



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CITY OF WAPAKONETA
AUGLAIZE COUNTY

TABLE OF CONTENTS

| TITILE | PAGE |
|---|------|
| Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> | 1 |
| Schedule of Findings..... | 3 |
| Schedule of Prior Audit Findings..... | 4 |

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND
ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Wapakoneta
Auglaize County
P.O. Box 269
701 Parlette Court
Wapakoneta, Ohio 45895

To Members of Council:

We have audited the financial statements of the City of Wapakoneta, Auglaize County, (the City), as of and for the year ended December 31, 2001, and have issued our report thereon dated June 21, 2002, wherein we noted the City adopted Governmental Accounting Standards Board Statements 33 and 36. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-20206-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 21, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 21, 2002.

City of Wapakoneta
Auglaize County
Report of Independent Accountants on Compliance and
on Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, management, and City Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

June 21, 2002

CITY OF WAPAKONETA
AUGLAIZE COUNTY

SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2001

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

| | |
|-------------------------------|--|
| Finding Number 2001-20206-001 | |
|-------------------------------|--|

Ohio Rev. Code Sections 135.18 and 135.181(L) state that the Treasurer of a political subdivision must require the depository to provide as security an amount equal to the funds on deposit at all times. Such security may consist of federal deposit insurance, surety company bonds, or pledged securities. Also, upon request of a treasurer no more than four times per year, a public depository is required to report the amount of public monies deposited by the treasurer and secured and the total value based on the valuations described above, of the pool of securities pledged to secure public monies held by the depository, including those deposited by the treasurer.

The City did not have adequate pledged collateral coverage for monies with one of the financial institutions during the months of January through June, or during several days during the remainder of the year. Also, during January through September, another financial institution pledged securities of pooled assets included bonds and other obligations from states other than Ohio.

Pledged and pooled collateral statements should be obtained at least quarterly from the various financial institutions that the City deposits funds. The pledged and pooled collateral statements should be examined by the Treasurer and/or Auditor to ensure that adequate collateral coverage is being provided for the City's deposits and that the securities pledged and pooled are eligible.

**CITY OF WAPAKONETA
AUGLAIZE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2001**

| <u>Finding Number</u> | <u>Finding Summary</u> | <u>Fully Corrected?</u> | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i> |
|-----------------------|--|-------------------------|--|
| 2001-20206-001 | Ohio Rev. Code Section 135.18 and 135.181(L) – depository collateral | No | Partially Corrected: The depository increased the collateral coverage provided towards City deposits from July through December 2001. However, from January through June and on several dates during July through December; the City's deposits were not adequately covered by collateral. |

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



**FOR THE
YEAR ENDED December 31, 2001**

INTRODUCTORY SECTION

CITY OF WAPAKONETA, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2001

ISSUED BY
OFFICE OF THE AUDITOR
GAIL E. WALTER
CITY AUDITOR

City of Wapakoneta
Comprehensive Annual Financial Report
For the Year Ended December 31, 2001

Table of Contents

INTRODUCTORY SECTION

| | |
|---|-----|
| Title Page | i |
| Table of Contents | ii |
| Letter of Transmittal | v |
| GFOA Certificate of Achievement for Excellence in Financial Reporting | xiv |
| List of Principal Officials..... | xv |
| Organizational Chart..... | xvi |

FINANCIAL SECTION

| | |
|--|----|
| Report of Independent Accountants..... | 1 |
| General Purpose Financial Statements (Combined Statements Overview) | |
| General Purpose Financial Statements Description | 3 |
| Combined Balance Sheet - All Fund Types and Account Groups..... | 4 |
| Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types..... | 8 |
| Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Governmental Fund Types..... | 9 |
| Combined Statement of Revenues, Expenses, and Changes in Fund Equity - All Proprietary Fund Types | 13 |
| Combined Statement of Revenues, Expenses, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Proprietary Fund Types | 14 |
| Combined Statement of Cash Flows - All Proprietary Fund Types..... | 16 |
| Notes to the General Purpose Financial Statements | 18 |

City of Wapakoneta
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2001

Table of Contents
 (continued)

| | |
|--|----|
| Combining, Individual Fund, and Account Group Statements and Schedules | 51 |
| | |
| General Fund | |
| Fund Description..... | 53 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual | 54 |
| | |
| Special Revenue Funds | |
| Fund Descriptions | 57 |
| Combining Balance Sheet..... | 58 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances..... | 60 |
| Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual | 62 |
| | |
| Debt Service Funds | |
| Fund Descriptions | 71 |
| Combining Balance Sheet..... | 72 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances..... | 73 |
| | |
| Capital Projects Funds | |
| Fund Descriptions | 75 |
| Combining Balance Sheet..... | 76 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances..... | 78 |
| Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual | 80 |
| | |
| Enterprise Funds | |
| Fund Descriptions | 85 |
| Combining Balance Sheet..... | 86 |
| Combining Statement of Revenues, Expenses, and Changes in Fund Equity | 90 |
| Schedules of Revenues, Expenses, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual | 92 |
| Combining Statement of Cash Flows | 97 |
| | |
| Internal Service Fund | |
| Fund Description..... | 99 |

City of Wapakoneta
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2001

Table of Contents
 (continued)

| | |
|---|-----|
| Agency Funds | |
| Fund Descriptions | 101 |
| Combining Statement of Changes in Assets and Liabilities | 102 |
| General Fixed Assets Account Group | |
| General Fixed Assets Account Group Description | 103 |
| Schedule of General Fixed Assets by Source | 105 |
| Schedule of General Fixed Assets by Program and Department | 106 |
| Schedule of Changes in General Fixed Assets by Program and Department | 108 |
| STATISTICAL SECTION | |
| Statistical Section Description | 109 |
| Governmental Fund Type Expenditures by Program - Last Ten Years | 110 |
| Governmental Fund Type Revenues by Source - Last Ten Years | 112 |
| Property Tax Levies and Collections - Last Ten Years | 115 |
| Assessed and Estimated Actual Value of Taxable Property - Last Ten Years | 116 |
| Property Tax Rates - Direct and Overlapping Governments - Last Ten Years | 118 |
| Principal Real Property Taxpayers | 119 |
| Principal Personal Property Taxpayers | 120 |
| Special Assessment Billings and Collections - Last Ten Years | 121 |
| Computation of Legal Debt Margin | 122 |
| Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita - Last Ten Years | 123 |
| Ratio of Annual Debt Principal for General Bonded Debt to Total Governmental Fund Type Expenditures - Last Ten Years | 124 |
| Computation of Direct and Overlapping Debt | 125 |
| Revenue Bond Coverage - Sewer Fund - Last Ten Years | 126 |
| Demographic Statistics - Last Ten Years | 127 |
| Property Value, Construction, and Bank Deposits - Last Ten Years | 128 |
| Miscellaneous Statistics | 129 |



June 21, 2002

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

We are pleased to present the City of Wapakoneta's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2001. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City, specifically the City Auditor's Office. To the best of our knowledge, the data presented is accurate in all material respects and is reported in an organized, comprehensive, and informative manner. All information regarding the City's financial activities has been disclosed.

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

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

The City of Wapakoneta is not required by law to prepare a CAFR. However, the City Council and Administration believe the preparation of a CAFR increases fiscal controls and provides more meaningful financial information to citizens and investors.

CITY ORGANIZATION

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



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Donald R. Wittwer
Mayor
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Director of Public Service and Safety
(419) 738-6111

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

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

The City's reporting entity has been defined in accordance with principles established by Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the City. Component units are legally separate organizations that are fiscally dependent on the City or for which the City is financially accountable. There were no component units of the City of Wapakoneta in 2001.

ECONOMIC CONDITION AND OUTLOOK

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

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

In 1991, the City annexed the six hundred eleven acre West Central Ohio Industrial Park (WCOIP) located south of U.S. 33 and west of I-75. It is intersected by the main track line for CSX railroad with spur lines available for companies. City utilities, electric, water, and sewer lines, have been extended to the entire six hundred eleven acres. Curbed streets and service roads were partly financed with a grant from the Ohio Department of Transportation. The WCOIP is now leasing and is aggressively contacting new industry to occupy more space in this location. Amcast Automotive Corporation, an automobile component manufacturing industry, has been a thriving entity since 1997. Other businesses which have constructed buildings and are currently occupying the industrial park are Millers Laundry, CTL Engineering, and On Time Machine.

The City hosts many and varied retail and professional businesses which are of an outstanding quality and commitment to the community. Our "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 issued one hundred seventy building permits during 2001, including twenty-one for new residences, forty-three additions to current residences, and nine commercial permits. The remaining permits consist of sidewalks, street openings, water, sewer, and miscellaneous. The future remains bright for the City because of an aggressive effort to address local issues, enhance economic development, provide optimism, and anticipate potential for its citizens.

MAJOR INITIATIVES

Again in 2001, the City of Wapakoneta continued to improve its facilities and infrastructure to serve its citizens. This includes the continuation of the sidewalk, curb, and gutter program and construction and reconstruction of streets within the City, including reconstructing West Auglaize Street from Pearl Street to the edge of town and Ohio Street from Benton Street to Mechanic Street. Continuing in 2001, was a program, in conjunction with the sidewalk program, whereby Ohio Department of Transportation (ODOT) monies are used to construct the walking trail connecting Belcher Park and the YMCA. This walking trail follows the Auglaize River behind town, west to the middle school, and north to the YMCA.

For the Year The City advertised for bids and hired a contractor to build a 1.5 million gallon water tower for the West Central Ohio Industrial Park (WCOIP) on the southeast side of Wapakoneta. Construction of the water tower began in 2000 and was completed in 2001. This is a major structure that is visible from I-75 and U.S. 33 and will certainly make the City noticed more easily by travelers. The WCOIP currently has thirty acres occupied, and the Wapakoneta Industrial Park currently has thirty-nine acres occupied.

During 2001, the City took a very positive step forward in expanding its water facilities. Approximately ninety-three acres of land was purchased from local farmers. This land is the site of wells that are drilled and capped but not in operation yet. Each of the new wells produced approximately 725 gallons per minute during the twenty-four hour pump tests. This area will also house the new satellite water treatment plant and a new electrical delivery point to American Electric Power. An engineering design agreement was executed with Poggemeyer Design Group of Bowling Green, Ohio, for the design of the proposed satellite treatment facility. Negotiations are underway to purchase an additional 21.5 acres of land for this purpose.

In 2001, the City hired an engineering firm to work with our water department and engineering staff to computerize our water distribution and sewer systems. Hopefully, the same will be done with our storm sewer and electrical systems in the near future.

During 2001, the City finished its wastewater biosolids facility. The cost of the facility was approximately \$2 million and it was operational in 2001. This new facility is a terrific asset to the community and should keep the Ohio EPA very satisfied with our biosolids disposal program. The facility uses the "N-Viro" technology as it stabilizes primary and waste-activated sludge. Polymer, lime, and kiln dust are the three major ingredients required to make the process work. Most of the "N-Viro" soil generated at the new facility in 2001 was spread on the landfill cap and at the City farm. New markets for this material are being researched and developed for the future. The wastewater treatment plant also sells this material to citizens in the community for their gardens and lawns.

The Wapakoneta electric department extended its 69 KVA line which exists on the west side of the Water Street bridge from Harrison Street to the CSX railroad. This was done in conjunction with one of two Ohio Department of Transportation bridge projects in Wapakoneta. Both the State Route 67 (Wood Street) and the Water Street bridge were reconstructed. The Water Street bridge was also widened and sidewalks, curbs, and gutters were added.

The second major electric department project for the year was the Lewis R. Knoch substation. This was constructed just north of Commerce Drive at a site adjacent to the new water tower. The substation is very near completion at this time and should be in operation sometime in 2002.

The City continued its program of reconstructing sidewalks, curbs, and gutters on selected streets, and 2001 concluded the eighth successful year with an awareness for safety and property improvement.

The City police department's "bike patrol" has helped the department patrol the downtown and be more accessible to the public and their needs. In 2001, the bike patrol logged two hundred seventy-three hours. The patrol consists of three officers who participated in the Bicycle Safety Presentation - Optimist Club, YMCA Safety Day, Minster Octoberfest, Celina Police Department Bicycle Competition, Mount Vernon Police Department Bicycle Competition, Bicycle Safety Presentation - New Knoxville Youth Group, Make-A-Wish Foundation - Escorted Runner, and the Bicycle Safety Presentation - YMCA.

For the Future. The City of Wapakoneta has scheduled the following projects for 2002: East Benton Street, East Mechanic Street, Silver Street, and Gardenia Street reconstruction; the 2002 sidewalk program, and Willipie Street and Perry Street pavement repair.

The City projects that are being done with grant money include handicap restroom renovations at the water department and fire department. Both of these projects are currently underway. Grants applied for, but not yet approved, include a gazebo at Harmon Park and an Auglaize Street Downtown Walkway.

A new water department satellite plant is underway with the hiring of a design firm and the purchasing of property on which to construct this new facility. The project is very exciting for the water department, as well as important for the continued growth of the City.

The City continues its relationship with its Sister City, Lengrich, Germany. This is an ongoing partnership which was formally signed in July 1994. In 2001, six students from Wapakoneta traveled to Lengrich, Germany for approximately one month. Twenty-six German students traveled to Wapakoneta and spent sixty days in the United States. Five of these students remained in Wapakoneta and attended school until mid-January 2002.

The City of Wapakoneta continues its commitment to such programs as Tree City, the maintenance of our sidewalks, curbs, and gutters, and ADA intersections. The City of Wapakoneta is committed to keeping the City healthy and beautiful. We received the distinct award of "Tree City" for the fourteenth year. To keep this an ongoing program, the City supports Arbor Day festivities each year with the teachers and students to educate our youth in the importance of trees.

UTILITY SERVICES

The City of Wapakoneta purchases electricity from the Ohio Power Company and from American Municipal Power - Ohio (AMP-OHIO) distributing the power through its own system. The distribution system includes seven substations owned and operated by the City, 9.92 miles of 69,000 KV transmission lines, 12.83 miles of 7,200/12,470 KV lines, and 75.47 miles of 24,000/4,160 KV lines. System usage is 18-24 megawatts per day (MWD) serving 5,069 users; 4,451 residential, 606 commercial, and 12 industrial.

The City's waterworks system operates five wells at all times, with two stand-by wells employed during peak demand. Well capacity is 3,020 gallons per minute. Combined storage at the City's three water towers is 1.52 million gallons, with 400,000 gallons in underground storage. Wapakoneta's water treatment plant currently operates at 1.6411 million gallons per day. The City's water system serves 4,192 customers; 3,777 residential, 396 commercial, and 19 industrial.

The capacity of the City's wastewater treatment plant is four million gallons per day, with an average dry weather flow of 2.6 million gallons per day. Built in 1984, the plant has approximately 220,000 feet of pipe and serves 4,059 customers; 3,677 residential, 364 commercial, and 18 industrial.

The City of Wapakoneta also operates its own refuse collection department, offering the service to all residents of the City as well as to many commercial and industrial establishments. The City serves 4,044 customers; 3,836 residential and 208 commercial. The City had sales of approximately \$225,200 for trash bags in 2001. The City is hauling garbage to Waste Management in Lima, Ohio.

The City of Wapakoneta currently provides curbside recycling service to all residential refuse customers, including those living in apartments. The City has been able to provide this service as a result of two grants received from the Ohio Department of Natural Resources. Several years ago, the State of Ohio mandated the percentage of collected refuse a community has to recycle. In 2001, the City's recycling percentage was 34 percent, which is 1,524 tons of recyclables. Approximately 3,400 gallons of used motor oil was collected and recycled by using it to operate the furnace in the public works building. In 2001, 3,917 tons of refuse was collected and one hundred thirty-four dumpsters were placed within the City at private residences and special events. The compost farm had 4,613 vehicles come to discard composting materials and sold fifty-five loads of mulch.

FINANCIAL INFORMATION

The City's records are maintained on a cash basis for all fund types. Following year end closing, adjusting entries are prepared for the various funds to convert the cash basis records to the modified accrual basis for all governmental fund types and agency funds and to the accrual basis for proprietary fund types. The modified accrual basis of accounting requires that revenues be recognized when they are both measurable and available. Expenditures, other than interest and principal on long-term debt, are generally recorded as liabilities when incurred. The accrual basis of accounting used for proprietary funds recognizes revenues when earned and expenses when incurred.

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

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

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibilities for sound financial management.

General Government Functions

The governmental fund types encompass the general, special revenue, debt service, and capital projects funds. For the year ended December 31, 2001, governmental fund types' revenues, percent of total, change from the prior year, and percent of increase (decrease) from the prior year are summarized below:

| Revenue by Source | 2000 | 2001 | Percent of Total | Change | Percent of Increase (Decrease) |
|------------------------|--------------------|--------------------|------------------|-----------------|--------------------------------|
| Property taxes | \$417,206 | \$442,248 | 8.69% | \$25,042 | 6.00% |
| Municipal income taxes | 1,969,733 | 1,962,036 | 38.58 | (7,697) | (.39) |
| Other local taxes | 70,505 | 74,369 | 1.46 | 3,864 | 5.48 |
| Excise taxes | 0 | 376,215 | 7.40 | 376,215 | 100.00 |
| Special assessments | 130,163 | 117,346 | 2.31 | (12,817) | (9.85) |
| Charges for services | 229,286 | 272,803 | 5.36 | 43,517 | 18.98 |
| Licenses and permits | 2,204 | 8,367 | 0.16 | 6,163 | 279.63 |
| Fines and forfeitures | 31,762 | 27,784 | 0.55 | (3,978) | (12.52) |
| Intergovernmental | 1,161,408 | 1,097,920 | 21.59 | (63,488) | (5.47) |
| Interest | 947,108 | 658,342 | 12.94 | (288,766) | (30.49) |
| Donations | 16,013 | 16,139 | 0.32 | 126 | .79 |
| Other | 20,055 | 32,605 | 0.64 | 12,550 | 62.58 |
| Total revenues | <u>\$4,995,443</u> | <u>\$5,086,174</u> | <u>100.00%</u> | <u>\$90,731</u> | |

The addition of excise taxes occurred as a result of the kilowatt hour tax collection which began in May of 2001.

The increase in licenses and permits are a result of an increase in the zoning fees.

Interest revenue decreased because the interest rates have dropped dramatically even though the funds invested have changed very little.

The City received various miscellaneous reimbursements in 2001 that were not received in 2000, therefore, there was an increase in other revenues.

Governmental fund types' expenditures, percent of total, change from the prior year, and percent of increase (decrease) from the prior year are summarized below:

| Expenditures by Program | 2000 | 2001 | Percent of Total | Change | Percent of Increase (Decrease) |
|----------------------------------|--------------------|--------------------|------------------|------------------|--------------------------------|
| Security of persons and property | \$1,888,102 | \$2,067,961 | 45.03% | \$179,859 | 9.53% |
| Public health | 140,122 | 167,644 | 3.65 | 27,522 | 19.64 |
| Leisure time activities | 213,946 | 207,117 | 4.51 | (6,829) | (3.19) |
| Community environment | 80,554 | 119,936 | 2.61 | 39,382 | 48.89 |
| Transportation | 572,516 | 471,610 | 10.27 | (100,906) | (17.63) |
| General government | 313,240 | 366,113 | 7.97 | 52,873 | 16.88 |
| Capital outlay | 254,739 | 723,227 | 15.75 | 468,488 | 183.91 |
| Principal retirement | 397,201 | 325,059 | 7.08 | (72,142) | (18.16) |
| Interest and fiscal charges | 157,344 | 143,798 | 3.13 | (13,546) | (8.61) |
| Total expenditures | <u>\$4,017,764</u> | <u>\$4,592,465</u> | <u>100.00%</u> | <u>\$574,701</u> | |

The increase in community environment is the result of expenditures for restoring the river bank and for the tree commission being paid through the General Fund.

Capital outlay expenditures represent costs incurred under normal operations of the capital projects funds. The increase was the result of more intensive street projects.

Enterprise Funds

The City's enterprise funds consist of the Electric, Water, Sewer, Storm Sewer, and Refuse funds. The enterprise funds are supported by user fees. Additional refuse charges were enacted in 1993 to defray the costs of landfill closure and postclosure and the disposal of yard waste. The City increased sewer rates in July 1998 in an effort to stay ahead of increasing costs with EPA changes and expanded usage. Also, an increase in water rates was approved effective January 1, 2000. This was the first increase in water charges since 1986.

| | Total Assets | Total Equity | Income Before Operating Transfers | Return on Assets | Return on Equity |
|-------------|-----------------|-----------------|---|---------------------|---------------------|
| Electric | \$16,948,379 | \$14,301,904 | \$855,799 | 5.05% | 5.98% |
| Water | 6,478,320 | 3,588,359 | 255,772 | 3.95 | 7.13 |
| Sewer | 9,123,539 | 4,098,988 | 77,993 | .85 | 1.90 |
| Storm Sewer | 1,295,699 | 1,266,756 | 67,396 | 5.20 | 5.32 |
| Refuse | 1,346,490 | (416,727) | 178,286 | 13.24 | 0.00 |

Internal Service Fund

The City's Engineering internal service fund provides engineering services to all City departments. Departments and capital projects are charged hourly rates for services provided by the engineering staff.

| | Total Assets | Total Equity | Income Before Operating Transfers | Return on Assets | Return on Equity |
|-------------|-----------------|-----------------|---|---------------------|---------------------|
| Engineering | \$80,293 | \$49,439 | \$14,786 | 18.42% | 29.91% |

DEBT ADMINISTRATION

At December 31, 2001, the City had outstanding bond anticipation notes, in the amount of \$130,186 for street and sewer improvements, in the amount of \$1,800,000 for construction, installation, and equipping of a new substation and new transmission lines for use in the City's electric system, in the amount of \$1,400,000 for the construction of a 1.5 million gallon water tower in the West Central Ohio Industrial Park, in the amount of \$375,000 for construction of the biosolids plant, in the amount of \$234,977 for landfill closure and in the amount of \$921,000 split between the Water and Sewer funds as \$561,810 and \$359,190, respectively, for payment of the Ohio Water Development Authority loans.

The City's long-term obligations outstanding at December 31, 2001, consisted of \$3,705,000 in general obligation bonds, \$3,760,000 in mortgage revenue refunding bonds, and \$943,414 in an OWDA loan. The City's 1998 mortgage revenue refunding bonds, the latest bonds issued by the City, received a Baa1 rating from Moody's Investors Service, Inc. Long-term obligations payable from enterprise fund resources are presented as liabilities in the respective enterprise fund.

Under state statutes, the City's debt limitation is 10.5 percent of the total assessed property valuation. As of December 31, 2001, the City's net debt of \$3,774,491 was well below the legal limit of \$14,491,276. A complete discussion of the City's outstanding debt is provided in Notes 17 and 18 to the combined financial statements.

CASH MANAGEMENT

Cash management is a vital component of the City's overall financial strategy. Investment of City funds is a shared responsibility between the City's Auditor and Treasurer. The City has a conservative investment policy to minimize risk, while maintaining competitive yields, and tries to keep the majority of the funds invested locally. The City utilizes a variety of investment tools: certificates of deposit, mutual funds, and the State Treasurer's investment pool. Investment revenue is prorated to funds under Ohio Revised Code Sections 135.21 and 5705.10.

RISK MANAGEMENT

The City maintains various insurance coverage including property, liability, and vehicle insurance. A detailed description of the City's risk management may be found in Note 12 to the general purpose financial statements. The City provides for employee health insurance through Anthem Blue Cross/Blue Shield.

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.

OTHER INFORMATION

Independent Audit

Included in this report is an unqualified opinion rendered on the City's financial statements for the year ended December 31, 2001, by Jim Petro, Auditor of State. City management plans to continue to subject the City's financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wapakoneta for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2000. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.


