



Dave Yost • Auditor of State

CITY OF WAPAKONETA
AUGLAIZE COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S 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, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 25, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency in internal control. We consider finding 2014-001 to be a significant deficiency.

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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2014-001.

Entity's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

June 25, 2015

**CITY OF WAPAKONETA
AUGLAIZE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014**

| |
|--|
| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS |
|--|

FINDING NUMBER 2014-001

Significant Deficiency / Noncompliance Citation – Allocation of Wages to Funds

City of Wapakoneta Codified Ordinance, Section 242.03(a) & (b) states the general duties of the Director, are as follows:

- 1) The Director of Public Service and Safety shall manage and supervise all public works and undertakings of the City, except as otherwise provided by law.
- 2) The Director shall supervise the improvement and repair of streets, avenues, alleys, lands, lanes, squares, wharves, docks, landings, market houses, bridges, viaducts, aqueducts, sidewalks, playgrounds, sewers, drains, ditches, culverts, ship channels, streams and watercourses, the lighting, sprinkling and cleaning of public places and the construction of public improvements and public works, except as otherwise provided by law.
- 3) The Director shall manage Municipal water, lighting, heating, power, garbage and other undertakings of the City, and parks, baths, playgrounds, market houses, cemeteries, crematories, sewage disposal plants and farms, and shall make and preserve surveys, maps, plans, drawings and estimates. He or she shall supervise the construction and have charge of the maintenance of public buildings and other property of the City not otherwise provided for in these Codified Ordinances. He or she shall have the management of all other matters provided by the Council in connection with the public service of the City.
- 4) The Director shall keep a record of his or her proceedings, a copy of which, certified by him or her, shall be competent evidence in all courts.
- 5) Under the Mayor's direction, the Director shall be the executive head of the Police and Fire Departments. He or she shall have all powers and duties connected with an incident to the appointment, regulation and government of these Departments, except as otherwise provided by law. He or she shall keep a record of his or her proceedings, a copy of which, certified by him or her, shall be competent evidence in all courts. Such Director shall make all contracts in the name of the City with reference to the management of such Departments, for the erection or repair of all buildings or improvements in connection therewith, and for the purchase of all supplies necessary for such Departments.

City of Wapakoneta Position Description for Clerk I position that reports to the Office Manager and Income Tax Administer states that the essential functions of the position are as follows:

- 1) Processes billing and collection of tax records and returns; receives payments from utility customers either in-person or by mail; assists with processing of payments
- 2) Processes invoices and collects receipts from ambulance runs, refuse collections, miscellaneous bills, etc.; posts receipts and invoices; prepare journals; processes Medicaid and Medicare forms, etc.;
- 3) Checks for unusual readings on usage; runs and verifies trial reports; prepares and separates bills for mailing; takes bills to post office
- 4) Direct inquiries from general public to appropriate personnel regarding taxes, rates, bills, etc.; registers and processes work orders for new customers and transfers; receives deposits.

**FINDING NUMBER 2014-001
(Continued)**

City of Wapakoneta Position Description for Clerk II position that reports to the Office Manager states that the essential functions of the position and other duties and responsibilities are as follows:

- 1) Receives income tax payments; receives payments from utility customers either in-person or by mail; processes payments;
- 2) Prepares invoices and collects receipts from ambulance runs, landfill sales, miscellaneous bills, etc.; posts receipts and invoices; prepares journals;
- 3) Handles inquiries from general public regarding taxes, rates, bills, etc.; registers and writes work orders for new customers and transfers; receives deposits; computes budget billing amounts
- 4) Performs duties of secretary on an assigned basis; prepares purchase orders; prepares vendor invoices for payment; maintains vendor file; acts as liaison between vendors and City

In 2014, the City allocated the wages of the Director of Public Service and Safety as follows: 5% to the General Fund; 65% to the Electric Fund; 10% to the Water Fund; 10% to the Sewer Fund; and 10% to the Refuse Fund. The wages of the Clerk I Employee were allocated as follows: 25% to the Street Fund; 25% to the Electric Fund; and 50% to the Refuse Fund. The wages of the Clerk II employee were allocated as follows: 25% to the Electric Fund; 25% to the Water Fund; 25% to the Sewer Fund; and 25% to the Refuse Fund. The actual allocation of the wages for these employees appears to be inconsistent with the duties and job descriptions. The actual allocation variances did not appear to be significant to the financial statements.

The failure to allocate wages to funds in proportion to the actual work performed could result in the illegal expenditure of restricted money and the material misstatement of the financial statements. Uncorrected material misstatements would result in a qualified opinion on the annual financial statements.

The City should develop procedures and controls for the allocation of the wages to funds which should be subsequently approved by Council. The City should then review the job descriptions for all employees and then determine if the fund allocation is appropriate. Periodically the Finance Committee should compare the actual allocation of wages to the job descriptions and adopted procedures.

OFFICIAL'S RESPONSE: These positions are allocated for payroll according to an agreed to percentage based on resources and a reasonable amount of time each department uses. This distribution has been used for many years and has never been questioned. As more and more resources are eliminated from the State of Ohio, more and more resources will be used through other funds.

**CITY OF WAPAKONETA
AUGLAIZE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i> |
|----------------|---|------------------|--|
| 2013-001 | Significant Deficiency – Preparation and Monitoring of Financial Information – bank reconciliations were not prepared timely. Bank reconciliations, deposits and investments, and detailed financial reports were not reviewed by the Finance Committee and/or Council. | No | Partially corrected – repeated in management letter |
| 2013-002 | Significant Deficiency/Noncompliance Citation City of Wapakoneta Codified Ordinance, Section 242.03(a) & (b), City of Wapakoneta Position Description for Clerk I position, and City of Wapakoneta Position Description for Clerk II position – allocation of wages in proportion to the actual work performed. | No | Repeated as Finding 2014-001 |
| 2013-003 | OMB Circular A-133, Subpart C, Section 300(d) and Section 310(b)(3) – Errors were identified on the City’s Schedule of Federal Awards Expenditures in the amount of expenditures reported for the Highway Planning and Construction Grant Program (CFDA #20.205) | Yes | |

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**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
CITY OF WAPAKONETA, OHIO**



**FOR THE
YEAR ENDED December 31, 2014**

**INTRODUCTORY
SECTION**

CITY OF WAPAKONETA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2014

Prepared By:

City Auditor

GAIL E. WALTER

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CITY OF WAPAKONETA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

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Wapakoneta, Ohio 45895-0269
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Mayor
(419) 738-6111
rmetz@wapakoneta.net

William H. Rains
Director of Public Service and Safety
(419) 738-6111
wrains@wapakoneta.net

June 25, 2015

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, 2014. This report was prepared according to generally accepted accounting principles (GAAP). Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City, specifically the City Auditor's Office. The City has a framework of internal controls established to ensure the accuracy of the presented data and the completeness and fairness of the presentation. Because the cost of internal controls should not exceed anticipated benefits, the controls provide reasonable assurance that the financial statements are free of any material misstatements.

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

The State of Ohio Auditor's Office has issued an unmodified opinion on the City of Wapakoneta's basic financial statements for the year ended December 31, 2014. The Independent Auditor's Report is located at the front of the financial section of this report.

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

PROFILE OF THE CITY

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



701 Parlette Court
VII

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

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

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

LOCAL ECONOMY

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

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

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

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

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

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

LONG-TERM FINANCIAL PLANNING

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

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

City Council has always transferred monies from the General Fund to the Street and Sewer Improvement capital projects fund. In 2014, the available funds were used for projects including repaving and maintenance of streets, curbs, and sidewalks. The City has always been able to maximize its available resources and grants, and to work with other communities, the County, or the schools and get things done to enhance the community.

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

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

RELEVANT FINANCIAL POLICIES

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

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

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

MAJOR INITIATIVES

Again in 2014, the City continued to improve its facilities and infrastructure to serve its citizens.

The south interceptor sewer Phase 1 is now complete and Phase 2 has been started. Phase 2 includes the south inceptor sewer installation. This phase of the project will involve line installation from the wastewater treatment plant following the river to the lift station located at Harrison and Water streets. This portion of the project should finish in late fall or early winter 2015. We are fortunate that both of these projects are under budget to date.

A Community Development Block Grant was awarded to the City for new sidewalks and handicap ramps. This project is part of an overall larger project of new storm sewers, curbs and gutters, and paving over the next three years.

The City was awarded a \$160,000 Safe Routes to School Grant to install sidewalks, ADA curb ramps, and safety measures for safe travel to school. This is the third phase of this project and it will be completed in 2015. Phase Four has been awarded for 2017.

The annual reclamite program was performed in 2014. Reclamite is an asphalt rejuvenator which promotes and extends the life of the existing asphalt surface. Ten streets were sealed; the cost of this project was \$29,500. This is an investment in extending the surface life of our streets.

Miscellaneous storm sewer projects were performed throughout the City with projects on Rosewood Drive, Infirmary Road, the alley from Willipie Street to Park Street, the detention pond area in Grandview Plaza and the former Centennial School. We continue to meet with property owners and businesses to resolve storm sewer issues.

The City received a Nature Works Grant, in the amount of \$12,397, which was used to convert a storage facility at Harmon Park into a restroom facility with a storage area on the north end.

The City in collaboration with the Downtown Partnership, Chamber of Commerce, WASS group, and private citizens completed a downtown enhancement project which included a new asphalt overlay, colored stamped crosswalks, new banners, flowering baskets, and a message board. The project brought \$150,000 of improvements to our wonderful downtown area.

The Electric Department has been very productive this past year with an upgrade to the electric distribution system changing the distribution voltage from 5kv to 15kv. This will increase the capacity of the system to allow for growth in all areas of the City for the next twenty years. The Harrison and Grandview substations were also completed. In addition, many street lights have been changed to LED lighting and this process will continue until all of the street lights have been upgraded. Finally, a new three phase feeder line was installed on Progress Drive and the solar field metering project was completed. Future projects will include the addition of two 15kv loops to the distribution system and the continual upgrade of transformers and other field equipment.

The Bellefontaine Street, Pearl Street, and Water Street traffic lights have been upgraded to an on demand traffic detection system which allows traffic to move in a much safer, efficient manner.

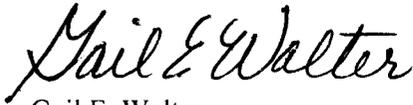
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wapakoneta for its comprehensive annual financial report (CAFR) for the year ended December 31, 2013. This was the twenty-fourth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

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

Gail E. Walter
City Auditor



Government Finance Officers Association

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

Presented to

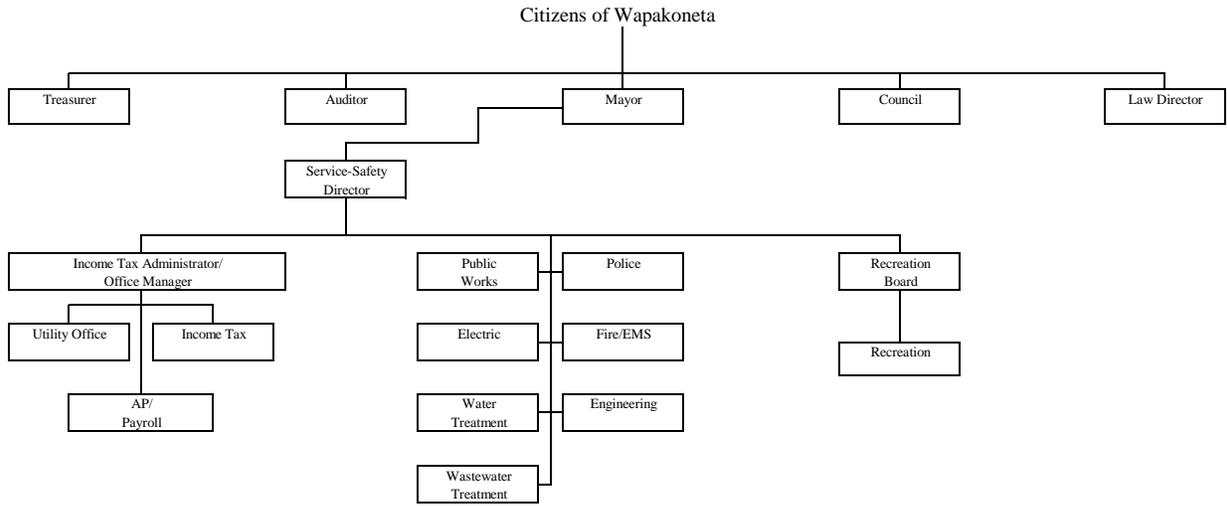
**City of Wapakoneta
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

City of Wapakoneta Organizational Chart



CITY OF WAPAKONETA

LIST OF PRINCIPAL OFFICIALS

| | |
|---|----------------------|
| Mayor | Rodney C. Metz |
| Director of Public Service and Safety | William Rains |
| Income Tax Administrator/Office Manager | Diana L. Blackburn |
| Police Chief | Russel Hunlock |
| Fire Chief/EMS Director | Kendall J. Krites |
| Recreation Director | Jack R. Hayzlett |
| Public Works Superintendent | Meril W. Simpson |
| Electric Superintendent | Donald E. Schnarre |
| Water Superintendent | Brent J. Hamel |
| Wastewater Superintendent | Robert T. Burns |
| Engineering Superintendent | Mary A. Ruck |
| Auditor | Gail E. Walter |
| Treasurer | Barbara Steinke |
| Law Director | Dennis P. Faller |
| President of Council | Stephen E. Henderson |
| Member of Council | Daniel C. Graf |
| Member of Council | Daniel Lee |
| Member of Council | Bonnie C. Wurst |
| Member of Council | James R. Neumeier |
| Member of Council | Chad Doll |
| Member of Council | Rachel Barber |
| Member of Council | Randy L. Fisher |
| Council Clerk | Terry McDonald |
| Civil Service Secretary | Peter Noyes |

**FINANCIAL
SECTION**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Members of Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, Ohio (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, Ohio, as of December 31, 2014 and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are 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 section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 25, 2015

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CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

The discussion and analysis of the City of Wapakoneta's financial performance provides an overview of the City's financial activities for the year ended December 31, 2014. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

HIGHLIGHTS

Highlights for 2014 are as follows:

In total, the City's net position increased \$782,140, or 1 percent. Governmental activities had a decrease in net position of \$307,138 (1 percent) and business-type activities had an increase in net position of \$1,089,278 (over 2 percent).

A review of the enterprise funds reflects an operating income for the water, sewer, storm sewer, and refuse funds and an operating loss for the electric fund. The City's electric rates are determined by contract with the electric provider and these contracts typically are on a 1-5 year cycle. In 2010, the City completed a cost of service study which determined that the rates being charged for electric are appropriate, therefore, no rate changes are anticipated. The sewer rates are on a scheduled increase by ordinance every year so the City can anticipate increased costs without a rate study. Rates for all enterprise funds are monitored by the Administration to maintain the revenue needed to operate these activities. Rates were increased for the water, sewer, and refuse utilities in 2014.

USING THIS ANNUAL REPORT

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

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

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

REPORTING THE CITY AS A WHOLE

The statement of net position and the statement of activities reflect how the City did financially during 2014. 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.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

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

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

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

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

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

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

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

The City maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and change in fund 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 nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the City's net position for 2014 and 2013.

| | Table 1 Net Position | | | | | |
|--------------------------------------|-------------------------|-------------------|--------------------------|-------------------|--------------------|-------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| <u>Assets</u> | | | | | | |
| Current and Other | | | | | | |
| Assets | \$6,401,925 | \$6,631,741 | \$16,826,078 | \$15,271,275 | \$23,228,003 | \$21,903,016 |
| Capital Assets, Net | 21,251,903 | 21,434,715 | 56,575,517 | 52,669,895 | 77,827,420 | 74,104,610 |
| Total Assets | <u>27,653,828</u> | <u>28,066,456</u> | <u>73,401,595</u> | <u>67,941,170</u> | <u>101,055,423</u> | <u>96,007,626</u> |
| <u>Liabilities</u> | | | | | | |
| Current and Other | | | | | | |
| Liabilities | 344,530 | 372,174 | 2,895,281 | 1,904,380 | 3,239,811 | 2,276,554 |
| Long-Term Liabilities | 655,994 | 734,000 | 25,862,446 | 22,482,200 | 26,518,440 | 23,216,200 |
| Total Liabilities | <u>1,000,524</u> | <u>1,106,174</u> | <u>28,757,727</u> | <u>24,386,580</u> | <u>29,758,251</u> | <u>25,492,754</u> |
| <u>Deferred Inflows of Resources</u> | <u>461,506</u> | <u>461,346</u> | <u>0</u> | <u>0</u> | <u>461,506</u> | <u>461,346</u> |

(continued)

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

Table 1
Net Position
(continued)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| <u>Net Position</u> | | | | | | |
| Net Investment in | | | | | | |
| Capital Assets | \$21,180,841 | \$21,411,432 | \$32,786,072 | \$32,464,606 | \$53,966,913 | \$53,876,038 |
| Restricted | 2,388,193 | 2,603,489 | 1,256,749 | 1,258,937 | 3,644,942 | 3,862,426 |
| Unrestricted | 2,622,764 | 2,484,015 | 10,601,047 | 9,831,047 | 13,223,811 | 12,315,062 |
| Total Net Position | <u>\$26,191,798</u> | <u>\$26,498,936</u> | <u>\$44,643,868</u> | <u>\$43,554,590</u> | <u>\$70,835,666</u> | <u>\$70,053,526</u> |

For governmental activities, there was an overall decrease in net position of 1 percent. As noted in the above table, there were no changes of significance from the prior year.

Although the overall change in net position for business-type activities was not significant (over 2 percent), there were a couple changes of note. The increase in current and other assets was primarily due to an increase in cash and cash equivalents. There was a similar increase in unrestricted net position. The City implemented rate increases for the water, sewer, and refuse utilities in 2014. The increase in net capital assets was largely due to the continued construction on the south interceptor project. There was a corresponding increase in long-term debt associated with this project. As a result, there was little change in the net investment in capital assets.

Table 2 reflects the change in net position for 2014 and 2013.

Table 2
Change in Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|------------------|--------------------------|-------------------|-------------------|-------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| <u>Revenues</u> | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$768,728 | \$975,631 | \$21,274,040 | \$20,501,111 | \$22,042,768 | \$21,476,742 |
| Operating Grants, Contributions, and Interest | 509,078 | 635,984 | 0 | 0 | 509,078 | 635,984 |
| Capital Grants and Contributions | 606,014 | 1,923,549 | 246,836 | 0 | 852,850 | 1,923,549 |
| Total Program Revenues | <u>1,883,820</u> | <u>3,535,164</u> | <u>21,520,876</u> | <u>20,501,111</u> | <u>23,404,696</u> | <u>24,036,275</u> |
| General Revenues | | | | | | |
| Property Taxes-General Purposes | 362,175 | 356,365 | 0 | 0 | 362,175 | 356,365 |
| Property Taxes-Recreation | 95,171 | 92,535 | 0 | 0 | 95,171 | 92,535 |
| Municipal Income Taxes | 2,602,279 | 2,590,749 | 0 | 0 | 2,602,279 | 2,590,749 |
| Other Local Taxes | 722,090 | 686,875 | 0 | 0 | 722,090 | 686,875 |
| Grants and Entitlements | 254,085 | 249,320 | 0 | 0 | 254,085 | 249,320 |
| Franchise Taxes | 144,915 | 83,156 | 0 | 0 | 144,915 | 83,156 |
| Interest | 15,376 | 13,721 | 0 | 0 | 15,376 | 13,721 |
| Gifts and Donations | 1,040 | 2,639 | 0 | 0 | 1,040 | 2,639 |
| Other | 58,133 | 80,453 | 78,660 | 317,550 | 136,793 | 398,003 |
| Total General Revenues | <u>4,255,264</u> | <u>4,155,813</u> | <u>78,660</u> | <u>317,550</u> | <u>4,333,924</u> | <u>4,473,363</u> |
| Total Revenues | <u>6,139,084</u> | <u>7,690,977</u> | <u>21,599,536</u> | <u>20,818,661</u> | <u>27,738,620</u> | <u>28,509,638</u> |

(continued)

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

Table 2
Change in Net Position
(continued)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| <u>Program Expenses</u> | | | | | | |
| Security of Persons and Property | | | | | | |
| Police | \$1,613,384 | \$1,516,675 | \$0 | \$0 | \$1,613,384 | \$1,516,675 |
| Fire | 1,514,617 | 1,503,565 | 0 | 0 | 1,514,617 | 1,503,565 |
| Other | 4,426 | 5,004 | 0 | 0 | 4,426 | 5,004 |
| Public Health | 162,403 | 180,131 | 0 | 0 | 162,403 | 180,131 |
| Leisure Time Activities | 484,814 | 463,263 | 0 | 0 | 484,814 | 463,263 |
| Community Environment | 126,153 | 86,893 | 0 | 0 | 126,153 | 86,893 |
| Transportation | 1,911,883 | 2,317,993 | 0 | 0 | 1,911,883 | 2,317,993 |
| General Government | 594,323 | 515,084 | 0 | 0 | 594,323 | 515,084 |
| Interest and Fiscal Charges | 8,219 | 17,988 | 0 | 0 | 8,219 | 17,988 |
| Electric | 0 | 0 | 15,259,517 | 15,277,737 | 15,259,517 | 15,277,737 |
| Water | 0 | 0 | 2,041,383 | 1,813,945 | 2,041,383 | 1,813,945 |
| Sewer | 0 | 0 | 1,978,245 | 2,161,928 | 1,978,245 | 2,161,928 |
| Storm Sewer | 0 | 0 | 155,091 | 142,646 | 155,091 | 142,646 |
| Refuse | 0 | 0 | 1,102,022 | 1,089,290 | 1,102,022 | 1,089,290 |
| Total Expenses | <u>6,420,222</u> | <u>6,606,596</u> | <u>20,536,258</u> | <u>20,485,546</u> | <u>26,956,480</u> | <u>27,092,142</u> |
| Increase in Net Position Before Transfers | (281,138) | 1,084,381 | 1,063,278 | 333,115 | 782,140 | 1,417,496 |
| Transfers | <u>(26,000)</u> | <u>(1,771,837)</u> | <u>26,000</u> | <u>1,771,837</u> | <u>0</u> | <u>0</u> |
| Increase (Decrease) in Net Position | (307,138) | (687,456) | 1,089,278 | 2,104,952 | 782,140 | 1,417,496 |
| Net Position Beginning of Year | <u>26,498,936</u> | <u>27,186,392</u> | <u>43,554,590</u> | <u>41,449,638</u> | <u>70,053,526</u> | <u>68,636,030</u> |
| Net Position End of Year | <u>\$26,191,798</u> | <u>\$26,498,936</u> | <u>\$44,643,868</u> | <u>\$43,554,590</u> | <u>\$70,835,666</u> | <u>\$70,053,526</u> |

For governmental activities, there was a decrease in program revenues of 47 percent primarily reflected in a decrease in capital grants and contributions. The City received additional resources in the prior year for street improvement projects. Overall, general revenues remained similar to the prior year. Governmental activities expenses also remained similar to the prior year with a modest decrease overall. The decrease in transportation expenses is related to the decrease in capital grants and contributions resources. The change in net position was 1 percent.

For business-type activities, program revenues in the form of charges for services, continue to fund the operation of the City's utilities. Charges for services revenue increased almost 4 percent from the prior year due, in large part, to rate increases for the water, sewer, and refuse utilities. This increase led to the over increase in net position. Expenses remained very similar to the prior year.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

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

Table 3
Governmental Activities

| | Total Cost of Services | | Net Cost of Services | |
|----------------------------------|------------------------|-------------|----------------------|-------------|
| | 2014 | 2013 | 2014 | 2013 |
| Security of Persons and Property | | | | |
| Police | \$1,613,384 | \$1,516,675 | \$1,605,294 | \$1,505,522 |
| Fire | 1,514,617 | 1,503,565 | 1,463,630 | 1,450,305 |
| Other | 4,426 | 5,004 | 4,426 | 5,004 |
| Public Health | 162,403 | 180,131 | (239,265) | (346,576) |
| Leisure Time Activities | 484,814 | 463,263 | 247,256 | 228,919 |
| Community Environment | 126,153 | 86,893 | 117,348 | 38,953 |
| Transportation | 1,911,883 | 2,317,993 | 751,319 | (310,480) |
| General Government | 594,323 | 515,084 | 578,175 | 481,797 |
| Interest and Fiscal Charges | 8,219 | 17,988 | 8,219 | 17,988 |
| Total Expenses | \$6,420,222 | \$6,606,596 | \$4,536,402 | \$3,071,432 |

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

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The City's major governmental funds are the General Fund and the Street and Sewer Improvement capital projects fund. Resources in the General Fund have no limitations on their use while the resources of the Street and Sewer Improvement Fund are limited to infrastructure improvements. The General Fund reflects a 9 percent decrease in fund balance. There was a modest increase in revenues (3 percent) as well as an increase in expenditures (over 7 percent). Despite the increase in expenditures being greater than the revenue increase, there was still an excess of revenues over expenditures. However, as a result of resources transferred to other funds to subsidize the activities of those funds, there was a decrease in fund balance.

The Street and Sewer Improvement capital projects fund reflects a 17 percent increase in fund balance. Both revenues and expenditures were substantially less than the prior year. Annual activity is based on the number of infrastructure projects needed each year.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS

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

The Electric Fund had an operating loss and a decrease in net position of less than 2 percent. There was very little change in revenues and expenses from the prior year. An electric rate increase was implemented in December 2014 which will be reflected in 2015 collections.

The Water Fund had an operating income and a 1 percent decrease in net position. Revenues increased due to a rate increase in 2014. Expenses were very similar to the prior year. The decrease in net position is the result of increased interest expense and decrease in capital contributions for the year.

There was a 16 percent increase in net position in the Sewer Fund in 2014. Revenues increase due to a rate increase and there was a slight decrease in expenses.

The Storm Sewer utility provides the City the ability to undertake storm water separation. The EPA has mandated the separation of storm water and sanitary sewers. The Storm Sewer fund had an operating income in 2014 and a 4 percent increase in net position. Rate changes for storm sewer are not being considered at this time.

The City's Refuse Fund continued to reflect a deficit net position as of year end; however, the deficit was reduced due to a modest operating income.

BUDGETARY HIGHLIGHTS

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

The City's most significant budgeted fund is the General Fund. Changes from the original budget to the final budget were not significant. Actual revenues exceeded the final budget with the most significant change related to municipal income taxes, the effect of an economy that is continuing to improve and an increase in earned income. For expenditures, there was little change from the original budget to the final budget; however, actual expenditures were less than amounts budgeted. This is primarily due to conservative budgeting as expenditures were less than amounts budgeted for all programs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2014, was \$21,180,841 and \$32,786,072, respectively (net of accumulated depreciation and related debt). Significant additions for governmental activities included street improvements and new vehicles. There were no disposals.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

For business-type activities, the most significant additions consisted of continuing infrastructure construction and vehicles. Disposals were minimal. For further information regarding the City's capital assets, refer to Note 9 to the basic financial statements.

Debt - At December 31, 2014, the City had a number of long-term obligations outstanding. Governmental activities obligations consisted of equipment loans. The business-type activities obligations included \$7,250,000 in mortgage revenue bonds, \$16,527,575 in OWDA loans, and \$1,286,785 in landfill postclosure costs. In addition to the debt outlined above, the City's long-term obligations also include a loan for energy efficiency improvements, capital leases, and compensated absences. For further information regarding the City's debt, refer to Notes 16, 17, and 18 to the basic financial statements.

CURRENT ISSUES

Phase I of the south interceptor sewer project is now complete and the City has started Phase 2 of the project which involves sewer line installation from the wastewater treatment plant to the Harrison and Water streets lift station. This portion of the project should be completed during 2015.

