

**CITY OF WAPAKONETA
AUGLAIZE COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2019**

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

OHIO AUDITOR OF STATE
KEITH FABER

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Members of Council
City of Wapakoneta
701 Parlette Court
Wapakoneta, Ohio 45895

We have reviewed the *Independent Auditor's Report* of the City of Wapakoneta, Auglaize County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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



Keith Faber
Auditor of State
Columbus, Ohio

August 5, 2020

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**CITY OF WAPAKONETA
AUGLAIZE COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019**

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Ohio Society of Certified Public Accountants

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

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

The Honorable Keith Faber
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, Ohio, (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2020, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item **2019-001**.

City's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of This Report

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



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

June 26, 2020

**CITY OF WAPAKONETA
 AUGLAIZE COUNTY, OHIO
 SCHEDULE OF FINDINGS AND RESPONSES
 FOR THE YEAR ENDED DECEMBER 31, 2019**

Finding Number 2019-001 - Material Noncompliance - Appropriations Exceeding Estimated Resources

Condition/Criteria

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

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

Fund	Estimated Resources	Appropriations	Variance
<u>Electric</u>			
Final Budget	\$ 36,567,151	\$ 41,180,446	\$ (4,613,295)
<u>Community Block Grant Fund</u>			
Final Budget	181,026	183,418	(2,392)
<u>State Highway</u>			
Final Budget	89,451	113,250	(23,799)

Cause/Effect

Contrary to Ohio Revised Code Section 5705.39, the City had appropriations exceeding estimated resources available. However, the final expenditures did not exceed the final appropriations in any of the funds.

Recommendations

We recommend that the City follow the guidance provided in Ohio Revised Code Section 5705.39, by amending the appropriations to a level that does not exceed the amended certificate. We also recommend the City monitor its Certificate of Estimated Resources and Appropriations by fund which will assist in compliance with ORC Section 5705.39.

City's Response

In 2018, the City started a construction project, 138-69KV Substation. Estimated cost of \$17,000,000. The City has arranged financing that will reimburse the City for expenses. The negative that is in Electric is for purchase orders that were written for items that have a long lead time. \$4,300,000 in purchase orders written and we have \$423,000 of paid invoices that the City is waiting on reimbursement from AMP-BAN. These two items make up the \$4,600,000 negative variance. The City is aware of the negative balance variance. In the future, we will adjust our budget revenues to match expenses in the AMP-BAN fund.

**CITY OF WAPAKONETA
AUGLAIZE COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
DECEMBER 31, 2019**

Finding Number	Finding Summary	Status	Additional Information
2018-001	Material Noncompliance - Appropriations Exceeding Estimated Resources	Not Corrected	Repeated as Finding 2019-001.

Management letter recommendations were corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

CITY OF WAPAKONETA, OHIO

Comprehensive Annual Financial Report

For the Year Ended
December 31, 2019

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**INTRODUCTORY
SECTION**

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CITY OF WAPAKONETA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2019

Prepared By:

City Auditor

WILBUR WELLS

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CITY OF WAPAKONETA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

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Floyd T. Gregg
Director of Public Service and Safety
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fgregg@wapakoneta.net

June 26, 2020

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

I am pleased to present the City of Wapakoneta's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2019. This report was prepared according to generally accepted accounting principles (GAAP). Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City, specifically the City Auditor's Office. The City has a framework of internal controls established to ensure the accuracy of the presented data and the completeness and fairness of the presentation. Because the cost of internal controls should not exceed anticipated benefits, the controls provide reasonable assurance that the financial statements are free of any material misstatements.

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

The firm of James G. Zupka, CPA, Inc. has issued an unmodified opinion on the City of Wapakoneta's basic financial statements for the year ended December 31, 2019. The Independent Auditor's Report is located at the front of the financial section of this report.

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

PROFILE OF THE CITY

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



701 Parlette Court

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

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

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

LOCAL ECONOMY

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

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

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

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

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

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

LONG-TERM FINANCIAL PLANNING

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

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

City Council has always transferred monies from the General Fund to the Street and Sewer Improvement capital projects fund. In 2019, the available funds were used for projects including repaving and maintenance of streets, curbs, and sidewalks. The City has always been able to maximize its available resources and grants, and to work with other communities, the County, or the schools and get things done to enhance the community.

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

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

RELEVANT FINANCIAL POLICIES

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

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

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

MAJOR INITIATIVES

Thirteen city streets were part of a grind and pave project in 2019. This project also included updated catch basins, storm sewers, storm manholes, and the replacement of curb and gutters. Many streets were also re-stripped with thermos plastic center lines, stop bars, and crosswalks.

The reclamation project for 2019 treated nine streets. This project prolongs the life of the asphalt 5-7 years longer before repaving. This has become an annual project within the City.

The reconstruction of Perry Street started in 2019 and will be completed in 2020. This project consists of replacing water, sanitary sewer and storm sewer lines, sidewalks, driveway approaches, street lights, and repaving.

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

Design work was completed in 2019 for West Benton Street from the railroad to Ohio Street. The project will start in 2020 with replacement of water, sanitary sewer and storm sewer lines, sidewalks, driveway approaches, lighting, and repaving.

Defiance Street was repaired in 2019. This is a main thoroughfare in the City.

Work is ongoing on 25A from Short Road to the U.S. 33 overpass. The City has been awarded a grant to widen this portion of the roadway with updated storm sewer, wider berm, and a new asphalt surface.

Replacement of one mile of waterline down Glynwood Road was completed in 2019. The waterline was increased to a sixteen inch line which improves service to our residents for water pressure quality and safety.

A storm sewer review of city polices and of various subdivisions within the community has started. The City has identified areas for improvements, and these projects began in 2019 and will continue in 2020.

Several projects commenced at the City's industrial site including the "Pratt Paper Mill and Corrugated Box Plant". Utilities including water, sanitary sewer and storm sewer were provided to the site along 25A and on Leon-Pratt Drive. The project also included the construction of a new roadway, "Leon Pratt Drive", with curb and gutter and utilities. Improvements on 25A included a turn lane, storm sewer, and repaving the roadway to better serve the Industrial Area.

During 2019, the Engineering department issued 206 permits for commercial remodeling, new structures, residential living units, garages, residential remodeling, signage, sidewalk, demolition, swimming pools, decks, sheds, and patios. The city registered 225 contractors working within the city limits.

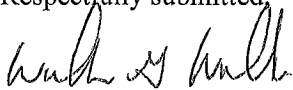
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wapakoneta for its comprehensive annual financial report (CAFR) for the year ended December 31, 2018. This was the twenty-ninth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Wilbur Wells
City Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Wapakoneta
Ohio**

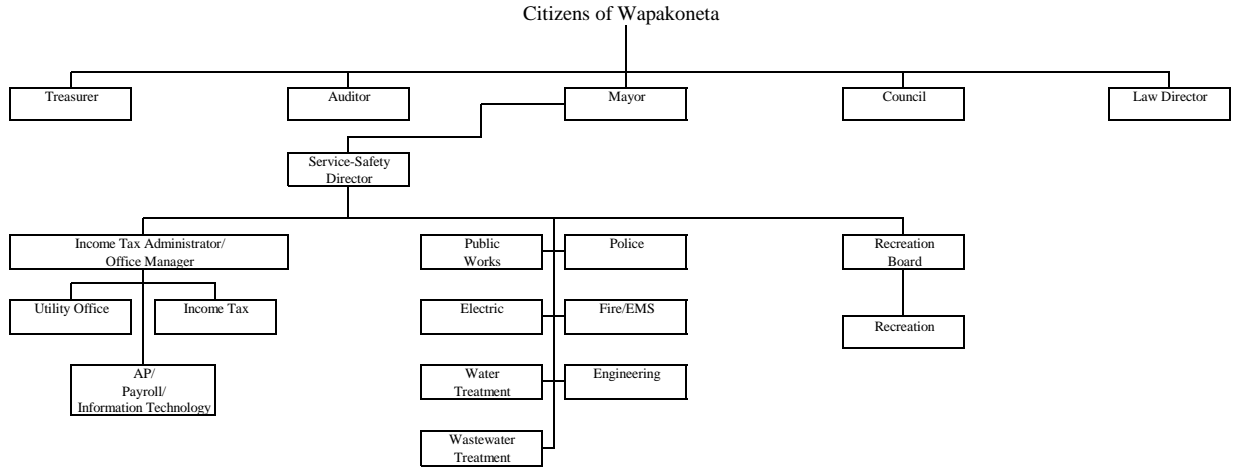
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO

City of Wapakoneta Organizational Chart



**CITY OF WAPAKONETA
LIST OF PRINCIPAL OFFICIALS**

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

**FINANCIAL
SECTION**

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

Certified Public Accountants

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Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, Ohio, (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 24 to the basic financial statements, during 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

June 26, 2020

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CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

The discussion and analysis of the City of Wapakoneta's financial performance provides an overview of the City's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

HIGHLIGHTS

Highlights for 2019 are as follows:

In total, the City's net position increased \$6,527,441, or 10 percent. Governmental activities had an increase in net position of \$5,197,296 (34 percent) and business-type activities had an increase in net position of \$1,330,145 (3 percent).

A review of the enterprise funds reflects an operating income for the Electric, Water, Sewer, and Refuse funds as well as an increase in net position. The Storm Sewer fund had an operating loss and modest decrease in net position. The City's electric rates are determined by contract with the electric provider and these contracts typically are on a 1-5 year cycle (rates increased in 2019). The sewer rates are on a scheduled increase by ordinance every year so the City can anticipate increased costs without a rate study. There was also an increase in water rates in 2019. Rates for all enterprise funds are monitored by the Administration to maintain the revenue needed to operate these activities.

USING THIS ANNUAL REPORT

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

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

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

REPORTING THE CITY AS A WHOLE

The statement of net position and the statement of activities reflect how the City did financially during 2019. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

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

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

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

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

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

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

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the City's net position for 2019 and 2018.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
-						
<u>Assets</u>						
Current and Other Assets	\$8,113,491	\$6,947,041	\$20,679,472	\$19,144,648	\$28,792,963	\$26,091,689
Net Pension Asset	14,772	9,244	23,113	14,459	37,885	23,703
Capital Assets, Net	22,523,652	21,319,470	69,363,685	61,950,522	91,887,337	83,269,992
Total Assets	30,651,915	28,275,755	90,066,270	81,109,629	120,718,185	109,385,384

(continued)

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

Table 1
Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<u>Deferred Outflows of Resources</u>						
Pension	\$2,476,903	\$1,290,405	\$1,101,597	\$563,665	\$3,574,939	\$1,808,900
OPEB	490,715	531,337	141,916	127,081	632,631	658,418
Total Deferred Outflows of Resources	2,967,618	1,821,742	1,243,513	690,746	4,207,570	2,467,318
<u>Liabilities</u>						
Current and Other Liabilities	451,411	583,449	3,409,928	2,788,772	3,861,339	3,372,221
Long-Term Liabilities						
Pension	8,657,776	6,320,759	3,620,499	2,222,852	12,278,275	8,543,611
OPEB	1,784,582	5,464,153	1,684,440	1,471,889	3,469,022	6,936,042
Other Amounts	446,717	399,688	33,701,004	27,284,552	34,147,721	27,684,240
Total Liabilities	11,340,486	12,768,049	42,415,871	33,768,065	53,756,357	46,536,114
<u>Deferred Inflows of Resources</u>						
Pension	607,342	995,148	178,183	587,851	781,964	1,537,829
OPEB	698,749	540,801	50,771	109,646	749,520	650,447
Other Amounts	572,227	590,066	0	0	572,227	590,066
Total Deferred Inflows of Resources	1,878,318	2,126,015	228,954	697,497	2,103,711	2,778,342
<u>Net Position</u>						
Net Investment in Capital Assets	22,472,755	21,109,878	37,894,241	35,933,035	60,366,996	57,042,913
Restricted	2,187,635	1,574,879	0	833,950	2,187,635	2,408,829
Unrestricted (Deficit)	(4,259,661)	(7,481,324)	10,770,717	10,567,828	6,511,056	3,086,504
Total Net Position	\$20,400,729	\$15,203,433	\$48,664,958	\$47,334,813	\$69,065,687	\$62,538,246

The net pension liability (asset) and the net OPEB liability reported by the City at December 31, 2019, are reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". For reasons discussed below, end users of these financial statements will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability (asset), and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

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

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

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

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

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

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

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

Pension/OPEB changes noted in the above table reflect an overall increase in deferred outflows and overall decrease in deferred inflows. These changes are affected by changes in benefits, contribution rates, return on investments, and actuarial assumptions. The increase in the net pension liability and decrease in the net OPEB liability represent the City's proportionate share of the unfunded benefits. For 2019, OPF recognized a change in benefit terms for their OPEB plan. Under this new model, OPF provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

Aside from the changes related to pension/OPEB, there were several other changes of note for governmental activities. The increase in current and other assets is primarily due to an increase in cash and cash equivalents, in part, resulting from the additional municipal income tax implemented in 2018 for street improvements. There was also a sizable increase in prepaid items due to resources the City had to pay to the Ohio Department of Transportation (ODOT) in advance of the start of the River Scape project. The increase in net capital assets and the investment in capital assets is the result of capital asset acquisitions not financed with debt. The decrease in current and other liabilities is largely related to contracts and retainage outstanding in the prior year for projects.

For business-type activities, the increase in current and other assets is the result of a combination of factors; an increase in cash and cash equivalents as well as accounts receivable due to utility rate increases; an increase in prepaid items due to the advance payment to ODOT for the River Scape project, and an increase in materials and supplies inventory due to acquiring stock prior to year end for future improvements. The increase in net capital assets is due to capital asset additions; however, since a substantial portion of these additions was financed with additional debt, there is not a similar increase in the investment in capital assets. The increase in current and other liabilities is largely related to ongoing projects as of year end.

Table 2 reflects the change in net position for 2019 and 2018.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$983,679	\$1,074,860	\$28,171,540	\$25,422,253	\$29,155,219	\$26,497,113
Operating Grants, Contributions, and Interest	574,846	497,290	21,004	0	595,850	497,290
Capital Grants and Contributions	1,680,124	93,729	92,283	933,660	1,772,407	1,027,389
Total Program Revenues	<u>3,238,649</u>	<u>1,665,879</u>	<u>28,284,827</u>	<u>26,355,913</u>	<u>31,523,476</u>	<u>28,021,792</u>

(continued)

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

Table 2
Change in Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Revenues						
Property Taxes-General Purposes	\$414,453	\$403,478	\$0	\$0	\$414,453	\$403,478
Property Taxes-Recreation	155,585	151,430	0	0	155,585	151,430
Municipal Income Taxes-General Purposes	2,850,549	3,070,596	0	0	2,850,549	3,070,596
Municipal Income Taxes-Street Maintenance	1,735,770	1,206,341	0	0	1,735,770	1,206,341
Other Local Taxes	1,003,489	829,322	0	0	1,003,489	829,322
Grants and Entitlements	310,949	264,896	0	0	310,949	264,896
Franchise Taxes	119,507	117,400	0	0	119,507	117,400
Interest	245,341	190,240	22,186	16,520	267,527	206,760
Gifts and Donations	1,043	1,085	0	0	1,043	1,085
Other	54,637	379,604	330,908	90,513	385,545	470,117
Total General Revenues	6,891,323	6,614,392	353,094	107,033	7,244,417	6,721,425
Total Revenues	10,129,972	8,280,271	28,637,921	26,462,946	38,767,893	34,743,217
Program Expenses						
Security of Persons and Property						
Police	665,015	2,175,771	0	0	665,015	2,175,771
Fire	(242,156)	1,704,281	0	0	(242,156)	1,704,281
Public Health	167,146	154,457	0	0	167,146	154,457
Leisure Time Activities	577,249	498,871	0	0	577,249	498,871
Community Environment	246,454	172,039	0	0	246,454	172,039
Transportation	2,777,214	2,257,470	0	0	2,777,214	2,257,470
General Government	741,754	879,819	0	0	741,754	879,819
Interest and Fiscal Charges	0	959	0	0	0	959
Electric	0	0	19,704,728	17,839,610	19,704,728	17,839,610
Water	0	0	2,183,723	2,078,435	2,183,723	2,078,435
Sewer	0	0	4,025,321	3,402,744	4,025,321	3,402,744
Storm Sewer	0	0	217,109	135,419	217,109	135,419
Refuse	0	0	1,176,895	1,144,478	1,176,895	1,144,478
Total Expenses	4,932,676	7,843,667	27,307,776	24,600,686	32,240,452	32,444,353
Increase in Net Position	5,197,296	436,604	1,330,145	1,862,260	6,527,441	2,298,864
Net Position Beginning of Year	15,203,433	14,766,829	47,334,813	45,472,553	62,538,246	60,239,382
Net Position End of Year	\$20,400,729	\$15,203,433	\$48,664,958	\$47,334,813	\$69,065,687	\$62,538,246

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

For governmental activities, there was a 94 percent increase in program revenues. The decrease in charges for services was primarily related to ambulance service; less ambulance charges in 2019, a reduction in contracts, and lower EMS mileage charged. The increase in operating grants and contributions was generally due an increase in gas taxes; the State increased the gas tax during 2019 which provided for an increase in the distribution made to local governments. The increase in capital grants is due to grant resources provided by Jobs Ohio, the Ohio Department of Transportation, and the Ohio Development Services Agency. For general revenues, the increase in the street maintenance income tax revenue is the result of the new tax implemented in 2018. The increase in other local taxes is due to an increase in the kilowatt tax allocation to the General Fund (based on usage) and an increase in lodging taxes. In total, general revenues increased approximately 4 percent.

The substantial decrease in expenses for governmental activities is primarily due to the decrease in OPEB expenses for OPF. As indicated earlier, OPF recognized a change in benefit terms for their OPEB plan changing from a self-insured health care plan to a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. These changes contributed to OPEB expense decreasing from \$300,043 in 2018 to a negative OPEB expense of \$3,560,549 for OPF for 2019. The effect of this decrease resulted in a negative expense being reported for the Fire program for 2019.

For business-type activities, program revenues in the form of charges for services, continue to fund the operation of the City's utilities. The increase in charges for services is due to rate increases for electric, water, and sewer services. The decrease in capital grants and contributions is due to grants the City received in the prior year related to improvements resulting from the Pratt Industries development in the City. Expenses increased in all of the enterprise funds due to the increase in expenses related to OPERS pension and OPEB. In addition, there was an increase in expenses in the Electric Fund due to noncapitalized purchases related to the AMP project, in the amount of \$1.6 million. There was also an increase in expenses in the Sewer Fund due to pump repairs and for costs associated with the SSO elimination compliance schedule.

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Security of Persons and Property				
Police	\$665,015	\$2,175,771	\$635,248	\$2,122,486
Fire	(242,156)	1,704,281	(304,910)	1,640,203
Public Health	167,146	154,457	(265,384)	(367,138)
Leisure Time Activities	577,249	498,871	327,231	265,491
Community Environment	246,454	172,039	243,217	168,162
Transportation	2,777,214	2,257,470	393,428	1,497,286
General Government	741,754	879,819	665,197	850,339
Interest and Fiscal Charges	0	959	0	959
Total Expenses	<u>\$4,932,676</u>	<u>\$7,843,667</u>	<u>\$1,694,027</u>	<u>\$6,177,788</u>

CITY OF WAPAKONETA
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While a substantial percentage of the revenues to provide governmental activities services are derived from the City's general revenues (primarily municipal income taxes, other local taxes, and State shared revenues), note that several of the City's programs were able to offset costs through program revenues including the public health, leisure time activities, and transportation programs. Public health expenses are primarily funded by EMS and ambulance charges received during the year. The leisure time activities program is funded from gifts and donations as well as usage fees for the swimming pool. The transportation program receives charges for services in the form of permissive motor vehicle license monies. The transportation program also receives operating monies in the form of State levied motor vehicle license fees and gas taxes. Also, note for 2019, the effect on the reduction of expenses for OPEB as has been discussed as it primarily impacted the fire department.

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

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

The 19 percent increase in fund balance in the General Fund is primarily due to a decrease in the resources transferred to other funds to subsidize activities in other funds. In 2018, the amount of this transfer was \$1.6 million, in 2019, the amount of this transfer was \$820,000.

Fund balance increased in the Street and Sewer Improvement capital projects fund primarily from grant resources obtained for projects and an operating subsidy from the General Fund. Revenues increased \$1.6 million due to these grant resources and the operating subsidy was \$670,000. There was also an increase in expenditures of \$1.4 million due to the 2019 projects.

BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS

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

The increase in net position for the Electric Fund was not significant, a 3 percent increase. Revenues increased due to an increase in the base rate for both residential and commercial users (\$10.50 to \$14.50 residential; \$20.00 to \$25.00 commercial). Expenses increased from an increase in pension/OPEB costs as well as from noncapitalized purchases related to the AMP project, in the amount of \$1.6 million.

The Water Fund had a 5 percent increase in net position. Revenues increased approximately \$470,000 due to a \$.57 base rate increase. Expenses were similar to the prior year.

There was very little change in net position for the Sewer Fund. Revenue increased due to a \$.42 increase in the base rate; however, there was also an increase in expenses which offset any revenue increases. The most significant increase in expenses was due to pump repairs and for costs associated with the SSO elimination compliance schedule.

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(Unaudited)

The Storm Sewer utility provides the City the ability to undertake storm water separation. The EPA has mandated the separation of storm water and sanitary sewers. The Storm Sewer fund had a modest decrease in net position; both revenues and expenses were fairly similar to the prior year.

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

BUDGETARY HIGHLIGHTS

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

The City's most significant budgeted fund is the General Fund. For revenues, there was no change from the original budget to the final budget; changes from the final budget to actual revenues were primarily due to budgeting conservatively for municipal income taxes, other local taxes, and interest revenue. For expenditures, changes from the original budget to the final budget were not significant. Changes from the final budget to actual expenditures were primarily found in budgeting conservatively for police and fire personnel costs and as well as for income tax refunds (general government program).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2019, was \$22,472,755 and \$37,894,241, respectively (net of accumulated depreciation and related debt).

Governmental activities additions included land that was donated to the City which was turned into a parking lot, ongoing street improvements (construction in progress and completed street projects), a phone recording system for the police department, a police cruiser, and a dump/snowplow truck. There were no disposals for governmental activities. Business-type activities additions included electric system improvements and water line improvements (construction in progress), a mower, bobcat, electric digger truck, and a recycling truck. Disposals were minimal. For further information regarding the City's capital assets, refer to Note 10 to the basic financial statements.

Debt - During 2019, the City increased the loan with AMP, by \$4.7 million, for electric system improvements.

Also during 2019, the City issued \$5,225,000 in general obligation bonds; \$4,570,000 to currently refund \$5,230,000 in mortgage revenue bonds and \$655,000 for additional improvements. This refunding resulted in decreasing debt service payments by \$1,261,444 and resulted in an economic gain of \$1,118,519.

At December 31, 2019, the City had a number of long-term obligations outstanding. Business-type activities obligations included \$4,525,000 in general obligation bonds, \$20,485,422 in OWDA loans, a \$7,038,250 loan for electric improvements (above), and \$644,111 in landfill postclosure costs.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2019
(Unaudited)

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

CURRENT ISSUES

The major projects for 2020 will be the completion of Perry Street and the construction of West Benton Street from the railroad to Ohio Street.