In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Wapakoneta has received a Certificate of Achievement for the last eleven consecutive years (1990-2000). We believe that our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Acknowledgments

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

Respectfully submitted,

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

Gail E. Walter
City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wapakoneta,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2000

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



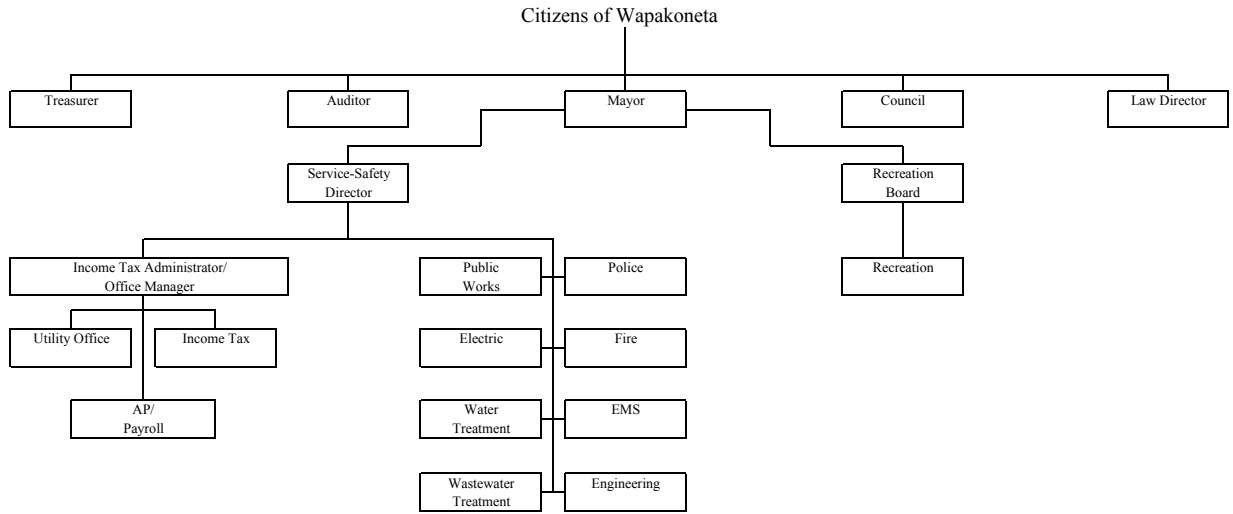
Imelda Chew
President

Jeffrey L. Esler
Executive Director

**CITY OF WAPAKONETA
LIST OF PRINCIPAL OFFICIALS**

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

City of Wapakoneta Organizational Chart



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FINANCIAL SECTION

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Members of Council:

We have audited the accompanying general purpose financial statements of the City of Wapakoneta, Auglaize County, (the City), as of and for the year ended December 31, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Wapakoneta, Auglaize County, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2001, the City adopted Governmental Accounting Standards Board Statements 33 and 36.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2002, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general purpose financial statements of the City, taken as a whole. The combining and individual fund statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

June 21, 2002

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General Purpose Financial Statements

The general purpose financial statements of the City include general purpose basic financial statements, presented by fund type and account group, and notes to the financial statements that are essential to the fair presentation of financial position and results of operations, and of cash flows of the proprietary fund types.

City of Wapakoneta

Combined Balance Sheet
All Fund Types and Account Groups
December 31, 2001

| | Governmental Fund Types | | | |
|---|-------------------------|--------------------|------------------|--------------------|
| | General | Special Revenue | Debt Service | Capital Projects |
| <u>Assets and other debits</u> | | | | |
| Assets | | | | |
| Equity in pooled cash and cash equivalents | \$1,436,925 | \$718,737 | \$60,695 | \$940,934 |
| Investments | 0 | 885,357 | 0 | 0 |
| Receivables: | | | | |
| Property taxes | 344,897 | 106,898 | 0 | 0 |
| Municipal income taxes | 495,952 | 0 | 0 | 0 |
| Other local taxes | 0 | 37,798 | 0 | 0 |
| Excise taxes | 0 | 0 | 0 | 0 |
| Special assessments | 0 | 0 | 128,832 | 249,183 |
| Accounts | 96,182 | 1,881 | 0 | 0 |
| Intergovernmental | 360,910 | 173,068 | 0 | 0 |
| Accrued interest | 7,843 | 0 | 0 | 0 |
| Notes | 0 | 55,187 | 0 | 0 |
| Interfund | 199,442 | 0 | 0 | 0 |
| Due from other funds | 0 | 0 | 0 | 0 |
| Materials and supplies inventory | 11,704 | 22,019 | 0 | 0 |
| Prepaid items | 16,994 | 2,279 | 0 | 1,110 |
| Restricted assets: | | | | |
| Equity in pooled cash and cash equivalents | 0 | 0 | 0 | 0 |
| Cash and cash equivalents with fiscal agents | 0 | 0 | 0 | 0 |
| Unamortized bond issue costs | 0 | 0 | 0 | 0 |
| Fixed assets (net, where applicable, of accumulated depreciation) | 0 | 0 | 0 | 0 |
| Other debits | | | | |
| Amount available in debt service fund for retirement of general long-term obligations | 0 | 0 | 0 | 0 |
| Amount to be provided for retirement of general long-term obligations | 0 | 0 | 0 | 0 |
| Total assets and other debits | <u>\$2,970,849</u> | <u>\$2,003,224</u> | <u>\$189,527</u> | <u>\$1,191,227</u> |

| Proprietary Fund Types | | Fiduciary Fund Type | Account Groups | | Total (Memorandum Only) |
|------------------------|------------------|---------------------|----------------------|-------------------------------|----------------------------|
| Enterprise | Internal Service | Agency | General Fixed Assets | General Long-Term Obligations | |
| \$12,257,128 | \$40,556 | \$20,596 | \$0 | \$0 | \$15,475,571 |
| 0 | 0 | 0 | 0 | 0 | 885,357 |
| 0 | 0 | 0 | 0 | 0 | 451,795 |
| 0 | 0 | 0 | 0 | 0 | 495,952 |
| 0 | 0 | 0 | 0 | 0 | 37,798 |
| 53,215 | 0 | 0 | 0 | 0 | 53,215 |
| 0 | 0 | 0 | 0 | 0 | 378,015 |
| 1,476,289 | 0 | 0 | 0 | 0 | 1,574,352 |
| 14,672 | 0 | 0 | 0 | 0 | 548,650 |
| 0 | 0 | 0 | 0 | 0 | 7,843 |
| 0 | 0 | 0 | 0 | 0 | 55,187 |
| 0 | 0 | 0 | 0 | 0 | 199,442 |
| 20,198 | 0 | 0 | 0 | 0 | 20,198 |
| 1,053,477 | 1,818 | 0 | 0 | 0 | 1,089,018 |
| 57,207 | 1,009 | 0 | 0 | 0 | 78,599 |
| 118,724 | 0 | 0 | 0 | 0 | 118,724 |
| 369,341 | 0 | 0 | 0 | 0 | 369,341 |
| 131,713 | 0 | 0 | 0 | 0 | 131,713 |
| 19,640,463 | 36,910 | 0 | 6,388,470 | 0 | 26,065,843 |
| 0 | 0 | 0 | 0 | 60,695 | 60,695 |
| 0 | 0 | 0 | 0 | 4,103,713 | 4,103,713 |
| <u>\$35,192,427</u> | <u>\$80,293</u> | <u>\$20,596</u> | <u>\$6,388,470</u> | <u>\$4,164,408</u> | <u>\$52,201,021</u> |

(continued)

City of Wapakoneta

Combined Balance Sheet
All Fund Types and Account Groups
December 31, 2001
(continued)

| | Governmental Fund Types | | | |
|---|-------------------------|--------------------|------------------|--------------------|
| | General | Special Revenue | Debt Service | Capital Projects |
| <u>Liabilities, fund equity, and other credits</u> | | | | |
| Liabilities | | | | |
| Accounts payable | \$38,763 | \$7,195 | \$0 | \$2,075 |
| Contracts payable | 0 | 0 | 0 | 29,285 |
| Retainage payable | 0 | 0 | 0 | 20,787 |
| Accrued wages payable | 27,123 | 2,560 | 0 | 0 |
| Compensated absences payable | 5,857 | 1,059 | 0 | 0 |
| Deposits held and due to others | 0 | 0 | 0 | 0 |
| Intergovernmental payable | 20,352 | 1,436 | 0 | 0 |
| Interfund payable | 0 | 0 | 0 | 0 |
| Due to other funds | 1,338 | 508 | 0 | 0 |
| Deferred revenue | 1,011,133 | 294,330 | 128,832 | 249,183 |
| Accrued interest payable | 0 | 0 | 0 | 890 |
| Notes payable | 0 | 0 | 0 | 130,186 |
| Payable from restricted assets: | | | | |
| Refundable deposits | 0 | 0 | 0 | 0 |
| Mortgage revenue bonds payable | 0 | 0 | 0 | 0 |
| Capital loans payable | 0 | 0 | 0 | 0 |
| General obligation bonds payable | 0 | 0 | 0 | 0 |
| Mortgage revenue bonds payable (net of unamortized loss on advance refunding) | 0 | 0 | 0 | 0 |
| OWDA loan payable | 0 | 0 | 0 | 0 |
| Landfill closure/postclosure costs | 0 | 0 | 0 | 0 |
| Total liabilities | <u>1,104,566</u> | <u>307,088</u> | <u>128,832</u> | <u>432,406</u> |
| Fund equity and other credits | | | | |
| Investment in general fixed assets | 0 | 0 | 0 | 0 |
| Retained earnings: | | | | |
| Reserved for replacement | 0 | 0 | 0 | 0 |
| Unreserved (deficit) | 0 | 0 | 0 | 0 |
| Contributed capital | 0 | 0 | 0 | 0 |
| Fund balance: | | | | |
| Reserved for notes receivable | 0 | 55,187 | 0 | 0 |
| Reserved for encumbrances | 56,436 | 17,702 | 0 | 46,152 |
| Unreserved | 1,809,847 | 1,623,247 | 60,695 | 712,669 |
| Total fund equity and other credits | <u>1,866,283</u> | <u>1,696,136</u> | <u>60,695</u> | <u>758,821</u> |
| Total liabilities, fund equity, and other credits | <u>\$2,970,849</u> | <u>\$2,003,224</u> | <u>\$189,527</u> | <u>\$1,191,227</u> |

See accompanying notes to the general purpose financial statements

| Proprietary Fund Types | | Fiduciary Fund Type | Account Groups | | Total (Memorandum Only) |
|------------------------|------------------|---------------------|----------------------|-------------------------------|----------------------------|
| Enterprise | Internal Service | Agency | General Fixed Assets | General Long-Term Obligations | |
| \$582,105 | \$580 | \$0 | \$0 | \$0 | \$630,718 |
| 147,079 | 0 | 0 | 0 | 0 | 176,364 |
| 57,201 | 0 | 0 | 0 | 0 | 77,988 |
| 26,551 | 2,566 | 0 | 0 | 0 | 58,800 |
| 256,984 | 21,739 | 0 | 0 | 374,641 | 660,280 |
| 0 | 0 | 20,596 | 0 | 0 | 20,596 |
| 98,624 | 5,788 | 0 | 0 | 84,767 | 210,967 |
| 199,442 | 0 | 0 | 0 | 0 | 199,442 |
| 18,171 | 181 | 0 | 0 | 0 | 20,198 |
| 0 | 0 | 0 | 0 | 0 | 1,683,478 |
| 77,255 | 0 | 0 | 0 | 0 | 78,145 |
| 4,730,977 | 0 | 0 | 0 | 0 | 4,861,163 |
| 96,015 | 0 | 0 | 0 | 0 | 96,015 |
| 155,000 | 0 | 0 | 0 | 0 | 155,000 |
| 53,977 | 0 | 0 | 0 | 0 | 53,977 |
| 0 | 0 | 0 | 0 | 3,705,000 | 3,705,000 |
| 3,506,131 | 0 | 0 | 0 | 0 | 3,506,131 |
| 943,414 | 0 | 0 | 0 | 0 | 943,414 |
| 1,404,221 | 0 | 0 | 0 | 0 | 1,404,221 |
| <u>12,353,147</u> | <u>30,854</u> | <u>20,596</u> | <u>0</u> | <u>4,164,408</u> | <u>18,541,897</u> |
| 0 | 0 | 0 | 6,388,470 | 0 | 6,388,470 |
| 22,709 | 0 | 0 | 0 | 0 | 22,709 |
| 18,095,540 | (30,030) | 0 | 0 | 0 | 18,065,510 |
| 4,721,031 | 79,469 | 0 | 0 | 0 | 4,800,500 |
| 0 | 0 | 0 | 0 | 0 | 55,187 |
| 0 | 0 | 0 | 0 | 0 | 120,290 |
| 0 | 0 | 0 | 0 | 0 | 4,206,458 |
| <u>22,839,280</u> | <u>49,439</u> | <u>0</u> | <u>6,388,470</u> | <u>0</u> | <u>33,659,124</u> |
| <u>\$35,192,427</u> | <u>\$80,293</u> | <u>\$20,596</u> | <u>\$6,388,470</u> | <u>\$4,164,408</u> | <u>\$52,201,021</u> |

City of Wapakoneta

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended December 31, 2001

| | General | Special Revenue | Debt Service | Capital Projects | Total (Memorandum Only) |
|---|--------------------|--------------------|------------------|---------------------|-------------------------------|
| <u>Revenues</u> | | | | | |
| Property taxes | \$337,771 | \$104,477 | \$0 | \$0 | \$442,248 |
| Municipal income taxes | 1,962,036 | 0 | 0 | 0 | 1,962,036 |
| Other local taxes | 2,179 | 72,190 | 0 | 0 | 74,369 |
| Excise taxes | 376,215 | 0 | 0 | 0 | 376,215 |
| Special assessments | 0 | 0 | 85,514 | 31,832 | 117,346 |
| Charges for services | 252,729 | 20,074 | 0 | 0 | 272,803 |
| Licenses and permits | 8,367 | 0 | 0 | 0 | 8,367 |
| Fines and forfeitures | 26,225 | 1,559 | 0 | 0 | 27,784 |
| Intergovernmental | 647,912 | 450,008 | 0 | 0 | 1,097,920 |
| Interest | 593,485 | 64,857 | 0 | 0 | 658,342 |
| Donations | 3,139 | 13,000 | 0 | 0 | 16,139 |
| Other | 21,267 | 9,972 | 0 | 1,366 | 32,605 |
| Total revenues | <u>4,231,325</u> | <u>736,137</u> | <u>85,514</u> | <u>33,198</u> | <u>5,086,174</u> |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| Security of persons and property | 2,067,961 | 0 | 0 | 0 | 2,067,961 |
| Public health | 167,644 | 0 | 0 | 0 | 167,644 |
| Leisure time activities | 0 | 207,117 | 0 | 0 | 207,117 |
| Community environment | 63,866 | 56,070 | 0 | 0 | 119,936 |
| Transportation | 0 | 471,610 | 0 | 0 | 471,610 |
| General government | 366,113 | 0 | 0 | 0 | 366,113 |
| Capital outlay | 0 | 0 | 0 | 723,227 | 723,227 |
| Debt service: | | | | | |
| Principal retirement | 13,070 | 16,989 | 295,000 | 0 | 325,059 |
| Interest and fiscal charges | 705 | 892 | 137,817 | 4,384 | 143,798 |
| Total expenditures | <u>2,679,359</u> | <u>752,678</u> | <u>432,817</u> | <u>727,611</u> | <u>4,592,465</u> |
| Excess of revenues over (under) expenditures | <u>1,551,966</u> | <u>(16,541)</u> | <u>(347,303)</u> | <u>(694,413)</u> | <u>493,709</u> |
| <u>Other financing sources (uses)</u> | | | | | |
| Sale of fixed assets | 2,232 | 1,253 | 0 | 0 | 3,485 |
| Operating transfers - in | 0 | 19,000 | 343,974 | 679,206 | 1,042,180 |
| Operating transfers - out | (1,471,391) | 0 | 0 | 0 | (1,471,391) |
| Total other financing sources (uses) | <u>(1,469,159)</u> | <u>20,253</u> | <u>343,974</u> | <u>679,206</u> | <u>(425,726)</u> |
| Excess of revenues and other financing sources over (under) expenditures and other financing uses | <u>82,807</u> | <u>3,712</u> | <u>(3,329)</u> | <u>(15,207)</u> | <u>67,983</u> |
| Fund balances at beginning of year | <u>1,783,476</u> | <u>1,692,424</u> | <u>64,024</u> | <u>774,028</u> | <u>4,313,952</u> |
| Fund balances at end of year | <u>\$1,866,283</u> | <u>\$1,696,136</u> | <u>\$60,695</u> | <u>\$758,821</u> | <u>\$4,381,935</u> |

See accompanying notes to the general purpose financial statements

City of Wapakoneta

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
All Governmental Fund Types
For the Year Ended December 31, 2001

| | General Fund | | | Special Revenue Funds | | |
|--|--------------------|--------------------|--|-----------------------|------------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>Revenues</u> | | | | | | |
| Property taxes | \$337,771 | \$337,771 | \$0 | \$104,477 | \$104,477 | \$0 |
| Municipal income taxes | 2,206,327 | 2,006,327 | (200,000) | 0 | 0 | 0 |
| Other local taxes | 2,179 | 2,179 | 0 | 72,212 | 72,212 | 0 |
| Excise taxes | 326,773 | 326,773 | 0 | 0 | 0 | 0 |
| Special assessments | 0 | 0 | 0 | 0 | 0 | 0 |
| Charges for services | 247,911 | 247,906 | (5) | 16,257 | 20,074 | 3,817 |
| Licenses and permits | 8,392 | 8,392 | 0 | 0 | 0 | 0 |
| Fines and forfeitures | 27,216 | 27,216 | 0 | 850 | 1,533 | 683 |
| Intergovernmental | 603,870 | 601,310 | (2,560) | 487,046 | 451,226 | (35,820) |
| Interest | 690,213 | 624,291 | (65,922) | 82,188 | 80,734 | (1,454) |
| Donations | 2,840 | 3,139 | 299 | 35,000 | 13,000 | (22,000) |
| Revolving loan payments | 0 | 0 | 0 | 5,150 | 7,060 | 1,910 |
| Other | 21,181 | 21,196 | 15 | 2,723 | 9,972 | 7,249 |
| Total revenues | <u>4,474,673</u> | <u>4,206,500</u> | <u>(268,173)</u> | <u>805,903</u> | <u>760,288</u> | <u>(45,615)</u> |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| Security of persons and property | 2,272,903 | 2,116,251 | 156,652 | 4,245 | 0 | 4,245 |
| Public health | 197,094 | 169,302 | 27,792 | 0 | 0 | 0 |
| Leisure time activities | 0 | 0 | 0 | 264,199 | 215,194 | 49,005 |
| Community environment | 91,633 | 70,887 | 20,746 | 94,150 | 90,070 | 4,080 |
| Transportation | 0 | 0 | 0 | 539,239 | 482,066 | 57,173 |
| General government | 666,197 | 364,212 | 301,985 | 0 | 0 | 0 |
| Debt service: | | | | | | |
| Principal retirement | 13,070 | 13,070 | 0 | 16,989 | 16,989 | 0 |
| Interest and fiscal charges | 730 | 705 | 25 | 892 | 892 | 0 |
| Total expenditures | <u>3,241,627</u> | <u>2,734,427</u> | <u>507,200</u> | <u>919,714</u> | <u>805,211</u> | <u>114,503</u> |
| Excess of revenues over (under) expenditures | <u>1,233,046</u> | <u>1,472,073</u> | <u>239,027</u> | <u>(113,811)</u> | <u>(44,923)</u> | <u>68,888</u> |
| <u>Other financing sources (uses)</u> | | | | | | |
| Proceeds of notes | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of fixed assets | 2,232 | 2,232 | 0 | 1,300 | 1,253 | (47) |
| Advances - in | 50,000 | 50,000 | 0 | 0 | 0 | 0 |
| Advances - out | (108,500) | (100,000) | 8,500 | 0 | 0 | 0 |
| Operating transfers - in | 0 | 0 | 0 | 18,982 | 19,000 | 18 |
| Operating transfers - out | (1,599,000) | (1,471,391) | 127,609 | 0 | 0 | 0 |
| Total other financing sources (uses) | <u>(1,655,268)</u> | <u>(1,519,159)</u> | <u>136,109</u> | <u>20,282</u> | <u>20,253</u> | <u>(29)</u> |
| Excess of revenues and other financing sources under expenditures and other financing uses | <u>(422,222)</u> | <u>(47,086)</u> | <u>375,136</u> | <u>(93,529)</u> | <u>(24,670)</u> | <u>68,859</u> |
| Fund balances at beginning of year | 1,333,420 | 1,333,420 | 0 | 586,729 | 586,729 | 0 |
| Prior year encumbrances appropriated | 77,537 | 77,537 | 0 | 153,119 | 153,119 | 0 |
| Fund balances at end of year | <u>\$988,735</u> | <u>\$1,363,871</u> | <u>\$375,136</u> | <u>\$646,319</u> | <u>\$715,178</u> | <u>\$68,859</u> |

(continued)

City of Wapakoneta

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
All Governmental Fund Types
For the Year Ended December 31, 2001
(continued)

| | Debt Service Funds | | | Capital Projects Funds | | |
|--|--------------------|------------------|--|------------------------|------------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| <u>Revenues</u> | | | | | | |
| Property taxes | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Municipal income taxes | 0 | 0 | 0 | 0 | 0 | 0 |
| Other local taxes | 0 | 0 | 0 | 0 | 0 | 0 |
| Excise taxes | 0 | 0 | 0 | 0 | 0 | 0 |
| Special assessments | 18,000 | 18,033 | 33 | 79,873 | 99,313 | 19,440 |
| Charges for services | 0 | 0 | 0 | 0 | 0 | 0 |
| Licenses and permits | 0 | 0 | 0 | 0 | 0 | 0 |
| Fines and forfeitures | 0 | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 1,500 | 0 | (1,500) |
| Donations | 0 | 0 | 0 | 0 | 0 | 0 |
| Revolving loan payments | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 1,362 | 1,366 | 4 |
| Total revenues | <u>18,000</u> | <u>18,033</u> | <u>33</u> | <u>82,735</u> | <u>100,679</u> | <u>17,944</u> |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| Security of persons and property | 0 | 0 | 0 | 92,659 | 69,728 | 22,931 |
| Public health | 0 | 0 | 0 | 0 | 0 | 0 |
| Leisure time activities | 0 | 0 | 0 | 0 | 0 | 0 |
| Community environment | 0 | 0 | 0 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 792,063 | 681,712 | 110,351 |
| General government | 0 | 0 | 0 | 0 | 0 | 0 |
| Debt service: | | | | | | |
| Principal retirement | 144,500 | 142,820 | 1,680 | 161,150 | 159,140 | 2,010 |
| Interest and fiscal charges | 121,500 | 113,542 | 7,958 | 32,500 | 29,170 | 3,330 |
| Total expenditures | <u>266,000</u> | <u>256,362</u> | <u>9,638</u> | <u>1,078,372</u> | <u>939,750</u> | <u>138,622</u> |
| Excess of revenues over (under) expenditures | <u>(248,000)</u> | <u>(238,329)</u> | <u>9,671</u> | <u>(995,637)</u> | <u>(839,071)</u> | <u>156,566</u> |
| <u>Other financing sources (uses)</u> | | | | | | |
| Proceeds of notes | 0 | 0 | 0 | 58,765 | 130,186 | 71,421 |
| Sale of fixed assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Advances - in | 0 | 0 | 0 | 0 | 0 | 0 |
| Advances - out | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating transfers - in | 235,000 | 235,000 | 0 | 713,000 | 701,000 | (12,000) |
| Operating transfers - out | 0 | 0 | 0 | 0 | 0 | 0 |
| Total other financing sources (uses) | <u>235,000</u> | <u>235,000</u> | <u>0</u> | <u>771,765</u> | <u>831,186</u> | <u>59,421</u> |
| Excess of revenues and other financing sources under expenditures and other financing uses | <u>(13,000)</u> | <u>(3,329)</u> | <u>9,671</u> | <u>(223,872)</u> | <u>(7,885)</u> | <u>215,987</u> |
| Fund balances at beginning of year | 64,024 | 64,024 | 0 | 847,685 | 847,685 | 0 |
| Prior year encumbrances appropriated | 0 | 0 | 0 | 23,622 | 23,622 | 0 |
| Fund balances at end of year | <u>\$51,024</u> | <u>\$60,695</u> | <u>\$9,671</u> | <u>\$647,435</u> | <u>\$863,422</u> | <u>\$215,987</u> |

