ohio EPA in May 2003 and are now approved. Financing arrangements for the new construction have not been finalized. The City is now moving ahead with other aspects of well field approval that needs to be obtained before construction of the new plant can move to the next stage.

Wal-Mart completed construction of a superstore in Wapakoneta that opened in April 2005. This will increase property and income taxes received by the City as well as increase utility related revenues. With this new business, there is hope for more store business expansion in the City. At this time, there is a new Family Video store, Aldi grocery store, and Murphy USA gas station. Several other new businesses are currently in the process of either construction, reconstruction, or completing paper work with a contractor to begin construction.

### **REQUEST FOR INFORMATION**

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

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City of Wapakoneta  
Statement of Net Assets  
December 31, 2004

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$3,274,930	\$14,712,990	\$17,987,920
Cash and Cash Equivalents with Fiscal Agents	0	382,030	382,030
Investments	1,024,721	0	1,024,721
Accounts Receivable	140,619	1,535,951	1,676,570
Due from Other Governments	813,224	16,649	829,873
Municipal Income Taxes Receivable	525,896	0	525,896
Other Local Taxes Receivable	5,479	58,058	63,537
Internal Balances	11,253	(11,253)	0
Prepaid Items	38,694	93,811	132,505
Materials and Supplies Inventory	33,854	1,226,457	1,260,311
Accrued Interest Receivable	8,607	11,196	19,803
Property Taxes Receivable	464,986	0	464,986
Notes Receivable	68,988	0	68,988
Special Assessments Receivable	365,336	0	365,336
Unamortized Bond Issuance Cost	0	123,555	123,555
Nondepreciable Capital Assets	189,564	6,591,611	6,781,175
Depreciable Capital Assets, Net	17,661,938	23,330,078	40,992,016
<b>Total Assets</b>	<b>24,628,089</b>	<b>48,071,133</b>	<b>72,699,222</b>
<u>Liabilities</u>			
Accrued Wages Payable	73,803	55,361	129,164
Accounts Payable	76,817	181,654	258,471
Contracts Payable	9,096	544,669	553,765
Retainage Payable	2,926	209,968	212,894
Due to Other Governments	138,288	64,066	202,354
Accrued Interest Payable	7,835	107,958	115,793
Notes Payable	0	8,257,600	8,257,600
Deferred Revenue	458,515	0	458,515
Refundable Deposits	0	116,654	116,654
Long-Term Liabilities			
Due Within One Year	589,727	337,925	927,652
Due in More Than One Year	2,986,230	4,765,124	7,751,354
<b>Total Liabilities</b>	<b>4,343,237</b>	<b>14,640,979</b>	<b>18,984,216</b>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	14,695,619	18,380,759	33,076,378
Restricted for			
Debt Service	550,261	0	550,261
Capital Projects	816,352	0	816,352
Other Purposes	2,352,316	0	2,352,316
Revenue Bond Replacement	0	27,671	27,671
Future Debt Service	0	369,106	369,106
Unrestricted	1,870,304	14,652,618	16,522,922
<b>Total Net Assets</b>	<b>\$20,284,852</b>	<b>\$33,430,154</b>	<b>\$53,715,006</b>

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta  
Statement of Activities  
For the Year Ended December 31, 2004

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$1,145,709	\$9,314	\$795	\$0
Fire	1,166,485	37,657	77,160	0
Other	20,226	0	0	0
Public Health	226,206	181,748	6,325	0
Leisure Time Activities	165,706	1,130	264,340	0
Community Environment	64,199	0	5,527	45,000
Transportation	1,599,098	241,842	424,011	467,480
General Government	390,067	35,148	0	0
Interest and Fiscal Charges	120,857	0	0	0
Total Governmental Activities	4,898,553	506,839	778,158	512,480
<u>Business-Type Activities</u>				
Electric	6,772,076	7,250,248	0	0
Water	1,194,769	1,210,189	0	56,203
Sewer	1,539,835	1,799,788	0	12,892
Storm Sewer	146,294	151,128	0	86,108
Refuse	766,220	890,986	0	0
Total Business-Type Activities	10,419,194	11,302,339	0	155,203
Total	\$15,317,747	\$11,809,178	\$778,158	\$667,683

General Revenues

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

Total General Revenues

Transfers

Change in Net Assets

Net Assets Beginning of Year - Restated (Note 3)

Net Assets End of Year

See Accompanying Notes to the Basic Financial Statements



Net (Expense) Revenue  
and Change in Net Assets

Governmental Activities	Business-Type Activities	Total
(\$1,135,600)	\$0	(\$1,135,600)
(1,051,668)	0	(1,051,668)
(20,226)	0	(20,226)
(38,133)	0	(38,133)
99,764	0	99,764
(13,672)	0	(13,672)
(465,765)	0	(465,765)
(354,919)	0	(354,919)
(120,857)	0	(120,857)
<u>(3,101,076)</u>	<u>0</u>	<u>(3,101,076)</u>
0	478,172	478,172
0	71,623	71,623
0	272,845	272,845
0	90,942	90,942
<u>0</u>	<u>124,766</u>	<u>124,766</u>
0	1,038,348	1,038,348
<u>(3,101,076)</u>	<u>1,038,348</u>	<u>(2,062,728)</u>
343,628	0	343,628
102,350	0	102,350
2,118,637	0	2,118,637
639,180	0	639,180
653,985	0	653,985
37,741	0	37,741
236,441	30,482	266,923
17,348	0	17,348
24,438	28,063	52,501
<u>4,173,748</u>	<u>58,545</u>	<u>4,232,293</u>
<u>(325,256)</u>	<u>325,256</u>	<u>0</u>
747,416	1,422,149	2,169,565
<u>19,537,436</u>	<u>32,008,005</u>	<u>51,545,441</u>
<u>\$20,284,852</u>	<u>\$33,430,154</u>	<u>\$53,715,006</u>

City of Wapakoneta  
Balance Sheet  
Governmental Funds  
December 31, 2004

	General	Street and Sewer Improvement	Other Governmental	Total Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$782,675	\$782,460	\$1,593,063	\$3,158,198
Investments	0	0	1,024,721	1,024,721
Accounts Receivable	139,643	0	976	140,619
Due from Other Governments	549,115	0	264,079	813,194
Municipal Income Taxes Receivable	525,896	0	0	525,896
Other Local Taxes Receivable	0	0	5,479	5,479
Interfund Receivable	75,391	0	0	75,391
Prepaid Items	31,868	0	5,151	37,019
Materials and Supplies Inventory	15,255	0	15,791	31,046
Accrued Interest Receivable	0	750	7,857	8,607
Property Taxes Receivable	357,749	0	107,237	464,986
Notes Receivable	0	0	68,988	68,988
Special Assessments Receivable	0	45,321	320,015	365,336
<b>Total Assets</b>	<b>\$2,477,592</b>	<b>\$828,531</b>	<b>\$3,413,357</b>	<b>\$6,719,480</b>
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Accrued Wages Payable	\$60,742	\$0	\$8,474	\$69,216
Accounts Payable	66,298	157	9,723	76,178
Contracts Payable	0	9,096	0	9,096
Retainage Payable	0	2,926	0	2,926
Due to Other Governments	121,198	0	11,909	133,107
Interfund Payable	0	0	21,500	21,500
Deferred Revenue	1,292,066	46,071	597,407	1,935,544
<b>Total Liabilities</b>	<b>1,540,304</b>	<b>58,250</b>	<b>649,013</b>	<b>2,247,567</b>
<u>Fund Balance</u>				
Reserved for Unclaimed Monies	5,188	0	0	5,188
Reserved for Notes Receivable	0	0	40,615	40,615
Reserved for Encumbrances	33,065	243,590	13,982	290,637
Unreserved, Reported in				
General Fund	899,035	0	0	899,035
Special Revenue Funds	0	0	2,175,390	2,175,390
Debt Service Funds	0	0	229,925	229,925
Capital Projects Funds	0	526,691	304,432	831,123
<b>Total Fund Balance</b>	<b>937,288</b>	<b>770,281</b>	<b>2,764,344</b>	<b>4,471,913</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$2,477,592</b>	<b>\$828,531</b>	<b>\$3,413,357</b>	<b>\$6,719,480</b>

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta  
 Reconciliation of Total Governmental Fund Balance  
 to Net Assets of Governmental Activities  
 December 31, 2004

Total Governmental Fund Balance \$4,471,913

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

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

Governmental Activities	17,851,502	
Internal Service Fund	(42,142)	
		17,809,360

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

Accounts Receivable	111,123	
Due from Other Governments	663,658	
Municipal Income Taxes Receivable	321,828	
Accrued Interest Receivable	8,607	
Property Taxes Receivable	6,477	
Special Assessments Receivable	365,336	
		1,477,029

An accounting loss on refunded debt is reported as an expense at the time of the refunding; however, this amount is amortized over the life of the new debt on the statement of activities.

86,528

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

(42,638)

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

Accrued Interest Payable	(7,835)	
General Obligations Bonds Payable	(3,123,900)	
Capital Loans Payable	(118,511)	
Compensated Absences Payable	(420,074)	
Compensated Absences Payable-Internal Service Fund	23,773	
		(3,646,547)

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

129,207

Net Assets of Governmental Activities

\$20,284,852

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta  
Statement of Revenues, Expenditures,  
and Change in Fund Balance  
Governmental Funds  
For the Year Ended December 31, 2004

	General	Street and Sewer Improvement	Other Governmental	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$347,291	\$0	\$103,621	\$450,912
Municipal Income Taxes	2,064,190	0	0	2,064,190
Other Local Taxes	639,180	0	73,070	712,250
Special Assessments	0	0	110,523	110,523
Charges for Services	266,870	0	15,696	282,566
Fees, Licenses, and Permits	52,892	0	1,130	54,022
Fines and Forfeitures	24,688	0	3,624	28,312
Intergovernmental	584,609	171,027	563,683	1,319,319
Interest	236,441	7,414	253,632	497,487
Gifts and Donations	17,348	0	17,742	35,090
Other	12,173	0	11,912	24,085
<b>Total Revenues</b>	<b>4,245,682</b>	<b>178,441</b>	<b>1,154,633</b>	<b>5,578,756</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,112,070	0	2,997	1,115,067
Fire	1,127,628	0	0	1,127,628
Other	11,162	0	9,181	20,343
Public Health	204,721	0	0	204,721
Leisure Time Activities	0	0	140,660	140,660
Community Environment	71,692	0	61,962	133,654
Transportation	0	941,298	453,857	1,395,155
General Government	374,390	0	0	374,390
Debt Service:				
Principal Retirement	19,679	0	412,310	431,989
Interest and Fiscal Charges	4,097	15	114,373	118,485
<b>Total Expenditures</b>	<b>2,925,439</b>	<b>941,313</b>	<b>1,195,340</b>	<b>5,062,092</b>
Excess of Revenues Over (Under) Expenditures	1,320,243	(762,872)	(40,707)	516,664
<u>Other Financing Sources (Uses)</u>				
Transfers In	1,868	371,000	503,560	876,428
Transfers Out	(1,134,000)	(7,904)	(1,868)	(1,143,772)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,132,132)</b>	<b>363,096</b>	<b>501,692</b>	<b>(267,344)</b>
Change in Fund Balance	188,111	(399,776)	460,985	249,320
Fund Balance Beginning of Year - Restated (Note 3)	749,177	1,170,057	2,303,359	4,222,593
Fund Balance End of Year	\$937,288	\$770,281	\$2,764,344	\$4,471,913

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta  
 Reconciliation of Statement of Revenues, Expenditures,  
 and Change in Fund Balance  
 of Governmental Funds to Statement of Activities  
 For the Year Ended December 31, 2004

Change in Fund Balance - Total Governmental Funds \$249,320

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

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

Capital Outlay	434,597	
Capital Contributions	312,394	
Depreciation	<u>(574,613)</u>	172,378

The cost of capital assets is removed from the capital asset account on the statement of net assets when disposed of, resulting in a loss on disposal of capital assets on the statement of activities. (221,848)

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

Property Taxes	(4,934)	
Municipal Income Taxes	54,447	
Special Assessments	(47,352)	
Charges for Services	(48,193)	
Fees, Licenses, and Permits	(962)	
Intergovernmental	144,632	
Interest	(1,975)	
Miscellaneous	<u>353</u>	96,016

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. 431,989

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of net assets. 7,736

The accounting loss on refunded debt is reported as an expense at the time of refunding, but is amortized over the life of the new debt on the statement of activities. (10,108)

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

Compensated Absences Payable-Governmental Activities	(1,451)	
Compensated Absences Payable-Internal Service Fund	<u>(1,655)</u>	(3,106)

The internal service fund used by management to charge the cost of engineering services to individual funds is not reported on the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year. 25,039

Change in Net Assets of Governmental Activities \$747,416

See Accompanying Notes to the Basic Financial Statements

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City of Wapakoneta  
Statement of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
General Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<u>Revenues</u>				
Property Taxes	\$348,906	\$348,906	\$347,291	(\$1,615)
Municipal Income Taxes	2,025,000	2,025,000	2,043,923	18,923
Other Local Taxes	638,000	638,070	637,644	(426)
Charges for Services	238,800	251,850	255,779	3,929
Fees, Licenses, and Permits	40,400	51,559	52,892	1,333
Fines and Forfeitures	21,800	25,600	24,560	(1,040)
Intergovernmental	558,792	599,270	575,630	(23,640)
Interest	235,000	228,875	241,501	12,626
Gifts and Donations	15,400	18,647	17,348	(1,299)
Other	49,600	54,541	49,649	(4,892)
<b>Total Revenues</b>	<b>4,171,698</b>	<b>4,242,318</b>	<b>4,246,217</b>	<b>3,899</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,210,333	1,224,333	1,118,370	105,963
Fire	1,161,591	1,170,091	1,128,204	41,887
Other	20,400	11,400	11,121	279
Public Health	267,778	267,778	231,181	36,597
Community Environment	111,389	111,389	73,587	37,802
General Government	606,167	597,668	393,155	204,513
<b>Total Expenditures</b>	<b>3,377,658</b>	<b>3,382,659</b>	<b>2,955,618</b>	<b>427,041</b>
Excess of Revenues Over Expenditures	794,040	859,659	1,290,599	430,940
<u>Other Financing Sources (Uses)</u>				
Advances In	21,500	0	0	0
Transfers In	0	1,868	1,868	0
Transfers Out	(1,334,000)	(1,334,000)	(1,134,000)	200,000
<b>Total Other Financing Sources (Uses)</b>	<b>(1,312,500)</b>	<b>(1,332,132)</b>	<b>(1,132,132)</b>	<b>200,000</b>
Change in Fund Balance	(518,460)	(472,473)	158,467	630,940
Fund Balance Beginning of Year	494,146	494,146	494,146	0
Prior Year Encumbrances Appropriated	79,760	79,760	79,760	0
<b>Fund Balance End of Year</b>	<b>\$55,446</b>	<b>\$101,433</b>	<b>\$732,373</b>	<b>\$630,940</b>

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta  
Statement of Fund Net Assets  
Proprietary Funds  
December 31, 2004