With completion of the Pratt Project, which began in 2018, the City continues to investigate the expansion of all the utility plants and infrastructure in the City. Capacity of the utility plants will have to be upgraded and modifications to the water plant will be necessary to eliminate total dissolved solids and to meet future growth needs of the City. The City is currently constructing a 138 to 69kv electrical substation to provide the City with extra capacity.

Other projects the City is currently working on for 2020 are the annual reclamite program and street repaving.

REQUEST FOR INFORMATION

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

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City of Wapakoneta
Statement of Net Position
December 31, 2019

	Governmental Activities	Business-Type Activities	Total *
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$4,978,540	\$12,570,628	\$17,549,168
Cash and Cash Equivalents with Fiscal Agents	0	191,598	191,598
Accounts Receivable	297,761	4,940,840	5,238,601
Due from Other Governments	387,027	392,270	779,297
Municipal Income Taxes Receivable	1,189,016	0	1,189,016
Other Local Taxes Receivable	16,494	109,443	125,937
Internal Balances	133,493	(133,493)	0
Prepaid Items	237,315	265,892	503,207
Materials and Supplies Inventory	41,995	2,342,294	2,384,289
Accrued Interest Receivable	6,759	0	6,759
Property Taxes Receivable	576,490	0	576,490
Notes Receivable	156,901	0	156,901
Special Assessments Receivable	91,700	0	91,700
Net Pension Asset	14,772	23,113	37,885
Nondepreciable Capital Assets	1,786,660	3,228,730	5,015,390
Depreciable Capital Assets, Net	20,736,992	66,134,955	86,871,947
Total Assets	30,651,915	90,066,270	120,718,185
<u>Deferred Outflows of Resources</u>			
Pension	2,476,903	1,101,597	3,574,939
OPEB	490,715	141,916	632,631
Total Deferred Outflows of Resources	2,967,618	1,243,513	4,207,570
<u>Liabilities</u>			
Accrued Wages Payable	147,344	94,930	242,274
Accounts Payable	238,660	197,665	436,325
Contracts Payable	6,460	2,278,895	2,285,355
Due to Other Governments	58,947	21,941	80,888
Retainage Payable	0	7,383	7,383
Accrued Interest Payable	0	489,370	489,370
Refundable Deposits	0	319,744	319,744
Long-Term Liabilities			
Due Within One Year	100,590	1,487,063	1,587,653
Due in More Than One Year			
Net Pension Liability	8,657,776	3,620,499	12,278,275
Net OPEB Liability	1,784,582	1,684,440	3,469,022
Other Amounts	346,127	32,213,941	32,560,068
Total Liabilities	11,340,486	42,415,871	53,756,357
<u>Deferred Inflows of Resources</u>			
Property Taxes	572,227	0	572,227
Pension	607,342	178,183	781,964
OPEB	698,749	50,771	749,520
Total Deferred Inflows of Resources	1,878,318	228,954	2,103,711
<u>Net Position</u>			
Net Investment in Capital Assets	22,472,755	37,894,241	60,366,996
Restricted for			
Debt Service	1,160	0	1,160
Capital Projects	1,262,281	0	1,262,281
Community Environment	209,701	0	209,701
Recreation	68,724	0	68,724
Street and Highway Maintenance and Repair	522,004	0	522,004
Other Purposes	123,765	0	123,765
Unrestricted (Deficit)	(4,259,661)	10,770,717	6,511,056
Total Net Position	\$20,400,729	\$48,664,958	\$69,065,687

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

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Activities
For the Year Ended December 31, 2019

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$665,015	\$28,317	\$1,450	\$0
Fire	(242,156)	62,754	0	0
Public Health	167,146	427,196	5,334	0
Leisure Time Activities	577,249	230,118	19,900	0
Community Environment	246,454	0	3,237	0
Transportation	2,777,214	182,357	544,925	1,656,504
General Government	741,754	52,937	0	23,620
Total Governmental Activities	4,932,676	983,679	574,846	1,680,124
<u>Business-Type Activities</u>				
Electric	19,704,728	20,096,913	0	0
Water	2,183,723	2,589,064	0	0
Sewer	4,025,321	3,920,181	21,004	92,283
Storm Sewer	217,109	159,820	0	0
Refuse	1,176,895	1,405,562	0	0
Total Business-Type Activities	27,307,776	28,171,540	21,004	92,283
Total	\$32,240,452	\$29,155,219	\$595,850	\$1,772,407

General Revenues

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

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in Net Position

Governmental Activities	Business-Type Activities	Total
(\$635,248)	\$0	(\$635,248)
304,910	0	304,910
265,384	0	265,384
(327,231)	0	(327,231)
(243,217)	0	(243,217)
(393,428)	0	(393,428)
(665,197)	0	(665,197)
(1,694,027)	0	(1,694,027)
0	392,185	392,185
0	405,341	405,341
0	8,147	8,147
0	(57,289)	(57,289)
0	228,667	228,667
0	977,051	977,051
(1,694,027)	977,051	(716,976)
414,453	0	414,453
155,585	0	155,585
2,850,549	0	2,850,549
1,735,770	0	1,735,770
874,140	0	874,140
129,349	0	129,349
310,949	0	310,949
119,507	0	119,507
245,341	22,186	267,527
1,043	0	1,043
54,637	330,908	385,545
6,891,323	353,094	7,244,417
5,197,296	1,330,145	6,527,441
15,203,433	47,334,813	62,538,246
\$20,400,729	\$48,664,958	\$69,065,687

City of Wapakoneta
Balance Sheet
Governmental Funds
December 31, 2019

	General	Street and Sewer Improvement	Other Governmental	Total Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$3,282,128	\$985,921	\$673,650	\$4,941,699
Accounts Receivable	297,316	0	445	297,761
Due from Other Governments	142,650	0	244,377	387,027
Municipal Income Taxes Receivable	913,281	275,735	0	1,189,016
Other Local Taxes Receivable	10,545	0	5,949	16,494
Interfund Receivable	110,353	0	0	110,353
Prepaid Items	28,204	0	206,937	235,141
Materials and Supplies Inventory	20,088	0	20,335	40,423
Accrued Interest Receivable	0	3,591	3,168	6,759
Restricted Assets				
Equity in Pooled Cash and Cash Equivalents	36,841	0	0	36,841
Property Taxes Receivable	415,468	0	161,022	576,490
Notes Receivable	121,750	0	35,151	156,901
Special Assessments Receivable	0	91,700	0	91,700
Total Assets	\$5,378,624	\$1,356,947	\$1,351,034	\$8,086,605
<u>Liabilities</u>				
Accrued Wages Payable	\$121,281	\$0	\$15,643	\$136,924
Accounts Payable	87,603	92,370	57,781	237,754
Contracts Payable	0	5,690	770	6,460
Due to Other Governments	52,479	2,296	2,559	57,334
Interfund Payable	5,633	0	2,447	8,080
Total Liabilities	266,996	100,356	79,200	446,552
<u>Deferred Inflows of Resources</u>				
Property Taxes	412,371	0	159,856	572,227
Unavailable Revenue	1,059,324	252,496	193,013	1,504,833
Total Deferred Inflows of Resources	1,471,695	252,496	352,869	2,077,060
<u>Fund Balance</u>				
Nonspendable	85,133	0	227,272	312,405
Restricted	9,585	1,004,095	511,438	1,525,118
Assigned	2,501,423	0	180,255	2,681,678
Unassigned	1,043,792	0	0	1,043,792
Total Fund Balance	3,639,933	1,004,095	918,965	5,562,993
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$5,378,624	\$1,356,947	\$1,351,034	\$8,086,605

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
 Reconciliation of Total Governmental Fund Balance
 to Net Position of Governmental Activities
 December 31, 2019

Total Governmental Fund Balance \$5,562,993

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

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

Governmental Activities	22,523,652	
Internal Service Fund	(33,404)	
		22,490,248

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

Accounts Receivable	259,385	
Due from Other Governments	310,695	
Municipal Income Taxes Receivable	832,376	
Accrued Interest Receivable	6,414	
Delinquent Property Taxes Receivable	4,263	
Special Assessments Receivable	91,700	
		1,504,833

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

34,351

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

Compensated Absences Payable	(446,717)	
Compensated Absences Payable-Internal Service Fund	25,643	
		(421,074)

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

Net Pension Asset	14,772	
Net Pension Asset - Internal Service Fund	(2,275)	
Deferred Outflows - Pension	2,476,903	
Deferred Outflows - Pension - Internal Service Fund	(123,980)	
Deferred Inflows - Pension	(607,342)	
Deferred Inflows - Pension - Internal Service Fund	6,569	
Net Pension Liability	(8,657,776)	
Net Pension Liability - Internal Service Fund	356,114	
Deferred Outflows - OPEB	490,715	
Deferred Outflows - OPEB - Internal Service Fund	(25,435)	
Deferred Inflows - OPEB	(698,749)	
Deferred Inflows - OPEB - Internal Service Fund	450	
Net OPEB Liability	(1,784,582)	
Net OPEB Liability - Internal Service Fund	165,680	
		(8,388,936)

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

(381,686)

Net Position of Governmental Activities

\$20,400,729

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Revenues, Expenditures,
and Change in Fund Balance
Governmental Funds
For the Year Ended December 31, 2019

	General	Street and Sewer Improvement	Other Governmental	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$413,792	\$0	\$155,345	\$569,137
Municipal Income Taxes	2,990,900	1,578,565	0	4,569,465
Other Local Taxes	1,004,976	0	77,647	1,082,623
Special Assessments	0	24,566	0	24,566
Charges for Services	832,767	0	41,524	874,291
Fees, Licenses, and Permits	124,481	0	0	124,481
Fines and Forfeitures	21,234	0	1,480	22,714
Intergovernmental	299,658	1,656,504	554,504	2,510,666
Interest	241,750	2,029	18,141	261,920
Gifts and Donations	4,791	0	713	5,504
Other	38,146	2,598	15,770	56,514
Total Revenues	5,972,495	3,264,262	865,124	10,101,881
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,852,665	0	44,437	1,897,102
Fire	1,496,645	0	0	1,496,645
Public Health	131,123	0	0	131,123
Leisure Time Activities	252,578	0	181,049	433,627
Community Environment	202,456	0	0	202,456
Transportation	0	3,192,101	787,242	3,979,343
General Government	651,331	0	0	651,331
Total Expenditures	4,586,798	3,192,101	1,012,728	8,791,627
Excess of Revenues Over (Under) Expenditures	1,385,697	72,161	(147,604)	1,310,254
<u>Other Financing Sources (Uses)</u>				
Transfers In	10,000	670,000	150,000	830,000
Transfers Out	(820,000)	0	(10,000)	(830,000)
Total Other Financing Sources (Uses)	(810,000)	670,000	140,000	0
Change in Fund Balance	575,697	742,161	(7,604)	1,310,254
Fund Balance Beginning of Year	3,064,236	261,934	926,569	4,252,739
Fund Balance End of Year	<u>\$3,639,933</u>	<u>\$1,004,095</u>	<u>\$918,965</u>	<u>\$5,562,993</u>

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Reconciliation of Statement of Revenues, Expenditures,
and Change in Fund Balance
of Governmental Funds to Statement of Activities
For the Year Ended December 31, 2019

Change in Fund Balance - Total Governmental Funds \$1,310,254

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

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

Capital Outlay	2,369,601	
Capital Contribution	23,620	
Depreciation	(1,189,039)	
Depreciation-Internal Service Fund	1,873	1,206,055

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

Delinquent Property Taxes	901	
Municipal Income Taxes	16,854	
Other Local Taxes	(1,487)	
Special Assessments	39,871	
Charges for Services	(60,763)	
Fees, Licenses, and Permits	379	
Intergovernmental	9,031	
Interest	1,562	
Other	(1,877)	4,471

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

Compensated Absences Payable-Governmental Activities	(47,029)	
Compensated Absences Payable-Internal Service Fund	2,358	(44,671)

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

Pension Expense	(1,322,695)	
Pension Expense - Internal Service Fund	84,076	
OPEB Expense	3,471,766	
OPEB Expense - Internal Service Fund	21,479	2,254,626

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

Contractually Required Contributions - Pension	565,510	
Contractually Required Contributions - Pension - Internal Service Fund	(26,471)	
Contractually Required Contributions - OPEB	9,235	
Contractually Required Contributions - OPEB - Internal Service Fund	(2)	548,272

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

Change in Net Position of Governmental Activities

(81,711)
\$5,197,296

See Accompanying Notes to the Basic Financial Statements

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City of Wapakoneta
Statement of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property Taxes	\$426,000	\$426,000	\$413,792	(\$12,208)
Municipal Income Taxes	2,629,965	2,629,965	3,083,792	453,827
Other Local Taxes	775,000	775,000	966,959	191,959
Charges for Services	810,000	810,000	827,443	17,443
Fees, Licenses, and Permits	101,700	101,700	124,481	22,781
Fines and Forfeitures	15,000	15,000	22,371	7,371
Intergovernmental	245,700	245,700	296,050	50,350
Interest	115,000	115,000	231,940	116,940
Gifts and Donations	10,000	10,000	4,791	(5,209)
Other	65,000	65,000	81,357	16,357
Total Revenues	<u>5,193,365</u>	<u>5,193,365</u>	<u>6,052,976</u>	<u>859,611</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,989,300	2,023,407	1,886,797	136,610
Fire	1,798,900	1,817,233	1,502,245	314,988
Other	3,049	4,049	914	3,135
Public Health	173,400	182,813	140,244	42,569
Leisure Time Activities	259,622	260,705	252,794	7,911
Community Environment	328,350	328,350	200,486	127,864
General Government	1,597,872	1,602,649	704,749	897,900
Total Expenditures	<u>6,150,493</u>	<u>6,219,206</u>	<u>4,688,229</u>	<u>1,530,977</u>
Excess of Revenues Over (Under) Expenditures	<u>(957,128)</u>	<u>(1,025,841)</u>	<u>1,364,747</u>	<u>2,390,588</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	30,000	30,000	10,000	(20,000)
Transfers Out	(928,965)	(928,965)	(820,000)	108,965
Total Other Financing Sources (Uses)	<u>(898,965)</u>	<u>(898,965)</u>	<u>(810,000)</u>	<u>88,965</u>
Change in Fund Balance	(1,856,093)	(1,924,806)	554,747	2,479,553
Fund Balance Beginning of Year	2,674,464	2,674,464	2,674,464	0
Prior Year Encumbrances Appropriated	68,715	68,715	68,715	0
Fund Balance End of Year	<u>\$887,086</u>	<u>\$818,373</u>	<u>\$3,297,926</u>	<u>\$2,479,553</u>

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Fund Net Position
Proprietary Funds
December 31, 2019

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
<u>Assets</u>				
<u>Current Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$7,698,814	\$869,029	\$2,363,957	\$499,397
Cash and Cash Equivalents with Fiscal Agents	191,598	0	0	0
Accounts Receivable	3,718,990	456,092	533,525	13,555
Due from Other Governments	0	298,326	92,283	0
Other Local Taxes Receivable	109,443	0	0	0
Interfund Receivable	134,342	47	127	19
Prepaid Items	56,956	68,802	36,361	95,713
Materials and Supplies Inventory	2,080,927	168,266	93,101	0
Total Current Assets	<u>13,991,070</u>	<u>1,860,562</u>	<u>3,119,354</u>	<u>608,684</u>
<u>Non-Current Assets</u>				
Restricted Assets				
Equity in Pooled Cash and Cash Equivalents	319,744	0	0	0
Net Pension Asset	9,470	4,168	6,064	0
Nondepreciable Capital Assets	1,486,184	1,186,196	228,249	0
Depreciable Capital Assets, Net	<u>18,817,794</u>	<u>17,560,433</u>	<u>25,460,027</u>	<u>3,279,482</u>
Total Non-Current Assets	<u>20,633,192</u>	<u>18,750,797</u>	<u>25,694,340</u>	<u>3,279,482</u>
Total Assets	<u>34,624,262</u>	<u>20,611,359</u>	<u>28,813,694</u>	<u>3,888,166</u>
<u>Deferred Outflows of Resources</u>				
Pension	463,100	198,649	284,881	0
OPEB	<u>65,926</u>	<u>25,592</u>	<u>34,656</u>	<u>0</u>
Total Deferred Outflows of Resources	<u>529,026</u>	<u>224,241</u>	<u>319,537</u>	<u>0</u>
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accrued Wages Payable	40,133	15,274	25,460	0
Accounts Payable	71,598	41,965	26,905	0
Contracts Payable	1,578,496	298,326	402,073	0
Due to Other Governments	9,232	2,458	8,026	0
Interfund Payable	108,006	36,116	48,815	0
Retainage Payable	0	0	7,383	0
Accrued Interest Payable	175,956	143,700	169,714	0
General Obligation Bonds Payable	0	0	695,000	0
OWDA Loans Payable	0	203,740	276,179	0
Capital Leases Payable	0	0	29,118	29,118
Compensated Absences Payable	36,016	22,324	24,028	0
Landfill Postclosure Costs Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Liabilities	<u>2,019,437</u>	<u>763,903</u>	<u>1,712,701</u>	<u>29,118</u>

Refuse	Total Enterprise Funds	Governmental Activity Internal Service Fund
\$819,687	\$12,250,884	\$0
0	191,598	0
218,678	4,940,840	0
1,661	392,270	0
0	109,443	0
69	134,604	0
8,060	265,892	2,174
0	2,342,294	1,572
1,048,155	20,627,825	3,746
0	319,744	0
3,411	23,113	2,275
328,101	3,228,730	0
1,017,219	66,134,955	33,404
1,348,731	69,706,542	35,679
2,396,886	90,334,367	39,425
162,530	1,109,160	123,980
20,938	147,112	25,435
183,468	1,256,272	149,415
14,063	94,930	10,420
57,197	197,665	906
0	2,278,895	0
2,225	21,941	1,613
40,809	233,746	3,131
0	7,383	0
0	489,370	0
0	695,000	0
0	479,919	0
98,873	157,109	0
13,695	96,063	7,259
58,972	58,972	0
285,834	4,810,993	23,329

(continued)

City of Wapakoneta
Statement of Fund Net Position
Proprietary Funds
December 31, 2019
(continued)

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
<u>Non-Current Liabilities</u>				
Refundable Deposits	\$319,744	\$0	\$0	\$0
General Obligation Bonds Payable	0	0	3,830,000	0
OWDA Loans Payable	0	9,899,225	10,106,278	0
Net Pension Liability	1,483,809	652,878	949,639	0
Net OPEB Liability	690,343	303,753	441,821	0
Capital Loan Payable	7,038,250	0	0	0
Capital Leases Payable	0	0	61,146	61,146
Compensated Absences Payable	101,425	89,366	60,472	0
Landfill Postclosure Costs Payable	0	0	0	0
Total Non-Current Liabilities	9,633,571	10,945,222	15,449,356	61,146
Total Liabilities	11,653,008	11,709,125	17,162,057	90,264
<u>Deferred Inflows of Resources</u>				
Pension	73,045	31,403	53,188	0
OPEB	20,808	9,155	18,513	0
Total Deferred Inflows of Resources	93,853	40,558	71,701	0
<u>Net Position</u>				
Net Investment in Capital Assets	14,836,442	8,390,081	10,582,267	3,189,218
Unrestricted (Deficit)	8,569,985	695,836	1,317,206	608,684
Total Net Position (Deficit)	\$23,406,427	\$9,085,917	\$11,899,473	\$3,797,902

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

Net position of business-type activities

See Accompanying Notes to the Basic Financial Statements

Refuse	Total Enterprise Funds	Governmental Activity Internal Service Fund
\$0	\$319,744	\$0
0	3,830,000	0
0	20,005,503	0
534,173	3,620,499	356,114
248,523	1,684,440	165,680
0	7,038,250	0
350,214	472,506	0
31,280	282,543	18,384
585,139	585,139	0
1,749,329	37,838,624	540,178
2,035,163	42,649,617	563,507
28,110	185,746	6,569
7,491	55,967	450
35,601	241,713	7,019
896,233	37,894,241	33,404
(386,643)	10,805,068	(415,090)
\$509,590	48,699,309	(\$381,686)
	(34,351)	
	\$48,664,958	

City of Wapakoneta
Statement of Revenues, Expenses,
and Change in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
<u>Operating Revenues</u>				
Charges for Services	\$20,073,740	\$2,589,064	\$3,920,131	\$159,820
Licenses and Permits	0	0	50	0
Other	329,634	27	599	0
Total Operating Revenues	<u>20,403,374</u>	<u>2,589,091</u>	<u>3,920,780</u>	<u>159,820</u>
<u>Operating Expenses</u>				
Personal Services	1,295,307	592,974	802,372	0
Contractual Services	16,174,172	302,699	493,313	71,584
Materials and Supplies	1,166,012	587,517	1,444,243	21,471
Depreciation	646,341	394,388	720,182	97,583
Other	25,007	0	12,315	16,023
Total Operating Expenses	<u>19,306,839</u>	<u>1,877,578</u>	<u>3,472,425</u>	<u>206,661</u>
Operating Income (Loss)	<u>1,096,535</u>	<u>711,513</u>	<u>448,355</u>	<u>(46,841)</u>
<u>Non-Operating Revenues (Expenses)</u>				
Other Local Taxes	23,173	0	0	0
Loss on Disposal of Capital Assets	0	(13,911)	0	0
Operating Grants	0	0	21,004	0
Interest Revenue	0	0	22,186	0
Interest Expense	(397,808)	(290,941)	(552,734)	(3,903)
Total Non-Operating Revenues (Expenses)	<u>(374,635)</u>	<u>(304,852)</u>	<u>(509,544)</u>	<u>(3,903)</u>
Income (Loss) before Contributions	721,900	406,661	(61,189)	(50,744)
Capital Contributions	0	0	92,283	0
Change in Net Position	721,900	406,661	31,094	(50,744)
Net Position (Deficit) Beginning of Year	<u>22,684,527</u>	<u>8,679,256</u>	<u>11,868,379</u>	<u>3,848,646</u>
Net Position (Deficit) End of Year	<u>\$23,406,427</u>	<u>\$9,085,917</u>	<u>\$11,899,473</u>	<u>\$3,797,902</u>

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

Change in net position of business-type activities

See Accompanying Notes to the Basic Financial Statements

Refuse	Total Enterprise Funds	Governmental Activity Internal Service Fund
\$1,405,562	\$28,148,317	\$266,931
0	50	16,820
648	330,908	309
1,406,210	28,479,275	284,060
457,142	3,147,795	347,024
532,614	17,574,382	14,230
74,987	3,294,230	10,725
100,870	1,959,364	1,873
0	53,345	0
1,165,613	26,029,116	373,852
240,597	2,450,159	(89,792)
0	23,173	0
0	(13,911)	0
0	21,004	0
0	22,186	0
(11,282)	(1,256,668)	0
(11,282)	(1,204,216)	0
229,315	1,245,943	(89,792)
0	92,283	0
229,315	1,338,226	(89,792)
280,275		(291,894)
\$509,590		(\$381,686)
	(8,081)	
	\$1,330,145	