See accompanying notes to the general purpose financial statements

| Total (Memorandum Only) | | |
|-------------------------|--------------------|--|
| Budget | Actual | Variance Favorable (Unfavorable) |
| \$442,248 | \$442,248 | \$0 |
| 2,206,327 | 2,006,327 | (200,000) |
| 74,391 | 74,391 | 0 |
| 326,773 | 326,773 | 0 |
| 97,873 | 117,346 | 19,473 |
| 264,168 | 267,980 | 3,812 |
| 8,392 | 8,392 | 0 |
| 28,066 | 28,749 | 683 |
| 1,090,916 | 1,052,536 | (38,380) |
| 773,901 | 705,025 | (68,876) |
| 37,840 | 16,139 | (21,701) |
| 5,150 | 7,060 | 1,910 |
| 25,266 | 32,534 | 7,268 |
| <u>5,381,311</u> | <u>5,085,500</u> | <u>(295,811)</u> |
| 2,369,807 | 2,185,979 | 183,828 |
| 197,094 | 169,302 | 27,792 |
| 264,199 | 215,194 | 49,005 |
| 185,783 | 160,957 | 24,826 |
| 1,331,302 | 1,163,778 | 167,524 |
| 666,197 | 364,212 | 301,985 |
| 335,709 | 332,019 | 3,690 |
| 155,622 | 144,309 | 11,313 |
| <u>5,505,713</u> | <u>4,735,750</u> | <u>769,963</u> |
| <u>(124,402)</u> | <u>349,750</u> | <u>474,152</u> |
| 58,765 | 130,186 | 71,421 |
| 3,532 | 3,485 | (47) |
| 50,000 | 50,000 | 0 |
| (108,500) | (100,000) | 8,500 |
| 966,982 | 955,000 | (11,982) |
| (1,599,000) | (1,471,391) | 127,609 |
| <u>(628,221)</u> | <u>(432,720)</u> | <u>195,501</u> |
| (752,623) | (82,970) | 669,653 |
| 2,831,858 | 2,831,858 | 0 |
| 254,278 | 254,278 | 0 |
| <u>\$2,333,513</u> | <u>\$3,003,166</u> | <u>\$669,653</u> |

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City of Wapakoneta

Combined Statement of Revenues, Expenses,
and Changes in Fund Equity
All Proprietary Fund Types
For the Year Ended December 31, 2001

| | Enterprise | Internal Service | Total (Memorandum Only) |
|---|---------------------|---------------------|-------------------------------|
| <u>Operating revenues</u> | | | |
| Charges for services | \$10,733,613 | \$205,995 | \$10,939,608 |
| Licenses and permits | 0 | 11,672 | 11,672 |
| Other operating revenues | 181,642 | 1,911 | 183,553 |
| Total operating revenues | <u>10,915,255</u> | <u>219,578</u> | <u>11,134,833</u> |
| <u>Operating expenses</u> | | | |
| Personal services | 1,791,612 | 175,029 | 1,966,641 |
| Contractual services | 5,719,873 | 9,343 | 5,729,216 |
| Materials and supplies | 823,284 | 6,067 | 829,351 |
| Other operating expenses | 19,977 | 0 | 19,977 |
| Depreciation | 767,854 | 14,353 | 782,207 |
| Total operating expenses | <u>9,122,600</u> | <u>204,792</u> | <u>9,327,392</u> |
| Operating income | <u>1,792,655</u> | <u>14,786</u> | <u>1,807,441</u> |
| <u>Non-operating revenues (expenses)</u> | | | |
| Gain on disposal of fixed assets | 16,132 | 0 | 16,132 |
| Capital contributions | 46,072 | 0 | 46,072 |
| Interest revenue | 26,342 | 0 | 26,342 |
| Interest expense | (445,955) | 0 | (445,955) |
| Total non-operating revenues (expenses) | <u>(357,409)</u> | <u>0</u> | <u>(357,409)</u> |
| Income before operating transfers | 1,435,246 | 14,786 | 1,450,032 |
| Operating transfers - in | 525,601 | 0 | 525,601 |
| Operating transfers - out | (96,390) | 0 | (96,390) |
| Net income | 1,864,457 | 14,786 | 1,879,243 |
| Depreciation on fixed assets acquired by contributed capital | 324,790 | 0 | 324,790 |
| Retained earnings (deficit) at beginning of year | 15,945,437 | (44,816) | 15,900,621 |
| Residual equity transfers - out | <u>(16,435)</u> | <u>0</u> | <u>(16,435)</u> |
| Retained earnings (deficit) at end of year | <u>18,118,249</u> | <u>(30,030)</u> | <u>18,088,219</u> |
| Contributed capital at beginning of year | 5,045,821 | 79,469 | 5,125,290 |
| Depreciation on fixed assets acquired by contributed capital | <u>(324,790)</u> | <u>0</u> | <u>(324,790)</u> |
| Contributed capital at end of year | <u>4,721,031</u> | <u>79,469</u> | <u>4,800,500</u> |
| Total fund equity at end of year | <u>\$22,839,280</u> | <u>\$49,439</u> | <u>\$22,888,719</u> |

See accompanying notes to the general purpose financial statements

City of Wapakoneta

Combined Statement of Revenues, Expenses,
and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
All Proprietary Fund Types
For the Year Ended December 31, 2001

| | Enterprise Funds | | Variance Favorable (Unfavorable) |
|---|--------------------|---------------------|--|
| | Budget | Actual | |
| <u>Revenues</u> | | | |
| Charges for services | \$11,383,514 | \$10,795,994 | (\$587,520) |
| Licenses and permits | 0 | 0 | 0 |
| Utility deposits | 22,000 | 34,412 | 12,412 |
| Other revenues | 332,569 | 159,260 | (173,309) |
| Interest | 67,253 | 26,342 | (40,911) |
| Sale of fixed assets | 15,545 | 16,132 | 587 |
| Proceeds of capital loans | 0 | 27,816 | 27,816 |
| Proceeds of notes | 4,035,000 | 4,730,977 | 695,977 |
| Total revenues | <u>15,855,881</u> | <u>15,790,933</u> | <u>(64,948)</u> |
| <u>Expenses</u> | | | |
| Personal services | 1,970,246 | 1,765,976 | 204,270 |
| Contractual services | 9,668,769 | 6,916,439 | 2,752,330 |
| Materials and supplies | 1,201,095 | 898,261 | 302,834 |
| Utility refunds | 24,000 | 11,031 | 12,969 |
| Other expenses | 3,757,900 | 21,149 | 3,736,751 |
| Capital outlay | 4,295,644 | 2,585,122 | 1,710,522 |
| Debt service: | | | |
| Principal retirement | 4,130,109 | 4,105,749 | 24,360 |
| Interest expense | 472,665 | 464,796 | 7,869 |
| Total expenses | <u>25,520,428</u> | <u>16,768,523</u> | <u>8,751,905</u> |
| Excess of revenues over (under) expenses | (9,664,547) | (977,590) | 8,686,957 |
| Advances - in | 100,000 | 100,000 | 0 |
| Advances - out | (50,000) | (50,000) | 0 |
| Operating transfers - in | <u>572,038</u> | <u>516,391</u> | <u>(55,647)</u> |
| Excess of revenues over (under) expenses, advances, and transfers | (9,042,509) | (411,199) | 8,631,310 |
| Fund balances at beginning of year | 9,974,073 | 9,974,073 | 0 |
| Prior year encumbrances appropriated | 2,037,627 | 2,037,627 | 0 |
| Fund balances at end of year | <u>\$2,969,191</u> | <u>\$11,600,501</u> | <u>\$8,631,310</u> |

See accompanying notes to the general purpose financial statements

| Internal Service Fund | | | Total (Memorandum Only) | | |
|-----------------------|-----------------|----------------------------------|-------------------------|---------------------|----------------------------------|
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| \$210,725 | \$206,002 | (\$4,723) | \$11,594,239 | \$11,001,996 | (\$592,243) |
| 12,500 | 11,872 | (628) | 12,500 | 11,872 | (628) |
| 0 | 0 | 0 | 22,000 | 34,412 | 12,412 |
| 1,835 | 1,911 | 76 | 334,404 | 161,171 | (173,233) |
| 0 | 0 | 0 | 67,253 | 26,342 | (40,911) |
| 0 | 0 | 0 | 15,545 | 16,132 | 587 |
| 0 | 0 | 0 | 0 | 27,816 | 27,816 |
| 0 | 0 | 0 | 4,035,000 | 4,730,977 | 695,977 |
| <u>225,060</u> | <u>219,785</u> | <u>(5,275)</u> | <u>16,080,941</u> | <u>16,010,718</u> | <u>(70,223)</u> |
| 194,600 | 176,130 | 18,470 | 2,164,846 | 1,942,106 | 222,740 |
| 16,204 | 10,513 | 5,691 | 9,684,973 | 6,926,952 | 2,758,021 |
| 14,853 | 10,942 | 3,911 | 1,215,948 | 909,203 | 306,745 |
| 0 | 0 | 0 | 24,000 | 11,031 | 12,969 |
| 100 | 0 | 100 | 3,758,000 | 21,149 | 3,736,851 |
| 6,100 | 5,893 | 207 | 4,301,744 | 2,591,015 | 1,710,729 |
| 0 | 0 | 0 | 4,130,109 | 4,105,749 | 24,360 |
| 0 | 0 | 0 | 472,665 | 464,796 | 7,869 |
| <u>231,857</u> | <u>203,478</u> | <u>28,379</u> | <u>25,752,285</u> | <u>16,972,001</u> | <u>8,780,284</u> |
| (6,797) | 16,307 | 23,104 | (9,671,344) | (961,283) | 8,710,061 |
| 0 | 0 | 0 | 100,000 | 100,000 | 0 |
| 0 | 0 | 0 | (50,000) | (50,000) | 0 |
| 0 | 0 | 0 | 572,038 | 516,391 | (55,647) |
| (6,797) | 16,307 | 23,104 | (9,049,306) | (394,892) | 8,654,414 |
| 21,357 | 21,357 | 0 | 9,995,430 | 9,995,430 | 0 |
| 1,757 | 1,757 | 0 | 2,039,384 | 2,039,384 | 0 |
| <u>\$16,317</u> | <u>\$39,421</u> | <u>\$23,104</u> | <u>\$2,985,508</u> | <u>\$11,639,922</u> | <u>\$8,654,414</u> |

City of Wapakoneta

Combined Statement of Cash Flows
All Proprietary Fund Types
For the Year Ended December 31, 2001

| | Enterprise | Internal Service | Total (Memorandum Only) |
|---|---------------------|---------------------|-------------------------------|
| Increases (decreases) in cash and cash equivalents | | | |
| <u>Cash flows from operating activities</u> | | | |
| Cash received from customers | \$10,795,994 | \$12,639 | \$10,808,633 |
| Cash received from quasi-external transactions with other funds | 0 | 205,235 | 205,235 |
| Cash received from utility deposits | 34,412 | 0 | 34,412 |
| Cash received from other revenues | 160,053 | 1,911 | 161,964 |
| Cash payments for personal services | (1,770,535) | (176,130) | (1,946,665) |
| Cash payments for contractual services | (6,042,400) | (9,899) | (6,052,299) |
| Cash payments to vendors | (806,645) | (7,738) | (814,383) |
| Cash payments for quasi-external transactions with other funds | (29,508) | 0 | (29,508) |
| Cash payments for utility refunds | (11,031) | 0 | (11,031) |
| Cash payments for other expenses | (19,977) | 0 | (19,977) |
| Net cash provided by operating activities | <u>2,310,363</u> | <u>26,018</u> | <u>2,336,381</u> |
| <u>Cash flows from noncapital financing activities</u> | | | |
| Cash payments to other funds | (76,984) | 0 | (76,984) |
| Cash received from advances - in | 100,000 | 0 | 100,000 |
| Cash payments for advances - out | (50,000) | 0 | (50,000) |
| Cash received from operating transfers - in | 525,601 | 0 | 525,601 |
| Cash payments for operating transfers - out | (96,390) | 0 | (96,390) |
| Net cash provided by noncapital financing activities | <u>402,227</u> | <u>0</u> | <u>402,227</u> |
| <u>Cash flows from capital and related financing activities</u> | | | |
| Acquisition of fixed assets | (2,378,858) | (8,576) | (2,387,434) |
| Sale of fixed assets | 16,132 | 0 | 16,132 |
| Proceeds of notes | 4,730,977 | 0 | 4,730,977 |
| Proceeds of capital loans | 27,816 | 0 | 27,816 |
| Principal paid on intergovernmental payable | (2,500) | 0 | (2,500) |
| Principal paid on notes | (3,835,860) | 0 | (3,835,860) |
| Principal paid on capital loans | (30,209) | 0 | (30,209) |
| Principal paid on mortgage revenue bonds | (150,000) | 0 | (150,000) |
| Interest paid on notes | (193,703) | 0 | (193,703) |
| Interest paid on capital loans | (3,115) | 0 | (3,115) |
| Interest paid on mortgage revenue bonds | (179,058) | 0 | (179,058) |
| Interest paid on general obligation bonds | (79,277) | 0 | (79,277) |
| Interest paid on OWDA loan | (4,768) | 0 | (4,768) |
| Net cash used for capital and related financing activities | <u>(2,082,423)</u> | <u>(8,576)</u> | <u>(2,090,999)</u> |
| <u>Cash flows from investing activities</u> | | | |
| Cash received from interest | 26,342 | 0 | 26,342 |
| Net increase in cash and cash equivalents | 656,509 | 17,442 | 673,951 |
| Cash and cash equivalents at beginning of year | 12,088,684 | 23,114 | 12,111,798 |
| Cash and cash equivalents at end of year | <u>\$12,745,193</u> | <u>\$40,556</u> | <u>\$12,785,749</u> |

(continued)

City of Wapakoneta

Combined Statement of Cash Flows
All Proprietary Fund Types
For the Year Ended December 31, 2001
(continued)

| | Enterprise | Internal Service | Total (Memorandum Only) |
|---|--------------------|---------------------|-------------------------------|
| <u>Reconciliation of operating income to net cash provided by operating activities</u> | | | |
| Operating income | \$1,792,655 | \$14,786 | \$1,807,441 |
| <u>Adjustments to reconcile operating income to net cash provided by operating activities</u> | | | |
| Depreciation | 767,854 | 14,353 | 782,207 |
| Changes in assets and liabilities: | | | |
| Decrease in accounts receivable | 40,054 | 207 | 40,261 |
| Increase in intergovernmental receivable | (197) | 0 | (197) |
| Decrease in due from other funds | 935 | 0 | 935 |
| Increase in materials and supplies inventory | (13,056) | (986) | (14,042) |
| Increase in prepaid items | (2,189) | (84) | (2,273) |
| Decrease in accounts payable | (286,829) | (1,188) | (288,017) |
| Increase in contracts payable | 75,294 | 0 | 75,294 |
| Decrease in retainage payable | (78,055) | 0 | (78,055) |
| Decrease in accrued wages payable | (1,502) | (21) | (1,523) |
| Increase (decrease) in compensated absences payable | 25,807 | (777) | 25,030 |
| Decrease in intergovernmental payable | (1,016) | (242) | (1,258) |
| Decrease in due to other funds | (871) | (30) | (901) |
| Increase in refundable deposits payable from restricted assets | 23,381 | 0 | 23,381 |
| Decrease in landfill closure/postclosure costs | (31,902) | 0 | (31,902) |
| Net cash provided by operating activities | <u>\$2,310,363</u> | <u>\$26,018</u> | <u>\$2,336,381</u> |

Non-Cash Transactions

During 2001, the general fixed assets account group transferred fixed assets to the Storm Sewer enterprise fund with a net book value of \$46,072. The Water enterprise fund transferred fixed assets to the general fixed assets account group with a net book value of \$16,435.

See accompanying notes to the general purpose financial statements

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 1 - REPORTING ENTITY

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, refuse, and a staff to provide essential support to these service providers. These activities comprise the primary government of the City and represent activities which are directly responsible to City Council and the Mayor.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. There were no component units of the City of Wapakoneta in 2001.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements.

A. Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net available expendable resources.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories of governmental, proprietary, and fiduciary.

Governmental Fund Types Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The following are the City's governmental fund types:

General Fund This fund is used to account for all financial resources of the City, 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.

Special Revenue Funds These funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

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

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

Proprietary Fund Types Proprietary funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The following are the City's proprietary fund types:

Enterprise Funds These funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Fund This fund is used to account for the financing of services provided by one department or agency to other departments or agencies of the City, or to other governmental units on a cost-reimbursement basis.

Fiduciary Fund Type 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. The City's fiduciary funds are agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to a specific fund and those of a general nature, the following account groups are used:

General Fixed Assets Account Group The general fixed assets account group is used to account for all fixed assets of the City, except those accounted for in the proprietary funds.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General Long-Term Obligations Account Group The general long-term obligations account group is used to account for all long-term obligations of the City, except those accounted for in the proprietary funds.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types are accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements of these funds present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental fund types and agency funds. The full accrual basis of accounting is followed for the proprietary fund types.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within thirty-one days of 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 period 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 fiscal year end: income taxes, charges for services, fines and forfeitures, state levied locally shared taxes (including gasoline tax and motor vehicle license tax), grants, and interest.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there was an enforceable legal claim as of December 31, 2001, but which were levied to finance 2002 operations, are recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, revenues that are not collected within the available period are recorded as deferred revenue.

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.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

Tax Budget A budget of estimated revenues and expenditures for all funds is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year. The budget includes proposed expenditures and the means of financing for all funds. The express purpose of this budget document is to reflect the need for existing or increased tax rates.

Estimated Resources The County Budget Commission reviews the estimated revenues and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The County Budget Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the estimated beginning of year fund balance and projected revenue of each fund. Prior to December 31, the City must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure.

On or about January 1, the certificate of estimated resources is amended to include the actual unencumbered fund balances from the preceding year. The certificate of estimated resources may be further amended during the year if the City Auditor determines that revenue to be collected will be greater than or less than prior estimates and the County Budget Commission finds the revised estimates to be reasonable. The amounts set forth in the combined financial statements represent estimates from the final amended official certificate of estimated resources issued during 2001.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Appropriations A temporary appropriations ordinance to control the level of expenditures for all funds may be passed on or about January 1 of each year, for the period January 1 to March 31. An annual appropriations ordinance must be passed by April 1 of each year, for the period January 1 to December 31. Appropriations may not exceed estimated resources as established in the amended official certificate of estimated resources. The allocation of appropriations among departments and objects within a fund may be modified during the year with City Council approval. Several supplemental appropriations ordinances were legally enacted by City Council during the year. The budget figures which appear in the statements of budgetary comparisons represent the appropriated budget amounts and all supplemental appropriations.

Budgeted Level of Expenditures Administrative control is maintained through the establishment of detailed line-item budgets. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation adopted by City Council. For all funds, council appropriations are made to personal services, contractual services, materials and supplies, capital outlay, other expenditures, debt retirement, and transfer accounts for each department. The appropriations set by City Council must remain fixed unless amended by council resolution. More detailed appropriation allocations may be made by the City Auditor as long as the allocations are within City Council's appropriated amount.

Encumbrances As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balance for subsequent-year expenditures for governmental fund types and reported in the notes to the financial statements for proprietary fund types.

Lapsing of Appropriations At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding year and are not reappropriated.

D. Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet.

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

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

During 2001, investments were limited to Telephone Service Company stock, mutual funds, non-negotiable certificates of deposit, and STAR Ohio. Telephone Service Company stock is valued according to a formula using historical earnings, capitalized dividend yield, and book value. Since the Telephone Service Company's stock is not publicly traded, this approach utilizes an industry price earnings ratio by averaging the latest price earnings ratio of publicly traded communications companies that are the most representative of the Telephone Service Company. Mutual funds are reported at fair value, which is based on current share price. Non-negotiable certificates of deposit are reported at cost. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2001.

Interest earnings are allocated to City funds according to state statutes, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2001 was \$593,485, which includes \$523,716 assigned from other City funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months, and not purchased from the pool, are reported as investments.

E. Notes Receivable

Notes receivable represent the right to receive repayment for certain loans made by the City. These loans are based upon written agreements between the City and the various loan recipients.

F. Materials and Supplies Inventory

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2001, 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. Restricted Assets

Certain resources set aside for the repayment of mortgage revenue bonds are classified as restricted assets on the combined balance sheet because their use is limited by applicable bond covenants.

The City has utility deposits from customers that are classified as restricted assets on the combined balance sheet because their use is limited to the payment of unpaid utility bills or refunding of the deposit to the customer.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Unamortized Bond Issuance Costs

For governmental fund types, bond issuance costs are recognized in the current period. Bond issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method.

J. Unamortized Gain/Loss on Advance Refunding

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

The Sewer enterprise fund's sewer system mortgage revenue bonds advance refunded outstanding sewer mortgage revenue bonds in a prior year. These bonds are presented on the combined balance sheet net of an unamortized loss, in the amount of \$98,869. The loss is being amortized over the remaining eight year life of the bonds.

K. Fixed Assets and Depreciation

Fixed asset values were initially determined at December 31, 1987, assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were used. For certain fixed assets, the estimates were determined by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at fair market value on the date donated.

The costs of normal maintenance and repairs that do not increase the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost.

General Fixed Assets General fixed assets (fixed assets used in governmental fund type operations) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in the governmental funds, and the related assets are reported in the general fixed assets account group. Assets in the general fixed assets account group are not depreciated. Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, and lighting systems are not capitalized or reported as these assets are immovable and of value only to the City.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary Fund Fixed Assets Fixed assets associated with proprietary fund activities are accounted for in the respective fund. Depreciation is calculated using the straight-line method over the assets' estimated useful lives. Depreciation expense on assets constructed or acquired through capital grants is closed to contributed capital. Proprietary fund assets are depreciated over the following estimated useful lives:

| <u>Asset Category</u> | <u>Estimated Lives</u> |
|----------------------------------|------------------------|
| Buildings | 45 years |
| Electric, water, and sewer lines | 30 years |
| Furniture and fixtures | 20 years |
| Equipment | 5-15 years |
| Vehicles | 3-6 years |

Capitalization of Interest Interest is capitalized on proprietary fund fixed assets acquired with tax-exempt debt. The City's policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project from the date of borrowing until completion of the project and the interest earned from temporary investment of the debt proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2001, no interest was incurred on proprietary fund construction projects.

L. Interfund Assets/Liabilities

Short-term interfund loans or the short-term portion of advances are classified as "Interfund receivables/payables". Receivables and payables arising between funds for goods provided or services rendered are classified as "Due from/to other funds" on the combined balance sheet.

M. Compensated Absences

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

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

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "Compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions are reported as liabilities in the general long-term obligations account group to the extent that they will not be paid with current available expendable resources. Payments made more than thirty-one days after year end are generally considered not to have been paid with current available expendable resources. Bonds are recognized as liabilities in the general long-term obligations account group until due. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary fund.

O. Contributed Capital

Contributed capital represents contributions made prior to 2001 by the City, other governments, and developers. These assets are recorded at their fair market value on the date contributed and are not subject to repayment. Depreciation on assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end, except for depreciation on assets acquired through capital grants which are expensed and closed to contributed capital at year end.

Capital contributions received in 2001 have been recorded as revenues and reported as increases in retained earnings based on guidelines established in GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions".

P. Reserves of Fund Equity

Proprietary fund retained earnings balances are reserved for replacement, which represents amounts accumulated as restricted assets in accordance with the terms of the bond indenture.

The City records reservations for portions of fund balance that are segregated for specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for notes receivable and encumbrances.

Q. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. Residual equity transfers also include the transfer of fixed assets between the proprietary funds and the general fixed assets account group. Fixed assets transferred into proprietary fund types are recorded as capital contributions rather than residual equity transfers in and as additions to fixed assets in the general fixed assets account group.

All other interfund transfers are reported as operating transfers.

R. Estimates

The preparation of 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.

S. Total Columns on Combined Financial Statements

Total columns on the combined statements overview are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2001, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues". These statements establish accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. The timing for the recognition of assets, liabilities, and expenditures/expenses resulting from nonexchange transactions will be the same whether the accrual or the modified accrual basis of accounting is required. However, for revenue recognition to occur on the modified accrual basis, the criteria established for accrual basis revenue recognition must be met and the revenues must be available. The provisions of GASB Statement No. 33 also require that capital contributions to proprietary funds be recognized as revenues beginning in 2001. For the City, the implementation of these statements had no effect on fund balances/retained earnings as previously reported for the year ended December 31, 2000.

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

The Refuse enterprise fund had deficit retained earnings, in the amount of \$477,616, as a result of recording estimated landfill postclosure costs. The City has instituted a monthly landfill closure surcharge to the residents' refuse bills to finance postclosure costs.

The Engineering internal service fund had deficit retained earnings, in the amount of \$30,030, as a result of accumulated operating losses.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE (continued)

B. Compliance

The General Fund had expenditures in excess of appropriations, in the amount of \$2,569 and \$7,449, for the year ended December 31, 2001 in the Clerk of council - contractual services and the Administrative - contractual services accounts, respectively.

