



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF NAPOLEON
HENRY COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2024



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

City Council
City of Napoleon
255 West Riverview Avenue
Napoleon, Ohio 43545

We have reviewed the *Independent Auditor's Report* of the City of Napoleon, Henry County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2024 through December 31, 2024. 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 Napoleon is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

November 25, 2025

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**City of Napoleon
Henry County**

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

City of Napoleon
Henry County
255 West Riverview Avenue
Napoleon, Ohio 43545

To the Members of Council:

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Napoleon, Henry County, Ohio (the City) as of and for the year ended December 31, 2024, 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, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 or significant deficiencies may exist that were not identified.

City of Napoleon
Henry County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

BHM CPA Group

BHM CPA Group, Inc.
Portsmouth, Ohio
June 26, 2025

Henry County, Ohio



ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2024**

CITY OF NAPOLEON, OHIO



CITY OF NAPOLEON, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2024**

Prepared by the Finance Department

**Kevin Garringer
Director of Finance**

CITY OF NAPOLEON, OHIO



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HENRY COUNTY, OHIO**

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***I*NTRODUCTORY *S*ECITION**





CITY OF NAPOLEON, OHIO

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June 26, 2025

Introduction

To the Honorable Mayor, the City Council and the Citizens of the City of Napoleon, Ohio:

We are pleased to present the twenty-ninth (29th) **Annual Comprehensive Financial Report** (ACFR) of the City of Napoleon, Ohio (City), for the year ended December 31, 2024. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada and audited in accordance with Government Auditing Standards (GAS). GAAP requires a narrative introduction, overview, and analysis called the Management's Discussion and Analysis (MD&A), to accompany the basic financial statements and notes. This Letter of Transmittal (LOT) is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The Report

State law, along with *Administrative Rules* of the Auditor of State, requires all City governments to publish an Annual Report within 150 days of the close of each fiscal year. This report must present a complete set of financial statements presented in conformity with GAAP. This Annual Report for 2024 was filed with the Auditor of State on or before, May 31, 2025. Various City debt service *Trust Agreements* require Audited Annual Reports in accordance with GAS. Pursuant to these requirements, we hereby issue the ACFR of the City for the fiscal year ended December 31, 2024.

While there is no legal requirement for the preparation of an ACFR, it represents a commitment by the City, and its officers, to conform to nationally recognized standards of excellence in financial reporting. This report consists of management's representations concerning the finances of the City. Responsibility for both the accuracy of the presented data and the completeness and reliability of the presentation, including all disclosures, rests with City management.

City management has established various internal controls designed to compile reliable information for the preparation of the Annual Financial Statements in conformity with GAAP. The City's internal controls are designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City; and, that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

CITY OF NAPOLEON, OHIO

***Letter of Transmittal* For the Year Ended December 31, 2024**

The City's financial statements have been audited by BHM CPA Group Inc., Piketon, Ohio, an Independent Public Accountant (IPA) working as a contracted agent for the Auditor of State Office of Ohio (AOS), Keith Faber. The IPA issued an unmodified opinion that the basic financial statements are presented fairly in conformity with GAAP, in all material respects, representing the financial position of the City as of December 31, 2024. The report from the IPA is presented as the first component of the financial section of this report.

PROFILE OF THE CITY OF NAPOLEON

The first documented dwelling in Napoleon was a log cabin built in 1832. The town of Napoleon was founded in 1835 and later was made the county seat of Henry County. The name of "Napoleon" was given to the township by a group of Frenchmen who inhabited the area at that time. Local citizens adopted the name, and the town was officially incorporated as the Village of Napoleon in 1863. In 1950 the Village of Napoleon officially became the "*City of Napoleon*" as the population exceeded 5,000. The 2022 census is 8,762. The City is located on the Maumee River, and is about 40 miles southwest of Toledo, Ohio, 50 miles north of Lima, Ohio, 65 miles east of Fort Wayne, Indiana, 110 miles southwest of Detroit, Michigan, and 130 miles west of Cleveland, Ohio.

Two national highways US-6, and US-24 a four-lane limited access highway running east and west, bypass on the north edge of the City. Two state routes run north and south, SR-108 runs through the City, and SR-109 is outside the City 3 miles east. Entrances to the Ohio Turnpike, Interstate I-80/90 are located 12 miles north of the City, one off SR-108 and one off SR-109. Interstate I-75 is 25 miles east of the City crossing US-6. The City has a limited rail service running through the City provided by Defiance & Western Railway with connections to CSXT and Norfolk and Southern to the west in Defiance, Ohio. Main lines of CSXT and Norfolk and Southern run east and west through southern Henry County, and north and south lines of Canadian National Railroad are to the east in Wood County. Amtrak service is available in Bryan and Toledo, Ohio, and Fort Wayne, Indiana. Toledo Express Airport is located about 30 miles to the northeast in Lucas County and provides passenger and freight air services.

Form of Government

The Citizens of Napoleon, who were determined to exercise "*Home Rule*" authority, voted to become a *Chartered City*, as allowed by the State Constitution of Ohio, effective January 1, 1952. The City Charter has been amended several times since the first effective charter in 1952. The City Charter stipulates a charter review to be done every eight (8) years. In 2016, the City Charter underwent a full review by an appointed Charter Review Commission. The Commission recommended various changes to the Charter to be voted on by the Citizens of Napoleon. City Council agreed and placed these proposed changes before its Citizens for a vote on November 8, 2016; all proposed changes were passed with an effective date of January 1, 2018. The next Charter Review Commission will be formed and meet in 2024 for another full review.

CITY OF NAPOLEON, OHIO

Letter of Transmittal ***For the Year Ended December 31, 2024***

The City operates and is governed by a strong City Council (Council) with a Council/City Manager form of government. The City is subject to general laws applicable to all Cities under the Ohio Constitution. The City may exercise all powers of local self-government (known as *Home Rule*) and police powers to the extent that they do not conflict with the Ohio Constitution. Legislative authority is vested in a seven (7) member Council. The Mayor, who serves as ceremonial head of the City, is separately elected. The Mayor exercises limited executive and legislative authority as provided by the City Charter; however, the Mayor has all judicial powers as conferred upon mayors under Ohio law. The Council enacts ordinances and resolutions, approves contracts, fixes compensation of City officials and employees, sets rates and policy's relating to City general governmental services (including proposing income and property tax levies (voted levies)), sets utility rates, approves appropriations and borrowing money, regulates businesses and trades, and all other related municipal services related to the City.

General elections for the City are held every two years, alternating with four (4) council seats and then three (3) council seats plus the Mayor. All council seats and the Mayor are elected at-large and terms of office are four (4) years. The Municipal Court Judge is separately elected every six (6) years. The Council President is the presiding officer of Council and is elected by sitting Council members. For information about the Mayor and Council, please visit our website at www.napoleonohio.com. Except for Municipal Court, the Charter establishes certain administrative departments and Council may establish additional departments as needed; Council establishes all department positions. By Charter, the City Manager, Finance Director, Law Director and Clerk of Council are all appointed by and serve at the pleasure of Council with no specified term limits. Except for departments of Finance, Law and Municipal Court, the City Manager has authority over all other operational departments and appoints those department heads. Subject to approval of Council, both Council and the Mayor, and on certain boards the City Manager, recommends appointments of individuals to the various City boards and commissions.

Municipal Services

The City offers a wide variety of services to its Citizens as authorized by its Charter, the Ohio Revised Code (ORC), and City Administrative Code. The broad categories of services include police and fire protection; emergency medical rescue services; streets maintenance; traffic control; planning and engineering; building and zoning code enforcement; cemeteries; community development; municipal court; recreation programs and parks (including various types of ball fields, playgrounds, picnic areas, a golf course, a pool and a boat ramp); economic development; and general administrative services. The City does not operate hospitals or schools, and it is not responsible for public assistance programs.

The City operates four (4) enterprise activities: 1) water treatment and distribution; 2) sewer wastewater collection and treatment, including the City's storm water system; 3) electric distribution for residential, commercial, and industrial customers; and 4) residential solid waste collection and disposal, including a curbside recycling program, a yard waste transfer station site, a mosquito control program, storm debris removal and two (2) seasonal bulk refuse collection events.

The City's enterprise activities are not subject to rate review by the Public Utilities Commission of Ohio (PUCO) or any similar regulatory body; however, by Charter, Council appoints a citizen's board called the Board of Public Affairs (BOPA) to review and make recommendations to Council on all enterprise activity including rates, policies and procedures. The Council, by City Charter and Home Rule, has the necessary authority to establish and amend utility user rates as required. All utility rates are monitored on an on-going basis to ensure their adequacy to meet operational, maintenance, debt service and capital replacement needs. Final responsibility for enterprise rate changes lies solely with the Council.

CITY OF NAPOLEON, OHIO

Letter of Transmittal ***For the Year Ended December 31, 2024***

The City is 1 of 132 municipal utility members (from nine (9) states) in American Municipal Power, Inc. (AMP). AMP is a non-profit corporation organized in Ohio in 1971 for the purpose of owning, operating electric facilities, providing for the generation, transmission and distribution of electric power to its members. In addition, AMP purchases wholesale electric power and sells it to members at rates based on purchase price plus a small service fee. AMP also develops alternative power sources, reviews short and long-term power needs, and operates a power dispatch center 24 hours a day, 365 days a year, to serve its member communities. The City participates in three (3) joint ventures all managed by AMP; in addition, the City is contractually obligated for costs related to various "Take-or-Pay" power contracts including the AMPGS project terminated in 2009 by AMP participants following an unexpected increase in costs.

Detailed descriptions of the City's obligation to joint ventures and other various contracted power contracts are listed in the Notes to the Financial Statements under Joint Ventures and Jointly Governed Organizations and Contingencies. Currently the City has a closed electric system and does not offer outside power sources to its customers from other power providers.

The City has a contract with Henry County for the operation of a County/City Community Improvement Corporation (CIC) for the purpose of Economic Development. Mutual aid contracts for fire and emergency medical services are between the City, certain county Townships and the Henry County South Joint Ambulance District. Henry County operates the Health District, in which the City participates contractually, but has no direct fiduciary responsibility by agreement. The City has a contract with the Napoleon/Henry County Chamber of Commerce to operate a Tourist Bureau funded by one half (1/2) of a lodge tax of six (6%) percent imposed by Council and collected by the City through the Income Tax Division of the Finance Department.

The Reporting Entity

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, "*The Financial Reporting Entity*", in that the financial statements include all the organizations, activities, functions and component units for which the City (The Reporting Entity) is Financially Accountable. Financial Accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the reporting entity of the City has no component units.

Budgetary and Accounting Controls

The City's budgetary accounting system was designed to provide reasonable assurance that:

1. The City's assets are protected against loss and unauthorized use or disposition; and
2. Reliable financial reports for preparing financial statements and providing accountability for assets maintained.

It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

CITY OF NAPOLEON, OHIO

Letter of Transmittal ***For the Year Ended December 31, 2024***

Budgetary control is on the cash basis of accounting and is maintained at the object level for each function within each fund by legislation approved by Council. The various objects are:

Personal Services:	Other Expenditures:
<ul style="list-style-type: none">• Salary and Wages• Fringe Benefits	<ul style="list-style-type: none">• Contractual Services• Materials and Supplies• Capital Outlays• Transfers (Within Funds)• Debt Service – Principal & Interest

Lower levels within each object are accounted for and reported internally. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered (Certification of Funds) prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level of appropriations are not approved unless additional appropriations are authorized. The City Manager and Finance Director have authority to move appropriations within a specific object, but must have legislative approval to move appropriations or supplement appropriations from one object category to a different object category. Unencumbered appropriations return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year. The City's fiscal year currently coincides with the calendar year ending December 31st. The final budget must be adopted by City Council no later than March 31st in the fiscal year to which it applies.

2024 Year in Review

The local economy has become flat. The income tax collections were down 2.5% compared to the previous year, other communities also saw a decrease in income tax projections from the previous year. The water, sewer, electric and sanitation funds were strong. Water and sewer use remained steady and sanitation fund collections remained level. The electric usage throughout the City remained the same as in 2024, the City's rolling 3-month Power Supply Cost Adjustment Factor averaged at .0125 per KWH for the year. Napoleon did not see widespread business closures. Napoleon did approve of a future 200 plus unit market based apartments project expected to be started by 2025.

Comparing municipal income taxes, on a cash basis, for 2024 to 2023, the overall combined total income tax collections was down by 2.56%. Withholdings were down 2.97% and business net profit taxes were down by 8.3% and individual taxes were up by 4.03%, in 2024 as compared to 2023. Actual income tax revenues collected in 2024 at the one and a half (1.5%) percent rate was \$6,103,252, down by \$160,187 as compared to 2023. As of the date of this report, 2025 income revenue through May is up 5.41% as compared to the same period for 2024. Starting in 2022, the City's allowed credit (also known as the reduced income tax credit) for taxes paid to other Cities at 70% up to the rate of 1.5%. Starting July 1, 2022, the City began utilizing RITA for the income tax collection.

CITY OF NAPOLEON, OHIO

Letter of Transmittal ***For the Year Ended December 31, 2024***

The following are the private and public employers that have the largest work forces and are located inside and/or just outside (adjacent to) the City:

<u>Major Employers</u>	<u>Nature of Activity or Business</u>
<i>Inside City Limits:</i>	
Advance Drainage Systems	Manufacturer of Field Tile and Sewer Pipe
Automatic Feed Company	Automotive Tool and Die Machine Shop
City of Napoleon (Office & Services)	Governmental Services to the City
Cloverleaf Cold Storage *	Long Term Cold Storage and Warehousing
Custom Agri Systems	Manufacture & Repair Agriculture Equipment
Defiance Stamping *	Engineered & fabricated parts stamping
Northcrest Nursing Home	Rehabilitation Center & Long-term Care Facility
Henry County Hospital	Hospital Services and Care Facility
Henry County Offices	Governmental Services to the County
Koester Corporation	Industrial Control Systems
Snyder Chevrolet	Car Sales and Repairs
Lutheran Home	Rehabilitation Center & Long-term Care Facility
JAC Products	Tier I Auto Supplier
Napoleon Area City School District	Education – Elementary thru High School
Old Castle Precast *	Structural Foam Plastic Molding
Tenneco Automotive *	Rubber and Metal Shock Attenuation Parts
Wal-Mart Stores	Retail Sales
<i>Outside City Limits:</i>	
APA Solar Racking (Ridgeville Corners)	Solar Energy Racks and Panel Parts
Campbell Soup Supply Company, LLC **	Canned Soups, Beverages, Other Food Products
Filling Home of Mercy	Developmental Disabilities Care & Services
Gerken Materials	Road Construction and Materials
Dana	Drivetrain and e-Propulsion Systems
Silgan Can Company *	Produces Cans for the Food Market

* National Companies with Additional Locations

- ** Largest U.S. Location

CITY OF NAPOLEON, OHIO

Letter of Transmittal ***For the Year Ended December 31, 2024***

In 2024, the City accomplished numerous undertakings that provide for and promote the welfare of its residents:

- Resurfaced 28 different streets totaling 56 blocks with our Miscellaneous Street Improvement Project.
- Oakwood Avenue Improvements: Completed the largest street project in the City of Napoleon at \$4.1M with \$2.7M in grant funding. Replaced nearly 1,000 feet of sanitary sewer line.
- Third Street Sanitary Sewer Improvements: Replaced nearly 2,000 feet of failing sanitary sewer and paved five blocks of Third Street.
- CNC Fabrication, LLC. completed a \$1.2M project of a 20,000 Sq. Ft. facility.
- Renovation of the Glenwood Baseball Park was completed. Complete tear down and rebuild of an artificial turf field.
- PETRO Fuel Station installed electric car charging stations.

Napoleon continues to maintain essential services as expected by residents and businesses. The following are some of the major goals and projects for the future:

- Reconstruction of Neward Lane & Becca Lane – Replace deteriorated concrete pavement with asphalt pavement.
- E. Washington Sanitary Sewer Improvements – Replacement of the oldest remaining brick sanitary sewer in the City of Napoleon and reconstruct E. Washington Street.
- Fifth Street Waterline Improvements – Replacement of a failing water line on Fifth Street from Meekison Street to Brownell Avenue utilizing City personnel.
- Waterline River Crossing – Begin design of a replacement waterline crossing on the southwest side of the City.
- Work with the Community Improvement Corporation to continue industrial and commercial growth in the community by having them assist in the sale of unused/unneeded City parcels.

Continuous improvement is important to the City and the Citizen's we serve. Departments continue to do annual reviews of their operations for cost savings and to identify new potential revenue sources. The City continues the ongoing process of updating department policies and procedures for operational efficiencies, risk management and to reflect changes to City code.

AWARDS AND ACKNOWLEDGEMENTS

Independent Audit

Included in this report is an unmodified audit opinion rendered on the City's financial statements for the year ended December 31, 2024, issued by BHM CPA Group Inc. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of an ACFR, and to meet requirements of certain revenue trust agreements on enterprise revenue debt.

CITY OF NAPOLEON, OHIO

Letter of Transmittal ***For the Year Ended December 31, 2024***

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities that qualify. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both GAAP and applicable legal requirements respective to the reporting entity. An awarded Certificate of Achievement is valid for a period of one year only.

The City received a Certificate of Achievement for the fiscal year ended December 31, 2023. We believe this, our twenty-ninth (29th) Annual Financial Report for 2024, meets the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting, and so therefore the City is submitting it to GFOA for certification.

Public Disclosure

The publication of this ACFR is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. The report is made available on the City's website.

Acknowledgments

The City is grateful to those that assist to make this report possible, including the Henry County Auditor's Office, the Henry County Chamber of Commerce and CIC, and the audit staff of BHM CPA Group Inc.

Sincere appreciation is also extended to the many individuals who have worked diligently and contributed significant time and effort in gathering data for this report, particularly the staff of Donald J. Schonhardt & Associates, Inc., who through their continued knowledge and professionalism help make this annual project become a reality.

A special thank you is extended to the Members of City Council, the Mayor and the City Departments for the support and trust shown to the City Administration and the Finance Department and for allocating the resources and time for the development of this report. A final thank you goes to the Citizens of Napoleon, Ohio, who continue to support the many decisions made by the City in its financial operations.

Finally, we would especially like to recognize City staff, all of whom exhibited dedication and professionalism throughout the many hours required in preparing this report.

Respectfully submitted,



Kevin Garringer
Finance Director
City of Napoleon, Ohio



Lori Sinclair
City Manager
City of Napoleon, Ohio

CITY OF NAPOLEON, OHIO

List of Principal Officials ***For the Year Ended December 31, 2024***

Elected Officials

Name	Title	Term Expires	(*)Years of Service at 12/31/24	Surety
Joseph D. Bialorucki	Mayor	12/31/27	1.00	A
J. Ross Durham	President of Council	12/31/27	9.00	A
Brittany Schwab	President Pro-Tem of Council	12/31/27	1.00	A
David Cordes	Council Person	12/31/25	3.00	A
Robert Weitzel	Council Person	12/31/25	3.00	A
Kenneth Haase	Council Person	12/31/25	7.00	A
Tom Weaver	Council Person	12/31/27	1.00	A
Jordan McBride	Council Person	12/31/25	1.00	A

(*) Years represent those in current listed position; individual may have City time in other positions.

Appointed Officials

Name	Title	Term Expires	Years of Service	Surety
Lori Sinclair	City Manager	Indefinite	1.00	A
Billy D. Harmon	Law Director	Indefinite	8.00	A
Kevin Garringer	Director of Finance	Indefinite	4.00	Bonded *
Melissa K. Cotter	Clerk of Courts	Indefinite	8.00	A

(A) Surety - PEP Insurance Company, Public Official Bond Surety up to \$1,000,000.

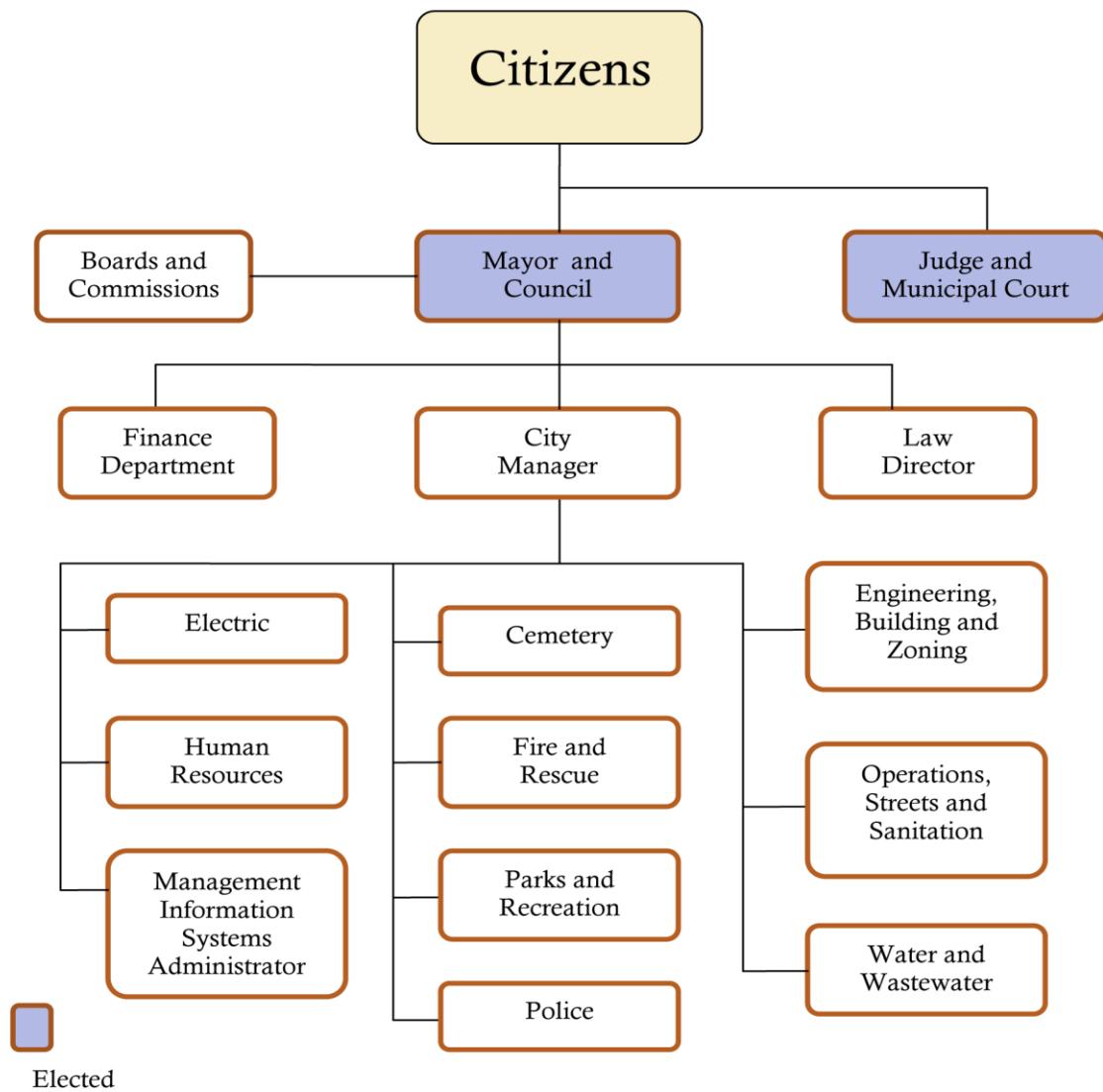
* Public Officials Faithful Performance Bond through Travelers Insurance Company in the amount of \$50,000

City Physical and Web Addresses:

City of Napoleon, Ohio
255 West Riverview Avenue
P.O. Box 151
Napoleon, Ohio 43545-0151
www.napoleonohio.com

CITY OF NAPOLEON, OHIO

***City Organizational Chart
For the Year Ended December 31, 2024***



Boards and Commissions

Board of Public Affairs	Lodge Tax and Advisory Control Board	Board of Zoning Appeals
Civil Service Commission	Planning Commission	Tree Commission
Charter Review Commission	Americans with Disabilities Act	Parks and Recreation Board
Board of Building Appeals	Compliance Board	Records Retention Commission
CIC Board	County/City General Health District	Housing Advisory Board
NCTV Advisory Board	Volunteer Firefighters Dependent Board	Tax Incentive Review Council
Privacy Committee	Preservation Commission	Health Care Cost Commission
Housing Council	Board of Review	Fair Housing Board
Napoleon Infrastructure / Economic Development	Safety Committee	Audit Committee
Fund Review Committee	Maumee Valley Planning and Organizational Board	Henry County Metropolitan Housing Authority

CITY OF NAPOLEON, OHIO

Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting



Government Finance Officers Association

**Certificate of
Achievement
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in Financial
Reporting**

Presented to

**City of Napoleon
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

City of Napoleon
Henry County
255 West Riverview Avenue
Napoleon, Ohio 43545-0151

To the Members of Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Napoleon, Henry County, Ohio (City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Napoleon, Henry County, Ohio as of December 31, 2024, 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 the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Supplementary information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BHM CPA Group

BHM CPA Group, Inc.
Portsmouth, Ohio
June 26, 2025



Management's Discussion and Analysis
For the Year Ended December 31, 2024

Unaudited

The management discussion and analysis (MD&A) of the City of Napoleon's (City) financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2024. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2024 are as follows:

- In total, net position increased \$6,613,024, from 2023. The net position of governmental activities increased \$4,557,517 from 2023; and the net position of business-type activities increased \$2,055,507, from 2023. Please see additional discussion on this item, and the Changes in Net position Table, both listed later in the MD&A.
- Total revenues exceeded \$43 million. \$9.7 million was general revenues, or 22% of the total revenues; and \$34.1 million was program specific revenues in the form of charges for services and sales, operating grants and contributions and capital grants and contributions, or 78% of the total revenues.
- The City had \$10.1 million in program expenses related to governmental activities; only \$5.5 million of these expenses were offset by program specific revenues. General revenues (primarily taxes) of \$9.2 million, plus excess cash reserves, were adequate to provide for the balance on these programs.
- Among major funds, the general fund had \$8.9 million in revenues, \$6.1 million in expenditures, (expenditures reflect a net of reimbursements (or off-sets) for shared administrative costs allocated to the business type activities) and other financing sources and uses. The general fund's fund balance increased \$616,480.
- Net position for the proprietary funds increased by \$2,055,672.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for nonmajor governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

CITY OF NAPOLEON, OHIO

***Management's Discussion and Analysis* For the Year Ended December 31, 2024**

Unaudited

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements report information about the City as a whole using accepted methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net-position (the difference between the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources) are one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as property tax base, current property tax laws, conditions of the City's streets and general infrastructure and status of growth within the City.

The government-wide financial statements of the City are divided into two categories:

- Governmental Activities – Most of the City's programs and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's electric, water, sewer and sanitation services are reported as business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled in the financial statements.

CITY OF NAPOLEON, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2024

Unaudited

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities and a separate Statement of Fiduciary Net Position.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of net position between 2024 and 2023:

	Governmental Activities		Business-type Activities		Total	
	Restated		Restated		Restated	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$14,864,227	\$14,411,845	\$34,910,257	\$34,196,579	\$49,774,484	\$48,608,424
Capital assets, Net	51,568,479	47,111,949	66,563,854	64,390,349	118,132,333	111,502,298
Total assets	66,432,706	61,523,794	101,474,111	98,586,928	167,906,817	160,110,722
Deferred outflows of resources	4,340,468	4,827,720	1,444,632	2,045,520	5,785,100	6,873,240
Net pension liability	11,349,998	11,215,742	4,052,078	4,314,455	15,402,076	15,530,197
Net OPEB liability	529,263	573,258	0	93,429	529,263	666,687
Other long-term liabilities	4,738,169	4,821,305	42,592,569	41,956,373	47,330,738	46,777,678
Other liabilities	349,701	474,091	1,396,467	1,433,433	1,746,168	1,907,524
Total liabilities	16,967,131	17,084,396	48,041,114	47,797,690	65,008,245	64,882,086
Deferred inflows of resources	1,853,297	1,871,889	103,336	115,972	1,956,633	1,987,861
Net position:						
Net investment in capital assets	47,938,349	43,296,009	24,657,029	23,223,589	72,595,378	66,519,598
Restricted	5,047,487	4,792,178	142,302	0	5,189,789	4,792,178
Unrestricted (deficit)	(1,033,090)	(692,958)	29,974,962	29,495,197	28,941,872	28,802,239
Total net position	\$51,952,746	\$47,395,229	\$54,774,293	\$52,718,786	\$106,727,039	\$100,114,015

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This

CITY OF NAPOLEON, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2024

Unaudited

approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*.

GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

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

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

CITY OF NAPOLEON, OHIO

Management's Discussion and Analysis
For the Year Ended December 31, 2024

Unaudited

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for Services and Sales	\$2,209,562	\$2,000,455	\$26,630,460	\$26,063,219	\$28,840,022	\$28,063,674
Operating Grants and Contributions	944,226	906,941	0	0	944,226	906,941
Capital Grants and Contributions	2,319,446	81,069	2,081,545	1,078,595	4,400,991	1,159,664
General revenues:						
Property Taxes	836,555	739,820	0	0	836,555	739,820
Payments in Lieu of Taxes	28,435	32,514	0	0	28,435	32,514
Municipal Income Taxes	5,570,254	6,032,896	0	0	5,570,254	6,032,896
Other Local Taxes	479,679	565,869	0	0	479,679	565,869
Grants and Entitlements						
not Restricted to Specific Programs	655,166	718,723	0	0	655,166	718,723
Investment Earnings	857,728	1,140,005	583,090	552,149	1,440,818	1,692,154
Miscellaneous	781,134	263,465	0	0	781,134	263,465
Total revenues	<u>14,682,185</u>	<u>12,481,757</u>	<u>29,295,095</u>	<u>27,693,963</u>	<u>43,977,280</u>	<u>40,175,720</u>
Program Expenses:						
Security of Persons and Property	6,417,536	5,387,034	0	0	6,417,536	5,387,034
Public Health and Welfare Services	125,597	113,129	0	0	125,597	113,129
Leisure Time Activities	1,398,033	1,019,200	0	0	1,398,033	1,019,200
Community Environment	54,021	93,948	0	0	54,021	93,948
Transportation	703,233	1,094,207	0	0	703,233	1,094,207
General Government	1,371,871	1,207,352	0	0	1,371,871	1,207,352
Interest and Fiscal Charges	54,377	64,146	0	0	54,377	64,146
Electric	0	0	17,481,794	14,827,672	17,481,794	14,827,672
Water	0	0	5,163,332	4,488,426	5,163,332	4,488,426
Sewer	0	0	3,408,927	3,864,720	3,408,927	3,864,720
Sanitation	0	0	1,185,535	997,595	1,185,535	997,595
Total expenses	<u>10,124,668</u>	<u>8,979,016</u>	<u>27,239,588</u>	<u>24,178,413</u>	<u>37,364,256</u>	<u>33,157,429</u>
Change in Net Position Before Transfers	<u>4,557,517</u>	<u>3,502,741</u>	<u>2,055,507</u>	<u>3,515,550</u>	<u>6,613,024</u>	<u>7,018,291</u>
Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Change in Net Position	<u>4,557,517</u>	<u>3,502,741</u>	<u>2,055,507</u>	<u>3,515,550</u>	<u>6,613,024</u>	<u>7,018,291</u>
Net Position as Previously Reported	47,679,094	0	53,014,005	0	100,693,099	0
Change in Accounting Principle (GASB Statement 101)	(283,865)	0	(295,219)	0	(579,084)	0
Beginning Net Position, as Restated	<u>47,395,229</u>	<u>44,176,353</u>	<u>52,718,786</u>	<u>49,498,455</u>	<u>100,114,015</u>	<u>93,674,808</u>
Ending Net Position	<u>\$51,952,746</u>	<u>\$47,679,094</u>	<u>\$54,774,293</u>	<u>\$53,014,005</u>	<u>\$106,727,039</u>	<u>\$100,693,099</u>

CITY OF NAPOLEON, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2024

Unaudited

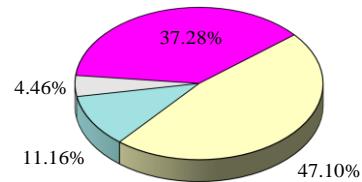
Governmental Activities

The City's governmental activities net position increased by \$4,557,517 from 2023 to 2024. Much of this increase was related to increases in property tax revenue, paired with increases in both charges for services and capital grants from 2023 to 2024.