City of Wapakoneta
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
Increases (Decreases) in Cash and Cash Equivalents				
<u>Cash Flows from Operating Activities</u>				
Cash Received from Customers	\$19,479,888	\$2,422,701	\$3,784,971	\$159,594
Cash Received from Transactions with Other Funds	0	0	0	0
Cash Received from Utility Deposits	40,871	0	0	0
Cash Received from Other Revenues	329,634	27	599	0
Cash Payments for Personal Services	(1,030,649)	(476,101)	(642,659)	0
Cash Payments for Contractual Services	(15,915,426)	(296,675)	(609,297)	(71,584)
Cash Payments to Vendors	(1,422,361)	(598,639)	(1,093,509)	(126,769)
Cash Payments for Utility Refunds	(23,617)	0	0	0
Cash Payments for Other Expenses	(25,007)	0	(12,315)	(16,023)
Net Cash Provided by (Used for) Operating Activities	1,433,333	1,051,313	1,427,790	(54,782)
<u>Cash Flows from Noncapital Financing Activities</u>				
Cash Received from Other Local Taxes	23,173	0	0	0
Cash Received from Operating Grants	0	0	21,004	0
Cash Received from Advances In	12,500	0	0	0
Cash Received from Other Funds	0	0	0	0
Net Cash Provided by Noncapital Financing Activities	35,673	0	21,004	0
<u>Cash Flows from Capital and Related Financing Activities</u>				
Principal Paid on General Obligation Bonds	0	0	(700,000)	0
Principal Paid on OWDA Loans	0	(194,007)	(267,787)	0
Principal Paid on Capital Leases	0	0	(28,189)	(28,189)
Interest Paid on General Obligation Bonds	0	0	(202,846)	0
Interest Paid on OWDA Loans	0	(294,746)	(331,786)	0
Interest Paid on Capital Loans	(291,976)	0	0	0
Interest Paid on Capital Leases	0	0	(3,903)	(3,903)
General Obligation Refunding Bonds Issued	0	0	5,225,000	0
OWDA Loan Proceeds	0	2,482,174	0	0
Capital Loan Proceeds	5,139,406	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	(5,259,019)	0
Capital Grants	0	1,470	0	63,632
Acquisition of Capital Assets	(4,819,396)	(3,276,829)	(851,570)	(235,404)
Net Cash Provided by (Used for) Capital and Related Financing Activities	28,034	(1,281,938)	(2,420,100)	(203,864)
<u>Cash Flows from Investing Activities</u>				
Interest Revenue	0	0	22,186	0
Net Increase (Decrease) in Cash and Cash Equivalents	1,497,040	(230,625)	(949,120)	(258,646)
Cash and Cash Equivalents Beginning of Year	6,713,116	1,099,654	3,313,077	758,043
Cash and Cash Equivalents End of Year	\$8,210,156	\$869,029	\$2,363,957	\$499,397

		Governmental Activity
Refuse	Total Enterprise Funds	Internal Service
\$1,367,444	\$27,214,598	\$16,820
0	0	266,931
0	40,871	0
648	330,908	309
(385,164)	(2,534,573)	(262,177)
(565,040)	(17,458,022)	(14,603)
(75,463)	(3,316,741)	(11,070)
0	(23,617)	0
0	(53,345)	0
342,425	4,200,079	(3,790)
0	23,173	0
0	21,004	0
0	12,500	0
0	0	2,609
0	56,677	2,609
0	(700,000)	0
0	(461,794)	0
(58,811)	(115,189)	0
0	(202,846)	0
0	(626,532)	0
0	(291,976)	0
(11,282)	(19,088)	0
0	5,225,000	0
0	2,482,174	0
0	5,139,406	0
0	(5,259,019)	0
0	65,102	0
0	(9,183,199)	0
(70,093)	(3,947,961)	0
0	22,186	0
272,332	330,981	(1,181)
547,355	12,431,245	1,181
\$819,687	\$12,762,226	\$0

(continued)

City of Wapakoneta
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019
(continued)

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>				
Operating Income (Loss)	\$1,096,535	\$711,513	\$448,355	(\$46,841)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>				
Depreciation	646,341	394,388	720,182	97,583
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(587,859)	(166,417)	(135,261)	(225)
(Increase) Decrease in Due from Other Governments	10,065	0	0	0
Increase in Other Local Taxes Receivable	(40,838)	0	0	0
(Increase) Decrease in Interfund Receivable	(16,058)	54	51	(1)
Increase in Prepaid Items	(3,598)	(56,497)	(17,238)	(95,713)
(Increase) Decrease in Materials and Supplies Inventory	(227,695)	29,686	(47,691)	0
Increase in Net Pension Asset	(2,845)	(1,252)	(1,821)	0
Increase in Accrued Wages Payable	6,574	130	2,911	0
Increase (Decrease) in Accounts Payable	(36,403)	23,922	(10,683)	0
Increase (Decrease) in Contracts Payable	269,668	0	301,168	(9,585)
Increase (Decrease) in Due to Other Governments	897	(9,792)	1,939	0
Increase (Decrease) in Interfund Payable	40,777	7,874	7,954	0
Increase in Refundable Deposits	17,254	0	0	0
Increase in Compensated Absences Payable	2,827	1,942	11,008	0
Decrease in Landfill Postclosure Costs	0	0	0	0
Decrease in Net Pension Liability	(1,610)	(709)	(1,030)	0
Decrease in Deferred Outflows - Pension	340,885	146,080	206,146	0
Decrease in Deferred Inflows - Pension	(145,598)	(54,646)	(87,505)	0
Increase in Net OPEB Liability	37,815	16,639	24,202	0
Decrease in Deferred Outflows - OPEB	47,155	17,619	23,275	0
Decrease in Deferred Inflows - OPEB	(20,956)	(9,221)	(18,172)	0
Net Cash Provided by (Used for) Operating Activities	<u>\$1,433,333</u>	<u>\$1,051,313</u>	<u>\$1,427,790</u>	<u>(\$54,782)</u>

Non-Cash Capital Transactions

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

During 2019, the Refuse enterprise fund entered into a capital lease, in the amount of \$253,209.

At December 31, 2018, the Electric, Water, and Storm Sewer enterprise funds had payables related to the acquisition of capital assets, in the amounts of \$400,175, \$1,005, and \$55,404, respectively.

See Accompanying Notes to the Basic Financial Statements

Refuse	Total Enterprise Funds	Governmental Activity Internal Service
\$240,597	\$2,450,159	(\$89,792)
100,870	1,959,364	1,873
(38,097)	(927,859)	0
(18)	10,047	0
0	(40,838)	0
(3)	(15,957)	0
(935)	(173,981)	(362)
0	(245,700)	178
(1,024)	(6,942)	(682)
1,452	11,067	2,891
24,199	1,035	(460)
0	561,251	0
268	(6,688)	458
139	56,744	(16)
0	17,254	0
4,332	20,109	2,358
(56,162)	(56,162)	0
(579)	(3,928)	(387)
119,787	812,898	82,719
(72,886)	(360,635)	(24,045)
13,613	92,269	9,075
14,416	102,465	15,193
(7,544)	(55,893)	(2,791)
\$342,425	\$4,200,079	(\$3,790)

City of Wapakoneta
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2019

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$110,817</u>
<u>Net Position</u>	
Restricted for Individuals, Organizations, and Other Governments	<u>\$110,817</u>

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Change in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2019

<u>Additions</u>	
Amounts Received as Fiscal Agent	\$13,049
Amounts Held for Employees	<u>283,099</u>
Total Additions	<u>296,148</u>
 <u>Deductions</u>	
Distributions as Fiscal Agent	12,521
Distributions on Behalf of Employees	<u>223,957</u>
Total Deductions	<u>236,478</u>
Net Increase in Fiduciary Net Position	59,670
Net Position Beginning of Year	<u>51,147</u>
Net Position End of Year	<u><u>\$110,817</u></u>
See Accompanying Notes to the Basic Financial Statements	

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

A. The City

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

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

B. Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. There were no component units of the City of Wapakoneta in 2019.

The City participates in the Ohio Plan Risk Management, an insurance pool. This organization is presented in Note 22 to the basic financial statements.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fiduciary Funds

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

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

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For proprietary funds, the statement of revenues, expenses, and change in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the City finances and meets the cash flow needs of its proprietary activities. Fiduciary funds present a statement of change in fiduciary net position which reports additions to and deductions from custodial funds.

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources includes property taxes, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2019, but which were levied to finance 2020 operations. This amount has been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes intergovernmental revenue including grants, municipal income taxes, other local taxes, accrued interest, delinquent property taxes, special assessments, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities on page 21. Deferred inflows of resources related to pension and OPEB are reported on the government-wide and proprietary funds statement of net position and explained in Notes 14 and 15 to the basic financial statements.

Expenses/Expenditures

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

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

E. Budgetary Process

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

F. Cash and Investments

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

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

During 2019, investments included nonnegotiable and negotiable certificates of deposit and STAR Ohio. Investments are reported at fair value, except for nonnegotiable certificates of deposit which are reported at cost. STAR Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, “Certain External Investment Pools and Pool Participants”. The City measures the investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million requiring the excess amount to be transacted the following business day(s) but only to the \$100 million limit. All accounts of the participant will be combined for this purpose.

Interest earnings are generally allocated to City funds according to State statutes, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2019 was \$241,750, which includes \$202,993 assigned from other City funds.

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019, 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Inventory

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

I. Restricted Assets

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

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

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

J. Capital Assets

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

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

K. Interfund Assets/Liabilities

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

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

L. Compensated Absences

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Net Position

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

O. Fund Balance

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Assigned - Amounts in the assigned classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by City Council. Fund balance policy of City Council has authorized the Director of Public Service and Safety to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council has also assigned amounts to cover a gap between estimated resources and appropriations in the 2020 budget, debt retirement, and police and fire department operations.

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

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

P. Operating Revenues and Expenses

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

Q. Capital Contributions

Capital contributions arise from contributions from outside sources.

R. Interfund Transactions

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

S. Pensions/Other Postemployment Benefits (OPEB)

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

T. Estimates

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

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". The City evaluated implanting these certain GASB pronouncements based on the guidance in GASB Statement No. 95.

For 2019, the City has implemented GASB Statement No. 88, "Certain Disclosures Related to Debt including Direct Borrowings and Direct Placements", Statement No. 90, "Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61", and related guidance from GASB Implementation Guide 2019-2, "Fiduciary Activities".

For 2019, the City also implemented GASB Implementation Guide No. 2018-1. These changes were incorporated in the City's 2019 financial statements; however, there was no effect on beginning net position/fund balance.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES (continued)

GASB Statement No. 88 improves the information that is disclosed in the notes to the financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. These changes were incorporated in the City's 2019 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 90 defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if the government's holding of the equity interest meets the definition of an investment. These changes were incorporated in the City's 2019 financial statements; however, there was no effect on beginning net position/fund balance

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At December 31, 2019, the internal service fund had a deficit net position, in the amount of \$381,686, due to recording the net pension/OPEB liability. This amount will be paid by the pension/OPEB system in future years as individuals retire.

B. Compliance

For the year ended December 31, 2019, the State Highway and Community Block Grant special revenue funds, and the Electric enterprise fund had final appropriations in excess of estimated resources plus available balances, in the amount of \$23,799, \$2,392, and \$4,613,295, respectively. The City Auditor will review appropriations to ensure they are within amounts available.

The following accounts had expenditures plus encumbrances in excess of appropriations for the year ended December 31, 2019.

Fund Program/Department/Object	Appropriations	Expenditures Plus Encumbrances	Excess
General Fund			
General Government			
Clerk of Council			
Contractual Services	\$6,000	\$6,079	\$79
Elections			
Contractual Services	2,500	3,306	806
Sewer Fund			
Principal Retirement	938,132	967,787	29,655
Engineering Fund			
Personal Services	260,737	262,177	1,440

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

Change in Fund Balance	
GAAP Basis	\$575,697
<u>Increases (Decreases) Due To</u>	
Revenue Accruals:	
Accrued 2018, Received in Cash 2019	462,389
Accrued 2019, Not Yet Received in Cash	(415,309)
Expenditure Accruals:	
Accrued 2018, Paid in Cash 2019	(340,707)
Accrued 2019 Not Yet Paid in Cash	266,996
Cash Adjustments	
Unrecorded Activity 2018	(9,693)
Unrecorded Activity 2019	(117)
Prepaid Items	(1,486)
Materials and Supplies Inventory	(2,699)
Revolving Loans Payments	43,211
Encumbrances Outstanding at Year End (Budget Basis)	(23,535)
Budget Basis	\$554,747

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2019, \$1,776,511 of the City's total bank balance of \$9,872,602 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the City's financial institutions participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in a portion of the uninsured and uncollateralized balance. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Investments

Investments are reported at fair value or amortized cost. As of December 31, 2019, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity
Fair Value - Level Two Inputs		
Negotiable Certificates of Deposit	\$735,117	3/2/2020
Net Value Per Share		
STAR Ohio	7,167,914	55.7 Days
Total Investments	<u>\$7,903,031</u>	

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2019. All of the City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

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

The negotiable certificates of deposit are covered by SIPC insurance. STAR Ohio carries a rating of AAA by Standard and Poor's. The City has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service.

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

	Fair Value	Percentage of Portfolio
Negotiable Certificates of Deposit	\$735,117	9.30%

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 7 - RECEIVABLES

Receivables at December 31, 2019, consisted of accounts (billings for user charged services, including unbilled utility services); intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; other local taxes; interfund; accrued interest; property taxes; notes; and special assessments. Income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Notes receivable, in the amount of \$81,717, will not be received within one year. Special assessments receivable, in the amount of \$70,245, will not be received within one year. At December 31, 2019, the amount of delinquent special assessments was \$733.

Notes receivable represent low interest loans for development projects granted to eligible City businesses. The notes have an annual interest rate of 2 percent to 6.25 percent and are to be repaid over periods ranging from six to eighteen years.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$26,317
Local Government	114,484
Cigarette Taxes	313
Auglaize County	286
Wapakoneta City School District	1,250
Total General Fund	142,650
Nonmajor Funds	
Street Maintenance	
Gasoline Tax	184,958
Motor Vehicle License Tax	38,781
State of Ohio	100
Total Street Maintenance	223,839
State Highway	
Gasoline Tax	14,997
Motor Vehicle License Tax	3,145
Total State Highway	18,142
Recreation	
Homestead and Rollback	2,396
Total Nonmajor Funds	244,377
Total Governmental Activities	\$387,027

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 7 - RECEIVABLES (continued)

	Amount
Business-Type Activities	
Water	
Ohio Water Development Authority	\$298,326
Sewer	
Ohio Public Works Commission	92,283
Refuse	
Auglaize County	1,661
Total Business-Type Activities	\$392,270

NOTE 8 - MUNICIPAL INCOME TAXES

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

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

NOTE 9 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2019 represent the collection of 2018 taxes. Real property taxes received in 2019 were levied after October 1, 2018, on the assessed values as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2019 represent the collection of 2018 taxes. Public utility real and tangible personal property taxes received in 2019 became a lien on December 31, 2017, were levied after October 1, 2018, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 9 - PROPERTY TAXES (continued)

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of December 31, 2019, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2019 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

The full tax rate for all City operations for the year ended December 31, 2019, was \$3.75 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2019 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Agricultural/Residential	\$118,570,690
Commercial/Industrial	47,805,540
Public Utility Real	66,230
Public Utility Personal	3,219,260
Total	\$169,661,720

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$1,541,068	\$23,620	\$0	\$1,564,688
Construction in Progress	1,114,883	1,459,460	(2,352,371)	221,972
Total Nondepreciable Capital Assets	2,655,951	1,483,080	(2,352,371)	1,786,660
Depreciable Capital Assets				
Land Improvements	3,031,111	0	0	3,031,111
Buildings	3,599,947	0	0	3,599,947
Equipment	453,501	19,569	0	473,070
Vehicles	3,099,298	118,437	0	3,217,735
Streets	28,490,143	3,124,506	0	31,614,649
Total Depreciable Capital Assets	38,674,000	3,262,512	0	41,936,512

(continued)

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 10 - CAPITAL ASSETS (continued)

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019
Governmental Activities (continued):				
Less Accumulated Depreciation for				
Land Improvements	(\$962,358)	(\$83,606)	\$0	(\$1,045,964)
Buildings	(1,086,335)	(41,425)	0	(1,127,760)
Equipment	(353,405)	(13,176)	0	(366,581)
Vehicles	(2,048,798)	(140,648)	0	(2,189,446)
Streets	(15,559,585)	(910,184)	0	(16,469,769)
Total Accumulated Depreciation	(20,010,481)	(1,189,039)	0	(21,199,520)
Total Depreciable Capital Assets, Net	18,663,519	2,073,473	0	20,736,992
Governmental Activities Capital Assets, Net	\$21,319,470	\$3,556,553	(\$2,352,371)	\$22,523,652

During 2019, governmental activities accepted contributions of capital assets from outside sources with a fair value of \$23,620.

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019
Business-Type Activities:				
Nondepreciable Capital Assets				
Land	\$1,443,314	0	0	\$1,443,314
Construction in Progress	2,715,258	5,425,747	(6,355,589)	1,785,416
Total Nondepreciable Capital Assets	4,158,572	5,425,747	(6,355,589)	3,228,730
Depreciable Capital Assets				
Buildings	20,009,700	0	0	20,009,700
Equipment	986,218	173,747	0	1,159,965
Vehicles	4,174,656	568,803	0	4,743,459
Electric, Water, Sewer, and Storm Sewer Lines	61,511,948	9,573,730	(63,233)	71,022,445
Total Depreciable Capital Assets	86,682,522	10,316,280	(63,233)	96,935,569
Less Accumulated Depreciation for				
Buildings	(3,498,654)	(255,977)	0	(3,754,631)
Equipment	(610,753)	(44,829)	0	(655,582)
Vehicles	(2,458,789)	(214,797)	0	(2,673,586)
Electric, Water, Sewer, and Storm Sewer Lines	(22,322,376)	(1,443,761)	49,322	(23,716,815)
Total Accumulated Depreciation	(28,890,572)	(1,959,364)	49,322	(30,800,614)
Total Depreciable Capital Assets, Net	57,791,950	8,356,916	(13,911)	66,134,955
Business-Type Activities Capital Assets, Net	\$61,950,522	\$13,782,663	(\$6,369,500)	\$69,363,685

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 10 - CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$45,674
Security of Persons and Property - Fire	71,392
Public Health	36,023
Leisure Time Activities	67,103
Transportation	954,887
General Government	13,960
Total Depreciation Expense - Governmental Activities	\$1,189,039

NOTE 11 - INTERFUND BALANCES

Interfund balances at December 31, 2019, consisted of the following individual fund receivables and payables:

Due to General Fund from:

Electric	\$107,744
Internal Service Fund	2,609
Total General Fund	\$110,353

Due to Electric Fund from:

General	\$5,633
Other Governmental	2,447
Water	36,116
Sewer	48,815
Refuse	40,809
Internal Service	522
Total Electric Fund	\$134,342

Due to Water Fund from:

Electric	\$47
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Due to Sewer Fund from:

Electric	\$127
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City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 11 - INTERFUND BALANCES (continued)

Due to Storm Sewer from:

Electric	\$19
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Due to Refuse from:

Electric	\$69
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The balances due resulted from the time lag between dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All of these amounts are expected to be received within one year.

NOTE 12 - RISK MANAGEMENT

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

During 2019, the City contracted with the Ohio Plan Risk Management, an insurance pool, for the following coverage:

Type of Coverage	Coverage	Deductible
Property	\$93,181,909	\$5,000
General Liability		
Each Occurrence	7,000,000	0
Aggregate	9,000,000	0
Wrongful Acts		
Each Occurrence	7,000,000	5,000
Aggregate	9,000,000	5,000
Law Enforcement Liability		
Each Occurrence	7,000,000	5,000
Aggregate	9,000,000	5,000
Automobile Liability	7,000,000	250-500
Inland Marine	1,717,710	1,000
Electronic Data Processing	372,648	1,000

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 13 - SIGNIFICANT CONTRACTUAL COMMITMENTS

The City has several outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2019:

Vendor	Contract Amount	Amount Paid as of 12/31/19	Outstanding Balance
A CH2M Hill Inc.	\$122,000	\$76,065	\$45,935
Anixter, Inc.	32,482	7,290	25,192
Buckeye State Pipe & Supply Company	17,754	0	17,754
Choice One Engineering Corp.	231,830	176,289	55,541
Core and Main LP	8,546	0	8,546
D & M Fencing LLC	18,300	0	18,300
E J Prescott	12,441	0	12,441
Encompass Engineering	1,155,950	1,032,618	123,332
Jones and Henry Engineers, LTD	15,200	0	15,200
Newcomer Concrete Services, Inc.	568,262	519,938	48,324
Pennsylvania Transformer	2,400,754	0	2,400,754
Pepco	10,900	0	10,900
Peterson Construction Company	417,309	396,705	20,604
Power Line Supply Company	11,713	0	11,713
Reelstrong Utility Fleet	51,618	0	51,615
Schaub Excavating	20,198	0	20,198
Statewide Emergency Products	45,000	0	45,000
Vaughn Industries, Inc.	122,779	64,840	57,939

At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2020 are as follows:

General	\$23,535
Street and Sewer Improvement	88,237
Other Governmental Funds	45,000
Total	<u>\$156,772</u>

NOTE 14 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability (Asset)/Net OPEB Liability

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

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

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

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

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing multiple-employer defined benefit/defined contribution pension plan.

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

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

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 years
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 years	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 years	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35 years
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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

	State and Local	Public Safety	Law Enforcement
2019 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee *	10.0 %	**	***
2019 Actual Contribution Rates			
Employer			
Pension ****	14.0 %	18.1 %	18.1 %
Postemployment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Total Employee	10.0 %	12.0 %	13.0 %

- * Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- ** This rate is determined by OPERS' Board and has no maximum rate established by the ORC.
- *** This rate is also determined by OPERS' Board but is limited by the ORC to not more than 2 percent greater than the public safety rate.
- **** These pension and employer health care rates are for the traditional and combined plans. The employer contribution rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

For 2019, the City's contractually required contribution was \$416,182 for the traditional plan, \$24,995 for the combined plan, and \$89 for the member-directed plan. Of these amounts, \$16,756 is reported as an intergovernmental payable for the traditional plan, \$1,006 for the combined plan, and \$4 for the member-directed plan.

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

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

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

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

	Police	Firefighters
2019 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
 2019 Actual Contribution Rates		
Employer		
Pension	19.00 %	23.50 %
Postemployment Health Care Benefits	.50	.50
Total Employer	19.50 %	24.00 %
Total Employee	12.25 %	12.25 %

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution was \$393,451 for 2019. Of this amount, \$41,458 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense.