At various times throughout the year, the City's deposits were not insured or collateralized as required by the Ohio Revised Code.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balances/retained earnings 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 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Governmental Fund Types and the Combined Statement of Revenues, Expenses, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Proprietary Fund Types are 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/expenses 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/expenses (budget basis) rather than as a reservation of fund balance for the governmental fund types (GAAP basis). Material encumbrances are disclosed in the notes for the proprietary fund types (GAAP basis).
4. For proprietary funds, the acquisition and construction of fixed assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

| | Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses Governmental Fund Types | | |
|--|--|--------------------|---------------------|
| | General | Special Revenue | Capital Projects |
| GAAP basis | \$82,807 | \$3,712 | (\$15,207) |
| <u>Increases (decreases) due to</u> | | | |
| Revenue accruals: | | | |
| Accrued 2000, received in cash 2001 | 318,985 | 26,529 | 0 |
| Accrued 2001, not yet received in cash | (344,093) | (25,315) | 0 |
| Expenditure accruals: | | | |
| Accrued 2000, paid in cash 2001 | (71,237) | (18,339) | (3,139) |
| Accrued 2001, not yet paid in cash | 93,433 | 12,758 | 53,037 |
| Cash adjustments: | | | |
| Unrecorded activity 2000 | (1,479) | 0 | 0 |
| Unrecorded activity 2001 | 1,233 | 0 | 0 |
| Change in fair value of investments | 0 | 17,729 | 0 |
| Materials and supplies inventory | (220) | 12,193 | 0 |
| Prepaid items | (2,228) | 14 | (1,110) |
| Notes receivable: | | | |
| New loans | 0 | (34,000) | 0 |
| Repayments | 0 | 5,208 | 0 |
| Notes payable: | | | |
| Additions | 0 | 0 | 130,186 |
| Reductions | 0 | 0 | (94,140) |
| Bonds payable: | | | |
| Reductions | 0 | 0 | (65,000) |
| Interest and fiscal charges | 0 | 0 | (24,275) |
| Advances - in | 50,000 | 0 | 0 |
| Advances - out | (100,000) | 0 | |
| Encumbrances outstanding at year end (budget basis) | (74,287) | (25,159) | (77,512) |
| Reallocation of debt activity | 0 | 0 | 89,275 |
| Budget basis | (\$47,086) | (\$24,670) | (\$7,885) |

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

| Net Income/Excess of Revenues Over (Under) Expenses, Advances, and Transfers All Proprietary Fund Types | Enterprise | Internal Service |
|---|-------------|---------------------|
| | Enterprise | Internal Service |
| GAAP basis | \$1,864,457 | \$14,786 |
| <u>Increases (decreases) due to</u> | | |
| Revenue accruals: | | |
| Accrued 2000, received in cash 2001 | 1,551,951 | 207 |
| Accrued 2001, not yet received in cash | (1,511,159) | 0 |
| Expense accruals: | | |
| Accrued 2000, paid in cash 2001 | (1,525,195) | (33,112) |
| Accrued 2001, not yet paid in cash | 1,231,447 | 30,854 |
| Cash adjustments: | | |
| Unrecorded activity 2001 | (793) | 0 |
| Materials and supplies inventory | (13,056) | (986) |
| Prepaid items | (2,189) | (84) |
| Landfill closure/postclosure costs | (31,902) | 0 |
| Acquisition of fixed assets | (2,378,858) | (8,576) |
| Depreciation expense | 767,854 | 14,353 |
| Utility Deposits | 34,412 | 0 |
| Utility Refunds | (11,031) | 0 |
| Notes payable: | | |
| Additions | 4,730,977 | 0 |
| Reductions | (3,835,860) | 0 |
| Intergovernmental payable: | | |
| Reductions | (2,500) | 0 |
| Capital loans payable: | | |
| Additions | 27,816 | 0 |
| Reductions | (30,209) | 0 |
| Mortgage revenue bonds payable: | | |
| Reductions | (150,000) | 0 |
| Amortization of loss on advanced refunding | 10,046 | 0 |
| Unamortized issuance costs | 2,564 | 0 |
| Capital contributions | (46,072) | 0 |

(continued)

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

Net Income/Excess of Revenues Over (Under)
Expenses, Advances, and Transfers
All Proprietary Fund Types
(continued)

| | Enterprise | Internal Service |
|--|-------------|---------------------|
| Advances - in | \$100,000 | \$0 |
| Advances - out | (50,000) | 0 |
| Encumbrances outstanding at year end (budget basis) | (1,143,899) | (1,135) |
| Budget basis | (\$411,199) | \$16,307 |

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

Inactive deposits are public deposits that City Council has identified as not required for use within the current two 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 Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

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

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

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 Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the City had \$975 in undeposited cash on hand which is included on the combined balance sheet of the City as part of "Equity in pooled cash and cash equivalents".

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

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

At year end, the carrying amount of the City's deposits was \$4,594,174 and the bank balance was \$4,774,879. Of the bank balance, \$300,000 was covered by federal depository insurance. The remaining amount was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

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

| | Category 1 | Fair Value |
|---------------------------------|------------|--------------|
| Telephone Service Company Stock | \$863,757 | \$863,757 |
| Mutual Funds | | 369,330 |
| STAR Ohio | | 11,020,757 |
| Total | | \$12,253,844 |

The classification of cash and cash equivalents and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

A reconciliation between the classification of cash and cash equivalents and investments on the combined balance sheet and the classification of deposits and investments according to GASB Statement No. 3 is as follows:

| | Cash and Cash Equivalents/Deposits | Investments |
|------------------------|---------------------------------------|--------------|
| GASB Statement No. 9 | \$15,963,636 | \$885,357 |
| Cash on Hand | (975) | 0 |
| Investments: | | |
| Certificate of Deposit | 21,600 | (21,600) |
| Mutual Funds | (369,330) | 369,330 |
| STAR Ohio | (11,020,757) | 11,020,757 |
| GASB Statement No. 3 | \$4,594,174 | \$12,253,844 |

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the City. Real property tax revenues received in 2001 represent the collection of 2000 taxes. Real property taxes for 2001 were levied after October 1, 2001, on the assessed values as of January 1, 2001, the lien date. These taxes will be collected in and are intended to finance 2002 operations. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 1996. Real property taxes are payable annually or 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 real and tangible personal property taxes for 2001 were levied after October 1, 2001, on the assessed values as of December 31, 2000, the lien date. These taxes will be collected in and are intended to finance 2002 operations. Public utility real property is assessed at 35 percent of true value; tangible personal property is currently assessed at varying percentages of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in 2001 (other than public utility property) represent the collection of 2001 taxes. Tangible personal property taxes received in 2001 were levied after October 1, 2000, on the true value as of December 31, 2000. Tangible personal property is currently assessed at 25 percent of true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. The first payment is due April 30, with the remainder payable by September 20.

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes which were measurable as of December 31, 2001, and for which there was an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2001 operations.

The full tax rate for all City operations the year ended December 31, 2001, was \$3.75 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2001 property tax receipts were based are as follows:

| Category | Assessed Value |
|--------------------------|-------------------|
| Real estate | |
| Agricultural/residential | \$74,844,900 |
| Commercial/industrial | 33,066,020 |
| Public utility real | 73,910 |
| Public utility personal | 4,711,420 |
| Tangible personal | 25,315,900 |
| Total | \$138,012,150 |

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 8 - MUNICIPAL INCOME TAXES

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

NOTE 9 - RECEIVABLES

Receivables at December 31, 2001, consisted of taxes; special assessments; accounts (billings for user charged services, including unbilled utility services); intergovernmental receivables arising from grants, entitlements, and shared revenues; accrued interest; notes; interfund; and services charged to other funds. All receivables are considered fully collectible.

Notes receivable represent low interest loans for development projects and home improvements granted to eligible City residents and businesses under the Federal Community Development Block Grant program. The notes have an annual interest rate of 5 percent to 5.25 percent and are repaid over periods ranging from five to seven years.

A summary of the principal items of intergovernmental receivables follows:

| | Amount |
|---------------------------------|----------|
| General Fund | |
| Estate tax | \$92,590 |
| Lodging tax | 628 |
| Local government | 244,710 |
| Rollback and homestead | 17,914 |
| Cigarette licenses | 436 |
| Liquor and beer permits | 393 |
| Personal property tax exemption | 4,239 |
| Total General Fund | 360,910 |
| Special Revenue Funds | |
| Street Maintenance | |
| Gasoline tax | 29,616 |
| Motor vehicle license tax | 65,560 |
| Highway distribution | 58,977 |
| State Highway | |
| Gasoline tax | 2,301 |
| Motor vehicle license tax | 5,018 |
| Highway distribution | 4,771 |

(continued)

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 9 - RECEIVABLES (continued)

| | Amount |
|---------------------------------|-----------|
| Recreation | |
| Rollback and homestead | \$5,180 |
| Personal property tax exemption | 1,551 |
| Enforcement and Education | |
| County municipal court | 60 |
| Drug Law Enforcement | |
| County municipal court | 34 |
| Total Special Revenue Funds | 173,068 |
| Enterprise Fund | |
| Refuse | |
| Auglaize County reimbursement | 14,672 |
| Total All Funds | \$548,650 |

NOTE 10 - FIXED ASSETS

A. General Fixed Assets

A summary of the changes in general fixed assets during 2001 is as follows:

| | Balance 12/31/00 | Additions | Reductions | Balance 12/31/01 |
|-----------------------------------|---------------------|-----------|------------|---------------------|
| Land | \$193,991 | \$0 | \$0 | \$193,991 |
| Land improvements | 193,919 | 11,799 | 0 | 205,718 |
| Buildings | 3,320,592 | 23,723 | 0 | 3,344,315 |
| Improvements other than buildings | 40,623 | 10,100 | 0 | 50,723 |
| Furniture and fixtures | 10,036 | 0 | 0 | 10,036 |
| Equipment | 721,186 | 67,758 | 11,607 | 777,337 |
| Vehicles | 1,835,804 | 73,111 | 102,565 | 1,806,350 |
| Total | \$6,316,151 | \$186,491 | \$114,172 | \$6,388,470 |

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 10 - FIXED ASSETS (continued)

B. Fund Fixed Assets

A summary of the enterprise and internal service funds' fixed assets at December 31, 2001, follows:

| | Enterprise | Internal Service |
|--|---------------------|---------------------|
| Land | \$758,901 | \$0 |
| Buildings | 8,076,873 | 60,011 |
| Electric, water, and sewer lines | 18,629,938 | 0 |
| Furniture and fixtures | 51,943 | 0 |
| Equipment | 5,385,397 | 87,363 |
| Vehicles | 1,917,609 | 77,312 |
| Construction in progress | 884,619 | 0 |
| Total fixed assets | 35,705,280 | 224,686 |
| Less accumulated depreciation | 16,064,817 | 187,776 |
| Total fund fixed assets net of accumulated depreciation | <u>\$19,640,463</u> | <u>\$36,910</u> |

NOTE 11 - INTERFUND ASSETS/LIABILITIES

At December 31, 2001, interfund receivables/payables were as follows:

| | Interfund | | Due to/from Other Funds | |
|-----------------------------|------------------|------------------|-------------------------|-----------------|
| | Receivable | Payable | Receivable | Payable |
| General Fund | \$199,442 | \$0 | \$0 | \$1,338 |
| Special Revenue Funds | | | | |
| Street Maintenance | 0 | 0 | 0 | 364 |
| Recreation | 0 | 0 | 0 | 144 |
| Total Special Revenue Funds | 0 | 0 | 0 | 508 |
| Enterprise Funds | | | | |
| Electric | 0 | 49,442 | 17,645 | 1,212 |
| Water | 0 | 0 | 969 | 6,447 |
| Sewer | 0 | 100,000 | 1,154 | 10,194 |
| Storm Sewer | 0 | 0 | 78 | 0 |
| Refuse | 0 | 50,000 | 352 | 318 |
| Total Enterprise Funds | 0 | 199,442 | 20,198 | 18,171 |
| Internal Service Fund | | | | |
| Engineering | 0 | 0 | 0 | 181 |
| Total All Funds | <u>\$199,442</u> | <u>\$199,442</u> | <u>\$20,198</u> | <u>\$20,198</u> |

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2001, the City contracted with the Ohio Government Risk Management Plan, an insurance pool, for the following coverage:

| Type of Coverage | Coverage | Deductible |
|----------------------------|--------------|------------|
| Property | \$21,191,812 | \$1,000 |
| Liability | | |
| Each occurrence | 5,000,000 | 0 |
| Aggregate | 7,000,000 | 0 |
| Wrongful acts | | |
| Each occurrence | 5,000,000 | 2,500 |
| Aggregate | 7,000,000 | 2,500 |
| Law enforcement | | |
| Each occurrence | 5,000,000 | 2,500 |
| Aggregate | 7,000,000 | 2,500 |
| Automobile | 5,000,000 | 50-250 |
| Bond | 25,000 | 0 |
| Crime | 20,000 | 0 |
| Inland marine | 4,641,897 | 1,000 |
| Fire vehicle | 1,470,786 | 100 |
| 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.

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

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 13 - CONTRACTUAL COMMITMENTS

At December 31, 2001, the City had contractual commitments as follows:

| <u>Company</u> | <u>Project</u> | <u>Amount Remaining on Contract</u> |
|---------------------------------|-------------------------------------|---|
| Reed City Power Line Supply Co. | Lewis R. Knoch Substation | \$45,222 |
| General Electric Co. | Lewis R. Knoch Substation | 13,850 |
| GPD Associates | Lewis R. Knoch Substation | 30,165 |
| GE Industrial Systems | Lewis R. Knoch Substation | 23,414 |
| Vaughn Industries | Lewis R Knoc Substation | 91,951 |
| Ohio Drilling Co. | New Wells | 62,500 |
| Poggemeyer Design Group | Professional Services | 34,750 |
| H D Water Service | Well Repair | 13,722 |
| Reichert Excavating | West Auglaize Street Reconstruction | 56,857 |

NOTE 14 - COMPENSATED ABSENCES

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

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

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

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

NOTE 15 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

The City contributes to the Public Employees Retirement System of Ohio (the “System”), a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Board. The System provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. The System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the City is required to contribute 13.55 percent; 9.25 percent was the portion used to fund pension obligations for 2001, an increase from 6.54 percent in 2000. For 2000, the System instituted a temporary employer rate rollback. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City’s contributions to the System for the years ended December 31, 2001, 2000, and 1999, were \$185,452, \$129,528, and \$187,733, respectively; 74 percent has been contributed for 2001 and 100 percent has been contributed for 2000 and 1999. The unpaid contribution for 2001, in the amount of \$47,405, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.5 percent for police (12 percent was the portion used to fund pension obligations for 2001, a decrease from 12.25 for 2000); and 24 percent for firefighters (16.5 percent was the portion used to fund pension obligations for 2001, a decrease from 16.75 for 2000). Contributions are authorized by State statute. The City’s contributions to the Fund for the years ended December 31, 2001, 2000, and 1999, were \$162,672, \$154,959, and \$157,143, respectively; 73 percent has been contributed for 2001 and 100 percent has been contributed for 2000 and 1999. The unpaid contribution for 2001, in the amount of \$44,078, is recorded as a liability within the respective funds and the general long-term obligations account group.

NOTE 16 - POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System

The Public Employees Retirement System of Ohio (the “System”) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, “Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers”. A portion of each employer’s contribution to the System is set aside for the funding of postretirement health care based on authority granted by State statute. The employer contribution rate was 13.55 percent of covered payroll; 4.3 percent was the portion used to fund health care for 2001. In 2000, the employer contribution rate was 10.84 percent of covered payroll; 4.3 percent was the portion used to fund health care.

Benefits are advance funded using the entry age normal cost method. Significant actuarial assumptions include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually, and an additional increase in total payroll of .54 percent to 5.1 percent based on additional pay increases. Health care premiums were assumed to increase 4.75 percent annually.

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

At December 31, 2001, the total number of benefit recipients eligible for OPB through the System was 411,076. As of December 31, 2001, the actuarial value of net assets available for future OPB payments were \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial liability were \$14,364.6 million and \$2,628.7 million, respectively. The City’s actual contributions for 2001 which were used to fund OPB were \$86,210.

B. Ohio Police and Fire Pension Fund

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Fund’s Board of Trustees to provide health care coverage and states that health care costs paid from the Fund shall be included in the employer’s contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate was 19.5 percent of covered payroll and the firefighter employer contribution rate was 24 percent; 7.5 percent was the portion used to fund health care for 2001. The portion used to fund health care was 7.25 percent in 2000. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 16 - POSTEMPLOYMENT BENEFITS (continued)

The number of participants eligible to receive health care benefits as of December 31, 2000, was 12,853 for police and 10,037 for firefighters. The City's actual contributions for 2001 that were used to fund postemployment benefits were \$40,904 for police and \$44,193 for firefighters. The Fund's total health care expenses for the year ended December 31, 2000, (the latest information available) were \$106,160,054, which was net of member contributions of \$5,657,431.

NOTE 17 - SHORT-TERM OBLIGATIONS

The City's short-term obligations activity for the year ended December 31, 2001, was as follows:

| | Interest Rate | Balance 12/31/00 | Additions | Reductions | Balance 12/31/01 |
|---|------------------|---------------------|-----------|------------|---------------------|
| <u>Capital Projects Fund</u> | | | | | |
| Street and Sewer Improvement | | | | | |
| 2000 Special Assessment Bond Anticipation Note | 5.20% | \$94,140 | \$0 | \$94,140 | \$0 |
| 2001 Special Assessment Bond Anticipation Note | 3.00 | 0 | 130,186 | 0 | 130,186 |
| Total Capital Projects Fund | | 94,140 | 130,186 | 94,140 | 130,186 |
| <u>Enterprise Funds</u> | | | | | |
| Electric | | | | | |
| 2000 AMP - OHIO Bond Anticipation Note | 4.65% | 1,800,000 | 0 | 1,800,000 | 0 |
| 2001 AMP - OHIO Bond Anticipation Note | 3.00 | 0 | 1,800,000 | 0 | 1,800,000 |
| Total Electric Fund | | 1,800,000 | 1,800,000 | 1,800,000 | 1,800,000 |
| Water | | | | | |
| 2000 Bond Anticipation Note | 4.75 | 1,400,000 | 0 | 1,400,000 | 0 |
| 2001 Bond Anticipation Note | 3.85 | 0 | 1,400,000 | 0 | 1,400,000 |
| 2001 Bond Anticipation Note | 2.55 | 0 | 561,810 | 0 | 561,810 |
| Total Water Fund | | 1,400,000 | 1,961,810 | 1,400,000 | 1,961,810 |
| Sewer | | | | | |
| 2000 Bond Anticipation Note | 5.25 | 375,000 | 0 | 375,000 | 0 |
| 2001 Bond Anticipation Note | 3.15 | 0 | 375,000 | 0 | 375,000 |
| 2001 Bond Anticipation Note | 2.55 | 0 | 359,190 | 0 | 359,190 |
| Total Sewer Fund | | 375,000 | 734,190 | 375,000 | 734,190 |

(continued)

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 17 - SHORT-TERM OBLIGATIONS (continued)

| | Interest Rate | Balance 12/31/00 | Additions | Reductions | Balance 12/31/01 |
|---|------------------|---------------------|-------------|-------------|---------------------|
| Refuse | | | | | |
| 2000 Landfill Closure Bond Anticipation Note | 5.20% | \$260,860 | \$0 | \$260,860 | \$0 |
| 2001 Landfill Closure Bond Anticipation Note | 3.00 | 0 | 234,977 | 0 | 234,977 |
| Total Refuse Fund | | 260,860 | 234,977 | 260,860 | 234,977 |
| Total Enterprise Funds | | 3,835,860 | 4,730,977 | 3,835,860 | 4,730,977 |
| Total Notes Payable | | \$3,930,000 | \$4,861,163 | \$3,930,000 | \$4,861,163 |

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

The special assessment notes are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

NOTE 18 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2001, was as follows:

| | Interest Rate | Balance 12/31/00 | Additions | Reductions | Balance 12/31/01 |
|--------------------------------------|------------------|---------------------|-----------|------------|---------------------|
| <u>General Long-Term Obligations</u> | | | | | |
| <u>General Obligation Bonds</u> | | | | | |
| 1991 Downtown Improvement | 5.30 - 7.10% | \$1,087,541 | \$0 | \$82,541 | \$1,005,000 |
| 1993 Various Purpose | 2.80 - 5.45 | 2,285,000 | 0 | 130,000 | 2,155,000 |
| 1998 Various Purpose | 3.30 - 4.25 | 610,000 | 0 | 65,000 | 545,000 |
| Total General Obligation Bonds | | 3,982,541 | 0 | 277,541 | 3,705,000 |
| <u>Special Assessment Bonds</u> | | | | | |
| 1991 Downtown Improvement | 5.30 - 7.10 | 17,459 | 0 | 17,459 | 0 |
| <u>Other Long-Term Obligations</u> | | | | | |
| Compensated Absences Payable | | 360,310 | 14,331 | 0 | 374,641 |
| Intergovernmental Payable | | 84,387 | 84,767 | 84,387 | 84,767 |
| Capital Loans Payable | | 30,059 | 0 | 30,059 | 0 |
| Total Other Long-Term Obligations | | 474,756 | 99,098 | 114,446 | 459,408 |
| Total General Long-Term Obligations | | 4,474,756 | 99,098 | 409,446 | 4,164,408 |

(continued)

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

| | Interest Rate | Balance 12/31/00 | Additions | Reductions | Balance 12/31/01 |
|---|------------------|---------------------|-----------|------------|---------------------|
| <u>Enterprise Fund Obligations</u> | | | | | |
| <u>Mortgage Revenue Bonds</u> | | | | | |
| 1998 Sewer System Mortgage Revenue Refunding Bonds | 3.30 - 4.95% | \$3,910,000 | \$0 | \$150,000 | \$3,760,000 |
| <u>Other Long-Term Obligations</u> | | | | | |
| Compensated Absences Payable | | 231,177 | 25,807 | 0 | 256,984 |
| Intergovernmental Payable | | 31,250 | 0 | 2,500 | 28,750 |
| Capital Loans Payable | | 56,370 | 27,816 | 30,209 | 53,977 |
| Landfill Closure/Postclosure Costs | | 1,436,123 | 0 | 31,902 | 1,404,221 |
| OWDA Loan Payable | | 943,414 | 0 | 0 | 943,414 |
| Total Other Long-Term Obligations | | 2,698,334 | 53,623 | 64,611 | 2,687,346 |
| Total Enterprise Fund Obligations | | 6,608,334 | 53,623 | 214,611 | 6,447,346 |
| Total Long-Term Obligations | | \$11,083,090 | \$152,721 | \$624,057 | \$10,611,754 |

1991 Downtown Improvement General Obligation Bonds On June 1, 1991, the City issued \$1,655,000 in unvoted general obligation bonds to pay part of the cost of separating storm and sanitary sewers and constructing and reconstructing certain streets, sidewalks, curbs, and gutters on Auglaize, Perry, and Willipie Streets. The bonds were issued for a fifteen year period with maturity beginning October 1, 1992. The bonds will be paid from the General Fund and from special assessments. The special assessment portion of the bonds matured ten years from the date of issuance, or 2001. The general obligation portion of the bonds maturing on or after October 1, 2001, are subject to optional redemption at the direction of the City, either in whole or in part, in integral multiples of \$5,000 on any October 1, commencing October 1, 2001, at the redemption prices (expressed as percentages of the principal amount redeemed) set forth below:

| Redemption Dates (Dates Inclusive) | Redemption Prices |
|---|-------------------|
| October 1, 2001, through September 30, 2002 | 102% |
| October 1, 2002, through September 30, 2003 | 101 |
| October 1, 2003, and thereafter | 100 |

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

1993 Various Purpose General Obligation Bonds On November 1, 1993, the City issued \$3,080,000 in unvoted general obligation bonds to pay for the cost of constructing and equipping a police/EMS/administration building, provide funds to pay the cost of closing a landfill, and refund outstanding bond anticipation notes originally issued for paying the cost of acquiring, constructing, and equipping improvements on Bellefontaine Street. The bonds were issued for a twenty year period with maturity beginning December 1, 1994. The bonds will be paid from the General Fund and Electric, Water, Sewer, and Refuse enterprise funds. The bonds maturing on or after December 1, 2004, are subject to optional redemption prior to maturity commencing December 1, 2003, either in whole or in part, in inverse order of maturity and by lot within any maturity, at the redemption prices (expressed as percentages of the principal amount redeemed) plus accrued interest to the date of redemption as set forth below:

| Redemption Dates (Dates Inclusive) | Redemption Prices |
|---|-------------------|
| December 1, 2003, through November 30, 2004 | 102% |
| December 1, 2004, through November 30, 2005 | 101 |
| December 1, 2005, and thereafter | 100 |

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

Special Assessment Bonds The special assessment bonds were fully retired during 2001.