The City receives an income tax, which is based on 1.5% of all salaries, wages, commissions and other compensation earned from residents living within the City and from nonresidents for work done or services performed or rendered in the City.

Property taxes and income taxes made up 5.7% and 37.9% respectively of revenues for governmental activities for the City in fiscal year 2024. The City's reliance upon tax revenues is demonstrated by the following graph indicating 47.10% of total revenues from general tax revenues:

Revenue Sources	2024	Percent of Total
General Shared Revenues	\$655,166	4.46%
Program Revenues	5,473,234	37.28%
General Tax Revenues	6,914,923	47.10%
General Other	1,638,862	11.16%
Total Revenue	\$14,682,185	100.00%



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CITY OF NAPOLEON, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2024

Unaudited

Business-Type Activities

In 2024, the total net position of all business-type activities increased by \$2,055,507. Just like in the governmental activities, much of this increase was related to an increase in charges for services. The City also had an increase in capital contributions during 2024 related to an increase in capital grant revenue received in 2024 for various improvements to the utility infrastructure throughout the City during 2024.

User rates in the enterprise funds are evaluated annually by management with rate adjustments recommended by City administration to the Board of Public Affairs and the City Council (legislative body) for review and formal approval. Changes to user rates are made periodically whenever necessary to keep pace with increased operational and capital costs.

FINANCIAL ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS

The City's governmental funds reported a combined fund balance of \$11,806,669, which is an increase of \$411,163 from last year's balance of \$11,395,506. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2024 and 2023:

	Fund Balance December 31, 2024	Fund Balance December 31, 2023	Increase (Decrease)
General	\$4,316,197	\$3,699,717	\$616,480
Special Assessment Bond Retirement	653,984	634,495	19,489
Capital Improvement	1,649,005	1,888,876	(239,871)
Aquatic Center	106,186	192,469	(86,283)
Other Governmental	5,081,297	4,979,949	101,348
Total	\$11,806,669	\$11,395,506	\$411,163

General Fund – The City's General Fund balance increased primarily due to an increase in investment earnings. The tables that follow assist in illustrating the financial activities of the General Fund:

	2024 Revenues	2023 Revenues	Increase (Decrease)
Taxes (Income, Property and Other)	\$6,536,838	\$6,172,909	\$363,929
Intergovernmental Revenue	372,359	427,820	(55,461)
Charges for Services	679,780	589,229	90,551
Licenses and Permits	71,682	74,479	(2,797)
Investment Earnings	736,412	991,973	(255,561)
Fines and Forfeitures	122,582	121,437	1,145
All Other Revenue	457,960	236,511	221,449
Total	\$8,977,613	\$8,614,358	\$363,255

General Fund revenues in 2024 increased 4.2% compared to revenues in fiscal year 2023. The most significant factors contributing to this increase was an increase in property taxes from 2023 to 2024.

CITY OF NAPOLEON, OHIO***Management's Discussion and Analysis
For the Year Ended December 31, 2024******Unaudited***

	2024 Expenditures	2023 Expenditures	Increase (Decrease)
Security of Persons and Property	\$4,811,570	\$4,257,875	\$553,695
Public Health and Welfare Services	110,974	103,104	7,870
Community Environment	45,000	45,000	0
General Government	1,182,897	1,077,251	105,646
Total	\$6,150,441	\$5,483,230	\$667,211

General Fund expenditures increased by \$667,211 in 2024 from 2023. The largest increase was \$553,695 in Security of Persons and Property. This is attributed to a slight increase in salaries and benefits for both the police and fire personnel from 2023 to 2024. General Government expenditures reflect a net of reimbursements (or off-sets) for shared administrative costs allocated to the business type activities. In addition, reimbursements (off-sets), and fund transfers, are included for the inside the City kilowatt hour (kWh) tax monies collected in the Electric Fund, and directed back to the General Fund pursuant to Ohio law. The kWh tax reimbursements off-set the general government charged utilities of electric and water, with the net balance receipted to the General Fund.

The Special Assessment Bond Retirement Fund showed a balance increase in 2024 while the Capital Improvement Fund balances decreased in 2024 from 2023. The Aquatic Center Fund balance showed a decrease from 2023 to 2024 mostly due to an increase in transfers out of the fund during 2024. The Other Governmental Funds increased in 2024 from 2023. All of these were slight changes which can be attributed to the annual activities of these funds. The decrease in the Capital Improvement Fund balance was mostly related to an increase in capital expenditures during 2024. The increase in the Special Assessment Bond Retirement Fund can be attributed to the decrease in principal and interest payments on special assessment debt during the year.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances (known as Cash Basis). The most significant budgeted fund is the General Fund. During the course of fiscal year 2024 the City amended its General Fund budget, along with other funds, various times on an as needed basis.

In the General Fund, the final budget basis for revenue was \$9.2 million, including other financing sources. This was an increase from the original conservative budget estimates of \$7.9 million mostly related to an anticipation of increased income tax revenue for the year. The General Fund had an adequate revenue stream and fund balance reserves to cover its expenditures in 2024.

CITY OF NAPOLEON, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2024

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2024 the City had \$118,132,333 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$51,568,479 was related to governmental activities and \$66,563,854 to the business-type activities. The following table shows fiscal year 2024 and 2023 balances:

	Governmental Activities		Increase (Decrease)
	2024	2023	
Land	\$10,054,351	\$10,055,971	(\$1,620)
Construction in Progress	0	0	0
Improvements	15,625,570	15,319,145	306,425
Buildings	7,058,615	6,143,615	915,000
Machinery and Equipment	8,112,577	7,994,391	118,186
Infrastructure	43,076,859	38,832,228	4,244,631
Less: Accumulated Depreciation	(32,359,493)	(31,233,401)	(1,126,092)
Totals	\$51,568,479	\$47,111,949	\$4,456,530

	Business-Type Activities		Increase (Decrease)
	2024	2023	
Land	\$245,525	\$245,525	\$0
Construction in Progress	12,507,276	9,684,887	2,822,389
Buildings	26,698,611	26,644,240	54,371
Improvements	60,110,416	57,386,733	2,723,683
Machinery and Equipment	8,778,912	8,753,426	25,486
Less: Accumulated Depreciation	(41,776,886)	(38,324,462)	(3,452,424)
Totals	\$66,563,854	\$64,390,349	\$2,173,505

In the governmental activities, the increase in infrastructure is due to City road rebuilds and other building improvements and the increase to machinery and equipment is due to the normal replacement of aging equipment.

In the business-type activities, the large increase in construction in progress is related to the continued improvements at the waste water treatment facility. Once again the increase in machinery and equipment can be attributed to the normal replace of aging equipment during the year. (See NOTE 10 – CAPITAL ASSETS to the Basic Financial Statements for additional explanation and information.)

CITY OF NAPOLEON, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2024

Unaudited

Debt

At December 31, 2024, the City had \$10 million in bonds outstanding, \$835,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2024 and 2023:

	2024	Restated 2023
Governmental Activities:		
General Obligation Bonds	\$3,526,179	\$3,815,940
Compensated Absences	1,117,859	1,011,159
Financing Obligations	94,131	0
Net Pension Liability	11,349,998	11,215,742
Net OPEB Liability	529,263	573,258
Total Governmental Activities	<u>16,617,430</u>	<u>16,616,099</u>
Business-Type Activities:		
Revenue Bonds	\$6,886,793	\$7,499,898
WPCLF Loans Payable	2,455,626	2,850,798
OWDA Loans Payable	18,305,294	16,300,075
OPWC Loans Payable	100,000	125,000
OSWRC Deferred Loan Payable	230,889	230,889
WSRLA Loan	13,722,401	14,160,100
Compensated Absences	891,566	789,613
Net Pension Liability	4,052,078	4,314,455
Net OPEB Liability	0	93,429
Total Business-Type Activities	<u>46,644,647</u>	<u>46,364,257</u>
Totals	<u><u>\$63,262,077</u></u>	<u><u>\$62,980,356</u></u>

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to the other applicable political subdivisions within Henry County, Ohio, where Napoleon is located, is limited to ten mills. At December 31, 2024, the City's outstanding debt was below the legal limit. (See NOTE 14 – LONG TERM DEBT to the Basic Financial Statements for additional explanation and information.)

CITY'S GENERAL AND OTHER FUNDS BUDGETS AND OTHER ECONOMIC FACTORS

The City purposefully builds into its budget conservative revenue estimates with offsetting reductions or limited increases in base operating costs. Budgetary revenue estimates for the General Fund, and other funds, typically projects no growth, or estimated reductions as necessary, in the various revenue sources for each budgeted fund. Original budgeted expenditures for the General Fund, and other funds, are typically *projected to exceed revenues*. Reductions are made to budgeted expenditures, as necessary, to keep the funds in balance as required by State Law. The City utilizes actual or projected fund balance reserves for any negative differences in revenues to expenditures to keep the budget balanced. The original 2024 General Fund budgeted revenues were conservatively projected at \$7.6 million and ended up lower than the final actual revenues of \$8.8 million; and the budgeted expenditures were projected below the final actual expenditures. Comparing the General Fund 2024 original estimated revenues to the actual receipts on a cash basis, there was a 17% increase in actual receipts compared to estimated revenues, mostly related to income taxes for the year. Comparing the General fund 2024 original budgeted expenditures to actual expenditures on a cash basis, there was a 4% decrease in actual final expenditures compared to original budgeted expenditures. The process used in 2024 of the lower estimate to actual for revenues, and the higher estimate to actual for expenditures assists in keeping year ending fund reserves at sustainable levels, and helps to buffer any potential downturns, or slow growth periods, in local economic conditions.

During the 2024 budget review and approval process, certain department requests were reduced from original submissions; certain requested capital projects and capital acquisitions were reduced or eliminated; and only those items that City management and City Council determined necessary for base service levels were appropriated.

We continue to pursue new potential revenue sources, while reviewing the possibility of increasing existing sources. A close monitoring of current and projected economic conditions is an ongoing process each year to determine if increased revenues or reductions in expenditures are necessary to maintain fiscal stability.

Over the years, City budgets have reflected a number of actions, including a voted increase to income tax rates, to account for changes in economic conditions; and, for changes caused by reductions of shared governmental revenues from the State of Ohio, and other additional unfunded mandates placed on the City by both the State and Federal Governments. Budgetary reviews and adjustments are made quarterly throughout the year, as recommended by Management, and approved by City Council. Please see the letter of transmittal for a more in-depth review of the local economy and its impact on the City.

CITY OF NAPOLEON, OHIO

***Management's Discussion and Analysis* For the Year Ended December 31, 2024**

Unaudited

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. It is intended to reflect the most current and up to date information on the City for the period reported. However, if you have questions about this report or need additional financial information please contact the Finance Department by one of the following venues:

Written Request:	City of Napoleon, Ohio Attn: Department of Finance 255 West Riverview Avenue P.O. Box 151 Napoleon, Ohio 43545-0151
Phone Request:	Phone (419) 599-1235 FAX (419) 599-8393
E-mail Request:	kgarringer@napoleonohio.com
Web Page:	www.napoleonohio.com

CITY OF NAPOLEON, OHIO



CITY OF NAPOLEON, OHIO

Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 10,578,034	\$ 27,584,972	\$ 38,163,006
Receivables:			
Property Taxes	889,935	0	889,935
Municipal Income Taxes	1,506,440	0	1,506,440
Accounts	539,679	4,109,258	4,648,937
Intergovernmental	653,268	983,452	1,636,720
Interest	3,363	3,273	6,636
Special Assessments	81,076	41,504	122,580
Settlements	33,683	0	33,683
Loans	109,673	0	109,673
Internal Balances	(40,781)	40,781	0
Inventory of Supplies at Cost	350,055	1,751,873	2,101,928
Investment in Joint Venture	0	252,842	252,842
Net OPEB Asset	159,802	142,302	302,104
Capital Assets:			
Capital Assets Not Being Depreciated	10,054,351	12,752,801	22,807,152
Capital Assets Being Depreciated, Net	41,514,128	53,811,053	95,325,181
Total Assets	66,432,706	101,474,111	167,906,817
Deferred Outflows of Resources:			
Pension	3,874,783	1,322,527	5,197,310
OPEB	465,685	122,105	587,790
Total Deferred Outflows of Resources	4,340,468	1,444,632	5,785,100
Liabilities:			
Accounts Payable	56,454	1,274,331	1,330,785
Accrued Wages and Benefits	251,503	114,255	365,758
Intergovernmental Payable	37,581	0	37,581
Accrued Interest Payable	4,163	7,881	12,044
Noncurrent liabilities:			
Due Within One Year	855,795	1,443,336	2,299,131
Long-Term Liabilities:			
Due in More Than One Year	3,882,374	41,149,233	45,031,607
Net Pension Liability	11,510,505	4,052,078	15,562,583
Net OPEB Liability	526,018	0	526,018
Total Liabilities	17,124,393	48,041,114	65,165,507

(Continued)

CITY OF NAPOLEON, OHIO

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	861,061	0	861,061
Pension	279,815	21,908	301,723
OPEB	555,159	81,428	636,587
Total Deferred Inflows of Resources	1,696,035	103,336	1,799,371
Net Position:			
Net Investment in Capital Assets	47,938,349	24,657,029	72,595,378
Restricted For:			
OPEB	159,802	142,302	302,104
Capital Projects	241,204	0	241,204
Debt Service	770,663	0	770,663
Street Construction, Maintenance and Repair	1,608,399	0	1,608,399
Fire Equipment	571,078	0	571,078
Court Improvement	189,334	0	189,334
Other Purposes	1,507,007	0	1,507,007
Unrestricted (Deficit)	(1,033,090)	29,974,962	28,941,872
Total Net Position	\$ 51,952,746	\$ 54,774,293	\$ 106,727,039

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

Statement of Activities
For the Year Ended December 31, 2024

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 6,417,536	\$ 1,594,110	\$ 244,741	\$ 0
Public Health and Welfare Services	125,597	17,180	0	0
Leisure Time Activities	1,398,033	573,404	0	6,364
Community Environment	54,021	2,650	7,711	0
Transportation	703,233	9,263	676,557	2,178,082
General Government	1,371,871	12,955	15,217	135,000
Interest and Fiscal Charges	54,377	0	0	0
Total Governmental Activities	10,124,668	2,209,562	944,226	2,319,446
Business-Type Activities:				
Electric	17,481,794	16,809,808	0	0
Water	5,163,332	4,281,556	0	747,490
Sewer	3,408,927	4,531,535	0	1,334,055
Sanitation	1,185,535	1,007,561	0	0
Total Business-Type Activities	27,239,588	26,630,460	0	2,081,545
Totals	\$ 37,364,256	\$ 28,840,022	\$ 944,226	\$ 4,400,991

General Revenues:

- Property Taxes
- Payments in Lieu of Taxes
- Municipal Income Taxes
- Other Local Taxes (kWh Tax)
- Grants and Entitlements not Restricted to Specific Programs
- Investment Earnings
- Miscellaneous
- Total General Revenues and Transfers
- Change in Net Position
- Net Position as Previously Reported
- Change in Accounting Principle (GASB Statement 101)
- Net Position Beginning of Year, as Restated
- Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (4,578,685)	\$ 0	\$ (4,578,685)
(108,417)	0	(108,417)
(818,265)	0	(818,265)
(43,660)	0	(43,660)
2,160,669	0	2,160,669
(1,208,699)	0	(1,208,699)
(54,377)	0	(54,377)
<hr/>	<hr/>	<hr/>
(4,651,434)	0	(4,651,434)
0	(671,986)	(671,986)
0	(134,286)	(134,286)
0	2,456,663	2,456,663
0	(177,974)	(177,974)
<hr/>	<hr/>	<hr/>
0	1,472,417	1,472,417
<hr/>	<hr/>	<hr/>
(4,651,434)	1,472,417	(3,179,017)
836,555	0	836,555
28,435	0	28,435
5,570,254	0	5,570,254
479,679	0	479,679
655,166	0	655,166
857,728	583,090	1,440,818
781,134	0	781,134
<hr/>	<hr/>	<hr/>
9,208,951	583,090	9,792,041
4,557,517	2,055,507	6,613,024
47,679,094	53,014,005	100,693,099
(283,865)	(295,219)	(579,084)
<hr/>	<hr/>	<hr/>
47,395,229	52,718,786	100,114,015
<hr/>	<hr/>	<hr/>
\$ 51,952,746	\$ 54,774,293	\$ 106,727,039
<hr/>	<hr/>	<hr/>

CITY OF NAPOLEON, OHIO

Balance Sheet
Governmental Funds
December 31, 2024

	General	Bond Retirement	Special Assessment	Capital Improvement	Aquatic Center
Assets:					
Cash and Cash Equivalents	\$ 3,551,802	\$ 653,984	\$ 1,656,025	\$ 106,186	
Receivables:					
Property Taxes	405,563	0	0	301,606	
Municipal Income Taxes	1,506,440	0	0	0	
Accounts	57,632	0	0	0	
Intergovernmental	202,497	0	0	2,986	
Interest	2,705	113	0	18	
Special Assessments	0	0	0	0	
Settlements	0	0	0	0	
Loans	0	0	0	0	
Interfund Loans Receivables	0	0	2,800	0	
Inventory of Supplies, at Cost	21,956	0	0	0	
Total Assets	\$ 5,748,595	\$ 654,097	\$ 1,658,825	\$ 410,796	
Liabilities:					
Accounts Payable	\$ 41,458	\$ 0	\$ 9,820	\$ 0	
Accrued Wages and Benefits Payable	176,798	0	0	0	
Intergovernmental Payable	37,581	0	0	0	
Interfund Loans Payable	0	0	0	0	
Total Liabilities	255,837	0	9,820	0	
Deferred Inflows of Resources:					
Unavailable Amounts	784,264	113	0	12,379	
Property Tax for Next Fiscal Year	392,297	0	0	292,231	
Total Deferred Inflows of Resources	1,176,561	113	0	304,610	
Fund Balances:					
Nonspendable	35,573	0	0	0	
Restricted	0	653,984	0	106,186	
Committed	8,879	0	1,649,005	0	
Assigned	112,765	0	0	0	
Unassigned	4,158,980	0	0	0	
Total Fund Balances	4,316,197	653,984	1,649,005	106,186	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,748,595	\$ 654,097	\$ 1,658,825	\$ 410,796	

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 4,509,977	\$ 10,477,974
182,766	889,935
0	1,506,440
481,047	538,679
447,785	653,268
527	3,363
81,076	81,076
33,683	33,683
109,673	109,673
0	2,800
318,089	340,045
<hr/> <u>\$ 6,164,623</u>	<hr/> <u>\$ 14,636,936</u>
\$ 4,213	\$ 55,491
69,722	246,520
0	37,581
2,800	2,800
<hr/> <u>76,735</u>	<hr/> <u>342,392</u>
830,058	1,626,814
176,533	861,061
<hr/> <u>1,006,591</u>	<hr/> <u>2,487,875</u>
318,089	353,662
3,455,617	4,215,787
1,339,292	2,997,176
11,644	124,409
(43,345)	4,115,635
<hr/> <u>5,081,297</u>	<hr/> <u>11,806,669</u>
<hr/> <u>\$ 6,164,623</u>	<hr/> <u>\$ 14,636,936</u>

CITY OF NAPOLEON, OHIO

**Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2024**

Total Governmental Fund Balances	\$ 11,806,669
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Amounts reported for governmental activities in the statement of net position are different because

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. 51,504,252

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

Municipal Income Taxes	628,512
Property Taxes	28,611
Charges for Services	442,822
Interest Revenues	3,363
Special Assessments	81,076
Settlements	33,683
Intergovernmental	<u>408,747</u>
	1,626,814

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

Net OPEB Asset	154,133
Deferred Outflows - Pension	3,822,119
Deferred Inflows - Pension	(278,963)
Deferred Outflows - OPEB	460,822
Deferred Inflows - OPEB	(551,914)
Net Pension Liability	(11,349,146)
Net OEPB Liability	<u>(526,018)</u>
	(8,268,967)

Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds:
it is reported when due. (4,163)

Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 7,197

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

General Obligation Bonds Payable	(3,450,000)
Premium on General Obligation Bonds Payable	(76,179)
Compensated Absences Payable	(1,098,746)
Financing Obligations Payable	<u>(94,131)</u>
	(4,719,056)

Net Position of Governmental Activities \$ 51,952,746

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO



CITY OF NAPOLEON, OHIO

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Bond Retirement	Capital Improvement	Aquatic Center
Revenues:				
Property Taxes	\$ 377,446	\$ 0	\$ 0	\$ 294,590
Payments in Lieu of Taxes	0	0	0	0
Municipal Income Tax	5,679,713	0	0	0
Other Local Taxes (kWh Tax)	479,679	0	0	0
Intergovernmental Revenues	372,359	0	178,082	6,364
Charges for Services	679,780	0	0	0
Licenses and Permits	71,682	0	0	0
Investment Earnings	736,412	19,456	0	4,872
Special Assessments	0	36	0	0
Fines and Forfeitures	122,582	0	0	0
All Other Revenue	457,960	0	187,684	0
Total Revenue	8,977,613	19,492	365,766	305,826
Expenditures:				
Current:				
Security of Persons and Property	4,811,570	0	0	0
Public Health and Welfare Services	110,974	0	0	0
Leisure Time Activities	0	0	0	42,969
Community Environment	45,000	0	0	0
Transportation	0	0	0	0
General Government	1,182,897	3	0	0
Capital Outlay	0	0	2,156,954	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	6,150,441	3	2,156,954	42,969
Excess (Deficiency) of Revenues Over Expenditures	2,827,172	19,489	(1,791,188)	262,857
Other Financing Sources (Uses):				
Transfers In	280,081	0	1,664,827	0
Transfers Out	(2,487,454)	0	(113,510)	(349,140)
Other Financing Sources - Capital Leases	0	0	0	0
Total Other Financing Sources (Uses)	(2,207,373)	0	1,551,317	(349,140)
Net Change in Fund Balances	619,799	19,489	(239,871)	(86,283)
Fund Balances at Beginning of Year	3,699,717	634,495	1,888,876	192,469
Decrease in Inventory Reserve	(3,319)	0	0	0
Fund Balances End of Year	\$ 4,316,197	\$ 653,984	\$ 1,649,005	\$ 106,186

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

Other Governmental Funds	Total Governmental Funds
--------------------------------	--------------------------------

\$ 169,834	\$ 841,870
28,435	28,435
0	5,679,713
0	479,679
3,396,006	3,952,811
1,024,977	1,704,757
0	71,682
113,060	873,800
81,076	81,112
126,443	249,025
87,290	732,934
<u>5,027,121</u>	<u>14,695,818</u>

893,218	5,704,788
0	110,974
1,517,431	1,560,400
9,021	54,021
1,043,002	1,043,002
163,250	1,346,150
2,000,000	4,156,954
 308,338	308,338
<u>60,036</u>	<u>60,036</u>
<u>5,994,296</u>	<u>14,344,663</u>

(967,175)	351,155
 1,306,287	3,251,195
(311,091)	(3,261,195)
117,469	117,469
<u>1,112,665</u>	<u>107,469</u>
145,490	458,624
4,979,949	11,395,506
<u>(44,142)</u>	<u>(47,461)</u>
<u>\$ 5,081,297</u>	<u>\$ 11,806,669</u>

CITY OF NAPOLEON, OHIO

Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities For the Year Ended December 31, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 458,624
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Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in 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 period.

Capital Outlay	6,142,611
Depreciation	<u>(1,575,940)</u>
	4,566,671

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received.

(108,341)

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

Municipal Income Taxes	(109,459)
Property Taxes	(5,315)
Charges for Services	70,110
Special Assessments	81,076
Settlements	33,683
Interest	(16,072)
Intergovernmental	<u>(67,656)</u>
	(13,633)

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

Pension	833,891
OPEB	<u>10,464</u>
	844,355

Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension/OPEB expense in the statement of activities:

Pension	(1,237,225)
OPEB	<u>3,138</u>
	(1,234,087)

(Continued)

CITY OF NAPOLEON, OHIO

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position. In addition, repayment of bond, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Financing Obligation Issued	(117,469)
Premium on General Obligation Bonds Amortized	4,761
Financing Obligation Principal	23,338
General Obligation Bonds Principal	<u>285,000</u> 195,630

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. Premiums are reported as revenues when the debt is first issued; however, these amounts are deferred and amortized on the statement of net position.

Accrued Interest Payable	898
--------------------------	-----

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.

Decrease in Supplies Inventory	(47,461)
Increase in Compensated Absences Payable	<u>(105,110)</u> (152,571)

The internal service funds are used by management to charge the costs of services to individual funds and is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.