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>	<u>OPF</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset				
Current Measurement Date	0.02167100%	0.03388000%	0.07770800%	
Prior Measurement Date	<u>0.02322800%</u>	<u>0.01741200%</u>	<u>0.07983100%</u>	
Change in Proportionate Share	<u>0.00155700%</u>	<u>0.01646800%</u>	<u>0.00212300%</u>	
Proportionate Share				
Net Pension Liability	\$5,935,248	\$0	\$6,343,027	\$12,278,275
Net Pension Asset	\$0	\$37,885	\$0	\$37,885
Pension Expense	\$1,232,929	\$8,808	\$791,469	\$2,033,206

Pension expense for the member-directed defined contribution plan was \$35 for 2019. The aggregate pension expense for all pension plans was \$2,033,241 for 2019.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
Deferred Outflows of Resources				
Difference Between Expected and Actual Experience	\$274	\$0	\$260,609	\$260,883
Changes of Assumptions	516,678	8,461	168,162	693,301
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	805,579	8,161	781,456	1,595,196
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions City Contributions Subsequent to the Measurement Date	25,572	0	165,359	190,931
	<u>416,182</u>	<u>24,995</u>	<u>393,451</u>	<u>834,628</u>
Total Deferred Outflows of Resources	<u>\$1,764,285</u>	<u>\$41,617</u>	<u>\$1,769,037</u>	<u>\$3,574,939</u>
Deferred Inflows of Resources				
Difference Between Expected and Actual Experience	\$77,934	\$15,473	\$5,923	\$99,330
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	179,243	12,868	490,523	682,634
Total Deferred Inflows of Resources	<u>\$257,177</u>	<u>\$28,341</u>	<u>\$496,446</u>	<u>\$781,964</u>

\$834,628 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase in the net pension asset in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
Year Ending December 31,				
2020	\$465,758	(\$299)	\$323,068	\$788,527
2021	175,779	(1,931)	152,187	326,035
2022	74,736	(1,758)	165,908	238,886
2023	374,653	797	243,324	618,774
2024	0	(2,558)	(5,347)	(7,905)
Thereafter	0	(5,970)	0	(5,970)
Total	<u>\$1,090,926</u>	<u>(\$11,719)</u>	<u>\$879,140</u>	<u>\$1,958,347</u>

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all periods included in the measurement in accordance with GASB Statement No. 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2018, are presented below.

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre-January 7, 2013	3 percent simple	3 percent simple
Post-January 7, 2013	3 percent simple through 2018, then 2.15 percent simple	3 percent simple through 2018, then 2.15 percent simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	individual entry age	individual entry age

In October 2018, the OPERS Board adopted a change in the investment rate of return assumption reducing it from 7.5 percent to 7.2 percent. This change was effective beginning with the 2018 valuation.

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

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

During 2018, OPERS managed investments in three investment portfolios; the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the traditional plan, the defined benefit component of the combined plan, and the annuitized accounts of the member-directed plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94 percent for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board approved asset allocation policy for 2018 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other Investments	18.00	5.50
Total	<u>100.00 %</u>	

Discount Rate - For 2018, the discount rate used to measure the total pension liability was 7.2 percent for the traditional and the combined plans. For 2017, the discount rate used to measure the total pension liability was 7.5 percent for the traditional and the combined plans. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for all three plans was applied to all periods of projected benefit payments to determine the total pension liability.

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
City's Proportionate Share of the Net Pension Liability (Asset)			
OPERS Traditional Plan	\$8,768,087	\$5,935,248	\$3,581,133
OPERS Combined Plan	(\$12,536)	(\$37,885)	(\$56,241)

Actuarial Assumptions - OPF

OPF's total pension liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67 as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI based COLA, investment returns, salary increases, and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2018, are presented below.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	entry age normal
Investment Rate of Return	8 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of .5 percent
Cost of Living Adjustments	3 percent simple; 2.2 percent simple for increases based on lesser of the increase in CPI and 3 percent

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

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

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2018, are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equities	16.00	5.50
Non-U.S. Equities	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income*	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	<u>120.00 %</u>	

Note: assumptions are geometric

* levered 2x

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City's Proportionate Share of the Net Pension Liability	\$8,337,471	\$6,343,027	\$4,676,380

NOTE 15 - DEFINED BENEFIT OPEB PLANS

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS (continued)

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed 14 percent of earnable salary and public safety and law enforcement employers contributed 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund the health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contribution to health care for the traditional and combined pension plans.

The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants of the member-directed plan was 4 percent for 2019.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$35 for 2019. Of this amount, \$1 is reported as an intergovernmental payable.

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

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

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS (continued)

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contribution for retiree health care benefits. For 2019, the portion of the employer contribution allocated to health care was .5 percent of covered payroll. The amount of the employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OPF was \$9,222 for 2019. Of this amount, \$991 is reported as an intergovernmental payable.

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

The net OPEB liability and the total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OPF's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 15 - DEFINED BENEFIT OPEB PLANS (continued)

Following is information related to the proportionate share.

	OPERS	OPF	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.02118000%	0.07770800%	
Prior Measurement Date	0.02222000%	0.07983100%	
Change in Proportionate Share	<u>0.00104000%</u>	<u>0.00212300%</u>	
Proportionate Share of the Net OPEB Liability	\$2,761,372	\$707,650	\$3,469,022
OPEB Expense	\$227,646	(\$3,560,549)	(\$3,332,903)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	OPERS	OPF	Total
Deferred Outflows of Resources			
Difference Between Expected and Actual Experience	\$935	\$0	\$935
Changes of Assumptions	89,030	366,812	455,842
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	126,593	23,955	150,548
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	16,049	0	16,049
City Contributions Subsequent to the Measurement Date	<u>35</u>	<u>9,222</u>	<u>9,257</u>
Total Deferred Outflows of Resources	<u>\$232,642</u>	<u>\$399,989</u>	<u>\$632,631</u>
Deferred Inflows of Resources			
Difference Between Expected and Actual Experience	\$7,492	\$18,960	\$26,452
Changes of Assumptions	0	195,911	195,911
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	<u>75,739</u>	<u>451,418</u>	<u>527,157</u>
Total Deferred Inflows of Resources	<u>\$83,231</u>	<u>\$666,289</u>	<u>\$749,520</u>

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 15 - DEFINED BENEFIT OPEB PLANS (continued)

\$9,257 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows.

Year Ending December 31,	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
2020	\$76,376	(\$45,298)	\$31,078
2021	(10,488)	(45,298)	(55,786)
2022	19,716	(45,298)	(25,582)
2023	63,772	(38,053)	25,719
2024	0	(49,476)	(49,476)
Thereafter	0	(52,099)	(52,099)
Total	<u>\$149,376</u>	<u>(\$275,522)</u>	<u>(\$126,146)</u>

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74.

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current Measurement Date	3.96 percent
Prior Measurement Date	3.85 percent
Investment Rate of Return	6 percent
Municipal Bond Rate	
Current Measurement Date	3.71 percent
Prior Measurement Date	3.31 percent
Health Care Cost Trend Rate	
Current Measurement Date	10 percent initial
	3.25 percent ultimate in 2029
Prior Measurement Date	7.25 percent initial
	3.25 percent ultimate in 2028
Actuarial Cost Method	individual entry age

NOTE 15 - DEFINED BENEFIT OPEB PLANS (continued)

In October 2018, the OPERS Board adopted a change in the investment rate of return assumption reducing it from 6.5 percent to 6 percent. The change was effective beginning with the 2018 valuation.

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

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Health Care portfolio includes assets for health care expenses for the traditional plan, the combined plan, and the member-directed plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made and health care related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.6 percent for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 15 - DEFINED BENEFIT OPEB PLANS (continued)

The table below displays the Board approved asset allocation policy for 2018 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other Investments	17.00	5.57
Total	<u>100.00 %</u>	

Discount Rate - A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of twenty year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the expected rate of return on the health care investment portfolio of 6 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through 2031 and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.96 percent) or one percentage point higher (4.96 percent) than the current rate.

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's Proportionate Share of the Net OPEB Liability	\$3,532,824	\$2,761,372	\$2,147,864

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 15 - DEFINED BENEFIT OPEB PLANS (continued)

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

Retiree health care valuations use a health care cost trend assumption that changes over several years built into the assumption. The near term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not too distant future, the health plan cost trend will decrease to a level at or near wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$2,654,278	\$2,761,372	\$2,884,716

Actuarial Assumptions - OPF

OPF's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled forward using generally accepted actuarial procedures. The total OPEB liability is determined by OPF's actuaries in accordance with GASB Statement No. 74 as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications as actual results are compared with past expectations and new estimates are made about the future.

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 15 - DEFINED BENEFIT OPEB PLANS (continued)

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

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	entry age normal
Investment Rate of Return	8 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of .5 percent
Single Discount Rate:	
Current Measurement Date	4.66 percent
Prior Measurement Date	3.24 percent
Cost of Living Adjustments	3 percent simple; 2.2 percent simple for increases based on lesser of the increase in CPI and 3 percent

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

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

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

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

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 15 - DEFINED BENEFIT OPEB PLANS (continued)

Discount Rate - For 2019, the total OPEB liability was calculated using the discount rate of 4.66 percent. For 2018, the total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, the plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13 percent at December 31, 2018, and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent which resulted in a blended discount rate of 4.66 percent for 2018 and 3.24 percent for 2017. The municipal bond rate was determined using the Bond Buyers General Obligation Twenty Year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2031. The long-term expected rate of return on health care investments was applied to all projected costs through 2031 and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate and, to illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent) or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's Proportionate Share of the Net OPEB Liability	\$862,112	\$707,650	\$577,994

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

NOTE 16 - COMPENSATED ABSENCES

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 16 - COMPENSATED ABSENCES (continued)

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

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

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

NOTE 17 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2019, was as follows:

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019	Due Within One Year
<u>Governmental Activities</u>					
Net Pension Liability					
Ohio Public Employees Retirement System	\$1,421,171	\$893,578	\$0	\$2,314,749	\$0
Ohio Police and Fire	4,899,588	1,443,439	0	6,343,027	0
Total Net Pension Liability	<u>6,320,759</u>	<u>2,337,017</u>	<u>0</u>	<u>8,657,776</u>	<u>0</u>
Net OPEB Liability					
Ohio Public Employees Retirement System	941,040	135,892	0	1,076,932	0
Ohio Police and Fire	4,523,113	0	3,815,463	707,650	0
Total Net OPEB Liability	<u>5,464,153</u>	<u>135,892</u>	<u>3,815,463</u>	<u>1,784,582</u>	<u>0</u>
Compensated Absences Payable	399,688	47,029	0	446,717	100,590
Total Governmental Activities	<u>\$12,184,600</u>	<u>\$2,519,938</u>	<u>\$3,815,463</u>	<u>\$10,889,075</u>	<u>\$100,590</u>

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019	Due Within One Year
Business-Type Activities						
Mortgage Revenue Bonds from Direct Placement						
2006 Sewer System Bonds	4 - 4.25%	\$5,230,000	\$0	\$5,230,000	\$0	\$0
General Obligation Bonds from Direct Placement						
2019 Sewer System Refunding Bonds	2.08	0	4,570,000	620,000	3,950,000	620,000
2019 Sewer System Bonds	2.08	0	655,000	80,000	575,000	75,000
Total General Obligation Bonds		0	5,225,000	700,000	4,525,000	695,000
Other Long-Term Obligations						
OWDA Loans from Direct Borrowings						
Water		7,516,472	2,780,500	194,007	10,102,965	203,740
Sewer		10,650,244	0	267,787	10,382,457	276,179
Net Pension Liability						
Ohio Public Employees Retirement System		2,222,852	1,397,647	0	3,620,499	0
Net OPEB Liability						
Ohio Public Employees Retirement System		1,471,889	212,551	0	1,684,440	0
Capital Loans Payable from Direct Borrowings		2,337,471	4,700,779	0	7,038,250	0
Capital Leases Payable		491,595	253,209	115,189	629,615	157,109
Compensated Absences Payable		358,497	38,259	18,150	378,606	96,063
Landfill Postclosure Costs		700,273	0	56,162	644,111	58,972
Total Other Long-Term Obligations		25,749,293	9,382,945	651,295	34,480,943	792,063
Total Business-Type Activities		\$30,979,293	\$14,607,945	\$6,581,295	\$39,005,943	\$1,487,063

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

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

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

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

2006 Sewer System Bonds - On June 1, 2006, the City issued \$7,425,000 in sewer system bonds for improvements to the wastewater collection and sewer system. The bonds were issued for a twenty year period, with final maturity during 2026. During 2019, the remaining bonds were refunded.

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

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

The net proceeds of the refunding bond issue, in the amount of \$5,259,019, were deposited in an irrevocable trust with an escrow agent until July 2019 when the 2006 Sewer System Bonds were paid off.

The refunding resulted in the recognition of an accounting loss of \$29,019; however, the City in effect decreased its aggregate debt service payments by \$1,261,444 and obtained an economic gain (difference between present values of the old and new debt service payments) of \$1,118,519.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

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

Year	Amount
2020	\$695,000
2021	715,000
2022	730,000
2023	745,000
2024	765,000
2025	785,000

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

OWDA Loans - OWDA loans from direct borrowings consist of money owed to the Ohio Water Development Authority for a new water treatment plant, a wellfield and raw water line improvements, a water treatment plant iron filter expansion project, a water treatment lime softening project, a long-term control plan design, and south inceptor improvements. OWDA loans will be paid from the Water and Sewer enterprise funds. Of the total loan amount, \$44,743 was not capitalized in the Water enterprise fund.

The OWDA loans will be paid from the gross revenues of the Water and Sewer enterprise funds after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments on the loans are expected to require less than 100 percent of these net revenues in future years. Principal and interest paid on the loans during 2019 was \$488,753 from the Water enterprise fund and \$599,573 from the Sewer enterprise fund. Total net revenues for the Water and Sewer enterprise funds were \$1,105,901 and \$1,190,723 respectively. The OWDA loans are payable through 2040 from the Water enterprise fund and through 2045 from the Sewer enterprise fund.

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

Capital Loans Payable - In 2018, the City obtained a loan from a direct borrowing from American Municipal Power, Inc., in an amount up to \$12,000,000, for electric system upgrades, a new 138kw/69kw substation, a new dual 25MVA substation, and other related improvements. During 2019, the loan was increased to an amount up to \$17,000,000. Of the total loan amount, \$1,570,714 was not capitalized in the Electric enterprise fund. The loan will be retired with net revenues from the Electric enterprise fund. For 2019, total net revenues for the Electric enterprise fund was \$1,742,876.

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

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

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

The City's estimated share of the impaired costs at March 31, 2014, was \$860,980. The City received a credit of \$283,700 related to its participation in the AMP Fremont Energy Center (AFEC) project and another credit of \$226,124 related to the AMPGS costs deemed to have future benefit for the project participants leaving a net impaired cost estimate of \$351,156. The City had reported a liability of \$541,378 for its estimated share of the impaired costs at December 31, 2012, which the City paid during 2013. Since 2013, the City has paid an additional \$4,275 in various costs and received \$5,651 in credits. As a result of the payment in excess of the final impaired cost estimate plus additional charges and credits, the City is reporting Cash and Cash Equivalents with Fiscal Agent on the statement of net position in the Electric enterprise fund for the amount still being held on account with AMP. This amount was \$191,598 at December 31, 2019.

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

The City's legal debt margin was \$17,814,481 at December 31, 2019.

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 17 - LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2019, from the enterprise funds were as follows:

Year	From Direct Placement		From Direct Borrowings	
	General Obligation Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2020	\$695,000	\$94,120	\$479,919	\$610,394
2021	715,000	79,664	498,809	593,600
2022	730,000	64,792	518,496	576,121
2023	745,000	49,608	539,013	557,924
2024	765,000	34,112	560,402	538,983
2025 to 2029	875,000	20,072	3,156,141	2,382,295
2030 to 2034	0	0	3,846,277	1,776,089
2035 to 2039	0	0	4,699,756	1,031,371
2040 to 2044	0	0	3,280,990	279,258
2045	0	0	116,592	2,110
Total	<u>\$4,525,000</u>	<u>\$342,368</u>	<u>\$17,696,395</u>	<u>\$8,348,145</u>

NOTE 18 - CAPITAL LEASES - LESSEE DISCLOSURE

The City has entered into capitalized leases for equipment and vehicles. Principal payments in 2019 were \$28,189, \$28,189, and \$58,811 in the Sewer, Storm Sewer, and Refuse enterprise funds, respectively.

	Business-Type Activities
Equipment	\$71,170
Vehicles	942,798
Less Accumulated Depreciation	(210,501)
Total	<u>\$803,467</u>

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2019.

Year	Business-Type Activities	
	Principal	Interest
2020	\$157,109	\$26,450
2021	163,349	20,210
2022	137,772	13,714
2023	79,254	8,048
2024	45,025	4,257
2024	47,106	2,176
Total	<u>\$629,615</u>	<u>\$74,855</u>

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 19 - LANDFILL POSTCLOSURE COSTS

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City stopped accepting waste at its landfill in 1994. The Ohio EPA approved the final closure and postclosure plan in July 1998. The \$644,111 reported as landfill postclosure costs at December 31, 2019, represents the costs of maintenance and monitoring through 2028. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. A fee of \$3 and \$1.50 per month was imposed on commercial and residential refuse users, respectively, to finance the postclosure costs, which generates approximately \$155,000 annually.

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

NOTE 20 - INTERNAL BALANCES AND TRANSFERS

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

Eliminations made in the total column of the government-wide statement of net position include deferred outflows of resources for the governmental activities and deferred inflows of resources for the business-type activities for pension, in the amount of \$3,561.

Eliminations made in the business-type activities column related to pension and OPEB include deferred outflows of resources and deferred inflows of resources, in the amount of \$7,563 and \$5,196, respectively.

Balances related to the internal proportionate share for pension and OPEB at December 31, 2019, were as follows.

	Pension		OPEB	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Governmental Activities				
Governmental Activities	\$3,561	\$0	\$0	\$0
Business-Type Activities				
Electric Fund	7,533	1,454	5,196	0
Sewer Fund	30	7,533	0	5,196
Refuse Fund	0	2,137	0	0
Total Business-Type Activities	7,563	11,124	5,196	5,196
Total	\$11,124	\$11,124	\$5,196	\$5,196

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 20 - INTERNAL BALANCES AND TRANSFERS (continued)

During 2019, the General Fund made transfers to the Street and Sewer Improvement capital projects fund, in the amount of \$670,000, for construction activities and to other governmental funds, in the amount of \$150,000, for the purchase of emergency vehicles. Other governmental funds made transfers to the General Fund, in the amount of \$10,000, to offset the costs of the swimming pool.

NOTE 21 - FUND BALANCE

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

Fund Balance	General	Street and Sewer Improvement	Other Governmental	Total
Nonspendable for:				
Materials and Supplies	\$20,088	\$0	\$20,335	\$40,423
Prepaid Items	28,204	0	206,937	235,141
Unclaimed Monies	36,841	0	0	36,841
Total Nonspendable	85,133	0	227,272	312,405
Restricted for:				
Ambulance Operations	5,000	0	0	5,000
Debt Retirement	0	0	1,160	1,160
Economic Development	0	0	209,701	209,701
Police Operations	4,585	0	25,256	29,841
Recreation	0	0	59,122	59,122
Street Construction and Maintenance	0	1,004,095	216,199	1,220,294
Total Restricted	9,585	1,004,095	511,438	1,525,118
Assigned for:				
Debt Retirement	0	0	43,156	43,156
Police and Fire Department Operations	0	0	137,099	137,099
Projected Budget Shortage	2,500,000	0	0	2,500,000
Unpaid Obligations	1,423	0	0	1,423
Total Assigned	2,501,423	0	180,255	2,681,678
Unassigned	1,043,792	0	0	1,043,792
Total Fund Balance	\$3,639,933	\$1,004,095	\$918,965	\$5,562,993

NOTE 22 - INSURANCE POOL

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

NOTE 23 - CONTINGENT LIABILITIES

A. Litigation

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

B. Federal and State Grants

For the period January 1, 2019, to December 31, 2019, the City received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

NOTE 24 - SUBSEQUENT EVENT

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods for the City. The City's investment portfolio and the investments of the pension and other employee benefit plans in which the City participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact of the City's future operating costs, revenues, and the amount of any recovery from emergency funding, either federal or state, cannot be estimated.

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

	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.02167100%	0.02322800%	0.02272800%	0.02306500%
City's Proportionate Share of the Net Pension Liability	\$5,935,248	\$3,644,023	\$5,161,143	\$3,995,150
City's Covered Payroll	\$2,927,029	\$3,069,654	\$2,938,075	\$2,870,693
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	202.77%	118.71%	175.66%	139.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%

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

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

See Accompanying Notes to the Required Supplementary Information

2015	2014
0.02301400%	0.02301400%
\$2,775,746	\$2,713,051
\$2,821,592	\$2,703,873
98.38%	100.34%
86.45%	86.36%

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

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

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

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

See Accompanying Notes to the Required Supplementary Information

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

	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.07770800%	0.07983100%	0.08979200%	0.08560800%
City's Proportionate Share of the Net Pension Liability	\$6,343,027	\$4,899,588	\$5,687,335	\$5,507,223
City's Covered Payroll	\$1,746,328	\$1,962,825	\$1,681,070	\$1,716,519
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	363.22%	249.62%	338.32%	320.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%

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

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

See Accompanying Notes to the Required Supplementary Information

<u>2015</u>	<u>2014</u>
0.08273130%	0.08273130%
\$4,285,826	\$4,029,274
\$1,618,630	\$1,779,275
264.78%	226.46%
71.71%	73.00%

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

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

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

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

See Accompanying Notes to the Required Supplementary Information

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

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

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

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

See Accompanying Notes to the Required Supplementary Information

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

	2019	2018	2017	2016
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$416,182	\$409,784	\$399,055	\$352,569
Contributions in Relation to the Contractually Required Contribution	<u>(416,182)</u>	<u>(409,784)</u>	<u>(399,055)</u>	<u>(352,569)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$2,972,729	\$2,927,029	\$3,069,654	\$2,938,075
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.00%	12.00%
Net Pension Asset - Combined Plan				
Contractually Required Contribution	\$24,995	\$20,286	\$9,270	\$7,860
Contributions in Relation to the Contractually Required Contribution	<u>(24,995)</u>	<u>(20,286)</u>	<u>(9,270)</u>	<u>(7,860)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$178,536	\$144,900	\$71,308	\$65,500
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.00%	12.00%
Net OPEB Liability - OPEB Plan (2)				
Contractually Required Contribution	\$35	\$9	\$31,640	\$60,287
Contributions in Relation to the Contractually Required Contribution	<u>(35)</u>	<u>(9)</u>	<u>(31,640)</u>	<u>(60,287)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$3,152,140	\$3,072,154	\$3,146,712	\$3,008,950
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	1.01%	2.00%

(1) Information prior to 2013 is not available.