Other Long-Term Obligations Compensated absences and the intergovernmental payable, representing the City's contractually required pension contributions, will be paid from the fund from which the employees' salaries are paid.

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

Mortgage Revenue Bonds On November 30, 1998, the City issued \$4,190,000 in sewer system mortgage revenue bonds to advance refund 1990 sewer mortgage revenue bonds and pay the costs of certain other improvements to the sewer system. The refunding bonds include serial and term bonds. The bonds are reported on the combined balance sheet net of the unamortized loss on advance refunding of \$98,869 in the Sewer enterprise fund. The bonds were issued for a twenty year period, with final maturity during 2018.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

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

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

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

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

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

In conjunction with the issuance of the sewer system mortgage revenue refunding bonds, the City entered into a trust agreement with a commercial bank. This trust agreement, along with the bond indenture, requires that the City establish various funds for the repayment of debt. The restricted assets in the Sewer enterprise fund segregates funds held by the City from funds held by the trustees in accordance with the trust agreement. Restricted assets relating to the sewer system mortgage revenue refunding bonds at December 31, 2001, were \$369,341.

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

The sewer system mortgage revenue refunding bonds defeased, in-substance, \$1,345,000 in sewer system mortgage revenue bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2001, \$1,080,000 of this debt was still outstanding.

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

OWDA Loan In order to encourage Amcast Automotive Corporation to bring employment to the City, an agreement was reached to install water and sewer lines which were financed with an OWDA loan. The City received \$943,414 in 1997. The repayment schedule is based on 1 percent annual interest payments due semi-annually. The final payment is due in 2002, which will include the final interest payment plus the entire principal balance. The loan is being repaid from resources of the Water and Sewer enterprise funds.

On December 13, 2001, the City received approval for an OWDA loan, in the amount of \$309,750, for water system planning and design. As of year end, no proceeds had been received by the City.

The City's legal debt margin was \$10,716,785 at December 31, 2001.

Principal and interest requirements to retire general long-term obligations outstanding at December 31, 2001, were as follows:

| Year | General Obligation Bonds | | Total |
|--------------|--------------------------|-------------|-------------|
| | Principal | Interest | |
| 2002 | \$280,000 | \$202,762 | \$482,762 |
| 2003 | 295,000 | 189,315 | 484,315 |
| 2004 | 310,000 | 174,734 | 484,734 |
| 2005 | 325,000 | 158,943 | 483,943 |
| 2006 | 340,000 | 141,937 | 481,937 |
| 2007 to 2011 | 1,700,000 | 423,772 | 2,123,772 |
| 2012 to 2016 | 455,000 | 37,605 | 492,605 |
| Total | \$3,705,000 | \$1,329,068 | \$5,034,068 |

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2001, from the enterprise funds were as follows:

| Year | Mortgage Revenue Refunding Bonds | Intergovernmental | Capital Loans | OWDA Loan | Total |
|--------------|--|-------------------|------------------|------------------|--------------------|
| 2002 | \$341,426 | \$2,500 | \$33,863 | \$948,173 | \$1,325,962 |
| 2003 | 341,437 | 2,500 | 3,321 | 0 | 347,258 |
| 2004 | 340,510 | 2,500 | 3,321 | 0 | 346,331 |
| 2005 | 345,049 | 2,500 | 3,321 | 0 | 350,870 |
| 2006 | 343,579 | 2,500 | 3,321 | 0 | 349,400 |
| 2007 to 2011 | 1,710,669 | 12,500 | 16,605 | 0 | 1,739,774 |
| 2012 to 2016 | 1,700,111 | 3,750 | 0 | 0 | 1,703,861 |
| 2017 to 2018 | 689,709 | 0 | 0 | 0 | 689,709 |
| Total | <u>\$5,812,490</u> | <u>\$28,750</u> | <u>\$63,752</u> | <u>\$948,173</u> | <u>\$6,853,165</u> |

NOTE 19 - LANDFILL CLOSURE/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 \$1,404,221 reported as landfill closure/postclosure costs at December 31, 2001, represents the estimated costs of maintenance and monitoring through 2028. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 20 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City's enterprise funds account for the provision of electric, water, sewer, storm sewer, and refuse services. Financial segment information as of and for the year ended December 31, 2001, was as follows:

| | Electric | Water | Sewer | Storm Sewer | Refuse | Total |
|---|-------------|-------------|-------------|----------------|-----------|--------------|
| Operating revenues | \$7,546,904 | \$1,173,591 | \$1,191,624 | \$143,798 | \$859,338 | \$10,915,255 |
| Depreciation | 266,791 | 128,607 | 252,486 | 81,834 | 38,136 | 767,854 |
| Operating income | 957,641 | 329,713 | 279,974 | 24,439 | 200,888 | 1,792,655 |
| Capital contributions | 0 | 0 | 0 | 46,072 | 0 | 46,072 |
| Operating transfers - in | 447,891 | 51,650 | 9,560 | 5,000 | 11,500 | 525,601 |
| Operating transfers - out | 34,920 | 17,420 | 26,630 | 0 | 17,420 | 96,390 |
| Net income | 1,268,770 | 290,002 | 60,923 | 72,396 | 172,366 | 1,864,457 |
| Fixed assets: | | | | | | |
| Additions | 1,230,763 | 714,460 | 366,538 | 76,362 | 45,115 | 2,433,238 |
| Reductions | 43,160 | 4,586 | 41,077 | 0 | 7,585 | 96,408 |
| Depreciation on contributed assets | 0 | 243 | 322,200 | 0 | 2,347 | 324,790 |
| Net working capital | 8,848,088 | (896,587) | (539,106) | 221,696 | 406,712 | 8,040,803 |
| Long-term obligations: | | | | | | |
| Compensated absences payable | 91,825 | 54,539 | 83,526 | 0 | 21,167 | 251,057 |
| Intergovernmental payable | 0 | 0 | 26,250 | 0 | 0 | 26,250 |
| Capital loans payable | 0 | 23,090 | 0 | 0 | 0 | 23,090 |
| Mortgage revenue bonds payable (net of unamortized loss on advance refunding) | 0 | 0 | 3,506,131 | 0 | 0 | 3,506,131 |
| Landfill closure/postclosure costs | 0 | 0 | 0 | 0 | 1,404,221 | 1,404,221 |
| Total long-term liabilities | 91,825 | 77,629 | 3,615,907 | 0 | 1,425,388 | 5,210,749 |
| Total assets | 16,948,379 | 6,478,320 | 9,123,539 | 1,295,699 | 1,346,490 | 35,192,427 |
| Total equity (deficit) | 14,301,904 | 3,588,359 | 4,098,988 | 1,266,756 | (416,727) | 22,839,280 |
| Encumbrances outstanding at year end (budget basis) | 757,245 | 227,581 | 55,878 | 12,713 | 90,482 | 1,143,899 |

NOTE 21 - INSURANCE POOL

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

City of Wapakoneta
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001

NOTE 22 - CONTINGENT LIABILITIES

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

For the period January 1, 2001, to December 31, 2001, the City received state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

NOTE 23 - SUBSEQUENT EVENT

On January 31, 2002, the City issued \$1,250,000 in bond anticipation notes for constructing improvements to the water system. The notes have an interest rate of 2.17 percent and mature on February 1, 2003.

**COMBINING,
INDIVIDUAL FUND,
AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES**

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General Fund

General Fund

To account for all financial resources of the City, except those required to be accounted for in another fund.

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|--|------------------|------------------|--|
| <u>Revenues</u> | | | |
| Property taxes | \$337,771 | \$337,771 | \$0 |
| Municipal income taxes | 2,206,327 | 2,006,327 | (200,000) |
| Other local taxes | 2,179 | 2,179 | 0 |
| Excise taxes | 326,773 | 326,773 | 0 |
| Charges for services | 247,911 | 247,906 | (5) |
| Licenses and permits | 8,392 | 8,392 | 0 |
| Fines and forfeitures | 27,216 | 27,216 | 0 |
| Intergovernmental | 603,870 | 601,310 | (2,560) |
| Interest | 690,213 | 624,291 | (65,922) |
| Donations | 2,840 | 3,139 | 299 |
| Other | 21,181 | 21,196 | 15 |
| Total revenues | <u>4,474,673</u> | <u>4,206,500</u> | <u>(268,173)</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Security of persons and property | | | |
| Police department | | | |
| Personal services | 1,006,295 | 943,662 | 62,633 |
| Contractual services | 98,323 | 85,160 | 13,163 |
| Materials and supplies | 29,338 | 22,884 | 6,454 |
| Capital outlay | 76,608 | 64,794 | 11,814 |
| Fire department | | | |
| Personal services | 876,320 | 846,671 | 29,649 |
| Contractual services | 62,242 | 51,267 | 10,975 |
| Materials and supplies | 34,736 | 25,476 | 9,260 |
| Capital outlay | 76,951 | 64,736 | 12,215 |
| Safety director | | | |
| Personal services | 4,200 | 3,811 | 389 |
| Contractual services | 7,100 | 7,000 | 100 |
| Capital outlay | 790 | 790 | 0 |
| Total security of persons and property | <u>2,272,903</u> | <u>2,116,251</u> | <u>156,652</u> |
| Public health | | | |
| Emergency medical | | | |
| Personal services | 132,019 | 127,179 | 4,840 |
| Contractual services | 38,950 | 30,179 | 8,771 |
| Materials and supplies | 12,925 | 9,567 | 3,358 |

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001
(continued)

| | Budget | Actual | Variance Favorable (Unfavorable) |
|-----------------------------|----------------|----------------|--|
| Capital outlay | \$7,500 | \$730 | \$6,770 |
| Other | 1,100 | 38 | 1,062 |
| Miscellaneous | | | |
| Contractual services | 3,500 | 611 | 2,889 |
| Capital outlay | 1,100 | 998 | 102 |
| Total public health | <u>197,094</u> | <u>169,302</u> | <u>27,792</u> |
| Community environment | | | |
| Boards and commissions | | | |
| Contractual services | 41,012 | 38,519 | 2,493 |
| Materials and supplies | 10,621 | 7,077 | 3,544 |
| Capital outlay | 40,000 | 25,291 | 14,709 |
| Total community environment | <u>91,633</u> | <u>70,887</u> | <u>20,746</u> |
| General government | | | |
| Council | | | |
| Personal services | 30,500 | 30,500 | 0 |
| Materials and supplies | 11,500 | 8,858 | 2,642 |
| Clerk of council | | | |
| Personal services | 3,000 | 3,000 | 0 |
| Contractual services | 526 | 3,095 | (2,569) |
| Materials and supplies | 73 | 73 | 0 |
| Administrative | | | |
| Personal services | 24,300 | 23,858 | 442 |
| Contractual services | 7,900 | 15,349 | (7,449) |
| Materials and supplies | 10,539 | 9,911 | 628 |
| Capital outlay | 7,000 | 6,832 | 168 |
| Finance | | | |
| Personal services | 27,000 | 25,000 | 2,000 |
| Contractual services | 123,700 | 75,001 | 48,699 |
| Materials and supplies | 1,000 | 928 | 72 |
| Income tax | | | |
| Personal services | 42,650 | 39,862 | 2,788 |
| Contractual services | 8,117 | 7,568 | 549 |
| Materials and supplies | 14,342 | 12,056 | 2,286 |
| Capital outlay | 16,500 | 14,236 | 2,264 |
| Income tax refunds | 231,150 | 56,239 | 174,911 |

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001
(continued)

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|--------------------|--|
| Law director | | | |
| Personal services | \$20,000 | \$20,000 | \$0 |
| Contractual services | 2,000 | 0 | 2,000 |
| Materials and supplies | 500 | 103 | 397 |
| Civil service | | | |
| Personal services | 1,000 | 1,000 | 0 |
| Materials and supplies | 3,000 | 409 | 2,591 |
| Elections | | | |
| Contractual services | 2,500 | 0 | 2,500 |
| Auglaize County | | | |
| Contractual services | 27,900 | 10,334 | 17,566 |
| Administrative support | | | |
| Other | 49,500 | 0 | 49,500 |
| Total general government | <u>666,197</u> | <u>364,212</u> | <u>301,985</u> |
| Debt service: | | | |
| Principal retirement | 13,070 | 13,070 | 0 |
| Interest and fiscal charges | 730 | 705 | 25 |
| Total debt service | <u>13,800</u> | <u>13,775</u> | <u>25</u> |
| Total expenditures | <u>3,241,627</u> | <u>2,734,427</u> | <u>507,200</u> |
| Excess of revenues over expenditures | <u>1,233,046</u> | <u>1,472,073</u> | <u>239,027</u> |
| <u>Other financing sources (uses)</u> | | | |
| Sale of fixed assets | 2,232 | 2,232 | 0 |
| Advances - in | 50,000 | 50,000 | 0 |
| Advances - out | (108,500) | (100,000) | 8,500 |
| Operating transfers - out | (1,599,000) | (1,471,391) | 127,609 |
| Total other financing sources (uses) | <u>(1,655,268)</u> | <u>(1,519,159)</u> | <u>136,109</u> |
| Excess of revenues and other financing sources under expenditures and other financing uses | (422,222) | (47,086) | 375,136 |
| Fund balance at beginning of year | 1,333,420 | 1,333,420 | 0 |
| Prior year encumbrances appropriated | 77,537 | 77,537 | 0 |
| Fund balance at end of year | <u>\$988,735</u> | <u>\$1,363,871</u> | <u>\$375,136</u> |

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

Street Maintenance Fund

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

State Highway Fund

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

Motor Vehicle Permissive Tax Fund

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

Community Block Grant Fund

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

Recreation Fund

To account for monies received for use on recreation activities.

Law Enforcement Fund

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

Enforcement and Education Fund

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

Drug Law Enforcement Fund

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

Recreation Trust Fund

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

City of Wapakoneta
Special Revenue Funds

Combining Balance Sheet
December 31, 2001

| | <u>Street Maintenance</u> | <u>State Highway</u> | <u>Motor Vehicle Permissive Tax</u> | <u>Community Block Grant</u> |
|--|-------------------------------|--------------------------|---|--------------------------------------|
| <u>Assets</u> | | | | |
| Equity in pooled cash and cash equivalents | \$56,352 | \$35,270 | \$410,835 | \$113,995 |
| Investments | 0 | 0 | 0 | 0 |
| Receivables: | | | | |
| Property taxes | 0 | 0 | 0 | 0 |
| Other local taxes | 0 | 0 | 37,798 | 0 |
| Accounts | 1,881 | 0 | 0 | 0 |
| Intergovernmental | 154,153 | 12,090 | 0 | 0 |
| Notes | 0 | 0 | 0 | 55,187 |
| Materials and supplies inventory | 21,608 | 0 | 0 | 0 |
| Prepaid items | 2,131 | 0 | 0 | 0 |
| Total assets | <u>\$236,125</u> | <u>\$47,360</u> | <u>\$448,633</u> | <u>\$169,182</u> |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$2,591 | \$0 | \$0 | \$0 |
| Accrued wages payable | 2,310 | 0 | 0 | 0 |
| Compensated absences payable | 1,059 | 0 | 0 | 0 |
| Intergovernmental payable | 1,129 | 0 | 0 | 0 |
| Due to other funds | 364 | 0 | 0 | 0 |
| Deferred revenue | 136,754 | 10,527 | 33,420 | 0 |
| Total liabilities | <u>144,207</u> | <u>10,527</u> | <u>33,420</u> | <u>0</u> |
| <u>Fund equity</u> | | | | |
| Fund balance: | | | | |
| Reserved for notes receivable | 0 | 0 | 0 | 55,187 |
| Reserved for encumbrances | 3,779 | 0 | 11,306 | 0 |
| Unreserved | 88,139 | 36,833 | 403,907 | 113,995 |
| Total fund equity | <u>91,918</u> | <u>36,833</u> | <u>415,213</u> | <u>169,182</u> |
| Total liabilities and fund equity | <u>\$236,125</u> | <u>\$47,360</u> | <u>\$448,633</u> | <u>\$169,182</u> |

| <u>Recreation</u> | <u>Law Enforcement</u> | <u>Enforcement and Education</u> | <u>Drug Law Enforcement</u> | <u>Recreation Trust</u> | <u>Total</u> |
|--------------------|------------------------|----------------------------------|-----------------------------|-------------------------|--------------------|
| \$89,014 | \$548 | \$8,828 | \$3,895 | \$0 | \$718,737 |
| 863,757 | 0 | 0 | 0 | 21,600 | 885,357 |
| 106,898 | 0 | 0 | 0 | 0 | 106,898 |
| 0 | 0 | 0 | 0 | 0 | 37,798 |
| 0 | 0 | 0 | 0 | 0 | 1,881 |
| 6,731 | 0 | 60 | 34 | 0 | 173,068 |
| 0 | 0 | 0 | 0 | 0 | 55,187 |
| 411 | 0 | 0 | 0 | 0 | 22,019 |
| 148 | 0 | 0 | 0 | 0 | 2,279 |
| <u>\$1,066,959</u> | <u>\$548</u> | <u>\$8,888</u> | <u>\$3,929</u> | <u>\$21,600</u> | <u>\$2,003,224</u> |
| \$4,604 | \$0 | \$0 | \$0 | \$0 | \$7,195 |
| 250 | 0 | 0 | 0 | 0 | 2,560 |
| 0 | 0 | 0 | 0 | 0 | 1,059 |
| 307 | 0 | 0 | 0 | 0 | 1,436 |
| 144 | 0 | 0 | 0 | 0 | 508 |
| 113,629 | 0 | 0 | 0 | 0 | 294,330 |
| <u>118,934</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>307,088</u> |
| 0 | 0 | 0 | 0 | 0 | 55,187 |
| 2,617 | 0 | 0 | 0 | 0 | 17,702 |
| 945,408 | 548 | 8,888 | 3,929 | 21,600 | 1,623,247 |
| <u>948,025</u> | <u>548</u> | <u>8,888</u> | <u>3,929</u> | <u>21,600</u> | <u>1,696,136</u> |
| <u>\$1,066,959</u> | <u>\$548</u> | <u>\$8,888</u> | <u>\$3,929</u> | <u>\$21,600</u> | <u>\$2,003,224</u> |

City of Wapakoneta
Special Revenue Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2001

| | 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 | 71,440 | 0 |
| Charges for services | 19,454 | 0 | 0 | 0 |
| Fines and forfeitures | 0 | 0 | 0 | 0 |
| Intergovernmental | 285,109 | 23,117 | 50,814 | 41,000 |
| Interest | 2,791 | 1,197 | 17,307 | 10,705 |
| Donations | 0 | 0 | 0 | 0 |
| Other | 9,509 | 0 | 0 | 0 |
| Total revenues | <u>316,863</u> | <u>24,314</u> | <u>139,561</u> | <u>51,705</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Leisure time activities | 0 | 0 | 0 | 0 |
| Community environment | 0 | 0 | 0 | 56,070 |
| Transportation | 296,815 | 6,752 | 168,043 | 0 |
| Debt service: | | | | |
| Principal retirement | 16,989 | 0 | 0 | 0 |
| Interest and fiscal charges | 892 | 0 | 0 | 0 |
| Total expenditures | <u>314,696</u> | <u>6,752</u> | <u>168,043</u> | <u>56,070</u> |
| Excess of revenues over (under) expenditures | <u>2,167</u> | <u>17,562</u> | <u>(28,482)</u> | <u>(4,365)</u> |
| <u>Other financing sources</u> | | | | |
| Sale of fixed assets | 1,253 | 0 | 0 | 0 |
| Operating transfers - in | 0 | 0 | 0 | 0 |
| Total other financing sources | <u>1,253</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess of revenues and other financing sources over (under) expenditures | 3,420 | 17,562 | (28,482) | (4,365) |
| Fund balances at beginning of year | 88,498 | 19,271 | 443,695 | 173,547 |
| Fund balances at end of year | <u><u>\$91,918</u></u> | <u><u>\$36,833</u></u> | <u><u>\$415,213</u></u> | <u><u>\$169,182</u></u> |

| <u>Recreation</u> | <u>Law Enforcement</u> | <u>Enforcement and Education</u> | <u>Drug Law Enforcement</u> | <u>Recreation Trust</u> | <u>Total</u> |
|-------------------|----------------------------|--|-------------------------------------|-----------------------------|--------------------|
| \$104,477 | \$0 | \$0 | \$0 | \$0 | \$104,477 |
| 750 | 0 | 0 | 0 | 0 | 72,190 |
| 620 | 0 | 0 | 0 | 0 | 20,074 |
| 0 | 0 | 902 | 657 | 0 | 1,559 |
| 49,968 | 0 | 0 | 0 | 0 | 450,008 |
| 32,857 | 0 | 0 | 0 | 0 | 64,857 |
| 13,000 | 0 | 0 | 0 | 0 | 13,000 |
| 463 | 0 | 0 | 0 | 0 | 9,972 |
| <u>202,135</u> | <u>0</u> | <u>902</u> | <u>657</u> | <u>0</u> | <u>736,137</u> |
| 207,117 | 0 | 0 | 0 | 0 | 207,117 |
| 0 | 0 | 0 | 0 | 0 | 56,070 |
| 0 | 0 | 0 | 0 | 0 | 471,610 |
| 0 | 0 | 0 | 0 | 0 | 16,989 |
| 0 | 0 | 0 | 0 | 0 | 892 |
| <u>207,117</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>752,678</u> |
| <u>(4,982)</u> | <u>0</u> | <u>902</u> | <u>657</u> | <u>0</u> | <u>(16,541)</u> |
| 0 | 0 | 0 | 0 | 0 | 1,253 |
| 19,000 | 0 | 0 | 0 | 0 | 19,000 |
| <u>19,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>20,253</u> |
| 14,018 | 0 | 902 | 657 | 0 | 3,712 |
| 934,007 | 548 | 7,986 | 3,272 | 21,600 | 1,692,424 |
| <u>\$948,025</u> | <u>\$548</u> | <u>\$8,888</u> | <u>\$3,929</u> | <u>\$21,600</u> | <u>\$1,696,136</u> |

City of Wapakoneta
Street Maintenance Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|-----------------|-----------------|--|
| <u>Revenues</u> | | | |
| Charges for services | \$16,257 | \$19,454 | \$3,197 |
| Intergovernmental | 279,208 | 284,877 | 5,669 |
| Interest | 2,600 | 2,791 | 191 |
| Other | 2,260 | 9,509 | 7,249 |
| Total revenues | <u>300,325</u> | <u>316,631</u> | <u>16,306</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Transportation | | | |
| Street maintenance | | | |
| Personal services | 166,700 | 157,368 | 9,332 |
| Contractual services | 70,696 | 68,632 | 2,064 |
| Materials and supplies | 62,699 | 55,647 | 7,052 |
| Capital outlay | 14,619 | 13,773 | 846 |
| Total transportation | <u>314,714</u> | <u>295,420</u> | <u>19,294</u> |
| Debt service: | | | |
| Principal retirement | 16,989 | 16,989 | 0 |
| Interest and fiscal charges | 892 | 892 | 0 |
| Total debt service | <u>17,881</u> | <u>17,881</u> | <u>0</u> |
| Total expenditures | <u>332,595</u> | <u>313,301</u> | <u>19,294</u> |
| Excess of revenues over (under) expenditures | (32,270) | 3,330 | 35,600 |
| <u>Other financing sources</u> | | | |
| Sale of fixed assets | 1,300 | 1,253 | (47) |
| Excess of revenues and other financing sources over (under) expenditures | (30,970) | 4,583 | 35,553 |
| Fund balance at beginning of year | 36,386 | 36,386 | 0 |
| Prior year encumbrances appropriated | 8,895 | 8,895 | 0 |
| Fund balance at end of year | <u>\$14,311</u> | <u>\$49,864</u> | <u>\$35,553</u> |

City of Wapakoneta
State Highway Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|----------|----------|--|
| <u>Revenues</u> | | | |
| Intergovernmental | \$20,500 | \$23,098 | \$2,598 |
| Interest | 1,000 | 1,197 | 197 |
| Total revenues | 21,500 | 24,295 | 2,795 |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Transportation | | | |
| State highway | | | |
| Contractual services | 500 | 0 | 500 |
| Capital outlay | 7,133 | 6,752 | 381 |
| Total expenditures | 7,633 | 6,752 | 881 |
| Excess of revenues over expenditures | 13,867 | 17,543 | 3,676 |
| Fund balance at beginning of year | 17,094 | 17,094 | 0 |
| Prior year encumbrances appropriated | 633 | 633 | 0 |
| Fund balance at end of year | \$31,594 | \$35,270 | \$3,676 |