The City received a Community Development Block Grant for new sidewalks and handicap ramps on Gibb Street. This project is part of an overall larger project of new storm sewers, curbs and gutters, and paving over the next three years. This grant did not require any matching funds from the City.

The City was awarded a \$160,000 Safe Routes to School grant to install sidewalks, ADA curb ramps, and safety measures for safe travels to school. This was the third phase of a fully funded grant project.

The West Auglaize Street project is currently underway for 2015. This is the most significant project for the year. The project involves a complete reconstruction of the underground utility lines including the gas lines and water and sewer lines, new roadbed, and sidewalks, curbs, and gutters.

Other projects the City is currently working on for 2015 are the annual reclamite program and street repaving.

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.

City of Wapakoneta
Statement of Net Position
December 31, 2014

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|---------------------|
| <u>Assets</u> | | | |
| Equity in Pooled Cash and Cash Equivalents | \$3,868,189 | \$10,500,454 | \$14,368,643 |
| Cash and Cash Equivalents with Fiscal Agents | 0 | 1,309,233 | 1,309,233 |
| Accounts Receivable | 280,778 | 2,966,394 | 3,247,172 |
| Due from Other Governments | 399,354 | 18,968 | 418,322 |
| Municipal Income Taxes Receivable | 987,892 | 0 | 987,892 |
| Other Local Taxes Receivable | 6,466 | 64,599 | 71,065 |
| Internal Balances | 20,218 | (20,218) | 0 |
| Prepaid Items | 32,471 | 79,230 | 111,701 |
| Materials and Supplies Inventory | 45,405 | 1,907,418 | 1,952,823 |
| Accrued Interest Receivable | 6,408 | 0 | 6,408 |
| Property Taxes Receivable | 464,969 | 0 | 464,969 |
| Notes Receivable | 215,053 | 0 | 215,053 |
| Special Assessments Receivable | 74,722 | 0 | 74,722 |
| Nondepreciable Capital Assets | 1,625,249 | 10,433,482 | 12,058,731 |
| Depreciable Capital Assets, Net | 19,626,654 | 46,142,035 | 65,768,689 |
| Total Assets | 27,653,828 | 73,401,595 | 101,055,423 |
| <u>Liabilities</u> | | | |
| Accrued Wages Payable | 79,461 | 53,682 | 133,143 |
| Accounts Payable | 115,264 | 169,152 | 284,416 |
| Contracts Payable | 33,646 | 2,127,771 | 2,161,417 |
| Due to Other Governments | 114,481 | 73,017 | 187,498 |
| Accrued Interest Payable | 1,678 | 233,491 | 235,169 |
| Refundable Deposits | 0 | 238,168 | 238,168 |
| Long-Term Liabilities | | | |
| Due Within One Year | 197,993 | 955,149 | 1,153,142 |
| Due in More Than One Year | 458,001 | 24,907,297 | 25,365,298 |
| Total Liabilities | 1,000,524 | 28,757,727 | 29,758,251 |
| <u>Deferred Inflows of Resources</u> | | | |
| Property Taxes | 461,506 | 0 | 461,506 |
| <u>Net Position</u> | | | |
| Net Investment in Capital Assets | 21,180,841 | 32,786,072 | 53,966,913 |
| Restricted for | | | |
| Capital Projects | 1,103,853 | 0 | 1,103,853 |
| Community Environment | 652,492 | 0 | 652,492 |
| Street and Highway Maintenance and Repair | 576,973 | 0 | 576,973 |
| Other Purposes | 54,875 | 0 | 54,875 |
| Revenue Bond Replacement | 0 | 100,000 | 100,000 |
| Future Debt Service | 0 | 1,156,749 | 1,156,749 |
| Unrestricted | 2,622,764 | 10,601,047 | 13,223,811 |
| Total Net Position | \$26,191,798 | \$44,643,868 | \$70,835,666 |

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Activities
For the Year Ended December 31, 2014

| | Program Revenues | | | |
|---------------------------------------|---------------------|-------------------------|---|------------------|
| | Expenses | Charges for Services | Operating Grants, Contributions, and Interest | |
| <u>Governmental Activities</u> | | | | |
| Security of Persons and Property | | | | |
| Police | \$1,613,384 | \$5,117 | \$2,973 | \$0 |
| Fire | 1,514,617 | 48,522 | 2,465 | 0 |
| Other | 4,426 | 0 | 0 | 0 |
| Public Health | 162,403 | 398,918 | 2,750 | 0 |
| Leisure Time Activities | 484,814 | 195,415 | 29,746 | 12,397 |
| Community Environment | 126,153 | 0 | 8,805 | 0 |
| Transportation | 1,911,883 | 104,608 | 462,339 | 593,617 |
| General Government | 594,323 | 16,148 | 0 | 0 |
| Interest and Fiscal Charges | 8,219 | 0 | 0 | 0 |
| Total Governmental Activities | 6,420,222 | 768,728 | 509,078 | 606,014 |
| <u>Business-Type Activities</u> | | | | |
| Electric | 15,259,517 | 14,818,934 | 0 | 0 |
| Water | 2,041,383 | 1,825,871 | 0 | 111,740 |
| Sewer | 1,978,245 | 3,258,877 | 0 | 48,405 |
| Storm Sewer | 155,091 | 155,904 | 0 | 86,691 |
| Refuse | 1,102,022 | 1,214,454 | 0 | 0 |
| Total Business-Type Activities | 20,536,258 | 21,274,040 | 0 | 246,836 |
| Total | \$26,956,480 | \$22,042,768 | \$509,078 | \$852,850 |

General Revenues

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

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in Net Position

| Governmental Activities | Business-Type Activities | Total |
|----------------------------|-----------------------------|---------------------|
| (\$1,605,294) | \$0 | (\$1,605,294) |
| (1,463,630) | 0 | (1,463,630) |
| (4,426) | 0 | (4,426) |
| 239,265 | 0 | 239,265 |
| (247,256) | 0 | (247,256) |
| (117,348) | 0 | (117,348) |
| (751,319) | 0 | (751,319) |
| (578,175) | 0 | (578,175) |
| (8,219) | 0 | (8,219) |
| <u>(4,536,402)</u> | <u>0</u> | <u>(4,536,402)</u> |
| 0 | (440,583) | (440,583) |
| 0 | (103,772) | (103,772) |
| 0 | 1,329,037 | 1,329,037 |
| 0 | 87,504 | 87,504 |
| 0 | 112,432 | 112,432 |
| <u>0</u> | <u>984,618</u> | <u>984,618</u> |
| <u>(4,536,402)</u> | <u>984,618</u> | <u>(3,551,784)</u> |
| 362,175 | 0 | 362,175 |
| 95,171 | 0 | 95,171 |
| 2,602,279 | 0 | 2,602,279 |
| 721,029 | 0 | 721,029 |
| 1,061 | 0 | 1,061 |
| 254,085 | 0 | 254,085 |
| 144,915 | 0 | 144,915 |
| 15,376 | 0 | 15,376 |
| 1,040 | 0 | 1,040 |
| 58,133 | 78,660 | 136,793 |
| 4,255,264 | 78,660 | 4,333,924 |
| <u>(26,000)</u> | <u>26,000</u> | <u>0</u> |
| <u>4,229,264</u> | <u>104,660</u> | <u>4,333,924</u> |
| (307,138) | 1,089,278 | 782,140 |
| <u>26,498,936</u> | <u>43,554,590</u> | <u>70,053,526</u> |
| <u>\$26,191,798</u> | <u>\$44,643,868</u> | <u>\$70,835,666</u> |

City of Wapakoneta
Balance Sheet
Governmental Funds
December 31, 2014

| | General | Street and Sewer Improvement | Other Governmental | Total Governmental Funds |
|---|--------------------|------------------------------------|-----------------------|--------------------------------|
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$1,488,687 | \$1,051,345 | \$1,258,266 | \$3,798,298 |
| Accounts Receivable | 280,628 | 0 | 150 | 280,778 |
| Due from Other Governments | 137,681 | 28,101 | 233,572 | 399,354 |
| Municipal Income Taxes Receivable | 987,892 | 0 | 0 | 987,892 |
| Other Local Taxes Receivable | 574 | 0 | 5,892 | 6,466 |
| Interfund Receivable | 59,990 | 0 | 0 | 59,990 |
| Prepaid Items | 24,008 | 0 | 6,462 | 30,470 |
| Materials and Supplies Inventory | 19,263 | 0 | 24,316 | 43,579 |
| Accrued Interest Receivable | 3,534 | 2,874 | 0 | 6,408 |
| Restricted Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | 42,841 | 0 | 0 | 42,841 |
| Property Taxes Receivable | 368,008 | 0 | 96,961 | 464,969 |
| Notes Receivable | 0 | 0 | 215,053 | 215,053 |
| Special Assessments Receivable | 0 | 74,722 | 0 | 74,722 |
| Total Assets | \$3,413,106 | \$1,157,042 | \$1,840,672 | \$6,410,820 |
| <u>Liabilities</u> | | | | |
| Accrued Wages Payable | \$66,209 | \$0 | \$9,084 | \$75,293 |
| Accounts Payable | 75,275 | 15,601 | 23,240 | 114,116 |
| Contracts Payable | 0 | 33,646 | 0 | 33,646 |
| Due to Other Governments | 93,333 | 3,942 | 12,720 | 109,995 |
| Interfund Payable | 2,504 | 0 | 26,858 | 29,362 |
| Total Liabilities | 237,321 | 53,189 | 71,902 | 362,412 |
| <u>Deferred Inflows of Resources</u> | | | | |
| Property Taxes | 365,217 | 0 | 96,289 | 461,506 |
| Unavailable Revenue | 1,142,264 | 79,596 | 195,216 | 1,417,076 |
| Total Deferred Inflows of Resources | 1,507,481 | 79,596 | 291,505 | 1,878,582 |
| <u>Fund Balance</u> | | | | |
| Nonspendable | 86,112 | 0 | 30,778 | 116,890 |
| Restricted | 10,154 | 1,024,257 | 1,060,092 | 2,094,503 |
| Assigned | 709,905 | 0 | 402,702 | 1,112,607 |
| Unassigned (Deficit) | 862,133 | 0 | (16,307) | 845,826 |
| Total Fund Balance | 1,668,304 | 1,024,257 | 1,477,265 | 4,169,826 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | \$3,413,106 | \$1,157,042 | \$1,840,672 | \$6,410,820 |

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
 Reconciliation of Total Governmental Fund Balance
 to Net Position of Governmental Activities
 December 31, 2014

| | | |
|---|------------|--------------|
| Total Governmental Fund Balance | | \$4,169,826 |
| <p>Amounts reported for governmental activities on the statement of net position are different because of the following:</p> | | |
| <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p> | | |
| Governmental Activities | 21,251,903 | |
| Internal Service Fund | (42,769) | |
| | | 21,209,134 |
| <p>Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.</p> | | |
| Accounts Receivable | 237,591 | |
| Due from Other Governments | 315,928 | |
| Municipal Income Taxes Receivable | 779,252 | |
| Accrued Interest Receivable | 6,120 | |
| Delinquent Property Taxes Receivable | 3,463 | |
| Special Assessments Receivable | 74,722 | |
| | | 1,417,076 |
| <p>An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.</p> | | |
| | | (10,166) |
| <p>Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds; it is reported when due.</p> | | |
| | | (1,678) |
| <p>Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p> | | |
| Capital Loans Payable | (11,870) | |
| Loans Payable | (169,967) | |
| Capital Leases Payable | (59,192) | |
| Compensated Absences Payable | (414,965) | |
| Compensated Absences Payable-Internal Service Fund | 12,773 | |
| | | (643,221) |
| <p>An internal service fund is used by management to charge the cost of engineering services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.</p> | | |
| | | 50,827 |
| Net Position of Governmental Activities | | \$26,191,798 |

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, 2014

| | General | Street and Sewer Improvement | Other Governmental | Total Governmental Funds |
|---|--------------------|------------------------------------|-----------------------|--------------------------------|
| <u>Revenues</u> | | | | |
| Property Taxes | \$362,690 | \$0 | \$95,346 | \$458,036 |
| Municipal Income Taxes | 2,594,506 | 0 | 0 | 2,594,506 |
| Other Local Taxes | 722,090 | 0 | 75,115 | 797,205 |
| Special Assessments | 0 | 39,784 | 0 | 39,784 |
| Charges for Services | 721,085 | 0 | 29,493 | 750,578 |
| Fees, Licenses, and Permits | 134,013 | 0 | 0 | 134,013 |
| Fines and Forfeitures | 13,423 | 0 | 1,663 | 15,086 |
| Intergovernmental | 268,911 | 279,412 | 621,424 | 1,169,747 |
| Interest | 9,256 | 4,418 | 11,565 | 25,239 |
| Gifts and Donations | 1,458 | 0 | 17,713 | 19,171 |
| Other | 54,142 | 0 | 3,991 | 58,133 |
| Total Revenues | 4,881,574 | 323,614 | 856,310 | 6,061,498 |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Police | 1,712,344 | 0 | 2,500 | 1,714,844 |
| Fire | 1,481,619 | 0 | 0 | 1,481,619 |
| Other | 4,792 | 0 | 0 | 4,792 |
| Public Health | 149,970 | 0 | 0 | 149,970 |
| Leisure Time Activities | 200,400 | 0 | 210,117 | 410,517 |
| Community Environment | 121,163 | 0 | 5,000 | 126,163 |
| Transportation | 0 | 674,191 | 667,113 | 1,341,304 |
| General Government | 579,587 | 0 | 0 | 579,587 |
| Debt Service: | | | | |
| Principal Retirement | 71,243 | 0 | 11,413 | 82,656 |
| Interest and Fiscal Charges | 7,838 | 0 | 951 | 8,789 |
| Total Expenditures | 4,328,956 | 674,191 | 897,094 | 5,900,241 |
| Excess of Revenues Over (Under) Expenditures | 552,618 | (350,577) | (40,784) | 161,257 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Inception of Capital Lease | 91,929 | 0 | 0 | 91,929 |
| Transfers In | 0 | 500,000 | 291,225 | 791,225 |
| Transfers Out | (817,225) | 0 | 0 | (817,225) |
| Total Other Financing Sources (Uses) | (725,296) | 500,000 | 291,225 | 65,929 |
| Change in Fund Balance | (172,678) | 149,423 | 250,441 | 227,186 |
| Fund Balance Beginning of Year | 1,840,982 | 874,834 | 1,226,824 | 3,942,640 |
| Fund Balance End of Year | <u>\$1,668,304</u> | <u>\$1,024,257</u> | <u>\$1,477,265</u> | <u>\$4,169,826</u> |

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
 Reconciliation of Statement of Revenues, Expenditures,
 and Change in Fund Balance
 of Governmental Funds to Statement of Activities
 For the Year Ended December 31, 2014

Change in Fund Balance - Total Governmental Funds \$227,186

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 depreciation exceeded capital outlay in the current year.

| | | |
|------------------------------------|--------------|-----------|
| Capital Outlay | 318,293 | |
| Capital Contributions | 506,763 | |
| Depreciation | (1,007,868) | |
| Depreciation-Internal Service Fund | <u>1,872</u> | (180,940) |

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

| | | |
|-----------------------------|--------------|-----------|
| Delinquent Property Taxes | (690) | |
| Municipal Income Taxes | 7,773 | |
| Special Assessments | (39,784) | |
| Charges for Services | (77,523) | |
| Fees, Licenses, and Permits | 16,374 | |
| Intergovernmental | (337,029) | |
| Interest | <u>1,702</u> | (429,177) |

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

| | | |
|------------------------|---------------|--------|
| Capital Loans Payable | 11,413 | |
| Loans Payable | 38,506 | |
| Capital Leases Payable | <u>32,737</u> | 82,656 |

The inception of a capital lease is reported as an other financing source in the governmental funds but increases long-term liabilities on the statement of net position. (91,929)

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. 570

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 | 87,279 | |
| Compensated Absences Payable-Internal Service Fund | <u>(2,799)</u> | 84,480 |

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. 16

Change in Net Position of Governmental Activities (\$307,138)

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, 2014

| | Budgeted Amounts | | Actual | Variance with Final Budget Over (Under) |
|---|------------------|------------------|--------------------|--|
| | Original | Final | | |
| <u>Revenues</u> | | | | |
| Property Taxes | \$350,350 | \$361,332 | \$362,690 | \$1,358 |
| Municipal Income Taxes | 2,400,000 | 2,487,300 | 2,602,144 | 114,844 |
| Other Local Taxes | 691,000 | 691,000 | 716,367 | 25,367 |
| Charges for Services | 689,100 | 689,100 | 726,915 | 37,815 |
| Fees, Licenses, and Permits | 87,550 | 105,750 | 134,013 | 28,263 |
| Fines and Forfeitures | 11,500 | 11,500 | 13,823 | 2,323 |
| Intergovernmental | 205,500 | 208,518 | 267,311 | 58,793 |
| Interest | 20,000 | 11,012 | 10,914 | (98) |
| Gifts and Donations | 2,000 | 2,000 | 1,458 | (542) |
| Other | 23,350 | 14,150 | 47,524 | 33,374 |
| Total Revenues | 4,480,350 | 4,581,662 | 4,883,159 | 301,497 |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Police | 1,644,502 | 1,716,502 | 1,650,726 | 65,776 |
| Fire | 1,530,114 | 1,560,114 | 1,491,088 | 69,026 |
| Other | 7,100 | 7,100 | 4,768 | 2,332 |
| Public Health | 233,096 | 233,096 | 151,961 | 81,135 |
| Leisure Time Activities | 248,299 | 248,299 | 201,140 | 47,159 |
| Community Environment | 116,100 | 148,100 | 125,157 | 22,943 |
| General Government | 674,608 | 688,608 | 590,691 | 97,917 |
| Debt Service: | | | | |
| Principal Retirement | 38,506 | 38,506 | 38,506 | 0 |
| Interest and Fiscal Charges | 9,494 | 9,494 | 7,838 | 1,656 |
| Total Expenditures | 4,501,819 | 4,649,819 | 4,261,875 | 387,944 |
| Excess of Revenues Over (Under) Expenditures | (21,469) | (68,157) | 621,284 | 689,441 |
| <u>Other Financing Uses</u> | | | | |
| Transfers Out | (825,000) | (691,000) | (691,000) | 0 |
| Change in Fund Balance | (846,469) | (759,157) | (69,716) | 689,441 |
| Fund Balance Beginning of Year | 1,472,945 | 1,472,945 | 1,472,945 | 0 |
| Prior Year Encumbrances Appropriated | 70,345 | 70,345 | 70,345 | 0 |
| Fund Balance End of Year | \$696,821 | \$784,133 | \$1,473,574 | \$689,441 |

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Fund Net Position
Proprietary Funds
December 31, 2014

| | Business-Type Activities | | | | |
|--|--------------------------|-------------------|-------------------|------------------|------------------|
| | Electric | Water | Sewer | Storm Sewer | Refuse |
| <u>Assets</u> | | | | | |
| <u>Current Assets</u> | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$6,457,520 | \$1,097,428 | \$1,467,067 | \$708,242 | \$57,958 |
| Cash and Cash Equivalents with Fiscal Agents | 178,666 | 0 | 0 | 0 | 0 |
| Accounts Receivable | 2,188,264 | 251,056 | 371,700 | 13,216 | 142,158 |
| Due from Other Governments | 0 | 0 | 0 | 0 | 18,968 |
| Other Local Taxes Receivable | 64,599 | 0 | 0 | 0 | 0 |
| Interfund Receivable | 204,957 | 1,033 | 555 | 90 | 335 |
| Prepaid Items | 42,013 | 13,429 | 15,605 | 0 | 8,183 |
| Materials and Supplies Inventory | 1,661,303 | 209,594 | 36,521 | 0 | 0 |
| Total Current Assets | 10,797,322 | 1,572,540 | 1,891,448 | 721,548 | 227,602 |
| <u>Non-Current Assets</u> | | | | | |
| <u>Restricted Assets</u> | | | | | |
| Equity in Pooled Cash and Cash Equivalents | 238,168 | 0 | 474,071 | 0 | 0 |
| Cash and Cash Equivalents with Fiscal Agents | 0 | 0 | 1,130,567 | 0 | 0 |
| Nondepreciable Capital Assets | 205,559 | 560,664 | 9,339,158 | 0 | 328,101 |
| Depreciable Capital Assets, Net | 15,144,128 | 15,102,747 | 13,019,372 | 2,191,051 | 684,737 |
| Total Non-Current Assets | 15,587,855 | 15,663,411 | 23,963,168 | 2,191,051 | 1,012,838 |
| Total Assets | 26,385,177 | 17,235,951 | 25,854,616 | 2,912,599 | 1,240,440 |
| <u>Liabilities</u> | | | | | |
| <u>Current Liabilities</u> | | | | | |
| Accrued Wages Payable | 21,387 | 9,488 | 12,553 | 0 | 10,254 |
| Accounts Payable | 53,454 | 42,955 | 35,951 | 1,956 | 34,836 |
| Contracts Payable | 2,098,469 | 0 | 14,996 | 340 | 13,966 |
| Due to Other Governments | 29,235 | 10,438 | 22,143 | 0 | 11,201 |
| Interfund Payable | 60,297 | 11,617 | 14,902 | 0 | 150,538 |
| Accrued Interest Payable | 0 | 203,456 | 29,774 | 261 | 0 |
| Mortgage Revenue Bonds Payable | 0 | 0 | 470,000 | 0 | 0 |
| OWDA Loans Payable | 0 | 159,564 | 0 | 0 | 0 |
| Capital Loans Payable | 0 | 0 | 0 | 11,870 | 0 |
| Loans Payable | 0 | 0 | 101,541 | 0 | 0 |
| Compensated Absences Payable | 53,034 | 19,505 | 45,740 | 0 | 18,710 |
| Landfill Postclosure Costs Payable | 0 | 0 | 0 | 0 | 75,185 |
| Total Current Liabilities | 2,315,876 | 457,023 | 747,600 | 14,427 | 314,690 |
| <u>Non-Current Liabilities</u> | | | | | |
| Refundable Deposits | 238,168 | 0 | 0 | 0 | 0 |
| Mortgage Revenue Bonds Payable | 0 | 0 | 6,780,000 | 0 | 0 |
| OWDA Loans Payable | 0 | 8,036,166 | 8,331,845 | 0 | 0 |
| Loans Payable | 0 | 0 | 329,514 | 0 | 0 |
| Compensated Absences Payable | 65,809 | 60,954 | 55,937 | 0 | 35,472 |
| Landfill Postclosure Costs Payable | 0 | 0 | 0 | 0 | 1,211,600 |
| Total Non-Current Liabilities | 303,977 | 8,097,120 | 15,497,296 | 0 | 1,247,072 |
| Total Liabilities | 2,619,853 | 8,554,143 | 16,244,896 | 14,427 | 1,561,762 |

| Total Enterprise Funds | Governmental Activity <u>Internal Service Fund</u> |
|------------------------------|--|
| \$9,788,215 | \$27,050 |
| 178,666 | 0 |
| 2,966,394 | 0 |
| 18,968 | 0 |
| 64,599 | 0 |
| 206,970 | 0 |
| 79,230 | 2,001 |
| <u>1,907,418</u> | <u>1,826</u> |
| <u>15,210,460</u> | <u>30,877</u> |
| 712,239 | 0 |
| 1,130,567 | 0 |
| 10,433,482 | 0 |
| <u>46,142,035</u> | <u>42,769</u> |
| <u>58,418,323</u> | <u>42,769</u> |
| <u>73,628,783</u> | <u>73,646</u> |
| 53,682 | 4,168 |
| 169,152 | 1,148 |
| 2,127,771 | 0 |
| 73,017 | 4,486 |
| 237,354 | 244 |
| 233,491 | 0 |
| 470,000 | 0 |
| 159,564 | 0 |
| 11,870 | 0 |
| 101,541 | 0 |
| 136,989 | 6,568 |
| <u>75,185</u> | <u>0</u> |
| <u>3,849,616</u> | <u>16,614</u> |
| 238,168 | 0 |
| 6,780,000 | 0 |
| 16,368,011 | 0 |
| 329,514 | 0 |
| 218,172 | 6,205 |
| <u>1,211,600</u> | <u>0</u> |
| <u>25,145,465</u> | <u>6,205</u> |
| <u>28,995,081</u> | <u>22,819</u> |

(continued)

City of Wapakoneta
Statement of Fund Net Position
Proprietary Funds
December 31, 2014
(continued)

| | Business-Type Activities | | | | |
|----------------------------------|--------------------------|-------------|-------------|----------------|-------------|
| | Electric | Water | Sewer | Storm Sewer | Refuse |
| <u>Net Position</u> | | | | | |
| Net Investment in Capital Assets | \$15,349,687 | \$7,467,681 | \$6,776,685 | \$2,179,181 | \$1,012,838 |
| Restricted for | | | | | |
| Revenue Bond Replacement | 0 | 0 | 100,000 | 0 | 0 |
| Future Debt Service | 0 | 0 | 1,156,749 | 0 | 0 |
| Unrestricted (Deficit) | 8,415,637 | 1,214,127 | 1,576,286 | 718,991 | (1,334,160) |
| Total Net Position (Deficit) | \$23,765,324 | \$8,681,808 | \$9,609,720 | \$2,898,172 | (\$321,322) |

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

Net position of business-type activities

See Accompanying Notes to the Basic Financial Statements

| Total Enterprise Funds | Governmental Activity <u>Internal Service Fund</u> |
|------------------------------|--|
| \$32,786,072 | \$42,769 |
| 100,000 | 0 |
| 1,156,749 | 0 |
| <u>10,590,881</u> | <u>8,058</u> |
| 44,633,702 | <u><u>\$50,827</u></u> |
| <u>10,166</u> | |
| <u><u>\$44,643,868</u></u> | |

City of Wapakoneta
Statement of Revenues, Expenses,
and Change in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2014

| | Business-Type Activities | | | | |
|--|--------------------------|--------------------|--------------------|--------------------|--------------------|
| | Electric | Water | Sewer | Storm Sewer | Refuse |
| Operating Revenues | | | | | |
| Charges for Services | \$14,761,187 | \$1,825,871 | \$0 | \$155,904 | \$1,214,454 |
| Charges for Services Pledged as Security on Mortgage Revenue Bonds | 0 | 0 | 3,258,877 | 0 | 0 |
| Licenses and Permits | 0 | 0 | 0 | 0 | 0 |
| Other | 38,667 | 7,336 | 0 | 16,430 | 9,071 |
| Other Pledged as Security on Mortgage Revenue Bonds | 0 | 0 | 7,156 | 0 | 0 |
| Total Operating Revenues | 14,799,854 | 1,833,207 | 3,266,033 | 172,334 | 1,223,525 |
| Operating Expenses | | | | | |
| Personal Services | 1,030,339 | 400,242 | 582,365 | 0 | 436,019 |
| Contractual Services | 13,130,354 | 230,955 | 371,038 | 8,327 | 512,152 |
| Materials and Supplies | 431,289 | 468,570 | 253,719 | 64,318 | 92,922 |
| Depreciation | 579,792 | 323,356 | 407,869 | 69,985 | 59,882 |
| Other | 52,119 | 0 | 10,367 | 11,760 | 0 |
| Total Operating Expenses | 15,223,893 | 1,423,123 | 1,625,358 | 154,390 | 1,100,975 |
| Operating Income (Loss) | (424,039) | 410,084 | 1,640,675 | 17,944 | 122,550 |
| Non-Operating Revenues (Expenses) | | | | | |
| Other Local Taxes | 57,747 | 0 | 0 | 0 | 0 |
| Loss on Disposal of Capital Assets | (35,625) | 0 | 0 | 0 | 0 |
| Interest Expense | 0 | (618,260) | (352,890) | (701) | (1,047) |
| Total Non-Operating Revenues (Expenses) | 22,122 | (618,260) | (352,890) | (701) | (1,047) |
| Income (Loss) before Contributions and Transfers | (401,917) | (208,176) | 1,287,785 | 17,243 | 121,503 |
| Capital Contributions | 0 | 111,740 | 48,405 | 86,691 | 0 |
| Transfers In | 26,000 | 0 | 0 | 0 | 0 |
| Change in Net Position | (375,917) | (96,436) | 1,336,190 | 103,934 | 121,503 |
| Net Position (Deficit) Beginning of Year | 24,141,241 | 8,778,244 | 8,273,530 | 2,794,238 | (442,825) |
| Net Position (Deficit) End of Year | \$23,765,324 | \$8,681,808 | \$9,609,720 | \$2,898,172 | (\$321,322) |