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

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

See Accompanying Notes to the Required Supplementary Information

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$344,483	\$338,591	\$351,504
<u>(344,483)</u>	<u>(338,591)</u>	<u>(351,504)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,870,693	\$2,821,592	\$2,703,873
12.00%	12.00%	13.00%
\$7,961	\$7,804	\$8,765
<u>(7,961)</u>	<u>(7,804)</u>	<u>(8,765)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$66,342	\$65,033	\$67,423
12.00%	12.00%	13.00%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Pension Liability				
Contractually Required Contribution	\$393,451	\$371,562	\$422,858	\$358,081
Contributions in Relation to the Contractually Required Contribution	<u>(393,451)</u>	<u>(371,562)</u>	<u>(422,858)</u>	<u>(358,081)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$1,844,283	\$1,746,328	\$1,962,825	\$1,681,070
Pension Contributions as a Percentage of Covered Payroll	21.33%	21.28%	21.54%	21.30%
Net OPEB Liability				
Contractually Required Contribution	\$9,222	\$8,732	\$9,814	\$8,406
Contributions in Relation to the Contractually Required Contribution	<u>(9,222)</u>	<u>(8,732)</u>	<u>(9,814)</u>	<u>(8,406)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>21.83%</u>	<u>21.78%</u>	<u>22.04%</u>	<u>21.80%</u>

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

See Accompanying Notes to the Required Supplementary Information

2015	2014	2013	2012	2011	2010
\$367,289	\$346,225	\$323,424	\$281,890	\$274,662	\$228,561
<u>(367,289)</u>	<u>(346,225)</u>	<u>(323,424)</u>	<u>(281,890)</u>	<u>(274,662)</u>	<u>(228,561)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,716,519	\$1,618,630	\$1,779,275	\$1,888,878	\$1,844,755	\$1,510,792
21.40%	21.39%	18.18%	14.92%	14.89%	15.13%
\$8,582	\$8,093	\$64,351	\$127,499	\$124,521	\$101,979
<u>(8,582)</u>	<u>(8,093)</u>	<u>(64,351)</u>	<u>(127,499)</u>	<u>(124,521)</u>	<u>(101,979)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>0.50%</u>	<u>3.62%</u>	<u>6.75%</u>	<u>6.75%</u>	<u>6.75%</u>
<u>21.90%</u>	<u>21.89%</u>	<u>21.80%</u>	<u>21.67%</u>	<u>21.64%</u>	<u>21.88%</u>

City of Wapakoneta
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

Changes in Assumptions - OPERS Pension - Traditional Plan

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and in 2016 and prior are presented below.

	<u>2019</u>	<u>2017</u>	<u>2016 and Prior</u>
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
Pre-January 7, 2013	3 percent simple	3 percent simple	3 percent simple
Post-January 7, 2013	3 percent simple through 2018, then 2.15 percent simple	3 percent simple through 2018, then 2.15 percent simple	3 percent simple through 2018, then 2.8 percent simple
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	individual entry age	individual entry age	individual entry age

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

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

Changes in Assumptions - OPERS Pension - Combined Plan

For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

City of Wapakoneta
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

Changes in Assumptions - OPF Pension

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

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

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

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

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

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

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

City of Wapakoneta
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019

Changes in Assumptions - OPERS OPEB

For 2019, the single discount rate changed from 3.85 percent to 3.96 percent and the municipal bond rate changed from 3.31 percent to 3.71 percent. For 2019, the health care cost trend rate was 10 percent initial, 3.25 percent ultimate in 2029. For 2018, the health care cost trend rate was 7.25 percent initial, 3.25 percent ultimate in 2028.

Changes in Assumptions - OPF OPEB

For 2019, the single discount rate changed from 3.24 percent to 4.66 percent. For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

Changes in Benefit Terms - OPF OPEB

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

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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Nonmajor Special Revenue Funds

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

Street Maintenance Fund

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

State Highway Fund

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

Motor Vehicle Permissive Tax Fund

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

Community Block Grant Fund

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

Recreation Fund

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

Law Enforcement Fund

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

Enforcement and Education Fund

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

Drug Law Enforcement Fund

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

Rudd Park Trust Fund

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

(continued)

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

Nonmajor Debt Service Funds

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

Debt Service Fund

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

Downtown Debt Fund

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

Nonmajor Capital Projects Fund

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

Capital Emergency Fund

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

City of Wapakoneta
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$447,798	\$44,316	\$181,536	\$673,650
Accounts Receivable	445	0	0	445
Due from Other Governments	244,377	0	0	244,377
Other Local Taxes Receivable	5,949	0	0	5,949
Prepaid Items	206,937	0	0	206,937
Materials and Supplies Inventory	20,335	0	0	20,335
Accrued Interest Receivable	3,168	0	0	3,168
Property Taxes Receivable	161,022	0	0	161,022
Notes Receivable	35,151	0	0	35,151
Total Assets	<u>\$1,125,182</u>	<u>\$44,316</u>	<u>\$181,536</u>	<u>\$1,351,034</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$15,643	\$0	\$0	\$15,643
Accounts Payable	13,344	0	44,437	57,781
Contracts Payable	770	0	0	770
Due to Other Governments	2,559	0	0	2,559
Interfund Payable	2,447	0	0	2,447
Total Liabilities	<u>34,763</u>	<u>0</u>	<u>44,437</u>	<u>79,200</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	159,856	0	0	159,856
Unavailable Revenue	193,013	0	0	193,013
Total Deferred Inflows of Resources	<u>352,869</u>	<u>0</u>	<u>0</u>	<u>352,869</u>
<u>Fund Balance</u>				
Nonspendable	227,272	0	0	227,272
Restricted	510,278	1,160	0	511,438
Assigned	0	43,156	137,099	180,255
Total Fund Balance	<u>737,550</u>	<u>44,316</u>	<u>137,099</u>	<u>918,965</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$1,125,182</u>	<u>\$44,316</u>	<u>\$181,536</u>	<u>\$1,351,034</u>

City of Wapakoneta
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

	<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	\$57,958	\$33,245	\$93,563	\$174,550
Accounts Receivable	100	0	0	0
Due from Other Governments	223,739	18,142	0	0
Other Local Taxes Receivable	0	0	5,949	0
Prepaid Items	5,803	0	200,000	0
Materials and Supplies Inventory	17,556	0	0	0
Accrued Interest Receivable	0	0	0	0
Property Taxes Receivable	0	0	0	0
Notes Receivable	0	0	0	35,151
Total Assets	<u>\$305,156</u>	<u>\$51,387</u>	<u>\$299,512</u>	<u>\$209,701</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$14,570	\$0	\$0	\$0
Accounts Payable	10,505	0	0	0
Contracts Payable	0	0	770	0
Due to Other Governments	2,303	0	0	0
Interfund Payable	1,721	0	0	0
Total Liabilities	<u>29,099</u>	<u>0</u>	<u>770</u>	<u>0</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	0
Unavailable Revenue	172,637	13,991	0	0
Total Deferred Inflows of Resources	<u>172,637</u>	<u>13,991</u>	<u>0</u>	<u>0</u>
<u>Fund Balance</u>				
Nonspendable	23,359	0	200,000	0
Restricted	80,061	37,396	98,742	209,701
Total Fund Balance	<u>103,420</u>	<u>37,396</u>	<u>298,742</u>	<u>209,701</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$305,156</u>	<u>\$51,387</u>	<u>\$299,512</u>	<u>\$209,701</u>

<u>Recreation</u>	<u>Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Drug Law Enforcement</u>	<u>Rudd Park Trust</u>	<u>Total</u>
\$62,630	\$8,660	\$7,613	\$8,883	\$696	\$447,798
345	0	0	0	0	445
2,396	0	100	0	0	244,377
0	0	0	0	0	5,949
1,134	0	0	0	0	206,937
2,779	0	0	0	0	20,335
3,168	0	0	0	0	3,168
161,022	0	0	0	0	161,022
0	0	0	0	0	35,151
<u>\$233,474</u>	<u>\$8,660</u>	<u>\$7,713</u>	<u>\$8,883</u>	<u>\$696</u>	<u>\$1,125,182</u>
\$1,073	\$0	\$0	\$0	\$0	\$15,643
2,839	0	0	0	0	13,344
0	0	0	0	0	770
256	0	0	0	0	2,559
726	0	0	0	0	2,447
<u>4,894</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,763</u>
159,856	0	0	0	0	159,856
6,385	0	0	0	0	193,013
<u>166,241</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>352,869</u>
3,913	0	0	0	0	227,272
58,426	8,660	7,713	8,883	696	510,278
<u>62,339</u>	<u>8,660</u>	<u>7,713</u>	<u>8,883</u>	<u>696</u>	<u>737,550</u>
<u>\$233,474</u>	<u>\$8,660</u>	<u>\$7,713</u>	<u>\$8,883</u>	<u>\$696</u>	<u>\$1,125,182</u>

City of Wapakoneta
 Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2019

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

City of Wapakoneta
Combining Statement of Revenues, Expenditures,
and Change in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$155,345	\$0	\$0	\$155,345
Other Local Taxes	77,647	0	0	77,647
Charges for Services	41,524	0	0	41,524
Fines and Forfeitures	1,480	0	0	1,480
Intergovernmental	554,504	0	0	554,504
Interest	18,141	0	0	18,141
Gifts and Donations	713	0	0	713
Other	15,770	0	0	15,770
Total Revenues	865,124	0	0	865,124
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	0	0	44,437	44,437
Leisure Time Activities	181,049	0	0	181,049
Transportation	787,242	0	0	787,242
Total Expenditures	968,291	0	44,437	1,012,728
Excess of Revenues Under Expenditures	(103,167)	0	(44,437)	(147,604)
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	0	150,000	150,000
Transfers Out	(10,000)	0	0	(10,000)
Total Other Financing Sources (Uses)	(10,000)	0	150,000	140,000
Change in Fund Balance	(113,167)	0	105,563	(7,604)
Fund Balance Beginning of Year	850,717	44,316	31,536	926,569
Fund Balance End of Year	\$737,550	\$44,316	\$137,099	\$918,965

City of Wapakoneta
Combining Statement of Revenues, Expenditures,
and Change in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Motor Vehicle Permissive Tax</u>	<u>Community Block Grant</u>
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	77,647	0
Charges for Services	41,524	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	509,305	40,200	0	0
Interest	569	270	834	3,237
Gifts and Donations	0	0	0	0
Other	827	0	13,891	0
Total Revenues	<u>552,225</u>	<u>40,470</u>	<u>92,372</u>	<u>3,237</u>
<u>Expenditures</u>				
Current:				
Leisure Time Activities	0	0	0	0
Transportation	706,831	63,232	17,179	0
Total Expenditures	<u>706,831</u>	<u>63,232</u>	<u>17,179</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(154,606)	(22,762)	75,193	3,237
<u>Other Financing Uses</u>				
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in Fund Balance	(154,606)	(22,762)	75,193	3,237
Fund Balance Beginning of Year	<u>258,026</u>	<u>60,158</u>	<u>223,549</u>	<u>206,464</u>
Fund Balance End of Year	<u><u>\$103,420</u></u>	<u><u>\$37,396</u></u>	<u><u>\$298,742</u></u>	<u><u>\$209,701</u></u>

<u>Recreation</u>	<u>Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Drug Law Enforcement</u>	<u>Rudd Park Trust</u>	<u>Total</u>
\$155,345	\$0	\$0	\$0	\$0	\$155,345
0	0	0	0	0	77,647
0	0	0	0	0	41,524
0	455	1,025	0	0	1,480
4,999	0	0	0	0	554,504
13,231	0	0	0	0	18,141
550	0	0	0	163	713
1,052	0	0	0	0	15,770
<u>175,177</u>	<u>455</u>	<u>1,025</u>	<u>0</u>	<u>163</u>	<u>865,124</u>
179,780	0	0	0	1,269	181,049
0	0	0	0	0	787,242
<u>179,780</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,269</u>	<u>968,291</u>
(4,603)	455	1,025	0	(1,106)	(103,167)
<u>(10,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(10,000)</u>
(14,603)	455	1,025	0	(1,106)	(113,167)
76,942	8,205	6,688	8,883	1,802	850,717
<u>\$62,339</u>	<u>\$8,660</u>	<u>\$7,713</u>	<u>\$8,883</u>	<u>\$696</u>	<u>\$737,550</u>

City of Wapakoneta
 Combining Statement of Revenues, Expenditures,
 and Change in Fund Balance
 Nonmajor Debt Service Funds
 For the Year Ended December 31, 2019

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

City of Wapakoneta
Combining Statements - Custodial Funds

Custodial Funds

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

Dependent Coverage Fund

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

Police Auxiliary Fund

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

City of Wapakoneta
 Combining Statement of Fiduciary Net Position
 Custodial Funds
 December 31, 2019

	Dependent Coverage	Police Auxiliary	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$59,233	\$51,584	\$110,817
<u>Net Position</u>			
Restricted for Individuals, Organizations, and Other Governments	\$59,233	\$51,584	\$110,817

City of Wapakoneta
Combining Statement of Change in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2019

	Dependent Coverage	Police Auxiliary	Total
<u>Additions</u>			
Amounts Received as Fiscal Agent	\$0	\$13,049	\$13,049
Amounts Held for Employees	283,099	0	283,099
Total Additions	283,099	13,049	296,148
<u>Deductions</u>			
Distributions as Fiscal Agent	0	12,521	12,521
Distributions on Behalf of Employees	223,957	0	223,957
Total Deductions	223,957	12,521	236,478
Net Increase in Fiduciary Net Position	59,142	528	59,670
Net Position Beginning of Year	91	51,056	51,147
Net Position End of Year	\$59,233	\$51,584	\$110,817

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

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$426,000	\$426,000	\$413,792	(\$12,208)
Municipal Income Taxes	2,629,965	2,629,965	3,083,792	453,827
Other Local Taxes	775,000	775,000	966,959	191,959
Charges for Services	810,000	810,000	827,443	17,443
Fees, Licenses, and Permits	101,700	101,700	124,481	22,781
Fines and Forfeitures	15,000	15,000	22,371	7,371
Intergovernmental	245,700	245,700	296,050	50,350
Interest	115,000	115,000	231,940	116,940
Gifts and Donations	10,000	10,000	4,791	(5,209)
Other	65,000	65,000	81,357	16,357
Total Revenues	5,193,365	5,193,365	6,052,976	859,611
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police Department				
Personal Services	1,714,000	1,715,745	1,635,044	80,701
Contractual Services	195,500	199,395	168,834	30,561
Materials and Supplies	36,800	39,379	23,692	15,687
Capital Outlay	43,000	68,888	59,227	9,661
Total Police Department	1,989,300	2,023,407	1,886,797	136,610
Fire Department				
Personal Services	1,643,700	1,645,099	1,399,760	245,339
Contractual Services	99,000	103,951	70,183	33,768
Materials and Supplies	34,200	36,915	17,754	19,161
Capital Outlay	22,000	31,268	14,548	16,720
Total Fire Department	1,798,900	1,817,233	1,502,245	314,988
Safety Director				
Materials and Supplies	3,049	4,049	914	3,135
Total Security of Persons and Property	3,791,249	3,844,689	3,389,956	454,733
Public Health				
Emergency Medical				
Personal Services	14,100	16,747	7,318	9,429
Contractual Services	101,900	104,616	82,452	22,164
Materials and Supplies	14,800	16,051	11,760	4,291
Capital Outlay	40,000	42,799	37,167	5,632
Other	1,100	1,100	999	101
Total Emergency Medical	171,900	181,313	139,696	41,617

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Miscellaneous				
Contractual Services	\$1,500	\$1,500	\$548	\$952
Total Public Health	173,400	182,813	140,244	42,569
Leisure Time Activities				
Recreation				
Personal Services	145,000	150,792	150,723	69
Contractual Services	34,200	33,068	28,220	4,848
Materials and Supplies	77,050	76,773	73,836	2,937
Other	3,372	72	15	57
Total Leisure Time Activities	259,622	260,705	252,794	7,911
Community Environment				
Boards and Commissions				
Contractual Services	103,000	103,000	96,831	6,169
Materials and Supplies	225,350	225,350	103,655	121,695
Total Community Environment	328,350	328,350	200,486	127,864
General Government				
Council				
Personal Services	46,000	46,000	45,700	300
Materials and Supplies	5,700	5,700	3,545	2,155
Total Council	51,700	51,700	49,245	2,455
Clerk of Council				
Personal Services	7,000	7,000	5,450	1,550
Contractual Services	6,000	6,000	6,079	(79)
Total Clerk of Council	13,000	13,000	11,529	1,471
Administrative				
Personal Services	91,500	91,500	87,760	3,740
Contractual Services	72,000	73,250	41,523	31,727
Materials and Supplies	93,500	234,021	190,511	43,510
Capital Outlay	8,000	8,000	4,596	3,404
Total Administrative	265,000	406,771	324,390	82,381

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Finance				
Personal Services	\$35,000	\$35,000	\$35,000	\$0
Contractual Services	62,000	62,000	41,923	20,077
Materials and Supplies	2,500	2,537	220	2,317
Total Finance	99,500	99,537	77,143	22,394
Income Tax				
Personal Services	86,700	86,700	76,104	10,596
Contractual Services	8,500	9,367	4,352	5,015
Materials and Supplies	10,400	11,107	9,955	1,152
Capital Outlay	3,000	3,000	2,629	371
Other	978,531	839,126	108,297	730,829
Total Income Tax	1,087,131	949,300	201,337	747,963
Law Director				
Personal Services	26,000	26,000	26,000	0
Contractual Services	1,000	1,000	0	1,000
Materials and Supplies	3,000	3,800	3,070	730
Total Law Director	30,000	30,800	29,070	1,730
Civil Service				
Personal Services	1,200	1,200	1,000	200
Materials and Supplies	2,500	2,500	301	2,199
Total Civil Service	3,700	3,700	1,301	2,399
Elections				
Contractual Services	2,500	2,500	3,306	(806)
Auglaize County				
Contractual Services	8,100	8,100	7,428	672
Administrative Support				
Other	37,241	37,241	0	37,241
Total General Government	1,597,872	1,602,649	704,749	897,900
Total Expenditures	6,150,493	6,219,206	4,688,229	1,530,977
Excess of Revenues Over (Under) Expenditures	(957,128)	(1,025,841)	1,364,747	2,390,588

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$30,000	\$30,000	\$10,000	(\$20,000)
Transfers Out	(928,965)	(928,965)	(820,000)	108,965
Total Other Financing Sources (Uses)	(898,965)	(898,965)	(810,000)	88,965
Change in Fund Balance	(1,856,093)	(1,924,806)	554,747	2,479,553
Fund Balance Beginning of Year	2,674,464	2,674,464	2,674,464	0
Prior Year Encumbrances Appropriated	68,715	68,715	68,715	0
Fund Balance End of Year	<u>\$887,086</u>	<u>\$818,373</u>	<u>\$3,297,926</u>	<u>\$2,479,553</u>

City of Wapakoneta
Street and Sewer Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Municipal Income Taxes	\$1,254,000	\$1,460,035	\$206,035
Special Assessments	22,500	24,566	2,066
Intergovernmental	2,030,771	1,656,504	(374,267)
Interest	0	2,029	2,029
Other	0	2,598	2,598
Total Revenues	<u>3,307,271</u>	<u>3,145,732</u>	<u>(161,539)</u>
<u>Expenditures</u>			
Current:			
Transportation			
Street and Sewer Improvement			
Contractual Services	311,562	239,157	72,405
Materials and Supplies	3,328	3,226	102
Capital Outlay	3,822,953	3,149,569	673,384
Other	82,371	0	82,371
Total Expenditures	<u>4,220,214</u>	<u>3,391,952</u>	<u>828,262</u>
Excess of Revenues			
Under Expenditures	(912,943)	(246,220)	666,723
<u>Other Financing Sources</u>			
Transfers In	<u>670,000</u>	<u>670,000</u>	<u>0</u>
Change in Fund Balance	(242,943)	423,780	666,723
Fund Balance Beginning of Year	384,332	384,332	0
Prior Year Encumbrances Appropriated	<u>89,572</u>	<u>89,572</u>	<u>0</u>
Fund Balance End of Year	<u>\$230,961</u>	<u>\$897,684</u>	<u>\$666,723</u>

City of Wapakoneta
Electric Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$18,050,000	\$19,479,888	\$1,429,888
Other Local Taxes	55,000	23,173	(31,827)
Utility Deposits	50,000	40,871	(9,129)
Capital Loans Issued	16,735,000	5,139,406	(11,595,594)
Other	27,000	329,634	302,634
Total Revenues	<u>34,917,000</u>	<u>25,012,972</u>	<u>(9,904,028)</u>
<u>Expenses</u>			
Personal Services	1,111,407	1,093,245	18,162
Contractual Services	23,263,554	17,460,394	5,803,160
Materials and Supplies	11,903,295	5,337,134	6,566,161
Capital Outlay	8,562,439	2,051,070	6,511,369
Utility Refunds	251,324	25,094	226,230
Other	605,445	25,007	580,438
Debt Service			
Interest Expense	360,000	291,976	68,024
Total Expenses	<u>46,057,464</u>	<u>26,283,920</u>	<u>19,773,544</u>
Excess of Revenues Under Expenditures	(11,140,464)	(1,270,948)	9,869,516
Advances In	<u>0</u>	<u>12,500</u>	<u>12,500</u>
Change in Fund Balance	(11,140,464)	(1,258,448)	9,882,016
Fund Balance Beginning of Year	1,650,151	1,650,151	0
Prior Year Encumbrances Appropriated	<u>4,877,018</u>	<u>4,877,018</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>(\$4,613,295)</u>	<u>\$5,268,721</u>	<u>\$9,882,016</u>

City of Wapakoneta
Water Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$2,107,500	\$2,422,701	\$315,201
OWDA Loan Proceeds	4,235,543	2,482,174	(1,753,369)
Grants	0	1,470	1,470
Other	0	27	27
Total Revenues	6,343,043	4,906,372	(1,436,671)
<u>Expenses</u>			
Personal Services	505,375	476,213	29,162
Contractual Services	435,818	297,652	138,166
Materials and Supplies	518,458	469,340	49,118
Capital Outlay	5,344,307	3,451,525	1,892,782
Other	106,000	0	106,000
Debt Service:			
Principal Retirement	194,007	194,007	0
Interest Expense	295,746	294,746	1,000
Total Expenses	7,399,711	5,183,483	2,216,228
Change in Fund Balance	(1,056,668)	(277,111)	779,557
Fund Balance Beginning of Year	1,033,898	1,033,898	0
Prior Year Encumbrances Appropriated	65,756	65,756	0
Fund Balance End of Year	\$42,986	\$822,543	\$779,557

City of Wapakoneta
Sewer Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$3,497,000	\$3,784,921	\$287,921
Licenses and Permits	0	50	50
General Obligation Refunding Bonds Issued	4,586,261	4,570,000	(16,261)
General Obligation Bonds Issued	655,000	655,000	0
Grants	0	21,004	21,004
Interest	11,186	22,186	11,000
Other	0	599	599
Total Revenues	8,749,447	9,053,760	304,313
<u>Expenses</u>			
Personal Services	761,837	642,659	119,178
Contractual Services	719,112	625,139	93,973
Materials and Supplies	357,719	281,239	76,480
Capital Outlay	2,561,079	1,799,380	761,699
Other	73,495	12,315	61,180
Debt Service:			
Principal Retirement	938,132	967,787	(29,655)
Payment to Refunded Bond Escrow Agent	5,259,019	5,259,019	0
Interest Expense	575,093	534,632	40,461
Total Expenses	11,245,486	10,122,170	1,123,316
Change in Fund Balance	(2,496,039)	(1,068,410)	1,427,629
Fund Balance Beginning of Year	3,265,438	3,265,438	0
Prior Year Encumbrances Appropriated	47,639	47,639	0
Fund Balance End of Year	\$817,038	\$2,244,667	\$1,427,629