City of Wapakoneta
Motor Vehicle Permissive Tax Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|-----------|-----------|--|
| <u>Revenues</u> | | | |
| Other local taxes | \$71,462 | \$71,462 | \$0 |
| Intergovernmental | 53,538 | 50,814 | (2,724) |
| Interest | 20,000 | 17,307 | (2,693) |
| Total revenues | 145,000 | 139,583 | (5,417) |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Transportation | | | |
| Motor vehicle permissive tax | | | |
| Contractual services | 22,500 | 3,591 | 18,909 |
| Capital outlay | 194,392 | 176,303 | 18,089 |
| Total expenditures | 216,892 | 179,894 | 36,998 |
| Excess of revenues under expenditures | (71,892) | (40,311) | 31,581 |
| Fund balance at beginning of year | 317,948 | 317,948 | 0 |
| Prior year encumbrances appropriated | 121,892 | 121,892 | 0 |
| Fund balance at end of year | \$367,948 | \$399,529 | \$31,581 |

City of Wapakoneta
Community Block Grant Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|-----------|-----------|--|
| <u>Revenues</u> | | | |
| Intergovernmental | \$41,000 | \$41,000 | \$0 |
| Interest | 8,000 | 8,853 | 853 |
| Revolving loan payments | 5,150 | 7,060 | 1,910 |
| Total revenues | 54,150 | 56,913 | 2,763 |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Community environment | | | |
| Community block grant | | | |
| Contractual services | 94,150 | 90,070 | 4,080 |
| | | | |
| Excess of revenues under expenditures | (40,000) | (33,157) | 6,843 |
| Fund balance at beginning of year | 147,152 | 147,152 | 0 |
| Fund balance at end of year | \$107,152 | \$113,995 | \$6,843 |

City of Wapakoneta
Recreation Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|--|-----------------|-----------------|--|
| <u>Revenues</u> | | | |
| Property taxes | \$104,477 | \$104,477 | \$0 |
| Other local taxes | 750 | 750 | 0 |
| Charges for services | 0 | 620 | 620 |
| Intergovernmental | 92,800 | 51,437 | (41,363) |
| Interest | 50,588 | 50,586 | (2) |
| Donations | 35,000 | 13,000 | (22,000) |
| Other | 463 | 463 | 0 |
| Total revenues | <u>284,078</u> | <u>221,333</u> | <u>(62,745)</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Leisure time activities | | | |
| Recreation | | | |
| Personal services | 48,880 | 38,319 | 10,561 |
| Contractual services | 53,118 | 42,482 | 10,636 |
| Materials and supplies | 22,525 | 14,817 | 7,708 |
| Capital outlay | 139,676 | 119,576 | 20,100 |
| Total expenditures | <u>264,199</u> | <u>215,194</u> | <u>49,005</u> |
| Excess of revenues over expenditures | 19,879 | 6,139 | (13,740) |
| <u>Other financing sources</u> | | | |
| Operating transfers - in | <u>18,982</u> | <u>19,000</u> | <u>18</u> |
| Excess of revenues and other financing sources over expenditures | 38,861 | 25,139 | (13,722) |
| Fund balance at beginning of year | 34,811 | 34,811 | 0 |
| Prior year encumbrances appropriated | 21,699 | 21,699 | 0 |
| Fund balance at end of year | <u>\$95,371</u> | <u>\$81,649</u> | <u>(\$13,722)</u> |

City of Wapakoneta
Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------|--------|--|
| <u>Revenues</u> | \$0 | \$0 | \$0 |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Security of persons and property | | | |
| Law enforcement | | | |
| Materials and supplies | 545 | 0 | 545 |
| | | | |
| Excess of revenues under expenditures | (545) | 0 | 545 |
| Fund balance at beginning of year | 548 | 548 | 0 |
| Fund balance at end of year | \$3 | \$548 | \$545 |

City of Wapakoneta
Enforcement and Education Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|---------|---------|--|
| <u>Revenues</u> | | | |
| Fines and forfeitures | \$350 | \$852 | \$502 |
| <u>Expenditures</u> | 0 | 0 | 0 |
| Excess of revenues over expenditures | 350 | 852 | 502 |
| Fund balance at beginning of year | 7,976 | 7,976 | 0 |
| Fund balance at end of year | \$8,326 | \$8,828 | \$502 |

City of Wapakoneta
Drug Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|---------|---------|--|
| <u>Revenues</u> | | | |
| Fines and forfeitures | \$500 | \$681 | \$181 |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Security of persons and property | | | |
| Drug law enforcement | | | |
| Materials and supplies | 1,700 | 0 | 1,700 |
| Capital outlay | 2,000 | 0 | 2,000 |
| Total expenditures | 3,700 | 0 | 3,700 |
| Excess of revenues over (under) expenditures | (3,200) | 681 | 3,881 |
| Fund balance at beginning of year | 3,214 | 3,214 | 0 |
| Fund balance at end of year | \$14 | \$3,895 | \$3,881 |

City of Wapakoneta
Recreation Trust Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|----------|----------|--|
| <u>Revenues</u> | \$0 | \$0 | \$0 |
| <u>Expenditures</u> | 0 | 0 | 0 |
| Excess of revenues over expenditures | 0 | 0 | 0 |
| Fund balance at beginning of year | 21,600 | 21,600 | 0 |
| Fund balance at end of year | \$21,600 | \$21,600 | \$0 |

Debt Service Funds

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

The activity of the Debt Service fund is reported on a GAAP basis only.

Downtown Fund

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

Debt Service Fund

To account for special assessments and transfers from the Street and Sewer Improvement and Bellefontaine Street capital projects funds used to pay debt principal and interest.

City of Wapakoneta
Debt Service Funds

Combining Balance Sheet
December 31, 2001

| | Downtown | Debt Service | Total |
|--|----------|-----------------|-----------|
| <u>Assets</u> | | | |
| Equity in pooled cash and cash equivalents | \$60,695 | \$0 | \$60,695 |
| Receivables: | | | |
| Special assessments | 551 | 128,281 | 128,832 |
| Total assets | \$61,246 | \$128,281 | \$189,527 |
| <u>Liabilities</u> | | | |
| Deferred revenue | \$551 | \$128,281 | \$128,832 |
| Total liabilities | 551 | 128,281 | 128,832 |
| <u>Fund equity</u> | | | |
| Fund balance: | | | |
| Unreserved | 60,695 | 0 | 60,695 |
| Total fund equity | 60,695 | 0 | 60,695 |
| Total liabilities and fund equity | \$61,246 | \$128,281 | \$189,527 |

City of Wapakoneta
Debt Service Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2001

| | Downtown | Debt Service | Total |
|---|-----------|-----------------|-----------|
| <u>Revenues</u> | | | |
| Special assessments | \$18,033 | \$67,481 | \$85,514 |
| <u>Expenditures</u> | | | |
| Debt service: | | | |
| Principal retirement | 230,000 | 65,000 | 295,000 |
| Interest and fiscal charges | 113,542 | 24,275 | 137,817 |
| Total expenditures | 343,542 | 89,275 | 432,817 |
| Excess of revenues under expenditures | (325,509) | (21,794) | (347,303) |
| <u>Other financing sources</u> | | | |
| Operating transfers - in | 322,180 | 21,794 | 343,974 |
| Excess of revenues and other financing sources under expenditures | (3,329) | 0 | (3,329) |
| Fund balances at beginning of year | 64,024 | 0 | 64,024 |
| Fund balances at end of year | \$60,695 | \$0 | \$60,695 |

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Capital Projects Funds

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

Street and Sewer Improvement Fund

To account for the residents' portion of special assessments for curbs and gutters, 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.

Safety Building Fund

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

Capital Fire Truck Fund

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

Bellefontaine Street Fund

To account for special assessments and transfers from the General Fund used for reconstruction of the roadway on Bellefontaine Street.

City of Wapakoneta
Capital Projects Funds

Combining Balance Sheet
December 31, 2001

| | Street and Sewer Improvement | Safety Building | Capital Fire Truck |
|--|------------------------------------|--------------------|-----------------------|
| <u>Assets</u> | | | |
| Equity in pooled cash and cash equivalents | \$678,169 | \$65,044 | \$174,432 |
| Receivables: | | | |
| Special assessments | 249,183 | 0 | 0 |
| Prepaid items | 0 | 1,110 | 0 |
| Total assets | <u>\$927,352</u> | <u>\$66,154</u> | <u>\$174,432</u> |
| <u>Liabilities</u> | | | |
| Accounts payable | \$550 | \$1,525 | \$0 |
| Contracts payable | 29,285 | 0 | 0 |
| Retainage payable | 20,787 | 0 | 0 |
| Deferred revenue | 249,183 | 0 | 0 |
| Accrued interest payable | 890 | 0 | 0 |
| Notes payable | 130,186 | 0 | 0 |
| Total liabilities | <u>430,881</u> | <u>1,525</u> | <u>0</u> |
| <u>Fund equity</u> | | | |
| Fund balance: | | | |
| Reserved for encumbrances | 25,866 | 20,286 | 0 |
| Unreserved | 470,605 | 44,343 | 174,432 |
| Total fund equity | <u>496,471</u> | <u>64,629</u> | <u>174,432</u> |
| Total liabilities and fund equity | <u>\$927,352</u> | <u>\$66,154</u> | <u>\$174,432</u> |

| <u>Bellefontaine Street</u> | <u>Total</u> |
|---------------------------------|--------------------|
| \$23,289 | \$940,934 |
| 0 | 249,183 |
| 0 | 1,110 |
| <u>\$23,289</u> | <u>\$1,191,227</u> |

| | |
|----------|----------------|
| \$0 | \$2,075 |
| 0 | 29,285 |
| 0 | 20,787 |
| 0 | 249,183 |
| 0 | 890 |
| 0 | 130,186 |
| <u>0</u> | <u>432,406</u> |

| | |
|-----------------|--------------------|
| 0 | 46,152 |
| <u>23,289</u> | <u>712,669</u> |
| <u>23,289</u> | <u>758,821</u> |
| <u>\$23,289</u> | <u>\$1,191,227</u> |

City of Wapakoneta
Capital Projects Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2001

| | Street and Sewer Improvement | Safety Building | Capital Fire Truck |
|--|------------------------------------|------------------------|-------------------------|
| <u>Revenues</u> | | | |
| Special assessments | \$31,832 | \$0 | \$0 |
| Other | 1,366 | 0 | 0 |
| Total revenues | <u>33,198</u> | <u>0</u> | <u>0</u> |
| <u>Expenditures</u> | | | |
| Capital outlay | 676,633 | 46,594 | 0 |
| Debt service: | | | |
| Interest and fiscal charges | 4,384 | 0 | 0 |
| Total expenditures | <u>681,017</u> | <u>46,594</u> | <u>0</u> |
| Excess of revenues under expenditures | (647,819) | (46,594) | 0 |
| <u>Other financing sources</u> | | | |
| Operating transfers - in | <u>581,000</u> | <u>40,000</u> | <u>50,000</u> |
| Excess of revenues and other financing sources over (under) expenditures | (66,819) | (6,594) | 50,000 |
| Fund balances at beginning of year | 563,290 | 71,223 | 124,432 |
| Fund balances at end of year | <u><u>\$496,471</u></u> | <u><u>\$64,629</u></u> | <u><u>\$174,432</u></u> |

| Bellefontaine Street | Total |
|-------------------------|------------------|
| \$0 | \$31,832 |
| 0 | 1,366 |
| <u>0</u> | <u>33,198</u> |
| 0 | 723,227 |
| 0 | 4,384 |
| <u>0</u> | <u>727,611</u> |
| 0 | (694,413) |
| <u>8,206</u> | <u>679,206</u> |
| 8,206 | (15,207) |
| 15,083 | 774,028 |
| <u>\$23,289</u> | <u>\$758,821</u> |

City of Wapakoneta
Street and Sewer Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|------------------|------------------|--|
| <u>Revenues</u> | | | |
| Special assessments | \$56,873 | \$75,577 | \$18,704 |
| Other | 1,362 | 1,366 | 4 |
| Total revenues | <u>58,235</u> | <u>76,943</u> | <u>18,708</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Transportation | | | |
| Street and sewer improvement | | | |
| Contractual services | 75,000 | 70,251 | 4,749 |
| Materials and supplies | 1,100 | 0 | 1,100 |
| Capital outlay | 715,963 | 611,461 | 104,502 |
| Total transportation | <u>792,063</u> | <u>681,712</u> | <u>110,351</u> |
| Debt service: | | | |
| Principal retirement | 128,000 | 125,990 | 2,010 |
| Interest and fiscal charges | 18,500 | 16,790 | 1,710 |
| Total debt service | <u>146,500</u> | <u>142,780</u> | <u>3,720</u> |
| Total expenditures | <u>938,563</u> | <u>824,492</u> | <u>114,071</u> |
| Excess of revenues under expenditures | <u>(880,328)</u> | <u>(747,549)</u> | <u>132,779</u> |
| <u>Other financing sources</u> | | | |
| Proceeds of notes | 58,765 | 130,186 | 71,421 |
| Operating transfers - in | 593,000 | 581,000 | (12,000) |
| Total other financing sources | <u>651,765</u> | <u>711,186</u> | <u>59,421</u> |
| Excess of revenues and other financing sources under expenditures | <u>(228,563)</u> | <u>(36,363)</u> | <u>192,200</u> |
| Fund balance at beginning of year | 656,868 | 656,868 | 0 |
| Prior year encumbrances appropriated | 1,963 | 1,963 | 0 |
| Fund balance at end of year | <u>\$430,268</u> | <u>\$622,468</u> | <u>\$192,200</u> |

City of Wapakoneta
Safety Building Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|---|-----------------|-----------------|--|
| <u>Revenues</u> | | | |
| Interest | \$1,000 | \$0 | (\$1,000) |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Security of persons and property | | | |
| Safety building | | | |
| Contractual services | 14,048 | 13,864 | 184 |
| Materials and supplies | 2,552 | 708 | 1,844 |
| Capital outlay | 76,059 | 55,156 | 20,903 |
| Total expenditures | <u>92,659</u> | <u>69,728</u> | <u>22,931</u> |
| Excess of revenues under expenditures | (91,659) | (69,728) | 21,931 |
| <u>Other financing sources</u> | | | |
| Operating transfers - in | 40,000 | 40,000 | 0 |
| Excess of revenues and other financing sources under expenditures | (51,659) | (29,728) | 21,931 |
| Fund balance at beginning of year | 51,302 | 51,302 | 0 |
| Prior year encumbrances appropriated | 21,659 | 21,659 | 0 |
| Fund balance at end of year | <u>\$21,302</u> | <u>\$43,233</u> | <u>\$21,931</u> |

City of Wapakoneta
Capital Fire Truck Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|-------------------------|-------------------------|---|
| <u>Revenues</u> | | | |
| Interest | \$500 | \$0 | (\$500) |
| <u>Expenditures</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess of revenues over expenditures | 500 | 0 | (500) |
| <u>Other financing sources</u> | | | |
| Operating transfers - in | <u>50,000</u> | <u>50,000</u> | <u>0</u> |
| Excess of revenues and other financing sources over expenditures | 50,500 | 50,000 | (500) |
| Fund balance at beginning of year | <u>124,432</u> | <u>124,432</u> | <u>0</u> |
| Fund balance at end of year | <u><u>\$174,932</u></u> | <u><u>\$174,432</u></u> | <u><u>(\$500)</u></u> |

City of Wapakoneta
 Bellefontaine Street Capital Projects Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended December 31, 2001

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|----------|----------|--|
| <u>Revenues</u> | | | |
| Special Assessments | \$23,000 | \$23,736 | \$736 |
| <u>Expenditures</u> | | | |
| Debt service: | | | |
| Principal retirement | 33,150 | 33,150 | 0 |
| Interest and fiscal charges | 14,000 | 12,380 | 1,620 |
| Total expenditures | 47,150 | 45,530 | 1,620 |
| Excess of revenues under expenditures | (24,150) | (21,794) | 2,356 |
| <u>Other financing sources</u> | | | |
| Operating transfers - in | 30,000 | 30,000 | 0 |
| Excess of revenues and other financing sources over expenditures | 5,850 | 8,206 | 2,356 |
| Fund balance at beginning of year | 15,083 | 15,083 | 0 |
| Fund balance at end of year | \$20,933 | \$23,289 | \$2,356 |

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Enterprise Funds

Enterprise funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Electric Fund

To account for the provision of electricity to residential and commercial users within the City.

Water Fund

To account for the provision of water treatment and distribution to residential and commercial users within the City.

Sewer Fund

To account for the provision of sanitary sewer service to residential and commercial users within the City.

Storm Sewer Fund

To account for the provision of storm sewer service to residential and commercial users within the City.

Refuse Fund

To account for the provision of refuse collection services to residential and commercial users within the City.

City of Wapakoneta
Enterprise Funds

Combining Balance Sheet
December 31, 2001

| | <u>Electric</u> | <u>Water</u> | <u>Sewer</u> |
|--|----------------------------|---------------------------|---------------------------|
| <u>Assets</u> | | | |
| Current assets: | | | |
| Equity in pooled cash and cash equivalents | \$9,358,731 | \$1,515,085 | \$488,421 |
| Receivables: | | | |
| Excise taxes | 53,215 | 0 | 0 |
| Accounts | 1,049,436 | 163,292 | 185,053 |
| Intergovernmental | 0 | 0 | 0 |
| Due from other funds | 17,645 | 969 | 1,154 |
| Materials and supplies inventory | 816,206 | 206,283 | 29,481 |
| Prepaid items | 29,733 | 11,873 | 10,429 |
| Total current assets | <u>11,324,966</u> | <u>1,897,502</u> | <u>714,538</u> |
| Noncurrent assets: | | | |
| Restricted assets | | | |
| Equity in pooled cash and cash equivalents | 77,772 | 18,243 | 22,709 |
| Cash and cash equivalents with fiscal agents | 0 | 0 | 369,341 |
| Unamortized bond issue costs | 0 | 0 | 131,713 |
| Fixed assets (net of accumulated depreciation) | 5,545,641 | 4,562,575 | 7,885,238 |
| Total noncurrent assets | <u>5,623,413</u> | <u>4,580,818</u> | <u>8,409,001</u> |
| Total assets | <u><u>\$16,948,379</u></u> | <u><u>\$6,478,320</u></u> | <u><u>\$9,123,539</u></u> |

| <u>Storm Sewer</u> | <u>Refuse</u> | <u>Total</u> |
|------------------------|--------------------|---------------------|
| \$238,160 | \$656,731 | \$12,257,128 |
| 0 | 0 | 53,215 |
| 12,401 | 66,107 | 1,476,289 |
| 0 | 14,672 | 14,672 |
| 78 | 352 | 20,198 |
| 0 | 1,507 | 1,053,477 |
| 0 | 5,172 | 57,207 |
| <u>250,639</u> | <u>744,541</u> | <u>14,932,186</u> |
| 0 | 0 | 118,724 |
| 0 | 0 | 369,341 |
| 0 | 0 | 131,713 |
| <u>1,045,060</u> | <u>601,949</u> | <u>19,640,463</u> |
| <u>1,045,060</u> | <u>601,949</u> | <u>20,260,241</u> |
| <u>\$1,295,699</u> | <u>\$1,346,490</u> | <u>\$35,192,427</u> |

(continued)

City of Wapakoneta
Enterprise Funds

Combining Balance Sheet
December 31, 2001
(continued)

| | <u>Electric</u> | <u>Water</u> | <u>Sewer</u> |
|---|---------------------|--------------------|--------------------|
| <u>Liabilities</u> | | | |
| Current liabilities: | | | |
| Accounts payable | \$493,557 | \$32,750 | \$18,801 |
| Contracts payable | 63,674 | 83,405 | 0 |
| Retainage payable | 5,601 | 51,600 | 0 |
| Accrued wages payable | 9,822 | 5,711 | 6,809 |
| Compensated absences payable | 2,975 | 2,224 | 555 |
| Intergovernmental payable | 26,895 | 12,668 | 23,262 |
| Interfund payable | 49,442 | 0 | 100,000 |
| Due to other funds | 1,212 | 6,447 | 10,194 |
| Accrued interest payable | 23,700 | 50,613 | 1,336 |
| Notes payable | 1,800,000 | 1,961,810 | 734,190 |
| Capital loans payable | 0 | 1,944 | 0 |
| OWDA loan payable | 0 | 584,917 | 358,497 |
| Total current liabilities | <u>\$2,476,878</u> | <u>\$2,794,089</u> | <u>\$1,253,644</u> |
| Noncurrent liabilities: | | | |
| Payable from restricted assets | | | |
| Refundable deposits | 77,772 | 18,243 | 0 |
| Mortgage revenue bonds payable | 0 | 0 | 155,000 |
| Compensated absences payable | 91,825 | 54,539 | 83,526 |
| Intergovernmental payable | 0 | 0 | 26,250 |
| Capital loans payable | 0 | 23,090 | 0 |
| Mortgage revenue bonds payable (net of unamortized loss on advance refunding) | 0 | 0 | 3,506,131 |
| Landfill closure/postclosure costs | 0 | 0 | 0 |
| Total noncurrent liabilities | <u>169,597</u> | <u>95,872</u> | <u>3,770,907</u> |
| Total liabilities | <u>2,646,475</u> | <u>2,889,961</u> | <u>5,024,551</u> |
| <u>Fund equity</u> | | | |
| Retained earnings: | | | |
| Reserved for replacement | 0 | 0 | 22,709 |
| Unreserved (deficit) | 14,177,659 | 2,707,389 | 1,154,649 |
| Contributed capital | 124,245 | 880,970 | 2,921,630 |
| Total fund equity (deficit) | <u>14,301,904</u> | <u>3,588,359</u> | <u>4,098,988</u> |
| Total liabilities and fund equity | <u>\$16,948,379</u> | <u>\$6,478,320</u> | <u>\$9,123,539</u> |

| Storm Sewer | Refuse | Total |
|----------------|-----------|-------------|
| \$0 | \$36,997 | \$582,105 |
| 0 | 0 | 147,079 |
| 0 | 0 | 57,201 |
| 0 | 4,209 | 26,551 |
| 0 | 173 | 5,927 |
| 0 | 9,549 | 72,374 |
| 0 | 50,000 | 199,442 |
| 0 | 318 | 18,171 |
| 0 | 1,606 | 77,255 |
| 0 | 234,977 | 4,730,977 |
| 28,943 | 0 | 30,887 |
| 0 | 0 | 943,414 |
| \$28,943 | \$337,829 | \$6,891,383 |

| | | |
|--------|-----------|------------|
| 0 | 0 | 96,015 |
| 0 | 0 | 155,000 |
| 0 | 21,167 | 251,057 |
| 0 | 0 | 26,250 |
| 0 | 0 | 23,090 |
| 0 | 0 | 3,506,131 |
| 0 | 1,404,221 | 1,404,221 |
| 0 | 1,425,388 | 5,461,764 |
| 28,943 | 1,763,217 | 12,353,147 |

| | | |
|-------------|-------------|--------------|
| 0 | 0 | 22,709 |
| 533,459 | (477,616) | 18,095,540 |
| 733,297 | 60,889 | 4,721,031 |
| 1,266,756 | (416,727) | 22,839,280 |
| \$1,295,699 | \$1,346,490 | \$35,192,427 |