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

Change in net position of business-type activities

See Accompanying Notes to the Basic Financial Statements

| Total Enterprise Funds | Governmental Activity <u>Internal Service Fund</u> |
|------------------------------|--|
| \$17,957,416 | \$187,099 |
| 3,258,877 | 0 |
| 0 | 16,041 |
| 71,504 | 2,341 |
| 7,156 | 0 |
| <u>21,294,953</u> | <u>205,481</u> |
| 2,448,965 | 180,060 |
| 14,252,826 | 9,850 |
| 1,310,818 | 13,679 |
| 1,440,884 | 1,872 |
| 74,246 | 0 |
| <u>19,527,739</u> | <u>205,461</u> |
| <u>1,767,214</u> | <u>20</u> |
| 57,747 | 0 |
| (35,625) | 0 |
| (972,898) | 0 |
| <u>(950,776)</u> | <u>0</u> |
| 816,438 | 20 |
| 246,836 | 0 |
| 26,000 | 0 |
| <u>1,089,274</u> | <u>20</u> |
| | <u>50,807</u> |
| | <u>\$50,827</u> |
| <u>4</u> | |
| <u>\$1,089,278</u> | |

City of Wapakoneta
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

| | Business-Type Activities | | | | |
|---|--------------------------|--------------------|--------------------|------------------|-----------------|
| | Electric | Water | Sewer | Storm Sewer | Refuse |
| Increases (Decreases) in Cash and Cash Equivalents | | | | | |
| <u>Cash Flows from Operating Activities</u> | | | | | |
| Cash Received from Customers | \$14,538,156 | \$1,803,438 | \$3,240,879 | \$155,619 | \$1,188,259 |
| Cash Received from Transactions with Other Funds | 0 | 0 | 0 | 0 | 0 |
| Cash Received from Utility Deposits | 40,246 | 0 | 0 | 0 | 0 |
| Cash Received from Other Revenues | 38,667 | 7,336 | 7,156 | 16,430 | 8,799 |
| Cash Payments for Personal Services | (1,035,157) | (406,804) | (594,343) | 0 | (439,525) |
| Cash Payments for Contractual Services | (12,128,176) | (224,240) | (420,497) | (5,553) | (621,292) |
| Cash Payments to Vendors | (808,762) | (468,987) | (248,277) | (64,034) | (89,984) |
| Cash Payments for Transactions with Other Funds | (3,467) | (410) | (14,806) | (4,710) | 0 |
| Cash Payments for Utility Refunds | (25,958) | 0 | 0 | 0 | 0 |
| Cash Payments for Other Expenses | (52,119) | 0 | (10,367) | (10,780) | 0 |
| Net Cash Provided by Operating Activities | 563,430 | 710,333 | 1,959,745 | 86,972 | 46,257 |
| <u>Cash Flows from Noncapital Financing Activities</u> | | | | | |
| Cash Received from Other Local Taxes | 57,747 | 0 | 0 | 0 | 0 |
| Transfers In | 56,500 | 0 | 0 | 0 | 0 |
| Net Cash Provided by Noncapital Financing Activities | 114,247 | 0 | 0 | 0 | 0 |
| <u>Cash Flows from Capital and Related Financing Activities</u> | | | | | |
| Principal Paid on Mortgage Revenue Bonds | 0 | 0 | (455,000) | 0 | 0 |
| Principal Paid on OWDA Loans | 0 | (107,093) | 0 | 0 | 0 |
| Principal Paid on Capital Loans | 0 | 0 | (17,390) | (11,413) | (31,169) |
| Principal Paid on Loans | 0 | 0 | (97,656) | 0 | 0 |
| Principal Paid on Leases | 0 | 0 | 0 | 0 | (34,925) |
| Interest Paid on Mortgage Revenue Bonds | 0 | 0 | (334,812) | 0 | 0 |
| Interest Paid on OWDA Loans | 0 | (414,804) | 0 | 0 | 0 |
| Interest Paid on Capital Loans | 0 | 0 | (732) | (951) | (1,047) |
| Interest Paid on Loans | 0 | 0 | (19,879) | 0 | 0 |
| OWDA Loan Proceeds | 0 | 0 | 4,241,146 | 0 | 0 |
| Acquisition of Capital Assets | (354,751) | 0 | (4,616,081) | 0 | 0 |
| Net Cash Used for Capital and Related Financing Activities | (354,751) | (521,897) | (1,300,404) | (12,364) | (67,141) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 322,926 | 188,436 | 659,341 | 74,608 | (20,884) |
| Cash and Cash Equivalents Beginning of Year | 6,551,428 | 908,992 | 2,412,364 | 633,634 | 78,842 |
| Cash and Cash Equivalents End of Year | <u>\$6,874,354</u> | <u>\$1,097,428</u> | <u>\$3,071,705</u> | <u>\$708,242</u> | <u>\$57,958</u> |

| Total Enterprise Funds | Governmental Activity |
|------------------------------|--------------------------|
| | Internal Service |
| \$20,926,351 | \$16,041 |
| 0 | 187,099 |
| 40,246 | 0 |
| 78,388 | 2,341 |
| (2,475,829) | (181,726) |
| (13,399,758) | (9,924) |
| (1,680,044) | (13,436) |
| (23,393) | 0 |
| (25,958) | 0 |
| (73,266) | 0 |
| <u>3,366,737</u> | <u>395</u> |
| 57,747 | 0 |
| <u>56,500</u> | <u>0</u> |
| <u>114,247</u> | <u>0</u> |
| (455,000) | 0 |
| (107,093) | 0 |
| (59,972) | 0 |
| (97,656) | 0 |
| (34,925) | 0 |
| (334,812) | 0 |
| (414,804) | 0 |
| (2,730) | 0 |
| (19,879) | 0 |
| 4,241,146 | 0 |
| <u>(4,970,832)</u> | <u>0</u> |
| <u>(2,256,557)</u> | <u>0</u> |
| 1,224,427 | 395 |
| <u>10,585,260</u> | <u>26,655</u> |
| <u>\$11,809,687</u> | <u>\$27,050</u> |

(continued)

City of Wapakoneta
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014
(continued)

| | Business-Type Activities | | | | |
|--|--------------------------|------------------|--------------------|-----------------|-----------------|
| | Electric | Water | Sewer | Storm Sewer | Refuse |
| <u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</u> | | | | | |
| Operating Income (Loss) | (\$424,039) | \$410,084 | \$1,640,675 | \$17,944 | \$122,550 |
| <u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities</u> | | | | | |
| Depreciation | 579,792 | 323,356 | 407,869 | 69,985 | 59,882 |
| Changes in Assets and Liabilities: | | | | | |
| Increase in Accounts Receivable | (220,592) | (22,870) | (18,346) | (277) | (33,350) |
| Decrease in Due from Other Governments | 0 | 0 | 0 | 0 | 6,867 |
| Decrease in Other Local Taxes Receivable | (5,970) | 0 | 0 | 0 | 0 |
| (Increase) Decrease in Interfund Receivable | (208,406) | 437 | 348 | (8) | 16 |
| (Increase) Decrease in Prepaid Items | 2,048 | 1,742 | 885 | 0 | (370) |
| (Increase) Decrease in Materials and Supplies Inventory | (15,692) | (1,531) | (2,331) | 0 | 19 |
| Increase in Accrued Wages Payable | 1,634 | 1,281 | 100 | 0 | 1,087 |
| Increase (Decrease) in Accounts Payable | (162,997) | 4,055 | 8,443 | (452) | (8,560) |
| Increase (Decrease) in Contracts Payable | 1,005,106 | 0 | (66,664) | (220) | (24,336) |
| Decrease in Due to Other Governments | 942 | 1,146 | 127 | 0 | 252 |
| Increase (Decrease) in Interfund Payable | 5,162 | 1,491 | 464 | 0 | (75) |
| Increase in Refundable Deposits | 14,288 | 0 | 0 | 0 | 0 |
| Decrease in Compensated Absences Payable | (7,846) | (8,858) | (11,825) | 0 | (4,847) |
| Decrease in Landfill Postclosure Costs | 0 | 0 | 0 | 0 | (72,878) |
| Net Cash Provided by Operating Activities | <u>\$563,430</u> | <u>\$710,333</u> | <u>\$1,959,745</u> | <u>\$86,972</u> | <u>\$46,257</u> |

Non-Cash Capital Transactions

In 2014, the Water, Sewer and Storm Sewer enterprise funds received donated capital assets from a private developer in the amount of \$111,740, \$48,405, and \$86,691, respectively.

See Accompanying Notes to the Basic Financial Statements

| Total Enterprise Funds | Governmental Activity |
|------------------------------|--------------------------|
| | Internal Service |
| \$1,767,214 | \$20 |
| 1,440,884 | 1,872 |
| (295,435) | 0 |
| 6,867 | 0 |
| (5,970) | 0 |
| (207,613) | 0 |
| 4,305 | 154 |
| (19,535) | 0 |
| 4,102 | 660 |
| (159,511) | 17 |
| 913,886 | 0 |
| 2,467 | 473 |
| 7,042 | (2) |
| 14,288 | 0 |
| (33,376) | (2,799) |
| (72,878) | 0 |
| <u>\$3,366,737</u> | <u>\$395</u> |

City of Wapakoneta
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2014

| | |
|--|----------------|
| <u>Assets</u> | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$4,447</u> |
| <u>Liabilities</u> | |
| Undistributed Assets | <u>\$4,447</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, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. There were no component units of the City of Wapakoneta in 2014.

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

The City serves as a custodian of public funds and holds on deposit the monies of the Police Auxiliary, a non-profit organization. The City serves as fiscal agent, but the organization is not considered part of the City. Accordingly, the activity of the Police Auxiliary is presented as 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. Following are the more significant of the City's accounting policies.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. 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 2014. 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 position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. The City did not report any deferred outflows of resources for 2014.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources includes property taxes and unavailable revenue. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2014, but which were levied to finance 2015 operations. This amount has been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes intergovernmental revenue including grants, municipal income taxes, accrued interest, delinquent property taxes, special assessments, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available.

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

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

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Investments

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

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

During 2014, investments included non-negotiable certificates of deposit, mutual funds, and STAR Ohio. Non-negotiable certificates of deposit are reported at cost. Investments are reported at fair value, which is based on quoted market price or current share price. STAR Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s net asset value per share, which is the price the investment could be sold for on December 31, 2014.

Interest earnings are generally allocated to City funds according to State statutes, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2014 was \$9,256, which includes \$8,674 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, 2014, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Inventory

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

I. Restricted Assets

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted assets also 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.

J. Capital Assets

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

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their 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. No interest was capitalized for 2014.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Interfund Assets/Liabilities

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

L. Compensated Absences

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

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

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes recreation activities 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 position is available.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Balance

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

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

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

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

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

Assigned - Amounts in the assigned classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by City Council. Fund balance policy of City Council has authorized the Director of Public Service and Safety to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council has also assigned amounts for swimming pool operations and to cover a gap between estimated resources and appropriations in the 2015 budget.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

P. Operating Revenues and Expenses

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

Q. Capital Contributions

Capital contributions arise from outside contributions of capital assets.

R. Interfund Transactions

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

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

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

S. 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 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At December 31, 2014, the Recreation special revenue fund had a deficit fund balance, in the amount of \$10,526. The deficit resulted from adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The deficit net position in the Refuse enterprise fund, in the amount of \$321,322, is the result of recording landfill postclosure costs. Refuse rates were increased in 2014 to help offset rising costs.

B. Compliance

For the year ended December 31, 2014, the General Fund had expenditures plus encumbrances in excess of appropriations, in the amount of \$25,787 and \$55,184, respectively, for leisure time activities, contractual services and materials and supplies accounts. The City Auditor will monitor budgetary transactions to ensure expenditures are within amounts appropriated.

The Storm Sewer enterprise fund had expenses plus encumbrances in excess of appropriations, in the amount of \$11,760, for other expenses for the year ended December 31, 2014. The City Auditor will monitor budgetary transactions to ensure expenses are within amounts appropriated.

The Refuse enterprise fund had final appropriations in excess of estimated revenues plus available balances, in the amount of \$95,476. The City will review appropriations to ensure they are within amounts available.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

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

| Change in Fund Balance | |
|--|--------------------------|
| GAAP Basis | (\$172,678) |
| <u>Increases (Decreases) Due To</u> | |
| Revenue Accruals: | |
| Accrued 2013, Received in Cash 2014 | 330,464 |
| Accrued 2014, Not Yet Received in Cash | (330,826) |
| Expenditure Accruals: | |
| Accrued 2013, Paid in Cash 2014 | (210,126) |
| Accrued 2014 Not Yet Paid in Cash | 237,321 |
| Cash Adjustments | |
| Unrecorded Activity 2013 | 2,981 |
| Unrecorded Activity 2014 | (1,034) |
| Prepaid Items | 5,402 |
| Materials and Supplies Inventory | (525) |
| Transfers Out | 126,225 |
| Encumbrances Outstanding at Year End (Budget Basis) | <u>(56,920)</u> |
| Budget Basis | <u><u>(\$69,716)</u></u> |

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, 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 or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. 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.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$1,531,983 of the City's bank balance of \$7,735,702 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

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

Investments

At December 31, 2014, the City had \$1,130,567 invested in mutual funds with an average maturity of 38 days and \$6,752,338 invested in STAR Ohio with an average maturity of 50.1 days.

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

The mutual funds carry a rating of Aaa by Moodys. STAR Ohio carries a rating of AAA by Standard and Poor's. The City has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that mutual funds must be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2014, consisted of accounts (billings for user charged services, including unbilled utility services); intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; other local taxes; interfund; accrued interest; property taxes; notes; and special assessments. Income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Notes receivable, in the amount of \$168,152, will not be received within one year. Special assessments receivable, in the amount of \$47,532, will not be received within one year. At December 31, 2014, the amount of delinquent special assessments was \$1,192.

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 2 percent to 6.25 percent and are to be repaid over periods ranging from five to eighteen years.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 6 - RECEIVABLES (continued)

A summary of the principal items of intergovernmental receivables follows:

| | Amount |
|--|-----------|
| Governmental Activities | |
| Major Funds | |
| General Fund | |
| Homestead and Rollback | \$24,839 |
| Local Government | 104,498 |
| Tangible Personal Property Reimbursement | 1,510 |
| Cigarette Taxes | 249 |
| Estate Taxes | 1,376 |
| Ohio Department of Justice | 2,223 |
| Ohio Department of Commerce | 2,465 |
| Auglaize County | 521 |
| Total General Fund | 137,681 |
| Street and Sewer Improvement | |
| Ohio Department of Natural Resources | 12,397 |
| Ohio Department of Transportation | 15,704 |
| Total Street and Sewer Improvement | 28,101 |
| Total Major Funds | 165,782 |
| Nonmajor Funds | |
| Street Maintenance | |
| Gasoline Tax | 108,226 |
| Highway Distribution | 55,211 |
| Motor Vehicle License Tax | 46,183 |
| Ohio Department of Public Safety | 1,011 |
| Total Street Maintenance | 210,631 |
| State Highway | |
| Gasoline Tax | 8,757 |
| Highway Distribution | 4,477 |
| Motor Vehicle License Tax | 3,745 |
| Ohio Department of Public Safety | 82 |
| Total State Highway | 17,061 |
| Recreation | |
| Homestead and Rollback | 5,671 |
| Enforcement and Education | |
| Auglaize County | 102 |
| Drug Law Enforcement | |
| Auglaize County | 107 |
| Total Nonmajor Funds | 233,572 |
| Total Governmental Activities | \$399,354 |

(continued)

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 6 - RECEIVABLES (continued)

| | <u>Amount</u> |
|--------------------------|-----------------|
| Business-Type Activities | |
| Refuse | |
| Auglaize County | <u>\$18,968</u> |

NOTE 7 - 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 8 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2014 represent the collection of 2013 taxes. Real property taxes received in 2014 were levied after October 1, 2013, on the assessed values as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2014 represent the collection of 2013 taxes. Public utility real and tangible personal property taxes received in 2014 became a lien on December 31, 2012, were levied after October 1, 2013, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of December 31, 2014, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2014 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 8 - PROPERTY TAXES (continued)

The full tax rate for all City operations for the year ended December 31, 2014, was \$3.75 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2014 property tax receipts were based are as follows:

| Category | Assessed Value |
|--------------------------|-------------------|
| Real Estate | |
| Agricultural/Residential | \$105,469,010 |
| Commercial/Industrial | 45,237,190 |
| Public Utility Real | 64,720 |
| Public Utility Personal | 1,120,460 |
| Total | \$151,891,380 |

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows:

| | Balance December 31, 2013 | Additions | Reductions | Balance December 31, 2014 |
|---|---------------------------------|-------------|------------|---------------------------------|
| Governmental Activities: | | | | |
| Nondepreciable Capital Assets | | | | |
| Land | \$1,410,446 | \$0 | \$0 | \$1,410,446 |
| Construction in Progress | 182,120 | 32,683 | 0 | 214,803 |
| Total Nondepreciable Capital Assets | 1,592,566 | 32,683 | 0 | 1,625,249 |
| Depreciable Capital Assets | | | | |
| Land Improvements | 3,031,111 | 0 | 0 | 3,031,111 |
| Buildings | 3,599,947 | 0 | 0 | 3,599,947 |
| Equipment | 636,902 | 0 | 0 | 636,902 |
| Vehicles | 2,836,634 | 104,490 | 0 | 2,941,124 |
| Streets | 25,311,891 | 687,883 | 0 | 25,999,774 |
| Total Depreciable Capital Assets | 35,416,485 | 792,373 | 0 | 36,208,858 |
| Less Accumulated Depreciation for | | | | |
| Land Improvements | (544,328) | (83,606) | 0 | (627,934) |
| Buildings | (819,820) | (53,303) | 0 | (873,123) |
| Equipment | (457,871) | (22,291) | 0 | (480,162) |
| Vehicles | (1,760,007) | (105,505) | 0 | (1,865,512) |
| Streets | (11,992,310) | (743,163) | 0 | (12,735,473) |
| Total Accumulated Depreciation | (15,574,336) | (1,007,868) | 0 | (16,582,204) |
| Total Depreciable Capital Assets, Net | 19,842,149 | (215,495) | 0 | 19,626,654 |
| Governmental Activities Capital Assets, Net | \$21,434,715 | (\$182,812) | \$0 | \$21,251,903 |

During 2014, governmental funds accepted contributions of capital assets from outside sources, in the amount of \$506,763.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 9 - CAPITAL ASSETS (continued)

| | Balance December 31, 2013 | Additions | Reductions | Balance December 31, 2014 |
|--|---------------------------------|--------------------|-------------------|---------------------------------|
| Business-Type Activities: | | | | |
| Nondepreciable Capital Assets | | | | |
| Land | \$1,171,268 | \$0 | \$0 | \$1,171,268 |
| Construction in Progress | 4,631,137 | 4,631,077 | 0 | 9,262,214 |
| Total Nondepreciable Capital Assets | <u>5,802,405</u> | <u>4,631,077</u> | <u>0</u> | <u>10,433,482</u> |
| Depreciable Capital Assets | | | | |
| Buildings | 20,247,000 | 0 | 0 | 20,247,000 |
| Equipment | 1,024,597 | 0 | 0 | 1,024,597 |
| Vehicles | 3,179,469 | 291,857 | (92,935) | 3,378,391 |
| Electric, Water, Sewer, and Storm Sewer Lines | 44,017,547 | 459,197 | 0 | 44,476,744 |
| Total Depreciable Capital Assets | <u>68,468,613</u> | <u>751,054</u> | <u>(92,935)</u> | <u>69,126,732</u> |
| Less Accumulated Depreciation for | | | | |
| Buildings | (2,239,085) | (269,436) | 0 | (2,508,521) |
| Equipment | (608,914) | (22,536) | 0 | (631,450) |
| Vehicles | (1,856,058) | (168,937) | 57,310 | (1,967,685) |
| Electric, Water, Sewer, and Storm Sewer Lines | (16,897,066) | (979,975) | 0 | (17,877,041) |
| Total Accumulated Depreciation | <u>(21,601,123)</u> | <u>(1,440,884)</u> | <u>57,310</u> | <u>(22,984,697)</u> |
| Total Depreciable Capital Assets, Net | <u>46,867,490</u> | <u>(689,830)</u> | <u>(35,625)</u> | <u>46,142,035</u> |
| Business-Type Activities Capital Assets, Net | <u>\$52,669,895</u> | <u>\$3,941,247</u> | <u>(\$35,625)</u> | <u>\$56,575,517</u> |

During 2014, enterprise funds accepted contributions of capital assets from outside sources, in the amount of \$246,836.

Depreciation expense was charged to governmental functions as follows:

| | |
|--|--------------------|
| Governmental Activities | |
| Security of Persons and Property - Police | \$43,677 |
| Security of Persons and Property - Fire | 69,962 |
| Public Health | 18,827 |
| Leisure Time Activities | 74,297 |
| Transportation | 784,973 |
| General Government | 16,132 |
| Total Depreciation Expense - Governmental Activities | <u>\$1,007,868</u> |

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 10 - INTERFUND BALANCES

Interfund balances at December 31, 2014, consisted of the following individual fund receivables and payables:

Due to General Fund from:

| | |
|----------|----------|
| Electric | \$59,990 |
|----------|----------|

Due to Electric Fund from:

| | |
|--------------------|---------|
| General | \$2,233 |
| Other Governmental | 26,500 |
| Water | 11,588 |
| Sewer | 14,013 |
| Refuse | 150,473 |
| Internal Service | 150 |

| | |
|---------------------|------------------|
| Total Electric Fund | <u>\$204,957</u> |
|---------------------|------------------|

Due to Water Fund from:

| | |
|--------------------|------|
| General | \$46 |
| Other Governmental | 78 |
| Electric | 46 |
| Sewer | 845 |
| Refuse | 9 |
| Internal Service | 9 |

| | |
|------------------|----------------|
| Total Water Fund | <u>\$1,033</u> |
|------------------|----------------|

Due to Sewer Fund from:

| | |
|--------------------|-------|
| General | \$132 |
| Other Governmental | 187 |
| Electric | 132 |
| Refuse | 52 |
| Internal Service | 52 |

| | |
|------------------|--------------|
| Total Sewer Fund | <u>\$555</u> |
|------------------|--------------|

(continued)

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 10 - INTERFUND BALANCES (continued)

Due to Storm Sewer from:

| | |
|------------------------|------|
| General | \$14 |
| Other Governmental | 10 |
| Electric | 14 |
| Sewer | 44 |
| Refuse | 4 |
| Internal Service | 4 |
| Total Storm Sewer Fund | \$90 |

Due to Refuse from:

| | |
|--------------------|-------|
| General | \$79 |
| Other Governmental | 83 |
| Electric | 115 |
| Water | 29 |
| Internal Service | 29 |
| Total Refuse Fund | \$335 |

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

NOTE 11 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2014, the City contracted with the Ohio Plan Risk Management, an insurance pool, for the following coverage:

| Type of Coverage | Coverage | Deductible |
|-------------------|--------------|------------|
| Property | \$65,629,842 | \$1,000 |
| General Liability | | |
| Each Occurrence | 7,000,000 | 0 |
| Aggregate | 9,000,000 | 0 |
| Wrongful Acts | | |
| Each Occurrence | 7,000,000 | 5,000 |
| Aggregate | 9,000,000 | 5,000 |

(continued)

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 11 - RISK MANAGEMENT (continued)

| Type of Coverage | Coverage | Deductible |
|----------------------------|-------------|------------|
| Law Enforcement Liability | | |
| Each Occurrence | \$7,000,000 | \$5,000 |
| Aggregate | 9,000,000 | 5,000 |
| Automobile Liability | 7,000,000 | 0 |
| Inland Marine | 1,490,753 | 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.

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

NOTE 12 - SIGNIFICANT CONTRACTUAL COMMITMENTS

The City has several outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2014:

| Vendor | Contract Amount | Amount Paid as of 12/31/14 | Outstanding Balance |
|---------------------------------------|-----------------|----------------------------|---------------------|
| American Municipal Power | \$3,000,000 | \$905,135 | \$2,094,865 |
| Burgess Hearse and Ambulance Services | 170,000 | 0 | 170,000 |
| Choice One Engineering Corp | 248,060 | 211,574 | 36,486 |
| CTL Engineering, Inc. | 76,470 | 40,799 | 35,671 |
| Helms & Sons Excavating | 3,851,066 | 1,638,729 | 2,212,337 |
| PAB Construction | 95,733 | 0 | 95,733 |
| Peterson Construction Co. | 6,469,840 | 6,053,215 | 416,625 |
| The Shelly Company | 16,800 | 0 | 16,800 |

At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2014 are as follows:

| | |
|------------------------------|------------------|
| General | \$56,920 |
| Street and Sewer Improvement | 200,291 |
| Capital Fire Truck | 170,000 |
| Total | <u>\$427,211</u> |

NOTE 13 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

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

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

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2014, members in state and local classifications contributed 10 percent of covered payroll. For 2014, member and employer contribution rates were consistent across all three plans.

The City's 2014 contribution rate was 14 percent. The portion of the City's contribution used to fund pension benefits is net of postemployment health care benefits. The portion of the City's contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent. Employer contribution rates are actuarially determined.

The City's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2014, 2013, and 2012 was \$342,080, \$359,873, and \$250,383, respectively. For 2014, 90 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012. Contributions to the member-directed plan for 2014 were \$466 made by the City and \$333 made by the plan members.

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

B. Ohio Police and Fire Pension Fund

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

Funding Policy - Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2014, through July 1, 2014, plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014, through December 31, 2014, plan members were required to contribute 11.5 percent of their annual covered salary. Throughout 2014, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters.

The OPF pension fund is authorized by the Ohio Revised Code to allocate a portion of the employer contribution to retiree health care benefits. For 2014, the portion of the City's contribution used to fund pension benefits was 19 percent of covered payroll for police officers and 23.5 percent of covered payroll for firefighters. The City's contribution to OPF for police and firefighters pension was \$151,489 and \$217,483 for the year ended December 31, 2014, \$138,548 and \$184,876 for the year ended December 31, 2013, and \$124,501 and \$157,389 for the year ended December 31, 2012. For 2014, 88 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

NOTE 14 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

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

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

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

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

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The postemployment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed 14 percent of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code.

Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The portion of the employer contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent for both plans as recommended by the OPERS actuary.

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

The City's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2014, 2013, and 2012 was \$57,091, \$27,787, and \$100,690, respectively. For 2014, 90 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing on January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contribution toward the health care fund after the end of the transition period.