	Business-Type Activities				
	Electric	Water	Sewer	Storm Sewer	Refuse
<u>Assets</u>					
<u>Current Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$11,146,954	\$1,377,880	\$1,030,415	\$334,285	\$679,131
Accounts Receivable	1,032,665	157,291	234,746	13,100	98,149
Due from Other Governments	113	59	0	0	16,477
Other Local Taxes Receivable	58,058	0	0	0	0
Prepaid Items	46,264	24,475	15,863	0	7,209
Materials and Supplies Inventory	1,061,036	147,787	17,601	0	33
Accrued Interest Receivable	2,374	4,411	4,411	0	0
<b>Total Current Assets</b>	<b>13,347,464</b>	<b>1,711,903</b>	<b>1,303,036</b>	<b>347,385</b>	<b>800,999</b>
<u>Non-Current Assets</u>					
<u>Restricted Assets</u>					
Equity in Pooled Cash and Cash Equivalents	116,654	0	27,671	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	382,030	0	0
Unamortized Bond Issuance Costs	0	0	123,555	0	0
Nondepreciable Capital Assets	205,559	461,367	5,596,584	0	328,101
Depreciable Capital Assets, Net	6,198,380	5,594,377	9,859,806	1,349,112	328,403
<b>Total Non-Current Assets</b>	<b>6,520,593</b>	<b>6,055,744</b>	<b>15,989,646</b>	<b>1,349,112</b>	<b>656,504</b>
<b>Total Assets</b>	<b>19,868,057</b>	<b>7,767,647</b>	<b>17,292,682</b>	<b>1,696,497</b>	<b>1,457,503</b>
<u>Liabilities</u>					
<u>Current Liabilities</u>					
Accrued Wages Payable	22,325	6,735	16,812	0	9,489
Accounts Payable	77,665	31,874	24,848	9,331	37,936
Contracts Payable	427,952	80,575	36,142	0	0
Retainage Payable	0	824	208,608	536	0
Due to Other Governments	24,963	10,205	19,746	0	9,152
Interfund Payable	53,891	0	0	0	0
Accrued Interest Payable	0	20,456	74,251	0	327
Notes Payable	0	2,223,036	6,034,564	0	0
General Obligation Bonds Payable	0	0	0	0	20,200
Due to Auglaize County	0	0	2,500	0	0
Capital Loans Payable	0	26,026	19,971	0	0
Compensated Absences Payable	22,473	7,900	22,024	0	13,493
Landfill Postclosure Costs	0	0	0	0	28,338
<b>Total Current Liabilities</b>	<b>629,269</b>	<b>2,407,631</b>	<b>6,459,466</b>	<b>9,867</b>	<b>118,935</b>
<u>Non-Current Liabilities</u>					
<u>Liabilities Payable from Restricted Assets</u>					
Mortgage Revenue Bonds Payable	0	0	175,000	0	0
Accrued Interest Payable	0	0	12,924	0	0
Refundable Deposits	116,654	0	0	0	0
General Obligation Bonds Payable	0	0	0	0	130,900
Mortgage Revenue Bonds Payable (net of unamortized loss on advance refunding)	0	0	3,038,383	0	0
Due to Auglaize County	0	0	18,750	0	0
Capital Loans Payable	0	41,523	64,242	0	0
Compensated Absences Payable	68,328	20,985	78,612	0	16,255
Landfill Postclosure Costs	0	0	0	0	1,287,146
<b>Total Non-Current Liabilities</b>	<b>184,982</b>	<b>62,508</b>	<b>3,387,911</b>	<b>0</b>	<b>1,434,301</b>
<b>Total Liabilities</b>	<b>814,251</b>	<b>2,470,139</b>	<b>9,847,377</b>	<b>9,867</b>	<b>1,553,236</b>
<u>Net Assets</u>					
Invested in Capital Assets, Net of Related Debt Restricted for	6,403,939	3,765,159	6,357,145	1,349,112	505,404
Revenue Bond Replacement	0	0	27,671	0	0
Future Debt Service	0	0	369,106	0	0
Unrestricted (Deficit)	12,649,867	1,532,349	691,383	337,518	(601,137)
<b>Total Net Assets (Deficit)</b>	<b>\$19,053,806</b>	<b>\$5,297,508</b>	<b>\$7,445,305</b>	<b>\$1,686,630</b>	<b>(\$95,733)</b>

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



Total Enterprise Funds	Governmental Activity Internal Service Fund
\$14,568,665	\$116,732
1,535,951	0
16,649	30
58,058	0
93,811	1,675
1,226,457	2,808
11,196	0
<u>17,510,787</u>	<u>121,245</u>
144,325	0
382,030	0
123,555	0
6,591,611	0
<u>23,330,078</u>	<u>42,142</u>
<u>30,571,599</u>	<u>42,142</u>
<u>48,082,386</u>	<u>163,387</u>
55,361	4,587
181,654	639
544,669	0
209,968	0
64,066	5,181
53,891	0
95,034	0
8,257,600	0
20,200	0
2,500	0
45,997	0
65,890	7,194
28,338	0
<u>9,625,168</u>	<u>17,601</u>
175,000	0
12,924	0
116,654	0
130,900	0
3,038,383	0
18,750	0
105,765	0
184,180	16,579
<u>1,287,146</u>	<u>0</u>
<u>5,069,702</u>	<u>16,579</u>
<u>14,694,870</u>	<u>34,180</u>
18,380,759	42,142
27,671	0
369,106	0
<u>14,609,980</u>	<u>87,065</u>
<u>33,387,516</u>	<u>\$129,207</u>
<u>42,638</u>	
<u>\$33,430,154</u>	

City of Wapakoneta  
Statement of Revenues, Expenses,  
and Change in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2004

	Business-Type Activities				
	Electric	Water	Sewer	Storm Sewer	Refuse
<u>Operating Revenues</u>					
Charges for Services	\$7,198,446	1,210,189	\$0	\$151,128	\$890,986
Charges for Services Pledged as Security on Mortgage Revenue Bonds	0	0	1,799,788	0	0
Licenses and Permits	0	0	0	0	0
Other	13,443	4,401	0	83	819
Other Pledged as Security on Mortgage Revenue Bonds	0	0	9,317	0	0
<b>Total Operating Revenues</b>	<b>7,211,889</b>	<b>1,214,590</b>	<b>1,809,105</b>	<b>151,211</b>	<b>891,805</b>
<u>Operating Expenses</u>					
Personal Services	724,336	360,314	484,040	0	321,920
Contractual Services	5,458,286	151,404	225,253	11,227	348,170
Materials and Supplies	233,673	458,719	182,245	92,846	67,280
Depreciation	214,373	186,792	332,593	46,414	24,620
Other	67,718	0	4,935	0	0
<b>Total Operating Expenses</b>	<b>6,698,386</b>	<b>1,157,229</b>	<b>1,229,066</b>	<b>150,487</b>	<b>761,990</b>
<b>Operating Income</b>	<b>513,503</b>	<b>57,361</b>	<b>580,039</b>	<b>724</b>	<b>129,815</b>
<u>Non-Operating Revenues (Expenses)</u>					
Loss on Disposal of Capital Assets	(73,937)	(12,316)	(10,791)	0	0
Other Local Taxes	51,802	0	0	0	0
Interest Revenue	2,374	4,411	23,697	0	0
Interest Expense	0	(30,157)	(302,568)	0	(4,600)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(19,761)</b>	<b>(38,062)</b>	<b>(289,662)</b>	<b>0</b>	<b>(4,600)</b>
<b>Income before Contributions and Transfers</b>	<b>493,742</b>	<b>19,299</b>	<b>290,377</b>	<b>724</b>	<b>125,215</b>
Capital Contributions	0	56,203	86,745	86,108	0
Transfers In	400,000	3,000	0	0	0
Transfers Out	(49,855)	(33,914)	(33,914)	0	(33,914)
<b>Change in Net Assets</b>	<b>843,887</b>	<b>44,588</b>	<b>343,208</b>	<b>86,832</b>	<b>91,301</b>
<b>Net Assets (Deficit) Beginning of Year</b>	<b>18,209,919</b>	<b>5,252,920</b>	<b>7,102,097</b>	<b>1,599,798</b>	<b>(187,034)</b>
<b>Net Assets (Deficit) End of Year</b>	<b>\$19,053,806</b>	<b>\$5,297,508</b>	<b>\$7,445,305</b>	<b>\$1,686,630</b>	<b>(\$95,733)</b>

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

See Accompanying Notes to the Basic Financial Statements

Total Enterprise Funds	Governmental Activity Internal Service Fund
\$9,450,749	\$230,273
1,799,788	0
0	19,393
18,746	2,139
9,317	0
<u>11,278,600</u>	<u>251,805</u>
1,890,610	184,924
6,194,340	9,683
1,034,763	17,038
804,792	2,776
72,653	12
<u>9,997,158</u>	<u>214,433</u>
1,281,442	37,372
(97,044)	0
51,802	0
30,482	0
(337,325)	0
<u>(352,085)</u>	<u>0</u>
929,357	37,372
229,056	0
403,000	0
(151,597)	0
<u>1,409,816</u>	<u>37,372</u>
	<u>91,835</u>
	<u>\$129,207</u>
<u>12,333</u>	
<u>\$1,422,149</u>	

City of Wapakoneta  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2004

	Business-Type Activities					Total
	Electric	Water	Sewer	Storm Sewer	Refuse	
Increases (Decreases) in Cash and Cash Equivalents						
<u>Cash Flows from Operating Activities</u>						
Cash Received from Customers	\$7,169,039	\$1,200,983	\$1,784,509	\$150,887	\$890,808	\$11,196,226
Cash Received from Transactions with Other Funds	0	0	0	0	0	0
Cash Received from Utility Deposits	15,021	0	0	0	0	15,021
Cash Received from Other Revenues	16,381	4,342	9,360	83	620	30,786
Cash Payments for Personal Services	(730,218)	(398,321)	(478,285)	0	(315,434)	(1,922,258)
Cash Payments for Contractual Services	(5,465,400)	(137,465)	(217,965)	0	(396,165)	(6,216,995)
Cash Payments to Vendors	(277,560)	(377,151)	(1,007,864)	(99,382)	(69,034)	(1,830,991)
Cash Payments for Transactions with Other Funds	(1,186)	(17,063)	(6,955)	(10,450)	(2,596)	(38,250)
Cash Payments for Utility Refunds	(14,688)	0	0	0	0	(14,688)
Cash Payments for Other Expenses	(67,718)	0	(4,935)	0	0	(72,653)
Net Cash Provided by Operating Activities	643,671	275,325	77,865	41,138	108,199	1,146,198
<u>Cash Flows from Noncapital Financing Activities</u>						
Cash Received from Other Local Taxes	51,802	0	0	0	0	51,802
Cash Received from Grants	0	15,000	0	35,000	0	50,000
Transfers In	400,000	3,000	0	0	0	403,000
Transfers Out	(33,914)	(33,914)	(33,914)	0	(33,914)	(135,656)
Net Cash Provided by Noncapital Financing Activities	417,888	(15,914)	(33,914)	35,000	(33,914)	369,146
<u>Cash Flows from Capital and Related Financing Activities</u>						
Principal Paid on Bond Anticipation Notes	0	(1,464,048)	(5,812,752)	0	0	(7,276,800)
Principal Paid on General Obligation Bonds	0	0	0	0	(19,500)	(19,500)
Principal Paid on Mortgage Revenue Bonds	0	0	(165,000)	0	0	(165,000)
Principal Paid on Due to Auglaize County	0	0	(2,500)	0	0	(2,500)
Principal Paid on Capital Loans	0	(24,777)	(19,250)	0	0	(44,027)
Interest Paid on Bond Anticipation Notes	0	(25,150)	(98,534)	0	0	(123,684)
Interest Paid on General Obligation Bonds	0	0	0	0	(4,984)	(4,984)
Interest Paid on Mortgage Revenue Bonds	0	0	(161,610)	0	0	(161,610)
Interest Paid on Capital Loans	0	(4,721)	(3,694)	0	0	(8,415)
Proceeds of Notes	0	2,223,036	6,034,564	0	0	8,257,600
Sale of Capital Assets	0	225	0	0	0	225
Acquisition of Capital Assets	(362,880)	(110,573)	(2,791,375)	(87,767)	0	(3,352,595)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(362,880)	593,992	(3,020,151)	(87,767)	(24,484)	(2,901,290)
<u>Cash Flows from Investing Activities</u>						
Interest	0	0	19,286	0	0	19,286
Net Increase (Decrease) in Cash and Cash Equivalents	698,679	853,403	(2,956,914)	(11,629)	49,801	(1,366,660)
Cash and Cash Equivalents Beginning of Year	10,564,929	524,477	4,397,030	345,914	629,330	16,461,680
Cash and Cash Equivalents End of Year	\$11,263,608	\$1,377,880	\$1,440,116	\$334,285	\$679,131	\$15,095,020

Governmental  
Activity  
Internal  
Service

\$19,393  
230,273  
0  
2,109  
(185,696)  
(10,030)  
(18,954)  
0  
0  
(182)

36,913

0  
0  
0  
0

0

0  
0  
0  
0  
0  
0  
0  
0  
0  
0  
0  
0  
0

0

0

36,913

79,819

\$116,732

(continued)

City of Wapakoneta  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2004  
(continued)

	Business-Type Activities					Total
	Electric	Water	Sewer	Storm Sewer	Refuse	
<u>Reconciliation of Operating Income to Net</u>						
<u>Cash Provided by Operating Activities</u>						
Operating Income	\$513,503	\$57,361	\$580,039	\$724	\$129,815	\$1,281,442
<u>Adjustments to Reconcile Operating Income to Net</u>						
<u>Cash Provided by Operating Activities</u>						
Depreciation	214,373	186,792	332,593	46,414	24,620	804,792
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	(26,356)	(9,206)	(15,236)	(241)	411	(50,628)
(Increase) Decrease in Due from Other Governments	(113)	(59)	0	0	(788)	(960)
Increase in Other Local Taxes Receivable	(1,024)	0	0	0	0	(1,024)
Increase in Prepaid Items	(7,673)	(4,621)	(2,869)	0	(932)	(16,095)
(Increase) Decrease in Materials and Supplies Inventory	(27,718)	17,294	10,402	0	944	922
Increase (Decrease) in Accrued Wages Payable	4,096	(2,808)	5,519	0	2,984	9,791
Increase (Decrease) in Accounts Payable	32,526	16,798	4,388	8,788	(25,917)	36,583
Increase (Decrease) in Contracts Payable	(42,954)	48,774	(855,297)	(15,083)	0	(864,560)
Increase (Decrease) in Retainage Payable	(3,340)	824	17,723	536	0	15,743
Increase (Decrease) in Due to Other Governments	(3,427)	(1,699)	1,678	0	1,746	(1,702)
Increase in Interfund Payable	1,377	0	0	0	0	1,377
Increase in Refundable Deposits Payable from Restricted Assets	333	0	0	0	0	333
Increase (Decrease) in Compensated Absences Payable	(9,932)	(34,125)	(1,075)	0	1,943	(43,189)
Decrease in Landfill Postclosure Costs	0	0	0	0	(26,627)	(26,627)
Net Cash Provided by Operating Activities	<u>\$643,671</u>	<u>\$275,325</u>	<u>\$77,865</u>	<u>\$41,138</u>	<u>\$108,199</u>	<u>\$1,146,198</u>

Non-Cash Capital Financing Activities:

During 2004, the Electric enterprise fund donated capital assets for general government operations, with a net book value of \$15,941.