City of Wapakoneta
Enterprise Funds

Combining Statement of Revenues, Expenses,
and Changes in Fund Equity
For the Year Ended December 31, 2001

| | Electric | Water | Sewer | Storm Sewer |
|--|---------------------|--------------------|--------------------|--------------------|
| <u>Operating revenues</u> | | | | |
| Charges for services | \$7,436,796 | \$1,166,918 | \$1,181,040 | \$143,798 |
| Other operating revenues | 110,108 | 6,673 | 10,584 | 0 |
| Total operating revenues | <u>7,546,904</u> | <u>1,173,591</u> | <u>1,191,624</u> | <u>143,798</u> |
| <u>Operating expenses</u> | | | | |
| Personal services | 695,102 | 377,729 | 443,954 | 0 |
| Contractual services | 5,190,313 | 155,803 | 87,715 | 5,009 |
| Materials and supplies | 421,948 | 181,739 | 122,627 | 32,516 |
| Other operating expenses | 15,109 | 0 | 4,868 | 0 |
| Depreciation | 266,791 | 128,607 | 252,486 | 81,834 |
| Total operating expenses | <u>6,589,263</u> | <u>843,878</u> | <u>911,650</u> | <u>119,359</u> |
| Operating income | <u>957,641</u> | <u>329,713</u> | <u>279,974</u> | <u>24,439</u> |
| <u>Non-operating revenues (expenses)</u> | | | | |
| Gain on disposal of fixed assets | 11,875 | 0 | 0 | 0 |
| Capital contributions | 0 | 0 | 0 | 46,072 |
| Interest revenue | 0 | 0 | 26,342 | 0 |
| Interest expense | (113,717) | (73,941) | (228,323) | (3,115) |
| Total non-operating revenues (expenses) | <u>(101,842)</u> | <u>(73,941)</u> | <u>(201,981)</u> | <u>42,957</u> |
| Income before operating transfers | 855,799 | 255,772 | 77,993 | 67,396 |
| Operating transfers - in | 447,891 | 51,650 | 9,560 | 5,000 |
| Operating transfers - out | <u>(34,920)</u> | <u>(17,420)</u> | <u>(26,630)</u> | <u>0</u> |
| Net income | 1,268,770 | 290,002 | 60,923 | 72,396 |
| Depreciation on fixed assets acquired by contributed capital | 0 | 243 | 322,200 | 0 |
| Retained earnings (deficit) at beginning of year | 12,925,324 | 2,417,144 | 794,235 | 461,063 |
| Residual equity transfers - out | <u>(16,435)</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Retained earnings (deficit) at end of year | <u>14,177,659</u> | <u>2,707,389</u> | <u>1,177,358</u> | <u>533,459</u> |
| Contributed capital at beginning of year | 124,245 | 881,213 | 3,243,830 | 733,297 |
| Depreciation on fixed assets acquired by contributed capital | 0 | (243) | (322,200) | 0 |
| Contributed capital at end of year | <u>124,245</u> | <u>880,970</u> | <u>2,921,630</u> | <u>733,297</u> |
| Total fund equity (deficit) at end of year | <u>\$14,301,904</u> | <u>\$3,588,359</u> | <u>\$4,098,988</u> | <u>\$1,266,756</u> |

| <u>Refuse</u> | <u>Total</u> |
|--------------------|---------------------|
| \$805,061 | \$10,733,613 |
| 54,277 | 181,642 |
| <u>859,338</u> | <u>10,915,255</u> |
| 274,827 | 1,791,612 |
| 281,033 | 5,719,873 |
| 64,454 | 823,284 |
| 0 | 19,977 |
| 38,136 | 767,854 |
| <u>658,450</u> | <u>9,122,600</u> |
| <u>200,888</u> | <u>1,792,655</u> |
| 4,257 | 16,132 |
| 0 | 46,072 |
| 0 | 26,342 |
| <u>(26,859)</u> | <u>(445,955)</u> |
| <u>(22,602)</u> | <u>(357,409)</u> |
| 178,286 | 1,435,246 |
| 11,500 | 525,601 |
| <u>(17,420)</u> | <u>(96,390)</u> |
| 172,366 | 1,864,457 |
| 2,347 | 324,790 |
| (652,329) | 15,945,437 |
| <u>0</u> | <u>(16,435)</u> |
| <u>(477,616)</u> | <u>18,118,249</u> |
| 63,236 | 5,045,821 |
| <u>(2,347)</u> | <u>(324,790)</u> |
| <u>60,889</u> | <u>4,721,031</u> |
| <u>(\$416,727)</u> | <u>\$22,839,280</u> |

City of Wapakoneta
Electric Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|--------------------|--|
| <u>Revenues</u> | | | |
| Charges for services | \$8,297,507 | \$7,501,791 | (\$795,716) |
| Utility deposits | 17,820 | 27,874 | 10,054 |
| Other revenues | 258,033 | 87,942 | (170,091) |
| Sale of fixed assets | 11,875 | 11,875 | 0 |
| Proceeds of notes | 1,800,000 | 1,800,000 | 0 |
| Total revenues | <u>10,385,235</u> | <u>9,429,482</u> | <u>(955,753)</u> |
| <u>Expenses</u> | | | |
| Personal services | 772,489 | 678,798 | 93,691 |
| Contractual services | 8,262,085 | 5,953,639 | 2,308,446 |
| Materials and supplies | 647,969 | 428,777 | 219,192 |
| Utility refunds | 19,440 | 8,935 | 10,505 |
| Other expenses | 3,637,400 | 16,281 | 3,621,119 |
| Capital outlay | 2,786,011 | 1,420,954 | 1,365,057 |
| Debt service: | | | |
| Principal retirement | 1,844,480 | 1,834,920 | 9,560 |
| Interest expense | 126,520 | 126,520 | 0 |
| Total expenses | <u>18,096,394</u> | <u>10,468,824</u> | <u>7,627,570</u> |
| Excess of revenues under expenses | (7,711,159) | (1,039,342) | 6,671,817 |
| Operating transfers - in | <u>500,000</u> | <u>447,891</u> | <u>(52,109)</u> |
| Excess of revenues under expenses and transfers | (7,211,159) | (591,451) | 6,619,708 |
| Fund balance at beginning of year | 8,131,755 | 8,131,755 | 0 |
| Prior year encumbrances appropriated | 1,138,954 | 1,138,954 | 0 |
| Fund balance at end of year | <u>\$2,059,550</u> | <u>\$8,679,258</u> | <u>\$6,619,708</u> |

City of Wapakoneta
Water Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|------------------|--------------------|--|
| <u>Revenues</u> | | | |
| Charges for services | \$959,829 | \$1,155,363 | \$195,534 |
| Utility deposits | 4,180 | 6,538 | 2,358 |
| Other revenues | 3,829 | 6,673 | 2,844 |
| Interest | 35,000 | 0 | (35,000) |
| Proceeds of capital loans | 0 | 27,816 | 27,816 |
| Proceeds of notes | 1,600,000 | 1,971,020 | 371,020 |
| Total revenues | <u>2,602,838</u> | <u>3,167,410</u> | <u>564,572</u> |
| <u>Expenses</u> | | | |
| Personal services | 435,992 | 375,930 | 60,062 |
| Contractual services | 424,616 | 202,745 | 221,871 |
| Materials and supplies | 287,641 | 275,821 | 11,820 |
| Utility refunds | 4,560 | 2,096 | 2,464 |
| Other expenses | 14,000 | 0 | 14,000 |
| Capital outlay | 916,028 | 729,298 | 186,730 |
| Debt service: | | | |
| Principal retirement | 1,420,282 | 1,420,202 | 80 |
| Interest expense | 89,952 | 87,975 | 1,977 |
| Total expenses | <u>3,593,071</u> | <u>3,094,067</u> | <u>499,004</u> |
| Excess of revenues over (under) expenses | (990,233) | 73,343 | 1,063,576 |
| Operating transfers - in | <u>42,440</u> | <u>42,440</u> | <u>0</u> |
| Excess of revenues over (under) expenses and transfers | (947,793) | 115,783 | 1,063,576 |
| Fund balance at beginning of year | 779,605 | 779,605 | 0 |
| Prior year encumbrances appropriated | 410,359 | 410,359 | 0 |
| Fund balance at end of year | <u>\$242,171</u> | <u>\$1,305,747</u> | <u>\$1,063,576</u> |

City of Wapakoneta
Sewer Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|-------------------------|-------------------------|--|
| <u>Revenues</u> | | | |
| Charges for services | \$1,228,228 | \$1,169,877 | (\$58,351) |
| Other revenues | 15,485 | 10,041 | (5,444) |
| Interest | 26,235 | 26,342 | 107 |
| Proceeds of notes | 375,000 | 724,980 | 349,980 |
| Total revenues | <u>1,644,948</u> | <u>1,931,240</u> | <u>286,292</u> |
| <u>Expenses</u> | | | |
| Personal services | 463,619 | 436,592 | 27,027 |
| Contractual services | 430,271 | 368,315 | 61,956 |
| Materials and supplies | 166,393 | 130,556 | 35,837 |
| Other expenses | 5,350 | 4,868 | 482 |
| Capital outlay | 303,385 | 291,933 | 11,452 |
| Debt service: | | | |
| Principal retirement | 544,920 | 544,920 | 0 |
| Interest expense | 221,078 | 218,052 | 3,026 |
| Total expenses | <u>2,135,016</u> | <u>1,995,236</u> | <u>139,780</u> |
| Excess of revenues under expenses | (490,068) | (63,996) | 426,072 |
| Advances - in | 100,000 | 100,000 | 0 |
| Operating transfers - in | <u>13,098</u> | <u>9,560</u> | <u>(3,538)</u> |
| Excess of revenues over (under) expenses, advances, and transfers | (376,970) | 45,564 | 422,534 |
| Fund balance at beginning of year | 389,618 | 389,618 | 0 |
| Prior year encumbrances appropriated | <u>388,868</u> | <u>388,868</u> | <u>0</u> |
| Fund balance at end of year | <u><u>\$401,516</u></u> | <u><u>\$824,050</u></u> | <u><u>\$422,534</u></u> |

City of Wapakoneta
Storm Sewer Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|-----------|-----------|--|
| <u>Revenues</u> | | | |
| Charges for services | \$160,000 | \$146,464 | (\$13,536) |
| <u>Expenses</u> | | | |
| Contractual services | 28,000 | 5,009 | 22,991 |
| Materials and supplies | 14,500 | 119 | 14,381 |
| Capital outlay | 226,420 | 85,154 | 141,266 |
| Debt service: | | | |
| Principal retirement | 27,427 | 27,427 | 0 |
| Interest expense | 3,115 | 3,115 | 0 |
| Total expenses | 299,462 | 120,824 | 178,638 |
| Excess of revenues over (under) expenses | (139,462) | 25,640 | 165,102 |
| Operating transfers - in | 5,000 | 5,000 | 0 |
| Excess of revenues over (under) expenses and transfers | (134,462) | 30,640 | 165,102 |
| Fund balance at beginning of year | 140,345 | 140,345 | 0 |
| Prior year encumbrances appropriated | 54,462 | 54,462 | 0 |
| Fund balance at end of year | \$60,345 | \$225,447 | \$165,102 |

City of Wapakoneta
Refuse Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

| | Budget | Actual | Variance Favorable (Unfavorable) |
|--|------------------|------------------|--|
| <u>Revenues</u> | | | |
| Charges for services | \$737,950 | \$822,499 | \$84,549 |
| Other revenues | 55,222 | 54,604 | (618) |
| Interest | 6,018 | 0 | (6,018) |
| Sale of fixed assets | 3,670 | 4,257 | 587 |
| Proceeds of notes | 260,000 | 234,977 | (25,023) |
| Total revenues | <u>1,062,860</u> | <u>1,116,337</u> | <u>53,477</u> |
| <u>Expenses</u> | | | |
| Personal services | 298,146 | 274,656 | 23,490 |
| Contractual services | 523,797 | 386,731 | 137,066 |
| Materials and supplies | 84,592 | 62,988 | 21,604 |
| Other expenses | 101,150 | 0 | 101,150 |
| Capital outlay | 63,800 | 57,783 | 6,017 |
| Debt service: | | | |
| Principal retirement | 293,000 | 278,280 | 14,720 |
| Interest expense | 32,000 | 29,134 | 2,866 |
| Total expenses | <u>1,396,485</u> | <u>1,089,572</u> | <u>306,913</u> |
| Excess of revenues over (under) expenses | (333,625) | 26,765 | 360,390 |
| Advances - out | (50,000) | (50,000) | 0 |
| Operating transfers - in | 11,500 | 11,500 | 0 |
| Excess of revenues under expenses, advances, and transfers | (372,125) | (11,735) | 360,390 |
| Fund balance at beginning of year | 532,750 | 532,750 | 0 |
| Prior year encumbrances appropriated | 44,984 | 44,984 | 0 |
| Fund balance at end of year | <u>\$205,609</u> | <u>\$565,999</u> | <u>\$360,390</u> |

City of Wapakoneta
Enterprise Funds

Combining Statement of Cash Flows
For the Year Ended December 31, 2001

| | Electric | Water | Sewer | Storm Sewer | Refuse | Total |
|---|--------------------|--------------------|------------------|------------------|------------------|---------------------|
| Increases (decreases) in cash and cash equivalents | | | | | | |
| <u>Cash flows from operating activities</u> | | | | | | |
| Cash received from customers | \$7,501,791 | \$1,155,363 | \$1,169,877 | \$146,464 | \$822,499 | \$10,795,994 |
| Cash received from utility deposits | 27,874 | 6,538 | 0 | 0 | 0 | 34,412 |
| Cash received from other revenues | 87,942 | 6,673 | 10,584 | 0 | 54,854 | 160,053 |
| Cash payments for personal services | (678,348) | (375,930) | (436,592) | (5,009) | (274,656) | (1,770,535) |
| Cash payments for contractual services | (5,474,394) | (15,694) | (240,935) | 0 | (311,377) | (6,042,400) |
| Cash payments to vendors | (338,828) | (244,793) | (120,407) | (50,578) | (52,039) | (806,645) |
| Cash payments for quasi-external transactions with other funds | (3,762) | (8,286) | (8,971) | 0 | (8,489) | (29,508) |
| Cash payments for utility refunds | (8,935) | (2,096) | 0 | 0 | 0 | (11,031) |
| Cash payments for other expenses | (15,109) | 0 | (4,868) | 0 | 0 | (19,977) |
| Net cash provided by operating activities | <u>1,098,231</u> | <u>521,775</u> | <u>368,688</u> | <u>90,877</u> | <u>230,792</u> | <u>2,310,363</u> |
| <u>Cash flows from noncapital financing activities</u> | | | | | | |
| Cash payments to other funds | 0 | 0 | (76,984) | 0 | 0 | (76,984) |
| Cash received from advances - in | 0 | 0 | 100,000 | 0 | 0 | 100,000 |
| Cash payments for advances - out | 0 | 0 | 0 | 0 | (50,000) | (50,000) |
| Cash received from operating transfers - in | 447,891 | 51,650 | 9,560 | 5,000 | 11,500 | 525,601 |
| Cash payments for operating transfers - out | (34,920) | (17,420) | (26,630) | 0 | (17,420) | (96,390) |
| Net cash provided by (used for) noncapital financing activities | <u>412,971</u> | <u>34,230</u> | <u>5,946</u> | <u>5,000</u> | <u>(55,920)</u> | <u>402,227</u> |
| <u>Cash flows from capital and related financing activities</u> | | | | | | |
| Acquisition of fixed assets | (1,230,763) | (714,460) | (366,538) | (21,982) | (45,115) | (2,378,858) |
| Sale of fixed assets | 11,875 | 0 | 0 | 0 | 4,257 | 16,132 |
| Proceeds of notes | 1,800,000 | 1,961,810 | 734,190 | 0 | 234,977 | 4,730,977 |
| Proceeds of capital loans | 0 | 27,816 | 0 | 0 | 0 | 27,816 |
| Principal paid on intergovernmental payable | 0 | 0 | (2,500) | 0 | 0 | (2,500) |
| Principal paid on notes | (1,800,000) | (1,400,000) | (375,000) | 0 | (260,860) | (3,835,860) |
| Principal paid on capital loans | 0 | (2,782) | 0 | (27,427) | 0 | (30,209) |
| Principal paid on mortgage revenue bonds | 0 | 0 | (150,000) | 0 | 0 | (150,000) |
| Interest paid on notes | (93,950) | (66,500) | (19,688) | 0 | (13,565) | (193,703) |
| Interest paid on capital loans | 0 | 0 | 0 | (3,115) | 0 | (3,115) |
| Interest paid on mortgage revenue bonds | 0 | 0 | (179,058) | 0 | 0 | (179,058) |
| Interest paid on general obligation bonds | (32,570) | (15,569) | (15,569) | 0 | (15,569) | (79,277) |
| Interest paid on OWDA loan | 0 | (2,956) | (1,812) | 0 | 0 | (4,768) |
| Net cash used for capital and related financing activities | <u>(1,345,408)</u> | <u>(212,641)</u> | <u>(375,975)</u> | <u>(52,524)</u> | <u>(95,875)</u> | <u>(2,082,423)</u> |
| <u>Cash flows from investing activities</u> | | | | | | |
| Cash received from interest | 0 | 0 | 26,342 | 0 | 0 | 26,342 |
| Net increase in cash and cash equivalents | 165,794 | 343,364 | 25,001 | 43,353 | 78,997 | 656,509 |
| Cash and cash equivalents at beginning of year | 9,270,709 | 1,189,964 | 855,470 | 194,807 | 577,734 | 12,088,684 |
| Cash and cash equivalents at end of year | <u>\$9,436,503</u> | <u>\$1,533,328</u> | <u>\$880,471</u> | <u>\$238,160</u> | <u>\$656,731</u> | <u>\$12,745,193</u> |

(continued)

City of Wapakoneta
Enterprise Funds

Combining Statement of Cash Flows
For the Year Ended December 31, 2001
(continued)

| | Electric | Water | Sewer | Storm Sewer | Refuse | Total |
|---|--------------------|------------------|------------------|-----------------|------------------|--------------------|
| <u>Reconciliation of operating income to net cash provided by operating activities</u> | | | | | | |
| Operating income | \$957,641 | \$329,713 | \$279,974 | \$24,439 | \$200,888 | \$1,792,655 |
| <u>Adjustments to reconcile operating income to net cash provided by operating activities</u> | | | | | | |
| Depreciation | 266,791 | 128,607 | 252,486 | 81,834 | 38,136 | 767,854 |
| Changes in assets and liabilities: | | | | | | |
| (Increase) decrease in accounts receivable | 40,992 | (11,083) | (10,856) | 2,676 | 18,325 | 40,054 |
| Increase in intergovernmental receivable | 0 | 0 | 0 | 0 | (197) | (197) |
| (Increase) decrease in due from other funds | 1,837 | (472) | (307) | (10) | (113) | 935 |
| (Increase) decrease in materials and supplies inventory | (35,157) | 24,418 | (2,584) | 0 | 267 | (13,056) |
| (Increase) decrease in prepaid items | (2,679) | (840) | 1,739 | 0 | (409) | (2,189) |
| Increase (decrease) in accounts payable | (229,557) | (36,727) | (7,943) | (18,062) | 5,460 | (286,829) |
| Increase (decrease) in contracts payable | 63,674 | 83,293 | (71,673) | 0 | 0 | 75,294 |
| Increase (decrease) in retainage payable | 5,601 | 0 | (83,656) | 0 | 0 | (78,055) |
| Increase (decrease) in accrued wages payable | (83) | (1,174) | 296 | 0 | (541) | (1,502) |
| Increase in compensated absences payable | 16,194 | 2,247 | 6,607 | 0 | 759 | 25,807 |
| Increase (decrease) in intergovernmental payable | (5,816) | (1,084) | 5,810 | 0 | 74 | (1,016) |
| Increase (decrease) in due to other funds | (146) | 435 | (1,205) | 0 | 45 | (871) |
| Increase in refundable deposits payable from restricted assets | 18,939 | 4,442 | 0 | 0 | 0 | 23,381 |
| Decrease in landfill closure/postclosure costs | 0 | 0 | 0 | 0 | (31,902) | (31,902) |
| Net cash provided by operating activities | <u>\$1,098,231</u> | <u>\$521,775</u> | <u>\$368,688</u> | <u>\$90,877</u> | <u>\$230,792</u> | <u>\$2,310,363</u> |

Non-Cash Transactions

During 2001, the general fixed assets account group transferred fixed assets to the Storm Sewer enterprise fund with a net book value of \$46,072. The Water enterprise fund transferred fixed assets to the general fixed assets account group with a net book value of \$16,435.

Internal Service Fund

The internal service fund is used to account for the financing of services provided by one department or agency to other departments or agencies of the City, or to other governmental units on a cost-reimbursement basis.

Engineering Fund

To account 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. The activity reported at the legal level of budgetary control for this fund is the same level reported in the combined financial statements, and therefore, no budgetary statement is presented here.

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Agency Funds

Agency 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.

Dependent Coverage Fund

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

Police Auxiliary Fund

To account for police auxiliary monies earned by acting as security personnel at various functions within the City and neighboring cities and villages.

City of Wapakoneta
Agency Funds

Combining Statement of Changes
in Assets and Liabilities
December 31, 2001

| | <u>Balance 12/31/00</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 12/31/01</u> |
|--|-----------------------------|------------------|-------------------|-----------------------------|
| <u>Dependent Coverage</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in pooled cash and cash equivalents | \$0 | \$95,303 | \$94,737 | \$566 |
| <u>Liabilities</u> | | | | |
| Deposits held and due to others | \$0 | \$95,303 | \$94,737 | \$566 |
| <u>Police Auxiliary</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in pooled cash and cash equivalents | \$13,155 | \$21,150 | \$14,275 | \$20,030 |
| <u>Liabilities</u> | | | | |
| Deposits held and due to others | \$13,155 | \$21,150 | \$14,275 | \$20,030 |
| <u>Total All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in pooled cash and cash equivalents | \$13,155 | \$116,453 | \$109,012 | \$20,596 |
| <u>Liabilities</u> | | | | |
| Deposits held and due to others | \$13,155 | \$116,453 | \$109,012 | \$20,596 |

General Fixed Assets Account Group

The general fixed assets account group is used to account for all fixed assets of the City, except those accounted for in the proprietary funds.

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City of Wapakoneta

Schedule of General Fixed Assets
by Source
December 31, 2001

| | <u>Amounts</u> |
|--|---------------------------|
| <u>General fixed assets</u> | |
| Land | \$193,991 |
| Land improvements | 205,718 |
| Buildings | 3,344,315 |
| Improvements other than buildings | 50,723 |
| Furniture and fixtures | 10,036 |
| Equipment | 777,337 |
| Vehicles | 1,806,350 |
| Total general fixed assets | <u><u>\$6,388,470</u></u> |
| <u>Investment in general fixed assets from</u> | |
| General fund | \$2,308,403 |
| Special revenue funds | 820,367 |
| Capital projects funds | 32,860 |
| Enterprise funds | 2,418,498 |
| Expendable trust funds | 8,289 |
| General fixed assets acquired prior to 1986 | 800,053 |
| Total investment in general fixed assets | <u><u>\$6,388,470</u></u> |

City of Wapakoneta

Schedule of General Fixed Assets
by Program and Department
December 31, 2001

| Program/Department | Total | Land | Land Improvements |
|--|---------------------------|-------------------------|-------------------------|
| Security of persons and property | | | |
| Police | \$343,424 | \$47,202 | \$0 |
| Fire | 1,536,674 | 47,202 | 0 |
| Total security of persons and property | <u>1,880,098</u> | <u>94,404</u> | <u>0</u> |
| Public health | | | |
| Emergency medical | <u>197,339</u> | <u>0</u> | <u>0</u> |
| Leisure time activities | | | |
| Recreation | <u>593,357</u> | <u>63,300</u> | <u>205,718</u> |
| Transportation | | | |
| Street | <u>1,040,442</u> | <u>35,860</u> | <u>0</u> |
| General government | | | |
| City offices | <u>2,677,234</u> | <u>427</u> | <u>0</u> |
| Total | <u><u>\$6,388,470</u></u> | <u><u>\$193,991</u></u> | <u><u>\$205,718</u></u> |

| <u>Buildings</u> | <u>Improvements Other Than Buildings</u> | <u>Furniture and Fixtures</u> | <u>Equipment</u> | <u>Vehicles</u> |
|--------------------|--|---------------------------------------|------------------|--------------------|
| \$0 | \$0 | \$3,873 | \$154,249 | \$138,100 |
| 390,187 | 0 | 1,666 | 243,035 | 854,584 |
| <u>390,187</u> | <u>0</u> | <u>5,539</u> | <u>397,284</u> | <u>992,684</u> |
| | | | | |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>61,609</u> | <u>135,730</u> |
| | | | | |
| <u>139,955</u> | <u>47,041</u> | <u>0</u> | <u>134,368</u> | <u>2,975</u> |
| | | | | |
| <u>248,002</u> | <u>3,682</u> | <u>560</u> | <u>93,685</u> | <u>658,653</u> |
| | | | | |
| <u>2,566,171</u> | <u>0</u> | <u>3,937</u> | <u>90,391</u> | <u>16,308</u> |
| <u>\$3,344,315</u> | <u>\$50,723</u> | <u>\$10,036</u> | <u>\$777,337</u> | <u>\$1,806,350</u> |

City of Wapakoneta

Schedule of Changes in General Fixed Assets
by Program and Department
For the Year Ended December 31, 2001

| Program/Department | Balance 12/31/00 | Additions | Reductions | Balance 12/31/01 |
|--|---------------------|------------------|------------------|---------------------|
| Security of persons and property | | | | |
| Police | \$332,937 | \$34,433 | \$23,946 | \$343,424 |
| Fire | 1,466,548 | 90,520 | 20,394 | 1,536,674 |
| Total security of persons and property | <u>1,799,485</u> | <u>124,953</u> | <u>44,340</u> | <u>1,880,098</u> |
| Public Health | | | | |
| Emergency medical | 190,780 | 9,591 | 3,032 | 197,339 |
| Leisure time activities | | | | |
| Recreation | 562,728 | 30,629 | 0 | 593,357 |
| Transportation | | | | |
| Street | 1,085,924 | 21,318 | 66,800 | 1,040,442 |
| General government | | | | |
| City offices | 2,677,234 | 0 | 0 | 2,677,234 |
| Total general fixed assets | <u>\$6,316,151</u> | <u>\$186,491</u> | <u>\$114,172</u> | <u>\$6,388,470</u> |

STATISTICAL SECTION

Statistical Section

The following unaudited statistical tables reflect social and economic data, financial trends, and fiscal capacity of the City.