(29)

Change in Net Position of Governmental Activities

\$ 4,557,517

See accompanying notes to the basic financial statements



CITY OF NAPOLEON, OHIO

***Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 307,500	\$ 377,446	\$ 377,446	\$ 0
Municipal Income Tax	5,121,000	5,858,308	5,858,308	0
Other Local Taxes	495,000	479,679	479,679	0
Intergovernmental Revenue	334,500	366,474	366,474	0
Charges for Services	472,800	637,892	637,892	0
Licenses and Permits	76,100	71,682	71,682	0
Investment Earnings	200,000	482,740	482,740	0
Fines and Forfeitures	146,110	121,891	121,891	0
All Other Revenues	412,434	478,720	478,720	0
Total Revenues	7,565,444	8,874,832	8,874,832	0
Expenditures:				
Current:				
Security of Persons and Property	4,892,862	4,792,929	4,775,798	17,131
Public Health and Welfare Services	121,988	110,974	110,756	218
Community Environment	45,000	45,000	45,000	0
General Government	1,531,896	1,407,116	1,388,716	18,400
Total Expenditures	6,591,746	6,356,019	6,320,270	35,749
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	973,698	2,518,813	2,554,562	35,749
Other Financing Sources (Uses):				
Sale of Capital Assets	2,000	0	0	0
Transfers In	307,500	280,081	280,081	0
Transfers Out	(2,288,193)	(2,487,454)	(2,487,454)	0
Total Other Financing Sources (Uses):	(1,978,693)	(2,207,373)	(2,207,373)	0
Net Change In Fund Balance	(1,004,995)	311,440	347,189	35,749
Fund Balance at Beginning of Year	3,116,182	3,116,182	3,116,182	0
Prior Year Encumbrances	220,344	220,344	220,344	0
Fund Balance at End of Year	\$ 2,331,531	\$ 3,647,966	\$ 3,683,715	\$ 35,749

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2024**

	Business-Type Activities		
	Enterprise Funds		
	Electric	Water	Sewer
Assets:			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 15,411,149	\$ 3,307,635	\$ 7,552,376
<i>Receivables:</i>			
Accounts	2,666,632	595,538	684,456
Intergovernmental	0	747,446	236,006
Interest	1,195	568	1,282
Special Assessments	0	0	41,504
Inventory of Supplies at Cost	1,207,593	488,385	55,895
Total Current Assets	19,286,569	5,139,572	8,571,519
<i>Non Current Assets:</i>			
Capital Assets, Net	6,492,343	22,248,996	37,293,704
Net OPEB Asset	57,264	39,203	30,962
Investment in Joint Venture	252,842	0	0
Total Non Current Assets	6,802,449	22,288,199	37,324,666
Total Assets	26,089,018	27,427,771	45,896,185
Deferred Outflows of Resources:			
Pension	532,184	364,335	287,768
OPEB	49,135	33,638	26,569
Total Deferred Outflows of Resources	581,319	397,973	314,337
Liabilities:			
<i>Current Liabilities:</i>			
Accounts Payable	1,169,430	5,052	64,442
Accrued Wages and Benefits	47,223	31,392	23,941
Compensated Absences Payable - Current	164,113	82,768	75,345
Accrued Interest Payable	0	3,643	4,238
Revenue Bonds - Current	0	345,000	185,000
Ohio Public Works Commission Loan - Current	0	0	25,000
Ohio Water Development Authority Loans - Current	0	11,175	119,326
Water Pollution Control Loans - Current	0	0	403,135
Total Current Liabilities	1,380,766	479,030	900,427

CITY OF NAPOLEON, OHIO

Governmental Activities Internal Service		
Sanitation	Total	Fund
\$ 1,313,812	\$ 27,584,972	\$ 100,060
162,632	4,109,258	1,000
0	983,452	0
228	3,273	0
0	41,504	0
0	1,751,873	10,010
1,476,672	34,474,332	111,070
528,811	66,563,854	64,227
14,873	142,302	5,669
0	252,842	0
543,684	66,958,998	69,896
2,020,356	101,433,330	180,966
138,240	1,322,527	52,664
12,763	122,105	4,863
151,003	1,444,632	57,527
35,407	1,274,331	963
11,699	114,255	4,983
32,474	354,700	10,707
0	7,881	0
0	530,000	0
0	25,000	0
0	130,501	0
0	403,135	0
79,580	2,839,803	16,653

(Continued)

CITY OF NAPOLEON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2024**

	Business-Type Activities		
	Enterprise Funds		
	Electric	Water	Sewer
Compensated Absences Payable	295,218	89,373	92,171
Net Pension Liability	1,630,552	1,116,286	881,686
Revenue Bonds Payable	0	3,062,957	3,293,836
OWDA Loans Payable	0	0	18,174,793
OPWC Loans Payable	0	0	75,000
Ohio Sewer & Water Rotary Commission Deferred Loan P	0	59,459	171,430
Water Pollution Control Loans Payable	0	0	2,052,491
WSLRA Loans Payable	0	13,722,401	0
Total Long-Term Liabilities	1,925,770	18,050,476	24,741,407
Total Liabilities	3,306,536	18,529,506	25,641,834
Deferred Inflows of Resources:			
Pension	8,573	5,998	5,136
OPEB	32,767	22,433	17,718
Total Deferred Inflows of Resources	41,340	28,431	22,854
Net Position:			
Net Investment in Capital Assets	6,348,902	5,048,004	12,731,312
Restricted For:			
OPEB	57,264	39,203	30,962
Unrestricted	16,916,295	4,180,600	7,783,560
Total Net Position	\$ 23,322,461	\$ 9,267,807	\$ 20,545,834

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

Net Position of Business-type Activities

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

Governmental		
Activities		
Internal Service		
Sanitation	Total	Fund
60,104	536,866	8,406
423,554	4,052,078	161,359
0	6,356,793	0
0	18,174,793	0
0	75,000	0
0	230,889	0
0	2,052,491	0
0	13,722,401	0
<hr/> 483,658	<hr/> 45,201,311	<hr/> 169,765
<hr/> 563,238	<hr/> 48,041,114	<hr/> 186,418
2,201	21,908	852
<hr/> 8,510	<hr/> 81,428	<hr/> 3,245
<hr/> 10,711	<hr/> 103,336	<hr/> 4,097
528,811	24,657,029	64,227
14,873	142,302	5,669
<hr/> 1,053,726	<hr/> 29,934,181	<hr/> (21,918)
<hr/> \$ 1,597,410	<hr/> 54,733,512	<hr/> \$ 47,978
40,781		
<hr/> \$ 54,774,293		

CITY OF NAPOLEON, OHIO

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2024

Business-Type Activities			
Enterprise Funds			
	Electric	Water	Sewer
Operating Revenues:			
Charges for Services	\$ 16,395,716	\$ 4,257,161	\$ 4,475,851
Other Charges for Services	326,830	24,395	55,684
Total Operating Revenues	16,722,546	4,281,556	4,531,535
Operating Expenses:			
Personal Services	1,720,012	1,210,666	880,468
Contractual Services	2,152,851	1,976,703	88,071
Purchased Power	12,463,377	0	0
Materials and Supplies	486,349	577,892	133,493
Utilities	79,799	311,592	214,159
Depreciation	468,839	1,050,562	1,926,353
Total Operating Expenses	17,371,227	5,127,415	3,242,544
Operating Income (Loss)	(648,681)	(845,859)	1,288,991
Nonoperating Revenue (Expenses):			
Investment Earnings	212,748	107,775	222,501
Interest Expense	0	(35,907)	(166,345)
Other Local Taxes (kWh Tax)	122,637	0	0
Loss on Investment in Joint Venture	(35,375)	0	0
Other Nonoperating Expense (kWh Paid to State)	(110,499)	0	0
Total Nonoperating Revenues (Expenses)	189,511	71,868	56,156
Income (Loss) Before Transfers and Contributions	(459,170)	(773,991)	1,345,147
Transfers In	0	0	0
Capital Contributions	0	747,490	1,334,055
Change in Net Position	(459,170)	(26,501)	2,679,202
Net Position as Previously Reported	23,940,347	9,348,695	17,914,877
Change in Accounting Principle (GASB Statement 101)	(158,716)	(54,387)	(48,245)
Net Position Beginning of Year, as Restated	<u>23,781,631</u>	<u>9,294,308</u>	<u>17,866,632</u>
Net Position End of Year	\$ 23,322,461	\$ 9,267,807	\$ 20,545,834

Change in Net Position - Total Enterprise Funds

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

Change in Net Positioin - Business-type Activities

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

Governmental		
Activities		
Internal Service		
Sanitation	Total	Fund
\$ 978,854	\$ 26,107,582	\$ 71,818
28,707	435,616	279,186
<u>1,007,561</u>	<u>26,543,198</u>	<u>351,004</u>
463,910	4,275,056	183,311
504,293	4,721,918	7,377
0	12,463,377	0
99,771	1,297,505	162,666
2,051	607,601	250
<u>115,461</u>	<u>3,561,215</u>	<u>1,800</u>
<u>1,185,486</u>	<u>26,926,672</u>	<u>355,404</u>
(177,925)	(383,474)	(4,400)
40,066	583,090	0
0	(202,252)	0
0	122,637	0
0	(35,375)	0
0	(110,499)	0
<u>40,066</u>	<u>357,601</u>	<u>0</u>
(137,859)	(25,873)	(4,400)
0	0	10,000
0	2,081,545	0
(137,859)	2,055,672	5,600
1,769,140	52,973,059	48,172
(33,871)	(295,219)	(5,794)
<u>1,735,269</u>	<u>52,677,840</u>	<u>42,378</u>
<u>\$ 1,597,410</u>	<u>\$ 54,733,512</u>	<u>\$ 47,978</u>
	2,055,672	
	(165)	
	<u><u>\$ 2,055,507</u></u>	

CITY OF NAPOLEON, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-Type Activities Enterprise Funds		
	Electric	Water	Sewer
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$16,682,317	\$4,260,602	\$4,545,861
Cash Payments for Goods and Services	(15,241,343)	(2,979,231)	(443,643)
Cash Payments to Employees	(1,586,394)	(1,152,986)	(878,145)
Net Cash Provided (Used) by Operating Activities	<u>(145,420)</u>	<u>128,385</u>	<u>3,224,073</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	0	0
Receipts of Other Local Taxes	122,637	0	0
kWh Tax Paid to State	(110,499)	0	0
Net Cash Provided (Used) by Noncapital Financing Activities	<u>12,138</u>	<u>0</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(17,060)	(235,428)	(4,424,189)
Capital Contributions	0	2,254	617,898
OWDA Loan Issued	0	0	2,822,389
Principal Paid on Mortgage Revenue Bonds	0	(415,000)	(185,000)
Principal Paid on Ohio Public Works Commission Loan	0	0	(25,000)
Principal Paid on Ohio Water Development Authority Loans	0	(21,625)	(795,946)
Principal Paid on WPCLF Loan	0	0	(395,172)
Principal Paid on WSLRA Loan	0	(437,699)	0
Interest Paid on All Debt	0	(43,833)	(173,162)
Net Cash Used for Capital and Related Financing Activities	<u>(17,060)</u>	<u>(1,151,331)</u>	<u>(2,558,182)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	218,758	111,470	227,981
Net Cash Provided by Investing Activities	<u>218,758</u>	<u>111,470</u>	<u>227,981</u>
Net Increase (Decrease) in Cash and Cash Equivalents	68,416	(911,476)	893,872
Cash and Cash Equivalents at Beginning of Year	15,342,733	4,219,111	6,658,504
Cash and Cash Equivalents at End of Year	<u>\$15,411,149</u>	<u>\$3,307,635</u>	<u>\$7,552,376</u>

CITY OF NAPOLEON, OHIO

Governmental Activities		
Internal Service		
Sanitation	Totals	Funds
\$990,864	\$26,479,644	\$354,645
(570,749)	(19,234,966)	(174,139)
(429,493)	(4,047,018)	(174,139)
<hr/>	<hr/>	<hr/>
(9,378)	3,197,660	6,367
<hr/>	<hr/>	<hr/>
0	0	10,000
0	122,637	0
0	(110,499)	0
<hr/>	<hr/>	<hr/>
0	12,138	10,000
<hr/>	<hr/>	<hr/>
(69,817)	(4,746,494)	0
0	620,152	0
0	2,822,389	0
0	(600,000)	0
<hr/>	<hr/>	<hr/>
0	(25,000)	0
<hr/>	<hr/>	<hr/>
0	(817,571)	0
<hr/>	<hr/>	<hr/>
0	(395,172)	0
<hr/>	<hr/>	<hr/>
0	(437,699)	0
0	(216,995)	0
<hr/>	<hr/>	<hr/>
(69,817)	(3,796,390)	0
<hr/>	<hr/>	<hr/>
41,216	599,425	0
<hr/>	<hr/>	<hr/>
41,216	599,425	0
<hr/>	<hr/>	<hr/>
(37,979)	12,833	16,367
1,351,791	27,572,139	83,693
<hr/>	<hr/>	<hr/>
\$1,313,812	\$27,584,972	\$100,060
<hr/>	<hr/>	<hr/>

(Continued)

CITY OF NAPOLEON, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-Type Activities Enterprise Funds		
	Electric	Water	Sewer
Reconciliation of Operating Income (Loss) to Net Cash			
Provided (Used) by Operating Activities:			
Operating Income (Loss)	(\$648,681)	(\$845,859)	\$1,288,991
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	468,839	1,050,562	1,926,353
Changes in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	(40,229)	(20,954)	14,326
Decrease in Deferred Outflows of Resources	219,019	162,122	165,183
Increase in Inventory	(37,102)	(30,051)	(3,503)
Increase in Net OPEB Asset	(57,264)	(39,203)	(30,962)
Increase (Decrease) in Accounts Payable	(21,865)	(82,993)	(4,417)
Increase in Accrued			
Wages and Benefits	16,136	9,836	5,974
Decrease in Net Pension Liability	(57,536)	(65,083)	(129,722)
Decrease in Net OPEB Liability	(36,554)	(25,581)	(21,904)
Decrease in Deferred Inflows of Resources	(3,995)	(3,452)	(4,316)
Increase in Compensated Absences	53,812	19,041	18,070
Total Adjustments	503,261	974,244	1,935,082
Net Cash Provided (Used) by Operating Activities	<u>(\$145,420)</u>	<u>\$128,385</u>	<u>\$3,224,073</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2024, the Electric Fund and Sewer Fund had outstanding liabilities of \$143,441 and \$62,381, respectively, for the purchase of certain capital assets.

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

Governmental Activities		
Internal Service		
Sanitation	Totals	Funds
(\$177,925)	(\$383,474)	(\$4,400)
115,461	3,561,215	1,800
(16,697)	(63,554)	3,641
54,564	600,888	22,024
0	(70,656)	(2,689)
(14,873)	(142,302)	(5,669)
35,366	(73,909)	(1,157)
3,995	35,941	1,739
(10,036)	(262,377)	(6,434)
(9,390)	(93,429)	(3,632)
(873)	(12,636)	(446)
11,030	101,953	1,590
<hr/> 168,547	<hr/> 3,581,134	<hr/> 10,767
<hr/> (\$9,378)	<hr/> \$3,197,660	<hr/> \$6,367

CITY OF NAPOLEON, OHIO

Statement of Net Position
Fiduciary Funds
December 31, 2024

	Custodial Funds
Assets:	
Cash and Cash Equivalents	<u>\$ 7,244</u>
Total Assets	<u><u>7,244</u></u>
Liabilities:	
Intergovernmental Payable	<u>7,244</u>
Total Liabilities	<u><u>\$ 7,244</u></u>
Net Position:	
Total Net Position	<u><u>0</u></u>

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2024

	Custodial Funds
Additions:	
Contributions:	
Fines, Licenses and Permits for Distribution	759,618
Total Additions	<u>759,618</u>
Deductions:	
Distributions to Other Governments	759,618
Total Deductions	<u>759,618</u>
Net Change in Fiduciary Net Position	0
Net Position at Beginning of Year	0
Net Position End of Year	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Napoleon, Ohio (the City) is a home rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter, which provides for a Council/Manager form of government. The Charter was adopted November 7, 1950 and became effective January 1, 1952. The Charter was amended by vote on November 7, 2000, and became effective January 1, 2001; and the current Charter was amended by vote on November 8, 2016 and became effective January 1, 2018.

The financial statements are presented as of December 31, 2024 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, "*The Financial Reporting Entity*," as amended by GASB Statement No. 61 "*The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34*," in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which include the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and other governmental services. In addition, the City owns and operates a water treatment and distribution system, a wastewater treatment and collection system, an electric distribution system and provides refuse collection services all of which are reported as enterprise funds.

1. Joint Ventures with Equity Interest

Ohio Municipal Electric Generation Agency Joint Venture 2 (Omega JV-2) - The City is a participant with thirty-six subdivisions within the State of Ohio in a joint venture to provide supplemental reserve electric power to the participants on a cooperative basis. The Omega JV-2 was created for that purpose. The Omega JV-2 is managed by AMP which acts as the joint venture's agent. See Note 16 "Joint Ventures."

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

1. Joint Ventures with Equity Interest (Continued)

Ohio Municipal Electric Generation Agency Joint Venture 5 (Omega JV-5) - The City is a participant with forty-two subdivisions within the State of Ohio in a joint venture to construct a hydroelectric plant and associated transmission facilities in West Virginia on the Ohio River at the Belleville Locks and Dam and receive electricity from its operation. The Omega JV-5 was created for that purpose. See Note 16 "Joint Ventures."

Ohio Municipal Electric Generation Agency Joint Venture 6 (Omega JV-6) - The City is a participant with ten subdivisions within the State of Ohio in a distributive generation project using wind turbine technology. The Omega JV-6 was created for that purpose. See Note 16 "Joint Ventures."

Prairie State Energy Campus (the "PSEC Ownership Interest") - The City is a participant with sixty-eight subdivisions within the State of Ohio in a planned 1,600 MW coal-fired power plant and associated facilities in southwest Illinois. The PESC was created for that purpose. See Note 16 "Joint Ventures."

AMP Fremont Energy Center (AFEC) - The City is a participant in a non-binding memorandum of understanding (MOU) with FirstEnergy Corp. regarding the Fremont Energy Center ("AFEC"). AFEC is a 707 MW natural gas fired combined cycle generation plant with a Base Capacity of 512 MW, located near the City of Fremont, Ohio. See Note 16 "Joint Ventures."

Combined Hydroelectric Projects - The City is a participant with seventy-nine subdivisions within the State of Ohio in a distributive generation project using three hydroelectric projects. The Combined Hydroelectric Projects was created for that purpose. See Note 16 "Joint Ventures."

Meldahl Hydroelectric Project (the "Meldahl Project") - The City is a participant with forty-seven subdivisions within the State of Ohio in a distributive generation project using a three unit hydroelectric generation facility on the Captain Anthony Meldahl Locks and Dam, an existing dam, on the Ohio River, constructed by the United States Army Corps of Engineers and of related equipment and associated transmission facilities. See Note 16 "Joint Ventures."

Napoleon Solar - The City is a participant with three subdivisions within the State of Ohio in a 3.54 MW solar energy generation field on a brownfield area, including on top of an old land fill, in Napoleon, Ohio. The AMP, Inc. Solar Project 1 was created for that purpose. See Note 16 "Joint Ventures."

Greenup Hydroelectric Project - The City is a participant within the State in the Greenup Hydroelectric Facility. See Note 16 "Joint Ventures."

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

2. Joint Ventures without Equity Interest

Community Improvement Corporation - The City, along with Henry County is a participant in the joint venture to operate the Community Improvement Corporation (CIC). The corporation's duties are to advance, encourage and promote the industrial, economic, commercial and civic development of the City of Napoleon and Henry County. See Note 16 "Joint Ventures."

3. Jointly Governed Organization:

Maumee Valley Planning Organization - The City is a member of the Maumee Valley Planning Organization (MVPO), which is a jointly governed organization between Defiance, Fulton, Henry, Paulding, and Williams Counties and the respective townships and municipalities in each of those counties. The purpose of the MVPO is to act as a joint regional planning commission to write and administer Community Development Block Grants (CDBG) and help with housing rehabilitation in the area.

B. Basis of Presentation - Fund Accounting

The accounting policies and financial reporting practices of the City conform to generally accepted accounting principles as applicable to governmental units.

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds

Governmental Funds - Governmental funds are those funds through which most governmental functions are typically financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities and deferred inflows of resources (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

General Fund - This fund is used to account for all financial resources except those 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 and the limitations of the City Charter.

Special Assessment Bond Retirement Fund - To accumulate special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of assessment bonds.

Capital Improvement Fund - To account for financial resources, mainly income tax revenue transferred into the fund, used for the major capital projects undertaken by the City.

Aquatic Center Fund - To account for financial resources used for the construction of the Aquatic Center.

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

Proprietary Funds

All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, whereby the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major and non-major enterprise funds are:

Electric Fund – (Major) – To account for the operation of the City's electric distribution service.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Water Fund – (Major) – This fund is used to account for the operation of the City’s water service.

Sewer Fund – (Major) – This fund is used to account for the operation of the City’s sanitary sewer service.

Sanitation Fund – (Non-major) – This fund is used to account for the operation of the City’s sanitation (refuse) pickup and disposal service.

Internal Service Funds (Non-major) - These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has one internal service fund, the Garage Fund. This fund is used to account for monies received from city departments to cover the cost of servicing the vehicles of the City departments.

Fiduciary Funds

These funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City’s only fiduciary fund is a custodial fund. This fund is used to account for the collection and distribution of municipal court fines and forfeitures.

C. Basis of Presentation – Financial Statements

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 and those that are considered business-type activities. The internal service fund is eliminated to avoid “doubling up” revenues and expenses; however, the interfund services provided and used are not eliminated in the process of consolidation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental 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 and grants and contributions that are restricted to meeting the operational or capital requirements of 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 business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the modified accrual basis when the exchange takes place and the resources are available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. 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 specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, state levied locally shared taxes (including motor vehicle license fees and local government assistance). Income taxes other than those withheld by employers, licenses, permits, charges for service and other miscellaneous revenues are recorded as revenue when received in cash because generally this revenue is not measurable until received.

Special assessment installments, which are measurable, but not available at December 31, are recorded as deferred inflow of resources – unavailable amount. Property taxes measurable as of December 31, 2024, but which are not intended to finance 2024 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflow of resources as further described in Note 6 "Taxes".

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds and fiduciary funds. Revenues are recognized when they are earned and expenses recognized when incurred.

CITY OF NAPOLEON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Deferred Inflows/Outflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expenses/expenditures) until then. For the City, deferred outflows related to pension/OPEB are explained in notes 11 and 12.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for delinquent property taxes, income taxes, special assessments, charges for services, interest and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide statement of net position. (See Note 11 and 12)

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CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds other than custodial funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The only funds required to be reported in the basic financial statements are the general fund and any major special revenue funds. The primary level of budgetary control is at the object level within each department. Budgetary modifications may be made only by ordinance of the City Council.

1. Tax Budget

The Director of Finance and the City Manager submit an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

The budget commission has waived the filing of the budget, however, schedules A and B of the budget must be submitted to the commission.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process (Continued)

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2024.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level, the legal level of control. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified by the County Budget Commission. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. During 2024, several supplemental appropriations were necessary to budget the use of contingency funds, intergovernmental grant proceeds and capital improvement projects. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--General Fund" are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

CITY OF NAPOLEON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process (Continued)

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported in the fund balances for governmental funds in the accompanying basic financial statements.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

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CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process (Continued)

6. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. On the budgetary basis investment earnings are recognized when realized, whereas on a GAAP basis unrealized gains and losses are recognized when investments are adjusted to fair value.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund:

<u>Net Change In Fund Balance</u>	
	<u>General Fund</u>
GAAP Basis (as reported)	<u>\$619,799</u>
Increase (Decrease):	
Accrued Revenues at	
December 31, 2024	
received during 2025	(1,007,069)
Accrued Revenues at	
December 31, 2023	
received during 2024	1,034,949
Accrued Expenditures at	
December 31, 2024	
paid during 2025	218,256
Accrued Expenditures at	
December 31, 2023	
paid during 2024	(152,309)
2023 Adjustment to Fair Value	(544,723)
2024 Adjustment to Fair Value	291,051
Outstanding Encumbrances	<u>(112,765)</u>
Budget Basis	<u><u>\$347,189</u></u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, repurchase agreements, the State Treasury Asset Reserve (STAR Ohio) and certificates of deposit with original maturity dates of three months or less. The STAR Ohio is considered an investment for purposes of GASB Statement No. 3, but it is reported as a cash equivalent in the basic financial statements because it is a highly liquid instrument which is readily convertible to cash. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. For purposes of the statement of cash flows, the proprietary funds' shares of equity in pooled certificates of deposit are considered to be cash equivalents. See Note 5, "Cash, Cash Equivalents and Investments."

H. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*" and GASB Statement No. 72, "*Fair Value Measurement and Application*," the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

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. See Note 5, "Cash, Cash Equivalents and Investments."

The City's investment in the State Treasury Asset Reserve of Ohio (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 and is recognized as an external investment pool by the City. The City measures their 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 fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

J. Capital Assets and Depreciation

Contributed capital assets are recorded at acquisition value at the date received. Capital assets include land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

Capital assets are defined by the City as assets with an initial, individual cost of more than \$7,500.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition. These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements. All infrastructure acquired prior to the implementation of GASB Statement No. 34, *“Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments”*, has been reported.

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at acquisition value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Governmental and Business-Type Activities Estimated Lives (in years)
Buildings	25
Improvements other than Buildings/Infrastructure	10 - 50
Machinery, Equipment, Vehicles, Furniture and Fixtures	5 - 25

K. Long-Term Debt

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
General Obligation Bonds	General Obligation Bond Retirement Fund Water Fund
Mortgage Revenue Bonds	Sewer Fund, Water Fund
Ohio Public Works	Special Assessment Bond Retirement Fund
Commission Loans	Sewer Fund
OWDA Loans	Water Fund, Sewer Fund
OSWRC Loans	Sewer Fund, Water Fund
WPCLF Loans	Sewer Fund
WSLRA Loans	Water Fund
Pension Liability/OPEB Liability	General Fund Electric Fund Water Fund Sewer Fund Sanitation Fund Central Garage Rotary Fund General Fund Street Construction, Maintenance, and Repair Fund Recreation Fund Electric Fund Water Fund Sewer Fund Sanitation Fund Central Garage Rotary Fund
Compensated Absences	

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences

Employees of the City earn vacation leave at various rates within limits specified under collective bargaining agreements or under statute.

The rate of cash compensation for sick leave payout varies within specified limits under collective bargaining agreements or under law. Employees are paid 25% of the accumulated sick time upon retirement. Employees are eligible for retirement at age 60 with 5 years of service, age 55 with 25 years of service, and any age with at least 30 years of service. Compensation for sick leave is paid at the employee's full rate of pay at the time of termination or retirement.

GASB Statement No. 101, "*Compensated Absences*", requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. GASB Statement No. 101 establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. In addition, certain salary related payments that are directly and incrementally associated with the payments for leave should be included in the measurement of the liability.

For governmental funds, that portion of unpaid compensated absences that has matured is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Matured Compensated Absences Payable." In the government wide statement of net position, "Matured Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.

M. Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. 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 (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City has no formal policy authorizing a body or official to assign amounts for specific purposes.

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted (committed, assigned and unassigned) resources as they are needed.

O. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and 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 plan. 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 plans report investments at fair value.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Interfund Activity

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.

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. In addition, interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements. Only transfers between governmental activities and business-type activities are reported on the statement of activities.

Q. Estimates

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

R. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. 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 water treatment and distribution, wastewater collection and treatment, maintenance of storm water collection systems, electric generation and collection of solid waste refuse. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2024.

T. Fair Value

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. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 2 inputs are significant other observable inputs. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

A. Change in Accounting Principles

For 2024 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, “Accounting Changes and Error Corrections” and Statement No. 101, “Compensated Absences.”

GASB Statement No. 100 addresses accounting and financial reporting requirements for accounting changes and error corrections.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences.

The implementation of Statement 100 had no effect on beginning net position/fund balance.

B. Restatement of Net Position

Certain adjustments were necessary to beginning of year net position to implement GASB Statement No. 101 updating the recognition and measurement guidance for compensated absences.

This implementation had the following effect on net position as reported December 31, 2023:

	Governmental Activities	Business-Type Activities	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Garage Fund
Net Position December 31, 2023, as Reported	\$47,679,094	\$53,014,005	\$23,940,347	\$9,348,695	\$17,914,877	\$1,769,140	\$48,172
Adjustments:							
Implementation of GASB 101	(283,865)	(295,219)	(158,716)	(54,387)	(48,245)	(33,871)	(5,794)
Restated Net Position December 31, 2023	<u>\$47,395,229</u>	<u>\$52,718,786</u>	<u>\$23,781,631</u>	<u>\$9,294,308</u>	<u>\$17,866,632</u>	<u>\$1,735,269</u>	<u>\$42,378</u>

CITY OF NAPOLEON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

Fund Deficits - The fund deficits at December 31, 2024 of \$24,415 in the Police Pension Fund, \$16,130 in the Fire Pension Fund (special revenue funds) and \$2,800 in the Fire Facility Training Grant Fund (capital project fund) arise from the recognition of expenditures on the modified accrual basis of accounting which are greater than expenditures recognized on the budgetary basis and the posting of an interfund loan payable. The deficits do not exist under the cash basis of accounting. The General Fund provides transfers when cash is required, not when accruals occur.

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CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 4 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General Fund	Special Assessment Bond Retirement Fund	Capital Improvement Fund	Aquatic Center Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Supplies Inventory	\$21,956	\$0	\$0	\$0	\$318,089	\$340,045
Unclaimed Monies	13,617	0	0	0	0	13,617
Total Nonspendable	35,573	0	0	0	318,089	353,662
Restricted:						
Special Assessment Debt Service Payments	0	653,984	0	0	0	653,984
Oakwood/American TIF	0	0	0	0	81,869	81,869
Street Construction and Maintenance	0	0	0	0	794,461	794,461
State Highway Improvements	0	0	0	0	129,246	129,246
Motor Vehicle License Tax	0	0	0	0	522,111	522,111
Cemetery	0	0	0	0	61,273	61,273
Hotel/Motel	0	0	0	0	29,260	29,260
Fire Equipment	0	0	0	0	570,979	570,979
CDBG Grant	0	0	0	0	27,187	27,187
Indigent Drivers Alcohol Treatment	0	0	0	0	82,151	82,151
Law Enforcement and Education	0	0	0	0	507	507
Law Enforcement	0	0	0	0	6,838	6,838
Court Computerization	0	0	0	0	195,685	195,685
Mandatory Drug Fine	0	0	0	0	21,811	21,811
Municipal Probation Service	0	0	0	0	196,035	196,035
Aquatic Center	0	0	0	106,186	0	106,186
Aquatic Center Reserve	0	0	0	0	206,031	206,031
Aquatic Center Debt Reserve	0	0	0	0	39,310	39,310
One Ohio	0	0	0	0	22,689	22,689
Probation Improvement	0	0	0	0	24,724	24,724
Court Improvement	0	0	0	0	189,334	189,334
One Time Strat Community Grant	0	0	0	0	135,000	135,000
Handicap Parking	0	0	0	0	1,100	1,100
Certified Police Training	0	0	0	0	30,103	30,103
Indigent Drivers Interlock/Alcohol	0	0	0	0	87,913	87,913
Total Restricted	0	653,984	0	106,186	3,455,617	4,215,787
Committed:						
Special Events	1,247	0	0	0	0	1,247
Economic Development	250	0	0	0	0	250
Employee Benefits	7,382	0	0	0	0	7,382
EMS Transport Service	0	0	0	0	621,962	621,962
Recreation	0	0	0	0	627,317	627,317
Shelter House Facility Repair	0	0	0	0	7,576	7,576
Capital Improvement	0	0	1,649,005	0	0	1,649,005
CIP	0	0	0	0	82,437	82,437
Total Committed	8,879	0	1,649,005	0	1,339,292	2,997,176
Assigned:						
Encumbrances for Purchase Orders - Materials and Supplies	112,765	0	0	0	0	112,765
Debt Service	0	0	0	0	11,644	11,644
Total Assigned	112,765	0	0	0	11,644	124,409
Unassigned	4,158,980	0	0	0	(43,345)	4,115,635
Total Fund Balances	\$4,316,197	\$653,984	\$1,649,005	\$106,186	\$5,081,297	\$11,806,669

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and investments.

Statutes require the classification of funds held by the City into three categories:

Category 1 consists of "active" funds - those funds required to be kept in "cash" or "near cash" status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;

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CITY OF NAPOLEON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).
- Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

A. Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's policy is to place deposits with major local banks.

Ohio law requires that deposits be either 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 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 NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits (Continued)

At year end the carrying amount of the City's deposits was \$5,530,542, including \$2,500 of cash on hand, and the bank balance was \$6,195,522. Federal depository insurance covered \$392,234 of the bank balance and \$5,803,288 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the City's name and securities held in the Ohio Pooled Collateral System.

B. Investments

The City's investments at December 31, 2024 are summarized below:

	Fair Value	Credit Rating	Fair Value Hierarchy	Investment Maturities (in Years)		
				less than 1	1-3	3-5
U.S. Treasury Notes	\$11,280,843	AAA ¹ / Aaa ²	Level 1	\$1,782,713	\$6,831,673	\$2,666,457
U.S. Treasury Bonds	1,968,172	AAA ¹ / Aaa ²	Level 1	397,674	847,798	722,700
Freddie MAC	241,022	AAA ¹ / Aaa ²	Level 2	241,022	0	0
FFCB	4,407,987	AAA ¹ / Aaa ²	Level 2	976,531	1,275,265	2,156,191
FHLB	3,536,118	AAA ¹ / Aaa ²	Level 2	844,229	1,674,479	1,017,410
FNMA	1,972,081	AAA ¹ / Aaa ²	Level 2	1,972,081	0	0
STAR Ohio	4,288,447	AAAm ¹	N/A	4,288,447	0	0
Negotiable CD's	4,945,038	N/A	Level 1	2,255,066	1,987,575	702,397
Total Investments	<u>\$32,639,708</u>			<u>\$12,757,763</u>	<u>\$12,616,790</u>	<u>\$7,265,155</u>

¹ Standard & Poor's

² Moody's Investor Service

Interest Rate Risk – The City's investment policy limits security purchases to those that mature within five years of settlement date with an average weighted maturity not to exceed two years.

Credit Risk – The City's investments in U.S. Treasury Notes, Freddie MAC, FFCB, FHLB and FNMA were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. While the City has no formal investment policy, the City addresses credit risk by limiting investments to the safest types of securities, pre-qualifying financial institutions, brokers, intermediaries and financial advisors and by diversifying the investment portfolio so that potential losses on individual securities do not exceed income generated from the remaining portfolio. The negotiable certificates of deposit were not rated.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued)

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investments in U.S. Treasury Notes, U.S. Treasury Bonds, Freddie Mac, FFCB, FHLB and FNMA in the amounts of \$11,280,843, \$1,968,172, \$241,022, \$4,407,987, \$3,586,118 and \$1,972,081 respectively are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty’s trust department or agent in the City’s name. The City has no investment policy dealing with custodial credit risk beyond the requirements of State statute which prohibit payment for investments prior to the delivery of the securities representing the investments to the treasurer or qualified trustee. At year end, the City’s investment in negotiable certificates of deposit of \$4,945,038 was fully insured by FDIC.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. The City has invested 35% in U.S. Treasury Notes, 6% in U.S. Treasury Bonds, 1% in Freddie Mac, 14% in FFCB, 11% in FHLB, 6% in FNMA, 15% in negotiable certificates of deposit and 12% in STAR Ohio.