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

B. Police and Fire Pension Fund

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

OPF provides access to postretirement health care coverage for 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. The health care coverage provided by OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

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

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

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

OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B premium reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2014, the employer contribution allocated to the health care plan was .5 percent of covered payroll. The amount of employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

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

The City's contribution to OPF which was allocated to fund postemployment health care benefits for police and firefighters was \$3,987 and \$4,627 for the year ended December 31, 2014, \$31,548 and \$32,803 for the year ended December 31, 2013, and \$65,912 and \$61,587 for the year ended December 31, 2012. For 2014, 88 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

NOTE 15 - COMPENSATED ABSENCES

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

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

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 16 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2014, was as follows:

| | | Balance December 31, 2013 | Additions | Reductions | Balance December 31, 2014 | Due Within One Year |
|-----------------------------------|------------------|---------------------------------|--------------------|------------------|---------------------------------|------------------------|
| <u>Governmental Activities</u> | | | | | | |
| Other Long-Term Obligations | | | | | | |
| Capital Loans Payable | | \$23,283 | \$0 | \$11,413 | \$11,870 | \$11,870 |
| Loans Payable | | 208,473 | 0 | 38,506 | 169,967 | 40,038 |
| Capital Leases Payable | | 0 | 91,929 | 32,737 | 59,192 | 28,595 |
| Compensated Absences Payable | | 502,244 | 0 | 87,279 | 414,965 | 117,490 |
| Total Governmental Activities | | <u>\$734,000</u> | <u>\$91,929</u> | <u>\$169,935</u> | <u>\$655,994</u> | <u>\$197,993</u> |
| | | | | | | |
| | Interest Rate | Balance December 31, 2013 | Additions | Reductions | Balance December 31, 2014 | Due Within One Year |
| <u>Business-Type Activities</u> | | | | | | |
| Mortgage Revenue Bonds | | | | | | |
| 1998 Sewer System Bonds | 3.30 - 4.95% | \$1,425,000 | \$0 | \$255,000 | \$1,170,000 | \$270,000 |
| 2006 Sewer System Bonds | 4 - 4.25 | 6,280,000 | 0 | 200,000 | 6,080,000 | 200,000 |
| Total Mortgage Revenue Bonds | | <u>7,705,000</u> | <u>0</u> | <u>455,000</u> | <u>7,250,000</u> | <u>470,000</u> |
| Other Long-Term Obligations | | | | | | |
| OWDA Loans | | | | | | |
| Water | | 8,302,823 | 0 | 107,093 | 8,195,730 | 159,564 |
| Sewer | | 4,090,699 | 4,241,146 | 0 | 8,331,845 | 0 |
| Capital Loans Payable | | 71,842 | 0 | 59,972 | 11,870 | 11,870 |
| Loans Payable | | 528,711 | 0 | 97,656 | 431,055 | 101,541 |
| Capital Leases Payable | | 34,925 | 0 | 34,925 | 0 | 0 |
| Compensated Absences Payable | | 388,537 | 0 | 33,376 | 355,161 | 136,989 |
| Landfill Postclosure Costs | | 1,359,663 | 0 | 72,878 | 1,286,785 | 75,185 |
| Total Other Long-Term Obligations | | <u>14,777,200</u> | <u>4,241,146</u> | <u>405,900</u> | <u>18,612,446</u> | <u>485,149</u> |
| Total Business-Type Activities | | <u>\$22,482,200</u> | <u>\$4,241,146</u> | <u>860,900</u> | <u>\$25,862,446</u> | <u>\$955,149</u> |

Capital Loans Payable - Loans have been entered into with local banks for the purchase of equipment. The City is paying each loan in equal yearly payments over the five year life of the loans. The loans are being repaid from resources of the Street Maintenance special revenue fund, and the Sewer, Storm Sewer, and Refuse enterprise funds.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

Loans Payable

In 2009, the City obtained a loan from Energy Systems Group, in the amount of \$1,303,630, for energy efficiency upgrades; \$368,662 at the fire station and \$934,968 at the waste water treatment plant. The loans were obtained for a ten year period with final maturity during 2018. The loans are being retired through the General Fund and the Sewer enterprise fund. Of the total loan amount, \$169,967 and \$431,055 was not capitalized for governmental activities and in the Sewer enterprise fund, respectively.

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

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

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

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

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:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2010 | \$210,000 |
| 2011 | 225,000 |
| 2012 | 235,000 |
| 2013 | 245,000 |
| 2014 | 255,000 |
| 2015 | 270,000 |
| 2016 | 285,000 |
| 2017 | 300,000 |

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

The bonds maturing on or after December 1, 2009, are subject to optional redemption prior to maturity, commencing on December 1, 2009, 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 redemption date as set forth below:

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

In conjunction with the issuance of the sewer system bonds, the City entered into a trust agreement with a commercial bank. This trust agreement, along with the bond indenture, requires that the City establish various funds for the repayment of debt. The restricted assets in the Sewer enterprise fund segregate funds held by the City from funds held by the trustee in accordance with the trust agreement. Restricted assets relating to the sewer system bonds held by the trustee at December 31, 2014, were \$357,919.

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

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

In conjunction with the issuance of the sewer system bonds, the City entered into a trust agreement with a commercial bank. This trust agreement, along with the bond indenture, requires that the City establish various funds for the repayment of debt. The restricted assets in the Sewer enterprise fund segregate funds held by the City from funds held by the trustee in accordance with the trust agreement. Restricted assets relating to the sewer system bonds held by the trustee at December 31, 2014, were \$772,648.

The mortgage revenue bonds will be paid from the gross revenues of the Sewer enterprise fund after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments on the bonds are expected to require less than 100 percent of these net revenues in future years. Principal and interest paid on the bonds from the Sewer enterprise fund during 2014 was \$789,812. Total net revenues for the Sewer enterprise fund were \$2,048,544.

OWDA Loans

OWDA loans consist of money owed to the Ohio Water Development Authority for a new water treatment plant, a wellfield and raw water line improvements, a long-term control plan design, and south inceptor improvements. OWDA loans will be paid from the Water and Sewer enterprise funds.

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

The OWDA loans will be paid from the gross revenues of the Water and Sewer enterprise funds after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments on the loans are expected to require less than 100 percent of these net revenues in future years. Principal and interest paid on the loans during 2014 was \$521,897 from the Water enterprise fund. Total net revenues for the Water and Sewer enterprise funds were \$733,440 and \$2,048,544 respectively. The OWDA loans are payable through 2040 from the Water enterprise fund. The loans related to the Sewer enterprise fund are for projects not yet completed and a repayment schedule has not yet been established.

Due to AMP-Ohio

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

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

The City's estimated share of the impaired costs at March 31, 2014, was \$860,980. The City received a credit of \$283,700 related to its participation in the AMP Fremont Energy Center (AFEC) project and another credit of \$226,124 related to the AMPGS costs deemed to have future benefit for the project participants leaving a net impaired cost estimate of \$351,156. The City had reported a liability of \$541,378 for its estimated share of the impaired costs at December 31, 2012, which the City paid during 2013. As a result of the payment in excess of the final impaired cost estimate, the City is reporting Cash and Cash Equivalents with Fiscal Agent on the statement of net position in the Electric enterprise fund for the amount still being held on account with AMP. This amount was \$178,666 at December 31, 2014.

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

The City's legal debt margin was \$15,811,074 at December 31, 2014.

The long-term control plan design and south inceptor improvement projects funded by OWDA loans have not been completed. An amortization schedule for the repayment of the loans will not be available until the projects are completed and, therefore, are not included in the following schedule.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire governmental activities long-term obligations outstanding at December 31, 2014, were as follows:

| Year | Capital Loans | | Loans | |
|------|-----------------|--------------|------------------|-----------------|
| | Principal | Interest | Principal | Interest |
| 2015 | \$11,870 | \$475 | \$40,038 | \$6,306 |
| 2016 | 0 | 0 | 41,631 | 4,713 |
| 2017 | 0 | 0 | 43,288 | 3,057 |
| 2018 | 0 | 0 | 45,010 | 1,334 |
| | <u>\$11,870</u> | <u>\$475</u> | <u>\$169,967</u> | <u>\$15,410</u> |

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2014, from the enterprise funds were as follows:

| Year | Mortgage Revenue Bonds | | OWDA Loans | |
|--------------|------------------------|--------------------|--------------------|--------------------|
| | Principal | Interest | Principal | Interest |
| 2015 | \$470,000 | \$314,190 | \$159,564 | \$407,209 |
| 2016 | 485,000 | 292,825 | 167,545 | 399,228 |
| 2017 | 525,000 | 270,717 | 175,932 | 390,840 |
| 2018 | 540,000 | 246,868 | 184,745 | 382,027 |
| 2019 | 565,000 | 222,275 | 194,007 | 372,766 |
| 2020 to 2024 | 3,190,000 | 731,850 | 1,126,343 | 1,707,518 |
| 2025 to 2029 | 1,475,000 | 94,775 | 1,439,953 | 1,393,910 |
| 2030 to 2034 | 0 | 0 | 1,842,390 | 991,474 |
| 2035 to 2039 | 0 | 0 | 2,359,139 | 471,724 |
| 2040 | 0 | 0 | 546,112 | 20,661 |
| Total | <u>\$7,250,000</u> | <u>\$2,173,500</u> | <u>\$8,195,730</u> | <u>\$6,537,357</u> |

| Year | Capital Loans | | Loans | |
|------|-----------------|--------------|------------------|-----------------|
| | Principal | Interest | Principal | Interest |
| 2015 | \$11,870 | \$475 | \$101,541 | \$15,993 |
| 2016 | 0 | 0 | 105,582 | 11,953 |
| 2017 | 0 | 0 | 109,782 | 7,752 |
| 2018 | 0 | 0 | 114,150 | 3,384 |
| | <u>\$11,870</u> | <u>\$475</u> | <u>\$431,055</u> | <u>\$39,082</u> |

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 17 - CAPITAL LEASES - LESSEE DISCLOSURE

The City has entered into a capitalized lease for vehicles. New capital leases are reflected in the accounts “Security of Persons and Property - Police” and “Inception of Capital Lease” in the funds which will be making the lease payments. Principal payments in 2014 were \$32,737 for governmental activities and \$34,925 in the Refuse enterprise fund. The lease in the Refuse enterprise fund was paid in full in 2014.

| | Governmental Activities |
|-----------------------------------|----------------------------|
| Vehicles | \$91,929 |
| Less Accumulated Depreciation | (9,192) |
| Carrying Value, December 31, 2014 | \$82,737 |

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2014.

| | Governmental Activities | |
|-------|----------------------------|----------|
| Year | Principal | Interest |
| 2015 | \$28,595 | \$4,143 |
| 2016 | 30,597 | 2,142 |
| Total | \$59,192 | \$6,285 |

NOTE 18 - LANDFILL POSTCLOSURE COSTS

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City stopped accepting waste at its landfill in 1994. The Ohio EPA approved the final closure and postclosure plan in July 1998. The \$1,286,785, reported as landfill postclosure costs at December 31, 2014, represents the costs of maintenance and monitoring through 2028. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. A fee of \$3 and \$1.50 per month was imposed on commercial and residential refuse users, respectively, to finance the postclosure costs, which generates approximately \$155,000 annually.

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

NOTE 19 - INTERFUND TRANSFERS

During 2014, the General Fund made transfers to the Street and Sewer Improvement capital projects fund, in the amount of \$500,000, as debt payments came due. The General Fund also made transfers to other governmental funds, in the amount of \$291,225 to subsidize activities in other funds. In addition, the General Fund transferred \$26,000 to the Electric Fund to subsidize operations.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 20 - FUND BALANCE

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

| <u>Fund Balance</u> | <u>General</u> | <u>Street and Sewer Improvement</u> | <u>Other Governmental</u> | <u>Total</u> |
|--|--------------------|---|-------------------------------|--------------------|
| Nonspendable for: | | | | |
| Materials and Supplies | \$19,263 | \$0 | \$24,316 | \$43,579 |
| Prepaid Items | 24,008 | 0 | 6,462 | 30,470 |
| Unclaimed Monies | 42,841 | 0 | 0 | 42,841 |
| Total Nonspendable | 86,112 | 0 | 30,778 | 116,890 |
| Restricted for: | | | | |
| Ambulance Operations | 8,217 | 0 | 0 | 8,217 |
| Debt Retirement | 0 | 0 | 1,160 | 1,160 |
| Economic Development | 0 | 0 | 652,492 | 652,492 |
| Police Operations | 1,698 | 0 | 10,235 | 11,933 |
| Recreation | 0 | 0 | 1,802 | 1,802 |
| Street Construction and Maintenance | 0 | 1,024,257 | 394,403 | 1,418,660 |
| Swimming Pool Operations | 239 | 0 | 0 | 239 |
| Total Restricted | 10,154 | 1,024,257 | 1,060,092 | 2,094,503 |
| Assigned for: | | | | |
| Debt Retirement | 0 | 0 | 402,702 | 402,702 |
| Swimming Pool Operations | 33,349 | 0 | 0 | 33,349 |
| Projected Budget Shortage | 652,950 | 0 | 0 | 652,950 |
| Purchases on Order | 23,606 | 0 | 0 | 23,606 |
| Total Assigned | 709,905 | 0 | 402,702 | 1,112,607 |
| Unassigned (Deficit) | 862,133 | 0 | (16,307) | 845,826 |
| Total Fund Balance | \$1,668,304 | \$1,024,257 | \$1,477,265 | \$4,169,826 |

NOTE 21 - INSURANCE POOL

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 22 - CONTINGENT LIABILITIES

A. Litigation

There are currently no matters in litigation with the City as defendant.

B. Federal and State Grants

For the period January 1, 2014, to December 31, 2014, the City received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

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**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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Nonmajor Special Revenue Funds

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

Street Maintenance Fund

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

State Highway Fund

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

Motor Vehicle Permissive Tax Fund

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

Community Block Grant Fund

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

Recreation Fund

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

Law Enforcement Fund

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

Enforcement and Education Fund

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

Drug Law Enforcement Fund

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

Rudd Park Trust Fund

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

(continued)

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

Nonmajor Debt Service Funds

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

Debt Service Fund

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

Downtown Debt Fund

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

Nonmajor Capital Projects Funds

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

Issue I Fund

To account for grants from the Ohio Public Works Commission restricted for various infrastructure improvements. There was no budgeted activity for this fund for 2014; therefore, no budgetary schedule is presented.

Capital Fire Truck Fund

To account for transfers from the General Fund assigned for the purchase or repair of fire trucks.

City of Wapakoneta
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

| | 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 | \$854,404 | \$44,316 | \$359,546 | \$1,258,266 |
| Accounts Receivable | 150 | 0 | 0 | 150 |
| Due from Other Governments | 233,572 | 0 | 0 | 233,572 |
| Other Local Taxes Receivable | 5,892 | 0 | 0 | 5,892 |
| Prepaid Items | 6,462 | 0 | 0 | 6,462 |
| Materials and Supplies Inventory | 24,316 | 0 | 0 | 24,316 |
| Property Taxes Receivable | 96,961 | 0 | 0 | 96,961 |
| Notes Receivable | 215,053 | 0 | 0 | 215,053 |
| Total Assets | \$1,436,810 | \$44,316 | \$359,546 | \$1,840,672 |
| <u>Liabilities</u> | | | | |
| Accrued Wages Payable | \$9,084 | \$0 | \$0 | \$9,084 |
| Accounts Payable | 23,240 | 0 | 0 | 23,240 |
| Due to Other Governments | 12,720 | 0 | 0 | 12,720 |
| Interfund Payable | 26,858 | 0 | 0 | 26,858 |
| Total Liabilities | 71,902 | 0 | 0 | 71,902 |
| <u>Deferred Inflows of Resources</u> | | | | |
| Property Taxes | 96,289 | 0 | 0 | 96,289 |
| Unavailable Revenue | 195,216 | 0 | 0 | 195,216 |
| Total Deferred Inflows of Resources | 291,505 | 0 | 0 | 291,505 |
| <u>Fund Balance</u> | | | | |
| Nonspendable | 30,778 | 0 | 0 | 30,778 |
| Restricted | 1,058,932 | 1,160 | 0 | 1,060,092 |
| Assigned | 0 | 43,156 | 359,546 | 402,702 |
| Unassigned (Deficit) | (16,307) | 0 | 0 | (16,307) |
| Total Fund Balance | 1,073,403 | 44,316 | 359,546 | 1,477,265 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | \$1,436,810 | \$44,316 | \$359,546 | \$1,840,672 |

City of Wapakoneta
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

| | Street Maintenance | State Highway | Motor Vehicle Permissive Tax | Community Block Grant |
|---|-----------------------|------------------|------------------------------------|--------------------------|
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$7,892 | \$239,240 | \$136,121 | \$437,439 |
| Accounts Receivable | 150 | 0 | 0 | 0 |
| Due from Other Governments | 210,631 | 17,061 | 0 | 0 |
| Other Local Taxes Receivable | 0 | 0 | 5,892 | 0 |
| Prepaid Items | 5,602 | 0 | 0 | 0 |
| Materials and Supplies Inventory | 19,395 | 0 | 0 | 0 |
| Property Taxes Receivable | 0 | 0 | 0 | 0 |
| Notes Receivable | 0 | 0 | 0 | 215,053 |
| Total Assets | <u>\$243,670</u> | <u>\$256,301</u> | <u>\$142,013</u> | <u>\$652,492</u> |
| <u>Liabilities</u> | | | | |
| Accrued Wages Payable | \$8,516 | \$0 | \$0 | \$0 |
| Accounts Payable | 16,012 | 0 | 0 | 0 |
| Due to Other Governments | 8,506 | 0 | 0 | 0 |
| Interfund Payable | 677 | 0 | 0 | 0 |
| Total Liabilities | <u>33,711</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>Deferred Inflows of Resources</u> | | | | |
| Property Taxes | 0 | 0 | 0 | 0 |
| Unavailable Revenue | 174,723 | 14,150 | 0 | 0 |
| Total Deferred Inflows of Resources | <u>174,723</u> | <u>14,150</u> | <u>0</u> | <u>0</u> |
| <u>Fund Balance</u> | | | | |
| Nonspendable | 24,997 | 0 | 0 | 0 |
| Restricted | 10,239 | 242,151 | 142,013 | 652,492 |
| Unassigned (Deficit) | 0 | 0 | 0 | 0 |
| Total Fund Balance (Deficit) | <u>35,236</u> | <u>242,151</u> | <u>142,013</u> | <u>652,492</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | <u>\$243,670</u> | <u>\$256,301</u> | <u>\$142,013</u> | <u>\$652,492</u> |

| Recreation | Law Enforcement | Enforcement and Education | Drug Law Enforcement | Rudd Park Trust | Total |
|------------------|-----------------|---------------------------|----------------------|-----------------|--------------------|
| \$21,884 | \$2,409 | \$4,469 | \$3,148 | \$1,802 | \$854,404 |
| 0 | 0 | 0 | 0 | 0 | 150 |
| 5,671 | 0 | 102 | 107 | 0 | 233,572 |
| 0 | 0 | 0 | 0 | 0 | 5,892 |
| 860 | 0 | 0 | 0 | 0 | 6,462 |
| 4,921 | 0 | 0 | 0 | 0 | 24,316 |
| 96,961 | 0 | 0 | 0 | 0 | 96,961 |
| 0 | 0 | 0 | 0 | 0 | 215,053 |
| <u>\$130,297</u> | <u>\$2,409</u> | <u>\$4,571</u> | <u>\$3,255</u> | <u>\$1,802</u> | <u>\$1,436,810</u> |
| \$568 | \$0 | \$0 | \$0 | \$0 | \$9,084 |
| 7,228 | 0 | 0 | 0 | 0 | 23,240 |
| 4,214 | 0 | 0 | 0 | 0 | 12,720 |
| 26,181 | 0 | 0 | 0 | 0 | 26,858 |
| <u>38,191</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>71,902</u> |
| 96,289 | 0 | 0 | 0 | 0 | 96,289 |
| 6,343 | 0 | 0 | 0 | 0 | 195,216 |
| <u>102,632</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>291,505</u> |
| 5,781 | 0 | 0 | 0 | 0 | 30,778 |
| 0 | 2,409 | 4,571 | 3,255 | 1,802 | 1,058,932 |
| (16,307) | 0 | 0 | 0 | 0 | (16,307) |
| <u>(10,526)</u> | <u>2,409</u> | <u>4,571</u> | <u>3,255</u> | <u>1,802</u> | <u>1,073,403</u> |
| <u>\$130,297</u> | <u>\$2,409</u> | <u>\$4,571</u> | <u>\$3,255</u> | <u>\$1,802</u> | <u>\$1,436,810</u> |

City of Wapakoneta
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2014

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

City of Wapakoneta
Combining Statement of Revenues, Expenditures,
and Change in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|--------------------------------------|--|--|
| <u>Revenues</u> | | | | |
| Property Taxes | \$95,346 | \$0 | \$0 | \$95,346 |
| Other Local Taxes | 75,115 | 0 | 0 | 75,115 |
| Charges for Services | 29,493 | 0 | 0 | 29,493 |
| Fines and Forfeitures | 1,663 | 0 | 0 | 1,663 |
| Intergovernmental | 621,424 | 0 | 0 | 621,424 |
| Interest | 11,565 | 0 | 0 | 11,565 |
| Gifts and Donations | 17,713 | 0 | 0 | 17,713 |
| Other | 3,991 | 0 | 0 | 3,991 |
| Total Revenues | 856,310 | 0 | 0 | 856,310 |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Police | 2,500 | 0 | 0 | 2,500 |
| Leisure Time Activities | 210,117 | 0 | 0 | 210,117 |
| Community Environment | 5,000 | 0 | 0 | 5,000 |
| Transportation | 667,113 | 0 | 0 | 667,113 |
| Debt Service: | | | | |
| Principal Retirement | 11,413 | 0 | 0 | 11,413 |
| Interest and Fiscal Charges | 951 | 0 | 0 | 951 |
| Total Expenditures | 897,094 | 0 | 0 | 897,094 |
| Excess of Revenues Under Expenditures | (40,784) | 0 | 0 | (40,784) |
| <u>Other Financing Sources</u> | | | | |
| Transfers In | 40,000 | 0 | 251,225 | 291,225 |
| Change in Fund Balance | (784) | 0 | 251,225 | 250,441 |
| Fund Balance Beginning of Year | 1,074,187 | 44,316 | 108,321 | 1,226,824 |
| Fund Balance End of Year | \$1,073,403 | \$44,316 | \$359,546 | \$1,477,265 |

City of Wapakoneta
Combining Statement of Revenues, Expenditures,
and Change in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014

| | 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 | 75,115 | 0 |
| Charges for Services | 29,493 | 0 | 0 | 0 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 |
| Intergovernmental | 425,836 | 34,416 | 149,675 | 0 |
| Interest | 229 | 1,404 | 997 | 8,805 |
| Gifts and Donations | 0 | 0 | 0 | 0 |
| Other | 3,296 | 0 | 0 | 0 |
| Total Revenues | <u>458,854</u> | <u>35,820</u> | <u>225,787</u> | <u>8,805</u> |
| <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 | 5,000 |
| Transportation | 526,974 | 14,335 | 125,804 | 0 |
| Debt Service: | | | | |
| Principal Retirement | 11,413 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 951 | 0 | 0 | 0 |
| Total Expenditures | <u>539,338</u> | <u>14,335</u> | <u>125,804</u> | <u>5,000</u> |
| Excess of Revenues Over (Under) Expenditures | (80,484) | 21,485 | 99,983 | 3,805 |
| <u>Other Financing Sources</u> | | | | |
| Transfers In | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Change in Fund Balance | (80,484) | 21,485 | 99,983 | 3,805 |
| Fund Balance Beginning of Year | <u>115,720</u> | <u>220,666</u> | <u>42,030</u> | <u>648,687</u> |
| Fund Balance (Deficit) End of Year | <u><u>\$35,236</u></u> | <u><u>\$242,151</u></u> | <u><u>\$142,013</u></u> | <u><u>\$652,492</u></u> |

| Recreation | Law Enforcement | Enforcement and Education | Drug Law Enforcement | Rudd Park Trust | Total |
|-------------------|-----------------|---------------------------|----------------------|-----------------|--------------------|
| \$95,346 | \$0 | \$0 | \$0 | \$0 | \$95,346 |
| 0 | 0 | 0 | 0 | 0 | 75,115 |
| 0 | 0 | 0 | 0 | 0 | 29,493 |
| 0 | 345 | 811 | 507 | 0 | 1,663 |
| 11,497 | 0 | 0 | 0 | 0 | 621,424 |
| 130 | 0 | 0 | 0 | 0 | 11,565 |
| 16,846 | 0 | 0 | 0 | 867 | 17,713 |
| 695 | 0 | 0 | 0 | 0 | 3,991 |
| <u>124,514</u> | <u>345</u> | <u>811</u> | <u>507</u> | <u>867</u> | <u>856,310</u> |
| 0 | 0 | 2,500 | 0 | 0 | 2,500 |
| 209,991 | 0 | 0 | 0 | 126 | 210,117 |
| 0 | 0 | 0 | 0 | 0 | 5,000 |
| 0 | 0 | 0 | 0 | 0 | 667,113 |
| 0 | 0 | 0 | 0 | 0 | 11,413 |
| 0 | 0 | 0 | 0 | 0 | 951 |
| <u>209,991</u> | <u>0</u> | <u>2,500</u> | <u>0</u> | <u>126</u> | <u>897,094</u> |
| (85,477) | 345 | (1,689) | 507 | 741 | (40,784) |
| <u>40,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>40,000</u> |
| (45,477) | 345 | (1,689) | 507 | 741 | (784) |
| <u>34,951</u> | <u>2,064</u> | <u>6,260</u> | <u>2,748</u> | <u>1,061</u> | <u>1,074,187</u> |
| <u>(\$10,526)</u> | <u>\$2,409</u> | <u>\$4,571</u> | <u>\$3,255</u> | <u>\$1,802</u> | <u>\$1,073,403</u> |

City of Wapakoneta
 Combining Statement of Revenues, Expenditures,
 and Change in Fund Balance
 Nonmajor Debt Service Funds
 For the Year Ended December 31, 2014

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

City of Wapakoneta
 Combining Statement of Revenues, Expenditures,
 and Change in Fund Balance
 Nonmajor Capital Projects Funds
 For the Year Ended December 31, 2014

| | Issue I | Capital Fire Truck | Total |
|--|------------|-----------------------|------------------|
| <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 | 126,225 | 125,000 | 251,225 |
| Change in Fund Balance | 126,225 | 125,000 | 251,225 |
| Fund Balance (Deficit) Beginning of Year | (126,225) | 234,546 | 108,321 |
| Fund Balance End of Year | <u>\$0</u> | <u>\$359,546</u> | <u>\$359,546</u> |

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City of Wapakoneta
Combining Statements - Fiduciary Funds

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

Agency Funds

Dependent Coverage Fund

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

Police Auxiliary Fund

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

City of Wapakoneta
Combining Statement of Change in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2014

| | Balance December 31, 2013 | Additions | Reductions | Balance December 31, 2014 |
|--|---------------------------------|-----------|------------|---------------------------------|
| <u>Dependent Coverage</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$0 | \$16,690 | \$15,159 | \$1,531 |
| <u>Liabilities</u> | | | | |
| Due to External Party | \$15,159 | \$0 | \$15,159 | \$0 |
| Undistributed Assets | (15,159) | 16,690 | 0 | 1,531 |
| Total Liabilities | \$0 | \$16,690 | \$15,159 | \$1,531 |
| <u>Police Auxiliary</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$5,982 | \$0 | \$3,066 | \$2,916 |
| <u>Liabilities</u> | | | | |
| Undistributed Assets | \$5,982 | \$0 | \$3,066 | \$2,916 |
| <u>Total - All Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$5,982 | \$16,690 | \$18,225 | \$4,447 |
| <u>Liabilities</u> | | | | |
| Due to External Party | \$15,159 | \$0 | \$15,159 | \$0 |
| Undistributed Assets | (9,177) | 16,690 | 3,066 | 4,447 |
| Total Liabilities | \$5,982 | \$16,690 | \$18,225 | \$4,447 |