During 2004, the Street and Sewer Improvement capital projects fund purchased assets and donated them to the Sewer enterprise fund, in the amount of \$73,853.

During 2004, water, sewer, and storm sewer lines, in the amount of \$56,203, \$12,892, and \$86,108, respectively, were constructed by developers and donated to the Water, Sewer, and Storm Sewer enterprise funds.

See Accompanying Notes to the Basic Financial Statements

Governmental  
Activity  

---

Internal  
Service  

---

\$37,372

2,776

0

(30)

0

(357)

(296)

444

(1,897)

0

0

556

0

0

(1,655)

0

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\$36,913

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City of Wapakoneta  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
December 31, 2004

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$25,032</u></u>
 <u>Liabilities</u>	
Deposits Held and Due to Others	\$717
Undistributed Assets	<u>24,315</u>
 Total Liabilities	 <u><u>\$25,032</u></u>

See Accompanying Notes to the Basic Financial Statements



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

**A. The City**

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

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

**B. Reporting Entity**

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. There were no component units of the City of Wapakoneta in 2004.

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

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

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

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

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

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

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

**Fund Financial Statements**

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

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

**B. Fund Accounting**

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

**Governmental Funds**

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

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

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

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

**Proprietary Funds**

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

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

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

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

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

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

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 assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are not available to support the City's own programs. The City did not have any trust funds in 2004. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for funds deducted from employee's payroll for dependent, copayment, and COBRA insurance coverage and to account for monies belonging to the police auxiliary, an organization that is not part of the City of Wapakoneta.

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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

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

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

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

Deferred Revenues

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

Property taxes for which there was an enforceable legal claim at December 31, 2004, but were levied to finance 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue.

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

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

Expenses/Expenditures

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

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

E. Budgetary Process

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

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

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

F. Cash and Investments

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

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

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

During 2004, investments included Telephone Service Company stock, mutual funds, non-negotiable certificates of deposit, and STAR Ohio. Telephone Service Company stock is valued according to a formula using historical earnings, capitalized dividend yield, and book value. Since the Telephone Service Company's stock is not publicly traded, this approach utilizes an industry price earnings ratio by averaging the latest price earnings ratio of publicly traded communications companies that are the most representative of the Telephone Service Company. Mutual funds are reported at fair value, which is based on current share price. Non-negotiable certificates of deposit 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2004.

Interest earnings are allocated to City funds according to State statutes, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2004 was \$236,441, which includes \$221,365 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, 2004, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**H. Inventory**

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

**I. Restricted Assets**

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

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

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  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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

J. Unamortized Bond Issuance Costs

Bond issuance costs for the enterprise funds are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method.

K. Capital Assets

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

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

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. 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	10-25 years	N/A
Buildings	45-100 years	45-100 years
Equipment	10-30 years	5-30 years
Vehicles	10-20 years	10-20 years
Streets	15-60 years	N/A
Electric, Water, Sewer, and Storm Sewer Lines	N/A	50-70 years

The City's infrastructure consists of streets, electric lines, water lines, sewer lines, and storm sewer lines.



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

**L. Interfund Assets/Liabilities**

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

**M. Compensated Absences**

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

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

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

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

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

**O. Unamortized Loss on Advance Refunding**

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

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

**P. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include activities for construction, repair, and maintenance of streets and highways, the community block grant program, recreation, and various police department grants and programs. The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. As of December 31, 2004, net assets restricted by enabling legislation was \$610,664.

**Q. Fund Balance Reserves**

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

**R. Operating Revenues and Expenses**

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

**S. Capital Contributions**

Capital contributions on the enterprise fund financial statements arise from contributions from other funds, outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

**T. Interfund Transactions**

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

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.

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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

During 2004, the Electric enterprise fund donated a capital asset for governmental operations, in the amount of \$15,941. Therefore, transfers in and out do not equal within the fund financial statements.

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

V. Estimates

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

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES, CORRECTION OF ERRORS, AND RESTATEMENT OF FUND BALANCE/NET ASSETS**

A. Change in Accounting Principles

For 2004, the City has implemented Governmental Account Standards Board (GASB) Statement No. 39, "Determining Whether Certain Organizations are Component Units", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation", and GASB Technical Bulletin 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers".

GASB Statement No. 39 establishes additional guidance on the application of existing standards for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship to the primary government. The implementation of this statement did not result in any change to the City's financial statements.

GASB Statement No. 46 defines enabling legislation and specifies how net assets should be reported in the financial statements when there are changes in such legislation. The Statement also requires governments to disclose in the notes to the financial statements the amount of net assets restricted by enabling legislation.

GASB Technical Bulletin 2004-2 establishes new guidance addressing the amount that should be recognized as expenditures/expenses and as liabilities each period by employers participating in cost-sharing multiple-employer pension and other postemployment benefit plans.

B. Restatement of Fund Balance

The restatement of fund balance at December 31, 2003, is due to the implementation of GASB Technical Bulletin 2004-2. As a result, fund balance for the General Fund decreased \$71,107, from \$820,284 to \$749,177, and fund balance for other governmental funds decreased \$623, from \$2,303,982 to \$2,303,359.

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES, CORRECTION OF ERRORS, AND RESTATEMENT OF FUND BALANCE/NET ASSETS** (continued)

C. Restatement of Net Assets

In the prior year, the City incorrectly recorded the internal balance for the internal service fund in the governmental and business-type activities. In addition, the City incorrectly recorded permissive motor vehicle license taxes and special assessments in the governmental funds.

	Governmental Activities	Business-Type Activities
Net Assets at December 31, 2003	\$19,580,558	\$31,996,067
Internal Balance	(11,938)	11,938
Correction of Errors	(31,184)	0
Restated Net Assets at December 31, 2003	\$19,537,436	\$32,008,005

**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE**

A. Accountability

The deficit in the Refuse enterprise fund, in the amount of \$95,733, is the result of recording landfill postclosure costs. In prior years, the City instituted a monthly landfill closure surcharge to residents' bills which is helping to alleviate the deficit. The deficit amount has been declining for several years.

B. Compliance

The Water enterprise fund had expenses in excess of appropriations for the year ended December 31, 2004, in the amount of \$53,351 for materials and supplies.

In the future, the City Auditor will monitor budgetary transactions to ensure appropriations are accurate and recorded appropriately.

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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

3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

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

Change in Fund Balance	
GAAP Basis	\$188,111
<u>Increases (Decreases) Due To</u>	
Revenue Accruals:	
Accrued 2003, Received in Cash 2004	334,763
Accrued 2004, Not Yet Received in Cash	(334,228)
Expenditure Accruals:	
Accrued 2003, Paid in Cash 2004	(225,430)
Accrued 2004, Not Yet Paid in Cash	248,238
Prepaid Items	(1,294)
Materials and Supplies Inventory	(1,391)
Encumbrances Outstanding at Year End (Budget Basis)	(50,302)
Budget Basis	\$158,467

**NOTE 6 - DEPOSITS AND INVESTMENTS**

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

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

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

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above 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;
5. 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; and
6. The State Treasurer's investment pool (STAR Ohio).

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State as to which there is no default of principal, interest, or coupons; and
3. Obligations of the City.

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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

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

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

At year end, the City had \$975 in undeposited cash on hand which is included as part of “Equity in Pooled Cash and Cash Equivalents”.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, “Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements”.

At year end, the carrying amount of the City’s deposits was \$5,012,352 and the bank balance was \$5,120,122. Of the bank balance, \$300,000 was covered by the federal depository insurance and \$4,820,122 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

The City’s investments are categorized to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered for which the securities are held by the City or the City’s agent in the City’s name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty’s trust department or agent in the City’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City’s name. STAR Ohio and investments in mutual funds are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	<u>Category 1</u>	<u>Fair Value</u>
Telephone Service Company Stock	<u>\$1,003,121</u>	\$1,003,121
Mutual Funds		382,032
STAR Ohio		<u>13,021,223</u>
Total		<u>\$14,406,376</u>

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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

The classification of cash and cash equivalents and investments on the financial statements is based on the criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting". A reconciliation between the classification of cash and cash equivalents and investments on the financial statements and the classification of deposits and investments according to GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$18,394,982	\$1,024,721
Cash on Hand	(975)	0
Investments:		
Mutual Funds	(382,032)	382,032
Certificate of Deposit	21,600	(21,600)
STAR Ohio	(13,021,223)	13,021,223
GASB Statement No. 3	\$5,012,352	\$14,406,376

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2004, 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. Notes receivable, in the amount of \$40,615, will not be received within one year. Special assessments receivable, in the amount of \$276,463, will not be received within one year. At December 31, 2004, the amount of delinquent special assessments was \$6,599.

Notes receivable represent low interest loans for development projects granted to eligible City businesses under the Federal Community Development Block Grant program. The notes have an annual interest rate of 4.5 percent to 5.25 percent and are to be repaid over periods ranging from five to seven years.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Fund	
General Fund	
Homestead and Rollback	\$19,562
Local Government	205,436
Beer and Liquor Permits	5,999
Cigarette Tax	177
Estate Tax	183,307
	(continued)



City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

**NOTE 7 - RECEIVABLES** (continued)

	Amount
Governmental Activities (continued)	
Major Fund (continued)	
General Fund (continued)	
Bureau of Workers' Compensation	\$326
FEMA	132,578
Ohio Department of Commerce	900
Auglaize County	830
Total General Fund	549,115
Nonmajor Funds	
Street Maintenance	
Gasoline Tax	65,041
Highway Distribution	63,414
Motor Vehicle License Tax	48,365
Bureau of Workers' Compensation	27
Ohio Department of Public Safety	651
Total Street Maintenance	177,498
State Highway	
Gasoline Tax	5,274
Highway Distribution	5,142
Motor Vehicle License Tax	3,921
Ohio Department of Public Safety	53
Total State Highway	14,390
Community Block Grant	
Ohio Department of Natural Resources	45,000
Recreation	
Homestead and Rollback	5,414
Bureau of Workers' Compensation	6
Total Recreation	5,420
Law Enforcement	
State of Ohio	35
Enforcement and Education	
State of Ohio	200
Drug Law Enforcement	
Auglaize County	40

(continued)

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

**NOTE 7 - RECEIVABLES** (continued)

	Amount
Governmental Activities (continued)	
Nonmajor Funds (continued)	
Issue II	
Ohio Public Works Commission	\$21,496
Total Nonmajor Funds	264,079
Internal Service Fund	30
Total Governmental Activities	\$813,224
Business-Type Activities	
Major Funds	
Electric	
Bureau of Workers' Compensation	113
Water	
Bureau of Workers' Compensation	59
Refuse	
Bureau of Workers' Compensation	49
Auglaize County	16,428
Total Refuse	16,477
Total Business-Type Activities	\$16,649

**NOTE 8 - MUNICIPAL INCOME TAXES**

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

**NOTE 9 - PROPERTY TAXES**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the City. Real property tax revenues received in 2004 represent the collection of 2003 taxes. Real property taxes received in 2004 were levied after October 1, 2003, on the assessed values as of January 1, 2003, 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.

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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

Public utility property tax revenues received in 2004 represent the collection of 2003 taxes. Public utility real and tangible personal property taxes received in 2004 became a lien on December 31, 2002, were levied after October 1, 2003, 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.

Tangible personal property tax revenues received in 2004 (other than public utility property) represent the collection of 2004 taxes. Tangible personal property taxes received in 2004 were levied after October 1, 2003, on the true value as of December 31, 2003. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 22 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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

Accrued property taxes receivable represents real property, public utility property, and tangible personal property taxes which were measurable as of December 31, 2004, and for which there was an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2004 operations.

Collectible delinquent real property taxes have been recorded as a receivable and revenue on the full accrual basis. On the modified accrual basis, the revenue is deferred.

The full tax rate for all City operations for the year ended December 31, 2004, was \$3.75 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2004 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Agricultural/Residential	\$84,027,250
Commercial/Industrial	33,452,810
Public Utility Real	75,780
Public Utility Personal	3,816,660
Tangible Personal	21,012,884
Total	\$142,385,384

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

**NOTE 10 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2004, was as follows:

	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2004
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$189,564	\$0	\$0	\$189,564
Depreciable Capital Assets				
Land Improvements	254,811	150,083	0	404,894
Buildings	3,282,143	0	0	3,282,143
Equipment	352,494	0	(12,196)	340,298
Vehicles	1,935,469	15,941	0	1,951,410
Streets	22,632,005	580,967	(354,772)	22,858,200
Total Depreciable Capital Assets	28,456,922	746,991	(366,968)	28,836,945
Less Accumulated Depreciation for				
Land Improvements	(82,070)	(10,503)	0	(92,573)
Buildings	(365,696)	(35,845)	0	(401,541)
Equipment	(189,776)	(22,592)	3,211	(209,157)
Vehicles	(1,308,030)	(101,411)	0	(1,409,441)
Streets	(8,797,166)	(407,038)	141,909	(9,062,295)
Total Accumulated Depreciation	(10,742,738)	(577,389)	145,120	(11,175,007)
Total Depreciable Capital Assets, Net	17,714,184	169,602	(221,848)	17,661,938
Governmental Activities Capital Assets, Net	\$17,903,748	\$169,602	(\$221,848)	\$17,851,502

During 2004, streets were constructed and donated to the City by developers, in the amount of \$296,453. The City also received donated assets for general governmental operations from the Electric enterprise fund, in the amount of \$15,941.

	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2004
Business-Type Activities:				
Nondepreciable Capital Assets				
Land	\$926,720	\$0	\$0	\$926,720
Construction in Progress	2,971,657	2,935,900	(242,666)	5,664,891
Total Nondepreciable Capital Assets	3,898,377	2,935,900	(242,666)	6,591,611

(continued)

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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

	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2004
Business-Type Activities (continued)				
Depreciable Capital Assets				
Buildings	\$4,514,408	\$0	\$0	\$4,514,408
Equipment	538,260	0	0	538,260
Vehicles	1,896,140	127,935	(183,988)	1,840,087
Electric, Water, Sewer, and Storm Sewer Lines	28,369,156	760,482	(90,664)	29,038,974
Total Depreciable Capital Assets	<u>35,317,964</u>	<u>888,417</u>	<u>(274,652)</u>	<u>35,931,729</u>
Less Accumulated Depreciation for				
Buildings	(457,230)	(45,690)	0	(502,920)
Equipment	(385,448)	(16,062)	0	(401,510)
Vehicles	(894,671)	(100,329)	111,749	(883,251)
Electric, Water, Sewer, and Storm Sewer Lines	(10,220,952)	(642,711)	49,693	(10,813,970)
Total Accumulated Depreciation	<u>(11,958,301)</u>	<u>(804,792)</u>	<u>161,442</u>	<u>(12,601,651)</u>
Total Depreciable Capital Assets, Net	<u>23,359,663</u>	<u>83,625</u>	<u>(113,210)</u>	<u>23,330,078</u>
Business-Type Activities Capital Assets, Net	<u>\$27,258,040</u>	<u>\$3,019,525</u>	<u>(\$355,876)</u>	<u>\$29,921,689</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$32,343
Security of Persons and Property - Fire	49,640
Public Health	21,919
Leisure Time Activities	16,808
Transportation	437,398
General Government	19,281
Total Depreciation Expense - Governmental Activities	<u>\$577,389</u>

**NOTE 11 - INTERFUND RECEIVABLES/PAYABLES**

At December 31, 2004, the General Fund had an interfund receivable, in the amount of \$75,391, to provide cash flow resources until the receipt of grant monies in other governmental funds, in the amount of \$21,500, and for kilowatt monies due from the Electric Fund, in the amount of \$53,891.