NOTE 6 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2024 were levied after October 1, 2023 on assessed values as of January 1, 2023, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be reappraised every six years, and equalization adjustments are made in the third year following reappraisal. The last revaluation was completed in 2024 and the equalization adjustment was completed in 2021. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder is payable by June 20.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 6 - TAXES (Continued)

A. Property Taxes (Continued)

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

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

The full tax rate for the City's operations for the year ended December 31, 2024 was \$5.80 per \$1,000 of assessed value. The assessed value upon which the 2024 receipts were based was \$206,610,010. This amount constitutes \$205,198,180 in real property assessed value and \$1,411,830 in public utility assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .58% (5.80 mills) of assessed value.

B. Income Tax

The City levies a tax of 1.5% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 70% of the tax paid to another municipality to a maximum of 1.5% of taxable salaries, wages, commissions and other compensation.

Employers within the City are required to withhold income tax on employees' compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 7 – TAX ABATEMENT DISCLOSURES

As of December 31, 2024, the City of Napoleon provides tax incentives under a Community Reinvestment Area Program (CRA).

Real Estate Tax Abatements

Pursuant to Ohio Revised Code Chapter 5709, the City established a Community Reinvestment area in 2010. The City of Napoleon authorizes incentives through the passage of public ordinances, based upon each businesses investment criteria, and through a contractual application process with each business, including proof that the improvements have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the CRA gave the City the ability to maintain and expand businesses located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate for office and industrial uses.

Income Tax Abatement Programs

The City of Napoleon entered into an economic development agreement with the Defiance Stamping Company in 2015. The purpose of the agreement is to maintain Napoleon's competitiveness as a site for location of new businesses and the expansion of existing businesses. Pursuant to Ohio Revised Code Chapter 718 and City ordinance, the City provides an incentive to the Defiance Stamping company based upon the company's gross annual payroll, the amount of income tax generated annually and the number of jobs created or retained by the business. The abatement is administered as a refund based upon the company's payroll taxes.

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2024.

Tax Abatement	Total Amount of Taxes Abated (Incentives Abated For the Year 2024 In Actual Dollars)
<i>Just Busch Investments, LLC (2019 - 2029) (CRA)</i>	
- Gross Dollar amount of taxes abated during 2024	\$2,756
<i>Jan Mar Properties, LLC (2020 - 2030) (CRA)</i>	
- Gross Dollar amount of taxes abated during 2024	5,561
<i>MSG Investments, LTD (2020 - 2030) (CRA)</i>	
- Gross Dollar amount of taxes abated during 2024	8,714
<i>Shank Properties (2020 - 2030) (CRA)</i>	
- Gross Dollar amount of taxes abated during 2024	40,889
<i>Ventures in Space (2019 - 2034) (CRA)</i>	
- Gross Dollar amount of taxes abated during 2024	151,952
Total	\$209,872

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 8 - RECEIVABLES

Receivables at December 31, 2024 consisted of taxes, interest, accounts receivable, special assessments, loans, settlements and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full due to the ability to foreclose for nonpayment of taxes and the stable condition of State programs.

NOTE 9 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2024:

Transfers In:	Transfers Out:				Total
	General Fund	Capital Improvement Fund	Aquatic Center Fund	Nonmajor Governmental Funds	
General Fund	\$0	\$0	\$0	\$280,081	\$280,081
Capital Improvement Fund	1,664,827	0	0	0	1,664,827
Nonmajor Governmental Funds	812,627	113,510	349,140	31,010	1,306,287
Internal Service Fund	10,000	0	0	0	10,000
Total	<u>\$2,487,454</u>	<u>\$113,510</u>	<u>\$349,140</u>	<u>\$311,091</u>	<u>\$3,261,195</u>

Transfers are used to (1) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; (3) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them; (4) move revenues to the construction in progress reserve fund for future capital purchase authorized by Council; and (5) move remaining balance in funds that are being closed to the funds that made the original transfer.

All transfers were made in accordance with the Ohio Revised Code sections 5705.14, 5705.15, and 5705.16.

CITY OF NAPOLEON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Certain capital assets were misclassified in the prior period. Beginning balances have been corrected to reflect proper classification. Summary by category of changes in governmental activities capital assets at December 31, 2024:

Historical Cost:

Class	December 31, 2023	Additions	Deletions	December 31, 2024
<i>Capital assets not being depreciated:</i>				
Land	\$10,055,971	\$0	(\$1,620)	\$10,054,351
<i>Capital assets being depreciated:</i>				
Improvements	15,319,145	309,216	(2,791)	15,625,570
Buildings	6,143,615	915,000	0	7,058,615
Machinery and Equipment	7,994,391	253,582	(135,396)	8,112,577
Infrastructure	38,832,228	4,664,813	(420,182)	43,076,859
Subtotal	<u>68,289,379</u>	<u>6,142,611</u>	<u>(558,369)</u>	<u>73,873,621</u>
Total Cost	<u>\$78,345,350</u>	<u>\$6,142,611</u>	<u>(\$559,989)</u>	<u>\$83,927,972</u>

Accumulated Depreciation:

Class	December 31, 2023	Additions	Deletions	December 31, 2024
Improvements	(\$3,014,397)	(\$389,623)	\$2,791	(\$3,401,229)
Buildings	(2,926,111)	(89,352)	0	(3,015,463)
Machinery and Equipment	(4,637,848)	(457,650)	88,670	(5,006,828)
Infrastructure	(20,655,045)	(641,115)	360,187	(20,935,973)
Total Depreciation	<u>(\$31,233,401)</u>	<u>(\$1,577,740)</u> *	<u>\$451,648</u>	<u>(\$32,359,493)</u>
<i>Net Value:</i>	<u>\$47,111,949</u>			<u>\$51,568,479</u>

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$249,948
Public Health and Welfare Services	9,159
Leisure Time Activities	77,456
Transportation	1,104,230
General Government	<u>135,147</u>

Total Depreciation Expense recorded within the Governmental Activities	1,575,940
Amount of Depreciation Expense recorded in the Internal Service Fund	<u>1,800</u>
Total Depreciation Expense	<u>\$1,577,740</u>

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 10 - CAPITAL ASSETS (continued)

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets at December 31, 2024:

Historical Cost:

Class	December 31, 2023	Additions	Deletions	December 31, 2024
<i>Capital assets not being depreciated:</i>				
Land	\$245,525	\$0	\$0	\$245,525
Construction in Progress	9,684,887	2,822,389	0	12,507,276
Subtotal	9,930,412	2,822,389	0	12,752,801
<i>Capital assets being depreciated:</i>				
Buildings	26,644,240	54,371	0	26,698,611
Improvements	57,386,733	2,723,683	0	60,110,416
Machinery and Equipment	8,753,426	134,277	(108,791)	8,778,912
Subtotal	92,784,399	2,912,331	(108,791)	95,587,939
Total Cost	<u>\$102,714,811</u>	<u>\$5,734,720</u>	<u>(\$108,791)</u>	<u>\$108,340,740</u>

Accumulated Depreciation:

Class	December 31, 2023	Additions	Deletions	December 31, 2024
Buildings	(\$10,323,668)	(\$2,198,915)	\$0	(\$12,522,583)
Improvements	(22,670,844)	(1,019,462)	0	(23,690,306)
Machinery and Equipment	(5,329,950)	(342,838)	108,791	(5,563,997)
Total Depreciation	<u>(\$38,324,462)</u>	<u>(\$3,561,215)</u>	<u>\$108,791</u>	<u>(\$41,776,886)</u>
<i>Net Value:</i>	<u>\$64,390,349</u>			<u>\$66,563,854</u>

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CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 11 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The 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 liability represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

GASB 68 assumes 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 these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

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 is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. 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 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 plan as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report 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
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	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	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

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement. Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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.

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

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

	<u>State and Local</u>
2024 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2024 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
	<hr/>
Total Employer	<hr/> <hr/> 14.0 %
Employee	<hr/> <hr/> 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$780,692 for 2024.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in 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 and required supplementary information and detailed information about OPF fiduciary net position. The report 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.

Upon attaining a qualifying age with sufficient years of service, a member of OPF 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 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

CITY OF NAPOLEON, OHIO**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024****NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

	Police	Firefighters
2024 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2024 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$435,593 for 2024.

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

The net pension liability for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net pension liability 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:

	OPERS	OP&F	Total
Proportionate Share of the Net Pension Liability	\$8,441,592	\$6,960,484	\$15,402,076
Proportion of the Net Pension Liability-2024	0.032857%	0.072044%	
Proportion of the Net Pension Liability-2023	0.031588%	0.065260%	
Percentage Change	<u>0.001269%</u>	<u>0.006784%</u>	
Pension Expense	\$933,378	\$819,981	\$1,753,359

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$0	\$439,895	\$439,895
Differences between expected and actual experience	140,595	223,450	364,045
Net difference between projected and actual earnings on pension plan investments	1,736,267	788,772	2,525,039
Change in proportionate share	150,024	502,022	652,046
City contributions subsequent to the measurement date	780,692	435,593	1,216,285
Total Deferred Outflows of Resources	<u>\$2,807,578</u>	<u>\$2,389,732</u>	<u>\$5,197,310</u>
Deferred Inflows of Resources			
Changes in assumptions	\$0	\$105,704	\$105,704
Differences between expected and actual experience	0	77,843	77,843
Change in proportionate share	47,384	70,792	118,176
Total Deferred Inflows of Resources	<u>\$47,384</u>	<u>\$254,339</u>	<u>\$301,723</u>

\$1,216,285 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 in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2025	\$488,052	\$441,100	\$929,152
2026	630,691	462,817	1,093,508
2027	1,107,991	629,478	1,737,469
2028	(247,232)	46,786	(200,446)
2029	0	118,672	118,672
2030	0	947	947
Total	<u>\$1,979,502</u>	<u>\$1,699,800</u>	<u>\$3,679,302</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The total pension liability in the December 31, 2023 and December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2023
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees	2.3 percent, simple through 2024, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2022
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3.0 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2023. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	<u>100.00%</u>	

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent. The discount rate for the prior year was 6.9 percent. 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 statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments 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 to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	Current		
	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$13,542,013	\$8,602,099	\$4,493,523

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2023 is based on the results of an actuarial valuation date of January 1, 2023, 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 the 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, 2023, compared with January 1, 2022, are presented below.

	January 1, 2023	January 1, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.25 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.10 %
Non-US Equity	12.40	4.90
Private Markets	10.00	7.30
Core Fixed Income *	25.00	2.40
High Yield Fixed Income	7.00	4.10
Private Credit	5.00	6.80
U.S. Inflation Linked Bonds*	15.00	2.10
Midstream Energy Infrastructure	5.00	5.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Private Real Estate	12.00	5.40
Commodities	2.00	3.50
 Total	 <u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.0x

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

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2023, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2022 was 7.50 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 earning were calculated using the longer-term assumed investment rate of return 7.50 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.

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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$9,219,679	\$6,960,484	\$5,081,743

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CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

The net OPEB liability (asset) reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability (asset) represents the City's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net 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.

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 OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. 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. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit; or

Group C 32 years of total service cred with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified heath care service credit and at least age 52; or

Group C 32 years of qualified health care service credit and at least page 55.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
January 1, 2015 through December 31, 2021	January 1, 2015 through December 31, 2021	January 1, 2015 through December 31, 2021
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2024.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, 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.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2024, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The City's contractually required contribution to OP&F was \$10,464 for 2024.

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2023, and was determined by rolling forward the total OPEB liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS	OP&F	Total
Proportionate Share of the Net OPEB Liability (Asset)	(\$302,104)	\$529,263	\$227,159
Proportion of the Net OPEB Liability (Asset) -2024	0.033474%	0.072044%	
Proportion of the Net OPEB Liability (Asset) -2023	0.032045%	0.065260%	
Percentage Change	0.001429%	0.006784%	
OPEB Expense	(\$43,805)	\$23,596	(\$20,209)

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CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$77,778	\$181,008	\$258,786
Differences between expected and actual experience	0	25,295	25,295
Net difference between projected and actual earnings on OPEB plan investments	181,438	38,843	220,281
Change in proportionate share	0	72,964	72,964
City contributions subsequent to the measurement date	0	10,464	10,464
Total Deferred Outflows of Resources	<u>\$259,216</u>	<u>\$328,574</u>	<u>\$587,790</u>
Deferred Inflows of Resources			
Changes in assumptions	\$129,867	\$338,741	\$468,608
Differences between expected and actual experience	43,000	96,668	139,668
Change in proportionate share	0	28,311	28,311
Total Deferred Inflows of Resources	<u>\$172,867</u>	<u>\$463,720</u>	<u>\$636,587</u>

\$10,464 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 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2025	(\$7,667)	(\$7,293)	(\$14,960)
2026	14,043	(16,401)	(2,358)
2027	141,231	(5,298)	135,933
2028	(61,258)	(36,614)	(97,872)
2029	0	(41,104)	(41,104)
2030	0	(47,272)	(47,272)
2031	0	5,684	5,684
2032	0	2,688	2,688
Total	<u>\$86,349</u>	<u>(\$145,610)</u>	<u>(\$59,261)</u>

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 12 - DEFINED BENEFIT OPEB 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 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, 2022, rolled forward to the measurement date of December 31, 2023. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	5.70 percent
Prior measurement date	5.22 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	3.77 percent
Prior measurement date	4.05 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent initial, 3.5 percent ultimate in 2038
Prior measurement date	5.5 percent initial, 3.5 percent ultimate in 2036
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, 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 gain of 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	<u>100.00%</u>	

Discount Rate A single discount rate of 5.70 percent was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent (Fidelity Index's "20-Year Municipal GO AA Index").

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, 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 (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(4.70%)	(5.70%)	(6.70%)
City's proportionate share of the net OPEB liability (asset)	\$166,031	(\$302,104)	(\$689,899)

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 or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 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 the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	(\$314,656)	(\$302,104)	(\$287,876)

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

	January 1, 2023	January 1, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.50 percent to 10.5 percent	3.25 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	4.07 percent	4.27 percent
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple
Projected Depletion Year of OPEB Assets	2038	2036

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

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

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.10 %
Non-US Equity	12.40	4.90
Private Markets	10.00	7.30
Core Fixed Income *	25.00	2.40
High Yield Fixed Income	7.00	4.10
Private Credit	5.00	6.80
U.S. Inflation Linked Bonds*	15.00	2.10
Midstream Energy Infrastructure	5.00	5.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Private Real Estate	12.00	5.40
Commodities	2.00	3.50
 Total	 <u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.0x

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

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

Discount Rate For 2023, the total OPEB liability was calculated using the discount rate of 4.07 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.5 percent was applied to periods before December 31, 2037, and the Municipal Bond Index Rate of 3.38 percent was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07 percent.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The 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 4.07 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 (3.07 percent), or one percentage point higher (5.07 percent) than the current rate.

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
City's proportionate share of the net OPEB liability	\$647,909	\$526,018	\$423,363

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.

CITY OF NAPOLEON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 13 – COMPENSATED ABSENCES

GASB Statement No. 101, “*Compensated Absences*”, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. GASB Statement No. 101 establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. In addition, certain salary related payments that are directly and incrementally associated with the payments for leave should be included in the measurement of the liability.

At December 31, 2024, the City's accumulated, unpaid compensated absences amounted to \$2,009,425, of which \$1,117,859 is recorded as a liability of the Governmental Activities and \$891,566 is recorded as a liability of the Business-Type Activities.

CITY OF NAPOLEON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 14 - LONG-TERM DEBT

Long-term debt of the City at December 31, 2024 was as follows:

Date Purchased	Interest Rate	Description	Maturity Date	Restated Balance December 31, 2023	Additions	(Reductions)	Balance December 31, 2024	Amount Due Within One Year
Business-Type Activities:								
Revenue Bonds:								
2020	2.00%	Water - Water System Improvement (Refunding 2004 - 2010)	2040	\$1,660,000	\$0	(\$310,000)	\$1,350,000	\$235,000
		Premium		72,628	0	(4,272)	68,356	0
2021	3.00%	Water Improvement Bonds	2040	2,050,000	0	(105,000)	1,945,000	110,000
		Premium		47,386	0	(2,787)	44,599	0
2021	5.00%	Sewer - Sewer System Improvement (Refunding 2010 - 2012)	2041	3,555,000	0	(185,000)	3,370,000	185,000
		Premium		114,884	0	(6,046)	108,838	0
Total Revenue Bonds				7,499,898	0	(613,105)	6,886,793	530,000
Ohio Sewer and Water Rotary Commission Deferred Loans:								
1998	OSWRC - Palmer Ditch Project			48,060	0	0	48,060	0
2005	OSWRC - North Pointe Water and Sewer Project			182,829	0	0	182,829	0
Total OSWRC Loans				230,889	0	0	230,889	0
Ohio Public Works Commission Loan (OPWC):								
2008	Woodlawn Avenue Improvements		2029	125,000	0	(25,000)	100,000	25,000
Ohio Water Development Authority Loans (OWDA):								
2005	4.490%	OWDA - Water - NP Waterline Improvements	2025	32,800	0	(21,625)	11,175	11,175
2005	4.490%	OWDA - Sewer - E. Maumee Sewer Tap	2025	46,170	0	(30,437)	15,733	15,733
2005	4.490%	OWDA - Sewer - NP Sewerline Improvements	2025	108,791	0	(71,719)	37,072	37,072
2019	1.000%	OWDA - Sewer - Williams Pump Station Improvements	2040	1,175,355	0	(65,860)	1,109,495	66,521
2020	0.000%	OWDA - Sewer - WWTP Improvements Phase I	2026	11,879,525	2,704,371	(578,409)	14,005,487	0
2022	0.000%	OWDA - Sewer - VanHyning Pumping Station Replacement	2025	3,057,434	118,018	(49,120)	3,126,332	0
Total Ohio Water Development Authority Loans				16,300,075	2,822,389	(817,170)	18,305,294	130,501
Water Pollution Control Loan Fund Loans (WPCLF):								
2008	EQ Basin Storm Water Retention		2030	2,850,798	0	(395,172)	2,455,626	403,135
WSRLA Loan:								
2017	0.000%	Water Plant Reconstruction	2048	14,160,100	0	(437,699)	13,722,401	0
Compensated Absences				789,613	891,566	(789,613)	891,566	354,700
Net Pension Liability				4,314,455	0	(262,377)	4,052,078	0
Net OPEB Liability				93,429	0	(93,429)	0	0
Total Business-Type Long-Term Debt				\$46,364,257	\$3,713,955	(\$3,433,565)	\$46,644,647	\$1,443,336

CITY OF NAPOLEON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 14 - LONG-TERM DEBT (Continued)

Date Purchased	Interest Rate	Description	Maturity Date	Restated Balance December 31, 2023	Additions	(Reductions)	Balance December 31, 2024	Amount Due Within One Year
Governmental Activities:								
General Obligation Bonds:								
2005	3.00% - 5.00%	Northcrest Drive	2025	\$55,000	\$0	(\$25,000)	\$30,000	\$30,000
2005	3.00% - 5.00%	SR 424 Resurfacing	2025	40,000	0	(20,000)	20,000	20,000
2010	4.50%	Courthouse Renovations	2025	125,000	0	(60,000)	65,000	65,000
2021	3.00%	Municipal Pool Premium	2040	3,515,000	0	(180,000)	3,335,000	190,000
				80,940	0	(4,761)	76,179	0
Total General Obligation Bonds				3,815,940	0	(289,761)	3,526,179	305,000
Compensated Absences								
				1,011,159	1,117,859	(1,011,159)	1,117,859	527,379
Leases Payable								
				0	117,469	(23,338)	94,131	23,416
Net Pension Liability								
				11,215,742	294,763	0	11,510,505	0
Net OPEB Liability								
				573,258	0	(47,240)	526,018	0
Total Governmental Activities Long-Term Debt				<u>\$16,616,099</u>	<u>\$1,530,091</u>	<u>(\$1,371,498)</u>	<u>\$16,774,692</u>	<u>\$855,795</u>

The fund balance of \$653,984 in the Special Assessment Bond Retirement Fund at December 31, 2024 is restricted for the retirement of outstanding special assessment debt. The Sewer Fund will be collecting special assessments to retire the enterprise funds' special assessment debt.

Water Pollution Control Loan Fund Loans - During 2008, the City entered into two loan agreements with the Water Pollution Control Loan Fund (WPCLF). These loans were related to sewer and storm water improvements. The loan balance decreased by \$395,172 during 2024 to a year-end balance of \$2,455,626.

Ohio Water Development Authority Loans - The City entered into two loan agreements with Ohio Water Development Authority (OWDA) in 2005. This was on May 16, 2005 to finance the Sewer System Extension and Improvement and the East Maumee Sewer Tap Project (loan number 4334) and the Waterline Construction (loan number 4333) projects. The City entered into a loan agreement with OWDA in 2019. This was for the Sewer Pump improvements at the Williams Station (loan number 8541). The City also entered into two loan agreements with OWDA in 2020 to finance the VanHuiung Pumping Station Replacement and for Phase I improvements to the waste water treatment plant. The sources of payments for the obligations are to be derived from user charges and assessments on property owners.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 14 - LONG-TERM DEBT (Continued)

Refunding Bonds, Series 2021 - On January 7, 2021, the City refunded \$4,253,600 of outstanding sewer improvement bonds (the “2010 and 2012 Bonds”) with an interest rate ranging from 1.0% - 5.0% with \$4,070,000 of refunding bonds issued in January 2021. The entire principal amount of the 2010 and 2012 bonds was paid off during 2021. The refunding was undertaken for the purpose of reducing interest rates and debt service on the prior bonds. This transaction resulted in a net present value savings to the City of \$1,557,497.

Various Purpose Improvement Bonds, Series 2005 - The general obligation bonds were issued on July 28, 2005 for the purpose of retiring bond anticipation notes issued for Northcrest Drive and Road Improvements. The bonds consist of \$285,000 in serial bonds and \$405,000 in term bonds.

The term bonds maturing on December 1, 2025 have interest rates of 5 percent per year, and are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund requirements. The mandatory redemption is to occur on December 1 in the years 2020 through 2024 (with the balance of the \$50,000 to be paid at stated maturity on December 1, 2025) at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Principal Amount to be Redeemed
2025	50,000

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 14 - LONG-TERM DEBT (Continued)

The bonds outstanding are general obligations of the City for which the full faith and credit of the City is pledged for repayment. The source of payment for the obligations will be derived from a tax levied on property.

2020 Revenue Bonds - During 2020, the City issued \$2,545,000 worth of Water Mortgage Revenue bonds for work done on the City's water lines and reconstruction projects. These bonds have an interest rate of 2.0%. These bonds are scheduled to mature in 2040 and will be retired from the City's Water Fund through user charges.

2021 Revenue Bonds - During 2021, the City issued \$2,360,000 worth of Water Mortgage Revenue bonds for work done on the City's water lines. These bonds have an interest rate of 1.0% - 3.0%. These bonds are scheduled to mature in 2040 and will be retired from the City's Water Fund through user charges.

Ohio Public Works Commission Loans - The City entered into a loan agreement with Ohio Public Works Commission (OPWC) on January 16, 2008, in the amount of \$500,000, to finance the Woodlawn Avenue Improvement Project. This OPWC loan carries a 0% interest rate.

2010 General Obligation Bond - During 2010, the City issued a \$760,000 General Obligation Bond for work done on the City's courthouse. This bond had an interest rate of 2.0% - 4.5% and is scheduled to mature in 2025.

2021 General Obligation Bond - During 2021, the City issued a \$4,040,000 General Obligation Bond for work done on the City's municipal pool. This bond had an interest rate of 1.0% - 4.0% and is scheduled to mature in 2040.

CITY OF NAPOLEON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 14 - LONG-TERM DEBT (Continued)

A. Future Long-Term Financing Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2024 follows:

Years	General Obligation Bonds		Mortgage Revenue Bonds		Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$305,000	\$47,790	\$530,000	\$94,577	\$23,416	\$318
2026	195,000	36,990	550,000	77,329	23,494	240
2027	195,000	35,040	550,000	71,829	23,572	161
2028	200,000	33,090	555,000	66,329	23,649	83
2029	200,000	31,090	345,000	60,779	0	0
2030-2034	1,030,000	124,995	1,795,000	249,473	0	0
2035-2039	1,095,000	64,540	1,865,000	131,736	0	0
2040-2042	230,000	3,565	475,000	11,054	0	0
Totals	\$3,450,000	\$377,100	\$6,665,000	\$763,106	\$94,131	\$802
Years	OWDA Loans		OPWC Loans		WPCLF Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$130,501	\$12,208	\$25,000	\$0	\$403,135	\$19,559
2026	67,187	10,262	25,000	0	407,176	15,518
2027	67,861	9,589	25,000	0	411,258	11,436
2028	68,541	8,909	25,000	0	415,380	7,314
2029	69,229	8,221	0	0	419,544	3,149
2030-2034	356,693	30,555	0	0	399,133	3,149
2035-2039	374,933	12,315	0	0	0	0
2040	38,530	193	0	0	0	0
Totals	\$1,173,475	\$92,252	\$100,000	\$0	\$2,455,626	\$60,125

OWDA loan numbers 9341 and 9720 payable in the amounts of \$14,005,487 and \$3,126,332 respectively, are not included in the above maturity tables. The construction has started, but we do not have final amortization schedules from OWDA.

B. Deferred Loan Payable to the Ohio Sewer and Water Rotary Commission

The City has received advances to meet the portion of costs of sewer and water improvements to be financed by assessments which collections are deferred or exempt pursuant to division (B) of Section 6103.052 of the Ohio Revised Code. The City is responsible for collecting the assessments for which the deferrals were made when the property no longer meets the exemption criteria.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 15 - 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; natural disasters, and injuries to employees. To manage this risk the City participates in various jointly funded pools, both risk sharing and group rated, to provide separate and distinct coverage for the risk involved. These pools are: the Public Entities Pool of Ohio (PEP), a risk-sharing pool; Buckeye Ohio Risk Management Agency-Health Benefits, Inc., for Health and Group Life Insurance Coverage (aka – BORMA Health Benefits, or BORMA H & L); and Ohio Rural Water Association-Group Rated Pool for Workers Compensation (aka – ORWA Workers Compensation Pool). There have been no significant reductions in insurance coverage's from coverage's in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage's in any of the past three fiscal years.

A. PEP Property and Casualty Pool

The PEP Property and Casualty Pool provides boiler and machinery, automobile liability, automobile physical damage, general liability, crime and property, and public officials insurance coverage up to specifics limits. There are currently 629 members in the PEP Pool. Member contributions are calculated annually to produce a sufficient sum of money within the pool to fund administrative expenses and to create reserves for claims. During 2023, the City paid \$279,356 for property and casualty coverage from 12/01/23 – 11/30/2024 and during 2024, paid \$314,141 for property and casualty coverage from 12/01/24 – 11/30/2025.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2024, PEP retained \$350,000 casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective PEP member.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2023 and 2022 (the latest information available):

	<u>2022</u>	<u>2022</u>
Assets	\$ 67,306,752	\$ 61,537,313
Liabilities	<u>(17,071,953)</u>	<u>(18,643,081)</u>
Net Position – Unrestricted	\$ 42,468,352	\$ 42,894,232

CITY OF NAPOLEON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 15 - RISK MANAGEMENT (Continued)

A. PEP Property and Casualty Pool (Continued)

	<u>2023</u>	<u>2022</u>
Number of Members	629	608
Unpaid Claims to be Billed in the Future	\$17.6 million	\$14.3 million

The Pool's membership increased from 608 members in 2022 to 629 members in 2023.

The Pool uses reinsurance and excess risk sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk sharing pool; however, they do not discharge the Pool's primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which, like PEP, is administered by York Risk Pooling Services, Inc. (York). APEEP provides the Pool with an excess risk sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2019 the Pool retained \$500,000 for casualty claims and \$250,000 for property claims). The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

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CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 15 - RISK MANAGEMENT (Continued)

B. BORMA Health Benefits Pool

The BORMA Health Benefits Pool is for employee benefits and includes Life Insurance, Accidental Death and Dismemberment Insurance, Health Insurance and Prescription Drug Insurance. Each pool member has its own respective plan and coverage it has elected to provide for its employees. Premiums paid into the pool by each member are based on the level of coverage within each respective plan. In 2023, the pool included the following Ohio Cities and Villages as members: Archbold, Bowling Green, Bucyrus, Carey, Defiance, Fayette, Fremont, Hunting Valley, Hicksville, Napoleon, Oberlin, Oregon and Sandusky County Health Department. Member contributions are calculated annually to produce a sufficient sum of money within the pool to fund administrative expenses and to create reserves for claims. As of December 31, 2023, the pool had total reported assets of \$6,464,551. Each pool member provides to its own employees all-available options listed in its own developed plan as covered by the pool.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 15 - RISK MANAGEMENT (Continued)

B. BORMA Health Benefits Pool (Continued)

For both the BORMA Property and Casualty, and the BORMA Health Benefits Pool's; individual members are not considered "participants having equity interest" as defined by GASB Statement No. 14 since members have no rights to any assets of the pool other than residual claims upon dissolution. Both pools are a multi-jurisdictional arrangement that have characteristics of a joint venture but has additional features that distinguish it, for financial reporting purposes, from the traditional joint ventures as defined in GASB Statement No. 14.

Both pools have the ability to require the member Cities to make supplemental payments in the event reserves are not adequate to cover claims. The probability of this occurring is considered remote due to the adequacy of the pool reserves and premium levels, therefore, no additional amounts have been reserved in the financial statements. Audited financial statements are maintained separately by each pool.

C. ORWA Workers Compensation Pool and Unemployment Benefits

The City participates in the State of Ohio's Bureau of Workers Compensation Group Rating Program as a member of the ORWA Workers Compensation Group Rated Pool. The ORWA pool is one of many organized group rated pools, authorized by the State of Ohio, providing lowered Workers Compensation Insurance Premiums to groups of like entities. Benefits received by injured workers are established and controlled by the State of Ohio Bureau of Workers Compensation. The City pays the State Workers Compensation a premium based upon a rate per \$100 of payroll paid in the prior year, plus administrative costs. The annual rate is a computed factor (%) using the past five (5) years of loss history for both the City and the other members of the group in the ORWA pool. During 2024, the City paid \$65,420 for Workers Compensation premiums. It should be noted that premiums are based on the prior fiscal year's (2015) gross payroll. Starting in 2017, Workers' Compensation changed from a perspective billing to a prospective billing basis. Premium payment is trued up in the next fiscal year.