City of Wapakoneta
Storm Sewer Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$160,000	\$159,594	(\$406)
Grants	0	63,632	63,632
Total Revenues	<u>160,000</u>	<u>223,226</u>	<u>63,226</u>
<u>Expenses</u>			
Contractual Services	80,000	71,584	8,416
Materials and Supplies	3,000	4	2,996
Capital Outlay	818,389	416,947	401,442
Other	16,654	16,023	631
Total Expenses	<u>918,043</u>	<u>504,558</u>	<u>413,485</u>
Change in Fund Balance	(758,043)	(281,332)	476,711
Fund Balance Beginning of Year	671,631	671,631	0
Prior Year Encumbrances Appropriated	<u>86,412</u>	<u>86,412</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$476,711</u></u>	<u><u>\$476,711</u></u>

City of Wapakoneta
Refuse Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$1,364,000	\$1,367,444	\$3,444
Other	0	648	648
Total Revenues	<u>1,364,000</u>	<u>1,368,092</u>	<u>4,092</u>
<u>Expenses</u>			
Personal Services	460,387	385,164	75,223
Contractual Services	826,787	569,300	257,487
Materials and Supplies	85,531	70,921	14,610
Capital Outlay	92,620	75,896	16,724
Other	349,050	0	349,050
Debt Service			
Principal Retirement	71,980	0	71,980
Total Expenses	<u>1,886,355</u>	<u>1,101,281</u>	<u>785,074</u>
Change in Fund Balance	(522,355)	266,811	789,166
Fund Balance Beginning of Year	<u>547,355</u>	<u>547,355</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$25,000</u></u>	<u><u>\$814,166</u></u>	<u><u>\$789,166</u></u>

City of Wapakoneta
Street Maintenance Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$40,000	\$41,524	\$1,524
Intergovernmental	527,000	493,950	(33,050)
Interest	800	569	(231)
Other	500	827	327
Total Revenues	<u>568,300</u>	<u>536,870</u>	<u>(31,430)</u>
<u>Expenditures</u>			
Current:			
Transportation			
Street Maintenance			
Personal Services	443,737	396,991	46,746
Contractual Services	89,991	82,762	7,229
Materials and Supplies	130,438	128,195	2,243
Capital Outlay	120,240	98,224	22,016
Total Expenditures	<u>784,406</u>	<u>706,172</u>	<u>78,234</u>
Change in Fund Balance	(216,106)	(169,302)	46,804
Fund Balance Beginning of Year	222,040	222,040	0
Prior Year Encumbrances Appropriated	<u>1,116</u>	<u>1,116</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$7,050</u></u>	<u><u>\$53,854</u></u>	<u><u>\$46,804</u></u>

City of Wapakoneta
State Highway Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$31,000	\$38,956	\$7,956
Interest	1,200	270	(930)
Total Revenues	32,200	39,226	7,026
<u>Expenditures</u>			
Current:			
Transportation			
State Highway			
Capital Outlay	113,250	63,232	50,018
Change in Fund Balance	(81,050)	(24,006)	57,044
Fund Balance Beginning of Year	57,251	57,251	0
Fund Balance (Deficit) End of Year	<u>(\$23,799)</u>	<u>\$33,245</u>	<u>\$57,044</u>

City of Wapakoneta
Motor Vehicle Permissive Tax Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Other Local Taxes	\$70,000	\$77,458	\$7,458
Interest	700	834	134
Other	<u>0</u>	<u>13,891</u>	<u>13,891</u>
Total Revenues	<u>70,700</u>	<u>92,183</u>	<u>21,483</u>
<u>Expenditures</u>			
Current:			
Transportation			
Motor Vehicle Permissive Tax			
Contractual Services	15,000	551	14,449
Capital Outlay	<u>273,489</u>	<u>225,017</u>	<u>48,472</u>
Total Expenditures	<u>288,489</u>	<u>225,568</u>	<u>62,921</u>
Change in Fund Balance	(217,789)	(133,385)	84,404
Fund Balance Beginning of Year	<u>217,789</u>	<u>217,789</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$84,404</u></u>	<u><u>\$84,404</u></u>

City of Wapakoneta
Community Block Grant Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$150	\$1,434	\$1,284
Revolving Loan Payments	35,000	27,240	(7,760)
Total Revenues	35,150	28,674	(6,476)
<u>Expenditures</u>			
Current:			
Community Environment Community Block Grant Contractual Services	183,418	0	183,418
Change in Fund Balance	(148,268)	28,674	176,942
Fund Balance Beginning of Year	145,876	145,876	0
Fund Balance (Deficit) End of Year	(\$2,392)	\$174,550	\$176,942

City of Wapakoneta
Recreation Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Property Taxes	\$160,000	\$155,345	(\$4,655)
Intergovernmental	11,000	4,999	(6,001)
Interest	12,000	13,231	1,231
Gifts and Donations	0	550	550
Other	0	707	707
Total Revenues	<u>183,000</u>	<u>174,832</u>	<u>(8,168)</u>
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Recreation			
Personal Services	89,200	82,221	6,979
Contractual Services	34,250	33,977	273
Materials and Supplies	26,250	26,069	181
Capital Outlay	63,300	40,425	22,875
Total Expenditures	<u>213,000</u>	<u>182,692</u>	<u>30,308</u>
Excess of Revenues Under Expenditures	<u>(30,000)</u>	<u>(7,860)</u>	<u>22,140</u>
<u>Other Financing Uses</u>			
Advances Out	(28,230)	(10,000)	18,230
Tranfers Out	<u>(12,500)</u>	<u>(12,500)</u>	<u>0</u>
Total Other Financing Uses	<u>(40,730)</u>	<u>(22,500)</u>	<u>18,230</u>
Change in Fund Balance	(70,730)	(30,360)	40,370
Fund Balance Beginning of Year	<u>92,330</u>	<u>92,330</u>	<u>0</u>
Fund Balance End of Year	<u>\$21,600</u>	<u>\$61,970</u>	<u>\$40,370</u>

City of Wapakoneta
Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Fines and Forfeitures	\$0	\$455	\$455
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Law Enforcement			
Personal Services	500	0	500
Materials and Supplies	2,000	0	2,000
Capital Outlay	5,705	0	5,705
Total Expenditures	8,205	0	8,205
Change in Fund Balance	(8,205)	455	8,660
Fund Balance Beginning of Year	8,205	8,205	0
Fund Balance End of Year	<u>\$0</u>	<u>\$8,660</u>	<u>\$8,660</u>

City of Wapakoneta
Enforcement and Education Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$700	\$925	\$225
<u>Expenditures</u>			
Current:			
Security of Persons and Property Enforcement and Education			
Materials and Supplies	3,000	0	3,000
Capital Outlay	4,388	0	4,388
Total Expenditures	7,388	0	7,388
Change in Fund Balance	(6,688)	925	7,613
Fund Balance Beginning of Year	6,688	6,688	0
Fund Balance End of Year	\$0	\$7,613	\$7,613

City of Wapakoneta
Drug Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

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

City of Wapakoneta
Rudd Park Trust Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Gifts and Donations	\$0	\$163	\$163
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Rudd Park			
Materials and Supplies	1,802	1,269	533
Change in Fund Balance	(1,802)	(1,106)	696
Fund Balance Beginning of Year	1,802	1,802	0
Fund Balance End of Year	\$0	\$696	\$696

City of Wapakoneta
Debt Service Debt Service Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

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

City of Wapakoneta
Downtown Debt Debt Service Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

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

City of Wapakoneta
Capital Emergency Capital Projects Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police Department			
Capital Outlay	45,000	45,000	0
Fire Department			
Capital Outlay	<u>136,536</u>	<u>0</u>	<u>136,536</u>
Total Expenditures	<u>181,536</u>	<u>45,000</u>	<u>136,536</u>
Excess of Revenues Under Expenditures	(181,536)	(45,000)	136,536
<u>Other Financing Sources</u>			
Transfers In	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Change in Fund Balance	(31,536)	105,000	136,536
Fund Balance Beginning of Year	<u>31,536</u>	<u>31,536</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$136,536</u></u>	<u><u>\$136,536</u></u>

City of Wapakoneta
Engineering Internal Service Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Charges for Services	\$279,500	\$266,931	(\$12,569)
Licenses and Permits	14,200	16,820	2,620
Other	100	309	209
Total Revenues	<u>293,800</u>	<u>284,060</u>	<u>(9,740)</u>
<u>Expenses</u>			
Personal Services	260,737	262,177	(1,440)
Contractual Services	16,943	14,603	2,340
Materials and Supplies	12,290	10,810	1,480
Capital Outlay	4,840	432	4,408
Other	171	0	171
Total Expenses	<u>294,981</u>	<u>288,022</u>	<u>6,959</u>
Change in Fund Balance	(1,181)	(3,962)	(2,781)
Fund Balance Beginning of Year	322	322	0
Prior Year Encumbrances Appropriated	<u>859</u>	<u>859</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>\$0</u>	<u>(\$2,781)</u>	<u>(\$2,781)</u>

**STATISTICAL
SECTION**

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City of Wapakoneta
Statistical Section

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

Contents **Page**

Financial Trends..... S-2

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

Revenue Capacity..... S-12

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

Debt Capacity..... S-32

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

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

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

Operating Information.....S-44

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

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

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

	2019	2018	2017	2016
Governmental Activities				
Net Investment in Capital Assets	\$22,472,755	\$21,109,878	\$20,795,656	\$21,571,664
Restricted for				
Debt Service	1,160	1,160	785	424
Capital Projects	1,262,281	525,384	489,078	292,553
Other Purposes	924,194	1,048,335	1,279,374	1,145,763
Unrestricted (Deficit)	<u>(4,259,661)</u>	<u>(7,481,324)</u>	<u>(7,798,064)</u>	<u>(2,006,605)</u>
Total Governmental Activities Net Position	<u>20,400,729</u>	<u>15,203,433</u>	<u>14,766,829</u>	<u>21,003,799</u>
Business-Type Activities				
Net Investment in Capital Assets	37,894,241	35,933,035	35,546,650	35,104,589
Restricted	0	833,950	1,256,831	1,255,353
Unrestricted	<u>10,770,717</u>	<u>10,567,828</u>	<u>8,669,072</u>	<u>9,460,399</u>
Total Business-Type Activities Net Position	<u>48,664,958</u>	<u>47,334,813</u>	<u>45,472,553</u>	<u>45,820,341</u>
Primary Government				
Net Investment in Capital Assets	60,366,996	57,042,913	56,342,306	56,676,253
Restricted	2,187,635	2,408,829	3,026,068	2,694,093
Unrestricted	<u>6,511,056</u>	<u>3,086,504</u>	<u>871,008</u>	<u>7,453,794</u>
Total Primary Government Net Position	<u>\$69,065,687</u>	<u>\$62,538,246</u>	<u>\$60,239,382</u>	<u>\$66,824,140</u>

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

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$21,944,652	\$21,180,841	\$21,411,432	\$20,891,574	\$20,767,868	\$21,307,484
77	0	0	0	0	461,278
132,894	1,103,853	1,175,919	2,039,417	2,166,097	2,630,138
1,414,247	1,284,340	1,427,570	1,369,753	1,375,679	1,433,040
<u>(1,739,121)</u>	<u>(1,843,855)</u>	<u>2,484,015</u>	<u>2,885,648</u>	<u>3,266,843</u>	<u>2,788,840</u>
<u>21,752,749</u>	<u>21,725,179</u>	<u>26,498,936</u>	<u>27,186,392</u>	<u>27,576,487</u>	<u>28,620,780</u>
34,580,463	32,786,072	32,464,606	30,836,570	29,921,959	27,291,889
1,254,595	1,256,749	1,258,937	1,259,685	1,114,899	1,108,811
<u>7,963,497</u>	<u>9,010,157</u>	<u>9,831,047</u>	<u>9,353,383</u>	<u>9,881,292</u>	<u>11,761,858</u>
<u>43,798,555</u>	<u>43,052,978</u>	<u>43,554,590</u>	<u>41,449,638</u>	<u>40,918,150</u>	<u>40,162,558</u>
56,525,115	53,966,913	53,876,038	51,728,144	50,689,827	48,599,373
2,801,813	3,644,942	3,862,426	4,668,855	4,656,675	5,633,267
<u>6,224,376</u>	<u>7,166,302</u>	<u>12,315,062</u>	<u>12,239,031</u>	<u>13,148,135</u>	<u>14,550,698</u>
<u>\$65,551,304</u>	<u>\$64,778,157</u>	<u>\$70,053,526</u>	<u>\$68,636,030</u>	<u>\$68,494,637</u>	<u>\$68,783,338</u>

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

	2019	2018	2017	2016
<u>Expenses</u>				
Governmental Activities				
Security of Persons and Property				
Police	\$665,015	\$2,175,771	\$2,032,266	\$1,922,596
Fire	(242,156)	1,704,281	1,712,394	1,917,941
Other	0	0	0	0
Public Health	167,146	154,457	138,700	175,745
Leisure Time Activities	577,249	498,871	514,667	484,211
Community Environment	246,454	172,039	177,490	131,753
Transportation	2,777,214	2,257,470	2,214,462	1,861,607
General Government	741,754	879,819	858,914	594,651
Interest and Fiscal Charges	0	959	5,323	6,508
Total Governmental Activities Expenses	<u>4,932,676</u>	<u>7,843,667</u>	<u>7,654,216</u>	<u>7,095,012</u>
Business-Type Activities				
Electric	19,704,728	17,839,610	16,997,959	15,693,356
Water	2,183,723	2,078,435	2,263,282	1,950,485
Sewer	4,025,321	3,402,744	3,111,041	2,528,933
Storm Sewer	217,109	135,419	207,604	123,464
Refuse	1,176,895	1,144,478	791,071	1,145,654
Total Business-Type Activities Expenses	<u>27,307,776</u>	<u>24,600,686</u>	<u>23,370,957</u>	<u>21,441,892</u>
Total Primary Government Expenses	<u>32,240,452</u>	<u>32,444,353</u>	<u>31,025,173</u>	<u>28,536,904</u>
<u>Program Revenues</u>				
Governmental Activities				
Charges for Services				
Security of Persons and Property				
Police	28,317	51,934	4,680	55,003
Fire	62,754	64,078	63,607	63,002
Public Health	427,196	516,018	422,775	714,370
Leisure Time Activities	230,118	213,291	224,543	247,800
Transportation	182,357	200,059	151,256	107,248
General Government	52,937	29,480	23,786	20,243
Total Charges for Services	<u>983,679</u>	<u>1,074,860</u>	<u>890,647</u>	<u>1,207,666</u>
Operating Grants, Contributions, and Interest	574,846	497,290	545,424	659,296
Capital Grants and Contributions	1,680,124	93,729	432,720	410,366
Total Governmental Activities Program Revenues	<u>3,238,649</u>	<u>1,665,879</u>	<u>1,868,791</u>	<u>2,277,328</u>
Business-Type Activities				
Charges for Services				
Electric	20,096,913	18,305,299	17,232,897	16,033,338
Water	2,589,064	2,117,866	2,115,395	2,014,148
Sewer	3,920,181	3,526,833	3,438,526	3,503,012
Storm Sewer	159,820	158,493	157,780	156,591
Refuse	1,405,562	1,313,762	1,291,906	1,252,322
Total Charges for Services	<u>28,171,540</u>	<u>25,422,253</u>	<u>24,236,504</u>	<u>22,959,411</u>
Operating Grants and Contributions	21,004	0	0	0
Capital Grants and Contributions	92,283	933,660	0	0
Total Business-Type Activities Program Revenues	<u>28,284,827</u>	<u>26,355,913</u>	<u>24,236,504</u>	<u>22,959,411</u>
Total Primary Government Program Revenues	<u>31,523,476</u>	<u>28,021,792</u>	<u>26,105,295</u>	<u>25,236,739</u>

2015	2014	2013	2012	2011	2010
\$1,760,195	\$1,613,384	\$1,516,675	\$1,545,559	\$1,584,868	\$1,443,241
1,616,058	1,514,617	1,503,565	1,494,511	1,353,865	1,429,639
2,833	4,426	5,004	4,557	8,492	15,744
193,759	162,403	180,131	172,130	177,297	198,272
431,140	484,814	463,263	433,670	492,736	452,815
91,948	126,153	86,893	84,148	116,039	88,867
1,341,215	1,911,883	2,317,993	2,049,319	2,236,189	1,366,298
541,709	594,323	515,084	510,071	512,540	559,760
10,379	8,219	17,988	38,654	49,942	63,692
<u>5,989,236</u>	<u>6,420,222</u>	<u>6,606,596</u>	<u>6,332,619</u>	<u>6,531,968</u>	<u>5,618,328</u>
16,139,240	15,259,517	15,277,737	13,550,781	14,371,849	13,905,809
2,215,944	2,041,383	1,813,945	1,758,911	1,843,734	921,970
2,666,829	1,978,245	2,161,928	2,241,662	2,171,320	2,235,926
221,359	155,091	142,646	271,419	114,124	91,075
963,583	1,102,022	1,089,290	1,113,500	1,053,317	1,080,264
<u>22,206,955</u>	<u>20,536,258</u>	<u>20,485,546</u>	<u>18,936,273</u>	<u>19,554,344</u>	<u>18,235,044</u>
<u>28,196,191</u>	<u>26,956,480</u>	<u>27,092,142</u>	<u>25,268,892</u>	<u>26,086,312</u>	<u>23,853,372</u>
6,820	5,117	7,004	6,946	8,473	7,786
50,320	48,522	50,380	53,961	50,157	45,091
476,706	398,918	523,208	504,789	413,758	287,206
211,839	195,415	203,119	259,592	228,629	249,666
148,011	104,608	158,633	83,734	94,715	250,147
17,604	16,148	33,287	11,970	23,581	20,145
911,300	768,728	975,631	920,992	819,313	860,041
541,534	509,078	635,984	524,997	582,636	632,254
1,537,762	606,014	1,923,549	837,654	572,510	1,493,506
<u>2,990,596</u>	<u>1,883,820</u>	<u>3,535,164</u>	<u>2,283,643</u>	<u>1,974,459</u>	<u>2,985,801</u>
14,861,386	14,818,934	14,383,981	13,443,956	14,410,686	14,824,354
1,870,405	1,825,871	1,724,995	1,607,652	1,560,401	1,619,474
3,316,260	3,258,877	3,127,622	2,716,328	2,415,413	1,983,565
161,136	155,904	155,599	154,668	154,095	155,831
1,235,415	1,214,454	1,108,914	1,106,281	1,114,270	1,070,336
21,444,602	21,274,040	20,501,111	19,028,885	19,654,865	19,653,560
0	0	0	0	0	0
0	246,836	0	0	0	247,321
<u>21,444,602</u>	<u>21,520,876</u>	<u>20,501,111</u>	<u>19,028,885</u>	<u>19,654,865</u>	<u>19,900,881</u>
<u>24,435,198</u>	<u>23,404,696</u>	<u>24,036,275</u>	<u>21,312,528</u>	<u>21,629,324</u>	<u>22,886,682</u>

(continued)

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

	2019	2018	2017	2016
<u>Net (Expense) Revenue</u>				
Governmental Activities	(\$1,694,027)	(\$6,177,788)	(\$5,785,425)	(\$4,817,684)
Business-Type Activities	977,051	1,755,227	865,547	1,517,519
Total Primary Government Net Expense	<u>(716,976)</u>	<u>(4,422,561)</u>	<u>(4,919,878)</u>	<u>(3,300,165)</u>
<u>General Revenues and Other Changes in Net Position</u>				
Governmental Activities				
Property Taxes Levied for General Purposes	414,453	403,478	383,253	372,286
Property Taxes Levied for Recreation	155,585	151,430	152,784	99,006
Municipal Income Taxes for General Purposes	2,850,549	3,070,596	2,722,228	2,605,349
Municipal Income Taxes for Street Maintenance	1,735,770	1,206,341	0	0
Other Local Taxes	874,140	829,322	766,069	822,341
Grants and Entitlements not Restricted to Specific Programs	129,349	264,896	252,161	255,631
Franchise Taxes	310,949	117,400	116,530	119,516
Interest	119,507	190,240	101,823	53,915
Gifts and Donations	245,341	1,085	16,654	17,893
Other	1,043	379,604	157,404	59,600
Transfers	54,637	0	(19,453)	(336,803)
Total Governmental Activities	<u>6,891,323</u>	<u>6,614,392</u>	<u>4,649,453</u>	<u>4,068,734</u>
Business-Type Activities				
Interest	22,186	16,520	9,490	1,088
Other	330,908	90,513	76,338	166,376
Transfers	0	0	19,453	336,803
Total Business-Type Activities	<u>353,094</u>	<u>107,033</u>	<u>105,281</u>	<u>504,267</u>
Total Primary Government	<u>7,244,417</u>	<u>6,721,425</u>	<u>4,754,734</u>	<u>4,573,001</u>
<u>Change in Net Position</u>				
Governmental Activities	5,197,296	436,604	(1,135,972)	(748,950)
Business-Type Activities	1,330,145	1,862,260	970,828	2,021,786
Total Primary Government Change in Net Position	<u>\$6,527,441</u>	<u>\$2,298,864</u>	<u>(\$165,144)</u>	<u>\$1,272,836</u>

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

2015	2014	2013	2012	2011	2010
(\$2,998,640)	(\$4,536,402)	(\$3,071,432)	(\$4,048,976)	(\$4,557,509)	(\$2,632,527)
(762,353)	984,618	15,565	92,612	100,521	1,665,837
(3,760,993)	(3,551,784)	(3,055,867)	(3,956,364)	(4,456,988)	(966,690)
369,966	362,175	356,365	373,447	369,263	376,810
97,698	95,171	92,535	88,625	92,756	95,200
2,645,764	2,602,279	2,590,749	2,280,139	2,271,225	2,244,992
0	0	0	0	0	0
877,632	722,090	686,875	651,985	642,164	645,090
256,699	254,085	249,320	454,557	550,652	585,145
79,168	144,915	83,156	86,280	83,736	85,710
10,215	15,376	13,721	32,570	35,706	75,658
57,483	1,040	2,639	1,772	1,374	5,663
73,657	58,133	80,453	87,243	48,596	76,118
(1,442,072)	(26,000)	(1,771,837)	(397,737)	(582,256)	(646,732)
3,026,210	4,229,264	2,383,976	3,658,881	3,513,216	3,543,654
564	0	0	29	7	1
65,294	78,660	317,550	41,110	72,808	30,376
1,442,072	26,000	1,771,837	397,737	582,256	646,732
1,507,930	104,660	2,089,387	438,876	655,071	677,109
4,534,140	4,333,924	4,473,363	4,097,757	4,168,287	4,220,763
27,570	(307,138)	(687,456)	(390,095)	(1,044,293)	911,127
745,577	1,089,278	2,104,952	531,488	755,592	2,342,946
\$773,147	\$782,140	\$1,417,496	\$141,393	(\$288,701)	\$3,254,073

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund				
Reserved	\$0	\$0	\$0	\$0
Unreserved	0	0	0	0
Nonspendable	85,133	80,948	79,931	113,227
Restricted	9,585	7,799	5,198	2,948
Assigned	2,501,423	1,833,007	1,143,590	1,254,981
Unassigned	<u>1,043,792</u>	<u>1,142,482</u>	<u>780,606</u>	<u>691,667</u>
Total General Fund	<u>3,639,933</u>	<u>3,064,236</u>	<u>2,009,325</u>	<u>2,062,823</u>
All Other Governmental Funds				
Reserved	0	0	0	0
Unreserved, Reported in				
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
Nonspendable	227,272	24,485	28,169	24,311
Restricted	1,515,533	1,089,326	1,432,271	1,177,516
Assigned	180,255	74,692	233,152	233,152
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total All Other Governmental Funds	<u>1,923,060</u>	<u>1,188,503</u>	<u>1,693,592</u>	<u>1,434,979</u>
Total Governmental Funds	<u><u>\$5,562,993</u></u>	<u><u>\$4,252,739</u></u>	<u><u>\$3,702,917</u></u>	<u><u>\$3,497,802</u></u>

Note: The City implemented GASB Statement No. 54 in 2011.