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

**NOTE 12 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2004, the City contracted with the Ohio Government Risk Management Plan, an insurance pool, for the following coverage:

Type of Coverage	Coverage	Deductible
Property	\$33,954,481	\$1,000
Liability		
Each Occurrence	7,000,000	0
Aggregate	9,000,000	0
Wrongful Acts		
Each Occurrence	7,000,000	5,000
Aggregate	9,000,000	5,000
Law Enforcement		
Each Occurrence	7,000,000	5,000
Aggregate	9,000,000	5,000
Automobile	7,000,000	250-500
Inland Marine	1,384,005	1,000
Fire Vehicle	2,462,973	1,000
Electronic Data Processing	280,740	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.

For 2004, the City participated in the Ohio Rural Water Association Workers' Compensation Group Rating Plan (Plan), an insurance pool. The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan. To maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to participants that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the City pays an enrollment fee to the Plan to cover the costs of administering the program.

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

**NOTE 12 - RISK MANAGEMENT** (continued)

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

**NOTE 13 - CONTRACTUAL COMMITMENTS**

At December 31, 2004, the City had contractual commitments as follows:

Company	Project	Amount Remaining on Contract
Tom's Construction	Defiance Street Reconstruction	\$10,008
Vaughn Industries	Transmission Reconstruction	20,000
Tom's Construction	Glynwood Road Reconstruction	335,424
American Suncraft Consultation	Maple Street Water Tower	288,640
Columbus Consultants, Inc.	Maple Street Water Tower	13,850
BBS Corporation	Wastewater Treatment Plant Expansion	34,679
CTL Engineering	Wastewater Treatment Plant Expansion	1,426
PAE & Associates	Wastewater Treatment Plant Expansion	354,965
QOB Electric	Wastewater Treatment Plant Expansion	22,563
Poggemeyer Design Group	Wastewater Treatment Plant Design	14,404
HD Water Service, Inc.	Well Repair	7,510

**NOTE 14 - DEFINED BENEFIT PENSION PLANS**

**A. Ohio Public Employees Retirement System**

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

For the year ended December 31, 2004, members of all three plans were required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The City's contribution rate for pension benefits for 2004 was 9.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2004, 2003, and 2002 were \$211,971, \$190,324, and \$181,064, respectively; 89 percent has been contributed for 2004 and 100 percent has been contributed for 2003 and 2002. The unpaid contribution for 2004, in the amount of \$24,136, is recorded as a liability. Contributions to the member-directed plan for 2004 was \$368 made by the City and \$231 made by plan members.

**B. Ohio Police and Fire Pension Fund**

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OPF for the years ended December 31, 2004, 2003, and 2002 were \$169,050, \$163,596, and \$161,962, respectively; 71 percent has been contributed for 2004 and 100 percent has been contributed for 2003 and 2002. The unpaid contribution for 2004, in the amount of \$49,344, is recorded as a liability.



**NOTE 15 - POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 employer contribution rate was 13.55 percent of covered payroll; 4 percent was the portion used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 1 to 6 percent annually for the next eight years and 4 percent annually after eight years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits was \$89,131. The actual contribution and the actuarial required contribution amounts are the same. OPERS's net assets available for the payment of benefits at December 31, 2003 (the latest information available), was \$10.5 billion. The actuarial accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

In September 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructured OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

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

**B. Ohio Police and Fire Pension Fund**

The Ohio Police and Fire Pension Fund (OPF) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check, or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of eighteen, whether or not the child is attending school, or under the age of twenty-two if attending school full-time or on a two-thirds basis.

The health care coverage provided by OPF is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from OPF shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total employer contribution rate for police is 19.5 percent of covered payroll and for firefighters is 24 percent of covered payroll; 7.75 percent was applied to the postemployment health care program during 2004. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2004 that were used to fund postemployment benefits were \$45,060 for police and \$48,042 for firefighters. The OPF's total health care expense for the year ended December 31, 2003 (the latest information available), was \$150,853,148, which was net of member contributions of \$17,207,506. The number of OPF participants eligible to receive health care benefits as of December 31, 2003, was 13,662 for police and 10,474 for firefighters.

**NOTE 16 - COMPENSATED ABSENCES**

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

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

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

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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

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

**NOTE 17 - NOTES PAYABLE**

The City's note transactions for the year ended December 31, 2004, were as follows:

	<u>Interest Rate</u>	<u>Balance December 31, 2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2004</u>
<u>Business-Type Activities</u>					
<u>General Obligation Bond Anticipation Notes</u>					
Water					
2003 Bond Anticipation Note	1.69%	\$1,100,000	\$0	\$1,100,000	\$0
2003 Bond Anticipation Note	1.65	364,048	0	364,048	0
2004 Bond Anticipation Note	1.50	0	950,000	0	950,000
2004 Bond Anticipation Note	2.20	0	273,036	0	273,036
2004 Bond Anticipation Note	2.55	0	385,000	0	385,000
2004 Bond Anticipation Note	2.55	0	615,000	0	615,000
Total Water Fund		<u>1,464,048</u>	<u>2,223,036</u>	<u>1,464,048</u>	<u>2,223,036</u>
Sewer					
2003 Bond Anticipation Note	1.60	5,300,000	0	5,300,000	0
2003 Bond Anticipation Note	1.65	512,752	0	512,752	0
2004 Bond Anticipation Note	2.20	0	384,564	0	384,564
2004 Bond Anticipation Note	2.20	0	5,650,000	0	5,650,000
Total Sewer Fund		<u>5,812,752</u>	<u>6,034,564</u>	<u>5,812,752</u>	<u>6,034,564</u>
Total Business-Type Activities		<u>\$7,276,800</u>	<u>\$8,257,600</u>	<u>\$7,276,800</u>	<u>\$8,257,600</u>

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

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

**NOTE 17 - NOTES PAYABLE** (continued)

The bond anticipation notes in the Water enterprise fund, in the amount of \$950,000, \$273,036, \$385,000, and \$615,000, were issued to partially retire notes previously issued for improvements to the water system, including a water tower and the installation of water lines.

The bond anticipation notes in the Sewer enterprise fund, in the amount of \$384,564 and \$5,650,000, were issued for improvements to the sewer system, including the construction and installation of sanitary sewer lines, a force main and lift station, and for various costs related to the bio solids plant. The 2004 notes also retired notes previously issued for the same purpose.

As of December 31, 2004, the City had unspent note proceeds, in the amount of \$109,360.

**NOTE 18 - LONG-TERM OBLIGATIONS**

The City's long-term obligations activity for the year ended December 31, 2004, was as follows:

	Interest Rate	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2004	Due Within One Year
<u>Governmental Activities</u>						
General Obligation Bonds						
1998 Various Purpose	3.30 - 4.25%	\$405,000	\$0	\$75,000	\$330,000	\$80,000
2003 Various Purpose	1.75 - 3.80	3,124,400	0	330,500	2,793,900	339,800
Accounting Loss	3.30 - 4.25	(96,636)	10,108	0	(86,528)	0
Total General Obligation Bonds		3,432,764	10,108	405,500	3,037,372	419,800
Other Long-Term Obligations						
Capital Loans Payable		145,000	0	26,489	118,511	28,260
Compensated Absences Payable		418,623	1,451	0	420,074	141,667
Total Governmental Activities		<u>\$3,996,387</u>	<u>\$11,559</u>	<u>\$431,989</u>	<u>\$3,575,957</u>	<u>\$589,727</u>
<u>Business-Type Activities</u>						
General Obligation Bonds						
2003 Various Purpose	1.75 - 3.80%	\$170,600	\$0	\$19,500	\$151,100	\$20,200
Mortgage Revenue Bonds						
1998 Sewer System Mortgage Refunding Bonds	3.30 - 4.95	3,445,000	0	165,000	3,280,000	175,000
Accounting Loss		(77,720)	11,103	0	(66,617)	0
Total Mortgage Revenue Bonds		<u>3,367,280</u>	<u>11,103</u>	<u>165,000</u>	<u>3,213,383</u>	<u>175,000</u>

(continued)

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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

	Interest Rate	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2004	Due Within One Year
<u>Business-Type Activities</u> (continued)						
Other Long-Term Obligations						
Due to Auglaize County		\$23,750	\$0	\$2,500	\$21,250	\$2,500
Capital Loans Payable		195,789	0	44,027	151,762	45,997
Compensated Absences Payable		293,259	0	43,189	250,070	65,890
Landfill Postclosure Costs		1,342,111	0	26,627	1,315,484	28,338
Total Other Long-Term Obligations		1,854,909	0	116,343	1,738,566	142,725
Total Business-Type Activities		\$5,392,789	\$11,103	\$300,843	\$5,103,049	\$337,925

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

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

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

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

Mortgage Revenue Bonds - On November 30, 1998, the City issued \$4,190,000 in sewer system mortgage revenue bonds to advance refund 1990 sewer mortgage revenue bonds and pay the costs of certain other improvements to the sewer system. The refunding bonds include serial and term bonds. The bonds are reported on the financial statements net of the unamortized loss on advance refunding of \$66,617 in the Sewer enterprise fund. The bonds were issued for a twenty year period, with final maturity during 2018.

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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

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

Year	Amount
2010	\$210,000
2011	225,000
2012	235,000
2013	245,000
2014	255,000
2015	270,000
2016	285,000
2017	300,000
2018	315,000

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

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

The refunding bonds pledge Sewer enterprise fund income to pay the debt service. The Sewer enterprise fund's bond indenture has certain restrictive covenants which principally require that bond reserve accounts be maintained and charges for services to customers be in sufficient amounts, as defined, to satisfy the obligations under the indenture agreement. In addition, special provisions exist regarding covenant violations, redemptions of principal, and maintenance of properties.

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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

In conjunction with the issuance of the sewer system mortgage revenue refunding bonds, the City entered into a trust agreement with a commercial bank. This trust agreement, along with the bond indenture, requires that the City establish various funds for the repayment of debt. The restricted assets in the Sewer enterprise fund segregate funds held by the City from funds held by the trustees in accordance with the trust agreement. Restricted assets relating to the sewer system mortgage revenue refunding bonds at December 31, 2004, were \$382,030.

The sewer system mortgage revenue refunding bonds defeased, in-substance, \$1,345,000 in sewer system mortgage revenue bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the City's financial statements. At December 31, 2004, \$755,000 of this debt was still outstanding.

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

The City's legal debt margin was \$11,826,565 at December 31, 2004.

Principal and interest requirements to retire governmental activities long-term obligations outstanding at December 31, 2004, were as follows:

Year	General Obligation Bonds		Capital Loans	
	Principal	Interest	Principal	Interest
2005	\$419,800	\$90,430	\$28,260	\$3,744
2006	419,400	81,283	29,153	2,851
2007	424,000	71,215	30,074	1,930
2008	418,600	60,061	31,024	980
2009	338,000	48,108	0	0
2010 to 2013	1,104,100	91,598	0	0
Total	\$3,123,900	\$442,695	\$118,511	\$9,505

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2004, from the enterprise funds were as follows:

Year	General Obligation Bonds		Mortgage Revenue Bonds		Due to Auglaize County	Capital Loans	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2005	\$20,200	\$3,928	\$175,000	\$155,092	\$2,500	\$45,997	\$6,445
2006	20,600	3,574	180,000	148,093	2,500	48,016	4,428
2007	21,000	3,162	185,000	140,712	2,500	23,946	2,318
2008	21,400	2,690	195,000	133,035	2,500	24,842	1,422
2009	22,000	2,155	205,000	124,748	2,500	2,829	493
2010 to 2014	45,900	2,355	1,170,000	468,765	8,750	6,132	510
2015 to 2018	0	0	1,170,000	148,500	0	0	0
Total	\$151,100	\$17,864	\$3,280,000	\$1,318,945	\$21,250	\$151,762	\$15,616

**NOTE 19 - LANDFILL POSTCLOSURE COSTS**

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City stopped accepting waste at its landfill in 1994. The Ohio EPA approved the final closure and postclosure plan in July 1998. The \$1,315,484 reported as landfill postclosure costs at December 31, 2004, represents the costs of maintenance and monitoring through 2028. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

**NOTE 20 - INTERFUND TRANSFERS**

During 2004, the General Fund made transfers to the Street and Sewer Improvement capital projects fund, in the amount of \$371,000; \$21,000 as debt payments came due and \$350,000 to finance various construction activities. The General Fund also made transfers to other governmental funds, in the amount of \$360,000; \$330,000 as debt payments came due and \$30,000 to subsidize activities in other funds. In addition, the General Fund transferred \$403,000 to the enterprise funds to support the operations of the various enterprise activities; \$400,000 to the Electric Fund and \$3,000 to the Water Fund.

The Street and Sewer Improvement capital projects fund transferred \$7,904 to other governmental funds as debt payments came due.

Other governmental funds made a transfer to the General Fund, in the amount of \$1,868 from a closed fund.



**NOTE 20 - INTERFUND TRANSFERS** (continued)

The Electric enterprise fund transferred \$33,914 to the other governmental funds as debt payments came due. In addition, a capital asset was transferred for general government operations, in the amount of \$15,941.

The Water enterprise fund transferred \$33,914 to the other governmental funds as debt payments came due.

The Sewer enterprise fund transferred \$33,914 to the other governmental funds as debt payments came due.

The Refuse enterprise fund transferred \$33,914 to the other governmental funds as debt payments came due.

**NOTE 21 - INSURANCE POOLS**

**A. Ohio Government Risk Management Plan**

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

**B. Ohio Rural Water Association Workers' Compensation Plan**

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

**NOTE 22 - CONTINGENT LIABILITIES**

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

City of Wapakoneta  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004

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**NOTE 22 - CONTINGENT LIABILITIES** (continued)

For the period January 1, 2004, to December 31, 2004, 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 23 - SUBSEQUENT EVENTS**

On February 16, 2005, the City issued \$800,000 in bond anticipation notes for constructing improvements to the water system. The notes have an interest rate of 2.80 percent and mature on November 17, 2005.

On June 16, 2005, the City issued \$6,838,400 in bond anticipation notes for constructing improvements to the water and sewer systems. The notes have an interest rate of 3.30 percent and mature on June 15, 2006.