D. State Unemployment Benefits

The City pays Unemployment Benefits Claims as they occur directly to the Ohio Department of Job and Family Services of the State of Ohio. Political Subdivisions in Ohio are not required to pay the unemployment tax. During 2024, the City paid 2,495 to the Ohio Department of Job and Family Services for unemployment benefit claims.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 16 - JOINT VENTURES

A. Ohio Municipal Electric Generation Agency Joint Venture 2 (Omega JV-2)

The City of Napoleon is a Non-Financing Participant and an Owner Participant with an ownership percentage of .20% and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

Pursuant to the OMEGA JV2 Agreement, the participants jointly undertook as either Financing Participants or Non-Financing Participants and as either Owner Participants or Purchaser Participants, the acquisition, construction and equipping of OMEGA JV2, including such portions of OMEGA JV2 as have been acquired, constructed or equipped by AMP and to pay or incur the costs of the same in accordance with the JV2 Agreement.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. The City's net investment and its share of operating results of OMEGA JV2 are reported in the City's electric fund (an enterprise fund). The City's net investment in OMEGA JV2 was (\$5,029) at December 31, 2024. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

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CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 16 - JOINT VENTURES (Continued)

A. Ohio Municipal Electric Generation Agency Joint Venture 2 (Omega JV-2) (Continued)

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2024 are:

<u>Municipality</u>	<u>Percent Ownership</u>	<u>Kw Entitlement</u>	<u>Municipality</u>	<u>Percent Ownership</u>	<u>Kw Entitlement</u>
Hamilton	23.87%	32,000	Grafton	0.79%	1,056
Bowling Green	14.32%	19,198	Brewster	0.75%	1,000
Niles	11.49%	15,400	Monroeville	0.57%	764
Cuyahoga Falls	7.46%	10,000	Milan	0.55%	737
Wadsworth	5.81%	7,784	Oak Harbor	0.55%	737
Painesville	5.22%	7,000	Elmore	0.27%	364
Dover	5.22%	7,000	Jackson Center	0.22%	300
Galion	4.29%	5,753	Napoleon	0.20%	264
Amherst	3.73%	5,000	Lodi	0.16%	218
St. Mary's	2.98%	4,000	Genoa	0.15%	199
Montpelier	2.98%	4,000	Pemberville	0.15%	197
Shelby	1.89%	2,536	Lucas	0.12%	161
Versailles	1.24%	1,660	South Vienna	0.09%	123
Edgerton	1.09%	1,460	Bradner	0.09%	119
Yellow Springs	1.05%	1,408	Woodville	0.06%	81
Oberlin	0.91%	1,217	Haskins	0.05%	73
Pioneer	0.86%	1,158	Arcanum	0.03%	44
Seville	0.79%	1,066	Custar	0.00%	4
	<u>95.20%</u>	<u>127,640</u>	Grand Total	<u>4.80%</u>	<u>6,441</u>
				<u>100.00%</u>	<u>134,081</u>

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CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 16 - JOINT VENTURES (Continued)

B. Ohio Municipal Electric Generation Agency Joint Venture 5 (Omega JV-5)

The City of Napoleon is a Financing Participant with an ownership percentage of 7.35%, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

Pursuant to the OMEGA Joint Venture JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP.

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near the Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 Participants.

Pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net position will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2024 Napoleon has met their debt coverage obligation.

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 16 - JOINT VENTURES (Continued)

B. Ohio Municipal Electric Generation Agency Joint Venture 5 (Omega JV-5) (Continued)

OMEGA JV5 is managed by AMP, which acts as the joint venture's agent. During 1993 and 2001 AMP issued \$153,415,000 and \$13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024. On February 15, 2014, all of the 2004 BIRCs were redeemed from funds held under the trust agreement securing the 2004 BIRCs and the proceeds of a promissory note issued to AMP by OMEGA JV5. This was accomplished with a draw on AMP's revolving credit facility. The resulting balance was \$65,891,509 at February 28, 2014. On January 29, 2016, OMEGA JV5 issued the 2016 Beneficial Interest Certificates ("2016 Certificates") in the amount of \$49,745,000 for the purpose of refunding the promissory note to AMP in full. The outstanding amount on the promissory note had been reduced to \$49,243,377 at the time of refunding as compared to its value at December 31, 2015 of \$49,803,187. The promissory note represented the February 2014 redemption of the 2004 Certificates from funds held under the trust agreement securing the 2004 BIRCs.

The City's net investment and its share of operating results of OMEGA JV5 are reported in the City's electric fund (an enterprise fund). The City's net investment to date in OMEGA JV5 was \$219,610 at December 31, 2024. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

C. Ohio Municipal Electric Generation Agency Joint Venture 6 (Omega JV-6)

The City of Napoleon is a Financing Participant with an ownership percentage of 4.17%, and shares participation with nine other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 6 (OMEGA JV6). Financing Participants, after consideration of the potential risks and benefits can choose to be Owner Participants or Purchaser Participants. Owner Participants own undivided interests, as tenants in common in the Project in the amount of its Project Share. Purchaser Participants purchase the Project Power associated with its Project Share.

Pursuant to the OMEGA Joint Venture JV6 Agreement (Agreement), the participants agree jointly to plan, acquire, construct, operate and maintain the Project, and hereby agree, to pay jointly for the electric power, energy and other services associated with the Project.

OMEGA JV6 was created to construct four (4) wind turbines near Bowling Green Ohio. Each turbine has a nominal capacity of 1.8 MW and sells electricity from its operations to OMEGA JV6 Participants.

CITY OF NAPOLEON, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 16 - JOINT VENTURES (Continued)

C. Ohio Municipal Electric Generation Agency Joint Venture 6 (Omega JV-6) (Continued)

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Adjustable Rate Revenue Bonds (Bonds) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV6, any excess funds shall be refunded to the Non-Financing Participants in proportion to each Participant's Project Share and to Financing Participant's respective obligations first by credit against the Financing Participant's respective obligations. Any other excess funds shall be paid to the Participants in proportion to their respective Project Shares. Under the terms of the Agreement each financing participant is to fix, charge and collect rates, fees, charges, including other available funds, at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV6 debt service and any other outstanding senior lien electric system revenue obligations. As of August 15, 2015, OMEGA JV-6 no longer has any outstanding debt obligations.

The Agreement provides that the failure of any JV6 participant to make any payment due by the due date constitutes a default. In the event of a default and one in which the defaulting Participant failed to cure its default as provided for in the Agreement, the remaining participants would acquire the defaulting Participant's interest in the project and assume responsibility for the associated payments on a pro rata basis up to a maximum amount equal to 25% of such non-defaulting Participant's Project share ("Step Up Power").

The City's net investment and its share of operating results of OMEGA JV6 are reported in the City's electric fund (an enterprise fund). The City's net investment to date in OMEGA JV6 was \$38,262 at December 31, 2024. Complete financial statements for OMEGA JV6 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

CITY OF NAPOLEON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 16 - JOINT VENTURES (Continued)

C. Ohio Municipal Electric Generation Agency Joint Venture 6 (Omega JV-6) (Continued)

The ten participating subdivisions and their respective ownership shares at December 31, 2024 are:

Participant	KW Amount	% of Financing
Bowling Green	4,100	56.94%
Cuyahoga Falls	1,800	25.00%
Napoleon	300	4.17%
Oberlin	250	3.47%
Wadsworth	250	3.47%
Edgeton	100	1.39%
Elmore	100	1.39%
Montpelier	100	1.39%
Pioneer	100	1.39%
Monroeville	100	1.39%
Total	7,200	100.00%

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CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 16 - JOINT VENTURES (Continued)

D. Prairie State Energy Campus (68 Members)

On December 20, 2007, AMP acquired a 23.26% undivided ownership interest (the “*PSEC Ownership Interest*”) in the Prairie State Energy Campus (“*PSEC*”), a two-unit, supercritical coal-fired power plant designed to have a net rated capacity of approximately 1,582 MW and associated facilities in southwest Illinois. The PSEC Ownership Interest is held by AMP 368 LLC, a single-member Delaware limited liability company (“*AMP 368 LLC*”). AMP is the owner of the sole membership interest in AMP 368 LLC. Construction of the PSEC commenced in October 2007. Unit 1 of the PSEC commenced operations in the second quarter of 2012 and Unit 2 of the PSEC commenced operations in the fourth quarter of 2012.

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the “*Initial Prairie State Bonds*”) to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000. On January 14, 2015 and November 30, 2017, AMP issued bonds to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009. As of December 31, 2024, AMP had \$1,413,165,000 aggregate principal amount of Prairie State Bonds outstanding.

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract with 68 Members (the “*Prairie State Participants*”). The Prairie State Bonds are net revenue obligations of AMP, secured by a master trust indenture, payable primarily from the payments to be made by the Prairie State Participants under the terms of the Prairie State Power Sales Contract. The capacity factor for the Prairie State Energy Campus for the fiscal year ending December 31, 2021 was 81.4%.

The City of Napoleon has executed a take-or-pay power sales contract with AMP as a participant of the PSEC of 4,976 kW or 1.35% of capacity and associated energy from the PSEC.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 16 - JOINT VENTURES (Continued)

E. AMP Fremont Energy Center (AFEC)

On July 28, 2011, AMP acquired from FirstEnergy Generation Corporation (“FirstEnergy”) the Fremont Energy Center (“AFEC”), then nearing completion of construction and located in Fremont, Sandusky County, Ohio. Following completion of the commissioning and testing, AMP declared AFEC to be in commercial operation as of January 20, 2012. The AMP Fremont Energy Center is a natural gas fired, combined cycle, electric power generation plant with a capacity of 512 MW (unfired)/675 MW (fired), consisting of two combustion turbines, two heat recovery steam generators and one steam turbine and condenser.

AMP subsequently sold a 5.16% undivided ownership interest in AFEC to Michigan Public Power Agency and entered into a power sales contract with the Central Virginia Electric Cooperative for the output associated with a 4.15% undivided ownership interest in AFEC. The output of AFEC associated with the remaining 90.69% undivided ownership interest (the “90.69% Interest”) is sold to AMP Members pursuant to a take-or-pay power sales contract with 87 of its members (the “AFEC Power Sales Contract”).

To provide permanent financing for the 90.69% Interest, in 2012, AMP issued, in two series \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the “AFEC Bonds”), consisting of taxable and tax-exempt obligations. The AFEC Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under the AFEC Power Sales Contract. On December 20, 2017, AMP issued bonds to refund all of the callable tax-exempt AFEC Bonds issued in 2012. As of December 31, 2024, \$378,790,000 aggregate principal amount of AFEC Bonds was outstanding.

In April 2021, AMP executed a Gas Supply Contract (the “Gas Supply Contract”) with Tenenergy Corporation (“Tenenergy”) under the terms of which Tenenergy will provide a portion of the natural gas made available to Tenenergy under the terms of a Prepaid Natural Gas Sales Agreement (“Prepaid Natural Gas Sales Agreement”) between Tenenergy and a subsidiary of Morgan Stanley. Under the Gas Supply Contract, AMP receives the benefit of a discount from market index gas priced.

The City of Napoleon has executed a take-or-pay power sales contract with AMP as a participant of the AFEC of 6,650 kW or 1.43% of capacity and associated energy from the AFEC.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 16 - JOINT VENTURES (Continued)

F. Combined Hydroelectric Projects (79 Members)

AMP owns and operates three hydroelectric projects, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the “*Combined Hydroelectric Projects*”), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Projects is in commercial operation and consists of run-of-the-river hydroelectric generating facilities on existing Army Corps dams and includes associated transmission facilities. AMP holds the licenses from FERC for the Combined Hydroelectric Projects.

To provide financing for, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the “*Combined Hydroelectric Bonds*”), in an original aggregate principal amount of \$2,354,485,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of December 31, 2024, \$183,795,000 aggregate principal amount of the Combined Hydroelectric Bonds and approximately \$23.1 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Combined Hydroelectric Bonds.

In August 2017, AMP filed a lawsuit against Voith Hydro, Inc. (“*Voith*”), the supplier of major powerhouse equipment, including the turbines and generators for the Combined Hydroelectric Projects and the Meldahl Project (as hereinafter defined). See “**LITIGATION – RELATING TO THE COMBINED HYDROELECTRIC PROJECTS AND MELDAHL PROJECT**” herein.

As part of the initial disclosures, AMP listed 70 potential witnesses and \$90 million in gross damages, while Voith listed over 100 potential witnesses and \$65 million in gross damages. A scheduling order has been established which provides for an October 31, 2022 trial date.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 16 - JOINT VENTURES (Continued)

G. Meldahl Hydroelectric Project (48 Members) and Greenup (47 Members)

AMP owns and, together with the City of Hamilton, Ohio, an AMP Member, developed and constructed a 108.8 MW, three-unit hydroelectric generation facility on the Captain Anthony Meldahl Locks and Dam, an existing Army Corps dam on the Ohio River, and related equipment and associated transmission facilities (the “*Meldahl Project*”). The Meldahl Project is operated by the City of Hamilton.

In order to finance the construction of the Meldahl Project and related costs, AMP issued seven series of its Meldahl Hydroelectric Project Revenue Bonds (“*Meldahl Bonds*”) in an original aggregate principal amount of \$820,185,000 consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Meldahl Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 48 of its Members. As of December 31, 2024, \$632,385,000 aggregate principal amount of the Meldahl Bonds and approximately \$2.3 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Meldahl Bonds.

The City of Napoleon has executed a take-or-pay power sales contract with AMP as a participant of the Meldahl Project of 504 kW or .48% of capacity and associated energy from the Meldahl Project.

H. Napoleon Solar (3 Members)

AMP owns the Napoleon Solar Project, a 3.54 MW solar installation, located in Napoleon, Ohio. The Napoleon Solar Project entered commercial operation in August 2012. The output of the Napoleon Solar Project is sold pursuant to the terms of a take-or-pay power sales contract with three of AMP’s Members. The cost of the Napoleon Solar Project was financed with the proceeds of a draw on the Line of Credit. As of December 31, 2024, \$3,642,991 on AMP’s Line of Credit was allocable to the financing or refinancing of costs related to the Napoleon Solar Project.

The City of Napoleon has executed a take-or-pay power sales contract with AMP as a participant of the Napoleon Solar Project of 104 kW or 29.38% of capacity and associated energy from the Napoleon Solar Project.

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 16 - JOINT VENTURES (Continued)

I. Greenup Hydroelectric Project (47 Members)

In connection with the development of the Meldahl Project, Hamilton agreed to sell and AMP agreed to purchase a 48.6% undivided ownership interest (the “AMP Interest”) in the Greenup Hydroelectric Facility. On May 11, 2016, AMP issued \$125,630,000 aggregate principal amount of its Greenup Hydroelectric Project Revenue Bonds, Series 2016A (the “Greenup Bonds”) and, with a portion of the proceeds thereof, acquired the AMP Interest. The Greenup Bonds are secured by a separate power sales contract that has been executed by the same Members (with the exception of Hamilton, which retained title to a 51.4% ownership interest in the Greenup Hydroelectric Facility) that executed the Meldahl Power Sales Contract. As of December 31, 2024, \$120,600,000 aggregate principal amount of the Greenup Bonds was outstanding and approximately \$0.55 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit were outstanding under the indenture securing the Greenup Bonds.

The City of Napoleon has executed a take-or-pay power sales contract with AMP as a participant of the Greenup Hydroelectric Facility of 330 kW or .97% of capacity and associated energy from the Greenup Hydroelectric Facility.

J. Community Improvement Corporation (CIC)

The City, along with Henry County is a participant in the joint venture to operate the Community Improvement Corporation (CIC). The corporation's duties are to advance, encourage and promote the industrial, economic, commercial and civic development of the City of Napoleon and Henry County. The CIC is governed by a Board of 10 Trustees. Five of these trustees are residents of the City of Napoleon and the remaining five are residents of Henry County. The City's degree of control over the Board is limited to its representation on the Board. The City has no equity interest in the CIC. The City paid \$45,000 to the CIC during 2024. Financial information can be obtained from the CIC, 104 East Washington Street, Napoleon, Ohio 43545.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 17 - CONTINGENCIES

A. American Municipal Power Generating Station Project (AMPGS)

The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's share was 12,000 kilowatts of a total 771,281 kilowatts, giving the City a 1.56 percent share. 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. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. 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 at March 31, 2014 of the impaired costs is \$2,078,311. The City received a credit of \$714,622 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$542,698 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$820,991. Because payment is now probable and reasonably estimable, the City is reporting a payable to AMP in its business-type activities and in its electric enterprise fund for these impaired costs. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's liability. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a Settlement in the Bechtel Corporation litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the Settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the Settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share.

The City does have a potential PHFU Liability of \$610,940 resulting in a net total potential liability of \$614,681, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) have no value and also assuming the City's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include items such negative items as property taxes as well as positive items revenue from leases or sale of all or a portion of the Meigs County site property.

B. Litigation

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

CITY OF NAPOLEON, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2024

NOTE 17 - CONTINGENCIES (Continued)

C. Asset Retirement Obligations

GASB Statement No. 83 “*Certain Asset Retirement Obligations*” establishes criteria for determining the recognition of a liability for an Asset Retirement Obligation (ARO). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Recognition of the ARO occurs when the liability is both incurred and reasonably estimable. An ARO is incurred based on external laws, regulations, or contracts.

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage treatment system to the Ohio EPA for approval. Through this permitting process, the City would be responsible to address any public safety issues associated with their sewage treatment facilities and the permit would specify the procedures required to dispose of all or part of the sewage treatment plant. At this time, the City does not have an approved permit from the Ohio EPA to dispose of all or part of their sewage treatment plants. Due to the lack of specific legal requirements for retiring the sewage treatment plants, the City has determined that the amount of the Asset Retirement Obligation cannot be reasonably estimated.

NOTE 18 – SIGNIFICANT COMMITMENTS

There were significant encumbrances outstanding at year-end in the Capital Improvement Fund (capital projects fund) in the amount of \$51,107. This amount is reported as part of the committed fund balance.

***R*EQ*U*IRE*D* *S*UPPL*E*MENTARY *I*NFORMATION**

CITY OF NAPOLEON, OHIO

Schedule of City's Proportionate Share of the Net Pension Liability Last Ten Years

Ohio Public Employees Retirement System

Year	2015	2016	2017	2018
City's proportion of the net pension liability	0.036165%	0.035699%	0.034863%	0.036763%
City's proportionate share of the net pension liability	\$4,361,903	\$6,183,555	\$7,916,741	\$5,767,324
City's covered payroll	\$4,450,275	\$4,795,008	\$4,506,742	\$4,748,600
City's proportionate share of the net pension liability as a percentage of its covered payroll	98.01%	128.96%	175.66%	121.45%
Plan fiduciary net position as a percentage of the total pension liability	86.45%	81.08%	77.25%	84.66%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2015	2016	2017	2018
City's proportion of the net pension liability	0.0728821%	0.070684%	0.064993%	0.066267%
City's proportionate share of the net pension liability	\$3,775,597	\$4,547,148	\$4,116,571	\$4,067,121
City's covered payroll	\$1,497,328	\$1,509,393	\$1,468,432	\$1,524,027
City's proportionate share of the net pension liability as a percentage of its covered payroll	252.16%	301.26%	280.34%	266.87%
Plan fiduciary net position as a percentage of the total pension liability	72.20%	66.77%	68.36%	70.91%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

See accompanying notes to required supplementary information

CITY OF NAPOLEON, OHIO

2019	2020	2021	2022	2023	2024
0.034758%	0.033839%	0.033820%	0.033075%	0.031588%	0.032857%
\$9,519,511	\$6,688,505	\$5,008,003	\$2,877,659	\$9,331,110	\$8,602,099
\$4,694,650	\$4,761,086	\$4,769,814	\$4,805,586	\$4,989,057	\$5,408,307
202.77%	140.48%	104.99%	59.88%	187.03%	159.05%
74.70%	82.17%	86.88%	92.62%	75.74%	79.01%
2019	2020	2021	2022	2023	2024
0.064170%	0.063651%	0.065738%	0.066760%	0.065260%	0.072044%
\$5,237,967	\$4,287,876	\$4,481,424	\$4,170,785	\$6,199,087	\$6,960,484
\$1,527,850	\$1,629,373	\$1,379,061	\$1,690,300	\$1,762,014	\$2,061,737
342.83%	263.16%	324.96%	246.75%	351.82%	337.60%
63.07%	69.89%	70.65%	75.03%	62.90%	63.63%

CITY OF NAPOLEON, OHIO

Schedule of City Pension Contributions Last Ten Years

Ohio Public Employees Retirement System

Fiscal Year	2015	2016	2017	2018
Contractually required contribution	\$575,401	\$540,809	\$631,563	\$657,251
Contributions in relation to the contractually required contribution	<u>575,401</u>	<u>540,809</u>	<u>631,563</u>	<u>657,251</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$4,795,008	\$4,506,742	\$4,748,600	\$4,694,650
Contributions as a percentage of covered payroll	12.00%	12.00%	13.00%	14.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2015	2016	2017	2018
Contractually required contribution	\$303,237	\$295,008	\$306,177	\$306,945
Contributions in relation to the contractually required contribution	<u>303,237</u>	<u>295,008</u>	<u>306,177</u>	<u>306,945</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$1,509,393	\$1,468,432	\$1,524,027	\$1,527,850
Contributions as a percentage of covered payroll	20.09%	20.09%	20.09%	20.09%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

See accompanying notes to required supplementary information

CITY OF NAPOLEON, OHIO

2019	2020	2021	2022	2023	2024
\$666,552	\$667,774	\$672,782	\$698,468	\$757,163	\$780,692
<u>666,552</u>	<u>667,774</u>	<u>672,782</u>	<u>698,468</u>	<u>757,163</u>	<u>780,692</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,761,086	\$4,769,814	\$4,805,586	\$4,989,057	\$5,408,307	\$5,576,371
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

2019	2020	2021	2022	2023	2024
\$327,341	\$293,740	\$360,034	\$375,309	\$439,150	\$435,593
<u>327,341</u>	<u>293,740</u>	<u>360,034</u>	<u>375,309</u>	<u>439,150</u>	<u>435,593</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,629,373	\$1,379,061	\$1,690,300	\$1,762,014	\$2,061,737	\$2,045,038
20.09%	21.30%	21.30%	21.30%	21.30%	21.30%

CITY OF NAPOLEON, OHIO

Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset) Last Eight Years

Ohio Public Employees Retirement System

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.033745%	0.035762%	0.033927%
City's proportionate share of the net OPEB liability (asset)	\$3,408,342	\$3,883,467	\$4,423,283
City's covered payroll	\$4,506,742	\$4,748,600	\$4,694,650
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	75.63%	81.78%	94.22%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	54.50%	54.14%	46.33%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2017	2018	2019
City's proportion of the net OPEB liability	0.064993%	0.066267%	0.064170%
City's proportionate share of the net OPEB liability	\$3,085,056	\$3,754,610	\$584,364
City's covered payroll	\$1,468,432	\$1,524,027	\$1,527,850
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	210.09%	246.36%	38.25%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability.

See accompanying notes to required supplementary information

CITY OF NAPOLEON, OHIO

2020	2021	2022	2023	2024
0.033834%	0.033873%	0.033099%	0.032045%	0.033474%
\$4,673,357	(\$603,472)	(\$1,036,709)	\$202,054	(\$302,104)
\$4,761,086	\$4,769,814	\$4,805,586	\$4,989,057	\$5,408,307
98.16%	(12.65%)	(21.57%)	4.05%	(5.59%)
47.80%	115.57%	128.23%	94.79%	107.76%
2020	2021	2022	2023	2024
0.063651%	0.065738%	0.066760%	0.065260%	0.072044%
\$628,727	\$696,504	\$731,747	\$464,633	\$526,018
\$1,629,373	\$1,379,061	\$1,690,300	\$1,762,014	\$2,061,737
38.59%	50.51%	43.29%	26.37%	25.51%
47.08%	45.42%	46.86%	52.59%	51.89%

CITY OF NAPOLEON, OHIO***Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Ten Years*****Ohio Public Employees Retirement System**

Year	2015	2016	2017	2018
Contractually required contribution	\$95,900	\$90,135	\$47,486	\$0
Contributions in relation to the contractually required contribution	95,900	90,135	47,486	0
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$4,795,008	\$4,506,742	\$4,748,600	\$4,694,650
Contributions as a percentage of covered payroll	2.00%	2.00%	1.00%	0.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2015	2016	2017	2018
Contractually required contribution	\$7,547	\$7,342	\$7,441	\$7,448
Contributions in relation to the contractually required contribution	7,547	7,342	7,441	7,448
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$1,509,393	\$1,468,432	\$1,524,027	\$1,527,850
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

See accompanying notes to required supplementary information

CITY OF NAPOLEON, OHIO

2019	2020	2021	2022	2023	2024
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,761,086	\$4,769,814	\$4,805,586	\$4,989,057	\$5,408,307	\$5,576,371
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

2019	2020	2021	2022	2023	2024
\$7,746	\$7,237	\$8,755	\$9,110	\$10,583	\$10,464
7,746	7,237	8,755	9,110	10,583	10,464
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,629,373	\$1,379,061	\$1,690,300	\$1,762,014	\$2,061,737	\$2,045,038
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

CITY OF NAPOLEON, OHIO

Notes to the Required Supplementary Information For the Year Ended December 31, 2024

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2015-2024.

Changes in assumptions:

2015-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

2021: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 1.4% to 0.5% for post 1/7/13 retirees.

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 0.5% to 3.00% for post 1/7/13 retirees.
- Reduction in actuarial assumed rate of return from 7.20% to 6.90%.
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

2023-2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

CITY OF NAPOLEON, OHIO

Notes to the Required Supplementary Information For the Year Ended December 31, 2024

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2015-2024.

Changes in assumptions:

2015-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%

2023: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

CITY OF NAPOLEON, OHIO

Notes to the Required Supplementary Information For the Year Ended December 31, 2024

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021, and 2023-2024.

2022: Group plans for non-Medicare retirees and re-employed retirees replaced with individual medical plans. OPERS will provide a subsidy or allowance via an HRA.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Change in health care cost trend rate from 8.5% to 5.5%
- The Municipal Bond Rate changed from 2.00% to 1.84%
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

CITY OF NAPOLEON, OHIO

Notes to the Required Supplementary Information For the Year Ended December 31, 2024

NET OPEB LIABILITY (ASSET) (Continued)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The Municipal Bond Rate changed from 1.84% to 4.05%
- The single discount rate changed from 6.00% to 5.22%.

2024: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The Municipal Bond Rate changed from 4.05% to 3.77%
- The single discount rate changed from 5.22% to 5.70%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

2020 - 2024: There were no changes in benefit terms.

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.66% to 3.56%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.56% to 2.96%.
- The payroll growth rate changed from 2.75% to 3.25%.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.96% to 2.84%.
- The investment rate of return changed from 8.0% to 7.5%.

CITY OF NAPOLEON, OHIO

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.84% to 4.27%.
- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

2024: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.27% to 4.07%.

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***C*OMBINING AND *I*NDIVIDUAL *F*UND
*S*TATEMENTS AND *S*CHEDULES**

***T*HE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, AND
FIDUCIARY FUNDS.**

CITY OF NAPOLEON, OHIO

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund

To account for state-levied and controlled gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

State Highway Improvement Fund

To account for the portion of the state gasoline tax and motor vehicle registration fees designated for street maintenance and repair of state highways within the City.

Motor Vehicle License Tax Fund

To account for county-levied motor vehicle registration fees designated for street construction, maintenance and repair.

EMS Transport Service Fund

To account for service charges to clients for emergency medical services.

Recreation Fund

To account for the operation and maintenance of public recreational facilities.

American Rescue Plan Fund

This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Shelter House Facility Repair Fund

To account for the maintenance and repair of public shelter house facilities.

Hotel/Motel Tax Fund

To account for the collection of Hotel/Motel Excise Tax, otherwise known as Lodge Tax.

Fire Loss Claims Fund

To account for insurance proceeds held as security against the cost to provide for removing, repairing and securing losses caused by fire. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Community Development Block Grant (CDBG) Income Fund

To account for Community Development Block Grant monies to be used for home improvements.

(Continued)

CITY OF NAPOLEON, OHIO

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

Indigent Drivers Alcohol Treatment Fund

To account for the revenues from fines as established by the state to pay for alcohol related training programs for indigent persons.

Law Enforcement and Education Fund

To account for the financial resources used to educate and treat persons with alcohol related problems and to enhance law enforcement activities as a deterrent to the operation of motor vehicles while under the influence of alcohol.

Court Computerization Fund

To account for the acquisition, improvement, replacement and repair of capital assets of the Napoleon Municipal Court.

Law Enforcement Trust Fund

To account for funds received by the police department for contraband, per state statute.

Mandatory Drug Fine Fund

To account for mandatory fines collected for drug related offenses.

Fire Equipment Fund

To account for monies received from fire contracts to be used for the purchase of fire fighting apparatus.

Municipal Probation Service Fund

To account for monies received from fines levied and expenditures by Probation Officer.

Court Improvement Fund

To account for monies received from fines levied and expenditures for Court Improvements.

Handicap Parking Fines Fund

To account for monies received from Municipal Court for handicap parking violations.

Police Pension Fund

To account for taxes levied toward partial payment of the current and accrued liability for police disability and pension.

Fire Pension Fund

To account for taxes levied toward partial payment of the current and accrued liability for fire disability and pension.

(Continued)

CITY OF NAPOLEON, OHIO

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

Cemetery Fund

To account for monies received by specific agreement, gifts, bequests or otherwise to provide for perpetual care of individual plots within the City cemetery.

PACE Energy Project Oakwood Fund

To account for financial resources used for energy efficient and renewable energy improvements on the Oakwood Avenue properties.

Certified Police Training Fund

To account for financial resources used for police continuing professional training.

Indigent Drivers Interlock/Alcohol Fund

To account for revenues from fines as established by the State to pay for alcohol monitoring programs for indigent people.

One Ohio Fund

To account for revenues distributed by the State for opioid settlements from drug manufacturers and distributors. It is designated for resources to assist with community drug recovery, prevention and treatment.

Napoleon Aquatic Center Reserve Fund

To account for financial resources used for the operation and maintenance of the Napoleon Aquatic Center.

Downtown Revitalization Grant Fund

To account for financial resources used for public facility improvements of the downtown area. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Probation Improvement Fund

To account for financial resources used to enhance probation services and support individuals who are currently or formerly incarcerated.

(Continued)

CITY OF NAPOLEON, OHIO

Nonmajor Governmental Funds

Debt Service Fund

Debt Service Funds are used to account for retirement of the City's general obligation and special assessment bonds.