**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, 2014

| | Original Budget | Revised Budget | Actual | Variance Over (Under) |
|---|--------------------|-------------------|------------------|-----------------------------|
| <u>Revenues</u> | | | | |
| Property Taxes | \$350,350 | \$361,332 | \$362,690 | \$1,358 |
| Municipal Income Taxes | 2,400,000 | 2,487,300 | 2,602,144 | 114,844 |
| Other Local Taxes | 691,000 | 691,000 | 716,367 | 25,367 |
| Charges for Services | 689,100 | 689,100 | 726,915 | 37,815 |
| Fees, Licenses, and Permits | 87,550 | 105,750 | 134,013 | 28,263 |
| Fines and Forfeitures | 11,500 | 11,500 | 13,823 | 2,323 |
| Intergovernmental | 205,500 | 208,518 | 267,311 | 58,793 |
| Interest | 20,000 | 11,012 | 10,914 | (98) |
| Gifts and Donations | 2,000 | 2,000 | 1,458 | (542) |
| Other | 23,350 | 14,150 | 47,524 | 33,374 |
| Total Revenues | 4,480,350 | 4,581,662 | 4,883,159 | 301,497 |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Police Department | | | | |
| Personal Services | 1,357,900 | 1,444,900 | 1,418,433 | 26,467 |
| Contractual Services | 179,498 | 174,497 | 147,660 | 26,837 |
| Materials and Supplies | 36,104 | 36,105 | 26,793 | 9,312 |
| Capital Outlay | 71,000 | 61,000 | 57,840 | 3,160 |
| Total Police Department | 1,644,502 | 1,716,502 | 1,650,726 | 65,776 |
| Fire Department | | | | |
| Personal Services | 1,328,727 | 1,388,727 | 1,354,992 | 33,735 |
| Contractual Services | 98,244 | 83,644 | 61,841 | 21,803 |
| Materials and Supplies | 44,260 | 43,860 | 36,458 | 7,402 |
| Capital Outlay | 58,883 | 43,883 | 37,797 | 6,086 |
| Total Fire Department | 1,530,114 | 1,560,114 | 1,491,088 | 69,026 |
| Safety Director | | | | |
| Personal Services | 5,500 | 5,500 | 4,768 | 732 |
| Materials and Supplies | 1,600 | 1,600 | 0 | 1,600 |
| Total Safety Director | 7,100 | 7,100 | 4,768 | 2,332 |
| Total Security of Persons and Property | 3,181,716 | 3,283,716 | 3,146,582 | 137,134 |

(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, 2014
(continued)

| | Original Budget | Revised Budget | Actual | Variance Over (Under) |
|--------------------------------------|--------------------|-------------------|----------------|-----------------------------|
| Public Health | | | | |
| Emergency Medical | | | | |
| Personal Services | \$82,294 | \$82,294 | \$62,250 | \$20,044 |
| Contractual Services | 78,326 | 79,176 | 69,642 | 9,534 |
| Materials and Supplies | 16,921 | 16,071 | 11,650 | 4,421 |
| Capital Outlay | 11,255 | 11,255 | 5,937 | 5,318 |
| Other | 6,100 | 6,100 | 1,898 | 4,202 |
| Total Emergency Medical | 194,896 | 194,896 | 151,377 | 43,519 |
| Miscellaneous | | | | |
| Contractual Services | 30,000 | 30,000 | 584 | 29,416 |
| Capital Outlay | 8,200 | 8,200 | 0 | 8,200 |
| Total Miscellaneous | 38,200 | 38,200 | 584 | 37,616 |
| Total Public Health | 233,096 | 233,096 | 151,961 | 81,135 |
| Leisure Time Activities | | | | |
| Recreation | | | | |
| Personal Services | 140,900 | 140,900 | 103,626 | 37,274 |
| Contractual Services | 1,598 | 3,198 | 28,985 | (25,787) |
| Materials and Supplies | 3,300 | 6,700 | 61,884 | (55,184) |
| Capital Outlay | 102,501 | 97,501 | 6,645 | 90,856 |
| Total Leisure Time Activities | 248,299 | 248,299 | 201,140 | 47,159 |
| Community Environment | | | | |
| Boards and Commissions | | | | |
| Contractual Services | 75,000 | 107,000 | 100,046 | 6,954 |
| Materials and Supplies | 31,100 | 31,100 | 25,111 | 5,989 |
| Capital Outlay | 10,000 | 10,000 | 0 | 10,000 |
| Total Community Environment | 116,100 | 148,100 | 125,157 | 22,943 |
| General Government | | | | |
| Council | | | | |
| Personal Services | 43,300 | 43,300 | 43,300 | 0 |
| Materials and Supplies | 10,204 | 10,304 | 6,313 | 3,991 |
| Total Council | 53,504 | 53,604 | 49,613 | 3,991 |
| Clerk of Council | | | | |
| Personal Services | 3,900 | 3,900 | 3,900 | 0 |
| Contractual Services | 4,719 | 4,719 | 4,384 | 335 |
| Materials and Supplies | 100 | 0 | 0 | 0 |
| Total Clerk of Council | 8,719 | 8,619 | 8,284 | 335 |
| Administrative | | | | |
| Personal Services | 86,000 | 86,000 | 82,555 | 3,445 |
| Contractual Services | 50,035 | 50,035 | 39,502 | 10,533 |
| Materials and Supplies | 90,059 | 90,059 | 58,040 | 32,019 |
| Capital Outlay | 7,000 | 7,000 | 718 | 6,282 |
| Total Administrative | 233,094 | 233,094 | 180,815 | 52,279 |

(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, 2014
(continued)

| | Original Budget | Revised Budget | Actual | Variance Over (Under) |
|---|--------------------|-------------------|------------------|-----------------------------|
| Finance | | | | |
| Personal Services | \$34,500 | \$34,500 | \$34,500 | \$0 |
| Contractual Services | 62,644 | 62,644 | 59,215 | 3,429 |
| Materials and Supplies | 2,500 | 2,500 | 493 | 2,007 |
| Total Finance | 99,644 | 99,644 | 94,208 | 5,436 |
| Income Tax | | | | |
| Personal Services | 72,155 | 72,155 | 69,785 | 2,370 |
| Contractual Services | 9,379 | 9,244 | 6,968 | 2,276 |
| Materials and Supplies | 20,081 | 20,216 | 15,455 | 4,761 |
| Capital Outlay | 1,500 | 1,500 | 1,436 | 64 |
| Other | 61,564 | 121,564 | 119,600 | 1,964 |
| Total Income Tax | 164,679 | 224,679 | 213,244 | 11,435 |
| Law Director | | | | |
| Personal Services | 26,000 | 26,000 | 26,000 | 0 |
| Contractual Services | 1,000 | 1,000 | 0 | 1,000 |
| Materials and Supplies | 1,000 | 1,000 | 598 | 402 |
| Total Law Director | 28,000 | 28,000 | 26,598 | 1,402 |
| Civil Service | | | | |
| Personal Services | 1,200 | 1,200 | 1,000 | 200 |
| Materials and Supplies | 4,950 | 4,950 | 833 | 4,117 |
| Total Civil Service | 6,150 | 6,150 | 1,833 | 4,317 |
| Elections | | | | |
| Contractual Services | 7,500 | 7,500 | 1,754 | 5,746 |
| Auglaize County | | | | |
| Contractual Services | 17,050 | 17,050 | 14,342 | 2,708 |
| Administrative Support | | | | |
| Other | 56,268 | 10,268 | 0 | 10,268 |
| Total General Government | 674,608 | 688,608 | 590,691 | 97,917 |
| Debt Service: | | | | |
| Principal Retirement | 38,506 | 38,506 | 38,506 | 0 |
| Interest and Fiscal Charges | 9,494 | 9,494 | 7,838 | 1,656 |
| Total Debt Service | 48,000 | 48,000 | 46,344 | 1,656 |
| Total Expenditures | 4,501,819 | 4,649,819 | 4,261,875 | 387,944 |
| Excess of Revenues Over (Under) Expenditures | (21,469) | (68,157) | 621,284 | 689,441 |

(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, 2014
(continued)

| | Original Budget | Revised Budget | Actual | Variance Over (Under) |
|--------------------------------------|--------------------|-------------------|--------------------|-----------------------------|
| <u>Other Financing Uses</u> | | | | |
| Transfers Out | (\$825,000) | (\$691,000) | (\$691,000) | \$0 |
| Change in Fund Balance | (846,469) | (759,157) | (69,716) | 689,441 |
| Fund Balance Beginning of Year | 1,472,945 | 1,472,945 | 1,472,945 | 0 |
| Prior Year Encumbrances Appropriated | 70,345 | 70,345 | 70,345 | 0 |
| Fund Balance End of Year | <u>\$696,821</u> | <u>\$784,133</u> | <u>\$1,473,574</u> | <u>\$689,441</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, 2014

| | Budget | Actual | Variance Over (Under) |
|--|-------------------------|-------------------------|-----------------------------|
| <u>Revenues</u> | | | |
| Special Assessments | \$43,400 | \$39,070 | (\$4,330) |
| Intergovernmental | 459,965 | 363,371 | (96,594) |
| Interest | 0 | 4,418 | 4,418 |
| Total Revenues | <u>503,365</u> | <u>406,859</u> | <u>(96,506)</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Transportation | | | |
| Street and Sewer Improvement | | | |
| Contractual Services | 298,995 | 154,789 | 144,206 |
| Materials and Supplies | 8,000 | 7,420 | 580 |
| Other | 1,228,545 | 785,509 | 443,036 |
| Total Expenditures | <u>1,535,540</u> | <u>947,718</u> | <u>587,822</u> |
| Excess of Revenues Under Expenditures | (1,032,175) | (540,859) | 491,316 |
| <u>Other Financing Sources</u> | | | |
| Transfers In | <u>500,000</u> | <u>500,000</u> | <u>0</u> |
| Change in Fund Balance | (532,175) | (40,859) | 491,316 |
| Fund Balance Beginning of Year | 338,873 | 338,873 | 0 |
| Prior Year Encumbrances Appropriated | <u>553,040</u> | <u>553,040</u> | <u>0</u> |
| Fund Balance End of Year | <u><u>\$359,738</u></u> | <u><u>\$851,054</u></u> | <u><u>\$491,316</u></u> |

City of Wapakoneta
Electric Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2014

| | <u>Budget</u> | <u>Actual</u> | Variance Over (Under) |
|--------------------------------------|-------------------------|---------------------------|-----------------------------|
| <u>Revenues</u> | | | |
| Charges for Services | \$15,855,500 | \$14,538,156 | (\$1,317,344) |
| Other Local Taxes | 55,000 | 57,747 | 2,747 |
| Utility Deposits | 50,000 | 40,446 | (9,554) |
| Other | 8,600 | 38,667 | 30,067 |
| Total Revenues | <u>15,969,100</u> | <u>14,675,016</u> | <u>(1,294,084)</u> |
| <u>Expenses</u> | | | |
| Personal Services | 1,110,926 | 1,056,473 | 54,453 |
| Contractual Services | 15,821,745 | 14,326,296 | 1,495,449 |
| Materials and Supplies | 1,338,586 | 632,460 | 706,126 |
| Capital Outlay | 1,265,566 | 820,283 | 445,283 |
| Utility Refunds | 52,528 | 25,958 | 26,570 |
| Other | 2,623,259 | 62,753 | 2,560,506 |
| Debt Service: | | | |
| Principal Retirement | 32,100 | 0 | 32,100 |
| Interest Expense | 2,900 | 0 | 2,900 |
| Total Expenses | <u>22,247,610</u> | <u>16,924,223</u> | <u>5,323,387</u> |
| Excess of Revenues Under Expenses | (6,278,510) | (2,249,207) | 4,029,303 |
| Transfers In | <u>130,500</u> | <u>56,500</u> | <u>(74,000)</u> |
| Change in Fund Balance | (6,148,010) | (2,192,707) | 3,955,303 |
| Fund Balance Beginning of Year | 4,736,203 | 4,736,203 | 0 |
| Prior Year Encumbrances Appropriated | <u>1,632,611</u> | <u>1,632,611</u> | <u>0</u> |
| Fund Balance End of Year | <u><u>\$220,804</u></u> | <u><u>\$4,176,107</u></u> | <u><u>\$3,955,303</u></u> |

City of Wapakoneta
Water Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2014

| | Budget | Actual | Variance Over (Under) |
|--------------------------------------|------------------|------------------|-----------------------------|
| <u>Revenues</u> | | | |
| Charges for Services | \$1,629,300 | \$1,803,438 | \$174,138 |
| Other | 1,000 | 7,336 | 6,336 |
| Total Revenues | 1,630,300 | 1,810,774 | 180,474 |
| <u>Expenses</u> | | | |
| Personal Services | 424,900 | 406,804 | 18,096 |
| Contractual Services | 270,207 | 251,947 | 18,260 |
| Materials and Supplies | 566,938 | 524,156 | 42,782 |
| Capital Outlay | 243,400 | 37,073 | 206,327 |
| Other | 27,000 | 0 | 27,000 |
| Debt Service: | | | |
| Principal Retirement | 150,000 | 107,093 | 42,907 |
| Interest Expense | 450,000 | 414,804 | 35,196 |
| Total Expenses | 2,132,445 | 1,741,877 | 390,568 |
| Change in Fund Balance | (502,145) | 68,897 | 571,042 |
| Fund Balance Beginning of Year | 772,797 | 772,797 | 0 |
| Prior Year Encumbrances Appropriated | 136,195 | 136,195 | 0 |
| Fund Balance End of Year | \$406,847 | \$977,889 | \$571,042 |

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, 2014

| | Budget | Actual | Variance Over (Under) |
|--------------------------------------|--------------------|--------------------|-----------------------------|
| <u>Revenues</u> | | | |
| Charges for Services | \$3,385,000 | \$3,240,879 | (\$144,121) |
| OWDA Loan Proceeds | 4,241,000 | 4,241,146 | 146 |
| Other | 0 | 7,156 | 7,156 |
| Total Revenues | <u>7,626,000</u> | <u>7,489,181</u> | <u>(136,819)</u> |
| <u>Expenses</u> | | | |
| Personal Services | 721,991 | 594,343 | 127,648 |
| Contractual Services | 1,207,808 | 795,761 | 412,047 |
| Materials and Supplies | 319,631 | 235,550 | 84,081 |
| Capital Outlay | 4,394,000 | 4,367,885 | 26,115 |
| Other | 15,900 | 10,367 | 5,533 |
| Debt Service: | | | |
| Principal Retirement | 596,848 | 570,046 | 26,802 |
| Interest Expense | 376,652 | 355,423 | 21,229 |
| Total Expenses | <u>7,632,830</u> | <u>6,929,375</u> | <u>703,455</u> |
| Change in Fund Balance | (6,830) | 559,806 | 566,636 |
| Fund Balance Beginning of Year | 2,295,184 | 2,295,184 | 0 |
| Prior Year Encumbrances Appropriated | <u>117,180</u> | <u>117,180</u> | <u>0</u> |
| Fund Balance End of Year | <u>\$2,405,534</u> | <u>\$2,972,170</u> | <u>\$566,636</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, 2014

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Over (Under)</u> |
|--------------------------------------|-------------------|-------------------------|--------------------------------------|
| <u>Revenues</u> | | | |
| Charges for Services | \$189,720 | \$155,619 | (\$34,101) |
| Other | 16,400 | 16,430 | 30 |
| Total Revenues | <u>206,120</u> | <u>172,049</u> | <u>(34,071)</u> |
| <u>Expenses</u> | | | |
| Contractual Services | 32,403 | 10,263 | 22,140 |
| Materials and Supplies | 14,000 | 12,483 | 1,517 |
| Capital Outlay | 780,987 | 89,681 | 691,306 |
| Other | 0 | 11,760 | (11,760) |
| Debt Service: | | | |
| Principal Retirement | 11,413 | 11,413 | 0 |
| Interest Expense | 951 | 951 | 0 |
| Total Expenses | <u>839,754</u> | <u>136,551</u> | <u>703,203</u> |
| Change in Fund Balance | (633,634) | 35,498 | 669,132 |
| Fund Balance Beginning of Year | 583,497 | 583,497 | 0 |
| Prior Year Encumbrances Appropriated | <u>50,137</u> | <u>50,137</u> | <u>0</u> |
| Fund Balance End of Year | <u><u>\$0</u></u> | <u><u>\$669,132</u></u> | <u><u>\$669,132</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, 2014

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Over (Under)</u> |
|--|-------------------|------------------|--------------------------------------|
| <u>Revenues</u> | | | |
| Charges for Services | \$1,180,945 | \$1,188,259 | \$7,314 |
| Other | 1,000 | 8,799 | 7,799 |
| | <u>1,181,945</u> | <u>1,197,058</u> | <u>15,113</u> |
| <u>Expenses</u> | | | |
| Personal Services | 479,650 | 439,525 | 40,125 |
| Contractual Services | 680,682 | 677,913 | 2,769 |
| Materials and Supplies | 83,237 | 74,680 | 8,557 |
| Capital Outlay | 80,444 | 54,695 | 25,749 |
| Debt Service: | | | |
| Principal Retirement | 31,203 | 31,169 | 34 |
| Interest Expense | 1,047 | 1,047 | 0 |
| | <u>1,356,263</u> | <u>1,279,029</u> | <u>77,234</u> |
| Change in Fund Balance | (174,318) | (81,971) | 92,347 |
| Fund Balance (Deficit) Beginning of Year | (15,118) | (15,118) | 0 |
| Prior Year Encumbrances Appropriated | 93,960 | 93,960 | 0 |
| Fund Balance (Deficit) End of Year | <u>(\$95,476)</u> | <u>(\$3,129)</u> | <u>\$92,347</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, 2014

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Over (Under)</u> |
|--------------------------------------|----------------|------------------|--------------------------------------|
| <u>Revenues</u> | | | |
| Charges for Services | \$32,500 | \$29,493 | (\$3,007) |
| Intergovernmental | 442,950 | 424,170 | (18,780) |
| Interest | 1,000 | 229 | (771) |
| Other | 7,150 | 3,146 | (4,004) |
| Total Revenues | <u>483,600</u> | <u>457,038</u> | <u>(26,562)</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Transportation | | | |
| Street Maintenance | | | |
| Personal Services | 345,650 | 345,158 | 492 |
| Contractual Services | 96,391 | 89,062 | 7,329 |
| Materials and Supplies | 95,266 | 85,707 | 9,559 |
| Capital Outlay | 15,431 | 13,211 | 2,220 |
| Total Transportation | <u>552,738</u> | <u>533,138</u> | <u>19,600</u> |
| Debt Service: | | | |
| Principal Retirement | 11,413 | 11,413 | 0 |
| Interest and Fiscal Charges | 951 | 951 | 0 |
| Total Debt Service | <u>12,364</u> | <u>12,364</u> | <u>0</u> |
| Total Expenditures | <u>565,102</u> | <u>545,502</u> | <u>19,600</u> |
| Change in Fund Balance | (81,502) | (88,464) | (6,962) |
| Fund Balance Beginning of Year | 69,433 | 69,433 | 0 |
| Prior Year Encumbrances Appropriated | <u>12,087</u> | <u>12,087</u> | <u>0</u> |
| Fund Balance (Deficit) End of Year | <u>\$18</u> | <u>(\$6,944)</u> | <u>(\$6,962)</u> |

City of Wapakoneta
State Highway Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2014

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Over (Under)</u> |
|--------------------------------|------------------------|-------------------------|--------------------------------------|
| <u>Revenues</u> | | | |
| Intergovernmental | \$34,500 | \$34,281 | (\$219) |
| Interest | 1,000 | 1,404 | 404 |
| | <u>35,500</u> | <u>35,685</u> | <u>185</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Transportation | | | |
| State Highway | | | |
| Contractual Services | 30,000 | 0 | 30,000 |
| Capital Outlay | 170,000 | 14,335 | 155,665 |
| | <u>200,000</u> | <u>14,335</u> | <u>185,665</u> |
| Total Expenditures | 200,000 | 14,335 | 185,665 |
| Change in Fund Balance | (164,500) | 21,350 | 185,850 |
| Fund Balance Beginning of Year | <u>217,890</u> | <u>217,890</u> | <u>0</u> |
| Fund Balance End of Year | <u><u>\$53,390</u></u> | <u><u>\$239,240</u></u> | <u><u>\$185,850</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, 2014

| | Budget | Actual | Variance Over (Under) |
|--------------------------------|----------|-----------|-----------------------------|
| <u>Revenues</u> | | | |
| Other Local Taxes | \$75,000 | \$74,904 | (\$96) |
| Intergovernmental | 150,000 | 149,675 | (325) |
| Interest | 2,500 | 997 | (1,503) |
| | 227,500 | 225,576 | (1,924) |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Transportation | | | |
| Motor Vehicle Permissive Tax | | | |
| Capital Outlay | 230,000 | 125,804 | 104,196 |
| Change in Fund Balance | (2,500) | 99,772 | 102,272 |
| Fund Balance Beginning of Year | 36,349 | 36,349 | 0 |
| Fund Balance End of Year | \$33,849 | \$136,121 | \$102,272 |

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, 2014

| | Budget | Actual | Variance Over (Under) |
|--------------------------------|-----------|-----------|-----------------------------|
| <u>Revenues</u> | | | |
| Interest | \$1,250 | \$2,674 | \$1,424 |
| Revolving Loan Payments | 39,500 | 37,532 | (1,968) |
| Total Revenues | 40,750 | 40,206 | (544) |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Community Environment | | | |
| Community Block Grant | | | |
| Contractual Services | 558,000 | 180,000 | 378,000 |
| Change in Fund Balance | (517,250) | (139,794) | 377,456 |
| Fund Balance Beginning of Year | 577,233 | 577,233 | 0 |
| Fund Balance End of Year | \$59,983 | \$437,439 | \$377,456 |

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, 2014

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Over (Under)</u> |
|---|-----------------|-----------------|--------------------------------------|
| <u>Revenues</u> | | | |
| Property Taxes | \$96,200 | \$95,346 | (\$854) |
| Intergovernmental | 15,000 | 11,497 | (3,503) |
| Interest | 10,000 | 130 | (9,870) |
| Gifts and Donations | 22,000 | 16,846 | (5,154) |
| Other | 0 | 695 | 695 |
| Total Revenues | 143,200 | 124,514 | (18,686) |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Leisure Time Activities | | | |
| Recreation | | | |
| Personal Services | 85,500 | 83,262 | 2,238 |
| Contractual Services | 38,960 | 35,518 | 3,442 |
| Materials and Supplies | 22,711 | 19,330 | 3,381 |
| Capital Outlay | 16,397 | 13,889 | 2,508 |
| Total Expenditures | 163,568 | 151,999 | 11,569 |
| Excess of Revenues Under Expenditures | (20,368) | (27,485) | (7,117) |
| <u>Other Financing Sources (Uses)</u> | | | |
| Transfers In | 40,000 | 40,000 | 0 |
| Transfers Out | (30,500) | (30,500) | 0 |
| Total Other Financing Sources (Uses) | 9,500 | 9,500 | 0 |
| Change in Fund Balance | (10,868) | (17,985) | (7,117) |
| Fund Balance Beginning of Year | 32,108 | 32,108 | 0 |
| Prior Year Encumbrances Appropriated | 471 | 471 | 0 |
| Fund Balance End of Year | \$21,711 | \$14,594 | (\$7,117) |

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, 2014

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Over (Under)</u> |
|----------------------------------|---------------|----------------|--------------------------------------|
| <u>Revenues</u> | | | |
| Fines and Forfeitures | \$150 | \$345 | \$195 |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Law Enforcement | | | |
| Personal Services | 1,250 | 0 | 1,250 |
| Materials and Supplies | 450 | 0 | 450 |
| Total Expenditures | 1,700 | 0 | 1,700 |
| Change in Fund Balance | (1,550) | 345 | 1,895 |
| Fund Balance Beginning of Year | 2,064 | 2,064 | 0 |
| Fund Balance End of Year | <u>\$514</u> | <u>\$2,409</u> | <u>\$1,895</u> |

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, 2014

| | Budget | Actual | Variance Over (Under) |
|---|---------|---------|-----------------------------|
| <u>Revenues</u> | | | |
| Fines and Forfeitures | \$1,000 | \$709 | (\$291) |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Security of Persons and Property Enforcement and Education Materials and Supplies | 6,000 | 2,500 | 3,500 |
| Change in Fund Balance | (5,000) | (1,791) | 3,209 |
| Fund Balance Beginning of Year | 6,260 | 6,260 | 0 |
| Fund Balance End of Year | \$1,260 | \$4,469 | \$3,209 |

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, 2014

| | Budget | Actual | Variance Over (Under) |
|----------------------------------|---------|---------|-----------------------------|
| <u>Revenues</u> | | | |
| Fines and Forfeitures | \$600 | \$400 | (\$200) |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Drug Law Enforcement | | | |
| Materials and Supplies | 2,500 | 0 | 2,500 |
| Change in Fund Balance | (1,900) | 400 | 2,300 |
| Fund Balance Beginning of Year | 2,748 | 2,748 | 0 |
| Fund Balance End of Year | \$848 | \$3,148 | \$2,300 |

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, 2014

| | Budget | Actual | Variance Over (Under) |
|--------------------------------|---------|---------|-----------------------------|
| <u>Revenues</u> | | | |
| Gifts and Donations | \$0 | \$867 | \$867 |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Leisure Time Activities | | | |
| Rudd Park | | | |
| Materials and Supplies | 1,000 | 126 | 874 |
| Change in Fund Balance | (1,000) | 741 | 1,741 |
| Fund Balance Beginning of Year | 1,061 | 1,061 | 0 |
| Fund Balance End of Year | \$61 | \$1,802 | \$1,741 |

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, 2014

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

City of Wapakoneta
Downtown Debt Debt Service Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2014

| | Budget | Actual | Variance Over (Under) |
|--------------------------------|----------|----------|-----------------------------|
| <u>Revenues</u> | \$0 | \$0 | \$0 |
| <u>Expenditures</u> | 0 | 0 | 0 |
| Change in Fund Balance | 0 | 0 | 0 |
| Fund Balance Beginning of Year | 43,156 | 43,156 | 0 |
| Fund Balance End of Year | \$43,156 | \$43,156 | \$0 |

City of Wapakoneta
Capital 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, 2014

| | Budget | Actual | Variance Over (Under) |
|--|-----------|-----------|-----------------------------|
| <u>Revenues</u> | \$0 | \$0 | \$0 |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Security of Persons and Property | | | |
| Fire Department | | | |
| Capital Outlay | 359,500 | 170,000 | 189,500 |
| Excess of Revenues Under Expenditures | (359,500) | (170,000) | 189,500 |
| <u>Other Financing Sources</u> | | | |
| Transfers In | 125,000 | 125,000 | 0 |
| Change in Fund Balance | (234,500) | (45,000) | 189,500 |
| Fund Balance Beginning of Year | 234,546 | 234,546 | 0 |
| Fund Balance End of Year | \$46 | \$189,546 | \$189,500 |

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, 2014

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Over (Under)</u> |
|--------------------------------------|------------------------|------------------------|--------------------------------------|
| <u>Revenues</u> | | | |
| Charges for Services | \$225,000 | \$187,099 | (\$37,901) |
| Licenses and Permits | 11,000 | 16,041 | 5,041 |
| Other | 100 | 2,341 | 2,241 |
| | <u>236,100</u> | <u>205,481</u> | <u>(30,619)</u> |
| <u>Expenses</u> | | | |
| Personal Services | 192,750 | 181,726 | 11,024 |
| Contractual Services | 12,886 | 10,178 | 2,708 |
| Materials and Supplies | 14,659 | 11,787 | 2,872 |
| Capital Outlay | 3,000 | 2,597 | 403 |
| | <u>223,295</u> | <u>206,288</u> | <u>17,007</u> |
| Change in Fund Balance | 12,805 | (807) | (13,612) |
| Fund Balance Beginning of Year | 25,410 | 25,410 | 0 |
| Prior Year Encumbrances Appropriated | <u>1,245</u> | <u>1,245</u> | <u>0</u> |
| Fund Balance End of Year | <u><u>\$39,460</u></u> | <u><u>\$25,848</u></u> | <u><u>(\$13,612)</u></u> |