**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

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### **Nonmajor Special Revenue Funds**

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

#### Street Maintenance Fund

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

#### State Highway Fund

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

#### Motor Vehicle Permissive Tax Fund

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

#### Community Block Grant Fund

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

#### Recreation Fund

To account for monies received for use on recreation activities.

#### Law Enforcement Fund

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

#### Enforcement and Education Fund

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

#### Drug Law Enforcement Fund

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

#### Recreation Trust Fund

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

#### Rudd Park Trust Fund

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

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

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**Nonmajor Debt Service Funds**

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

Debt Service Fund

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

Downtown Debt Fund

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

**Nonmajor Capital Projects Funds**

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

Safety Building Fund

To account for capital improvements to the safety building that are financed by General Fund transfers.

Issue II Fund

To account for grant resources and General Fund transfers used for various construction projects.

Capital Fire Truck Fund

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

City of Wapakoneta  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,058,702	\$229,925	\$304,436	\$1,593,063
Investments	1,024,721	0	0	1,024,721
Accounts Receivable	976	0	0	976
Due from Other Governments	242,583	0	21,496	264,079
Other Local Taxes Receivable	5,479	0	0	5,479
Prepaid Items	5,151	0	0	5,151
Materials and Supplies Inventory	15,791	0	0	15,791
Accrued Interest Receivable	0	7,857	0	7,857
Property Taxes Receivable	107,237	0	0	107,237
Notes Receivable	68,988	0	0	68,988
Special Assessments Receivable	0	320,015	0	320,015
Total Assets	<u>\$2,529,628</u>	<u>\$557,797</u>	<u>\$325,932</u>	<u>\$3,413,357</u>
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Accrued Wages Payable	\$8,474	\$0	\$0	\$8,474
Accounts Payable	9,723	0	0	9,723
Due to Other Governments	11,909	0	0	11,909
Interfund Payable	0	0	21,500	21,500
Deferred Revenue	269,535	327,872	0	597,407
Total Liabilities	<u>299,641</u>	<u>327,872</u>	<u>21,500</u>	<u>649,013</u>
<u>Fund Balance</u>				
Reserved for Notes Receivable	40,615	0	0	40,615
Reserved for Encumbrances	13,982	0	0	13,982
Unreserved, Reported in				
Special Revenue Funds	2,175,390	0	0	2,175,390
Debt Service Funds	0	229,925	0	229,925
Capital Projects Funds	0	0	304,432	304,432
Total Fund Balance	<u>2,229,987</u>	<u>229,925</u>	<u>304,432</u>	<u>2,764,344</u>
Total Liabilities and Fund Balance	<u>\$2,529,628</u>	<u>\$557,797</u>	<u>\$325,932</u>	<u>\$3,413,357</u>

City of Wapakoneta  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2004

	Street Maintenance	State Highway	Motor Vehicle Permissive Tax	Community Block Grant	Recreation
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$90,107	\$114,731	\$592,564	\$32,851	\$223,887
Investments	0	0	0	0	1,003,121
Accounts Receivable	976	0	0	0	0
Due from Other Governments	177,498	14,390	0	45,000	5,420
Other Local Taxes Receivable	0	0	5,479	0	0
Prepaid Items	4,818	0	0	0	333
Materials and Supplies Inventory	15,450	0	0	0	341
Property Taxes Receivable	0	0	0	0	107,237
Notes Receivable	0	0	0	68,988	
<b>Total Assets</b>	<b>\$288,849</b>	<b>\$129,121</b>	<b>\$598,043</b>	<b>\$146,839</b>	<b>\$1,340,339</b>
<u>Liabilities and Fund Balance</u>					
<u>Liabilities</u>					
Accrued Wages Payable	\$7,974	\$0	\$0	\$0	\$500
Accounts Payable	8,354	0	0	355	1,014
Due to Other Governments	11,080	0	0	0	829
Deferred Revenue	145,142	11,736	0	0	112,657
<b>Total Liabilities</b>	<b>172,550</b>	<b>11,736</b>	<b>0</b>	<b>355</b>	<b>115,000</b>
<u>Fund Balance</u>					
Reserved for Notes Receivable	0	0	0	40,615	0
Reserved for Encumbrances	11,019	0	0	0	2,963
Unreserved	105,280	117,385	598,043	105,869	1,222,376
<b>Total Fund Balance</b>	<b>116,299</b>	<b>117,385</b>	<b>598,043</b>	<b>146,484</b>	<b>1,225,339</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$288,849</b>	<b>\$129,121</b>	<b>\$598,043</b>	<b>\$146,839</b>	<b>\$1,340,339</b>



<u>Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Drug Law Enforcement</u>	<u>Recreation Trust</u>	<u>Rudd Park Trust</u>	<u>Total</u>
\$928	\$1,628	\$1,862	\$0	\$144	\$1,058,702
0	0	0	21,600	0	1,024,721
0	0	0	0	0	976
35	200	40	0	0	242,583
0	0	0	0	0	5,479
0	0	0	0	0	5,151
0	0	0	0	0	15,791
0	0	0	0	0	107,237
0	0	0	0	0	68,988
<u>\$963</u>	<u>\$1,828</u>	<u>\$1,902</u>	<u>\$21,600</u>	<u>\$144</u>	<u>\$2,529,628</u>
\$0	\$0	\$0	\$0	\$0	\$8,474
0	0	0	0	0	9,723
0	0	0	0	0	11,909
0	0	0	0	0	269,535
0	0	0	0	0	299,641
0	0	0	0	0	40,615
0	0	0	0	0	13,982
963	1,828	1,902	21,600	144	2,175,390
963	1,828	1,902	21,600	144	2,229,987
<u>\$963</u>	<u>\$1,828</u>	<u>\$1,902</u>	<u>\$21,600</u>	<u>\$144</u>	<u>\$2,529,628</u>

City of Wapakoneta  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2004

	Debt Service	Downtown Debt	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$27,712	\$202,213	\$229,925
Accrued Interest Receivable	7,857	0	7,857
Special Assessments Receivable	320,015	0	320,015
	<u>\$355,584</u>	<u>\$202,213</u>	<u>\$557,797</u>
<u>Liabilities and Fund Balance</u>			
<u>Liabilities</u>			
Deferred Revenue	\$327,872	\$0	\$327,872
<u>Fund Balance</u>			
Unreserved	27,712	202,213	229,925
	<u>\$355,584</u>	<u>\$202,213</u>	<u>\$557,797</u>
Total Liabilities and Fund Balance	<u>\$355,584</u>	<u>\$202,213</u>	<u>\$557,797</u>

City of Wapakoneta  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2004

	Issue II	Capital Fire Truck	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$4	\$304,432	\$304,436
Due from Other Governments	21,496	0	21,496
Total Assets	\$21,500	\$304,432	\$325,932
<u>Liabilities and Fund Balance</u>			
<u>Liabilities</u>			
Interfund Payable	\$21,500	\$0	\$21,500
<u>Fund Balance</u>			
Unreserved	0	304,432	304,432
Total Liabilities and Fund Balance	\$21,500	\$304,432	\$325,932

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City of Wapakoneta  
Combining Statement of Revenues, Expenditures,  
and Change in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$103,621	\$0	\$0	\$103,621
Other Local Taxes	73,070	0	0	73,070
Special Assessments	0	110,523	0	110,523
Charges for Services	15,696	0	0	15,696
Fees, Licenses, and Permits	1,130	0	0	1,130
Fines and Forfeitures	3,624	0	0	3,624
Intergovernmental	542,187	0	21,496	563,683
Interest	250,464	3,168	0	253,632
Gifts and Donations	17,742	0	0	17,742
Other	11,912	0	0	11,912
<b>Total Revenues</b>	<b>1,019,446</b>	<b>113,691</b>	<b>21,496</b>	<b>1,154,633</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	2,997	0	0	2,997
Other	0	0	9,181	9,181
Leisure Time Activities	140,660	0	0	140,660
Community Environment	61,962	0	0	61,962
Transportation	453,857	0	0	453,857
Debt Service:				
Principal Retirement	6,810	405,500	0	412,310
Interest and Fiscal Charges	1,418	112,955	0	114,373
<b>Total Expenditures</b>	<b>667,704</b>	<b>518,455</b>	<b>9,181</b>	<b>1,195,340</b>
Excess of Revenues Over (Under) Expenditures	351,742	(404,764)	12,315	(40,707)
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	473,560	30,000	503,560
Transfers Out	0	0	(1,868)	(1,868)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>473,560</b>	<b>28,132</b>	<b>501,692</b>
Change in Fund Balance	351,742	68,796	40,447	460,985
Fund Balance Beginning of Year	1,878,245	161,129	263,985	2,303,359
Fund Balance End of Year	<u>\$2,229,987</u>	<u>\$229,925</u>	<u>\$304,432</u>	<u>\$2,764,344</u>

City of Wapakoneta  
Combining Statement of Revenues, Expenditures,  
and Change in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2004

	Street Maintenance	State Highway	Motor Vehicle Permissive Tax	Community Block Grant
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	73,070	0
Charges for Services	15,696	0	0	0
Fees, Licenses, and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	362,717	29,409	92,594	45,000
Interest	1,229	1,106	6,778	5,527
Gifts and Donations	0	0	0	0
Other	300	0	0	0
<b>Total Revenues</b>	<b>379,942</b>	<b>30,515</b>	<b>172,442</b>	<b>50,527</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	61,962
Transportation	341,656	96	112,105	0
Debt Service:				
Principal Retirement	6,810	0	0	0
Interest and Fiscal Charges	1,418	0	0	0
<b>Total Expenditures</b>	<b>349,884</b>	<b>96</b>	<b>112,105</b>	<b>61,962</b>
<b>Change in Fund Balance</b>	<b>30,058</b>	<b>30,419</b>	<b>60,337</b>	<b>(11,435)</b>
<b>Fund Balance Beginning of Year</b>	<b>86,241</b>	<b>86,966</b>	<b>537,706</b>	<b>157,919</b>
<b>Fund Balance End of Year</b>	<b>\$116,299</b>	<b>\$117,385</b>	<b>\$598,043</b>	<b>\$146,484</b>

<u>Recreation</u>	<u>Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Drug Law Enforcement</u>	<u>Recreation Trust</u>	<u>Rudd Park Trust</u>	<u>Total</u>
\$103,621	\$0	\$0	\$0	\$0	\$0	\$103,621
0	0	0	0	0	0	73,070
0	0	0	0	0	0	15,696
1,130	0	0	0	0	0	1,130
0	380	2,583	661	0	0	3,624
12,467	0	0	0	0	0	542,187
235,824	0	0	0	0	0	250,464
17,598	0	0	0	0	144	17,742
11,612	0	0	0	0	0	11,912
<u>382,252</u>	<u>380</u>	<u>2,583</u>	<u>661</u>	<u>0</u>	<u>144</u>	<u>1,019,446</u>
0	0	2,997	0	0	0	2,997
140,660	0	0	0	0	0	140,660
0	0	0	0	0	0	61,962
0	0	0	0	0	0	453,857
0	0	0	0	0	0	6,810
0	0	0	0	0	0	1,418
<u>140,660</u>	<u>0</u>	<u>2,997</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>667,704</u>
241,592	380	(414)	661	0	144	351,742
983,747	583	2,242	1,241	21,600	0	1,878,245
<u>\$1,225,339</u>	<u>\$963</u>	<u>\$1,828</u>	<u>\$1,902</u>	<u>\$21,600</u>	<u>\$144</u>	<u>\$2,229,987</u>

City of Wapakoneta  
Combining Statement of Revenues, Expenditures,  
and Change in Fund Balance  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2004

	<u>Debt Service</u>	<u>Downtown Debt</u>	<u>Total</u>
<u>Revenues</u>			
Special Assessments	\$110,012	\$511	\$110,523
Interest	3,168	0	3,168
Total Revenues	<u>113,180</u>	<u>511</u>	<u>113,691</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	227,900	177,600	405,500
Interest and Fiscal Charges	60,211	52,744	112,955
Total Expenditures	<u>288,111</u>	<u>230,344</u>	<u>518,455</u>
Excess of Revenues Under Expenditures	(174,931)	(229,833)	(404,764)
<u>Other Financing Sources</u>			
Transfers In	<u>173,560</u>	<u>300,000</u>	<u>473,560</u>
Change in Fund Balance	(1,371)	70,167	68,796
Fund Balance Beginning of Year	<u>29,083</u>	<u>132,046</u>	<u>161,129</u>
Fund Balance End of Year	<u><u>\$27,712</u></u>	<u><u>\$202,213</u></u>	<u><u>\$229,925</u></u>



City of Wapakoneta  
Combining Statement of Revenues, Expenditures,  
and Change in Fund Balance  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2004

	<u>Safety Building</u>	<u>Issue II</u>	<u>Capital Fire Truck</u>	<u>Total</u>
<u>Revenues</u>				
Intergovernmental	\$0	\$21,496	\$0	\$21,496
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Other	9,181	0	0	9,181
Excess of Revenues Over (Under) Expenditures	(9,181)	21,496	0	12,315
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	0	30,000	30,000
Transfers Out	(1,868)	0	0	(1,868)
Total Other Financing Sources (Uses)	(1,868)	0	30,000	28,132
Change in Fund Balance	(11,049)	21,496	30,000	40,447
Fund Balance (Deficit) Beginning of Year	11,049	(21,496)	274,432	263,985
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$304,432</u>	<u>\$304,432</u>

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City of Wapakoneta  
Combining Statements - Fiduciary Funds

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

**Agency Funds**

Dependent Coverage Fund

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

Police Auxiliary Fund

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

City of Wapakoneta  
 Combining Statement of Assets and Liabilities  
 Agency Funds  
 December 31, 2004

	Dependent Coverage	Police Auxiliary	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$717	\$24,315	\$25,032
<u>Liabilities</u>			
Deposits Held and Due to Others	\$717	\$0	\$717
Undistributed Assets	0	24,315	24,315
Total Liabilities	\$717	\$24,315	\$25,032

City of Wapakoneta  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2004

	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2004
<u>Dependent Coverage</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$546	\$133,403	\$133,232	\$717
<u>Liabilities</u>				
Deposits Held and Due to Others	\$546	\$133,403	\$133,232	\$717
<u>Police Auxiliary</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$23,979	\$22,598	\$22,262	\$24,315
<u>Liabilities</u>				
Undistributed Assets	\$23,979	\$22,598	\$22,262	\$24,315
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$24,525	\$156,001	\$155,494	\$25,032
<u>Liabilities</u>				
Deposits Held and Due to Others	\$546	\$133,403	\$133,232	\$717
Undistributed Assets	23,979	22,598	22,262	24,315
Total Liabilities	\$24,525	\$156,001	\$155,494	\$25,032