General Bond Retirement Fund

To account for the accumulation of resources for the payments of general obligation debt of the City including self-supporting obligations not otherwise paid from proprietary funds.

Oakwood/American TIF Fund

To account for the tax increment financing of activity related to the improvements and future development at Oakwood Avenue and American Road.

Napoleon Aquatic Center Debt Reserve Fund

To account for the reserve established by City Council related to the construction and development of the Napoleon Aquatic Center.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

Fire Facility Training Grant Fund

To account for financial resources used for the Fire Training Facility construction. (This fund only exists on a GAAP basis and is not part of the City's appropriated budget; therefore no budgetary schedule is presented.)

Capital Improvement Project (CIP) Funding Reserve Fund

To account for the capital improvement reserve established by City Council to pre-fund large purchases.

One Time STRAT Community Grant Fund

To account for financial resources used for painting the City water tower.

Oakwood Avenue Improvement Project Fund

To account for financial resources used for the improvement and development of the Oakwood Avenue project. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

CITY OF NAPOLEON, OHIO

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 4,159,717	\$ 132,823	\$ 217,437	\$ 4,509,977
Receivables:				
Taxes	182,766	0	0	182,766
Accounts	481,047	0	0	481,047
Intergovernmental	447,785	0	0	447,785
Interest	527	0	0	527
Special Assessments	81,076	0	0	81,076
Settlements	33,683	0	0	33,683
Loans	109,673	0	0	109,673
Inventory of Supplies, at Cost	318,089	0	0	318,089
Total Assets	\$ 5,814,363	\$ 132,823	\$ 217,437	\$ 6,164,623
Liabilities:				
Accounts Payable	\$ 4,213	\$ 0	\$ 0	\$ 4,213
Accrued Wages and Benefits Payable	69,722	0	0	69,722
Interfund Loans Payable	0	0	2,800	2,800
Total Liabilities	73,935	0	2,800	76,735
Deferred Inflows of Resources:				
Unavailable Amounts	830,058	0	0	830,058
Property Tax for Next Fiscal Year	176,533	0	0	176,533
Total Deferred Inflows of Resources	1,006,591	0	0	1,006,591
Fund Balances:				
Nonspendable	318,089	0	0	318,089
Restricted	3,199,438	121,179	135,000	3,455,617
Committed	1,256,855	0	82,437	1,339,292
Assigned	0	11,644	0	11,644
Unassigned	(40,545)	0	(2,800)	(43,345)
Total Fund Balances	4,733,837	132,823	214,637	5,081,297
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,814,363	\$ 132,823	\$ 217,437	\$ 6,164,623

CITY OF NAPOLEON, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ 169,834	\$ 0	\$ 0	\$ 169,834
Payments in Lieu of Taxes	0	28,435	0	28,435
Intergovernmental Revenues	1,261,006	0	2,135,000	3,396,006
Charges for Services	1,024,977	0	0	1,024,977
Investment Earnings	107,018	6,042	0	113,060
Special Assessments	81,076	0	0	81,076
Fines and Forfeitures	126,443	0	0	126,443
All Other Revenue	87,290	0	0	87,290
Total Revenue	2,857,644	34,477	2,135,000	5,027,121
Expenditures:				
Current:				
Security of Persons and Property	893,218	0	0	893,218
Leisure Time Activities	1,517,431	0	0	1,517,431
Community Environment	9,021	0	0	9,021
Transportation	1,043,002	0	0	1,043,002
General Government	157,993	5,257	0	163,250
Capital Outlay	0	0	2,000,000	2,000,000
Debt Service:				
Principal Retirement	83,338	225,000	0	308,338
Interest and Fiscal Charges	5,396	54,640	0	60,036
Total Expenditures	3,709,399	284,897	2,000,000	5,994,296
Excess (Deficiency) of Revenues Over Expenditures	(851,755)	(250,420)	135,000	(967,175)
Other Financing Sources (Uses):				
Transfers In	997,397	298,890	10,000	1,306,287
Transfers Out	(311,091)	0	0	(311,091)
Other Financing Sources - Capital Leases	117,469	0	0	117,469
Total Other Financing Sources (Uses)	803,775	298,890	10,000	1,112,665
Net Change In Fund Balance	(47,980)	48,470	145,000	145,490
Fund Balances at Beginning of Year	4,825,959	84,353	69,637	4,979,949
Decrease in Inventory Reserve	(44,142)	0	0	(44,142)
Fund Balances End of Year	\$ 4,733,837	\$ 132,823	\$ 214,637	\$ 5,081,297

CITY OF NAPOLEON, OHIO

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024

	Street Construction, Maintenance and Repair	State Highway Improvement	Motor Vehicle License Tax	EMS Transport Service
Assets:				
Cash and Cash Equivalents	\$ 713,497	\$ 121,976	\$ 459,921	\$ 510,847
Receivables:				
Taxes	0	0	0	0
Accounts	1,400	0	0	447,015
Intergovernmental	269,007	21,810	84,464	0
Interest	124	21	80	0
Special Assessments	0	0	0	0
Settlements	0	0	0	0
Loans	0	0	0	0
Inventory of Supplies, at Cost	309,813	0	0	0
Total Assets	\$ 1,293,841	\$ 143,807	\$ 544,465	\$ 957,862
Liabilities:				
Accounts Payable	\$ 104	\$ 0	\$ 0	\$ 2,751
Accrued Wages and Benefits Payable	10,001	0	0	0
Total Liabilities	10,105	0	0	2,751
Deferred Inflows of Resources:				
Unavailable Amounts	179,462	14,561	22,354	333,149
Property Tax for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	179,462	14,561	22,354	333,149
Fund Balances:				
Nonspendable	309,813	0	0	0
Restricted	794,461	129,246	522,111	0
Committed	0	0	0	621,962
Unassigned	0	0	0	0
Total Fund Balances	1,104,274	129,246	522,111	621,962
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,293,841	\$ 143,807	\$ 544,465	\$ 957,862

CITY OF NAPOLEON, OHIO

Recreation	Shelter House Facility Repair	Hotel/Motel Tax	CDBG Income	Indigent Drivers Treatment	Law Enforcement and Education
\$ 647,001	\$ 7,576	\$ 0	\$ 27,187	\$ 82,151	\$ 507
0	0	0	0	0	0
555	0	29,260	0	0	0
0	0	0	0	0	0
112	1	0	0	14	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	109,673	0	0
8,276	0	0	0	0	0
\$ 655,944	\$ 7,577	\$ 29,260	\$ 136,860	\$ 82,165	\$ 507
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 1,358	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
18,881	0	0	0	0	0
20,239	0	0	0	0	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
112	1	0	109,673	14	0
0	0	0	0	0	0
112	1	0	109,673	14	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
8,276	0	0	0	0	0
0	0	29,260	27,187	82,151	507
627,317	7,576	0	0	0	0
0	0	0	0	0	0
635,593	7,576	29,260	27,187	82,151	507
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 655,944	\$ 7,577	\$ 29,260	\$ 136,860	\$ 82,165	\$ 507

(Continued)

CITY OF NAPOLEON, OHIO

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024

	Court Computerization	Law Enforcement Trust	Mandatory Drug Fine	Fire Equipment
Assets:				
Cash and Cash Equivalents	\$ 195,685	\$ 6,838	\$ 21,811	\$ 570,979
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Interest	34	0	4	99
Special Assessments	0	0	0	0
Settlements	0	0	0	0
Loans	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Total Assets	\$ 195,719	\$ 6,838	\$ 21,815	\$ 571,078
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Total Liabilities	0	0	0	0
Deferred Inflows of Resources:				
Unavailable Amounts	34	0	4	99
Property Tax for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	34	0	4	99
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	195,685	6,838	21,811	570,979
Committed	0	0	0	0
Unassigned	0	0	0	0
Total Fund Balances	195,685	6,838	21,811	570,979
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 195,719	\$ 6,838	\$ 21,815	\$ 571,078

CITY OF NAPOLEON, OHIO

Municipal Probation Service	Court Improvement	Handicap Parking Fines	Police Pension	Fire Pension	Cemetery
\$ 196,067	\$ 186,517	\$ 1,100	\$ 0	\$ 0	\$ 61,273
0	0	0	121,844	60,922	0
0	2,817	0	0	0	0
0	0	0	6,735	3,368	0
34	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
\$ 196,101	\$ 189,334	\$ 1,100	\$ 128,579	\$ 64,290	\$ 61,273
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
32	0	0	24,590	16,218	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
34	0	0	10,715	5,358	0
0	0	0	117,689	58,844	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
34	0	0	128,404	64,202	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
0	0	0	0	0	0
196,035	189,334	1,100	0	0	61,273
0	0	0	0	0	0
0	0	0	(24,415)	(16,130)	0
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
196,035	189,334	1,100	(24,415)	(16,130)	61,273
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 196,101	\$ 189,334	\$ 1,100	\$ 128,579	\$ 64,290	\$ 61,273

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CITY OF NAPOLEON, OHIO

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024

	Pace Energy			
	Project Oakwood	Certified Police Training	Indigent Drivers Interlock/Alcohol	One Ohio
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 25,972	\$ 87,913	\$ 22,689
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	4,131	0	0
Interest	0	0	0	4
Special Assessments	81,076	0	0	0
Settlements	0	0	0	33,683
Loans	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Total Assets	\$ 81,076	\$ 30,103	\$ 87,913	\$ 56,376
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Total Liabilities	0	0	0	0
Deferred Inflows of Resources:				
Unavailable Amounts	81,076	0	0	33,687
Property Tax for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	81,076	0	0	33,687
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	0	30,103	87,913	22,689
Committed	0	0	0	0
Unassigned	0	0	0	0
Total Fund Balances	0	30,103	87,913	22,689
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 81,076	\$ 30,103	\$ 87,913	\$ 56,376

CITY OF NAPOLEON, OHIO

Napoleon Aquatic Center Reserve Fund		Probation Improvement Fund	Total Nonmajor Special Revenue Funds
\$ 206,031		\$ 6,179	\$ 4,159,717
0		0	182,766
0		0	481,047
0		58,270	447,785
0		0	527
0		0	81,076
0		0	33,683
0		0	109,673
0		0	318,089
\$ 206,031		\$ 64,449	\$ 5,814,363
\$ 0		\$ 0	\$ 4,213
0		0	69,722
0		0	73,935
0		39,725	830,058
0		0	176,533
0		39,725	1,006,591
0		0	318,089
206,031		24,724	3,199,438
0		0	1,256,855
0		0	(40,545)
206,031		24,724	4,733,837
\$ 206,031		\$ 64,449	\$ 5,814,363

CITY OF NAPOLEON, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024

	Street Construction, Maintenance and Repair	State Highway Improvement	Motor Vehicle License Tax	EMS Transport Service
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	557,192	45,178	122,294	8,720
Charges for Services	3,199	0	0	540,975
Investment Earnings	30,953	3,422	13,986	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	6,068	0	0	0
Total Revenue	597,412	48,600	136,280	549,695
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	412,201
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	940,319	27,788	73,164	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest & Fiscal Charges	0	0	0	0
Total Expenditures	940,319	27,788	73,164	412,201
Excess (Deficiency) of Revenues				
Over Expenditures	(342,907)	20,812	63,116	137,494
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	(30,240)
Other Financing Sources - Capital Leases	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	(30,240)
Net Change In Fund Balance	(342,907)	20,812	63,116	107,254
Fund Balances (Deficit) at Beginning of Year	1,490,054	108,434	458,995	514,708
Decrease in Inventory Reserve	(42,873)	0	0	0
Fund Balances (Deficit) End of Year	\$ 1,104,274	\$ 129,246	\$ 522,111	\$ 621,962

CITY OF NAPOLEON, OHIO

		Shelter House					
Recreation	American Rescue Plan	Facility Repair	Hotel/Motel Tax	Fire Loss Claims	CDBG Income		
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	222,946	0	114,441	0	7,711		
476,163	0	2,115	0	0	0	0	
20,285	707	194	0	0	0	0	
0	0	0	0	0	0	0	
0	0	0	0	0	0	0	
79,070	0	0	0	0	0	0	
575,518	223,653	2,309	114,441	0	7,711		
0	0	0	0	0	0	0	
1,517,431	0	0	0	0	0	0	
0	0	0	0	0	2,705		
0	0	0	0	0	0	0	
0	0	0	56,032	20,885	0		
23,338	0	0	0	0	0	0	
396	0	0	0	0	0	0	
1,541,165	0	0	56,032	20,885	2,705		
(965,647)	223,653	2,309	58,409	(20,885)	5,006		
812,627	0	0	0	0	0	0	
(396)	(223,653)	0	(56,032)	0	0	0	
117,469	0	0	0	0	0	0	
929,700	(223,653)	0	(56,032)	0	0		
(35,947)	0	2,309	2,377	(20,885)	5,006		
672,809	0	5,267	26,883	20,885	22,181		
(1,269)	0	0	0	0	0	0	
\$ 635,593	\$ 0	\$ 7,576	\$ 29,260	\$ 0	\$ 27,187		

(Continued)

CITY OF NAPOLEON, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024

	Indigent Drivers Treatment	Law Alcohol Enforcement and Education	Court Computerization	Law Enforcement Trust
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Investment Earnings	2,420	23	5,851	203
Special Assessments	0	0	0	0
Fines and Forfeitures	5,830	530	31,173	0
All Other Revenue	0	0	0	0
Total Revenue	8,250	553	37,024	203
Expenditures:				
Current:				
Security of Persons and Property	2,317	1,518	64,863	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest & Fiscal Charges	0	0	0	0
Total Expenditures	2,317	1,518	64,863	0
Excess (Deficiency) of Revenues				
Over Expenditures	5,933	(965)	(27,839)	203
Other Financing Sources (Uses):				
Transfers In	0	0	770	0
Transfers Out	0	0	0	0
Other Financing Sources - Capital Leases	0	0	0	0
Total Other Financing Sources (Uses)	0	0	770	0
Net Change In Fund Balance	5,933	(965)	(27,069)	203
Fund Balances (Deficit) at Beginning of Year	76,218	1,472	222,754	6,635
Decrease in Inventory Reserve	0	0	0	0
Fund Balances (Deficit) End of Year	\$ 82,151	\$ 507	\$ 195,685	\$ 6,838

CITY OF NAPOLEON, OHIO

Mandatory Drug Fine	Fire Equipment	Municipal Probation Service	Court Improvement	Handicap Parking Fines	Police Pension
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 113,223
0	43,203	0	0	0	13,763
0	0	0	0	0	0
648	17,303	5,778	0	0	0
0	0	0	0	0	0
109	0	28,268	54,587	0	0
0	2,152	0	0	0	0
757	62,658	34,046	54,587	0	126,986
0	99,636	22,694	0	0	133,189
0	0	0	0	0	0
0	0	0	0	0	0
0	0	1,731	0	0	0
0	0	0	0	0	0
0	0	0	60,000	0	0
0	0	0	5,000	0	0
0	99,636	24,425	65,000	0	133,189
757	(36,978)	9,621	(10,413)	0	(6,203)
0	84,000	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	84,000	0	0	0	0
757	47,022	9,621	(10,413)	0	(6,203)
21,054	523,957	186,414	199,747	1,100	(18,212)
0	0	0	0	0	0
\$ 21,811	\$ 570,979	\$ 196,035	\$ 189,334	\$ 1,100	\$ (24,415)

(Continued)

CITY OF NAPOLEON, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024

	Fire	Pension	Cemetery	Pace Energy Project Oakwood	Certified Police Training
Revenues:					
Property Taxes	\$ 56,611		\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	6,881		0	0	28,984
Charges for Services	0		2,525	0	0
Investment Earnings	0		0	0	0
Special Assessments	0		0	81,076	0
Fines and Forfeitures	0		0	0	0
All Other Revenue	0		0	0	0
Total Revenue	63,492		2,525	81,076	28,984
Expenditures:					
Current:					
Security of Persons and Property	65,454		0	0	532
Leisure Time Activities	0		0	0	0
Community Environment	0		6,316	0	0
Transportation	0		0	0	0
General Government	0		0	81,076	0
Debt Service:					
Principal Retirement	0		0	0	0
Interest & Fiscal Charges	0		0	0	0
Total Expenditures	65,454		6,316	81,076	532
Excess (Deficiency) of Revenues					
Over Expenditures	(1,962)		(3,791)	0	28,452
Other Financing Sources (Uses):					
Transfers In	0		0	0	0
Transfers Out	0		0	0	0
Other Financing Sources - Capital Leases	0		0	0	0
Total Other Financing Sources (Uses)	0		0	0	0
Net Change In Fund Balance	(1,962)		(3,791)	0	28,452
Fund Balances (Deficit) at Beginning of Year	(14,168)		65,064	0	1,651
Decrease in Inventory Reserve	0		0	0	0
Fund Balances (Deficit) End of Year	\$ (16,130)		\$ 61,273	\$ 0	\$ 30,103

CITY OF NAPOLEON, OHIO

Indigent Drivers Interlock/Alcohol	One Ohio	Napoleon Aquatic Center Reserve Fund	Downtown Revitalization Grant Fund	Probation Improvement Fund	Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 169,834
0	15,217	0	0	74,476	1,261,006
0	0	0	0	0	1,024,977
0	398	4,589	258	0	107,018
0	0	0	0	0	81,076
5,946	0	0	0	0	126,443
0	0	0	0	0	87,290
5,946	15,615	4,589	258	74,476	2,857,644
36	0	0	18,245	72,533	893,218
0	0	0	0	0	1,517,431
0	0	0	0	0	9,021
0	0	0	0	0	1,043,002
0	0	0	0	0	157,993
0	0	0	0	0	83,338
0	0	0	0	0	5,396
36	0	0	18,245	72,533	3,709,399
5,910	15,615	4,589	(17,987)	1,943	(851,755)
0	0	100,000	0	0	997,397
0	0	0	(770)	0	(311,091)
0	0	0	0	0	117,469
0	0	100,000	(770)	0	803,775
5,910	15,615	104,589	(18,757)	1,943	(47,980)
82,003	7,074	101,442	18,757	22,781	4,825,959
0	0	0	0	0	(44,142)
\$ 87,913	\$ 22,689	\$ 206,031	\$ 0	\$ 24,724	\$ 4,733,837

CITY OF NAPOLEON, OHIO

Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2024

	General Bond Retirement	Oakwood/ American TIF	Napoleon Aquatic Center Debt Reserve Fund	Total Nonmajor Debt Service Funds
Assets:				
Cash and Cash Equivalents	\$ 11,644	\$ 81,869	\$ 39,310	\$ 132,823
Total Assets	\$ 11,644	\$ 81,869	\$ 39,310	\$ 132,823
Total Liabilities	0	0	0	0
Fund Balances:				
Restricted	0	81,869	39,310	121,179
Assigned	11,644	0	0	11,644
Total Fund Balances	11,644	81,869	39,310	132,823
Total Liabilities and Funds Balances	\$ 11,644	\$ 81,869	\$ 39,310	\$ 132,823

CITY OF NAPOLEON, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2024

	General Bond Retirement	Oakwood/American TIF	Napoleon Aquatic Center Debt Reserve Fund	Total Nonmajor Debt Service Funds
Revenues:				
Payments in Lieu of Taxes	\$ 0	\$ 28,435	\$ 0	\$ 28,435
Investment Earnings	0	2,299	3,743	6,042
Total Revenue	0	30,734	3,743	34,477
Expenditures:				
Current:				
General Government	0	4,958	299	5,257
Debt Service:				
Principal Retirement	45,000	0	180,000	225,000
Interest & Fiscal Charges	4,750	0	49,890	54,640
Total Expenditures	49,750	4,958	230,189	284,897
Excess (Deficiency) of Revenues				
Over Expenditures	(49,750)	25,776	(226,446)	(250,420)
Other Financing Sources (Uses):				
Transfers In	49,750	0	249,140	298,890
Total Other Financing Sources (Uses)	49,750	0	249,140	298,890
Net Change In Fund Balance	0	25,776	22,694	48,470
Fund Balance at Beginning of Year	11,644	56,093	16,616	84,353
Fund Balance End of Year	\$ 11,644	\$ 81,869	\$ 39,310	\$ 132,823

CITY OF NAPOLEON, OHIO

Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2024

	Fire Facility Training Grant	CIP Funding Reserve	One Time Strat Comm Grant	Total Nonmajor Capital Projects Funds
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 82,437	\$ 135,000	\$ 217,437
Total Assets	\$ 0	\$ 82,437	\$ 135,000	\$ 217,437
Liabilities:				
Interfund Loans Payable	2,800	0	0	2,800
Total Liabilities	2,800	0	0	2,800
Fund Balances:				
Restricted	0	0	135,000	135,000
Committed	0	82,437	0	82,437
Unassigned	(2,800)	0	0	(2,800)
Total Fund Balances	(2,800)	82,437	135,000	214,637
Total Liabilities and Funds Balances	\$ 0	\$ 82,437	\$ 135,000	\$ 217,437

CITY OF NAPOLEON, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2024

	Fire Facility Training Grant	CIP Funding Reserve	One Time Strat Comm Grant	Oakwood Avenue Improvement Project	Total Nonmajor Capital Project Funds
Revenues:					
Intergovernmental Revenues	\$ 0	\$ 0	\$ 135,000	\$ 2,000,000	\$ 2,135,000
Total Revenue	0	0	135,000	2,000,000	2,135,000
Expenditures:					
Capital Outlay	0	0	0	2,000,000	2,000,000
Total Expenditures	0	0	0	2,000,000	2,000,000
Excess (Deficiency) of Revenues Over Expenditures	0	0	135,000	0	135,000
Other Financing Sources (Uses):					
Transfers In	0	10,000	0	0	10,000
Total Other Financing Sources (Uses)	0	10,000	0	0	10,000
Net Change In Fund Balance	0	10,000	135,000	0	145,000
Fund Balances (Deficits) at Beginning of Year	(2,800)	72,437	0	0	69,637
Fund Balances (Deficits) End of Year	\$ (2,800)	\$ 82,437	\$ 135,000	\$ 0	\$ 214,637

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 307,500	\$ 377,446	\$ 377,446	\$ 0
Municipal Income Taxes	5,121,000	5,858,308	5,858,308	0
Other Local Taxes	495,000	479,679	479,679	0
Intergovernmental Revenues	334,500	366,474	366,474	0
Charges for Services	472,800	637,892	637,892	0
Licenses and Permits	76,100	71,682	71,682	0
Investment Earnings	200,000	482,740	482,740	0
Fines and Forfeitures	146,110	121,891	121,891	0
All Other Revenues	412,434	478,720	478,720	0
Total Revenues	<u>7,565,444</u>	<u>8,874,832</u>	<u>8,874,832</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	2,392,615	2,332,911	2,332,911	0
Materials and Supplies	137,294	116,381	112,951	3,430
Contractual Services	358,092	289,236	283,622	5,614
Other Expenditures	61,847	19,133	17,886	1,247
Capital Outlay	29,980	18,741	17,706	1,035
Total Police	<u>2,979,828</u>	<u>2,776,402</u>	<u>2,765,076</u>	<u>11,326</u>
Fire:				
Personal Services	1,555,180	1,685,829	1,685,829	0
Materials and Supplies	75,432	56,874	53,567	3,307
Contractual Services	182,413	190,907	188,478	2,429
Capital Outlay	43,550	32,875	32,875	0
Total Fire	<u>1,856,575</u>	<u>1,966,485</u>	<u>1,960,749</u>	<u>5,736</u>
Police Code Enforcement:				
Personal Services	45,740	45,563	45,563	0
Materials and Supplies	3,100	2,599	2,599	0
Contractual Services	7,119	1,876	1,807	69
Other Expenditures	500	4	4	0
Total Police Code Enforcement	<u>56,459</u>	<u>50,042</u>	<u>49,973</u>	<u>69</u>
Total Security of Persons and Property	<u>4,892,862</u>	<u>4,792,929</u>	<u>4,775,798</u>	<u>17,131</u>

(Continued)

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Health and Welfare Services:				
Cemetery:				
Personal Services	93,970	90,819	90,819	0
Materials and Supplies	13,915	10,177	10,012	165
Contractual Services	14,103	9,978	9,925	53
Total Public Health and Welfare Services	<u>121,988</u>	<u>110,974</u>	<u>110,756</u>	<u>218</u>
Community Environment:				
Economic Development:				
Contractual Services	45,000	45,000	45,000	0
Total Community Environment	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>0</u>
General Government:				
City Council:				
Personal Services	2,564	2,704	2,568	136
Materials and Supplies	613	609	596	13
Contractual Services	394	203	193	10
Other Expenditures	1,073	521	521	0
Total City Council	<u>4,644</u>	<u>4,037</u>	<u>3,878</u>	<u>159</u>
Mayor:				
Personal Services	1,108	1,088	1,034	54
Materials and Supplies	550	106	106	0
Contractual Services	700	200	200	0
Other Expenditures	100	66	66	0
Total Mayor	<u>2,458</u>	<u>1,460</u>	<u>1,406</u>	<u>54</u>
City Manager - Administration:				
Personal Services	24,014	20,970	19,919	1,051
Materials and Supplies	199	93	87	6
Contractual Services	5,632	466	435	31
Other Expenditures	600	34	34	0
Total City Manager - Administration	<u>30,445</u>	<u>21,563</u>	<u>20,475</u>	<u>1,088</u>
City Manager - Human Resources:				
Personal Services	5,777	6,839	6,496	343
Materials and Supplies	84	668	634	34
Contractual Services	549	306	290	16
Other Expenditures	1,200	580	580	0
Total City Manager - Human Resources	<u>7,610</u>	<u>8,393</u>	<u>8,000</u>	<u>393</u>

(Continued)

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Law Director:				
Personal Services	16,197	16,460	15,634	826
Materials and Supplies	120	48	45	3
Contractual Services	5,283	4,697	4,461	236
Other Expenditures	6,500	3,375	3,375	0
Total Law Director	28,100	24,580	23,515	1,065
Finance - Administration:				
Personal Services	26,068	19,799	18,806	993
Materials and Supplies	2,803	1,379	1,225	154
Contractual Services	6,368	5,618	5,336	282
Other Expenditures	2,308	465	357	108
Capital Outlay	4,100	5,100	5,012	88
Total Finance - Administration	41,647	32,361	30,736	1,625
Finance - Utility Billing:				
Personal Services	9,447	9,177	8,716	461
Materials and Supplies	2,735	2,928	2,697	231
Contractual Services	3,931	3,246	3,035	211
Other Expenditures	0	13	13	0
Total Finance - Utility Billing	16,113	15,364	14,461	903
Finance - Income Tax Collection:				
Personal Services	97,904	93,510	93,510	0
Materials and Supplies	1,600	116	16	100
Contractual Services	195,684	194,184	194,184	0
Capital Outlay	0	1,500	1,500	0
Total Finance - Income Tax Collection	295,188	289,310	289,210	100
Information Systems:				
Personal Services	217,509	212,392	212,392	0
Materials and Supplies	26,064	21,687	15,312	6,375
Contractual Services	73,245	66,965	64,599	2,366
Total Finance - Information Systems	316,818	301,044	292,303	8,741
City Engineer:				
Personal Services	23,708	15,062	14,307	755
Materials and Supplies	630	672	624	48
Contractual Services	4,892	3,766	3,393	373
Other Expenditures	2,000	1,976	976	1,000
Total City Engineer	31,230	21,476	19,300	2,176

(Continued)

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Municipal Court:				
Personal Services	616,736	565,363	565,363	0
Materials and Supplies	34,450	30,859	30,859	0
Contractual Services	75,480	60,270	59,828	442
Other Expenditures	230	177	177	0
Total Municipal Court	726,896	656,669	656,227	442
Service - Buildings, Property and Equipment:				
Personal Services	6,085	6,099	5,793	306
Materials and Supplies	799	439	404	35
Contractual Services	244	133	125	8
Other Expenditures	150	8	8	0
Total Service - Buildings, Property and Equipment	7,278	6,679	6,330	349
Miscellaneous:				
Materials and Supplies	544	499	437	62
Contractual Services	9,792	11,039	10,430	609
Other Expenditures	13,133	12,642	12,008	634
Total Miscellaneous	23,469	24,180	22,875	1,305
Total General Government	1,531,896	1,407,116	1,388,716	18,400
Total Expenditures	6,591,746	6,356,019	6,320,270	35,749
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	973,698	2,518,813	2,554,562	35,749
Other Financing Sources (Uses):				
Sale of Capital Assets	2,000	0	0	0
Transfers In	307,500	280,081	280,081	0
Transfers Out	(2,288,193)	(2,487,454)	(2,487,454)	0
Total Other Financing Sources (Uses)	(1,978,693)	(2,207,373)	(2,207,373)	0
Net Change In Fund Balance	(1,004,995)	311,440	347,189	35,749
Fund Balance at Beginning of Year	3,116,182	3,116,182	3,116,182	0
Prior Year Encumbrances	220,344	220,344	220,344	0
Fund Balance at End of Year	\$ 2,331,531	\$ 3,647,966	\$ 3,683,715	\$ 35,749

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund
For the Year Ended December 31, 2024***

SPECIAL ASSESSMENT BOND RETIREMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 10,000	\$ 19,456	\$ 19,456	\$ 0
Special Assessments	0	36	36	0
Total Revenues	<u>10,000</u>	<u>19,492</u>	<u>19,492</u>	<u>0</u>
Expenditures:				
General Government:				
Contractual Services	0	3	3	0
Total Expenditures	<u>0</u>	<u>3</u>	<u>3</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	10,000	19,489	19,489	0
Fund Balance at Beginning of Year	634,495	634,495	634,495	0
Fund Balance at End of Year	<u>\$ 644,495</u>	<u>\$ 653,984</u>	<u>\$ 653,984</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Funds
For the Year Ended December 31, 2024***

CAPITAL IMPROVEMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 178,082	\$ 178,082
All Other Revenues	80,000	187,684	187,684	0
Total Revenues	80,000	187,684	365,766	178,082
Expenditures:				
Capital Outlay:				
Finance - Administration	500	330	330	0
Central Information System	49,342	49,330	49,292	38
Engineering	13,900	6,343	5,443	900
Municipal Court	321,549	281,868	281,868	0
Police	227,834	233,448	226,576	6,872
Fire	65,439	63,958	63,953	5
Parks and Recreation	7,500	3,799	3,799	0
Cemetery	7,000	7,000	7,000	0
Street Maintenance	1,721,534	1,571,937	1,559,980	11,957
Total Expenditures	2,414,598	2,218,013	2,198,241	19,772
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(2,334,598)	(2,030,329)	(1,832,475)	197,854
Other Financing Sources (Uses):				
Transfers In	1,570,699	1,664,827	1,664,827	0
Transfers Out	(113,510)	(113,510)	(113,510)	0
Total Other Financing Sources (Uses)	1,457,189	1,551,317	1,551,317	0
Net Change In Fund Balance	(877,409)	(479,012)	(281,158)	197,854
Fund Balance at Beginning of Year	1,464,974	1,464,974	1,464,974	0
Prior Year Encumbrances	421,102	421,102	421,102	0
Fund Balance at End of Year	\$ 1,008,667	\$ 1,407,064	\$ 1,604,918	\$ 197,854