2015	2014	2013	2012	2011	2010
\$0	\$0	\$0	\$0	\$0	\$122,631
0	0	0	0	0	2,077,148
80,527	86,112	87,798	85,291	48,027	n/a
2,698	10,154	10,154	18,517	18,457	n/a
765,135	709,905	71,374	237,724	244,541	n/a
1,053,284	862,133	1,671,656	1,603,958	2,035,875	n/a
1,901,644	1,668,304	1,840,982	1,945,490	2,346,900	2,199,779
0	0	0	0	0	811,189
0	0	0	0	0	1,081,987
0	0	0	0	0	467,448
0	0	0	0	0	1,539,432
28,217	30,778	29,308	30,129	31,950	n/a
1,201,241	2,084,349	1,920,873	2,700,149	2,954,653	n/a
233,152	402,702	277,702	723,004	698,244	n/a
(1,389)	(16,307)	(126,225)	(456,253)	0	n/a
1,461,221	2,501,522	2,101,658	2,997,029	3,684,847	3,900,056
<u>\$3,362,865</u>	<u>\$4,169,826</u>	<u>\$3,942,640</u>	<u>\$4,942,519</u>	<u>\$6,031,747</u>	<u>\$6,099,835</u>

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

	2019	2018	2017	2016
<u>Revenues</u>				
Property Taxes	\$569,137	\$559,738	\$530,220	\$474,524
Municipal Income Taxes	4,569,465	4,064,067	2,671,757	2,812,389
Other Local Taxes	1,082,623	912,709	835,653	900,709
Special Assessments	24,566	38,829	34,458	20,204
Charges for Services	874,291	902,643	922,726	874,832
Fees, Licenses, and Permits	124,481	121,769	122,210	120,915
Fines and Forfeitures	22,714	28,647	22,167	25,573
Intergovernmental	2,510,666	832,065	1,192,154	1,362,908
Interest	261,920	212,132	118,462	71,488
Gifts and Donations	5,504	8,176	33,228	29,074
Other	56,514	378,554	156,704	58,640
Total Revenues	10,101,881	8,059,329	6,639,739	6,751,256
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,897,102	1,837,036	1,945,311	1,698,831
Fire	1,496,645	1,564,302	1,427,616	1,566,585
Other	0	0	0	0
Public Health	131,123	121,421	120,307	161,023
Leisure Time Activities	433,627	385,787	395,366	400,724
Community Environment	202,456	142,524	152,147	571,094
Transportation	3,979,343	2,596,861	1,557,799	1,574,351
General Government	651,331	815,232	787,806	564,628
Debt Service:				
Principal Retirement	0	45,010	43,288	72,228
Interest and Fiscal Charges	0	1,334	5,684	6,855
Total Expenditures	8,791,627	7,509,507	6,435,324	6,616,319
Excess of Revenues Over (Under) Expenditures	1,310,254	549,822	204,415	134,937
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	700	0
Loans Issued	0	0	0	0
Inception of Capital Lease	0	0	0	0
Transfers In	830,000	1,586,341	700,000	740,000
Transfers Out	(830,000)	(1,586,341)	(700,000)	(740,000)
Total Other Financing Sources (Uses)	0	0	700	0
Change in Fund Balance	\$1,310,254	\$549,822	\$205,115	\$134,937
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.77%	0.82%	1.34%

2015	2014	2013	2012	2011	2010
\$465,520	\$458,036	\$453,266	\$459,863	\$467,205	\$472,312
2,665,795	2,594,506	2,415,109	2,262,379	2,230,352	2,171,986
954,248	797,205	780,110	705,308	707,507	718,141
27,686	39,784	52,670	57,956	49,364	108,280
751,539	750,578	711,028	774,341	686,888	673,656
113,940	134,013	103,076	87,538	90,097	82,112
20,355	15,086	18,785	13,412	21,706	21,292
2,242,652	1,169,747	3,247,382	1,272,298	2,111,174	2,385,316
36,981	25,239	36,097	50,039	78,486	101,299
73,028	19,171	10,508	16,222	4,794	30,264
73,657	58,133	72,016	87,243	48,596	76,348
<u>7,425,401</u>	<u>6,061,498</u>	<u>7,900,047</u>	<u>5,786,599</u>	<u>6,496,169</u>	<u>6,841,006</u>
1,608,199	1,714,844	1,507,378	1,550,757	1,569,832	1,423,412
1,726,979	1,481,619	1,927,319	1,461,318	1,283,633	1,406,482
4,504	4,792	4,685	4,592	8,166	15,472
177,468	149,970	159,821	143,550	147,474	172,208
363,140	410,517	389,085	357,705	452,069	389,487
94,072	126,163	93,366	81,344	111,158	82,067
3,634,852	1,341,304	3,916,917	2,396,004	1,635,535	3,037,581
531,671	579,587	498,250	491,108	489,958	536,168
80,503	82,656	273,007	261,167	376,099	365,342
10,974	8,789	19,251	28,938	41,045	52,045
<u>8,232,362</u>	<u>5,900,241</u>	<u>8,789,079</u>	<u>6,776,483</u>	<u>6,114,969</u>	<u>7,480,264</u>
<u>(806,961)</u>	<u>161,257</u>	<u>(889,032)</u>	<u>(989,884)</u>	<u>381,200</u>	<u>(639,258)</u>
0	0	26,760	0	0	3,100
0	0	0	0	0	54,955
0	91,929	0	0	0	0
640,000	791,225	747,893	1,044,156	1,052,712	919,852
<u>(640,000)</u>	<u>(817,225)</u>	<u>(885,500)</u>	<u>(1,143,500)</u>	<u>(1,502,000)</u>	<u>(1,237,325)</u>
<u>0</u>	<u>65,929</u>	<u>(110,847)</u>	<u>(99,344)</u>	<u>(449,288)</u>	<u>(259,418)</u>
<u>(\$806,961)</u>	<u>\$227,186</u>	<u>(\$999,879)</u>	<u>(\$1,089,228)</u>	<u>(\$68,088)</u>	<u>(\$898,676)</u>
1.46%	1.64%	4.02%	5.05%	7.81%	7.56%

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

Year	Real Property				Public Utility Personal Property		
	Assessed Value			Total Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial	Public Utility				
2019	\$118,570,690	\$47,805,540	\$66,230	\$166,442,460	\$475,549,886	\$3,219,260	\$3,658,250
2018	119,826,660	50,904,520	105,350	170,836,530	488,104,371	3,310,930	3,762,420
2017	108,044,270	44,642,180	64,140	152,750,590	436,430,257	3,338,040	3,793,227
2016	107,511,780	44,587,200	66,420	152,165,400	434,758,286	3,262,400	3,707,273
2015	106,495,310	44,517,970	65,790	151,079,070	431,654,486	1,122,690	1,275,784
2014	105,469,010	45,237,190	64,720	150,770,920	430,774,057	1,120,460	1,273,250
2013	104,962,290	46,822,260	62,380	151,846,930	433,848,371	1,055,660	1,199,614
2012	104,390,450	47,087,190	74,990	151,552,630	433,007,514	426,650	484,830
2011	108,463,200	45,560,200	66,570	154,089,970	440,257,057	412,220	468,432
2010	107,696,140	45,716,950	61,680	153,474,770	438,499,343	401,430	456,170

Source: Auglaize County Auditor

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

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

The assessed value of real property (including public utility real property) is 35 percent of estimated actual value. The assessed value of public utility personal property ranges from 25 percent of actual value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent of actual value for machinery and equipment and 23 percent for inventory. The general business tangible personal property tax has been phased out. No tangible personal property taxes have been levied since 2010.

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

Tangible Personal Property		Total		Weighted Average Tax Rate (1)
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$0	\$0	\$169,661,720	\$479,208,136	\$3.75
0	0	174,147,460	491,866,791	3.75
0	0	156,088,630	440,223,484	3.75
0	0	155,427,800	438,465,559	3.46
0	0	152,201,760	432,930,270	3.46
0	0	151,891,380	432,047,307	3.46
0	0	152,902,590	435,047,985	3.46
0	0	151,979,280	433,492,344	3.44
0	0	154,502,190	440,725,489	3.43
434,390	434,390	154,310,590	439,389,903	3.43

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

Collection Year	2019	2018	2017	2016
Voted Millage				
Recreation				
Effective Millage Rates				
Residential/Agriculture	\$0.9252	\$0.9252	\$0.9997	\$0.6236
Commercial/Industrial	0.9722	0.9715	1.0000	0.9010
Tangible/Public Utility Personal	1.0000	1.0000	1.0000	1.0000
Unvoted Millage				
General	2.1500	2.1500	2.1500	2.1500
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	2.7500	2.7500	2.7500	2.7500
Total Millage (Total Direct Rate)				
Total Effective Millage by Type of Property				
Residential/Agriculture	3.6752	3.6752	3.7497	3.3736
Commercial/Industrial	3.7222	3.7215	3.7500	3.6510
Tangible/Public Utility Personal	3.7500	3.7500	3.7500	3.7500
Total Weighted Average Tax Rate	3.7500	3.7500	3.7500	3.4612
Auglaize County	12.7500	12.7500	12.7500	12.7500
Wapakoneta City School District	30.6000	30.6000	30.6000	30.6000
Apollo Career Center	3.3200	3.0900	3.0400	3.0000
Duchouquet Township	0.2000	0.2000	0.2000	0.2000

Source: Auglaize County Auditor

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

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

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

2015	2014	2013	2012	2011	2010
\$0.6236	\$0.6246	\$0.6274	\$0.6261	\$0.5995	\$0.5995
0.9010	0.9011	0.8902	0.8430	0.8555	0.8555
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2.1500	2.1500	2.1500	2.1500	2.1500	2.1500
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
2.7500	2.7500	2.7500	2.7500	2.7500	2.7500
3.3736	3.3746	3.3774	3.3761	3.3495	3.3495
3.6510	3.6511	3.6402	3.5930	3.6055	3.6055
3.7500	3.7500	3.7500	3.7500	3.7500	3.7500
3.4584	3.4606	3.4606	3.4445	3.4262	3.4276
12.7500	12.7500	11.7500	11.7500	11.7500	11.7500
30.6000	31.3000	31.3000	31.3000	31.3000	31.3000
3.3400	3.4400	3.4400	2.2000	2.2000	2.2000
0.2000	0.2000	0.2000	0.2000	0.2000	0.2000

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

Year	Current Tax Levy (1)	Delinquent Tax Levy (2)	Total Tax Levy	Current Tax Collections	Percentage of Current Tax Collections to Current Tax Levy
2019	\$621,910	\$13,319	\$635,229	\$602,122	96.82%
2018	639,043	9,815	648,858	595,355	93.16
2017	581,688	10,161	591,849	556,708	95.71
2016	534,164	10,807	544,971	517,836	96.94
2015	522,607	14,503	537,110	514,134	98.38
2014	521,688	138,065	659,753	504,208	95.11
2013	523,622	19,687	543,309	501,674	95.19
2012	519,540	16,967	725,851	504,972	95.96
2011	591,313	19,618	727,166	514,116	94.32
2010	599,891	33,657	724,910	505,905	95.52

Source: Auglaize County Auditor

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

(2) Amounts listed include penalties and interest.

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

<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percentage of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes (2)</u>	<u>Percentage of Outstanding Delinquent Taxes to Total Tax Levy</u>
\$10,360	\$612,482	96.42%	\$2,959	0.47%
7,318	602,673	92.88	2,497	0.38
8,236	564,944	95.45	2,375	0.40
8,122	525,958	96.51	2,685	0.49
11,040	525,174	97.78	3,463	0.64
13,355	517,563	91.35	4,490	8.30
10,832	512,506	92.00	8,855	7.03
10,329	515,301	93.61	6,638	6.07
13,130	527,246	72.51	6,489	6.78
21,859	527,764	72.80	11,798	6.08

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

Taxpayer	Type of Business	2019		
		Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Wal-Mart Stores East LP	Retail Business	\$2,439,480	1	1.47%
Lowes Home Centers, Inc.	Retail Business	1,840,760	2	1.11
Ametek, Inc.	Plastic Compounds	1,344,100	3	0.81
Koneta, Inc.	Rubber Truck Accessories Manufacturing	1,299,150	4	0.78
Wapakoneta Village Senior Housing	Senior Citizen Housing	1,248,460	5	0.75
DW 28 Wapakoneta LLC	Retail Business	1,241,470	6	0.75
Schlenker Enterprises	Land Developments and Apartments	1,239,390	7	0.74
Quaker Run Farms	Warehousing and Distribution	1,185,240	8	0.71
GAMCO Components Group LLC	Automotive Suspension Manufacturing	1,154,380	9	0.69
Celebrity House of Wapakoneta	Retirement and Assisted Living Facility	969,470	10	0.58
Miller's Textile Services, Inc.	Uniform Rentals			
Dr. Soo (Midwest Elastomers)	Granulated Rubber and Plastic			
	Total	13,961,900		8.39
	All Other Taxpayers	<u>152,480,560</u>		<u>91.61</u>
	Total Assessed Valuation	<u>\$166,442,460</u>		<u>100.00%</u>

Source: Auglaize County Auditor

2010		
<u>Real Property Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
\$3,355,230	1	2.19%
1,629,310	4	1.06
1,164,360	5	0.76
1,081,660	7	0.70
1,097,780	6	0.72
1,662,530	3	1.08
987,150	8	0.64
1,785,000	2	1.16
844,160	9	0.55
<u>821,150</u>	<u>10</u>	<u>0.54</u>
14,428,330		9.40
<u>139,046,440</u>		<u>90.60</u>
<u>\$153,474,770</u>		<u>100.00%</u>

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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individual Payments</u>	<u>Percentage of Taxes from Individual Payments</u>
2019	1.50%	\$4,586,319	\$3,480,928	75.90%	\$462,975	10.09%	\$642,416	14.01%
2018	1.50	4,276,937	3,315,417	77.52	425,401	9.95	536,119	12.54
2017	1.00	2,722,228	2,070,967	76.08	276,878	10.17	374,383	13.75
2016	1.00	2,605,349	1,959,370	75.21	304,085	11.67	341,894	13.12
2015	1.00	2,645,764	2,219,838	83.90	226,223	8.55	199,703	7.55
2014	1.00	2,602,279	2,459,828	94.53	129,418	4.97	13,033	0.50
2013	1.00	2,590,749	2,015,566	77.80	295,940	11.42	279,243	10.78
2012	1.00	2,280,139	1,986,930	87.14	144,118	6.32	149,091	6.54
2011	1.00	2,271,225	1,693,982	74.59	232,213	10.22	345,030	15.19
2010	1.00	2,244,992	1,831,471	81.58	143,612	6.40	269,909	12.02

Source: City Records

City of Wapakoneta
Electric Utility Statistics
Last Ten Years

	2019	2018	2017	2016	2015
Kilowatt Hours Purchased from:					
AMP-Ohio	232,113,764	199,531,156	192,537,820	191,214,926	199,918,896
Solar Planet	3,243,599	3,200,172	3,639,898	3,772,124	3,755,014
Total Kilowatt Hours Purchased	235,357,363	202,731,328	196,177,718	194,987,050	203,673,910
Payments for Purchased Power to:					
AMP-Ohio	\$14,964,732	\$14,675,982	\$13,768,607	\$12,699,695	\$12,101,040
Solar Planet	282,221	267,152	292,218	291,028	278,912
Total Payments for Purchased Power	\$15,246,953	\$14,943,134	\$14,060,825	\$12,990,723	\$12,379,952
Kilowatt Hours Sold to Users					
Residential	48,969,766	51,372,837	46,367,341	49,392,226	49,280,300
Commercial	47,075,809	48,649,548	46,863,363	51,438,287	53,645,140
Industrial	89,019,896	94,027,246	89,858,285	84,614,380	91,507,360
Total Kilowatt Hours Sold to Users	185,065,471	194,049,631	183,088,989	185,444,893	194,432,800
Charges for Kilowatt Hours Sold to Users					
Residential	\$5,690,144	\$5,811,320	\$4,915,843	\$4,752,885	\$4,465,330
Commercial	5,521,963	5,631,339	5,315,927	5,307,928	5,233,331
Industrial	6,209,494	6,506,777	6,842,184	6,513,716	6,061,489
Total Dollar Amount of Kilowatt Hours Sold to Users	\$17,421,601	\$17,949,436	\$17,073,954	\$16,574,529	\$15,760,150

Rate

Residential		
Service Charge (base)	\$14.50	per month
Energy Charge:		
0 - 750 kwh	\$0.096	per kwh
751 - 9,999,999 kwh	\$0.096	per kwh
Commercial		
Service Charge (base)	\$25.00	per month
Demand:		
First 5 kwh	No Charge	
0 - 9,999,999 kwh	\$9.00	per kwh
Energy Charge:		
First 1,000 kwh	\$0.0810	per kwh
1,001 - 9,999,999 kwh	\$0.0810	per kwh
Industrial (Large Power)		
Service Charge (base)	\$100.00	per month
Demand	\$20.00	per kwh
Energy Charge	\$0.0390	per kwh

Source: City Records

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

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

City of Wapakoneta
Water Utility Statistics
Last Ten Years

Type of Customer	2019	2018	2017	2016	2015
Residential	\$1,386,402	\$1,307,664	\$1,262,812	\$1,247,623	\$1,168,845
Industrial	667,990	405,265	391,409	402,659	348,555
Commercial	434,586	379,909	434,407	326,741	315,901
Total Billed	<u>\$2,488,978</u>	<u>\$2,092,838</u>	<u>\$2,088,628</u>	<u>\$1,977,023</u>	<u>\$1,833,301</u>
Billed in Cubic Feet					
Rate in Cubic Feet:					
All Customers					
0 - 200	\$11.99	\$11.42	\$10.88	\$10.36	\$9.87
201 - 1,300	5.05	4.81	4.58	4.36	4.15
1,301 - 6,100	4.21	4.01	3.82	3.64	3.46
6,101 - 22,800	3.42	3.26	3.10	2.95	2.81
22,801 and up	3.09	2.94	2.80	2.67	2.55
Multi Residential					
0 - 200	\$11.99	\$11.42	\$10.88	\$10.36	\$9.87
Each Additional 100	4.89	4.65	4.43	4.22	4.02

Outside Rates add 200%

Source: City Records

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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$1,120,415	\$1,090,272	\$1,037,648	\$1,012,829	\$1,029,780
354,636	313,989	273,445	270,269	291,804
<u>302,352</u>	<u>286,194</u>	<u>262,502</u>	<u>263,642</u>	<u>277,948</u>
<u><u>\$1,777,403</u></u>	<u><u>\$1,690,455</u></u>	<u><u>\$1,573,595</u></u>	<u><u>\$1,546,740</u></u>	<u><u>\$1,599,532</u></u>

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

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

City of Wapakoneta
Sewer Utility Statistics
Last Ten Years

Type of Customer	2019	2018	2017	2016	2015
Residential	\$1,337,017	\$1,284,523	\$1,261,470	\$1,261,962	\$1,214,430
Commercial	426,961	375,005	358,900	347,329	338,763
Industrial	610,053	628,543	601,560	678,411	515,794
Total Billed	<u>\$2,374,031</u>	<u>\$2,288,071</u>	<u>\$2,221,930</u>	<u>\$2,287,702</u>	<u>\$2,068,987</u>

Billed in Cubic Feet

Base Rate for First 200 Cubic Feet:

Residential	\$14.43	\$14.01	\$13.60	\$13.20	\$12.83
Commercial	14.43	14.01	13.60	13.20	12.83
Industrial	14.43	14.01	13.60	13.20	12.83

Additional per 100 Cubic Feet:

Residential	\$4.22	\$4.10	\$3.98	\$3.86	\$3.74
Commercial	4.53	4.40	4.27	4.15	4.03
Industrial	4.22	4.10	3.98	3.86	3.74

Outside Rates add 115%

Source: City Records

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

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

\$12.45	\$12.10	\$11.74	\$11.40	\$11.07
12.45	12.10	11.74	11.40	11.07
12.45	12.10	11.74	11.40	11.07
\$3.64	\$3.53	\$3.43	\$3.33	\$3.23
3.91	3.80	3.69	3.58	3.48
3.64	3.53	3.43	3.33	3.23

City of Wapakoneta
Storm Sewer Utility Statistics
Last Ten Years

Type of Customer	2019	2018	2017	2016	2015
Residential	\$91,152	\$91,296	\$91,008	\$99,528	\$99,408
Commercial/Industrial	67,241	66,059	65,703	56,166	55,353
Total Billed	\$158,393	\$157,355	\$156,711	\$155,694	\$154,761

Rates:

Residential: \$2 per month

Commercial/Industrial:

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

Source: City Records

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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$89,856	\$89,256	\$88,846	\$87,912	\$87,960
<u>64,905</u>	<u>64,883</u>	<u>64,942</u>	<u>65,389</u>	<u>68,249</u>
<u><u>\$154,761</u></u>	<u><u>\$154,139</u></u>	<u><u>\$153,788</u></u>	<u><u>\$153,301</u></u>	<u><u>\$156,209</u></u>

City of Wapakoneta
Refuse Utility Statistics
Last Ten Years

Type of Customer	2019	2018	2017	2016	2015
Residential	\$531,962	\$531,805	\$508,211	\$489,186	\$466,974
Commercial/Industrial	197,758	205,628	193,823	187,969	190,931
Bag Sales (all customers)	353,705	345,125	339,875	337,780	331,875
Total	<u>\$1,083,425</u>	<u>\$1,082,558</u>	<u>\$1,041,909</u>	<u>\$1,014,935</u>	<u>\$989,780</u>
Amount Paid by City to Waste Management	<u>\$260,326</u>	<u>\$290,134</u>	<u>\$276,131</u>	<u>\$269,362</u>	<u>\$266,651</u>
Amount per Ton Paid to Waste Management	\$66.00	\$73.56	\$72.39	\$70.97	\$68.22
<u>Monthly Base Rate:</u>					
Residential Inside	\$11.00	\$11.00	\$10.50	\$10.00	\$9.00
Residential Outside	15.00	15.00	14.50	14.00	13.00

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

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

Source: City Records

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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$440,092	\$416,494	\$414,011	\$414,234	\$411,384
185,454	186,212	182,251	182,801	190,085
<u>334,125</u>	<u>288,750</u>	<u>288,738</u>	<u>271,437</u>	<u>267,688</u>
<u>\$959,671</u>	<u>\$891,456</u>	<u>\$885,000</u>	<u>\$868,472</u>	<u>\$869,157</u>
<u>\$251,869</u>	<u>\$235,714</u>	<u>\$227,332</u>	<u>\$239,428</u>	<u>\$223,051</u>
\$68.22	\$66.63	\$65.09	\$65.09	\$61.99
\$9.00	\$8.50	\$8.50	\$8.50	\$8.50
13.00	12.50	12.50	12.50	12.50