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

City of Wapakoneta  
General Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$348,906	\$348,906	\$347,291	(\$1,615)
Municipal Income Taxes	2,025,000	2,025,000	2,043,923	18,923
Other Local Taxes	638,000	638,070	637,644	(426)
Charges for Services	238,800	251,850	255,779	3,929
Fees, Licenses, and Permits	40,400	51,559	52,892	1,333
Fines and Forfeitures	21,800	25,600	24,560	(1,040)
Intergovernmental	558,792	599,270	575,630	(23,640)
Interest	235,000	228,875	241,501	12,626
Gifts and Donations	15,400	18,647	17,348	(1,299)
Other	49,600	54,541	49,649	(4,892)
<b>Total Revenues</b>	<b>4,171,698</b>	<b>4,242,318</b>	<b>4,246,217</b>	<b>3,899</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police Department				
Personal Services	1,042,050	1,042,050	975,447	66,603
Contractual Services	120,603	120,103	103,154	16,949
Materials and Supplies	25,180	34,680	24,270	10,410
Capital Outlay	22,500	27,500	15,499	12,001
<b>Total Police Department</b>	<b>1,210,333</b>	<b>1,224,333</b>	<b>1,118,370</b>	<b>105,963</b>
Fire Department				
Personal Services	920,200	942,200	910,670	31,530
Contractual Services	74,338	88,972	85,562	3,410
Materials and Supplies	62,916	62,982	57,785	5,197
Capital Outlay	104,137	75,937	74,187	1,750
<b>Total Fire Department</b>	<b>1,161,591</b>	<b>1,170,091</b>	<b>1,128,204</b>	<b>41,887</b>
Safety Director				
Personal Services	4,300	4,300	4,121	179
Contractual Services	7,100	7,100	7,000	100
Materials and Supplies	9,000	0	0	0
<b>Total Safety Director</b>	<b>20,400</b>	<b>11,400</b>	<b>11,121</b>	<b>279</b>
<b>Total Security of Persons and Property</b>	<b>2,392,324</b>	<b>2,405,824</b>	<b>2,257,695</b>	<b>148,129</b>

(continued)



City of Wapakoneta  
General Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004  
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Public Health				
Emergency Medical				
Personal Services	\$165,800	\$165,800	\$147,358	\$18,442
Contractual Services	52,227	52,977	45,960	7,017
Materials and Supplies	13,451	12,701	9,309	3,392
Capital Outlay	28,000	28,000	27,941	59
Other	300	300	0	300
Total Emergency Medical	<u>259,778</u>	<u>259,778</u>	<u>230,568</u>	<u>29,210</u>
Miscellaneous				
Contractual Services	3,000	3,000	613	2,387
Capital Outlay	5,000	5,000	0	5,000
Total Miscellaneous	<u>8,000</u>	<u>8,000</u>	<u>613</u>	<u>7,387</u>
Total Public Health	<u>267,778</u>	<u>267,778</u>	<u>231,181</u>	<u>36,597</u>
Community Environment				
Boards and Commissions				
Contractual Services	60,600	65,600	55,961	9,639
Materials and Supplies	20,789	20,789	17,626	3,163
Capital Outlay	30,000	25,000	0	25,000
Total Community Environment	<u>111,389</u>	<u>111,389</u>	<u>73,587</u>	<u>37,802</u>
General Government				
Council				
Personal Services	37,000	37,000	36,651	349
Materials and Supplies	5,550	5,570	5,570	0
Total Council	<u>42,550</u>	<u>42,570</u>	<u>42,221</u>	<u>349</u>
Clerk of Council				
Personal Services	3,200	3,200	3,200	0
Contractual Services	6,334	7,334	4,592	2,742
Materials and Supplies	50	30	0	30
Total Clerk of Council	<u>9,584</u>	<u>10,564</u>	<u>7,792</u>	<u>2,772</u>
Administrative				
Personal Services	32,300	33,300	28,119	5,181
Contractual Services	29,714	33,036	32,949	87
Materials and Supplies	19,372	38,050	36,805	1,245
Capital Outlay	1,000	0	0	0
Total Administrative	<u>82,386</u>	<u>104,386</u>	<u>97,873</u>	<u>6,513</u>

(continued)

City of Wapakoneta  
General Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004  
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<b>Finance</b>				
Personal Services	\$26,000	\$26,500	\$26,229	\$271
Contractual Services	59,300	59,300	52,877	6,423
Materials and Supplies	1,259	1,260	537	723
<b>Total Finance</b>	<b>86,559</b>	<b>87,060</b>	<b>79,643</b>	<b>7,417</b>
<b>Income Tax</b>				
Personal Services	47,500	48,500	42,246	6,254
Contractual Services	6,709	7,029	4,304	2,725
Materials and Supplies	24,520	24,200	18,571	5,629
Capital Outlay	1,600	600	0	600
Other	180,100	177,600	71,356	106,244
<b>Total Income Tax</b>	<b>260,429</b>	<b>257,929</b>	<b>136,477</b>	<b>121,452</b>
<b>Law Director</b>				
Personal Services	20,000	20,000	20,000	0
Contractual Services	2,000	2,000	0	2,000
Materials and Supplies	400	400	0	400
<b>Total Law Director</b>	<b>22,400</b>	<b>22,400</b>	<b>20,000</b>	<b>2,400</b>
<b>Civil Service</b>				
Personal Services	1,100	1,100	1,000	100
Materials and Supplies	1,000	1,000	448	552
<b>Total Civil Service</b>	<b>2,100</b>	<b>2,100</b>	<b>1,448</b>	<b>652</b>
<b>Elections</b>				
Contractual Services	6,000	6,000	1,797	4,203
<b>Auglaize County</b>				
Contractual Services	20,400	20,400	5,273	15,127
<b>Administrative Support</b>				
Other	73,759	44,259	631	43,628
<b>Total General Government</b>	<b>606,167</b>	<b>597,668</b>	<b>393,155</b>	<b>204,513</b>
<b>Total Expenditures</b>	<b>3,377,658</b>	<b>3,382,659</b>	<b>2,955,618</b>	<b>427,041</b>
<b>Excess of Revenues Over Expenditures</b>	<b>794,040</b>	<b>859,659</b>	<b>1,290,599</b>	<b>430,940</b>

(continued)

City of Wapakoneta  
General Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004  
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Other Financing Sources (Uses)</u>				
Advances In	\$21,500	\$0	\$0	\$0
Transfers In	0	1,868	1,868	0
Transfers Out	(1,334,000)	(1,334,000)	(1,134,000)	200,000
Total Other Financing Sources (Uses)	<u>(1,312,500)</u>	<u>(1,332,132)</u>	<u>(1,132,132)</u>	<u>200,000</u>
Change in Fund Balance	(518,460)	(472,473)	158,467	630,940
Fund Balance Beginning of Year	494,146	494,146	494,146	0
Prior Year Encumbrances Appropriated	<u>79,760</u>	<u>79,760</u>	<u>79,760</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$55,446</u></u>	<u><u>\$101,433</u></u>	<u><u>\$732,373</u></u>	<u><u>\$630,940</u></u>

City of Wapakoneta  
Street and Sewer Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$0	\$171,027	\$171,027
Special Assessments	98,286	97,829	(457)
Interest	7,414	7,414	0
<b>Total Revenues</b>	<b>105,700</b>	<b>276,270</b>	<b>170,570</b>
<u>Expenditures</u>			
Current:			
Transportation			
Street and Sewer Improvement			
Contractual Services	145,000	128,542	16,458
Capital Outlay	1,339,984	1,107,144	232,840
<b>Total Transportation</b>	<b>1,484,984</b>	<b>1,235,686</b>	<b>249,298</b>
Debt Service:			
Principal Retirement	90,250	90,250	0
Interest and Fiscal Charges	15,850	15,498	352
<b>Total Debt Service</b>	<b>106,100</b>	<b>105,748</b>	<b>352</b>
<b>Total Expenditures</b>	<b>1,591,084</b>	<b>1,341,434</b>	<b>249,650</b>
Excess of Revenues Under Expenditures	(1,485,384)	(1,065,164)	420,220
<u>Other Financing Sources</u>			
Transfers In	371,000	371,000	0
<b>Change in Fund Balance</b>	<b>(1,114,384)</b>	<b>(694,164)</b>	<b>420,220</b>
Fund Balance Beginning of Year	1,111,028	1,111,028	0
Prior Year Encumbrances Appropriated	109,984	109,984	0
<b>Fund Balance End of Year</b>	<b>\$106,628</b>	<b>\$526,848</b>	<b>\$420,220</b>

City of Wapakoneta  
Electric Enterprise Fund

Schedule of Revenues, Expenses,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$7,262,441	\$7,169,039	(\$93,402)
Other Local Taxes	53,000	51,802	(1,198)
Utility Deposits	30,000	15,021	(14,979)
Sale of Capital Assets	2,000	0	(2,000)
Other	12,454	16,381	3,927
<b>Total Revenues</b>	<b>7,359,895</b>	<b>7,252,243</b>	<b>(107,652)</b>
<u>Expenses</u>			
Personal Services	879,000	747,326	131,674
Contractual Services	7,576,461	5,989,260	1,587,201
Materials and Supplies	583,203	380,280	202,923
Capital Outlay	1,941,138	316,537	1,624,601
Utility Refunds	30,000	14,688	15,312
Other	7,239,020	80,436	7,158,584
Debt Service:			
Principal Retirement	24,895	24,850	45
Interest Expense	9,105	9,068	37
<b>Total Expenses</b>	<b>18,282,822</b>	<b>7,562,445</b>	<b>10,720,377</b>
Excess of Revenues Under Expenses	(10,922,927)	(310,202)	10,612,725
Transfers In	500,000	400,000	(100,000)
<b>Change in Fund Balance</b>	<b>(10,422,927)</b>	<b>89,798</b>	<b>10,512,725</b>
Fund Balance Beginning of Year	9,830,608	9,830,608	0
Prior Year Encumbrances Appropriated	734,321	734,321	0
<b>Fund Balance End of Year</b>	<b>\$142,002</b>	<b>\$10,654,727</b>	<b>\$10,512,725</b>

City of Wapakoneta  
Water Enterprise Fund

Schedule of Revenues, Expenses,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,208,422	\$1,200,983	(\$7,439)
Intergovernmental	15,000	15,000	0
Proceeds of Notes	2,201,482	2,223,036	21,554
Sale of Capital Assets	0	225	225
Other	1,127	4,342	3,215
<b>Total Revenues</b>	<b>3,426,031</b>	<b>3,443,586</b>	<b>17,555</b>
<u>Expenses</u>			
Personal Services	433,600	398,321	35,279
Contractual Services	189,198	189,198	0
Materials and Supplies	259,520	312,871	(53,351)
Capital Outlay	1,172,928	635,113	537,815
Other	30,424	0	30,424
Debt Service:			
Principal Retirement	1,518,174	1,513,675	4,499
Interest Expense	39,085	38,935	150
<b>Total Expenses</b>	<b>3,642,929</b>	<b>3,088,113</b>	<b>554,816</b>
Excess of Revenues Over (Under) Expenses	(216,898)	355,473	572,371
Transfers In	3,000	3,000	0
<b>Change in Fund Balance</b>	<b>(213,898)</b>	<b>358,473</b>	<b>572,371</b>
Fund Balance Beginning of Year	296,131	296,131	0
Prior Year Encumbrances Appropriated	228,346	228,346	0
<b>Fund Balance End of Year</b>	<b>\$310,579</b>	<b>\$882,950</b>	<b>\$572,371</b>

City of Wapakoneta  
Sewer Enterprise Fund

Schedule of Revenues, Expenses,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,775,700	\$1,784,509	\$8,809
Proceeds of Notes	6,084,564	6,034,564	(50,000)
Interest	51,500	28,442	(23,058)
Other	6,118	9,360	3,242
Total Revenues	<u>7,917,882</u>	<u>7,856,875</u>	<u>(61,007)</u>
<u>Expenses</u>			
Personal Services	524,100	478,398	45,702
Contractual Services	374,786	250,665	124,121
Materials and Supplies	205,770	139,771	65,999
Capital Outlay	4,187,784	4,081,512	106,272
Other	56,300	4,935	51,365
Debt Service:			
Principal Retirement	6,036,773	6,024,352	12,421
Interest Expense	275,677	272,902	2,775
Total Expenses	<u>11,661,190</u>	<u>11,252,535</u>	<u>408,655</u>
Change in Fund Balance	(3,743,308)	(3,395,660)	347,648
Fund Balance Beginning of Year	565,685	565,685	0
Prior Year Encumbrances Appropriated	<u>3,822,189</u>	<u>3,822,189</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$644,566</u></u>	<u><u>\$992,214</u></u>	<u><u>\$347,648</u></u>

City of Wapakoneta  
Storm Sewer Enterprise Fund

Schedule of Revenues, Expenses,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$150,000	\$150,887	\$887
Intergovernmental	35,000	35,000	0
Other	83	83	0
	<u>185,083</u>	<u>185,970</u>	<u>887</u>
<u>Expenses</u>			
Contractual Services	28,000	8,452	19,548
Materials and Supplies	12,500	5,099	7,401
Capital Outlay	451,584	229,945	221,639
	<u>492,084</u>	<u>243,496</u>	<u>248,588</u>
Change in Fund Balance	(307,001)	(57,526)	249,475
Fund Balance Beginning of Year	330,830	330,830	0
Prior Year Encumbrances Appropriated	<u>15,084</u>	<u>15,084</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$38,913</u></u>	<u><u>\$288,388</u></u>	<u><u>\$249,475</u></u>



City of Wapakoneta  
Refuse Enterprise Fund

Schedule of Revenues, Expenses,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$864,766	\$890,808	\$26,042
Other	1,525	620	(905)
	<u>866,291</u>	<u>891,428</u>	<u>25,137</u>
<u>Expenses</u>			
Personal Services	343,600	315,434	28,166
Contractual Services	617,502	449,274	168,228
Materials and Supplies	93,648	60,222	33,426
Capital Outlay	28,586	10,629	17,957
Other	96,200	0	96,200
Debt Service:			
Principal Retirement	258,500	44,350	214,150
Interest Expense	25,500	14,048	11,452
	<u>1,463,536</u>	<u>893,957</u>	<u>569,579</u>
Change in Fund Balance	(597,245)	(2,529)	594,716
Fund Balance Beginning of Year	566,794	566,794	0
Prior Year Encumbrances Appropriated	<u>62,536</u>	<u>62,536</u>	<u>0</u>
Fund Balance End of Year	<u>\$32,085</u>	<u>\$626,801</u>	<u>\$594,716</u>

City of Wapakoneta  
Street Maintenance Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$12,500	\$15,107	\$2,607
Intergovernmental	352,000	353,639	1,639
Interest	700	1,229	529
Other	5,500	300	(5,200)
<b>Total Revenues</b>	<b>370,700</b>	<b>370,275</b>	<b>(425)</b>
<u>Expenditures</u>			
Current:			
Transportation			
Street Maintenance			
Personal Services	221,400	198,900	22,500
Contractual Services	77,873	63,755	14,118
Materials and Supplies	91,888	69,958	21,930
Capital Outlay	31,000	24,385	6,615
<b>Total Expenditures</b>	<b>422,161</b>	<b>356,998</b>	<b>65,163</b>
Excess of Revenues Over Under Expenditures	(51,461)	13,277	64,738
<u>Other Financing Sources</u>			
Sale of Capital Assets	1,000	0	(1,000)
Change in Fund Balance	(50,461)	13,277	63,738
Fund Balance Beginning of Year	46,512	46,512	0
Prior Year Encumbrances Appropriated	5,262	5,262	0
<b>Fund Balance End of Year</b>	<b>\$1,313</b>	<b>\$65,051</b>	<b>\$63,738</b>