**STATISTICAL
SECTION**

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City of Wapakoneta
Statistical Section

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

Contents **Page**

Financial Trends..... S-2

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

Revenue Capacity..... S-12

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

Debt Capacity..... S-32

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

Demographic and Economic Information..... S-39

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

Operating Information..... S-42

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

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

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

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities | | | | | |
| Net Investment in Capital Assets | \$21,180,841 | \$21,411,432 | \$20,891,574 | \$20,767,868 | \$21,307,484 |
| Restricted for | | | | | |
| Debt Service | 0 | 0 | 0 | 0 | 461,278 |
| Capital Projects | 1,103,853 | 1,175,919 | 2,039,417 | 2,166,097 | 2,630,138 |
| Other Purposes | 1,284,340 | 1,427,570 | 1,369,753 | 1,375,679 | 1,433,040 |
| Unrestricted | 2,622,764 | 2,484,015 | 2,885,648 | 3,266,843 | 2,788,840 |
| Total Governmental Activities Net Position | 26,191,798 | 26,498,936 | 27,186,392 | 27,576,487 | 28,620,780 |
| Business-Type Activities | | | | | |
| Net Investment in Capital Assets | 32,786,072 | 32,464,606 | 30,836,570 | 29,921,959 | 27,291,889 |
| Restricted | 1,256,749 | 1,258,937 | 1,259,685 | 1,114,899 | 1,108,811 |
| Unrestricted | 10,601,047 | 9,831,047 | 9,353,383 | 9,881,292 | 11,761,858 |
| Total Business-Type Activities Net Position | 44,643,868 | 43,554,590 | 41,449,638 | 40,918,150 | 40,162,558 |
| Primary Government | | | | | |
| Net Investment in Capital Assets | 53,966,913 | 53,876,038 | 51,728,144 | 50,689,827 | 48,599,373 |
| Restricted | 3,644,942 | 3,862,426 | 4,668,855 | 4,656,675 | 5,633,267 |
| Unrestricted | 13,223,811 | 12,315,062 | 12,239,031 | 13,148,135 | 14,550,698 |
| Total Primary Government Net Position | \$70,835,666 | \$70,053,526 | \$68,636,030 | \$68,494,637 | \$68,783,338 |

| 2009 | 2008 | 2007 | 2006 | 2005 |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$19,716,391 | \$19,192,324 | \$16,550,369 | \$15,550,482 | \$14,957,082 |
| 533,350 | 609,944 | 534,616 | 440,193 | 344,370 |
| 2,684,217 | 2,534,599 | 4,691,427 | 1,020,043 | 842,208 |
| 1,660,223 | 1,904,101 | 1,651,443 | 3,001,698 | 2,557,353 |
| 3,115,472 | 4,051,240 | 3,718,111 | 3,002,012 | 2,471,796 |
| <u>27,709,653</u> | <u>28,292,208</u> | <u>27,145,966</u> | <u>23,014,428</u> | <u>21,172,809</u> |
| 21,792,361 | 18,991,836 | 18,277,471 | 18,054,990 | 18,859,104 |
| 1,141,228 | 1,170,970 | 1,236,810 | 1,164,741 | 355,195 |
| 14,886,023 | 15,898,729 | 15,364,398 | 15,117,904 | 16,125,101 |
| <u>37,819,612</u> | <u>36,061,535</u> | <u>34,878,679</u> | <u>34,337,635</u> | <u>35,339,400</u> |
| 41,508,752 | 38,184,160 | 34,827,840 | 33,605,472 | 33,816,186 |
| 6,019,018 | 6,219,614 | 8,114,296 | 5,626,675 | 4,099,126 |
| 18,001,495 | 19,949,969 | 19,082,509 | 18,119,916 | 18,596,897 |
| <u>\$65,529,265</u> | <u>\$64,353,743</u> | <u>\$62,024,645</u> | <u>\$57,352,063</u> | <u>\$56,512,209</u> |

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

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|--------------------|--------------------|--------------------|--------------------|-------------------|
| <u>Expenses</u> | | | | | |
| Governmental Activities | | | | | |
| Security of Persons and Property | | | | | |
| Police | \$1,613,384 | \$1,516,675 | \$1,545,559 | \$1,584,868 | \$1,443,241 |
| Fire | 1,514,617 | 1,503,565 | 1,494,511 | 1,353,865 | 1,429,639 |
| Other | 4,426 | 5,004 | 4,557 | 8,492 | 15,744 |
| Public Health | 162,403 | 180,131 | 172,130 | 177,297 | 198,272 |
| Leisure Time Activities | 484,814 | 463,263 | 433,670 | 492,736 | 452,815 |
| Community Environment | 126,153 | 86,893 | 84,148 | 116,039 | 88,867 |
| Transportation | 1,911,883 | 2,317,993 | 2,049,319 | 2,236,189 | 1,366,298 |
| General Government | 594,323 | 515,084 | 510,071 | 512,540 | 559,760 |
| Interest and Fiscal Charges | 8,219 | 17,988 | 38,654 | 49,942 | 63,692 |
| Total Governmental Activities Expenses | <u>6,420,222</u> | <u>6,606,596</u> | <u>6,332,619</u> | <u>6,531,968</u> | <u>5,618,328</u> |
| Business-Type Activities | | | | | |
| Electric | 15,259,517 | 15,277,737 | 13,550,781 | 14,371,849 | 13,905,809 |
| Water | 2,041,383 | 1,813,945 | 1,758,911 | 1,843,734 | 921,970 |
| Sewer | 1,978,245 | 2,161,928 | 2,241,662 | 2,171,320 | 2,235,926 |
| Storm Sewer | 155,091 | 142,646 | 271,419 | 114,124 | 91,075 |
| Refuse | 1,102,022 | 1,089,290 | 1,113,500 | 1,053,317 | 1,080,264 |
| Total Business-Type Activities Expenses | <u>20,536,258</u> | <u>20,485,546</u> | <u>18,936,273</u> | <u>19,554,344</u> | <u>18,235,044</u> |
| Total Primary Government Expenses | <u>26,956,480</u> | <u>27,092,142</u> | <u>25,268,892</u> | <u>26,086,312</u> | <u>23,853,372</u> |
| <u>Program Revenues</u> | | | | | |
| Governmental Activities | | | | | |
| Charges for Services | | | | | |
| Security of Persons and Property | | | | | |
| Police | 5,117 | 7,004 | 6,946 | 8,473 | 7,786 |
| Fire | 48,522 | 50,380 | 53,961 | 50,157 | 45,091 |
| Public Health | 398,918 | 523,208 | 504,789 | 413,758 | 287,206 |
| Leisure Time Activities | 195,415 | 203,119 | 259,592 | 228,629 | 249,666 |
| Transportation | 104,608 | 158,633 | 83,734 | 94,715 | 250,147 |
| General Government | 16,148 | 33,287 | 11,970 | 23,581 | 20,145 |
| Total Charges for Services | <u>768,728</u> | <u>975,631</u> | <u>920,992</u> | <u>819,313</u> | <u>860,041</u> |
| Operating Grants, Contributions, and Interest | 509,078 | 635,984 | 524,997 | 582,636 | 632,254 |
| Capital Grants and Contributions | 606,014 | 1,923,549 | 837,654 | 572,510 | 1,493,506 |
| Total Governmental Activities Program Revenues | <u>1,883,820</u> | <u>3,535,164</u> | <u>2,283,643</u> | <u>1,974,459</u> | <u>2,985,801</u> |
| Business-Type Activities | | | | | |
| Charges for Services | | | | | |
| Electric | 14,818,934 | 14,383,981 | 13,443,956 | 14,410,686 | 14,824,354 |
| Water | 1,825,871 | 1,724,995 | 1,607,652 | 1,560,401 | 1,619,474 |
| Sewer | 3,258,877 | 3,127,622 | 2,716,328 | 2,415,413 | 1,983,565 |
| Storm Sewer | 155,904 | 155,599 | 154,668 | 154,095 | 155,831 |
| Refuse | 1,214,454 | 1,108,914 | 1,106,281 | 1,114,270 | 1,070,336 |
| Total Charges for Services | <u>21,274,040</u> | <u>20,501,111</u> | <u>19,028,885</u> | <u>19,654,865</u> | <u>19,653,560</u> |
| Operating Grants, Contributions, and Interest | 0 | 0 | 0 | 0 | 0 |
| Capital Grants and Contributions | 246,836 | 0 | 0 | 0 | 247,321 |
| Total Business-Type Activities Program Revenues | <u>21,520,876</u> | <u>20,501,111</u> | <u>19,028,885</u> | <u>19,654,865</u> | <u>19,900,881</u> |
| Total Primary Government Program Revenues | <u>23,404,696</u> | <u>24,036,275</u> | <u>21,312,528</u> | <u>21,629,324</u> | <u>22,886,682</u> |
| <u>Net (Expense) Revenue</u> | | | | | |
| Governmental Activities | (4,536,402) | (3,071,432) | (4,048,976) | (4,557,509) | (2,632,527) |
| Business-Type Activities | <u>984,618</u> | <u>15,565</u> | <u>92,612</u> | <u>100,521</u> | <u>1,665,837</u> |
| Total Primary Government Net Expense | <u>(3,551,784)</u> | <u>(3,055,867)</u> | <u>(3,956,364)</u> | <u>(4,456,988)</u> | <u>(966,690)</u> |

| 2009 | 2008 | 2007 | 2006 | 2005 |
|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$1,468,762 | \$1,353,354 | \$1,283,549 | \$1,266,253 | \$1,221,018 |
| 1,617,800 | 1,287,195 | 1,189,033 | 1,153,285 | 1,182,460 |
| 15,744 | 27,849 | 14,584 | 11,066 | 119,623 |
| 194,857 | 231,505 | 231,311 | 215,334 | 212,986 |
| 412,328 | 304,089 | 217,175 | 196,271 | 223,249 |
| 137,689 | 109,785 | 87,005 | 98,537 | 120,691 |
| 1,366,920 | 1,312,919 | 1,212,316 | 1,029,441 | 1,439,048 |
| 705,023 | 496,979 | 568,638 | 550,479 | 434,292 |
| 87,500 | 70,941 | 82,806 | 93,647 | 103,670 |
| <u>6,006,623</u> | <u>5,194,616</u> | <u>4,886,417</u> | <u>4,614,313</u> | <u>5,057,037</u> |
| 13,411,381 | 14,456,015 | 15,018,241 | 14,306,107 | 7,035,506 |
| 827,854 | 1,084,075 | 1,022,962 | 1,013,762 | 813,587 |
| 2,927,271 | 2,231,009 | 2,095,884 | 2,077,733 | 1,736,226 |
| 85,127 | 83,831 | 71,239 | 120,408 | 102,578 |
| 1,005,233 | 1,022,632 | 1,413,105 | 1,033,454 | 872,598 |
| <u>18,256,866</u> | <u>18,877,562</u> | <u>19,621,431</u> | <u>18,551,464</u> | <u>10,560,495</u> |
| <u>24,263,489</u> | <u>24,072,178</u> | <u>24,507,848</u> | <u>23,165,777</u> | <u>15,617,532</u> |
| 9,456 | 8,911 | 10,723 | 9,996 | 7,352 |
| 43,616 | 41,361 | 42,190 | 49,611 | 38,084 |
| 380,940 | 302,651 | 371,603 | 296,934 | 295,465 |
| 197,945 | 121,592 | 250 | 0 | 350 |
| 223,294 | 231,173 | 156,627 | 207,116 | 322,510 |
| 39,969 | 36,549 | 33,621 | 26,362 | 26,651 |
| 895,220 | 742,237 | 615,014 | 590,019 | 690,412 |
| 608,906 | 863,897 | 739,172 | 871,074 | 1,263,577 |
| 426,237 | 285,219 | 2,150,030 | 161,197 | 29,847 |
| <u>1,930,363</u> | <u>1,891,353</u> | <u>3,504,216</u> | <u>1,622,290</u> | <u>1,983,836</u> |
| 14,731,146 | 14,705,519 | 14,907,663 | 12,848,899 | 7,785,644 |
| 1,651,348 | 1,609,240 | 1,544,797 | 1,404,361 | 1,312,634 |
| 1,789,863 | 1,845,275 | 1,888,360 | 1,856,922 | 1,827,371 |
| 158,771 | 156,374 | 155,588 | 156,184 | 154,160 |
| 1,085,472 | 1,112,113 | 1,085,587 | 921,989 | 924,455 |
| <u>19,416,600</u> | <u>19,428,521</u> | <u>19,581,995</u> | <u>17,188,355</u> | <u>12,004,264</u> |
| 0 | 0 | 0 | 13,000 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| <u>19,416,600</u> | <u>19,428,521</u> | <u>19,581,995</u> | <u>17,201,355</u> | <u>12,004,264</u> |
| <u>21,346,963</u> | <u>21,319,874</u> | <u>23,086,211</u> | <u>18,823,645</u> | <u>13,988,100</u> |
| (4,076,260) | (3,303,263) | (1,382,201) | (2,992,023) | (3,073,201) |
| 1,159,734 | 550,959 | (39,436) | (1,350,109) | 1,443,769 |
| <u>(2,916,526)</u> | <u>(2,752,304)</u> | <u>(1,421,637)</u> | <u>(4,342,132)</u> | <u>(1,629,432)</u> |

(continued)

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

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|------------------|--------------------|------------------|--------------------|--------------------|
| <u>General Revenues and Other Changes in Net Position</u> | | | | | |
| Governmental Activities | | | | | |
| Property Taxes Levied for General Purposes | \$362,175 | \$356,365 | \$373,447 | \$369,263 | \$376,810 |
| Property Taxes Levied for Recreation | 95,171 | 92,535 | 88,625 | 92,756 | 95,200 |
| Municipal Income Taxes | 2,602,279 | 2,590,749 | 2,280,139 | 2,271,225 | 2,244,992 |
| Other Local Taxes | 722,090 | 686,875 | 651,985 | 642,164 | 645,090 |
| Grants and Entitlements not Restricted to Specific Programs | 254,085 | 249,320 | 454,557 | 550,652 | 585,145 |
| Franchise Taxes | 144,915 | 83,156 | 86,280 | 83,736 | 85,710 |
| Interest | 15,376 | 13,721 | 32,570 | 35,706 | 75,658 |
| Gifts and Donations | 1,040 | 2,639 | 1,772 | 1,374 | 5,663 |
| Other | 58,133 | 80,453 | 87,243 | 48,596 | 76,118 |
| Gain on Sale of Investment | 0 | 0 | 0 | 0 | 0 |
| Transfers | (26,000) | (1,771,837) | (397,737) | (582,256) | (646,732) |
| Total Governmental Activities | <u>4,229,264</u> | <u>2,383,976</u> | <u>3,658,881</u> | <u>3,513,216</u> | <u>3,543,654</u> |
| Business-Type Activities | | | | | |
| Interest | 0 | 0 | 29 | 7 | 1 |
| Other | 78,660 | 317,550 | 41,110 | 72,808 | 30,376 |
| Transfers | 26,000 | 1,771,837 | 397,737 | 582,256 | 646,732 |
| Total Business-Type Activities | <u>104,660</u> | <u>2,089,387</u> | <u>438,876</u> | <u>655,071</u> | <u>677,109</u> |
| Total Primary Government | <u>4,333,924</u> | <u>4,473,363</u> | <u>4,097,757</u> | <u>4,168,287</u> | <u>4,220,763</u> |
| <u>Change in Net Position</u> | | | | | |
| Governmental Activities | (307,138) | (687,456) | (390,095) | (1,044,293) | 911,127 |
| Business-Type Activities | 1,089,278 | 2,104,952 | 531,488 | 755,592 | 2,342,946 |
| Total Primary Government Change in Net Position | <u>\$782,140</u> | <u>\$1,417,496</u> | <u>\$141,393</u> | <u>(\$288,701)</u> | <u>\$3,254,073</u> |

| 2009 | 2008 | 2007 | 2006 | 2005 |
|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$365,898 | \$376,258 | \$382,346 | \$390,020 | \$356,201 |
| 92,532 | 100,267 | 103,445 | 106,334 | 105,934 |
| 2,163,600 | 2,419,511 | 2,286,433 | 2,290,400 | 2,136,920 |
| 604,597 | 666,801 | 702,847 | 678,614 | 656,921 |
| 571,917 | 736,776 | 699,524 | 530,856 | 483,500 |
| 70,776 | 67,136 | 50,369 | 45,289 | 39,650 |
| 123,591 | 522,389 | 919,480 | 892,006 | 546,259 |
| 9,671 | 59,095 | 8,352 | 13,142 | 7,791 |
| 48,787 | 47,323 | 30,384 | 153,570 | 9,090 |
| 0 | 0 | 758,441 | 0 | 0 |
| (557,664) | (546,051) | (427,882) | (266,589) | (384,984) |
| <u>3,493,705</u> | <u>4,449,505</u> | <u>5,513,739</u> | <u>4,833,642</u> | <u>3,957,282</u> |
| 2 | 19,753 | 59,555 | 36,694 | 10,904 |
| 40,677 | 66,093 | 93,043 | 45,061 | 73,465 |
| <u>557,664</u> | <u>546,051</u> | <u>427,882</u> | <u>266,589</u> | <u>384,984</u> |
| <u>598,343</u> | <u>631,897</u> | <u>580,480</u> | <u>348,344</u> | <u>469,353</u> |
| <u>4,092,048</u> | <u>5,081,402</u> | <u>6,094,219</u> | <u>5,181,986</u> | <u>4,426,635</u> |
| (582,555) | 1,146,242 | 4,131,538 | 1,841,619 | 884,081 |
| <u>1,758,077</u> | <u>1,182,856</u> | <u>541,044</u> | <u>(1,001,765)</u> | <u>1,913,122</u> |
| <u>\$1,175,522</u> | <u>\$2,329,098</u> | <u>\$4,672,582</u> | <u>\$839,854</u> | <u>\$2,797,203</u> |

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

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| General Fund | | | | | |
| Reserved | \$0 | \$0 | \$0 | \$0 | \$122,631 |
| Unreserved | 0 | 0 | 0 | 0 | 2,077,148 |
| Nonspendable | 86,112 | 87,798 | 85,291 | 48,027 | n/a |
| Restricted | 10,154 | 10,154 | 18,517 | 18,457 | n/a |
| Assigned | 709,905 | 71,374 | 237,724 | 244,541 | n/a |
| Unassigned | 862,133 | 1,671,656 | 1,603,958 | 2,035,875 | n/a |
| Total General Fund | 1,668,304 | 1,840,982 | 1,945,490 | 2,346,900 | 2,199,779 |
| All Other Governmental Funds | | | | | |
| Reserved | 0 | 0 | 0 | 0 | 811,189 |
| Unreserved, Reported in | | | | | |
| Special Revenue Funds | 0 | 0 | 0 | 0 | 1,081,987 |
| Debt Service Funds | 0 | 0 | 0 | 0 | 467,448 |
| Capital Projects Funds | 0 | 0 | 0 | 0 | 1,539,432 |
| Nonspendable | 30,778 | 29,308 | 30,129 | 31,950 | n/a |
| Restricted | 2,084,349 | 1,920,873 | 2,700,149 | 2,954,653 | n/a |
| Assigned | 402,702 | 277,702 | 723,004 | 698,244 | n/a |
| Unassigned (Deficit) | (16,307) | (126,225) | (456,253) | 0 | n/a |
| Total All Other Governmental Funds | 2,501,522 | 2,101,658 | 2,997,029 | 3,684,847 | 3,900,056 |
| Total Governmental Funds | \$4,169,826 | \$3,942,640 | \$4,942,519 | \$6,031,747 | \$6,099,835 |

The City implemented GASB Statement No. 54 in 2011.

| 2009 | 2008 | 2007 | 2006 | 2005 |
|-------------|-------------|-------------|-------------|-------------|
| \$138,697 | \$159,606 | \$204,428 | \$82,397 | \$40,641 |
| 2,546,481 | 3,169,890 | 2,838,888 | 2,303,358 | 1,731,727 |
| n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a |
| 2,685,178 | 3,329,496 | 3,043,316 | 2,385,755 | 1,772,368 |
| 330,711 | 465,171 | 1,859,426 | 485,067 | 841,079 |
| 1,265,764 | 1,392,222 | 1,078,936 | 2,444,533 | 1,894,745 |
| 539,473 | 609,729 | 520,071 | 413,201 | 301,980 |
| 2,177,385 | 1,617,466 | 1,384,703 | 688,783 | 478,067 |
| n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a | n/a |
| 4,313,333 | 4,084,588 | 4,843,136 | 4,031,584 | 3,515,871 |
| \$6,998,511 | \$7,414,084 | \$7,886,452 | \$6,417,339 | \$5,288,239 |

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

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|------------------|--------------------|----------------------|-------------------|--------------------|
| <u>Revenues</u> | | | | | |
| Property Taxes | \$458,036 | \$453,266 | \$459,863 | \$467,205 | \$472,312 |
| Municipal Income Taxes | 2,594,506 | 2,415,109 | 2,262,379 | 2,230,352 | 2,171,986 |
| Other Local Taxes | 797,205 | 780,110 | 705,308 | 707,507 | 718,141 |
| Special Assessments | 39,784 | 52,670 | 57,956 | 49,364 | 108,280 |
| Charges for Services | 750,578 | 711,028 | 774,341 | 686,888 | 673,656 |
| Fees, Licenses, and Permits | 134,013 | 103,076 | 87,538 | 90,097 | 82,112 |
| Fines and Forfeitures | 15,086 | 18,785 | 13,412 | 21,706 | 21,292 |
| Intergovernmental | 1,169,747 | 3,247,382 | 1,272,298 | 2,111,174 | 2,385,316 |
| Interest | 25,239 | 36,097 | 50,039 | 78,486 | 101,299 |
| Gifts and Donations | 19,171 | 10,508 | 16,222 | 4,794 | 30,264 |
| Other | 58,133 | 72,016 | 87,243 | 48,596 | 76,348 |
| Total Revenues | 6,061,498 | 7,900,047 | 5,786,599 | 6,496,169 | 6,841,006 |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| Security of Persons and Property | | | | | |
| Police | 1,714,844 | 1,507,378 | 1,550,757 | 1,569,832 | 1,423,412 |
| Fire | 1,481,619 | 1,927,319 | 1,461,318 | 1,283,633 | 1,406,482 |
| Other | 4,792 | 4,685 | 4,592 | 8,166 | 15,472 |
| Public Health | 149,970 | 159,821 | 143,550 | 147,474 | 172,208 |
| Leisure Time Activities | 410,517 | 389,085 | 357,705 | 452,069 | 389,487 |
| Community Environment | 126,163 | 93,366 | 81,344 | 111,158 | 82,067 |
| Transportation | 1,341,304 | 3,916,917 | 2,396,004 | 1,635,535 | 3,037,581 |
| General Government | 579,587 | 498,250 | 491,108 | 489,958 | 536,168 |
| Debt Service: | | | | | |
| Principal Retirement | 82,656 | 273,007 | 261,167 | 376,099 | 365,342 |
| Interest and Fiscal Charges | 8,789 | 19,251 | 28,938 | 41,045 | 52,045 |
| Total Expenditures | 5,900,241 | 8,789,079 | 6,776,483 | 6,114,969 | 7,480,264 |
| Excess of Revenues Over (Under) Expenditures | 161,257 | (889,032) | (989,884) | 381,200 | (639,258) |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Sale of Capital Assets | 0 | 26,760 | 0 | 0 | 3,100 |
| Loans Issued | 0 | 0 | 0 | 0 | 54,955 |
| Inception of Capital Lease | 91,929 | 0 | 0 | 0 | 0 |
| Gain on Sale of Investments | 0 | 0 | 0 | 0 | 0 |
| Transfers In | 791,225 | 747,893 | 1,044,156 | 1,052,712 | 919,852 |
| Transfers Out | (817,225) | (885,500) | (1,143,500) | (1,502,000) | (1,237,325) |
| Total Other Financing Sources (Uses) | 65,929 | (110,847) | (99,344) | (449,288) | (259,418) |
| Change in Fund Balance | \$227,186 | (\$999,879) | (\$1,089,228) | (\$68,088) | (\$898,676) |
| Debt Service as a Percentage of Noncapital Expenditures | 1.64% | 4.02% | 5.05% | 7.81% | 7.56% |

| 2009 | 2008 | 2007 | 2006 | 2005 |
|--------------------|--------------------|--------------------|--------------------|------------------|
| \$454,699 | \$475,488 | \$485,855 | \$494,322 | \$463,550 |
| 2,138,100 | 2,343,504 | 2,330,159 | 2,186,885 | 2,155,844 |
| 744,078 | 739,543 | 775,349 | 750,786 | 729,535 |
| 79,745 | 113,600 | 99,838 | 127,830 | 141,800 |
| 624,096 | 534,173 | 383,477 | 394,449 | 314,313 |
| 98,226 | 84,803 | 58,235 | 49,667 | 53,014 |
| 21,495 | 26,414 | 28,153 | 26,397 | 19,469 |
| 1,985,445 | 2,352,860 | 1,429,731 | 1,112,975 | 1,932,243 |
| 167,697 | 638,987 | 1,385,496 | 1,123,113 | 622,515 |
| 51,756 | 306,596 | 29,040 | 39,358 | 33,081 |
| 48,557 | 47,323 | 29,805 | 153,570 | 9,443 |
| <u>6,413,894</u> | <u>7,663,291</u> | <u>7,035,138</u> | <u>6,459,352</u> | <u>6,474,807</u> |
| 1,498,398 | 1,335,039 | 1,275,070 | 1,261,097 | 1,184,347 |
| 1,771,274 | 1,228,768 | 1,157,457 | 1,468,411 | 1,201,714 |
| 14,842 | 27,847 | 14,333 | 13,040 | 119,204 |
| 171,546 | 270,897 | 218,356 | 191,798 | 188,684 |
| 425,862 | 1,874,381 | 283,512 | 209,160 | 284,270 |
| 136,721 | 105,721 | 75,643 | 113,779 | 121,393 |
| 1,651,528 | 1,790,505 | 1,128,899 | 741,257 | 1,203,088 |
| 679,793 | 474,176 | 1,129,757 | 533,235 | 416,606 |
| 358,346 | 449,624 | 454,074 | 448,553 | 448,060 |
| 74,109 | 61,042 | 73,146 | 84,149 | 94,174 |
| <u>6,782,419</u> | <u>7,618,000</u> | <u>5,810,247</u> | <u>5,064,479</u> | <u>5,261,540</u> |
| <u>(368,525)</u> | <u>45,291</u> | <u>1,224,891</u> | <u>1,394,873</u> | <u>1,213,267</u> |
| 1,531 | 0 | 4,201 | 816 | 0 |
| 368,662 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 758,441 | 0 | 0 |
| 907,759 | 1,147,341 | 1,751,741 | 967,411 | 500,059 |
| <u>(1,325,000)</u> | <u>(1,665,000)</u> | <u>(2,270,161)</u> | <u>(1,234,000)</u> | <u>(897,000)</u> |
| <u>(47,048)</u> | <u>(517,659)</u> | <u>244,222</u> | <u>(265,773)</u> | <u>(396,941)</u> |
| <u>(\$415,573)</u> | <u>(\$472,368)</u> | <u>\$1,469,113</u> | <u>\$1,129,100</u> | <u>\$816,326</u> |
| 7.68% | 10.18% | 11.15% | 12.11% | 11.61% |

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

| Year | Real Property | | | | Public Utility Personal Property | | |
|------|------------------------------|---------------------------|-------------------|----------------------------|-------------------------------------|-------------------|---------------------------|
| | Assessed Value | | Public Utility | Total Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value |
| | Residential/ Agricultural | Commercial/ Industrial | | | | | |
| 2014 | \$105,469,010 | \$45,237,190 | \$64,720 | \$150,770,920 | \$430,774,057 | \$1,120,460 | \$1,273,250 |
| 2013 | 104,962,290 | 46,822,260 | 62,380 | 151,846,930 | 433,848,371 | 1,055,660 | 1,199,614 |
| 2012 | 104,390,450 | 47,087,190 | 74,990 | 151,552,630 | 433,007,514 | 426,650 | 484,830 |
| 2011 | 108,463,200 | 45,560,200 | 66,570 | 154,089,970 | 440,257,057 | 412,220 | 468,432 |
| 2010 | 107,696,140 | 45,716,950 | 61,680 | 153,474,770 | 438,499,343 | 401,430 | 456,170 |
| 2009 | 108,578,130 | 47,073,300 | 87,780 | 155,739,210 | 444,969,171 | 577,790 | 656,580 |
| 2008 | 99,932,540 | 43,264,780 | 46,920 | 143,244,240 | 409,269,257 | 584,380 | 664,068 |
| 2007 | 98,356,360 | 41,575,210 | 43,590 | 139,975,160 | 399,929,029 | 3,300,180 | 3,750,205 |
| 2006 | 96,797,980 | 39,755,360 | 77,760 | 136,631,100 | 390,374,571 | 3,745,680 | 4,256,455 |
| 2005 | 85,608,830 | 33,803,110 | 76,420 | 119,488,360 | 341,395,314 | 3,715,910 | 4,222,625 |

Source: Auglaize County Auditor

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

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

The assessed value of real property (including public utility real property) is 35 percent of estimated actual value. Personal property tax was assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of actual value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent of actual value for machinery and equipment and 23 percent for inventory. The general business tangible personal property tax was phased out. The assessment percentage was 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four-year phase out on the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes have been levied or collected from general business taxpayers since 2009 or telephone companies since 2010.