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Funds
For the Year Ended December 31, 2024***

AQUATIC CENTER FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 282,000	\$ 295,177	\$ 295,177	\$ 0
Intergovernmental Revenues	7,000	6,364	6,364	0
Investment Earnings	5,000	4,872	4,872	0
All Other Revenues	1,000	0	0	0
Total Revenues	<u>295,000</u>	<u>306,413</u>	<u>306,413</u>	<u>0</u>
Expenditures:				
Leisure Time Activities:				
Capital Outlay	46,235	42,969	42,969	0
Total Expenditures	<u>46,235</u>	<u>42,969</u>	<u>42,969</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	248,765	263,444	263,444	0
Other Financing Sources (Uses):				
Transfers Out	(349,140)	(349,140)	(349,140)	0
Total Other Financing Sources (Uses)	<u>(349,140)</u>	<u>(349,140)</u>	<u>(349,140)</u>	<u>0</u>
Net Change In Fund Balance	(100,375)	(85,696)	(85,696)	0
Fund Balance at Beginning of Year	191,882	191,882	191,882	0
Fund Balance at End of Year	<u>\$ 91,507</u>	<u>\$ 106,186</u>	<u>\$ 106,186</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 525,000	\$ 555,884	\$ 555,884	\$ 0
Charges for Services	3,000	2,401	2,401	0
Investment Earnings	8,000	30,953	30,953	0
All Other Revenues	6,000	6,068	6,068	0
Total Revenues	<u>542,000</u>	<u>595,306</u>	<u>595,306</u>	<u>0</u>
Expenditures:				
Transportation:				
Street Maintenance:				
Personal Services	276,650	262,855	262,855	0
Materials and Supplies	138,230	93,291	92,289	1,002
Contractual Services	46,918	523,191	523,092	99
Other Expenditures	26,350	13,040	13,040	0
Capital Outlay	900	900	900	0
Total Street Maintenance	<u>489,048</u>	<u>893,277</u>	<u>892,176</u>	<u>1,101</u>
Ice and Snow Removal:				
Personal Services	38,110	5,930	5,930	0
Materials and Supplies	74,820	34,372	33,319	1,053
Contractual Services	18,500	0	0	0
Other Expenditures	7,000	3,486	3,486	0
Total Ice and Snow Removal	<u>138,430</u>	<u>43,788</u>	<u>42,735</u>	<u>1,053</u>
Storm Drainage:				
Personal Services	11,845	9,912	9,912	0
Materials and Supplies	5,872	2,788	1,916	872
Contractual Services	10,000	0	0	0
Other Expenditures	500	0	0	0
Total Storm Drainage	<u>28,217</u>	<u>12,700</u>	<u>11,828</u>	<u>872</u>
Total Expenditures	<u>655,695</u>	<u>949,765</u>	<u>946,739</u>	<u>3,026</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(113,695)	(354,459)	(351,433)	3,026
Fund Balance at Beginning of Year	1,027,233	1,027,233	1,027,233	0
Prior Year Encumbrances	27,765	27,765	27,765	0
Fund Balance at End of Year	<u>\$ 941,303</u>	<u>\$ 700,539</u>	<u>\$ 703,565</u>	<u>\$ 3,026</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

STATE HIGHWAY IMPROVEMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 36,500	\$ 45,072	\$ 45,072	\$ 0
Investment Earnings	500	3,422	3,422	0
Total Revenues	<u>37,000</u>	<u>48,494</u>	<u>48,494</u>	<u>0</u>
Expenditures:				
Transportation:				
Materials and Supplies	38,200	3,239	3,239	0
Contractual Services	30,000	24,549	24,549	0
Total Expenditures	<u>68,200</u>	<u>27,788</u>	<u>27,788</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(31,200)	20,706	20,706	0
Fund Balance at Beginning of Year	101,270	101,270	101,270	0
Fund Balance at End of Year	<u>\$ 70,070</u>	<u>\$ 121,976</u>	<u>\$ 121,976</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

MOTOR VEHICLE LICENSE TAX FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 113,000	\$ 71,182	\$ 71,182	\$ 0
Investment Earnings	5,200	13,986	13,986	0
Total Revenues	<u>118,200</u>	<u>85,168</u>	<u>85,168</u>	<u>0</u>
Expenditures:				
Transportation:				
Materials and Supplies	72,250	73,870	73,164	706
Contractual Services	35,000	5,000	5,000	0
Total Expenditures	<u>107,250</u>	<u>78,870</u>	<u>78,164</u>	<u>706</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	10,950	6,298	7,004	706
Fund Balance at Beginning of Year	431,667	431,667	431,667	0
Prior Year Encumbrances	16,250	16,250	16,250	0
Fund Balance at End of Year	<u>\$ 458,867</u>	<u>\$ 454,215</u>	<u>\$ 454,921</u>	<u>\$ 706</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

EMS TRANSPORT SERVICE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 5,000	\$ 8,720	\$ 8,720	\$ 0
Charges for Services	429,700	469,150	469,150	0
Total Revenues	<u>434,700</u>	<u>477,870</u>	<u>477,870</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	65,679	61,865	60,194	1,671
Contractual Services	172,573	155,800	146,677	9,123
Other Expenditures	205,000	205,000	205,000	0
Capital Outlay	8,863	8,028	8,028	0
Total Expenditures	<u>452,115</u>	<u>430,693</u>	<u>419,899</u>	<u>10,794</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(17,415)	47,177	57,971	10,794
Other Financing Sources (Uses):				
Transfers Out	(30,240)	(30,240)	(30,240)	0
Total Other Financing Sources (Uses)	<u>(30,240)</u>	<u>(30,240)</u>	<u>(30,240)</u>	<u>0</u>
Net Change In Fund Balance	(47,655)	16,937	27,731	10,794
Fund Balance at Beginning of Year	426,236	426,236	426,236	0
Prior Year Encumbrances	17,115	17,115	17,115	0
Fund Balance at End of Year	<u>\$ 395,696</u>	<u>\$ 460,288</u>	<u>\$ 471,082</u>	<u>\$ 10,794</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

RECREATION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 362,800	\$ 476,042	\$ 476,093	\$ 51
Investment Earnings	12,000	20,285	20,285	0
All Other Revenues	65,200	79,487	79,487	0
Total Revenues	<u>440,000</u>	<u>575,814</u>	<u>575,865</u>	<u>51</u>
Expenditures:				
Leisure Time Activities:				
Administration:				
Personal Services	115,982	120,989	120,989	0
Materials and Supplies	750	218	168	50
Contractual Services	5,629	3,588	2,959	629
Other Expenditures	2,000	1,017	1,017	0
Total Administration	<u>124,361</u>	<u>125,812</u>	<u>125,133</u>	<u>679</u>
Golf Course Operations:				
Personal Services	260,696	260,635	260,635	0
Materials and Supplies	119,089	120,302	119,714	588
Contractual Services	50,144	42,452	41,958	494
Other Expenditures	7,180	7,888	7,888	0
Capital Outlay	59,615	57,823	57,823	0
Total Golf Course Operations	<u>496,724</u>	<u>489,100</u>	<u>488,018</u>	<u>1,082</u>
Pool Operations:				
Personal Services	127,022	138,251	138,251	0
Materials and Supplies	46,475	46,289	45,854	435
Contractual Services	45,250	46,273	46,273	0
Capital Outlay	80,513	76,013	76,013	0
Total Pool Operations	<u>299,260</u>	<u>306,826</u>	<u>306,391</u>	<u>435</u>
Parks and Programs:				
Personal Services	302,129	322,524	322,524	0
Materials and Supplies	107,963	97,175	96,261	914
Contractual Services	72,115	67,068	67,054	14
Total Parks and Programs	<u>482,207</u>	<u>486,767</u>	<u>485,839</u>	<u>928</u>

(Continued)

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

RECREATION FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Debt Service:				
Principal Retirement	23,338	23,338	23,338	0
Interest and Fiscal Charges	396	396	396	0
Total Expenditures	1,426,286	1,432,239	1,429,115	3,124
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(986,286)	(856,425)	(853,250)	3,175
Other Financing Sources (Uses):				
Transfers In	692,494	812,627	812,627	0
Transfers Out	(396)	(396)	(396)	0
Total Other Financing Sources (Uses)	692,098	812,231	812,231	0
Net Change In Fund Balance	(294,188)	(44,194)	(41,019)	3,175
Fund Balance at Beginning of Year	656,309	656,309	656,309	0
Prior Year Encumbrances	20,077	20,077	20,077	0
Fund Balance at End of Year	\$ 382,198	\$ 632,192	\$ 635,367	\$ 3,175

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

AMERICAN RESCUE PLAN ACT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 5,000	\$ 707	\$ 707	\$ 0
Total Revenues	<u>5,000</u>	<u>707</u>	<u>707</u>	<u>0</u>
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	5,000	707	707	0
Other Financing Sources (Uses):				
Transfers Out	(250,000)	(223,653)	(223,653)	0
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(223,653)</u>	<u>(223,653)</u>	<u>0</u>
Net Change In Fund Balance	(245,000)	(222,946)	(222,946)	0
Fund Balance at Beginning of Year	222,946	222,946	222,946	0
Fund Balance at End of Year	<u>\$ (22,054)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

*Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)*
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024

SHELTER HOUSE FACILITY REPAIR FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 2,000	\$ 2,115	\$ 2,115	\$ 0
Investment Earnings	200	194	194	0
Total Revenues	<u>2,200</u>	<u>2,309</u>	<u>2,309</u>	<u>0</u>
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	2,200	2,309	2,309	0
Fund Balance at Beginning of Year	<u>5,267</u>	<u>5,267</u>	<u>5,267</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,467</u>	<u>\$ 7,576</u>	<u>\$ 7,576</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

HOTEL/MOTEL TAX FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 90,000	\$ 112,064	\$ 112,064	\$ 0
Total Revenues	<u>90,000</u>	<u>112,064</u>	<u>112,064</u>	<u>0</u>
Expenditures:				
General Government:				
Contractual Services	50,000	56,032	56,032	0
Total Expenditures	<u>50,000</u>	<u>56,032</u>	<u>56,032</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	40,000	56,032	56,032	0
Other Financing Sources (Uses):				
Transfers Out	(50,000)	(56,032)	(56,032)	0
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(56,032)</u>	<u>(56,032)</u>	<u>0</u>
Net Change In Fund Balance	(10,000)	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ (10,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

FIRE LOSS CLAIMS FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Other Expenditures	21,000	20,885	20,885	0
Total Expenditures	<u>21,000</u>	<u>20,885</u>	<u>20,885</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(21,000)	(20,885)	(20,885)	0
Fund Balance at Beginning of Year	20,885	20,885	20,885	0
Fund Balance at End of Year	<u>\$ (115)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

*Schedule of Revenues, Expenditures and Changes in
 Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2024*

CDBG INCOME FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 30,000	\$ 7,711	\$ 7,711	\$ 0
Total Revenues	<u>30,000</u>	<u>7,711</u>	<u>7,711</u>	<u>0</u>
Expenditures:				
Community Environment:				
Contractual Services	22,000	2,705	2,705	0
Total Expenditures	<u>22,000</u>	<u>2,705</u>	<u>2,705</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	8,000	5,006	5,006	0
Fund Balance at Beginning of Year	22,181	22,181	22,181	0
Fund Balance at End of Year	<u>\$ 30,181</u>	<u>\$ 27,187</u>	<u>\$ 27,187</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

INDIGENT DRIVERS ALCOHOL TREATMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 750	\$ 2,420	\$ 2,420	\$ 0
Fines and Forfeitures	2,000	5,775	5,775	0
Total Revenues	<u>2,750</u>	<u>8,195</u>	<u>8,195</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	25,000	2,317	2,317	0
Total Expenditures	<u>25,000</u>	<u>2,317</u>	<u>2,317</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(22,250)	5,878	5,878	0
Fund Balance at Beginning of Year	76,168	76,168	76,168	0
Fund Balance at End of Year	<u>\$ 53,918</u>	<u>\$ 82,046</u>	<u>\$ 82,046</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

LAW ENFORCEMENT AND EDUCATION FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 50	\$ 23	\$ 23	\$ 0
Fines and Forfeitures	800	555	555	0
Total Revenues	<u>850</u>	<u>578</u>	<u>578</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	1,700	1,650	1,649	1
Capital Outlay	100	0	0	0
Total Expenditures	<u>1,800</u>	<u>1,650</u>	<u>1,649</u>	<u>1</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(950)	(1,072)	(1,071)	1
Fund Balance at Beginning of Year	1,422	1,422	1,422	0
Fund Balance at End of Year	<u>\$ 472</u>	<u>\$ 350</u>	<u>\$ 351</u>	<u>\$ 1</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

COURT COMPUTERIZATION FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 5,000	\$ 5,851	\$ 5,851	\$ 0
Fines and Forfeitures	32,000	31,170	31,170	0
Total Revenues	<u>37,000</u>	<u>37,021</u>	<u>37,021</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	20,000	9,012	9,012	0
Other Expenditures	10,000	10,008	10,008	0
Capital Outlay	35,072	46,865	46,865	0
Total Expenditures	<u>65,072</u>	<u>65,885</u>	<u>65,885</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(28,072)	(28,864)	(28,864)	0
Other Financing Sources (Uses):				
Transfers In	<u>770</u>	<u>770</u>	<u>770</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>770</u>	<u>770</u>	<u>770</u>	<u>0</u>
Net Change In Fund Balance	(27,302)	(28,094)	(28,094)	0
Fund Balance at Beginning of Year	200,732	200,732	200,732	0
Prior Year Encumbrances	20,072	20,072	20,072	0
Fund Balance at End of Year	<u>\$ 193,502</u>	<u>\$ 192,710</u>	<u>\$ 192,710</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

*Schedule of Revenues, Expenditures and Changes in
 Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)*
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024

LAW ENFORCEMENT TRUST FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 100	\$ 203	\$ 203	\$ 0
Total Revenues	<u>100</u>	<u>203</u>	<u>203</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	500	0	0	0
Capital Outlay	<u>500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(900)	203	203	0
Fund Balance at Beginning of Year	6,635	6,635	6,635	0
Fund Balance at End of Year	<u>\$ 5,735</u>	<u>\$ 6,838</u>	<u>\$ 6,838</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

MANDATORY DRUG FINE FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 300	\$ 648	\$ 648	\$ 0
Fines and Forfeitures	1,000	109	109	0
Total Revenues	<u>1,300</u>	<u>757</u>	<u>757</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	1,000	0	0	0
Capital Outlay	1,000	0	0	0
Total Expenditures	<u>2,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(700)	757	757	0
Fund Balance at Beginning of Year	21,054	21,054	21,054	0
Fund Balance at End of Year	<u>\$ 20,354</u>	<u>\$ 21,811</u>	<u>\$ 21,811</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

FIRE EQUIPMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 43,203	\$ 43,203	\$ 0
Investment Earnings	5,000	17,303	17,303	0
All Other Revenues	1,000	2,152	2,152	0
Total Revenues	6,000	62,658	62,658	0
Expenditures:				
Security of Persons and Property:				
Capital Outlay	119,792	127,183	122,396	4,787
Total Expenditures	119,792	127,183	122,396	4,787
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(113,792)	(64,525)	(59,738)	4,787
Other Financing Sources (Uses):				
Transfers In	84,000	84,000	84,000	0
Total Other Financing Sources (Uses)	84,000	84,000	84,000	0
Net Change In Fund Balance	(29,792)	19,475	24,262	4,787
Fund Balance at Beginning of Year	499,565	499,565	499,565	0
Prior Year Encumbrances	24,392	24,392	24,392	0
Fund Balance at End of Year	\$ 494,165	\$ 543,432	\$ 548,219	\$ 4,787

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

MUNICIPAL PROBATION SERVICE FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 4,000	\$ 5,778	\$ 5,778	\$ 0
Fines and Forfeitures	26,200	29,053	29,053	0
Total Revenues	<u>30,200</u>	<u>34,831</u>	<u>34,831</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	19,092	25,262	26,218	(956)
Contractual Services	500	0	0	0
Other Expenditures	500	1,731	1,731	0
Total Expenditures	<u>20,092</u>	<u>26,993</u>	<u>27,949</u>	<u>(956)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	10,108	7,838	6,882	(956)
Fund Balance at Beginning of Year	184,354	184,354	184,354	0
Fund Balance at End of Year	<u>\$ 194,462</u>	<u>\$ 192,192</u>	<u>\$ 191,236</u>	<u>\$ (956)</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

COURT IMPROVEMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 65,000	\$ 51,883	\$ 51,883	\$ 0
Total Revenues	<u>65,000</u>	<u>51,883</u>	<u>51,883</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Debt Service:				
Principal Retirement	60,000	60,000	60,000	0
Interest and Fiscal Charges	5,000	5,000	5,000	0
Total Expenditures	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	(13,117)	(13,117)	0
Fund Balance at Beginning of Year	196,202	196,202	196,202	0
Fund Balance at End of Year	<u>\$ 196,202</u>	<u>\$ 183,085</u>	<u>\$ 183,085</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

HANDICAP PARKING FINES FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	1,100	1,100	1,100	0
Fund Balance at End of Year	<u>\$ 1,100</u>	<u>\$ 1,100</u>	<u>\$ 1,100</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

POLICE PENSION FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 85,700	\$ 113,233	\$ 113,233	\$ 0
Intergovernmental Revenues	9,900	13,763	13,763	0
Total Revenues	<u>95,600</u>	<u>126,996</u>	<u>126,996</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	<u>95,600</u>	<u>126,996</u>	<u>126,996</u>	<u>0</u>
Total Expenditures	<u>95,600</u>	<u>126,996</u>	<u>126,996</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

FIRE PENSION FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 42,350	\$ 56,616	\$ 56,616	\$ 0
Intergovernmental Revenues	5,500	6,881	6,881	0
Total Revenues	<u>47,850</u>	<u>63,497</u>	<u>63,497</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	<u>47,850</u>	<u>63,497</u>	<u>63,497</u>	<u>0</u>
Total Expenditures	<u>47,850</u>	<u>63,497</u>	<u>63,497</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

CEMETERY FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 4,000	\$ 2,650	\$ 2,650	\$ 0
Total Revenues	<u>4,000</u>	<u>2,650</u>	<u>2,650</u>	<u>0</u>
Expenditures:				
Community Environment:				
Materials and Supplies	6,537	6,434	6,397	37
Total Expenditures	<u>6,537</u>	<u>6,434</u>	<u>6,397</u>	<u>37</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(2,537)	(3,784)	(3,747)	37
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	100	0	0	0
Total Other Financing Sources (Uses)	<u>100</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balance	(2,437)	(3,784)	(3,747)	37
Fund Balance at Beginning of Year	64,902	64,902	64,902	0
Prior Year Encumbrances	37	37	37	0
Fund Balance at End of Year	<u>\$ 62,502</u>	<u>\$ 61,155</u>	<u>\$ 61,192</u>	<u>\$ 37</u>

CITY OF NAPOLEON, OHIO

*Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)*
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024

PACE ENERGY PROJECT OAKWOOD FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 0	\$ 81,076	\$ 81,076	\$ 0
Total Revenues	<u>0</u>	<u>81,076</u>	<u>81,076</u>	<u>0</u>
Expenditures:				
General Government:				
Contractual Services	0	81,076	81,076	0
Total Expenditures	<u>0</u>	<u>81,076</u>	<u>81,076</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

CERTIFIED POLICE TRAINING FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 24,853	\$ 24,853	\$ 0
Total Revenues	<u>0</u>	<u>24,853</u>	<u>24,853</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	1,032	532	532	0
Total Expenditures	<u>1,032</u>	<u>532</u>	<u>532</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,032)	24,321	24,321	0
Fund Balance at Beginning of Year	1,119	1,119	1,119	0
Prior Year Encumbrances	532	532	532	0
Fund Balance at End of Year	<u>\$ 619</u>	<u>\$ 25,972</u>	<u>\$ 25,972</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

*Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024*

INDIGENT DRIVERS INTERLOCK / ALCOHOL FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 5,000	\$ 6,448	\$ 6,448	\$ 0
Total Revenues	<u>5,000</u>	<u>6,448</u>	<u>6,448</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	5,000	36	36	0
Total Expenditures	<u>5,000</u>	<u>36</u>	<u>36</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	6,412	6,412	0
Fund Balance at Beginning of Year	81,390	81,390	81,390	0
Fund Balance at End of Year	<u>\$ 81,390</u>	<u>\$ 87,802</u>	<u>\$ 87,802</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

ONE OHIO FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 3,000	\$ 15,217	\$ 15,217	\$ 0
Investment Earnings	200	398	398	0
Total Revenues	<u>3,200</u>	<u>15,615</u>	<u>15,615</u>	<u>0</u>
Expenditures:				
General Government:				
Contractual Services	1,700	0	0	0
Total Expenditures	<u>1,700</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	1,500	15,615	15,615	0
Fund Balance at Beginning of Year	7,074	7,074	7,074	0
Fund Balance at End of Year	<u>\$ 8,574</u>	<u>\$ 22,689</u>	<u>\$ 22,689</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

NAPOLEON AQUATIC CENTER RESERVE FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 1,000	\$ 4,589	\$ 4,589	\$ 0
Total Revenues	<u>1,000</u>	<u>4,589</u>	<u>4,589</u>	<u>0</u>
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	1,000	4,589	4,589	0
Other Financing Sources (Uses):				
Transfers In	100,000	100,000	100,000	0
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Net Change In Fund Balance	101,000	104,589	104,589	0
Fund Balance at Beginning of Year	101,442	101,442	101,442	0
Fund Balance at End of Year	<u>\$ 202,442</u>	<u>\$ 206,031</u>	<u>\$ 206,031</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

DOWNTOWN REVITALIZATION GRANT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 500	\$ 258	\$ 258	\$ 0
Total Revenues	<u>500</u>	<u>258</u>	<u>258</u>	<u>0</u>
Expenditures:				
Community Environment:				
Capital Outlay	18,245	18,245	18,245	0
Total Expenditures	<u>18,245</u>	<u>18,245</u>	<u>18,245</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(17,745)	(17,987)	(17,987)	0
Other Financing Sources (Uses):				
Transfers Out	(770)	(770)	(770)	0
Total Other Financing Sources (Uses)	<u>(770)</u>	<u>(770)</u>	<u>(770)</u>	<u>0</u>
Net Change In Fund Balance	(18,515)	(18,757)	(18,757)	0
Fund Balance at Beginning of Year	512	512	512	0
Prior Year Encumbrances	18,245	18,245	18,245	0
Fund Balance at End of Year	<u>\$ 242</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024***

PROBATION IMPROVEMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 73,000	\$ 74,769	\$ 74,769	\$ 0
Total Revenues	<u>73,000</u>	<u>74,769</u>	<u>74,769</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	73,353	71,308	71,308	0
Materials and Supplies	1,760	0	0	0
Contractual Services	11,342	600	600	0
Capital Outlay	<u>1,225</u>	<u>1,225</u>	<u>1,225</u>	<u>0</u>
Total Expenditures	<u>87,680</u>	<u>73,133</u>	<u>73,133</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(14,680)	1,636	1,636	0
Fund Balance at Beginning of Year	3,943	3,943	3,943	0
Fund Balance at End of Year	<u>\$ (10,737)</u>	<u>\$ 5,579</u>	<u>\$ 5,579</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2024***

GENERAL BOND RETIREMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	45,000	45,000	45,000	0
Interest and Fiscal Charges	4,750	4,750	4,750	0
Total Expenditures	49,750	49,750	49,750	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(49,750)	(49,750)	(49,750)	0
Other Financing Sources (Uses):				
Transfers In	49,750	49,750	49,750	0
Total Other Financing Sources (Uses)	49,750	49,750	49,750	0
Net Change In Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	11,644	11,644	11,644	0
Fund Balance at End of Year	<u>\$ 11,644</u>	<u>\$ 11,644</u>	<u>\$ 11,644</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2024***

OAKWOOD/AMERICAN TIF FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Payments in Lieu of Taxes	\$ 35,000	\$ 28,435	\$ 28,435	\$ 0
Investment Earnings	1,200	2,299	2,299	0
Total Revenues	<u>36,200</u>	<u>30,734</u>	<u>30,734</u>	<u>0</u>
Expenditures:				
General Government:				
Contractual Services	5,900	4,958	4,958	0
Total Expenditures	<u>5,900</u>	<u>4,958</u>	<u>4,958</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	30,300	25,776	25,776	0
Fund Balance at Beginning of Year	56,093	56,093	56,093	0
Fund Balance at End of Year	<u>\$ 86,393</u>	<u>\$ 81,869</u>	<u>\$ 81,869</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2024***

NAPOLEON AQUATIC CENTER DEBT RESERVE FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 1,500	\$ 3,743	\$ 3,743	\$ 0
Total Revenues	<u>1,500</u>	<u>3,743</u>	<u>3,743</u>	<u>0</u>
Expenditures:				
General Government:				
Contractual Services	0	299	299	0
Debt Service:				
Principal Retirement	180,000	180,000	180,000	0
Interest and Fiscal Charges	49,900	49,890	49,890	0
Total Expenditures	<u>229,900</u>	<u>230,189</u>	<u>230,189</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(228,400)	(226,446)	(226,446)	0
Other Financing Sources (Uses):				
Transfers In	249,140	249,140	249,140	0
Total Other Financing Sources (Uses)	<u>249,140</u>	<u>249,140</u>	<u>249,140</u>	<u>0</u>
Net Change In Fund Balance	20,740	22,694	22,694	0
Fund Balance at Beginning of Year	16,616	16,616	16,616	0
Fund Balance at End of Year	<u>\$ 37,356</u>	<u>\$ 39,310</u>	<u>\$ 39,310</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

*Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Year Ended December 31, 2024*

CIP FUNDING RESERVE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	0	0
Other Financing Sources (Uses):				
Transfers In	10,000	10,000	10,000	0
Total Other Financing Sources (Uses)	10,000	10,000	10,000	0
Net Change In Fund Balance	10,000	10,000	10,000	0
Fund Balance at Beginning of Year	72,437	72,437	72,437	0
Fund Balance at End of Year	<u>\$ 82,437</u>	<u>\$ 82,437</u>	<u>\$ 82,437</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Year Ended December 31, 2024***

ONE TIME STRAT COMM GRANT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 135,000	\$ 135,000	\$ 0
Total Revenues	0	135,000	135,000	0
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	135,000	135,000	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 135,000	\$ 135,000	\$ 0

CITY OF NAPOLEON, OHIO

*Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Year Ended December 31, 2024*

OAKWOOD AVENUE IMPROVEMENT PROJECT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 0
Total Revenues	0	2,000,000	2,000,000	0
Expenditures:				
Capital Outlay:				
Street Maintenance	0	2,000,000	2,000,000	0
Total Expenditures	0	2,000,000	2,000,000	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

S_TATISTICAL S_ECTION



STATISTICAL TABLES

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

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue source, the income tax.	
Debt Capacity	S 18 – S 27
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.	
Economic and Demographic Information	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 32 – S 37
These schedules contain service and infrastructure 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.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.	