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

Year	Governmental Activities				Business-Type Activities		
	General Obligation Bonds	Capital Loans	Loans	Capital Leases	General Obligation Bonds	Mortgage Revenue Bonds	Due to Auglaize County
2019	\$0	\$0	\$0	\$0	\$4,525,000	\$0	\$0
2018	0	0	0	0	0	5,230,000	0
2017	0	0	45,010	0	0	5,770,000	0
2016	0	0	88,298	0	0	6,295,000	0
2015	0	0	129,929	30,597	0	6,780,000	0
2014	0	11,870	169,967	59,192	0	7,250,000	0
2013	0	23,283	208,473	0	0	7,705,000	0
2012	225,000	34,257	245,506	0	0	8,130,000	1,250
2011	440,000	44,809	281,121	0	0	8,540,000	3,750
2010	750,428	54,955	315,374	0	23,300	8,940,000	6,250

Source: City Records

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

Business-Type Activities						
OWDA Loans	Capital Loans	Loans	Capital Leases	Total Debt	Per Capita (1)	Percentage of Personal Income (1)
\$20,485,422	\$7,038,250	\$0	\$629,615	\$32,678,287	\$3,357	12.94%
18,166,716	2,337,471	0	491,595	26,225,782	2,681	11.27
18,547,622	0	114,150	409,511	24,886,293	2,535	11.26
18,694,562	0	223,932	489,455	25,791,247	2,638	11.80
18,468,055	0	329,514	566,820	26,304,915	2,666	12.64
16,527,575	11,870	431,055	0	24,461,529	2,481	9.06
12,393,522	71,842	528,711	34,925	20,965,756	2,133	7.79
8,919,074	129,624	622,630	68,563	18,375,904	1,867	7.54
8,833,359	185,295	712,955	100,962	19,142,251	1,940	7.84
8,743,063	266,866	799,824	0	19,900,060	2,103	11.08

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

Year	Population	Estimated Actual Value	Gross Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt Per Capita
2019	9,733	\$479,208,136	\$0	0.00%	\$0.00
2018	9,782	491,866,791	0	0.00	0.00
2017	9,816	440,223,484	0	0.00	0.00
2016	9,776	438,465,559	0	0.00	0.00
2015	9,867	432,930,270	0	0.00	0.00
2014	9,861	432,047,307	0	0.00	0.00
2013	9,830	435,047,985	0	0.00	0.00
2012	9,843	433,492,344	225,000	0.05	22.86
2011	9,867	440,725,489	440,000	0.10	44.59
2010	9,464	439,389,903	773,728	0.18	81.75

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

City of Wapakoneta
 Computation of Direct and Overlapping Debt for Governmental Activities
 December 31, 2019

<u>Jurisdiction</u>	<u>Outstanding Debt</u>	<u>Percentage Applicable to City of Wapakoneta (1)</u>	<u>Amount Applicable to City of Wapakoneta</u>
City of Wapakoneta	\$0	100.00%	\$0
Wapakoneta City School District	21,397,014	42.09	9,006,003
Apollo Career Center	28,975,000	7.01	2,031,148
Total Overlapping Debt	<u>50,372,014</u>		<u>11,037,151</u>
Total	<u><u>\$50,372,014</u></u>		<u><u>\$11,037,151</u></u>

Source: City Records
 Ohio Municipal Advisory Council

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

City of Wapakoneta
 Computation of Legal Debt Margin
 Last Ten Years

	2019	2018	2017	2016
Total Assessed Valuation	<u>\$169,661,720</u>	<u>\$174,147,460</u>	<u>\$156,088,630</u>	<u>\$155,427,800</u>
Overall Debt Limitation - 10.5 Percent of Assessed Valuation	17,814,481	18,285,483	16,389,306	16,319,919
Gross Indebtedness	32,048,672	25,734,187	24,476,782	25,301,792
Less Debt Outside Limitation				
General Obligation Bonds	4,525,000	0	0	0
Mortgage Revenue Bonds	0	5,230,000	5,770,000	6,295,000
OWDA Loans	20,485,422	18,166,716	18,547,622	18,694,562
Capital Loans	7,038,250	2,337,471	0	0
Loans Payable	<u>0</u>	<u>0</u>	<u>114,150</u>	<u>223,932</u>
Net Indebtedness	0	0	45,010	88,298
Less Fund Balance in Debt Service Fund	<u>0</u>	<u>0</u>	<u>44,316</u>	<u>44,316</u>
Net Debt Within 10.5 Percent Limitation	<u>0</u>	<u>0</u>	<u>694</u>	<u>43,982</u>
Legal Debt Margin Within 10.5 Percent Limitation	<u>\$17,814,481</u>	<u>\$18,285,483</u>	<u>\$16,388,612</u>	<u>\$16,275,937</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	100.00%	100.00%	100.00%	99.73%
Unvoted Debt Limitation - 5.5 Percent of Assessed Valuation	\$9,331,395	\$9,578,110	\$8,584,875	\$8,548,529
Gross Indebtedness	32,048,672	25,734,187	24,476,782	25,301,792
Less Debt Outside Limitation				
General Obligation Bonds	4,525,000	0	0	0
Mortgage Revenue Bonds	0	5,230,000	5,770,000	6,295,000
OWDA Loans	20,485,422	18,166,716	18,547,622	18,694,562
Capital Loans	7,038,250	2,337,471	0	0
Loans Payable	<u>0</u>	<u>0</u>	<u>114,150</u>	<u>223,932</u>
Net Indebtedness	0	0	45,010	88,298
Less Fund Balance in Debt Service Fund	<u>0</u>	<u>0</u>	<u>44,316</u>	<u>44,316</u>
Net Debt Within 5.5 Percent Limitation	<u>0</u>	<u>0</u>	<u>694</u>	<u>43,982</u>
Legal Debt Margin Within 5.5 Percent Limitation	<u>\$9,331,395</u>	<u>\$9,578,110</u>	<u>\$8,584,181</u>	<u>\$8,504,547</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	99.99%	99.49%

Source: City Records

2015	2014	2013	2012	2011	2010
<u>\$152,201,760</u>	<u>\$151,891,380</u>	<u>\$152,902,590</u>	<u>\$151,979,280</u>	<u>\$154,502,190</u>	<u>\$154,310,590</u>
15,981,185	15,948,595	16,054,772	15,957,824	16,222,730	16,202,612
25,707,498	24,402,337	20,930,831	18,306,091	19,037,539	19,915,082
0	0	0	0	0	23,300
6,780,000	7,250,000	7,705,000	8,130,000	8,540,000	8,940,000
18,468,055	16,527,575	12,393,522	8,919,074	8,833,359	8,743,063
0	11,870	71,842	129,624	185,295	266,866
<u>329,514</u>	<u>431,055</u>	<u>528,711</u>	<u>622,630</u>	<u>712,955</u>	<u>799,824</u>
129,929	181,837	231,756	504,763	765,930	1,142,029
<u>44,316</u>	<u>44,316</u>	<u>44,316</u>	<u>144,972</u>	<u>245,212</u>	<u>467,448</u>
<u>85,613</u>	<u>137,521</u>	<u>187,440</u>	<u>359,791</u>	<u>520,718</u>	<u>674,581</u>
<u>\$15,895,572</u>	<u>\$15,811,074</u>	<u>\$15,867,332</u>	<u>\$15,598,033</u>	<u>\$15,702,012</u>	<u>\$15,528,031</u>
99.46%	99.14%	98.83%	97.75%	96.79%	95.84%
\$8,371,097	\$8,354,026	\$8,409,642	\$8,358,860	\$8,497,620	\$8,487,082
25,707,498	24,402,337	20,930,831	18,306,091	19,037,539	19,915,082
0	0	0	0	0	23,300
6,780,000	7,250,000	7,705,000	8,130,000	8,540,000	8,940,000
18,468,055	16,527,575	12,393,522	8,919,074	8,833,359	8,743,063
0	11,870	71,842	129,624	185,295	266,866
<u>329,514</u>	<u>431,055</u>	<u>528,711</u>	<u>622,630</u>	<u>712,955</u>	<u>799,824</u>
129,929	181,837	231,756	504,763	765,930	1,142,029
<u>44,316</u>	<u>44,316</u>	<u>44,316</u>	<u>144,972</u>	<u>245,212</u>	<u>467,448</u>
<u>85,613</u>	<u>137,521</u>	<u>187,440</u>	<u>359,791</u>	<u>520,718</u>	<u>674,581</u>
<u>\$8,285,484</u>	<u>\$8,216,505</u>	<u>\$8,222,202</u>	<u>\$7,999,069</u>	<u>\$7,976,902</u>	<u>\$7,812,501</u>
98.98%	98.35%	97.77%	95.70%	93.87%	92.05%

City of Wapakoneta
Pledged Revenue
Water Fund
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2019	\$2,589,091	\$1,483,190	\$1,105,901	\$194,007	\$294,746	\$488,753	2.26
2018	2,119,229	1,447,727	671,502	184,745	302,119	486,864	1.38
2017	2,116,403	1,591,406	524,997	175,931	309,140	485,071	1.08
2016	2,014,208	1,308,594	705,614	167,545	315,824	483,369	1.46
2015	1,872,030	1,491,250	380,780	159,564	407,209	566,773	0.67
2014	1,833,207	1,099,767	733,440	107,093	414,804	521,897	1.41
2013	1,734,258	1,086,316	647,942	183,042	398,689	581,731	1.11
2012	1,613,831	1,010,596	603,235	136,798	431,735	568,533	1.06
2011	1,563,522	1,093,005	470,517	138,950	455,981	594,931	0.79
2010	1,621,188	720,759	900,429	0	1,188	1,188	757.94

Source: City Records

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

City of Wapakoneta
Pledged Revenue
Sewer Fund
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2019	\$3,942,966	\$2,752,243	\$1,190,723	\$267,787	\$331,786	\$599,573	1.99
2018	3,543,541	2,020,620	1,522,921	803,134	510,605	1,313,739	1.16
2017	3,446,878	1,748,502	1,698,376	795,608	640,886	1,436,494	1.18
2016	3,526,130	1,404,195	2,121,935	747,443	671,158	1,418,601	1.50
2015	3,320,572	1,433,053	1,887,519	684,787	621,478	1,306,265	1.44
2014	3,266,033	1,217,489	2,048,544	455,000	334,812	789,812	2.59
2013	3,138,652	1,371,493	1,767,159	447,787	354,140	801,927	2.20
2012	2,718,422	1,174,231	1,544,191	432,900	372,773	805,673	1.92
2011	2,418,291	1,315,509	1,102,782	422,900	390,909	813,809	1.36
2010	1,987,702	1,305,730	681,972	375,000	407,905	782,905	0.87

Source: City Records

- (1) Includes operating revenues and interest.
- (2) Total operating expenses exclusive of depreciation.
- (3) Includes mortgage revenue bonds (2010 - 2018) and OWDA loans.

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City of Wapakoneta
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate Auglaize County (5)</u>
2019	9,733	\$252,629,748	\$25,956	3,081	2.80%
2018	9,782	232,625,742	23,781	3,225	3.60
2017	9,816	220,938,528	22,508	3,113	3.30
2016	9,776	218,522,928	22,353	3,092	3.70
2015	9,867	208,134,498	21,094	3,062	3.60
2014	9,861	270,122,373	27,393	3,144	3.50
2013	9,830	269,273,190	27,393	3,133	4.60
2012	9,843	243,673,308	24,756	3,062	4.80
2011	9,867	244,267,452	24,756	3,065	6.20
2010	9,464	179,588,864	18,976	3,036	8.20

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

City of Wapakoneta
Principal Employers
Current Year and Nine Years Ago

Employer	Type of Business	2019		
		Number of Employees	Rank	Percentage of Total Employment
Auglaize County	Government	411	1	8.39%
Wapakoneta City School District	Government	302	2	6.17
American Trim Limited	Metal Stamping	261	3	5.33
Pratt Industries	Paper Recycling/Paper Mill	257	4	5.25
Wal-Mart Stores East LP	Retail Business	220	5	4.50
General Aluminum Manufacturing Company	Aluminum Manufacturing	207	6	4.23
Miller's Textile Services, Inc.	Uniform Rentals	197	7	4.03
GA Wintzer & Son Company	Manufacturing	118	8	2.41
Golden Fresh Farms	Produce	93	9	1.90
City of Wapakoneta	Government	81	10	1.66
Koneta, Inc.	Rubber Truck Accessories Manufacturing			
Advanced Agri Solutions	Agricultural Commodities Supplier			
Total		<u>2,147</u>		<u>43.87%</u>
Total Employment Within the City		<u>4,894</u>		

Source: City Records

2010		
<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
469	1	9.53%
291	2	5.91
150	7	3.05
170	3	3.46
120	8	2.44
170	4	3.46
114	9	2.32
85	10	1.73
161	6	3.27
<u>165</u>	5	<u>3.35</u>
<u>1,895</u>		<u>38.52%</u>
<u>4,920</u>		

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

Function/Program	2019	2018	2017	2016
General Government				
Mayor	1.00	1.00	1.00	1.00
Council	8.00	8.00	8.00	8.00
Clerk of Council	0.50	0.50	0.50	0.50
Auditor	1.00	1.00	1.00	1.00
Treasurer	1.00	1.00	1.00	1.00
Income Tax Administrator	1.00	1.00	1.00	1.00
Income Tax Clerk	1.00	1.00	1.00	1.00
Law Director	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
Information Technology Technician	0.50	0.50	1.00	0.00
Security of Persons and Property				
Police	14.00	14.00	14.00	14.00
Police - Dispatchers	5.00	5.00	5.00	5.00
Police - Auxiliary	8.00	8.00	8.00	8.00
Fire	15.00	15.00	13.00	14.00
Fire - Auxiliary	2.00	3.00	3.00	3.00
Fire - Administrative Assistant	0.00	0.00	0.50	0.00
Safety Director	0.50	0.50	1.00	1.00
Public Health				
Emergency Medical Services	0.00	0.00	0.00	0.00
Leisure Time Activities				
Recreation Director	1.00	1.00	1.00	1.00
Transportation				
Public Works	10.00	10.00	10.00	10.00
Basic Utility Services				
Engineering	3.00	3.00	3.00	3.00
Utility Clerks	4.00	4.00	4.00	4.00
Electric	11.00	10.00	10.00	10.00
Water	5.00	6.00	6.00	6.00
Sewer	5.00	5.00	5.00	5.00
Refuse	6.00	6.00	5.00	5.00
Total	<u>105.50</u>	<u>106.50</u>	<u>105.00</u>	<u>104.50</u>

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

Source: City Payroll Records

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
1.00	1.00	1.00	1.00	1.00	1.00
8.00	8.00	8.00	8.00	8.00	8.00
0.50	0.50	0.50	0.50	0.50	0.50
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00	0.00
14.00	13.00	14.00	14.00	14.00	14.00
5.00	5.00	5.00	5.00	5.00	5.00
9.00	10.00	12.00	15.00	17.00	16.00
13.00	13.00	14.00	14.00	14.00	15.00
8.00	10.00	10.00	12.00	12.00	11.00
0.00	0.00	0.00	0.00	0.00	0.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	6.00	6.00	6.00	7.00	7.00
1.00	1.00	1.00	1.00	1.00	1.00
9.00	9.00	10.00	10.00	10.00	10.00
3.00	3.00	3.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	2.00	2.00
10.00	10.00	11.00	11.00	11.00	11.00
6.00	6.00	6.00	6.00	6.00	6.00
4.00	4.00	4.00	4.00	4.00	5.00
4.00	6.00	6.00	6.00	6.00	7.00
<u>108.50</u>	<u>116.50</u>	<u>122.50</u>	<u>127.50</u>	<u>128.50</u>	<u>129.50</u>

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

Function/Program	2019	2018	2017	2016
Security of Persons and Property-Police				
Vehicle Mileage	103,295	105,323	99,266	110,984
Number of Traffic Citations and Arrests	1,342	1,520	1,516	1,319
Number of Parking Tickets Issued	243	389	374	398
Dollar Amount Collected for Tickets	\$1,840	\$3,800	\$3,110	\$3,600
Security of Persons and Property-Fire				
Number of EMS Calls	1,696	1,627	1,593	1,308
Number of Fire Calls	285	232	193	242
Miscellaneous Calls	0	0	0	297
Transportation				
Number of Gallons of R-S-2 Used to Fill Potholes	2,365	4,050	2,785	2,510
Number of Pounds of Crack Sealer Used	0	0	0	0
Number of Tons of Cold Mix Used	34	0	0	0
General Government				
Income Tax				
Number of Individual Accounts	5,469	5,441	5,321	5,302
Number of Business Accounts	845	800	783	786
Number of Business Withholding Accounts	1,032	1,034	945	963
Total Receipts Collected	\$4,586,319	\$4,276,937	\$2,722,228	\$2,605,349
Amount of Interest and Penalties Charged	\$12,237	\$15,209	\$23,237	\$27,186
Amount of Interest and Penalties Collected	\$9,916	\$5,039	\$10,173	\$7,035
City Commission				
Number of Ordinances Passed	53	52	44	39
Number of Resolutions Passed	9	12	7	9
Electric Department				
Kilowatt Hours Used	235,357,363	202,731,328	196,177,718	194,987,050
City Cost of Power	\$15,246,953	\$14,943,134	\$14,060,825	\$12,990,723
Water Department				
Number of Wells Operating	6	6	6	6
Millions of Gallons of Finished Water	657.10	559.06	576.42	530.80
Chlorine Used (gallons)	18,731	19,007	16,051	16,458
Phosphate Used (gallons)	2,481	2,495	2,664	2,514
Salt in Tons (regenerates softening units)	2,059	1,907	2,116	2,297
Number of Gallons of Water Able to be Pumped a Day Combined	4,000,000	3,000,000	3,000,000	3,000,000
Daily Average Consumption (gallons)	1,800,250	1,531,000	1,583,000	1,450,035
Maximum Daily Capacity of Treatment Plant (gallons)	4,000,000	2,500,000	2,500,000	2,500,000
Sewer Department				
Number of Gallons of Sewage Treated (in millions)	1,149	1,033	996	851
Average Daily Flow (millions of gallons per day)	3.15	2.84	2.72	2.32
Maximum Daily Capacity of Treatment Plant (gallons)	6,000,000	6,000,000	6,000,000	6,000,000
Number of Tons of N-Viro Produced (fertilizer)	3,329	3,579	3,029	3,634
Refuse Department				
Number of Tons of Refuse Collected	3,944	3,944	3,891	3,795
Number of Trash Bags Sold (in cases of 250 bags)	1,005	983	970	960
Number of Tons of Recycling Collected	529	854	820	729
Number of Gallons of Used Motor Oil Collected and Recycled	1,000	2,000	2,200	2,055
Engineering				
Number of Registered Contractors	225	203	163	188
Number of Building Permits Issued	272	247	239	246

Source: City Records

2015	2014	2013	2012	2011	2010
115,612	113,720	118,841	116,181	107,529	118,129
1,187	1,023	1,143	797	961	1,092
444	291	435	369	340	489
\$4,100	\$2,990	\$4,390	\$3,690	\$3,400	\$4,630
1,159	1,283	1,260	1,249	1,074	1,016
300	39	21	17	38	41
240	232	219	214	229	240
2,655	0	0	0	0	2,200
0	0	0	0	0	2,000
0	0	0	0	0	0
5,198	4,765	5,435	4,996	4,740	4,713
803	773	828	862	827	804
923	880	963	947	925	879
\$2,645,764	\$2,602,279	\$2,590,749	\$2,280,139	\$2,271,225	\$2,244,992
\$13,813	\$31,323	\$26,254	\$26,912	\$35,654	\$29,401
\$4,668	\$15,910	\$26,293	\$8,504	\$25,571	\$11,130
41	37	33	54	62	46
12	4	5	11	11	9
203,673,910	205,979,185	197,323,034	186,176,513	180,959,049	182,091,811
\$12,379,952	\$12,656,390	\$12,223,007	\$11,076,435	\$11,968,304	\$12,224,095
6	7	7	7	10	7
524.00	543.00	503.00	519.00	537.00	532.00
16,556	17,649	15,275	14,695	15,799	14,362
2,268	2,138	1,887	2,035	1,755	2,961
2,056	1,861	1,693	1,571	1,296	1,448
3,000,000	3,000,000	3,000,000	2,500,000	2,700,000	2,700,000
1,437,000	1,450,000	1,400,000	1,350,000	1,470,000	1,579,000
2,500,000	2,500,000	2,500,000	2,500,000	2,560,000	2,722,000
1,068	1,063	1,101	1,013	1,332	911
2.92	2.91	3.02	2.76	3.66	2.49
6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
4,091	3,013	3,273	4,775	3,830	3,152
3,832	3,692	3,621	3,680	3,680	4,119
988	1,080	1,018	935	962	757
713	n/a	n/a	831	816	1,077
1,700	3,000	4,600	2,900	2,900	2,900
178	192	232	225	240	239
252	235	317	254	233	213

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

Function/Program	2019	2018	2017	2016
Security of Persons and Property-Police				
Stations	1	1	1	1
Vehicles	14	13	12	9
Security of Persons and Property-Fire				
Stations	1	1	1	1
Fire Trucks	5	5	5	5
Trailer	0	0	0	0
Vehicles	3	3	3	4
Public Health				
Vehicles	4	4	3	3
Transportation				
Streets (miles)	47.19	46.37	46.37	46.37
Vehicles	18	17	20	20
General Government				
Vehicles	1	1	1	1
Electric				
Electric Lines (miles)	106.34	105.68	103.37	103.37
Number of Substations	9	8	8	8
Vehicles	22	20	22	21
Water				
Water Lines (miles)	62.98	61.28	61.28	61.28
Number of Treatment Plants	2	2	2	2
Vehicles	7	7	7	8
Sewer				
Sanitary Sewer Lines (miles)	49.78	48.39	48.39	48.39
Storm Sewer Lines (miles)	30.02	28.19	28.19	28.19
Number of Treatment Plants	1	1	1	1
Vehicles	8	8	8	8
Refuse				
Vehicles	4	4	6	6
Recycling				
Vehicles	6	5	5	5
Engineering				
Vehicles	2	2	2	4

Source: City Records

2015	2014	2013	2012	2011	2010
1 12	1 12	1 9	1 11	1 11	1 10
1 7 1 4	1 7 1 3	1 7 1 3	1 7 1 2	1 7 1 2	1 5 1 2
3	3	3	3	3	3
46.37 22	46.37 22	46.20 22	46.20 22	46.16 22	46.16 19
1	1	1	1	1	1
103.37 8 14	103.37 8 11	103.37 8 11	103.37 8 10	103.37 8 9	103.37 8 9
61.28 2 9	61.28 2 9	61.00 2 9	61.00 2 8	61.00 2 8	61.00 1 5
48.39 28.19 1 5	48.39 28.19 1 4	48.20 27.93 1 4	48.20 27.93 1 4	48.20 27.93 1 4	48.20 27.93 1 4
6	5	4	4	4	4
5	5	5	5	5	4
3	3	3	3	3	3

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF WAPAKONETA

AUGLAIZE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/18/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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