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

| Year | Security of Persons and Property | Public Health | Leisure Time Activities | Community Environment |
|------|--|------------------|----------------------------|--------------------------|
| 1992 | \$1,522,604 | \$112,806 | \$43,177 | \$43,227 |
| 1993 | 1,544,062 | 108,930 | 57,878 | 54,427 |
| 1994 | 1,559,341 | 120,938 | 36,923 | 86,915 |
| 1995 | 1,687,127 | 133,284 | 59,305 | 57,416 |
| 1996 | 1,780,377 | 154,653 | 50,181 | 42,359 |
| 1997 | 1,772,509 | 123,076 | 138,973 | 68,861 |
| 1998 | 1,870,195 | 121,343 | 253,310 | 29,133 |
| 1999 | 1,979,857 | 141,996 | 191,946 | 82,923 |
| 2000 | 1,888,102 | 140,122 | 213,946 | 80,554 |
| 2001 | 2,067,961 | 167,644 | 207,117 | 119,936 |

Source: City of Wapakoneta records

| <u>Transportation</u> | <u>General Government</u> | <u>Capital Outlay</u> | <u>Debt Service</u> | <u>Total</u> |
|-----------------------|-------------------------------|---------------------------|-------------------------|--------------|
| \$376,746 | \$232,278 | \$322,193 | \$223,833 | \$2,876,864 |
| 400,089 | 231,310 | 739,491 | 281,259 | 3,417,446 |
| 311,585 | 224,653 | 922,319 | 482,457 | 3,745,131 |
| 232,141 | 299,992 | 2,842,425 | 394,383 | 5,706,073 |
| 348,028 | 244,355 | 973,791 | 434,077 | 4,027,821 |
| 285,896 | 236,900 | 450,940 | 468,538 | 3,545,693 |
| 478,411 | 270,558 | 156,855 | 579,594 | 3,759,399 |
| 490,793 | 273,240 | 629,431 | 520,744 | 4,310,930 |
| 572,516 | 313,240 | 254,739 | 554,545 | 4,017,764 |
| 471,610 | 366,113 | 723,227 | 468,857 | 4,592,465 |

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

| Year | Taxes | Special Assessments | Charges for Services | Licenses, Permits, Fines, and Forfeitures |
|------|-------------|------------------------|-------------------------|---|
| 1992 | \$1,605,645 | \$44,351 | \$147,667 | \$47,723 |
| 1993 | 1,825,084 | 43,538 | 158,691 | 55,427 |
| 1994 | 1,727,996 | 66,930 | 208,796 | 53,620 |
| 1995 | 1,858,916 | 63,428 | 185,316 | 38,711 |
| 1996 | 1,920,284 | 63,337 | 141,219 | 28,103 |
| 1997 | 2,189,965 | 69,230 | 161,602 | 32,096 |
| 1998 | 2,226,011 | 132,825 | 242,497 | 34,917 |
| 1999 | 2,345,267 | 111,056 | 227,937 | 38,571 |
| 2000 | 2,457,444 | 130,163 | 229,286 | 33,966 |
| 2001 | 2,854,868 | 117,346 | 272,803 | 36,151 |

Source: City of Wapakoneta records

| <u>Intergovernmental</u> | <u>Interest</u> | <u>Donations and Other</u> | <u>Total</u> |
|--------------------------|-----------------|--------------------------------|--------------|
| \$725,774 | \$140,002 | \$3,215 | \$2,714,377 |
| 1,182,939 | 156,509 | 10,942 | 3,433,130 |
| 838,216 | 207,573 | 3,287 | 3,106,418 |
| 847,936 | 188,360 | 34,814 | 3,217,481 |
| 1,196,380 | 132,557 | 7,568 | 3,489,448 |
| 967,649 | 155,542 | 63,115 | 3,639,199 |
| 934,688 | 421,455 | 80,129 | 4,072,522 |
| 1,389,438 | 596,578 | 53,580 | 4,762,427 |
| 1,161,408 | 947,108 | 36,068 | 4,995,443 |
| 1,097,920 | 658,342 | 48,744 | 5,086,174 |

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City of Wapakoneta
Property Tax Levies and Collections
Last Ten Years

| Collection Year | Current Tax Levy | Current Tax Collections | Percent Collected | Total Tax Collections | Total Tax Collections to Current Tax Levy | Total Outstanding Delinquent Taxes |
|-----------------|------------------|-------------------------|-------------------|-----------------------|---|------------------------------------|
| 1992 | \$263,593 | \$248,759 | 94.37% | \$248,759 | 94.37% | \$14,834 |
| 1993 | 265,507 | 248,318 | 93.53 | 248,318 | 93.53 | 17,189 |
| 1994 | 279,004 | 273,887 | 98.17 | 273,887 | 98.17 | 5,117 |
| 1995 | 269,065 | 264,722 | 98.39 | 264,722 | 98.39 | 4,343 |
| 1996 | 273,485 | 266,229 | 97.35 | 266,229 | 97.35 | 7,256 |
| 1997 | 397,875 | 384,411 | 96.62 | 384,411 | 96.62 | 13,464 |
| 1998 | 407,044 | 405,461 | 99.61 | 405,461 | 99.61 | 12,246 |
| 1999 | 424,489 | 408,828 | 96.31 | 408,828 | 96.31 | 9,381 |
| 2000 | 461,863 | 456,994 | 98.95 | 456,994 | 98.95 | 8,545 |
| 2001 | 481,194 | 471,669 | 98.02 | 471,669 | 98.02 | 8,475 |

Source: Auglaize County Auditor

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

| Collection Year | Real | | Public Utility Personal | |
|--------------------|-------------------|---------------------------|-------------------------|---------------------------|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value |
| 1992 | \$65,499,510 | \$187,141,457 | \$4,028,940 | \$4,578,341 |
| 1993 | 66,331,110 | 189,517,457 | 5,447,650 | 6,190,511 |
| 1994 | 73,409,430 | 209,741,229 | 4,846,400 | 5,507,273 |
| 1995 | 74,472,650 | 212,779,000 | 5,341,230 | 6,069,580 |
| 1996 | 75,629,200 | 216,083,429 | 4,414,810 | 5,016,830 |
| 1997 | 84,256,070 | 240,731,629 | 4,347,540 | 4,940,386 |
| 1998 | 85,677,490 | 244,792,830 | 4,781,650 | 5,433,690 |
| 1999 | 89,023,800 | 254,353,714 | 4,623,490 | 5,253,966 |
| 2000 | 105,430,340 | 301,229,543 | 3,802,580 | 4,321,114 |
| 2001 | 107,984,830 | 308,528,086 | 4,711,420 | 5,353,886 |

Source: Auglaize County Auditor

| Tangible Personal | | Total | | Ratio of Assessed Value to Estimated Actual Value |
|-------------------|---------------------------|-------------------|---------------------------|--|
| Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | |
| \$19,136,811 | \$68,345,754 | \$88,665,261 | \$260,065,552 | 34% |
| 18,989,204 | 67,818,586 | 90,767,964 | 263,526,554 | 34 |
| 18,680,052 | 66,714,471 | 96,935,882 | 281,962,973 | 34 |
| 18,466,993 | 65,953,546 | 98,280,873 | 284,802,126 | 35 |
| 19,861,835 | 70,935,125 | 99,905,845 | 292,035,384 | 34 |
| 19,951,835 | 71,256,554 | 108,555,445 | 316,928,569 | 34 |
| 22,239,512 | 79,426,828 | 112,698,652 | 329,653,348 | 34 |
| 20,180,660 | 80,722,640 | 113,827,950 | 340,330,320 | 33 |
| 22,119,150 | 88,476,600 | 131,352,070 | 394,027,257 | 33 |
| 25,315,900 | 101,263,600 | 138,012,150 | 415,145,572 | 33 |

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

| Year | City of Wapakoneta | | | Wapakoneta | Auglaize | Apollo Joint | Duchouquet | Total |
|------|--------------------|-----------------|--------|----------------------|----------------------|----------------------------|------------|---------|
| | General | Special Revenue | Total | City School District | County Commissioners | Vocational School District | Township | |
| 1992 | \$2.75 | \$0.00 | \$2.75 | \$35.50 | \$7.56 | \$1.70 | \$0.20 | \$47.71 |
| 1993 | 2.75 | 0.00 | 2.75 | 35.30 | 7.56 | 1.70 | 0.20 | 47.51 |
| 1994 | 2.75 | 0.00 | 2.75 | 35.30 | 7.56 | 1.70 | 0.20 | 47.51 |
| 1995 | 2.75 | 0.00 | 2.75 | 33.50 | 7.61 | 1.70 | 0.20 | 45.76 |
| 1996 | 2.75 | 0.00 | 2.75 | 33.50 | 7.61 | 1.70 | 0.20 | 45.76 |
| 1997 | 2.75 | 1.00 | 3.75 | 32.30 | 9.50 | 2.20 | 0.20 | 47.95 |
| 1998 | 2.75 | 1.00 | 3.75 | 32.00 | 9.50 | 2.20 | 0.20 | 47.65 |
| 1999 | 2.75 | 1.00 | 3.75 | 31.80 | 9.50 | 2.20 | 0.20 | 47.45 |
| 2000 | 2.75 | 1.00 | 3.75 | 30.70 | 9.40 | 2.20 | 0.20 | 46.25 |
| 2001 | 2.75 | 1.00 | 3.75 | 30.70 | 9.40 | 2.20 | 0.20 | 46.25 |

Source: Auglaize County Auditor

City of Wapakoneta
Principal Real Property Taxpayers
December 31, 2001

| Taxpayer | Type of Business | Real Property Assessed Valuation | Percentage of Total Assessed Valuation |
|-----------------------------|-------------------------------|---|---|
| Schlenker Developments | Land Developments, Apartments | \$1,573,840 | 1.46% |
| Ametek, Inc. | Plastic Compounds | 1,328,890 | 1.23 |
| Normandy Ridge Limited | Residential Apartments | 1,202,280 | 1.11 |
| LRV Acquisition | Hotel Properties | 975,080 | 0.91 |
| Quaker Run Farms | Warehousing and Distribution | 943,650 | 0.87 |
| L & G Truckers | Truck Stop | 875,810 | 0.81 |
| Auglaize Investment Company | Big Bear Department Store | 801,830 | 0.74 |
| Quaker Run | Residential Apartments | 795,420 | 0.74 |
| WBW LLC | Hotel Properties | 656,020 | 0.61 |
| JB Tool and Machine Company | Metal Stamping and Turning | 584,440 | 0.54 |
| | Total | <u>\$9,737,260</u> | <u>9.02%</u> |
| | Total Assessed Valuation | <u>\$107,984,830</u> | |

Source: Auglaize County Auditor

City of Wapakoneta
Principal Personal Property Taxpayers
December 31, 2001

| Taxpayer | Type of Business | Personal Property Assessed Valuation | Percentage of Total Assessed Valuation |
|------------------------------------|---------------------------------------|---|---|
| JB Tool and Machine Company | Metal Stamping and Turning | \$2,696,680 | 10.65% |
| American Trim Limited | Liability Company | 2,282,150 | 9.01 |
| Sumikon Specialties Corporation | Castings for Molding Automobile Parts | 1,814,760 | 7.17 |
| Superior Metal Products, Inc. | Metal Stamping and Turning | 1,422,900 | 5.62 |
| LRV Acquisition | Hotel Properties | 1,372,060 | 5.42 |
| Ametek, Inc. | Plastic Compounds | 954,980 | 3.77 |
| Midwest Elastomers | Rubber Products | 857,150 | 3.39 |
| Auglaize Farmers Cooperative, Inc. | Farmers Cooperative | 671,004 | 2.65 |
| Penn Traffic Company | Retail Grocery and Department Store | 632,410 | 2.50 |
| Wapakoneta Machine Company | Machine Knives | 579,730 | 2.29 |
| | Total | <u>\$13,283,824</u> | <u>52.47%</u> |
| | Total Assessed Valuation | <u>\$25,315,900</u> | |

Source: Auglaize County Auditor

City of Wapakoneta
Special Assessment Billings and Collections
Last Ten Years

| Collection Year | Total Billed (1) | Amount Collected (1) | Percent Collected |
|--------------------|---------------------|-------------------------|----------------------|
| 1992 | \$38,800 | \$36,521 | 94.13% |
| 1993 | 42,570 | 43,538 | 102.27 |
| 1994 | 50,478 | 42,525 | 84.24 |
| 1995 | 57,937 | 48,009 | 82.86 |
| 1996 | 62,627 | 55,229 | 88.19 |
| 1997 | 53,241 | 58,786 | 110.41 |
| 1998 | 74,399 | 73,481 | 98.77 |
| 1999 | 103,418 | 106,611 | 103.09 |
| 2000 | 102,564 | 98,625 | 96.16 |
| 2001 | 75,984 | 89,443 | 117.71 |

Source: Auglaize County Auditor

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

City of Wapakoneta
 Computation of Legal Debt Margin
 December 31, 2001

| | | |
|---|------------|---------------|
| Total Assessed Valuation | | \$138,012,150 |
| Overall Debt Limitation - 10 1/2% of Assessed Valuation | | 14,491,276 |
| Gross Indebtedness | 13,323,554 | |
| Less Debt Outside Limitation | | |
| Bond Anticipation Notes | 4,730,977 | |
| Capital Loans | 53,977 | |
| Mortgage Revenue Refunding Bonds | 3,760,000 | |
| OWDA Loan | 943,414 | |
| | | |
| Net Indebtedness | 3,835,186 | |
| Less Fund Balance in Debt Service Fund | 60,695 | |
| Net Debt Within 10 1/2% Limitation | | 3,774,491 |
| Legal Debt Margin Within 10 1/2% Limitation | | \$10,716,785 |

| | | |
|--|------------|-------------|
| Unvoted Debt Limitation - 5 1/2% of Assessed Valuation | | \$7,590,668 |
| Gross Indebtedness | 13,323,554 | |
| Less Debt Outside Limitation | | |
| Bond Anticipation Notes | 4,730,977 | |
| Capital Loans | 53,977 | |
| Mortgage Revenue Refunding Bonds | 3,760,000 | |
| OWDA Loan | 943,414 | |
| | | |
| Net Indebtedness | 3,835,186 | |
| Less Fund Balance in Debt Service Fund | 60,695 | |
| Net Debt Within 5 1/2% Limitation | | 3,774,491 |
| Legal Debt Margin Within 5 1/2% Limitation | | \$3,816,177 |

Source: City of Wapakoneta records
 Auglaize County Auditor

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

| Year | Population | Assessed Value | Gross (1) Bonded Debt | Debt Service Monies Available | Net Bonded Debt | Ratio of Net Bonded Debt to Assessed Value | Net Bonded Debt Per Capita |
|------|------------|----------------|-----------------------|-------------------------------|-----------------|--|----------------------------|
| 1992 | 9,480 | \$88,665,261 | \$1,199,230 | \$0 | \$1,199,230 | 1.35% | \$126.50 |
| 1993 | 9,648 | 90,767,964 | 3,428,755 | 0 | 3,428,755 | 3.78 | 355.39 |
| 1994 | 9,648 | 96,935,882 | 3,324,500 | 45,066 | 3,279,434 | 3.38 | 339.91 |
| 1995 | 9,648 | 98,280,873 | 3,335,250 | 123,098 | 3,212,152 | 3.27 | 332.93 |
| 1996 | 10,303 | 99,905,845 | 3,202,709 | 185,689 | 3,017,020 | 3.02 | 292.83 |
| 1997 | 10,303 | 108,555,445 | 3,055,709 | 240,432 | 2,815,277 | 2.59 | 273.25 |
| 1998 | 10,303 | 112,698,652 | 4,555,000 | 181,796 | 4,373,204 | 3.88 | 424.46 |
| 1999 | 10,303 | 113,827,950 | 4,250,083 | 120,707 | 4,129,376 | 3.63 | 400.79 |
| 2000 | 9,474 | 131,352,070 | 3,982,541 | 64,024 | 3,918,517 | 2.98 | 413.61 |
| 2001 | 9,474 | 138,012,150 | 3,705,000 | 60,695 | 3,644,305 | 2.64 | 384.66 |

Source: City of Wapakoneta Records
Auglaize County Auditor

(1) Includes general obligation bonds only.

City of Wapakoneta
Ratio of Annual Debt Principal
for General Bonded Debt to Total Governmental Fund Type Expenditures
Last Ten Years (1)

| Year | Debt Principal | Governmental Fund Type Expenditures | Ratio of Debt Principal to Governmental Fund Type Expenditures |
|------|-------------------|---|--|
| 1992 | \$4,282 | \$2,876,864 | 0.15% |
| 1993 | 34,255 | 3,417,446 | 1.00 |
| 1994 | 104,255 | 3,745,131 | 2.78 |
| 1995 | 92,540 | 5,706,073 | 1.62 |
| 1996 | 132,541 | 4,027,821 | 3.29 |
| 1997 | 147,000 | 3,545,693 | 4.15 |
| 1998 | 188,100 | 3,759,399 | 5.00 |
| 1999 | 252,542 | 4,310,930 | 5.86 |
| 2000 | 267,542 | 4,017,764 | 6.66 |
| 2001 | 277,541 | 4,592,465 | 6.04 |

Source: City of Wapakoneta records

(1) The first bond issue was sold in 1991 and the first principal payment was made in 1992.

City of Wapakoneta
 Computation of Direct and Overlapping Debt
 December 31, 2001

| Jurisdiction | General Tax Supported Debt | Percentage Applicable to City of Wapakoneta (1) | Amount Applicable to City of Wapakoneta |
|---------------------------------|-------------------------------|--|--|
| City of Wapakoneta | \$3,705,000 | 100.00% | \$3,705,000 |
| Wapakoneta City School District | 4,375,000 | 49.54 | 2,167,375 |
| Auglaize County | 3,872,128 | 17.19 | 665,619 |
| Total Overlapping | <u>\$8,247,128</u> | | <u>2,832,994</u> |
| Total | | | <u><u>\$6,537,994</u></u> |

Source: City of Wapakoneta records
 Ohio Municipal Advisory Council

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

City of Wapakoneta
Revenue Bond Coverage
Sewer Fund
Last Ten Years

| Year | Gross Revenues (1) | Operating Expenses (2) | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage |
|------|--------------------|------------------------|--|---------------------------|-----------|-----------|----------|
| | | | | Principal | Interest | Total | |
| 1992 | \$972,950 | \$624,150 | \$348,800 | \$50,000 | \$123,442 | \$173,442 | 2.01 |
| 1993 | 913,623 | 690,261 | 223,362 | 55,000 | 120,393 | 175,393 | 1.27 |
| 1994 | 1,072,734 | 743,943 | 328,791 | 60,000 | 116,983 | 176,983 | 1.86 |
| 1995 | 1,145,780 | 848,345 | 297,435 | 60,000 | 113,203 | 173,203 | 1.72 |
| 1996 | 1,317,483 | 695,594 | 621,889 | 65,000 | 109,363 | 174,363 | 3.57 |
| 1997 | 1,337,755 | 974,294 | 363,461 | 70,000 | 105,137 | 175,137 | 2.08 |
| 1998 | 1,383,945 | 1,039,990 | 343,955 | 75,000 | 100,517 | 175,517 | 1.96 |
| 1999 | 1,312,885 | 831,324 | 481,561 | 135,000 | 188,600 | 323,600 | 1.49 |
| 2000 | 1,311,695 | 865,523 | 446,172 | 145,000 | 186,348 | 331,348 | 1.35 |
| 2001 | 1,217,966 | 659,164 | 558,802 | 150,000 | 179,058 | 329,058 | 1.70 |

Source: City of Wapakoneta records

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

City of Wapakoneta
Demographic Statistics
Last Ten Years

| Year | Population (1) | School Enrollment (2) | Unemployment Rate Auglaize County (3) |
|------|----------------|-----------------------|---------------------------------------|
| 1990 | 9,214 | 3,926 | 5.90% |
| 1992 | 9,480 | 3,904 | 6.80 |
| 1994 | 9,648 | 3,761 | 5.70 |
| 1995 | 9,648 | 3,703 | 5.10 |
| 1996 | 10,303 | 2,949 | 4.50 |
| 1997 | 10,303 | 3,479 | 4.80 |
| 1998 | 10,303 | 3,610 | 4.90 |
| 1999 | 10,303 | 3,455 | 2.90 |
| 2000 | 9,474 | 3,334 | 2.80 |
| 2001 | 9,474 | 3,285 | 4.60 |

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

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

| Year | Number of Building Permits Issued | Value of Building Permits Issued | Property Values | Auglaize County Bank Deposits | City of Wapakoneta Bank Deposits (1) |
|------|--|--|--------------------|----------------------------------|--|
| 1992 | 62 | \$3,320,735 | \$88,665,261 | \$164,642,000 | \$0 |
| 1993 | 81 | 4,116,500 | 90,767,964 | 166,193,000 | 0 |
| 1994 | 73 | 4,245,000 | 96,935,882 | 178,395,000 | 0 |
| 1995 | 81 | 4,259,000 | 98,280,873 | 193,586,000 | 0 |
| 1996 | 79 | 4,657,000 | 99,905,845 | 206,817,000 | 0 |
| 1997 | 168 | 5,710,000 | 108,555,445 | 230,673,000 | 0 |
| 1998 | 147 | 11,338,000 | 112,698,652 | 245,527,000 | 0 |
| 1999 | 72 | 10,731,600 | 113,827,950 | 266,386,000 | 0 |
| 2000 | 56 | 11,763,800 | 131,352,070 | 279,928,000 | 0 |
| 2001 | 170 | 8,149,300 | 138,012,150 | 279,928,000 | 0 |

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

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

City of Wapakoneta
Miscellaneous Statistics
December 31, 2001

| | |
|---|---------------------------|
| Date of Incorporation | 1848 |
| Founded in 1833 - Duchouquet Township | |
| Status: Village 1853, City 1910 | |
| Population Estimated | 9,474 |
| Form of Government | Statutory - Council/Mayor |
| Area | 5.30 Square Miles |
| Miles of Streets | 46.0 |
| Fire Protection: | |
| Number of Stations | 1 |
| Number of Firemen and Chief | 15 |
| Number of Auxiliary Firemen | 17 |
| Police Protection: | |
| Number of Stations | 1 |
| Number of Policemen and Chief | 14 |
| Number of Auxiliary Policemen | 21 |
| Number of Dispatchers | 5 |
| Number of EMS | 11 |
| Sewer System: | |
| Sanitary Sewers | 47.05 Miles |
| Storm Sewers | 25.5 Miles |
| Number of Treatment Plants | 1 |
| Daily Average Treatment | 2,600,000 Gallons |
| Maximum Daily Capacity of Treatment Plant | 4,000,000 Gallons |
| Water System: | |
| Water Lines | 58.52 Miles |
| Number of Water Treatment Plants | 1 |
| Daily Average Consumption | 1,641,100 Gallons |
| Maximum Daily Capacity of Treatment Plant | 2,722,000 Gallons |
| Electric System: | |
| Electric Lines | 98.22 Miles |
| Number of Substations | 7 |
| Culture and Recreation: | |
| Number of Parks | 3 |
| Park Acreage | 33 |
| Number of Swimming Pools | 2 |
| Number of Tennis Courts | 8 |
| Number of Museums | 2 |
| Number of Campgrounds | 5 |
| Facilities and Services Not Included in the Reporting Entity: | |
| Education: | |
| Number of Elementary Schools (Public and Parochial) | 4 |
| Number of Middle and High Schools | 2 |
| Total Enrollment | 3,285 |
| Total School Instructors | 189 |
| Number of Public Libraries | 1 |

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STATE OF OHIO
OFFICE OF THE AUDITOR

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Facsimile 614-466-4490

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 23, 2002**