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

| Tangible Personal Property | | Total | | Weighted Average Tax Rate (1) |
|-------------------------------|---------------------------|-------------------|---------------------------|-------------------------------------|
| Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | |
| \$0 | \$0 | \$151,891,380 | \$432,047,307 | \$3.46 |
| 0 | 0 | 152,902,590 | 435,047,985 | 3.46 |
| 0 | 0 | 151,979,280 | 433,492,344 | 3.44 |
| 0 | 0 | 154,502,190 | 440,725,489 | 3.43 |
| 434,390 | 434,390 | 154,310,590 | 439,389,903 | 3.43 |
| 868,780 | 868,780 | 157,185,780 | 446,494,531 | 3.43 |
| 4,227,152 | 67,634,432 | 148,055,772 | 477,567,757 | 3.45 |
| 8,454,304 | 67,634,432 | 151,729,644 | 471,313,666 | 3.47 |
| 10,846,559 | 57,848,315 | 151,223,339 | 452,479,341 | 3.48 |
| 14,938,545 | 59,754,180 | 138,142,815 | 405,372,119 | 3.55 |

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

| Collection Year | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|---------------|---------------|---------------|---------------|---------------|
| Voted Millage | | | | | |
| Recreation | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agriculture | \$0.6246 | \$0.6274 | \$0.6261 | \$0.5995 | \$0.5995 |
| Commercial/Industrial | 0.9011 | 0.8902 | 0.8430 | 0.8555 | 0.8555 |
| Tangible/Public Utility Personal | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| Unvoted Millage | | | | | |
| General | 2.1500 | 2.1500 | 2.1500 | 2.1500 | 2.1500 |
| Fire Pension | 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 |
| Police Pension | 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 |
| Total Unvoted Millage | 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 |
| Total Millage (Total Direct Rate) | | | | | |
| Total Effective Millage by Type of Property | | | | | |
| Residential/Agriculture | 3.3746 | 3.3774 | 3.3761 | 3.3495 | 3.3495 |
| Commercial/Industrial | 3.6511 | 3.6402 | 3.5930 | 3.6055 | 3.6055 |
| Tangible/Public Utility Personal | 3.7500 | 3.7500 | 3.7500 | 3.7500 | 3.7500 |
| Total Weighted Average Tax Rate | 3.4606 | 3.4606 | 3.4445 | 3.4262 | 3.4276 |
| Auglaize County | 12.7500 | 11.7500 | 11.7500 | 11.7500 | 11.7500 |
| Wapakoneta City School District | 31.3000 | 31.3000 | 31.3000 | 31.3000 | 31.3000 |
| Apollo Career Center | 3.4400 | 3.4400 | 2.2000 | 2.2000 | 2.2000 |
| Duchouquet Township | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 |

Source: Auglaize County Auditor

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

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

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

| 2009 | 2008 | 2007 | 2006 | 2005 |
|----------|----------|----------|----------|----------|
| \$0.5989 | \$0.5989 | \$0.6299 | \$0.6316 | \$0.7014 |
| 0.8441 | 0.8693 | 0.8607 | 0.8528 | 0.9316 |
| 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 2.1500 | 2.1500 | 2.1500 | 2.1500 | 2.1500 |
| 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 |
| 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 |
| 2.7500 | 2.7500 | 2.7500 | 2.7500 | 2.7500 |
| 3.3489 | 3.3489 | 3.3799 | 3.3816 | 3.4514 |
| 3.5941 | 3.6193 | 3.6107 | 3.6028 | 3.6816 |
| 3.7500 | 3.7500 | 3.7500 | 3.7500 | 3.7500 |
| 3.4262 | 3.4477 | 3.4719 | 3.4754 | 3.5482 |
| 11.7500 | 11.7500 | 11.7500 | 11.2500 | 11.2500 |
| 31.3000 | 31.3000 | 31.3000 | 29.6000 | 29.6000 |
| 2.2000 | 2.2000 | 2.2000 | 2.2000 | 2.2000 |
| 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 |

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City of Wapakoneta
Property Tax Levies and Collections
Last Ten Years

| Year | Current Tax Levy (1) | Current Tax Collections | Percent Collected | Total Outstanding Delinquent Taxes | Percent Delinquent |
|------|----------------------------|-------------------------------|----------------------|---|-----------------------|
| 2014 | \$522,607 | \$504,383 | 96.51% | \$6,122 | 1.17% |
| 2013 | 521,688 | 501,668 | 96.16 | 6,936 | 1.33 |
| 2012 | 523,622 | 508,521 | 97.12 | 11,305 | 2.16 |
| 2011 | 523,387 | 514,444 | 98.29 | 13,202 | 2.52 |
| 2010 | 562,605 | 589,717 | 104.82 | 11,496 | 2.04 |
| 2009 | 567,693 | 460,924 | 81.19 | 11,798 | 2.08 |
| 2008 | 579,024 | 565,256 | 97.62 | 8,248 | 1.42 |
| 2007 | 545,199 | 598,187 | 109.72 | 14,151 | 2.60 |
| 2006 | 553,228 | 606,765 | 109.68 | 12,849 | 2.32 |
| 2005 | 548,783 | 583,413 | 106.31 | 7,559 | 1.38 |

Source: Auglaize County Auditor

(1) State reimbursement of rollback and homestead exemptions and accumulated delinquent taxes are included.
The County is not able to split the total tax levy between current and delinquent amounts.

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

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

| Taxpayer | Type of Business | 2014 | | |
|---------------------------------|--|----------------------------------|------|--|
| | | Real Property Assessed Valuation | Rank | Percentage of Total Assessed Valuation |
| Wal-Mart Stores East LP | Retail Business | \$2,376,500 | 1 | 1.57% |
| Lowes Home Centers, Inc. | Retail Business | 1,726,530 | 2 | 1.15 |
| Schlenker Enterprises | Land Developments and Apartments | 1,437,440 | 3 | 0.95 |
| Ametek, Inc. | Plastic Compounds | 1,322,190 | 4 | 0.88 |
| Koneta, Inc. | Rubber Truck Accessories Manufacturing | 1,232,880 | 5 | 0.82 |
| Quaker Run Farms | Warehousing and Distribution | 1,154,580 | 6 | 0.77 |
| GAMCO Components Group LLC | Automotive Suspension Manufacturing | 1,137,500 | 7 | 0.75 |
| DW 28 Wapakoneta LLC | Retail Business | 1,080,390 | 8 | 0.72 |
| Normandy Ridge Limited | Residential Apartments | 866,920 | 9 | 0.57 |
| Miller's Textile Services, Inc. | Uniform Rentals | 827,590 | 10 | 0.55 |
| LRV Acquisition | Hotel Properties | | | |
| Quaker Run | Residential Apartments | | | |
| Dr. L. Y. Soo | Individual Property Owner | | | |
| Auglaize Investment Company | Big Bear Department Store | | | |
| | Total | 13,162,520 | | 8.73 |
| | All Other Taxpayers | 137,608,400 | | 91.27 |
| | Total Assessed Valuation | <u>\$150,770,920</u> | | <u>100.00%</u> |

Source: Auglaize County Auditor

| 2005 | | |
|---|-------------|---|
| <u>Real Property Assessed Valuation</u> | <u>Rank</u> | <u>Percentage of Total Assessed Valuation</u> |
| \$1,161,450 | 5 | 0.97% |
| 1,577,460 | 1 | 1.32 |
| 1,393,500 | 2 | 1.17 |
| 1,268,870 | 3 | 1.06 |
| 1,092,510 | 6 | 0.91 |
| 1,254,620 | 4 | 1.05 |
| 1,081,670 | 7 | 0.91 |
| 987,140 | 8 | 0.83 |
| 757,120 | 9 | 0.63 |
| <u>703,310</u> | 10 | <u>0.59</u> |
| 11,277,650 | | 9.44 |
| <u>108,210,710</u> | | <u>90.56</u> |
| <u><u>\$119,488,360</u></u> | | <u><u>100.00%</u></u> |

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

| Tax Year | Tax Rate | Total Tax Collected | Taxes from Withholding | Percentage of Taxes from Withholding | Taxes from Net Profits | Percentage of Taxes from Net Profits | Taxes from Individual Payments | Percentage of Taxes from Individual Payments |
|----------|----------|---------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|--------------------------------|--|
| 2014 | 1.00% | \$2,602,279 | \$2,459,828 | 94.53% | \$129,418 | 4.97% | \$13,033 | 0.50% |
| 2013 | 1.00 | 2,590,749 | 2,015,566 | 77.80 | 295,940 | 11.42 | 279,243 | 10.78 |
| 2012 | 1.00 | 2,280,139 | 1,986,930 | 87.14 | 144,118 | 6.32 | 149,091 | 6.54 |
| 2011 | 1.00 | 2,271,225 | 1,693,982 | 74.59 | 232,213 | 10.22 | 345,030 | 15.19 |
| 2010 | 1.00 | 2,244,992 | 1,831,471 | 81.58 | 143,612 | 6.40 | 269,909 | 12.02 |
| 2009 | 1.00 | 2,163,600 | 1,706,006 | 78.85 | 119,471 | 5.52 | 338,123 | 15.63 |
| 2008 | 1.00 | 2,419,511 | 1,843,971 | 76.21 | 228,064 | 9.43 | 347,476 | 14.36 |
| 2007 | 1.00 | 2,286,433 | 1,794,095 | 78.47 | 169,089 | 7.40 | 323,249 | 14.13 |
| 2006 | 1.00 | 2,290,400 | 1,689,748 | 73.78 | 309,030 | 13.49 | 291,622 | 12.73 |
| 2005 | 1.00 | 2,136,920 | 1,726,299 | 80.79 | 139,636 | 6.53 | 270,985 | 12.68 |

Source: City Records

City of Wapakoneta
Electric Utility Statistics
Last Ten Years

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Kilowatt Hours Purchased from: | | | | | |
| American Electric Power | 0 | 0 | 0 | 0 | 0 |
| AMP-Ohio | 202,219,618 | 195,926,166 | 186,176,513 | 180,959,049 | 182,091,811 |
| Solar Planet | 3,759,567 | 1,396,868 | 0 | 0 | 0 |
| Total Kilowatt Hours Purchased | 205,979,185 | 197,323,034 | 186,176,513 | 180,959,049 | 182,091,811 |
| Payments for Purchased Power to: | | | | | |
| American Electric Power | \$0 | \$0 | \$0 | \$0 | \$0 |
| AMP-Ohio | 12,388,027 | 12,125,226 | 11,076,435 | 11,968,304 | 12,224,095 |
| Solar Planet | 268,363 | 97,781 | 0 | 0 | 0 |
| Total Payments for Purchased Power | \$12,656,390 | \$12,223,007 | \$11,076,435 | \$11,968,304 | \$12,224,095 |
| Kilowatt Hours Sold to Users | | | | | |
| Residential | 49,954,412 | 48,670,513 | 49,046,019 | 50,710,995 | 51,220,653 |
| Commercial | 54,550,253 | 55,505,734 | 51,663,059 | 53,536,889 | 54,671,941 |
| Industrial | 90,524,080 | 81,355,860 | 74,799,100 | 68,122,540 | 67,158,540 |
| Total Kilowatt Hours Sold to Users | 195,028,745 | 185,532,107 | 175,508,178 | 172,370,424 | 173,051,134 |
| Charges for Kilowatt Hours Sold to Users | | | | | |
| Residential | \$4,405,323 | \$4,247,295 | \$4,207,297 | \$4,730,277 | \$4,816,497 |
| Commercial | 5,175,088 | 5,239,272 | 4,837,440 | 5,390,470 | 5,566,648 |
| Industrial | 5,836,043 | 5,513,562 | 5,080,856 | 5,223,424 | 5,201,984 |
| Total Dollar Amount of Kilowatt Hours Sold to Users | \$15,416,454 | \$15,000,129 | \$14,125,593 | \$15,344,171 | \$15,585,129 |

Rate

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

Source: City Records

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

| 2009 | 2008 | 2007 | 2006 | 2005 |
|---------------------|---------------------|---------------------|---------------------|--------------------|
| 0 | 0 | 197,661,771 | 187,474,222 | 187,080,998 |
| 170,099,880 | 191,475,666 | 4,149,000 | 4,122,000 | 4,096,736 |
| 0 | 0 | 0 | 0 | 0 |
| <u>170,099,880</u> | <u>191,475,666</u> | <u>201,810,771</u> | <u>191,596,222</u> | <u>191,177,734</u> |
| \$0 | \$11,197 | \$13,344,311 | \$12,570,995 | \$5,252,736 |
| 11,750,318 | 12,608,416 | 146,348 | 136,101 | 165,854 |
| 0 | 0 | 0 | 0 | 0 |
| <u>\$11,750,318</u> | <u>\$12,619,613</u> | <u>\$13,490,659</u> | <u>\$12,707,096</u> | <u>\$5,418,590</u> |
| 48,207,823 | 49,579,753 | 50,710,462 | 48,981,563 | 51,072,037 |
| 51,504,966 | 54,894,606 | 59,434,626 | 62,709,278 | 61,528,576 |
| 60,748,180 | 73,796,880 | 78,444,120 | 70,704,980 | 63,297,900 |
| <u>160,460,969</u> | <u>178,271,239</u> | <u>188,589,208</u> | <u>182,395,821</u> | <u>175,898,513</u> |
| \$4,619,968 | \$4,420,838 | \$4,324,976 | \$3,691,525 | \$2,568,233 |
| 5,364,868 | 5,355,024 | 5,510,541 | 4,938,547 | 3,158,202 |
| 5,013,166 | 5,503,887 | 5,511,166 | 4,587,937 | 2,604,184 |
| <u>\$14,998,002</u> | <u>\$15,279,749</u> | <u>\$15,346,683</u> | <u>\$13,218,009</u> | <u>\$8,330,619</u> |

City of Wapakoneta
Water Utility Statistics
Last Ten Years

| Type of Customer | 2014 | 2013 | 2012 | 2011 | 2010 |
|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Residential | \$1,120,415 | \$1,090,272 | \$1,037,648 | \$1,012,829 | \$1,029,780 |
| Industrial | 354,636 | 313,989 | 273,445 | 270,269 | 291,804 |
| Commercial | 302,352 | 286,194 | 262,502 | 263,642 | 277,948 |
| Total Billed | \$1,777,403 | \$1,690,455 | \$1,573,595 | \$1,546,740 | \$1,599,532 |

Billed in Cubic Feet

Rate in Cubic Feet:

All Customers

| | | | | | |
|----------------|--------|--------|--------|--------|--------|
| 0 - 200 | \$9.40 | \$8.95 | \$8.52 | \$7.72 | \$7.72 |
| 201 - 1,300 | 3.95 | 3.76 | 3.58 | 3.25 | 3.25 |
| 1,301 - 6,100 | 3.30 | 3.14 | 2.99 | 2.71 | 2.71 |
| 6,101 - 22,800 | 2.68 | 2.55 | 2.43 | 2.20 | 2.20 |
| 22,801 and up | 2.43 | 2.31 | 2.19 | 1.99 | 1.99 |

Multi Residential

| | | | | | |
|---------------------|--------|--------|--------|--------|--------|
| 0 - 200 | \$9.40 | \$8.95 | \$8.52 | \$7.72 | \$7.72 |
| Each Additional 100 | 3.83 | 3.65 | 3.48 | 3.15 | 3.15 |

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

Outside Rates after February 1, 2005, add 200%

Source: City Records

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

| 2009 | 2008 | 2007 | 2006 | 2005 |
|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$1,048,899 | \$977,828 | \$931,953 | \$845,137 | \$803,042 |
| 274,435 | 312,965 | 310,036 | 263,913 | 209,814 |
| 280,266 | 270,467 | 271,697 | 264,331 | 256,465 |
| <u>\$1,603,600</u> | <u>\$1,561,260</u> | <u>\$1,513,686</u> | <u>\$1,373,381</u> | <u>\$1,269,321</u> |

| | | | | |
|--------|--------|--------|--------|--------|
| \$7.72 | \$7.14 | \$6.61 | \$6.12 | \$5.67 |
| 3.25 | 3.01 | 2.79 | 2.58 | 2.39 |
| 2.71 | 2.51 | 2.32 | 2.15 | 1.99 |
| 2.20 | 2.04 | 1.89 | 1.75 | 1.62 |
| 1.99 | 1.84 | 1.70 | 1.57 | 1.45 |

| | | | | |
|--------|--------|--------|--------|--------|
| \$7.72 | \$7.14 | \$6.61 | \$6.12 | \$5.67 |
| 3.15 | 2.91 | 2.69 | 2.49 | 2.31 |

City of Wapakoneta
Sewer Utility Statistics
Last Ten Years

| Type of Customer | 2014 | 2013 | 2012 | 2011 | 2010 |
|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Residential | \$1,184,334 | \$1,167,565 | \$1,158,891 | \$1,123,865 | \$1,081,696 |
| Commercial | 326,180 | 328,079 | 308,411 | 318,190 | 307,324 |
| Industrial | 536,659 | 420,142 | 347,512 | 370,480 | 393,287 |
| Total Billed | <u>\$2,047,173</u> | <u>\$1,915,786</u> | <u>\$1,814,814</u> | <u>\$1,812,535</u> | <u>\$1,782,307</u> |

Billed in Cubic Feet

Base Rate for First 200 Cubic Feet:

| | | | | | |
|-------------|---------|---------|---------|---------|---------|
| Residential | \$12.45 | \$12.10 | \$11.74 | \$11.40 | \$11.07 |
| Commercial | 12.45 | 12.10 | 11.74 | 11.40 | 11.07 |
| Industrial | 12.45 | 12.10 | 11.74 | 11.40 | 11.07 |

Additional per 100 Cubic Feet:

| | | | | | |
|-------------|--------|--------|--------|--------|--------|
| Residential | \$3.64 | \$3.53 | \$3.43 | \$3.33 | \$3.23 |
| Commercial | 3.91 | 3.80 | 3.69 | 3.58 | 3.48 |
| Industrial | 3.64 | 3.53 | 3.43 | 3.33 | 3.23 |

Outside Rates add 115%

Source: City Records

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

| <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| \$1,051,463 | \$1,035,296 | \$1,045,093 | \$1,013,454 | \$1,016,743 |
| 291,326 | 300,312 | 318,508 | 348,872 | 365,911 |
| <u>400,621</u> | <u>473,693</u> | <u>512,977</u> | <u>471,939</u> | <u>414,251</u> |
| <u><u>\$1,743,410</u></u> | <u><u>\$1,809,301</u></u> | <u><u>\$1,876,578</u></u> | <u><u>\$1,834,265</u></u> | <u><u>\$1,796,905</u></u> |

| | | | | |
|---------|---------|--------|--------|--------|
| \$10.20 | \$10.05 | \$9.90 | \$9.75 | \$9.60 |
| 10.20 | 10.05 | 9.90 | 9.75 | 9.60 |
| 10.20 | 10.05 | 9.90 | 9.75 | 9.60 |
| \$2.98 | \$2.93 | \$2.89 | \$2.85 | \$2.81 |
| 3.21 | 3.16 | 3.11 | 3.06 | 3.01 |
| 2.98 | 2.93 | 2.89 | 2.85 | 2.81 |

City of Wapakoneta
Storm Sewer Utility Statistics
Last Ten Years

| Type of Customer | 2014 | 2013 | 2012 | 2011 | 2010 |
|-----------------------|------------------|------------------|------------------|------------------|------------------|
| Residential | \$89,856 | \$89,256 | \$88,846 | \$87,912 | \$87,960 |
| Commercial/Industrial | 64,905 | 64,883 | 64,942 | 65,389 | 68,249 |
| Total Billed | \$154,761 | \$154,139 | \$153,788 | \$153,301 | \$156,209 |

Rates:

Residential: \$2 per month

Commercial/Industrial:

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

Source: City Records

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

| <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|------------------|------------------|------------------|------------------|------------------|
| \$87,722 | \$87,772 | \$87,348 | \$86,742 | \$85,832 |
| <u>68,133</u> | <u>66,802</u> | <u>67,425</u> | <u>67,411</u> | <u>66,755</u> |
| <u>\$155,855</u> | <u>\$154,574</u> | <u>\$154,773</u> | <u>\$154,153</u> | <u>\$152,587</u> |

City of Wapakoneta
Refuse Utility Statistics
Last Ten Years

| Type of Customer | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|------------------|------------------|------------------|------------------|------------------|
| Residential | \$440,092 | \$416,494 | \$414,011 | \$414,234 | \$411,384 |
| Commercial/Industrial | 185,454 | 186,212 | 182,251 | 182,801 | 190,085 |
| Bag Sales (all customers) | 334,125 | 288,750 | 288,738 | 271,437 | 267,688 |
| Total | \$959,671 | \$891,456 | \$885,000 | \$868,472 | \$869,157 |
| Amount Paid by City to Waste Management | \$251,869 | \$235,714 | \$227,332 | \$239,428 | \$223,051 |
| Amount per Ton Paid to Waste Management | \$68.22 | \$66.63 | \$65.09 | \$65.09 | \$61.99 |
| <u>Monthly Base Rate:</u> | | | | | |
| Residential Inside | \$9.00 | \$8.50 | \$8.50 | \$8.50 | \$8.50 |
| Residential Outside | 13.00 | 12.50 | 12.50 | 12.50 | 12.50 |

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

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

Source: City Records

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

| <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|------------------|------------------|------------------|------------------|------------------|
| \$386,024 | \$366,097 | \$342,334 | \$294,849 | \$291,252 |
| 194,305 | 207,471 | 203,805 | 136,612 | 141,192 |
| <u>254,313</u> | <u>287,938</u> | <u>267,579</u> | <u>236,150</u> | <u>241,800</u> |
| <u>\$834,642</u> | <u>\$861,506</u> | <u>\$813,718</u> | <u>\$667,611</u> | <u>\$674,244</u> |
| <u>\$206,999</u> | <u>\$215,993</u> | <u>\$220,755</u> | <u>\$219,332</u> | <u>\$180,182</u> |
| \$59.15 | \$55.09 | \$53.55 | \$51.00 | \$41.60 |
| \$8 | \$7 | \$7 | \$6 | \$6 |
| 12 | 11 | 11 | 10 | 10 |

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

| Year | Governmental Activities | | | | Business-Type Activities | | |
|------|--------------------------------|------------------|-----------|-------------------|--------------------------------|------------------------------|------------------------------|
| | General Obligation Bonds | Capital Loans | Loans | Capital Leases | General Obligation Bonds | Mortgage Revenue Bonds | Due to Auglaize County |
| 2014 | \$0 | \$11,870 | \$169,967 | \$59,192 | \$0 | \$7,250,000 | \$0 |
| 2013 | 0 | 23,283 | 208,473 | 0 | 0 | 7,705,000 | 0 |
| 2012 | 225,000 | 34,257 | 245,506 | 0 | 0 | 8,130,000 | 1,250 |
| 2011 | 440,000 | 44,809 | 281,121 | 0 | 0 | 8,540,000 | 3,750 |
| 2010 | 750,428 | 54,955 | 315,374 | 0 | 23,300 | 8,940,000 | 6,250 |
| 2009 | 1,071,228 | 0 | 348,316 | 0 | 45,900 | 9,315,000 | 8,750 |
| 2008 | 1,397,951 | 0 | 0 | 0 | 67,900 | 9,655,196 | 11,250 |
| 2007 | 1,805,581 | 31,024 | 0 | 0 | 89,300 | 9,986,450 | 13,750 |
| 2006 | 2,218,912 | 61,098 | 0 | 0 | 110,300 | 10,308,232 | 16,250 |
| 2005 | 2,627,902 | 90,251 | 0 | 0 | 130,900 | 3,050,543 | 18,750 |

Source: City Records

(1) See S-39 for population and personal income. These ratios are calculated using population and personal income for the prior calendar year.

| OWDA Loans | Capital Loans | Loans | Capital Leases | Total Debt | Per Capita (1) | Percentage of Personal Income (1) |
|---------------|------------------|-----------|-------------------|---------------|-------------------|---|
| \$16,527,575 | \$11,870 | \$431,055 | \$0 | \$24,461,529 | \$2,481 | 9.06% |
| 12,393,522 | 71,842 | 528,711 | 34,925 | 20,965,756 | 2,133 | 7.79 |
| 8,919,074 | 129,624 | 622,630 | 68,563 | 18,375,904 | 1,867 | 7.54 |
| 8,833,359 | 185,295 | 712,955 | 100,962 | 19,142,251 | 1,940 | 7.84 |
| 8,743,063 | 266,866 | 799,824 | 0 | 19,900,060 | 2,103 | 11.08 |
| 4,853,063 | 280,568 | 883,369 | 0 | 16,806,194 | 1,781 | 9.39 |
| 1,007 | 80,256 | 0 | 0 | 11,213,560 | 1,189 | 6.27 |
| 0 | 126,906 | 0 | 0 | 12,053,011 | 1,258 | 6.63 |
| 0 | 57,749 | 0 | 0 | 12,772,541 | 1,330 | 7.01 |
| 0 | 105,765 | 0 | 0 | 6,024,111 | 632 | 3.33 |

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

| Year | Population | Estimated Actual Value | Gross Bonded Debt | Ratio of Bonded Debt to Estimated Actual Value | Bonded Debt Per Capita |
|------|------------|------------------------|-------------------|--|------------------------|
| 2014 | 9,861 | \$432,047,307 | \$0 | 0.00% | \$0.00 |
| 2013 | 9,830 | 435,047,985 | 0 | 0.00 | 0.00 |
| 2012 | 9,843 | 433,492,344 | 225,000 | 0.05 | 22.86 |
| 2011 | 9,867 | 440,725,489 | 440,000 | 0.10 | 44.59 |
| 2010 | 9,464 | 439,389,903 | 773,728 | 0.18 | 81.75 |
| 2009 | 9,438 | 446,494,531 | 1,117,128 | 0.25 | 118.36 |
| 2008 | 9,432 | 477,567,757 | 1,465,851 | 0.31 | 155.41 |
| 2007 | 9,579 | 471,313,666 | 1,894,881 | 0.40 | 197.82 |
| 2006 | 9,602 | 452,479,341 | 2,329,212 | 0.51 | 242.58 |
| 2005 | 9,531 | 405,372,119 | 2,758,802 | 0.68 | 289.46 |