City of Wapakoneta  
State Highway Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$21,500	\$28,673	\$7,173
Interest	600	1,106	506
	<u>22,100</u>	<u>29,779</u>	<u>7,679</u>
<u>Expenditures</u>			
Current:			
Transportation			
State Highway			
Contractual Services	4,800	0	4,800
Materials and Supplies	200	96	104
Capital Outlay	98,100	0	98,100
	<u>103,100</u>	<u>96</u>	<u>103,004</u>
Total Expenditures	<u>103,100</u>	<u>96</u>	<u>103,004</u>
Change in Fund Balance	(81,000)	29,683	110,683
Fund Balance Beginning of Year	<u>85,048</u>	<u>85,048</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$4,048</u></u>	<u><u>\$114,731</u></u>	<u><u>\$110,683</u></u>

City of Wapakoneta  
Motor Vehicle Permissive Tax Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Other Local Taxes	\$64,000	\$72,398	\$8,398
Intergovernmental	95,000	92,594	(2,406)
Interest	4,000	6,778	2,778
	<u>163,000</u>	<u>171,770</u>	<u>8,770</u>
<u>Expenditures</u>			
Current:			
Transportation			
Motor Vehicle Permissive Tax			
Contractual Services	30,000	0	30,000
Capital Outlay	655,000	112,105	542,895
	<u>685,000</u>	<u>112,105</u>	<u>572,895</u>
Total Expenditures	<u>685,000</u>	<u>112,105</u>	<u>572,895</u>
Change in Fund Balance	(522,000)	59,665	581,665
Fund Balance Beginning of Year	<u>532,899</u>	<u>532,899</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$10,899</u></u>	<u><u>\$592,564</u></u>	<u><u>\$581,665</u></u>

City of Wapakoneta  
Community Block Grant Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$50,000	\$0	(\$50,000)
Interest	1,000	1,556	556
Revolving Loan Payments	27,000	31,039	4,039
	<u>78,000</u>	<u>32,595</u>	<u>(45,405)</u>
<u>Expenditures</u>			
Current:			
Community Environment			
Community Block Grant			
Contractual Services	139,500	61,962	77,538
	<u>139,500</u>	<u>61,962</u>	<u>77,538</u>
Change in Fund Balance	(61,500)	(29,367)	32,133
Fund Balance Beginning of Year	61,863	61,863	0
	<u>61,863</u>	<u>61,863</u>	<u>0</u>
Fund Balance End of Year	<u>\$363</u>	<u>\$32,496</u>	<u>\$32,133</u>

City of Wapakoneta  
Recreation Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$104,673	\$103,621	(\$1,052)
Fees, Licenses, and Permits	960	1,130	170
Intergovernmental	27,252	29,004	1,752
Interest	49,500	49,678	178
Gifts and Donations	16,111	17,598	1,487
Other	11,600	11,612	12
Total Revenues	<u>210,096</u>	<u>212,643</u>	<u>2,547</u>
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Recreation			
Personal Services	59,500	36,942	22,558
Contractual Services	51,672	44,480	7,192
Materials and Supplies	27,440	23,075	4,365
Capital Outlay	163,662	40,625	123,037
Total Expenditures	<u>302,274</u>	<u>145,122</u>	<u>157,152</u>
Change in Fund Balance	(92,178)	67,521	159,699
Fund Balance Beginning of Year	147,116	147,116	0
Prior Year Encumbrances Appropriated	5,273	5,273	0
Fund Balance End of Year	<u>\$60,211</u>	<u>\$219,910</u>	<u>\$159,699</u>

City of Wapakoneta  
Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$275	\$380	\$105
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Law Enforcement			
Materials and Supplies	600	0	600
Change in Fund Balance	(325)	380	705
Fund Balance Beginning of Year	548	548	0
Fund Balance End of Year	\$223	\$928	\$705

City of Wapakoneta  
Enforcement and Education Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$1,285	\$2,583	\$1,298
<u>Expenditures</u>			
Current:			
Security of Persons and Property Enforcement and Education Materials and Supplies	3,000	2,997	3
Change in Fund Balance	(1,715)	(414)	1,301
Fund Balance Beginning of Year	2,042	2,042	0
Fund Balance End of Year	\$327	\$1,628	\$1,301



City of Wapakoneta  
Drug Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$676	\$751	\$75
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Drug Law Enforcement			
Materials and Supplies	1,500	0	1,500
Change in Fund Balance	(824)	751	1,575
Fund Balance Beginning of Year	1,111	1,111	0
Fund Balance End of Year	\$287	\$1,862	\$1,575

City of Wapakoneta  
Recreation Trust Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

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

City of Wapakoneta  
Rudd Park Trust Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Gifts and Donations	\$144	\$144	\$0
<u>Expenditures</u>	0	0	0
Change in Fund Balance	144	144	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$144	\$144	\$0

City of Wapakoneta  
Debt Service Debt Service Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Special Assessments	\$12,183	\$12,183	\$0
Interest	3,168	3,168	0
	<u>15,351</u>	<u>15,351</u>	<u>0</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	38,250	38,250	0
Interest and Fiscal Charges	8,500	8,472	28
	<u>46,750</u>	<u>46,722</u>	<u>28</u>
Excess of Revenues			
Under Expenditures	(31,399)	(31,371)	28
<u>Other Financing Sources</u>			
Transfers In	30,000	30,000	0
Change in Fund Balance	(1,399)	(1,371)	28
Fund Balance Beginning of Year	<u>29,083</u>	<u>29,083</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$27,684</u></u>	<u><u>\$27,712</u></u>	<u><u>\$28</u></u>

City of Wapakoneta  
Downtown Debt Debt Service Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Special Assessments	\$20,510	\$511	(\$19,999)
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	350,000	177,600	172,400
Interest and Fiscal Charges	101,500	52,744	48,756
Total Expenditures	451,500	230,344	221,156
Excess of Revenues Under Expenditures	(430,990)	(229,833)	201,157
<u>Other Financing Sources</u>			
Transfers In	300,000	300,000	0
Change in Fund Balance	(130,990)	70,167	201,157
Fund Balance Beginning of Year	132,046	132,046	0
Fund Balance End of Year	<u>\$1,056</u>	<u>\$202,213</u>	<u>\$201,157</u>

City of Wapakoneta  
Safety Building Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Safety Building			
Capital Outlay	26,577	24,709	1,868
Excess of Revenues			
Under Expenditures	(26,577)	(24,709)	(1,868)
<u>Other Financing Sources (Uses)</u>			
Transfers In	2,010	0	(2,010)
Transfers Out	(1,868)	(1,868)	0
Total Other Financing Sources (Uses)	142	(1,868)	(2,010)
Change in Fund Balance	(26,435)	(26,577)	(142)
Fund Balance Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	26,577	26,577	0
Fund Balance End of Year	\$142	\$0	(\$142)

City of Wapakoneta  
Issue II Capital Projects Funds

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Change in Fund Balance	0	0	0
Fund Balance Beginning of Year	4	4	0
Fund Balance End of Year	\$4	\$4	\$0

City of Wapakoneta  
Capital Fire Truck Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Excess of Revenues Over Expenditures	0	0	0
<u>Other Financing Sources</u>			
Transfers In	30,000	30,000	0
Change in Fund Balance	30,000	30,000	0
Fund Balance Beginning of Year	274,432	274,432	0
Fund Balance End of Year	\$304,432	\$304,432	\$0



City of Wapakoneta  
Engineering Internal Service Fund

Schedule of Revenues, Expenses,  
and Change in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2004

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$205,000	\$230,273	\$25,273
Fees, Licenses, and Permits	11,555	19,393	7,838
Other	1,493	2,109	616
Total Revenues	<u>218,048</u>	<u>251,775</u>	<u>33,727</u>
<u>Expenses</u>			
Personal Services	217,600	185,696	31,904
Contractual Services	15,689	11,754	3,935
Materials and Supplies	23,194	19,240	3,954
Capital Outlay	3,000	0	3,000
Other	37,770	182	37,588
Total Expenses	<u>297,253</u>	<u>216,872</u>	<u>80,381</u>
Change in Fund Balance	(79,205)	34,903	114,108
Fund Balance Beginning of Year	77,067	77,067	0
Prior Year Encumbrances Appropriated	<u>2,752</u>	<u>2,752</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$614</u></u>	<u><u>\$114,722</u></u>	<u><u>\$114,108</u></u>

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**SCHEDULES OF CAPITAL ASSETS**  
**USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS**

City of Wapakoneta

Capital Assets Used in the Operation of Governmental Funds  
 Schedule by Program and Department  
 December 31, 2004

Program/Department	Total	Land	Land Improvements	Buildings
Security of Persons and Property				
Police	\$1,321,945	\$46,702	\$0	\$1,057,574
Fire	1,423,227	46,702	0	432,139
Total Security of Persons and Property	2,745,172	93,404	0	1,489,713
Public Health				
Emergency Medical	587,073	0	0	342,156
Leisure Time Activities				
Recreation	720,118	63,300	404,894	212,134
Transportation				
Street	23,659,943	32,860	0	89,450
General Government				
City Offices	1,183,199	0	0	1,088,679
Total General Capital Assets Allocated to Programs	<u>\$28,895,505</u>	<u>\$189,564</u>	<u>\$404,894</u>	<u>\$3,222,132</u>

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

<u>Equipment</u>	<u>Vehicles</u>	<u>Streets</u>
\$62,372	\$155,297	\$0
100,368	844,018	0
162,740	999,315	0
0	244,917	0
39,790	0	0
34,595	644,838	22,858,200
78,212	16,308	0
<u>\$315,337</u>	<u>\$1,905,378</u>	<u>\$22,858,200</u>

City of Wapakoneta

Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes by Program and Department  
 For the Year Ended December 31, 2004

Program/Department	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2004
Security of Persons and Property				
Police	\$1,321,945	\$0	\$0	\$1,321,945
Fire	1,423,227	0	0	1,423,227
Total Security of Persons and Property	2,745,172	0	0	2,745,172
Public Health				
Emergency Medical	587,073	0	0	587,073
Leisure Time Activities				
Recreation	582,231	150,083	12,196	720,118
Transportation				
Street	23,417,807	596,908	354,772	23,659,943
General Government				
City Offices	1,183,199	0	0	1,183,199
Total General Capital Assets Allocated to Programs	<u>\$28,515,482</u>	<u>\$746,991</u>	<u>\$366,968</u>	<u>\$28,895,505</u>

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

City of Wapakoneta

Capital Assets Used in the Operation of Governmental Funds  
 Schedule by Source  
 December 31, 2004

	<u>Amounts</u>
<u>Governmental Funds Capital Assets</u>	
Land	\$189,564
Land Improvements	404,894
Buildings	3,222,132
Equipment	315,337
Vehicles	1,905,378
Streets	<u>22,858,200</u>
Total Capital Assets	<u><u>\$28,895,505</u></u>
 <u>Investment in Governmental Funds Capital Assets</u>	
General Fund	\$2,604,725
Special Revenue Funds	958,254
Capital Projects Funds	1,036,725
Enterprise Funds	2,434,439
General capital assets acquired prior to 1986	<u>21,861,362</u>
Total Investment in Capital Assets	<u><u>\$28,895,505</u></u>

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

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## Statistical Section

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

City of Wapakoneta  
 Governmental Activities Expenses by Program  
 Last Three Years

Year	Security of Persons and Property	Public Health	Leisure Time Activities	Community Environment	Transportation
2002	\$2,149,382	\$199,262	\$134,702	\$86,357	\$1,130,944
2003	2,211,490	222,529	161,476	96,002	929,288
2004	2,332,420	226,206	165,706	64,199	1,599,098

Source: City Records

Only three years of information available.

<u>General Government</u>	<u>Interest and Fiscal Charges</u>	<u>Total</u>
\$319,163	\$169,643	\$4,189,453
441,101	203,770	4,265,656
390,067	120,857	4,898,553

City of Wapakoneta  
 Governmental Activities Revenues by Source  
 Last Three Years

Year	Program Revenues			General Revenues	
	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest	Property Taxes	Municipal Income Taxes
2002	\$525,132	\$463,262	\$0	\$438,132	\$1,970,435
2003	428,585	604,227	384,169	454,514	2,004,839
2004	506,839	778,158	512,480	445,978	2,118,637

Source: City Records

Only three years of information available.

<u>Other Local Taxes</u>	<u>Intergovernmental</u>	<u>Franchise Fees</u>	<u>Interest</u>	<u>Gifts, Donations, and Other</u>	<u>Total</u>
\$673,523	\$554,922	\$0	\$310,150	\$13,384	\$4,948,940
641,975	515,817	57,486	260,864	54,387	5,406,863
639,180	653,985	37,741	236,441	41,786	5,971,225

City of Wapakoneta  
 Governmental Fund Type Expenditures by Program  
 Last Ten Years

Year	Security of Persons and Property	Public Health	Leisure Time Activities	Community Environment
1995	\$1,687,127	\$133,284	\$59,305	\$57,416
1996	1,780,377	154,653	50,181	42,359
1997	1,772,509	123,076	138,973	68,861
1998	1,870,195	121,343	253,310	29,133
1999	1,979,857	141,996	191,946	82,923
2000	1,888,102	140,122	213,946	80,554
2001	2,067,961	167,644	207,117	119,936
2002	2,117,570	187,207	135,161	93,989
2003	2,157,411	315,008	249,281	134,590
2004	2,263,038	204,721	140,660	133,654

Source: City of Wapakoneta Records



<u>Transportation</u>	<u>General Government</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
\$232,141	\$299,992	\$2,842,425	\$394,383	\$5,706,073
348,028	244,355	973,791	434,077	4,027,821
285,896	236,900	450,940	468,538	3,545,693
478,411	270,558	156,855	579,594	3,759,399
490,793	273,240	629,431	520,744	4,310,930
572,516	313,240	254,739	554,545	4,017,764
471,610	366,113	723,227	468,857	4,592,465
1,061,111	322,148	0	427,511	4,344,697
978,249	426,414	0	3,326,967	7,587,920
1,395,155	374,390	0	550,474	5,062,092

City of Wapakoneta  
 Governmental Fund Type Revenues by Source  
 Last Ten Years

Year	Taxes	Special Assessments	Charges for Services	Fees, Licenses, Permits, Fines, and Forfeitures
1995	\$1,858,916	\$63,428	\$185,316	\$38,711
1996	1,920,284	63,337	141,219	28,103
1997	2,189,965	69,230	161,602	32,096
1998	2,226,011	132,825	242,497	34,917
1999	2,345,267	111,056	227,937	38,571
2000	2,457,444	130,163	229,286	33,966
2001	2,854,868	117,346	272,803	36,151
2002	3,099,180	151,789	232,494	81,133
2003	3,195,466	122,025	272,376	69,923
2004	3,227,352	110,523	282,566	82,334