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

City of Wapakoneta
 Computation of Direct and Overlapping Debt for Governmental Activities
 December 31, 2014

| Jurisdiction | Outstanding Debt | Percentage Applicable to City of Wapakoneta (1) | Amount Applicable to City of Wapakoneta |
|---------------------------------|-------------------------|--|--|
| City of Wapakoneta | | | |
| Capital Loans | \$11,870 | 100.00% | \$11,870 |
| Loans | 169,967 | | 169,967 |
| Capital Leases | 59,192 | | 59,192 |
| | 241,029 | | 241,029 |
| Wapakoneta City School District | 22,890,000 | 39.12 | 8,954,568 |
| Total | <u>\$23,131,029</u> | | <u>\$9,195,597</u> |

Source: City Records
 Ohio Municipal Advisory Council

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

City of Wapakoneta
 Computation of Legal Debt Margin
 Last Ten Years

| | 2014 | 2013 | 2012 | 2011 |
|--|----------------------|----------------------|----------------------|----------------------|
| Total Assessed Valuation | <u>\$151,891,380</u> | <u>\$152,902,590</u> | <u>\$151,979,280</u> | <u>\$154,502,190</u> |
| Overall Debt Limitation - 10.5 Percent of Assessed Valuation | 15,948,595 | 16,054,772 | 15,957,824 | 16,222,730 |
| Gross Indebtedness | 24,402,337 | 20,930,831 | 18,306,091 | 19,037,539 |
| Less Debt Outside Limitation | | | | |
| Bond Anticipation Notes | 0 | 0 | 0 | 0 |
| General Obligation Bonds | 0 | 0 | 0 | 0 |
| Mortgage Revenue Bonds | 7,250,000 | 7,705,000 | 8,130,000 | 8,540,000 |
| OWDA Loans | 16,527,575 | 12,393,522 | 8,919,074 | 8,833,359 |
| Capital Loans | 11,870 | 71,842 | 129,624 | 185,295 |
| Loans Payable | <u>431,055</u> | <u>528,711</u> | <u>622,630</u> | <u>712,955</u> |
| Net Indebtedness | 181,837 | 231,756 | 504,763 | 765,930 |
| Less Fund Balance in Debt Service Fund | <u>44,316</u> | <u>44,316</u> | <u>144,972</u> | <u>245,212</u> |
| Net Debt Within 10.5 Percent Limitation | <u>137,521</u> | <u>187,440</u> | <u>359,791</u> | <u>520,718</u> |
| Legal Debt Margin Within 10.5 Percent Limitation | <u>\$15,811,074</u> | <u>\$15,867,332</u> | <u>\$15,598,033</u> | <u>\$15,702,012</u> |
| Legal Debt Margin as a Percentage of the Overall Debt Limitation | 99.14% | 98.83% | 97.75% | 96.79% |
| Unvoted Debt Limitation - 5.5 Percent of Assessed Valuation | \$8,354,026 | \$8,409,642 | \$8,358,860 | \$8,497,620 |
| Gross Indebtedness | 24,402,337 | 20,930,831 | 18,306,091 | 19,037,539 |
| Less Debt Outside Limitation | | | | |
| Bond Anticipation Notes | 0 | 0 | 0 | 0 |
| General Obligation Bonds | 0 | 0 | 0 | 0 |
| Mortgage Revenue Bonds | 7,250,000 | 7,705,000 | 8,130,000 | 8,540,000 |
| OWDA Loans | 16,527,575 | 12,393,522 | 8,919,074 | 8,833,359 |
| Capital Loans | 11,870 | 71,842 | 129,624 | 185,295 |
| Loans Payable | <u>431,055</u> | <u>528,711</u> | <u>622,630</u> | <u>712,955</u> |
| Net Indebtedness | 181,837 | 231,756 | 504,763 | 765,930 |
| Less Fund Balance in Debt Service Fund | <u>44,316</u> | <u>44,316</u> | <u>144,972</u> | <u>245,212</u> |
| Net Debt Within 5.5 Percent Limitation | <u>137,521</u> | <u>187,440</u> | <u>359,791</u> | <u>520,718</u> |
| Legal Debt Margin Within 5.5 Percent Limitation | <u>\$8,216,505</u> | <u>\$8,222,202</u> | <u>\$7,999,069</u> | <u>\$7,976,902</u> |
| Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation | 98.35% | 97.77% | 95.70% | 93.87% |

Source: City Records

| 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>\$154,310,590</u> | <u>\$157,185,780</u> | <u>\$148,055,772</u> | <u>\$151,729,644</u> | <u>\$151,223,339</u> | <u>\$138,142,815</u> |
| 16,202,612 | 16,504,507 | 15,545,856 | 15,931,613 | 15,878,451 | 14,504,996 |
| 19,915,082 | 17,130,316 | 11,861,263 | 13,112,930 | 14,313,847 | 14,724,416 |
| 0 | 300,000 | 600,000 | 990,000 | 1,450,000 | 8,588,400 |
| 23,300 | 45,900 | 67,900 | 89,300 | 110,300 | 130,900 |
| 8,940,000 | 9,315,000 | 9,670,000 | 10,015,000 | 10,350,000 | 3,105,000 |
| 8,743,063 | 4,853,063 | 1,007 | 0 | 0 | 0 |
| 266,866 | 280,568 | 80,256 | 157,930 | 118,847 | 196,016 |
| 799,824 | 883,369 | 0 | 0 | 0 | 0 |
| 1,142,029 | 1,452,416 | 1,442,100 | 1,860,700 | 2,284,700 | 2,704,100 |
| 467,448 | 539,473 | 609,729 | 520,071 | 413,201 | 301,980 |
| 674,581 | 912,943 | 832,371 | 1,340,629 | 1,871,499 | 2,402,120 |
| <u>\$15,528,031</u> | <u>\$15,591,564</u> | <u>\$14,713,485</u> | <u>\$14,590,984</u> | <u>\$14,006,952</u> | <u>\$12,102,876</u> |
| 95.84% | 94.47% | 94.65% | 91.59% | 88.21% | 83.44% |
| \$8,487,082 | \$8,645,218 | \$8,143,067 | \$8,345,130 | \$8,317,284 | \$7,597,855 |
| 19,915,082 | 17,130,316 | 11,861,263 | 13,112,930 | 14,313,847 | 14,724,416 |
| 0 | 300,000 | 600,000 | 990,000 | 1,450,000 | 8,588,400 |
| 23,300 | 45,900 | 67,900 | 89,300 | 110,300 | 130,900 |
| 8,940,000 | 9,315,000 | 9,670,000 | 10,015,000 | 10,350,000 | 3,105,000 |
| 8,743,063 | 4,853,063 | 1,007 | 0 | 0 | 0 |
| 266,866 | 280,568 | 80,256 | 157,930 | 118,847 | 196,016 |
| 799,824 | 883,369 | 0 | 0 | 0 | 0 |
| 1,142,029 | 1,452,416 | 1,442,100 | 1,860,700 | 2,284,700 | 2,704,100 |
| 467,448 | 539,473 | 609,729 | 520,071 | 413,201 | 301,980 |
| 674,581 | 912,943 | 832,371 | 1,340,629 | 1,871,499 | 2,402,120 |
| <u>\$7,812,501</u> | <u>\$7,732,275</u> | <u>\$7,310,696</u> | <u>\$7,004,501</u> | <u>\$6,445,785</u> | <u>\$5,195,735</u> |
| 92.05% | 89.44% | 89.78% | 83.94% | 77.50% | 68.38% |

City of Wapakoneta
Pledged Revenue
Water Fund
Last Six Years

| Year | Gross Revenues (1) | Operating Expenses (2) | Net Revenue Available for Debt Service | Debt Service Requirements (3) | | | Coverage |
|------|--------------------|------------------------|--|-------------------------------|-----------|-----------|----------|
| | | | | Principal | Interest | Total | |
| 2014 | \$1,833,207 | \$1,099,767 | \$733,440 | \$107,093 | \$414,804 | \$521,897 | 1.41 |
| 2013 | 1,734,258 | 1,086,316 | 647,942 | 183,042 | 398,689 | 581,731 | 1.11 |
| 2012 | 1,613,831 | 1,010,596 | 603,235 | 136,798 | 431,735 | 568,533 | 1.06 |
| 2011 | 1,563,522 | 1,093,005 | 470,517 | 138,950 | 455,981 | 594,931 | 0.79 |
| 2010 | 1,621,188 | 720,759 | 900,429 | 0 | 1,188 | 1,188 | 757.94 |
| 2009 | 1,653,594 | 615,127 | 1,038,467 | 0 | 578 | 578 | 1,796.66 |

Source: City Records

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

Note: There was no debt for which there was pledged revenue prior to 2009.

City of Wapakoneta
Pledged Revenue
Sewer Fund
Last Ten Years

| Year | Gross Revenues (1) | Operating Expenses (2) | Net Revenue Available for Debt Service | Debt Service Requirements (3) | | | Coverage |
|------|--------------------|------------------------|--|-------------------------------|-----------|-----------|----------|
| | | | | Principal | Interest | Total | |
| 2014 | \$3,266,033 | \$1,217,489 | \$2,048,544 | \$455,000 | \$334,812 | \$789,812 | 2.59 |
| 2013 | 3,138,652 | 1,371,493 | 1,767,159 | 447,787 | 354,140 | 801,927 | 2.20 |
| 2012 | 2,718,422 | 1,174,231 | 1,544,191 | 432,900 | 372,773 | 805,673 | 1.92 |
| 2011 | 2,418,291 | 1,315,509 | 1,102,782 | 422,900 | 390,909 | 813,809 | 1.36 |
| 2010 | 1,987,702 | 1,305,730 | 681,972 | 375,000 | 407,905 | 782,905 | 0.87 |
| 2009 | 1,803,106 | 1,936,809 | (133,703) | 355,000 | 423,123 | 778,123 | (0.17) |
| 2008 | 1,879,320 | 1,324,362 | 554,958 | 345,000 | 437,210 | 782,210 | 0.71 |
| 2007 | 1,961,301 | 1,176,047 | 785,254 | 335,000 | 450,788 | 785,788 | 1.00 |
| 2006 | 1,901,842 | 1,192,376 | 709,466 | 180,000 | 291,933 | 471,933 | 1.50 |
| 2005 | 1,864,785 | 963,590 | 901,195 | 175,000 | 155,092 | 330,092 | 2.73 |

Source: City Records

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

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City of Wapakoneta
Demographic and Economic Statistics
Last Ten Years

| Year | Population (1) | Total Personal Income (2) | Per Capita Personal Income (3) | School Enrollment (4) | Unemployment Rate Auglaize County (5) |
|------|----------------|---------------------------|--------------------------------|-----------------------|---------------------------------------|
| 2014 | 9,861 | \$270,122,373 | \$27,393 | 3,144 | 3.50% |
| 2013 | 9,830 | 269,273,190 | 27,393 | 3,133 | 4.60 |
| 2012 | 9,843 | 243,673,308 | 24,756 | 3,062 | 4.80 |
| 2011 | 9,867 | 244,267,452 | 24,756 | 3,065 | 6.20 |
| 2010 | 9,464 | 179,588,864 | 18,976 | 3,036 | 8.20 |
| 2009 | 9,438 | 179,095,488 | 18,976 | 3,025 | 10.60 |
| 2008 | 9,432 | 178,981,632 | 18,976 | 3,025 | 6.80 |
| 2007 | 9,579 | 181,771,104 | 18,976 | 3,043 | 4.70 |
| 2006 | 9,602 | 182,207,552 | 18,976 | 3,023 | 4.20 |
| 2005 | 9,531 | 180,860,256 | 18,976 | 3,163 | 4.20 |

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

City of Wapakoneta
Principal Employers
Current Year and Nine Years Ago

| Employer | Type of Business | 2014 | | |
|--|--|---------------------|------|--------------------------------|
| | | Number of Employees | Rank | Percentage of Total Employment |
| Auglaize County | Government | 450 | 1 | 9.02% |
| General Aluminum Manufacturing Company | Aluminum Manufacturing | 309 | 2 | 6.20 |
| Wapakoneta City School District | Government | 284 | 3 | 5.69 |
| Wal-Mart Stores East LP | Retail Business | 210 | 4 | 4.21 |
| American Trim Limited | Metal Stamping | 171 | 5 | 3.43 |
| Miller's Textile Services, Inc. | Uniform Rentals | 148 | 6 | 2.97 |
| Trupointe | Agricultural Commodities Supplier | 118 | 7 | 2.37 |
| GA Wintzer & Son Company | Manufacturing | 109 | 8 | 2.19 |
| Koneta, Inc. | Rubber Truck Accessories Manufacturing | 91 | 9 | 1.82 |
| City of Wapakoneta | Government | 81 | 10 | 1.62 |
| Auglaize Provico | Agricultural Commodities Supplier | | | |
| Ametek, Inc. | Plastic Compounds | | | |
| Frost & Company | Contractor | | | |
| Total | | <u>1,971</u> | | <u>39.52%</u> |
| Total Employment Within the City | | <u>4,987</u> | | |

Source: City Records

| 2005 | | |
|----------------------------|-------------|---------------------------------------|
| <u>Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total Employment</u> |
| 516 | 1 | 10.88% |
| 130 | 7 | 2.74 |
| 324 | 2 | 6.84 |
| 233 | 3 | 4.92 |
| 115 | 9 | 2.43 |
| 202 | 4 | 4.26 |
| 141 | 6 | 2.98 |
| 165 | 5 | 3.48 |
| 116 | 8 | 2.45 |
| <u>100</u> | 10 | <u>2.11</u> |
| <u>2,042</u> | | <u>43.09%</u> |
| <u>4,739</u> | | |

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

| Function/Program | 2014 | 2013 | 2012 | 2011 |
|---|---------------|---------------|---------------|---------------|
| General Government | | | | |
| Mayor | 1.00 | 1.00 | 1.00 | 1.00 |
| Council | 8.00 | 8.00 | 8.00 | 8.00 |
| Clerk of Council | 0.50 | 0.50 | 0.50 | 0.50 |
| Auditor | 1.00 | 1.00 | 1.00 | 1.00 |
| Treasurer | 1.00 | 1.00 | 1.00 | 1.00 |
| Income Tax Administrator | 1.00 | 1.00 | 1.00 | 1.00 |
| Income Tax Clerk | 1.00 | 1.00 | 1.00 | 1.00 |
| Law Director | 1.00 | 1.00 | 1.00 | 1.00 |
| Administrative Assistant | 1.00 | 1.00 | 1.00 | 1.00 |
| Security of Persons and Property | | | | |
| Police | 13.00 | 14.00 | 14.00 | 14.00 |
| Police - Dispatchers | 5.00 | 5.00 | 5.00 | 5.00 |
| Police - Auxiliary | 10.00 | 12.00 | 15.00 | 17.00 |
| Fire | 13.00 | 14.00 | 14.00 | 14.00 |
| Fire - Auxiliary | 10.00 | 10.00 | 12.00 | 12.00 |
| Safety Director | 1.00 | 1.00 | 1.00 | 1.00 |
| Public Health | | | | |
| Emergency Medical Services | 6.00 | 6.00 | 6.00 | 7.00 |
| Leisure Time Activities | | | | |
| Recreation Director | 1.00 | 1.00 | 1.00 | 1.00 |
| Transportation | | | | |
| Public Works | 9.00 | 10.00 | 10.00 | 10.00 |
| Basic Utility Services | | | | |
| Engineering | 3.00 | 3.00 | 3.00 | 3.00 |
| Utility Clerks | 4.00 | 4.00 | 4.00 | 2.00 |
| Electric | 10.00 | 11.00 | 11.00 | 11.00 |
| Water | 6.00 | 6.00 | 6.00 | 6.00 |
| Sewer | 4.00 | 4.00 | 4.00 | 4.00 |
| Refuse | 6.00 | 6.00 | 6.00 | 6.00 |
| Total | <u>116.50</u> | <u>122.50</u> | <u>127.50</u> | <u>128.50</u> |

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

Source: City Payroll Records

| 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 14.00 | 14.00 | 14.00 | 13.00 | 14.00 | 14.00 |
| 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| 16.00 | 14.00 | 15.00 | 14.00 | 15.00 | 15.00 |
| 15.00 | 15.00 | 15.00 | 14.00 | 14.00 | 15.00 |
| 11.00 | 13.00 | 11.00 | 11.00 | 11.00 | 14.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 7.00 | 7.00 | 9.00 | 14.00 | 14.00 | 10.00 |
| 1.00 | 1.00 | 1.00 | 0.50 | 0.50 | 0.50 |
| 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| 3.00 | 3.00 | 3.00 | 2.00 | 2.00 | 4.00 |
| 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 3.00 |
| 11.00 | 11.00 | 12.00 | 13.00 | 11.00 | 12.00 |
| 6.00 | 6.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| 5.00 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 7.00 | 7.00 | 6.00 | 6.00 | 7.00 | 7.00 |
| <u>129.50</u> | <u>129.50</u> | <u>129.50</u> | <u>131.00</u> | <u>132.00</u> | <u>136.00</u> |

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

| Function/Program | 2014 | 2013 | 2012 | 2011 |
|---|--------------|--------------|--------------|--------------|
| Security of Persons and Property-Police | | | | |
| Vehicle Mileage | 113,720 | 118,841 | 116,181 | 107,529 |
| Number of Traffic Citations and Arrests | 1,023 | 1,143 | 797 | 961 |
| Number of Parking Tickets Issued | 291 | 435 | 369 | 340 |
| Dollar Amount Collected for Tickets | \$2,990 | \$4,390 | \$3,690 | \$3,400 |
| Security of Persons and Property-Fire | | | | |
| Number of EMS Calls | 1,283 | 1,260 | 1,249 | 1,074 |
| Number of Fire Calls | 39 | 21 | 17 | 38 |
| Miscellaneous Calls | 232 | 219 | 214 | 229 |
| Transportation | | | | |
| Number of Gallons of R-S-2 Used to Fill Potholes | 0 | 0 | 0 | 0 |
| Number of Pounds of Crack Sealer Used | 0 | 0 | 0 | 0 |
| General Government | | | | |
| Income Tax | | | | |
| Number of Individual Accounts | 4,765 | 5,435 | 4,996 | 4,740 |
| Number of Business Accounts | 773 | 828 | 862 | 827 |
| Number of Business Withholding Accounts | 880 | 963 | 947 | 925 |
| Total Receipts Collected | \$2,602,279 | \$2,590,749 | \$2,280,139 | \$2,271,225 |
| Amount of Interest and Penalties Charged | \$31,323 | \$26,254 | \$26,912 | \$35,654 |
| Amount of Interest and Penalties Collected | \$15,910 | \$26,293 | \$8,504 | \$25,571 |
| City Commission | | | | |
| Number of Ordinances Passed | 37 | 33 | 54 | 62 |
| Number of Resolutions Passed | 4 | 5 | 11 | 11 |
| Electric Department | | | | |
| Kilowatt Hours Used | 205,979,185 | 197,323,034 | 186,176,513 | 180,959,049 |
| City Cost of Power | \$12,656,390 | \$12,223,007 | \$11,076,435 | \$11,968,304 |
| Water Department | | | | |
| Number of Wells Operating | 7 | 7 | 7 | 10 |
| Millions of Gallons of Finished Water | 543.00 | 503.00 | 519.00 | 537.00 |
| Chlorine Used (gallons) | 17,649 | 15,275 | 14,695 | 15,799 |
| Phosphate Used (gallons) | 2,138 | 1,887 | 2,035 | 1,755 |
| Salt in Tons (regenerates softening units) | 1,861 | 1,693 | 1,571 | 1,296 |
| Number of Gallons of Water Able to be Pumped a Day Combined | 3,000,000 | 3,000,000 | 2,500,000 | 2,700,000 |
| Daily Average Consumption (gallons) | 1,450,000 | 1,400,000 | 1,350,000 | 1,470,000 |
| Maximum Daily Capacity of Treatment Plant (gallons) | 2,500,000 | 2,500,000 | 2,500,000 | 2,560,000 |
| Sewer Department | | | | |
| Number of Gallons of Sewage Treated (in millions) | 1,063 | 1,101 | 1,013 | 1,332 |
| Average Daily Flow (millions of gallons per day) | 2.91 | 3.02 | 2.76 | 3.66 |
| Maximum Daily Capacity of Treatment Plant (gallons) | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 |
| Number of Tons of N-Viro Produced (fertilizer) | 3,013 | 3,273 | 4,775 | 3,830 |
| Refuse Department | | | | |
| Number of Tons of Refuse Collected | 3,692 | 3,621 | 3,680 | 3,680 |
| Number of Trash Bags Sold (in cases of 250 bags) | 1,080 | 1,018 | 935 | 962 |
| Number of Tons of Recycling Collected | n/a | n/a | 831 | 816 |
| Number of Gallons of Used Motor Oil Collected and Recycled | 3,000 | 4,600 | 2,900 | 2,900 |
| Engineering | | | | |
| Number of Registered Contractors | 192 | 232 | 225 | 240 |
| Number of Building Permits Issued | 235 | 317 | 254 | 233 |

Source: City Records

| 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|--------------|--------------|--------------|--------------|--------------|-------------|
| 118,129 | 104,347 | 100,909 | 105,005 | 102,691 | 104,561 |
| 1,092 | 1,008 | 1,239 | 1,316 | 1,070 | 845 |
| 489 | 478 | 474 | 457 | 429 | 371 |
| \$4,630 | \$4,390 | \$4,650 | \$4,410 | \$3,870 | \$3,930 |
| 1,016 | 928 | 1,009 | 966 | 995 | 926 |
| 41 | 41 | 41 | 34 | 40 | 46 |
| 240 | 201 | 246 | 186 | 198 | 422 |
| 2,200 | 5,250 | 5,320 | 2,750 | 2,760 | 2,569 |
| 2,000 | 4,000 | 4,730 | 4,928 | 8,928 | 4,630 |
| 4,713 | 4,837 | 4,805 | 4,697 | 4,709 | 4,392 |
| 804 | 820 | 805 | 790 | 823 | 464 |
| 879 | 907 | 856 | 854 | 817 | 805 |
| \$2,244,992 | \$2,163,600 | \$2,419,511 | \$2,286,433 | \$2,290,400 | \$2,136,920 |
| \$29,401 | \$22,951 | \$19,780 | \$6,119 | \$4,901 | \$5,576 |
| \$11,130 | \$14,998 | \$6,604 | \$9,392 | \$446 | \$1,211 |
| 46 | 45 | 53 | 63 | 62 | 48 |
| 9 | 13 | 6 | 7 | 8 | 5 |
| 182,091,811 | 170,099,880 | 191,475,666 | 201,810,771 | 191,596,222 | 191,177,734 |
| \$12,224,095 | \$11,750,318 | \$12,619,613 | \$13,490,659 | \$12,707,096 | \$5,418,590 |
| 7 | 7 | 7 | 7 | 7 | 7 |
| 532.00 | 523.52 | 576.70 | 559.13 | 530.86 | 561.44 |
| 14,362 | 13,667 | 17,424 | 14,497 | 13,074 | 10,349 |
| 2,961 | 2,190 | 2,649 | 3,154 | 2,606 | 2,639 |
| 1,448 | 1,420 | 2,150 | 2,253 | 1,929 | 2,232 |
| 2,700,000 | 2,700,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| 1,579,000 | 1,576,000 | 1,576,000 | 1,530,000 | 1,540,000 | 1,540,000 |
| 2,722,000 | 2,722,000 | 2,722,000 | 2,722,000 | 2,722,000 | 2,722,000 |
| 911 | 822 | 1,281 | 1,242 | 1,141 | 1,208 |
| 2.49 | 2.25 | 3.50 | 3.40 | 3.13 | 3.31 |
| 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 8,000,000 |
| 3,152 | 3,762 | 4,460 | 4,242 | 3,460 | 3,145 |
| 4,119 | 3,575 | 3,849 | 4,169 | 4,326 | 4,346 |
| 757 | 855 | 966 | 903 | 998 | 1,058 |
| 1,077 | 1,017 | 1,305 | 1,376 | 1,338 | 1,429 |
| 2,900 | 5,300 | 5,600 | 4,800 | 4,200 | 3,800 |
| 239 | 253 | 287 | 245 | 245 | 226 |
| 213 | 194 | 264 | 223 | 206 | 192 |

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

| Function/Program | 2014 | 2013 | 2012 | 2011 |
|--|--------|--------|--------|--------|
| Security of Persons and Property-Police | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Vehicles | 12 | 9 | 11 | 11 |
| Security of Persons and Property-Fire | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Fire Trucks | 7 | 7 | 7 | 7 |
| Trailer | 1 | 1 | 1 | 1 |
| Vehicles | 3 | 3 | 2 | 2 |
| Public Health | | | | |
| Vehicles | 3 | 3 | 3 | 3 |
| Transportation | | | | |
| Streets (miles) | 46.37 | 46.20 | 46.20 | 46.16 |
| Vehicles | 22 | 22 | 22 | 22 |
| General Government | | | | |
| Vehicles | 1 | 1 | 1 | 1 |
| Electric | | | | |
| Electric Lines (miles) | 103.37 | 103.37 | 103.37 | 103.37 |
| Number of Substations | 8 | 8 | 8 | 8 |
| Vehicles | 11 | 11 | 10 | 9 |
| Water | | | | |
| Water Lines (miles) | 61.28 | 61.00 | 61.00 | 61.00 |
| Number of Treatment Plants | 2 | 2 | 2 | 2 |
| Vehicles | 9 | 9 | 8 | 8 |
| Sewer | | | | |
| Sanitary Sewer Lines (miles) | 48.39 | 48.20 | 48.20 | 48.20 |
| Storm Sewer Lines (miles) | 28.19 | 27.93 | 27.93 | 27.93 |
| Number of Treatment Plants | 1 | 1 | 1 | 1 |
| Vehicles | 4 | 4 | 4 | 4 |
| Refuse | | | | |
| Vehicles | 5 | 4 | 4 | 4 |
| Recycling | | | | |
| Vehicles | 5 | 5 | 5 | 5 |
| Engineering | | | | |
| Vehicles | 3 | 3 | 3 | 3 |

Source: City Records

| 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1 10 | 1 8 | 1 8 | 1 8 | 1 7 | 1 9 |
| 1 5 1 2 | 1 6 1 2 | 1 6 1 2 | 1 6 1 2 | 1 6 1 2 | 1 6 1 2 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 46.16 19 | 46.16 19 | 46.16 19 | 46.15 19 | 46.15 18 | 45.90 20 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 103.37 8 9 | 102.88 8 9 | 106.37 8 15 | 106.37 8 15 | 106.37 8 12 | 106.37 8 11 |
| 61.00 1 5 | 59.91 1 4 | 59.91 1 4 | 59.73 1 4 | 59.73 1 5 | 59.73 1 4 |
| 48.20 27.93 1 4 | 48.20 27.93 1 4 | 48.20 27.93 1 4 | 47.93 27.80 1 4 | 47.93 27.80 1 4 | 47.93 27.80 1 4 |
| 4 | 4 | 4 | 4 | 5 | 4 |
| 4 | 4 | 4 | 3 | 3 | 3 |
| 3 | 3 | 3 | 3 | 3 | 3 |

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Dave Yost • Auditor of State

CITY OF WAPAKONETA

AUGLAIZE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 30, 2015**