Source: City of Wapakoneta Records

<u>Intergovernmental</u>	<u>Interest</u>	<u>Gifts, Donations, and Other</u>	<u>Total</u>
\$847,936	\$188,360	\$34,814	\$3,217,481
1,196,380	132,557	7,568	3,489,448
967,649	155,542	63,115	3,639,199
934,688	421,455	80,129	4,072,522
1,389,438	596,578	53,580	4,762,427
1,161,408	947,108	36,068	4,995,443
1,097,920	658,342	48,744	5,086,174
974,282	375,824	60,305	4,975,007
1,202,606	304,393	136,329	5,303,118
1,319,319	497,487	59,175	5,578,756

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City of Wapakoneta  
Property Tax Levies and Collections  
Last Ten Years

Collection Year	Current Tax Levy	Current Tax Collections	Percent Collected	Total Tax Collections	Total Tax Collections to Current Tax Levy	Total Outstanding Delinquent Taxes
1995	\$269,065	\$264,722	98.39%	\$264,722	98.39%	\$4,343
1996	273,485	266,229	97.35	266,229	97.35	7,256
1997	397,875	384,411	96.62	384,411	96.62	13,464
1998	407,044	405,461	99.61	405,461	99.61	12,246
1999	424,489	408,828	96.31	408,828	96.31	9,381
2000	461,863	456,994	98.95	456,994	98.95	8,545
2001	481,194	471,669	98.02	471,669	98.02	8,475
2002	494,903	469,867	94.94	469,867	94.94	12,646
2003	502,468	486,704	96.86	486,704	96.86	20,341
2004	508,913	491,031	96.49	491,031	96.49	13,257

Source: Auglaize County Auditor

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

Collection Year	Real		Public Utility Personal	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1995	\$74,472,650	\$212,779,000	\$5,341,230	\$6,069,580
1996	75,629,200	216,083,429	4,414,810	5,016,830
1997	84,256,070	240,731,629	4,347,540	4,940,386
1998	85,677,490	244,792,830	4,781,650	5,433,690
1999	89,023,800	254,353,714	4,623,490	5,253,966
2000	105,430,340	301,229,543	3,802,580	4,321,114
2001	107,984,830	308,528,086	4,711,420	5,353,886
2002	109,250,530	312,144,371	4,045,290	4,596,920
2003	115,648,160	330,423,314	3,954,800	4,494,091
2004	117,555,840	335,873,829	3,816,660	4,337,114

Source: Auglaize County Auditor

Tangible Personal		Total		Ratio of Assessed Value to Estimated Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$18,466,993	\$65,953,546	\$98,280,873	\$284,802,126	35%
19,861,835	70,935,125	99,905,845	292,035,384	34
19,951,835	71,256,554	108,555,445	316,928,569	34
22,239,512	79,426,828	112,698,652	329,653,348	34
20,180,660	80,722,640	113,827,950	340,330,320	33
22,119,150	88,476,600	131,352,070	394,027,257	33
25,315,900	101,263,600	138,012,150	415,145,572	33
22,437,024	89,748,096	135,732,844	406,489,387	33
22,326,522	89,306,088	141,929,482	424,223,493	33
21,012,884	84,051,536	142,385,384	424,262,479	34

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

Year	City of Wapakoneta			Wapakoneta	Auglaize	Apollo	Duchouquet	Total
	General	Special Revenue	Total	City School District	County Commissioners	Career Center	Township	
1995	\$2.75	\$0.00	\$2.75	\$33.50	\$7.61	\$1.70	\$0.20	\$45.76
1996	2.75	0.00	2.75	33.50	7.61	1.70	0.20	45.76
1997	2.75	1.00	3.75	32.30	9.50	2.20	0.20	47.95
1998	2.75	1.00	3.75	32.00	9.50	2.20	0.20	47.65
1999	2.75	1.00	3.75	31.80	9.50	2.20	0.20	47.45
2000	2.75	1.00	3.75	30.70	9.40	2.20	0.20	46.25
2001	2.75	1.00	3.75	30.70	9.40	2.20	0.20	46.25
2002	2.75	1.00	3.75	30.70	9.40	2.20	0.20	46.25
2003	2.75	1.00	3.75	29.80	9.37	2.20	0.20	45.32
2004	2.75	1.00	3.75	29.60	11.25	2.20	0.20	47.00

Source: Auglaize County Auditor



City of Wapakoneta  
Principal Real Property Taxpayers  
December 31, 2004

Taxpayer	Type of Business	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Schlenker Enterprises	Land Developments and Apartments	\$1,563,680	1.33%
Ametek, Inc.	Plastic Compounds	1,328,890	1.13
LRV Acquisition Corporation	Hotel Properties	975,080	0.83
Quaker Run Farms	Warehousing and Distributions	943,650	0.80
Normandy Ridge Limited	Residential Apartments	829,440	0.71
DW 28 Wapakoneta LLC	Retail Businesses	754,490	0.64
Auglaize Investment Company	Big Bear Department Store	665,000	0.57
Dr. L. Y. Soo	Individual Property Owner	719,440	0.61
GAMCO Components Group LLC	Automotive Suspension Manufacturing	712,110	0.61
WGP Holding	Superior Tube	566,250	0.48
	Total	<u>\$9,058,030</u>	<u>7.71%</u>
	Total Assessed Valuation	<u>\$117,555,840</u>	

Source: Auglaize County Auditor

City of Wapakoneta  
Principal Personal Property Taxpayers  
December 31, 2004

Taxpayer	Type of Business	Personal Property Assessed Valuation	Percentage of Total Assessed Valuation
Superior Metal Products, Inc.	Metal Stamping and Turning	\$2,203,530	10.49%
Durez Corporation	Manufacturing Company	1,358,700	6.47
Ametek, Inc.	Plastic Compounds	1,328,520	6.32
Koneta Inc.	Rubber Truck Accessories Manufacturing	1,246,690	5.93
Midwest Elastomers Inc.	Rubber Products	1,214,910	5.78
ICX Corporation	Equipment Leasing	1,035,480	4.93
Amcast Industrial Corporation	Automotive Suspension Manufacturing	997,240	4.74
Penn Traffic Company	Retail Grocery and Department Store	539,200	2.57
Millers Textile Services	Laundry Services and Linen Rental	528,080	2.51
Mike Swaney Pontiac/Buick/GMC Trucks	Car Dealership	504,210	2.40
	Total	<u>\$10,956,560</u>	<u>52.14%</u>
	Total Assessed Valuation	<u>\$21,012,884</u>	

Source: Auglaize County Auditor

City of Wapakoneta  
Special Assessment Billings and Collections  
Last Ten Years

Collection Year	Total Billed (1)	Amount Collected (1)	Percent Collected
1995	\$57,937	\$48,009	82.86%
1996	62,627	55,229	88.19
1997	53,241	58,786	110.41
1998	74,399	73,481	98.77
1999	103,418	106,611	103.09
2000	102,564	98,625	96.16
2001	75,984	89,443	117.71
2002	73,604	68,405	92.94
2003	88,275	82,749	93.74
2004	96,896	96,989	100.10

Source: Auglaize County Auditor

(1) Amounts represented are current amounts billed and collected from the Auglaize County Auditor and do not represent prepayments to the City or County.

City of Wapakoneta  
 Computation of Legal Debt Margin  
 December 31, 2004

Total Assessed Valuation		\$142,385,384
Overall Debt Limitation - 10 1/2 Percent of Assessed Valuation		14,950,465
Gross Indebtedness	15,082,873	
Less Debt Outside Limitation		
Bond Anticipation Notes	8,257,600	
General Obligation Bonds	151,100	
Mortgage Revenue Bonds	3,280,000	
Capital Loans	270,273	
Net Indebtedness	3,123,900	
Net Debt Within 10 1/2 Percent Limitation		3,123,900
Legal Debt Margin Within 10 1/2 Percent Limitation		\$11,826,565

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Unvoted Debt Limitation - 5 1/2 Percent of Assessed Valuation		\$7,831,196
Gross Indebtedness	15,082,873	
Less Debt Outside Limitation		
Bond Anticipation Notes	8,257,600	
General Obligation Bonds	151,100	
Mortgage Revenue Bonds	3,280,000	
Capital Loans	270,273	
Net Indebtedness	3,123,900	
Net Debt Within 5 1/2 Percent Limitation		3,123,900
Legal Debt Margin Within 5 1/2 Percent Limitation		\$4,707,296

Source: City of Wapakoneta Records  
 Auglaize County Auditor

City of Wapakoneta  
Ratio of Net General Bonded Debt to Assessed  
Value and Net Bonded Debt Per Capita  
Last Ten Years

Year	Population	Assessed Value	Gross (1) Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1995	9,648	\$98,280,873	\$3,335,250	\$123,098	\$3,212,152	3.27%	\$332.93
1996	10,303	99,905,845	3,202,709	185,689	3,017,020	3.02	292.83
1997	10,303	108,555,445	3,055,709	240,432	2,815,277	2.59	273.25
1998	10,303	112,698,652	4,555,000	181,796	4,373,204	3.88	424.46
1999	10,303	113,827,950	4,250,083	120,707	4,129,376	3.63	400.79
2000	9,474	131,352,070	3,982,541	64,024	3,918,517	2.98	413.61
2001	9,474	138,012,150	3,705,000	60,695	3,644,305	2.64	384.66
2002	9,474	135,732,844	3,425,000	118,215	3,306,785	2.44	349.04
2003	9,474	141,929,482	3,529,400	161,129	3,368,271	2.37	355.53
2004	9,518	142,385,384	3,123,900	0	3,123,900	2.19	328.21

Source: City of Wapakoneta Records  
Auglaize County Auditor

(1) Includes general obligation bonds only.

City of Wapakoneta  
 Ratio of Annual Debt Principal Payments  
 for General Bonded Debt to Total Governmental Fund Type Expenditures  
 Last Ten Years

Year	Debt Principal	Governmental Fund Type Expenditures	Ratio of Debt Principal to Governmental Fund Type Expenditures
1995	\$92,540	\$5,706,073	1.62%
1996	132,541	4,027,821	3.29
1997	147,000	3,545,693	4.15
1998	188,100	3,759,399	5.00
1999	252,542	4,310,930	5.86
2000	267,542	4,017,764	6.66
2001	277,541	4,592,465	6.04
2002	280,000	4,344,697	6.44
2003	3,020,000	7,587,920	39.80
2004	405,500	5,062,092	8.01

Source: City of Wapakoneta Records

City of Wapakoneta  
 Computation of Direct and Overlapping Debt  
 December 31, 2004

Jurisdiction	General Tax Supported Debt	Percentage Applicable to City of Wapakoneta (1)	Amount Applicable to City of Wapakoneta
City of Wapakoneta	\$3,123,900	100.00%	\$3,123,900
Wapakoneta City School District	1,242,800	49.71	617,796
Auglaize County	286,200	17.25	49,370
Subtotal	1,529,000		667,166
Total	\$4,652,900		\$3,791,066

Source: City of Wapakoneta Records  
 Ohio Municipal Advisory Council

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

City of Wapakoneta  
Revenue Bond Coverage  
Sewer Fund  
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1995	\$1,145,780	\$848,345	\$297,435	\$60,000	\$113,203	\$173,203	1.72
1996	1,317,483	695,594	621,889	65,000	109,363	174,363	3.57
1997	1,337,755	974,294	363,461	70,000	105,137	175,137	2.08
1998	1,383,945	1,039,990	343,955	75,000	100,517	175,517	1.96
1999	1,312,885	831,324	481,561	135,000	188,600	323,600	1.49
2000	1,311,695	865,523	446,172	145,000	186,348	331,348	1.35
2001	1,217,966	659,164	558,802	150,000	179,058	329,058	1.70
2002	1,495,944	829,276	666,668	155,000	173,583	328,583	2.03
2003	1,693,997	860,093	833,904	160,000	167,770	327,770	2.54
2004	1,832,802	896,473	936,329	165,000	161,610	326,610	2.87

Source: City of Wapakoneta Records

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



City of Wapakoneta  
Demographic Statistics  
Last Ten Years

Year	Population (1)	School Enrollment (2)	Unemployment Rate Auglaize County (3)
1995	9,648	3,703	5.10%
1996	10,303	2,949	4.50
1997	10,303	3,479	4.80
1998	10,303	3,610	4.90
1999	10,303	3,455	2.90
2000	9,474	3,334	2.80
2001	9,474	3,285	4.60
2002	9,474	3,269	5.30
2003	9,474	3,069	5.50
2004	9,518	3,119	3.30

Source: (1) Chamber of Commerce  
(2) Wapakoneta City Board of Education  
(3) Ohio Bureau of Employment Services

City of Wapakoneta  
Property Value, Construction, and Bank Deposits  
Last Ten Years

Year	Number of Building Permits Issued	Value of Building Permits Issued	Property Values	Auglaize County Bank Deposits	City of Wapakoneta Bank Deposits (1)
1995	81	\$4,259,000	98,280,873	\$193,586,000	0
1996	79	4,657,000	99,905,845	206,817,000	0
1997	168	5,710,000	108,555,445	230,673,000	0
1998	147	11,338,000	112,698,652	245,527,000	0
1999	72	10,731,600	113,827,950	266,386,000	0
2000	56	11,763,800	131,352,070	279,928,000	0
2001	170	8,149,300	138,012,150	279,928,000	0
2002	177	6,976,296	135,732,844	299,996,000	0
2003	203	4,020,000	141,929,482	306,919,000	0
2004	197	6,014,000	142,385,384	299,158,000	0

Source: City of Wapakoneta Engineering Department  
Federal Reserve Bank of Cleveland

(1) No commercial banks in Wapakoneta, all banks are branches.

City of Wapakoneta  
Miscellaneous Statistics  
December 31, 2004

Date of Incorporation	1848
Founded in 1833 - Duchouquet Township	
Status: Village 1853, City 1910	
Population Estimated	9,518
Form of Government	Statutory - Council/Mayor
Area	5.30 Square Miles
Miles of Streets	45.9
Fire Protection:	
Number of Stations	1
Number of Firemen and Chief	14
Number of Auxiliary Firemen	16
Police Protection:	
Number of Stations	1
Number of Policemen and Chief	19
Number of Auxiliary Policemen	16
Number of Dispatchers	5
Number of EMS	12
Sewer System:	
Sanitary Sewers	47.93 Miles
Storm Sewers	27.8
Number of Treatment Plants	1
Daily Average Treatment	3,100,000 Gallons
Maximum Daily Capacity of Treatment Plant	8,000,000 Gallons
Water System:	
Water Lines	59.73
Number of Water Treatment Plants	1
Daily Average Consumption	1,540,000 Gallons
Maximum Daily Capacity of Treatment Plant	2,722,000 Gallons
Electric System:	
Electric Lines	102.15 Miles
Number of Substations	8
Culture and Recreation:	
Number of Parks	3
Park Acreage	33
Number of Swimming Pools	2
Number of Tennis Courts	8
Number of Museums	2
Number of Campgrounds	5
Facilities and Services Not Included in the Reporting Entity:	
Education:	
Number of Elementary Schools (Public and Parochial)	5
Number of Middle and High Schools	2
Total Enrollment	3,119
Total School Instructors	182
Number of Public Libraries	1

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**Auditor of State  
Betty Montgomery**

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**CITY OF WAPAKONETA**

**AUGLAIZE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 4, 2005**