City of Napoleon, Ohio

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental Activities:			
Net Investment in Capital Assets	\$33,433,083	\$34,214,705	\$35,367,308
Restricted	2,806,677	2,858,956	2,935,327
Unrestricted (Deficit)	(1,392,832)	(1,146,059)	(1,616,213)
Total Governmental Activities Net Position	<u>\$34,846,928</u>	<u>\$35,927,602</u>	<u>\$36,686,422</u>
Business-type Activities:			
Net Investment in Capital Assets	\$22,542,372	\$23,498,665	\$25,425,370
Restricted	0	0	0
Unrestricted	18,129,077	19,777,496	18,808,213
Total Business-type Activities Net Position	<u>\$40,671,449</u>	<u>\$43,276,161</u>	<u>\$44,233,583</u>
Primary Government:			
Net Investment in Capital Assets	\$55,975,455	\$57,713,370	\$60,792,678
Restricted	2,806,677	2,858,956	2,935,327
Unrestricted	16,736,245	18,631,437	17,192,000
Total Primary Government Net Position	<u>\$75,518,377</u>	<u>\$79,203,763</u>	<u>\$80,920,005</u>

Source: Finance Director's Office

City of Napoleon, Ohio

2018	2019	2020	2021	2022	2023	2024
\$37,840,220	\$38,273,373	\$40,207,246	\$41,700,091	\$41,100,079	\$43,296,009	\$47,938,349
3,177,822	3,172,484	5,721,764	4,386,895	4,450,723	4,792,178	5,047,487
(8,420,054)	(6,217,292)	(7,937,540)	(3,186,538)	(1,374,449)	(409,093)	(1,033,090)
\$32,597,988	\$35,228,565	\$37,991,470	\$42,900,448	\$44,176,353	\$47,679,094	\$51,952,746
\$26,268,146	\$25,176,518	\$25,983,867	\$21,190,379	\$22,504,359	\$23,223,589	\$24,657,029
0	0	0	0	0	0	142,302
17,042,982	16,241,395	15,841,205	23,805,267	26,994,096	29,790,416	29,974,962
\$43,311,128	\$41,417,913	\$41,825,072	\$44,995,646	\$49,498,455	\$53,014,005	\$54,774,293
\$64,108,366	\$63,449,891	\$66,191,113	\$62,890,470	\$63,604,438	\$66,519,598	\$72,595,378
3,177,822	3,172,484	5,721,764	4,386,895	4,450,723	4,792,178	5,189,789
8,622,928	10,024,103	7,903,665	20,618,729	25,619,647	29,381,323	28,941,872
\$75,909,116	\$76,646,478	\$79,816,542	\$87,896,094	\$93,674,808	\$100,693,099	\$106,727,039

City of Napoleon, Ohio

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2015	2016	2017
Expenses			
Governmental Activities:			
Security of Persons and Property	\$3,654,789	\$3,546,651	\$4,052,817
Public Health and Welfare Services	130,226	107,520	121,144
Leisure Time Activities	885,152	896,040	1,037,985
Community Environment	133,083	1,057,736	543,782
Transportation	1,508,973	225,516	721,483
General Government	895,716	1,108,794	1,118,076
Interest and Fiscal Charges	49,078	64,017	43,997
<i>Total Governmental Activities Expenses</i>	<u>7,257,017</u>	<u>7,006,274</u>	<u>7,639,284</u>
Business-type Activities:			
Electric	14,525,667	15,578,395	16,376,184
Water	2,483,792	2,820,862	3,165,477
Sewer	3,298,500	3,322,734	3,601,304
Sanitation	756,482	829,618	848,385
<i>Total Business-type Activities Expenses</i>	<u>21,064,441</u>	<u>22,551,609</u>	<u>23,991,350</u>
<i>Total Primary Government Expenses</i>	<u><u>\$28,321,458</u></u>	<u><u>\$29,557,883</u></u>	<u><u>\$31,630,634</u></u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$1,062,603	\$1,045,704	\$1,135,063
Public Health and Welfare Services	22,665	14,655	16,752
Leisure Time Activities	240,539	260,055	243,119
Community Environment	5,280	3,270	4,222
Transportation	14,115	7,486	6,783
General Government	21,996	51,590	138,934
Operating Grants and Contributions	586,830	621,783	697,848
Capital Grants and Contributions	931,660	802,876	237,473
<i>Total Governmental Activities Program Revenues</i>	<u>2,885,688</u>	<u>2,807,419</u>	<u>2,480,194</u>

City of Napoleon, Ohio

2018	2019	2020	2021	2022	2023	2024
\$4,181,547	\$1,528,894	\$3,972,294	\$4,072,196	\$4,187,848	\$5,387,034	\$6,417,536
166,772	163,755	93,016	75,470	94,765	113,129	125,597
1,069,024	1,213,411	1,618,929	3,215,616	1,038,018	1,019,200	1,398,033
53,119	44,359	80,173	88,315	52,002	93,948	54,021
1,065,866	1,649,584	720,992	1,475,757	1,557,945	1,094,207	703,233
2,079,503	1,074,671	1,246,393	452,869	2,233,563	1,207,352	1,371,871
59,666	52,836	98,944	103,000	73,432	64,146	54,377
<u>8,675,497</u>	<u>5,727,510</u>	<u>7,830,741</u>	<u>9,483,223</u>	<u>9,237,573</u>	<u>8,979,016</u>	<u>10,124,668</u>
17,946,062	18,812,383	17,546,472	15,002,149	16,494,445	14,827,672	17,481,794
3,425,305	3,592,861	3,597,475	3,237,649	3,355,622	4,488,426	5,163,332
3,711,983	3,394,400	4,684,426	6,325,475	2,277,113	3,864,720	3,408,927
837,422	934,836	934,847	722,412	902,343	997,595	1,185,535
<u>25,920,772</u>	<u>26,734,480</u>	<u>26,763,220</u>	<u>25,287,685</u>	<u>23,029,523</u>	<u>24,178,413</u>	<u>27,239,588</u>
<u>\$34,596,269</u>	<u>\$32,461,990</u>	<u>\$34,593,961</u>	<u>\$34,770,908</u>	<u>\$32,267,096</u>	<u>\$33,157,429</u>	<u>\$37,364,256</u>
\$1,189,906	\$1,068,296	\$1,238,565	\$1,243,403	\$1,115,612	\$1,373,950	\$1,594,110
21,152	18,105	19,515	23,500	14,403	14,905	17,180
252,546	240,154	266,306	513,539	466,881	541,267	573,404
5,092	4,260	7,890	4,880	11,926	2,075	2,650
11,188	5,924	10,000	21,188	8,133	56,637	9,263
97,747	77,391	30,955	89,605	13,131	11,621	12,955
664,597	785,332	1,606,197	902,153	701,307	906,941	944,226
<u>2,156,969</u>	<u>160,476</u>	<u>752,003</u>	<u>3,872,102</u>	<u>777,295</u>	<u>81,069</u>	<u>2,319,446</u>
<u>4,399,197</u>	<u>2,359,938</u>	<u>3,931,431</u>	<u>6,670,370</u>	<u>3,108,688</u>	<u>2,988,465</u>	<u>5,473,234</u>

(Continued)

City of Napoleon, Ohio

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2015	2016	2017
Business-type Activities:			
Charges for Services			
Electric	14,970,816	16,250,617	15,591,655
Water	3,309,819	3,233,144	3,390,516
Sewer	3,904,365	4,054,675	4,036,930
Sanitation	860,787	874,071	892,891
Capital Grants and Contributions	167,351	624,929	839,103
<i>Total Business-type Activities Program Revenues</i>	<u>23,213,138</u>	<u>25,037,436</u>	<u>24,751,095</u>
<i>Total Primary Government Program Revenues</i>	<u>26,098,826</u>	<u>27,844,855</u>	<u>27,231,289</u>
Net (Expense)/Revenue			
Governmental Activities	(4,371,329)	(4,198,855)	(5,159,090)
Business-type Activities	2,148,697	2,485,827	759,745
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$2,222,632)</u>	<u>(\$1,713,028)</u>	<u>(\$4,399,345)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes	\$365,123	\$358,670	\$350,199
Payments in Lieu of Taxes	0	0	0
Municipal Income Taxes	4,097,468	4,120,044	4,212,894
Other Local Taxes (kWh Tax)	520,952	515,950	483,133
Grants and Entitlements not Restricted to Specific Programs	798,480	5,422	340,970
Investment Earnings	8,164	99,506	64,846
Miscellaneous	397,832	79,387	465,868
Transfers	116,754	100,550	0
<i>Total Governmental Activities</i>	<u>6,304,773</u>	<u>5,279,529</u>	<u>5,917,910</u>
Business-type Activities:			
Investment Earnings	103,486	219,435	197,677
Transfers	(116,754)	(100,550)	0
<i>Total Business-type Activities</i>	<u>(13,268)</u>	<u>118,885</u>	<u>197,677</u>
<i>Total Primary Government</i>	<u>\$6,291,505</u>	<u>\$5,398,414</u>	<u>\$6,115,587</u>
Change in Net Position			
Governmental Activities	\$1,933,444	\$1,080,674	\$758,820
Business-type Activities	2,135,429	2,604,712	957,422
<i>Total Primary Government Change in Net Position</i>	<u>\$4,068,873</u>	<u>\$3,685,386</u>	<u>\$1,716,242</u>

Source: Finance Director's Office

City of Napoleon, Ohio

2018	2019	2020	2021	2022	2023	2024
17,557,232	16,889,912	16,667,338	19,373,830	17,484,705	16,701,438	16,809,808
3,590,647	2,819,295	4,073,887	3,988,547	4,372,307	4,412,554	4,281,556
3,932,884	4,049,241	3,703,599	4,555,774	4,115,241	4,018,348	4,531,535
879,260	836,225	891,572	894,677	909,534	930,879	1,007,561
324,231	70,219	1,684,785	387,441	461,632	1,078,595	2,081,545
<u>26,284,254</u>	<u>24,664,892</u>	<u>27,021,181</u>	<u>29,200,269</u>	<u>27,343,419</u>	<u>27,141,814</u>	<u>28,712,005</u>
<u>30,683,451</u>	<u>27,024,830</u>	<u>30,952,612</u>	<u>35,870,639</u>	<u>30,452,107</u>	<u>30,130,279</u>	<u>34,185,239</u>
(4,276,300)	(3,367,572)	(3,899,310)	(2,812,853)	(6,128,885)	(5,990,551)	(4,651,434)
363,482	(2,069,588)	257,961	3,912,584	4,313,896	2,963,401	1,472,417
<u>(\$3,912,818)</u>	<u>(\$5,437,160)</u>	<u>(\$3,641,349)</u>	<u>\$1,099,731</u>	<u>(\$1,814,989)</u>	<u>(\$3,027,150)</u>	<u>(\$3,179,017)</u>
\$385,234	\$389,773	\$674,149	\$717,005	\$752,256	\$739,820	\$836,555
0	0	0	0	33,301	32,514	28,435
3,272,728	4,017,857	4,289,399	4,904,826	5,894,014	6,032,896	5,570,254
497,718	477,525	470,521	489,124	488,712	565,869	479,679
335,637	384,626	215,104	716,775	646,823	718,723	655,166
93,922	560,642	371,297	(201,552)	(969,943)	1,140,005	857,728
343,819	140,351	647,995	259,211	559,627	263,465	781,134
0	27,375	(6,250)	836,442	0	0	0
<u>4,929,058</u>	<u>5,998,149</u>	<u>6,662,215</u>	<u>7,721,831</u>	<u>7,404,790</u>	<u>9,493,292</u>	<u>9,208,951</u>
331,845	203,748	142,948	94,432	188,913	552,149	583,090
0	(27,375)	6,250	(836,442)	0	0	0
<u>331,845</u>	<u>176,373</u>	<u>149,198</u>	<u>(742,010)</u>	<u>188,913</u>	<u>552,149</u>	<u>583,090</u>
<u>\$5,260,903</u>	<u>\$6,174,522</u>	<u>\$6,811,413</u>	<u>\$6,979,821</u>	<u>\$7,593,703</u>	<u>\$10,045,441</u>	<u>\$9,792,041</u>
\$652,758	\$2,630,577	\$2,762,905	\$4,908,978	\$1,275,905	\$3,502,741	\$4,557,517
695,327	(1,893,215)	407,159	3,170,574	4,502,809	3,515,550	2,055,507
<u>\$1,348,085</u>	<u>\$737,362</u>	<u>\$3,170,064</u>	<u>\$8,079,552</u>	<u>\$5,778,714</u>	<u>\$7,018,291</u>	<u>\$6,613,024</u>

City of Napoleon, Ohio

Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund				
Nonspendable	\$9,409	\$44,283	\$47,322	\$16,404
Committed	13,022	11,196	32,808	54,198
Assigned	838,819	590,274	498,796	1,054,526
Unassigned	<u>1,265,731</u>	<u>1,301,015</u>	<u>1,405,609</u>	<u>655,332</u>
<i>Total General Fund</i>	<u>2,126,981</u>	<u>1,946,768</u>	<u>1,984,535</u>	<u>1,780,460</u>
All Other Governmental Funds				
Nonspendable	\$229,196	\$252,736	\$330,192	\$344,474
Restricted	2,279,047	2,442,470	2,580,649	2,798,732
Committed	1,912,226	2,586,537	2,522,755	1,612,463
Assigned	28,749	13,650	36,757	34,596
Unassigned	<u>(28,492)</u>	<u>(29,300)</u>	<u>(40,465)</u>	<u>(47,434)</u>
<i>Total All Other Governmental Funds</i>	<u>4,420,726</u>	<u>5,266,093</u>	<u>5,429,888</u>	<u>4,742,831</u>
<i>Total Governmental Funds</i>	<u>\$6,547,707</u>	<u>\$7,212,861</u>	<u>\$7,414,423</u>	<u>\$6,523,291</u>

Source: Finance Director's Office

City of Napoleon, Ohio

2019	2020	2021	2022	2023	2024
\$57,417	\$18,334	\$15,599	\$19,678	\$39,120	\$35,573
41,611	21,938	7,779	13,590	5,810	8,879
691,949	46,906	94,575	68,755	220,347	112,765
<u>1,648,729</u>	<u>3,104,136</u>	<u>3,111,642</u>	<u>2,919,552</u>	<u>3,434,440</u>	<u>4,158,980</u>
<u>2,439,706</u>	<u>3,191,314</u>	<u>3,229,595</u>	<u>3,021,575</u>	<u>3,699,717</u>	<u>4,316,197</u>
<hr/>					
\$280,242	\$357,437	\$323,209	\$363,142	\$362,231	\$318,089
3,029,161	5,422,310	3,926,117	4,112,097	4,212,542	4,215,787
1,487,789	1,258,707	1,768,986	2,651,144	3,144,552	2,988,297
21,995	55,235	9,394	11,644	11,644	11,644
<u>(133,606)</u>	<u>(29,477)</u>	<u>(2,800)</u>	<u>(2,800)</u>	<u>(35,180)</u>	<u>(43,345)</u>
<u>4,685,581</u>	<u>7,064,212</u>	<u>6,024,906</u>	<u>7,135,227</u>	<u>7,695,789</u>	<u>7,490,472</u>
<u>\$7,125,287</u>	<u>\$10,255,526</u>	<u>\$9,254,501</u>	<u>\$10,156,802</u>	<u>\$11,395,506</u>	<u>\$11,806,669</u>

City of Napoleon, Ohio

Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues:				
Taxes	\$4,969,922	\$4,998,063	\$5,045,738	\$4,131,094
Intergovernmental Revenues	2,272,156	1,283,816	1,223,001	3,107,470
Charges for Services	869,489	865,305	997,003	952,986
Licenses and Permits	70,735	75,027	70,563	71,387
Investment Earnings	11,047	89,533	61,866	88,365
Special Assessments	37,142	33,107	11,526	22,995
Fines and Forfeitures	306,292	363,060	332,305	327,219
All Other Revenue	339,064	343,855	429,527	477,490
Total Revenue	<u>8,875,847</u>	<u>8,051,766</u>	<u>8,171,529</u>	<u>9,179,006</u>
Expenditures:				
Current:				
Security of Persons and Property	3,426,149	3,271,532	3,664,792	3,510,952
Public Health and Welfare Services	111,598	100,039	104,137	108,592
Leisure Time Activities	792,662	808,066	858,514	879,372
Community Environment	132,277	192,306	137,222	45,707
Transportation	671,335	498,095	507,430	498,793
General Government	852,115	1,030,993	795,734	1,332,128
Capital Outlay	2,271,611	1,337,778	1,683,118	3,439,910
Debt Service:				
Principal Retirement	124,151	124,351	119,349	107,200
Interest and Fiscal Charges	49,428	64,423	44,456	59,971
Total Expenditures	<u>8,431,326</u>	<u>7,427,583</u>	<u>7,914,752</u>	<u>9,982,625</u>
Excess (Deficiency) of Revenues Over Expenditures	444,521	624,183	256,777	(803,619)

City of Napoleon, Ohio

2019	2020	2021	2022	2023	2024
\$4,869,080	\$5,394,521	\$6,095,962	\$7,372,342	\$6,634,063	\$7,029,697
1,204,837	1,917,555	1,774,292	2,151,787	1,833,967	3,952,811
985,505	1,041,551	1,418,304	1,077,177	1,500,214	1,704,757
75,182	95,475	65,926	78,783	74,479	71,682
561,244	376,904	(200,465)	(965,642)	1,132,052	873,800
8,787	2,493	467	0	361	81,112
277,376	244,488	301,672	253,674	257,916	249,025
280,640	1,122,416	352,081	804,089	460,070	732,934
8,262,651	10,195,403	9,808,239	10,772,210	11,893,122	14,695,818
3,708,022	4,318,562	4,222,031	4,334,089	5,313,098	5,704,788
108,888	108,905	106,266	107,677	103,104	110,974
940,402	2,275,228	3,599,187	1,171,133	1,428,769	1,560,400
44,359	80,173	88,315	52,002	93,948	54,021
523,974	393,793	523,594	557,918	616,887	1,043,002
474,245	934,074	1,103,138	1,403,373	1,257,430	1,346,150
1,585,880	2,188,179	2,138,986	1,960,117	1,482,868	4,156,954
87,200	92,354	3,780,000	270,000	280,000	308,338
53,159	39,979	162,417	79,090	69,540	60,036
7,526,129	10,431,247	15,723,934	9,935,399	10,645,644	14,344,663
736,522	(235,844)	(5,915,695)	836,811	1,247,478	351,155

(Continued)

City of Napoleon, Ohio

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	20,954	33,755	50,395	103,355
General Obligation Notes Issued	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0
Transfers In	2,185,044	2,457,040	2,442,394	2,952,732
Transfers Out	(2,264,290)	(2,508,340)	(2,628,344)	(3,127,062)
Other Financing Sources - Leases	0	0	0	0
Total Other Financing Sources (Uses)	<u>(58,292)</u>	<u>(17,545)</u>	<u>(135,555)</u>	<u>(70,975)</u>
Net Change in Fund Balance	<u>\$386,229</u>	<u>\$606,638</u>	<u>\$121,222</u>	<u>(\$874,594)</u>
Debt Service as a Percentage of Noncapital Expenditures	2.95%	4.02%	3.06%	2.81%

Source: Finance Director's Office

City of Napoleon, Ohio

2019	2020	2021	2022	2023	2024
59,041	861	2,058	39,715	317	317
0	3,500,000	0	0	0	0
0	0	4,040,000	0	0	0
0	0	95,223	0	0	0
2,256,321	2,069,206	3,286,569	2,473,961	3,554,387	3,251,195
(2,427,701)	(2,262,567)	(2,450,127)	(2,488,961)	(3,579,387)	(3,261,195)
0	0	0	0	0	117,469
<u>(112,339)</u>	<u>3,307,500</u>	<u>4,973,723</u>	<u>24,715</u>	<u>(24,683)</u>	<u>107,786</u>
<u>\$624,183</u>	<u>\$3,071,656</u>	<u>(\$941,972)</u>	<u>\$861,526</u>	<u>\$1,222,795</u>	<u>\$458,941</u>

2.39% 2.26% 1.60% 3.75% 4.80% 4.49%

City of Napoleon, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2015	2016	2017	2018
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income	\$339,299,820	\$343,994,115	\$353,979,920	\$355,437,871
Total Tax Collected	\$4,233,916	\$4,906,698	\$4,616,746	\$4,300,691
Income Tax Receipts				
Withholding	3,021,851	3,372,317	3,162,578	3,242,460
Percentage	71.37%	68.73%	68.50%	75.39%
Corporate	608,345	807,938	727,125	390,875
Percentage	14.37%	16.47%	15.75%	9.09%
Individuals	603,721	726,443	727,043	667,357
Percentage	14.26%	14.80%	15.75%	15.52%

Source: City Income Tax Department

City of Napoleon, Ohio

2019	2020	2021	2022	2023	2024
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$386,721,369	\$381,699,363	\$377,048,463	\$462,282,992	\$455,513,660	\$486,325,000
\$4,516,394	\$4,589,475	\$5,223,095	\$5,486,709	\$6,263,439	\$6,103,252
3,337,832	3,579,093	3,826,675	3,957,746	4,385,605	4,255,198
73.90%	77.98%	73.26%	72.13%	70.02%	69.72%
460,411	331,043	656,574	636,879	855,163	784,074
10.19%	7.21%	12.57%	11.61%	13.65%	12.85%
718,152	679,339	739,846	892,084	1,022,671	1,063,980
15.91%	14.81%	14.17%	16.26%	16.33%	17.43%

City of Napoleon, Ohio



City of Napoleon, Ohio

Income Tax Collections *Current Year and Nine Years Ago*

Calendar Year 2024

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	249	26.32%	\$2,054,153	4.44%
20,000 - 49,999	314	33.19%	10,944,136	23.63%
50,000 - 74,999	207	21.88%	12,741,663	27.51%
75,000 - 99,999	82	8.67%	7,163,714	15.47%
Over 100,000	94	9.94%	13,412,545	28.95%
Total	946	100.00%	\$46,316,211	100.00%

Calendar Year 2015

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,683	50.42%	\$17,590,227	10.09%
20,000 - 49,999	1,439	27.04%	46,968,147	26.94%
50,000 - 74,999	585	10.99%	35,447,244	20.33%
75,000 - 99,999	284	5.34%	24,309,590	13.95%
Over 100,000	330	6.21%	50,012,340	28.69%
Total	5,321	100.00%	\$174,327,548	100.00%

Source: Finance Director's Office

City of Napoleon, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental Activities (1)			
General Obligation Bonds Payable	\$950,000	\$870,000	\$785,000
Special Assessment Bonds Payable	80,754	48,754	26,754
Long-Term Notes Payable	0	0	0
Ohio Public Works Commission Loan Payable	24,700	12,349	0
Business-type Activities (1)			
Ohio Water Development Authority Loans Payable	1,022,324	916,078	825,367
Ohio Public Works Commission Loans Payable	339,736	311,051	282,366
Ohio Water and Sewer Rotary Commission Loans Payable	300,832	300,832	300,832
Water Pollution Control Loan Fund Loans Payable	5,874,191	5,509,329	5,140,810
Water Supply Revolving Loan Payable	0	0	9,247,156
Long-Term Notes Payable	2,500,000	3,900,000	3,900,000
General Obligation Bonds Payable	1,025,000	865,000	695,000
Special Assessment Bond Payable	42,246	34,246	26,246
Revenue Bonds Payable	<u>9,085,000</u>	<u>8,575,000</u>	<u>8,035,000</u>
Total Primary Government	<u><u>\$21,244,783</u></u>	<u><u>\$21,342,639</u></u>	<u><u>\$29,264,531</u></u>
Population (2)			
City of Napoleon	8,940	8,851	8,659
Outstanding Debt Per Capita	\$2,376	\$2,411	\$3,380
Income (3)			
Personal (in thousands)	339,300	343,994	353,980
Percentage of Personal Income	6.26%	6.20%	8.27%

Sources:

- (1) City Finance Director's Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Napoleon, Ohio

2018	2019	2020	2021	2022	2023	2024
\$700,000	\$615,000	\$525,000	\$4,375,462	\$4,100,701	\$3,815,940	\$3,526,179
4,554	2,354	0	0	0	0	0
0	0	3,500,000	0	0	0	0
0	0	0	0	0	0	0
811,926	703,383	2,748,926	3,794,512	11,352,360	16,300,075	18,305,294
253,681	225,000	225,000	175,000	150,000	125,000	100,000
300,832	263,116	246,499	246,499	246,499	230,889	230,889
4,768,596	4,392,650	4,012,935	3,629,414	3,242,048	2,850,798	2,455,626
15,715,701	15,956,748	15,503,850	14,824,503	14,371,605	14,160,100	13,722,401
2,500,000	2,352,000	2,352,000	0	0	0	0
520,000	335,000	0	0	0	0	0
17,446	8,646	0	0	0	0	0
<u>7,470,000</u>	<u>7,155,000</u>	<u>7,040,445</u>	<u>8,666,107</u>	<u>8,093,002</u>	<u>7,499,898</u>	<u>6,886,793</u>
<u>\$33,062,736</u>	<u>\$32,008,897</u>	<u>\$36,154,655</u>	<u>\$35,711,497</u>	<u>\$41,556,215</u>	<u>\$44,982,700</u>	<u>\$45,227,182</u>
8,299	8,249	8,207	8,107	8,794	8,695	8,750
\$3,984	\$3,880	\$4,405	\$4,405	\$4,726	\$5,173	\$5,169
355,438	386,721	381,699	377,048	462,283	455,514	486,325
9.30%	8.28%	9.47%	9.47%	8.99%	9.88%	9.30%

City of Napoleon, Ohio

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2015	2016	2017	2018
Population (1)	8,940	8,851	8,659	8,299
Assessed Value (2)	\$140,849,400	\$140,501,870	\$151,096,730	\$150,298,770
General Bonded Debt (3)				
General Obligation Bonds	\$1,975,000	\$1,735,000	\$1,480,000	\$1,220,000
Resources Available to Pay Principal (4)	\$28,749	\$13,650	\$36,757	\$34,596
Net General Bonded Debt	\$1,946,251	\$1,721,350	\$1,443,243	\$1,185,404
Ratio of Net Bonded Debt to Assessed Value	1.38%	1.23%	0.96%	0.79%
Net Bonded Debt per Capita	\$217.70	\$194.48	\$166.68	\$142.84

Source:

- (1) U.S. Bureau of Census of Population
- (2) Henry County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

City of Napoleon, Ohio

2019	2020	2021	2022	2023	2024
8,249	8,207	8,107	8,794	8,695	8,750
\$150,765,380	\$169,600,090	\$172,645,510	\$171,106,790	\$172,604,500	\$206,610,010
\$950,000	\$525,000	\$4,375,462	\$4,100,701	\$3,815,940	\$3,526,179
\$21,995	\$55,235	\$9,394	\$0	\$11,644	\$11,644
\$928,005	\$469,765	\$4,366,068	\$4,100,701	\$3,804,296	\$3,514,535
0.62%	0.28%	2.53%	2.40%	2.20%	1.70%
\$112.50	\$57.24	\$538.56	\$466.31	\$437.53	\$401.66

City of Napoleon, Ohio



City of Napoleon, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities*
December 31, 2024

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to the City of Napoleon	Amount Applicable to the City of Napoleon
Direct:			
City of Napoleon	\$3,526,179	100.00%	\$3,526,179
Overlapping:			
Napoleon City School District	25,165,000	39.96%	10,055,934
Liberty Center School District	17,100,000	2.55%	436,050
Four County Career Center	1,750,000	4.32%	75,600
		Subtotal	<u><u>10,567,584</u></u>
		Total	<u><u>\$14,093,763</u></u>

Source: Henry County

Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

City of Napoleon, Ohio

*Debt Limitations
Last Ten Years*

Collection Year	2015	2016	2017	2018
Total Debt				
Net Assessed Valuation	\$140,849,400	\$140,501,870	\$151,096,730	\$150,298,770
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$)(1)	14,789,187	14,752,696	15,865,157	15,781,371
City Debt Outstanding (2)	950,000	870,000	785,000	700,000
Less: Applicable Debt Service Fund Amounts	(28,749)	(13,650)	(36,757)	(34,596)
Net Indebtedness Subject to Limitation	<u>921,251</u>	<u>856,350</u>	<u>748,243</u>	<u>665,404</u>
Overall Legal Debt Margin	<u><u>\$13,867,936</u></u>	<u><u>\$13,896,346</u></u>	<u><u>\$15,116,914</u></u>	<u><u>\$15,115,967</u></u>
Unvoted Debt				
Net Assessed Valuation	\$140,849,400	\$140,501,870	\$151,096,730	\$150,298,770
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$)(1)	7,746,717	7,727,603	8,310,320	8,266,432
City Debt Outstanding (2)	950,000	870,000	785,000	700,000
Less: Applicable Debt Service Fund Amounts	(28,749)	(13,650)	(36,757)	(34,596)
Net Indebtedness Subject to Limitation	<u>921,251</u>	<u>856,350</u>	<u>748,243</u>	<u>665,404</u>
Overall Legal Debt Margin	<u><u>\$6,825,466</u></u>	<u><u>\$6,871,253</u></u>	<u><u>\$7,562,077</u></u>	<u><u>\$7,601,028</u></u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.

Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: Finance Director's Office

City of Napoleon, Ohio

2019	2020	2021	2022	2023	2024
\$150,765,380	\$169,600,090	\$172,645,510	\$171,106,790	\$172,604,500	\$206,610,010
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
15,830,365	17,808,009	18,127,779	17,966,213	18,123,473	21,694,051
615,000	525,000	4,285,000	4,015,000	3,735,000	3,450,000
(21,995)	(55,235)	(9,394)	(11,644)	(11,644)	(11,644)
<u>593,005</u>	<u>469,765</u>	<u>4,275,606</u>	<u>4,003,356</u>	<u>3,723,356</u>	<u>3,438,356</u>
<u>\$15,237,360</u>	<u>\$17,338,244</u>	<u>\$13,852,173</u>	<u>\$13,962,857</u>	<u>\$14,400,117</u>	<u>\$18,255,695</u>
\$150,765,380	\$169,600,090	\$172,645,510	\$171,106,790	\$172,604,500	\$206,610,010
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
8,292,096	9,328,005	9,495,503	9,410,873	9,493,248	11,363,551
615,000	525,000	4,285,000	4,015,000	3,735,000	3,450,000
(21,995)	(55,235)	(9,394)	(11,644)	(11,644)	(11,644)
<u>593,005</u>	<u>469,765</u>	<u>4,275,606</u>	<u>4,003,356</u>	<u>3,723,356</u>	<u>3,438,356</u>
<u>\$7,699,091</u>	<u>\$8,858,240</u>	<u>\$5,219,897</u>	<u>\$5,407,517</u>	<u>\$5,769,892</u>	<u>\$7,925,195</u>

City of Napoleon, Ohio

Pledged Revenue Coverage Last Ten Years

	2015	2016	2017	2018
Sewer System Bonds (1 a)				
Gross Revenues (2)	\$3,936,723	\$4,159,750	\$4,102,182	\$4,103,091
Direct Operating Expenses (3)	2,309,699	2,295,638	2,596,558	2,597,562
Net Revenue Available for Debt Service	1,627,024	1,864,112	1,505,624	1,505,529
Annual Debt Service Requirement (4)	636,597	636,732	644,217	641,274
Coverage	2.56	2.93	2.34	2.35
Electric System Bonds (1 b)				
Gross Revenues (2)	\$14,965,308	\$16,208,908	\$15,561,372	\$17,626,832
Direct Operating Expenses (3)	13,960,055	14,997,692	15,782,123	17,379,408
Net Revenue Available for Debt Service	1,005,253	1,211,216	(220,751)	247,424
Annual Debt Service Requirement (4)	0	0	0	0
Coverage	N/A	N/A	N/A	N/A
Electric System Amp-Ohio (1 b)				
Gross Revenues (5)	\$14,927,117	\$16,153,201	\$15,499,543	\$17,539,066
Direct Operating Expenses (3)	13,960,055	14,997,692	15,782,123	17,379,408
Net Revenue Available for Debt Service	967,062	1,155,509	(282,580)	159,658
Annual Debt Service Requirement (4)	0	0	0	0
Coverage	N/A	N/A	N/A	N/A
Water System Bonds (1 c)				
Gross Revenues (2)	\$3,335,865	\$3,278,782	\$3,441,821	\$3,638,507
Direct Operating Expenses (3)	1,884,289	2,212,787	2,436,100	2,755,307
Net Revenue Available for Debt Service	1,451,576	1,065,995	1,005,721	883,200
Annual Debt Service Requirement (4)	538,471	528,884	537,699	542,279
Coverage	2.70	2.02	1.87	1.63

(1) The Mortgage Revenue Bonds were issued as follows:

- (a) The Sewer Bonds were issued in 1998, in the amount of \$3,480,000, in 2010 in the amounts of \$2,050,000, \$1,800,000 and \$2,535,000, in 2012 in the amount of \$913,000 and in 2021 in the amount of \$4,070,000.
- (b) The Electric Bonds were issued in 1998, in the amount of \$3,245,000.
- (c) The Water Bonds were issued in 2008, in the amount of \$3,505,000, in 2010 in the amounts of \$305,000 and \$540,000, in 2012 in the amount of \$187,000, in 2020 in the amount of \$2,545,000 and 2021 in the amount of \$2,360,000.

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

(4) Annual debt service requirements include principal and interest on revenue bonds only.

(5) Gross revenues do not include interest income. This is operating revenue only according to Amp-Ohio debt covenant.

Source: Finance Director's Office

City of Napoleon, Ohio

2019	2020	2021	2022	2023	2024
\$4,128,417	\$4,210,583	\$4,589,284	\$4,392,033	\$4,519,098	\$4,754,036
2,471,357	3,739,254	4,925,856	1,291,918	2,543,626	1,316,191
1,657,060	471,329	(336,572)	3,100,115	1,975,472	3,437,845
372,130	371,711	253,318	253,404	243,858	245,108
4.45	1.27	(1.33)	12.23	8.10	14.03
<hr/>					
\$16,846,017	\$16,715,984	\$16,628,793	\$17,544,271	\$16,940,225	\$16,935,294
18,213,457	16,994,153	14,432,560	15,990,373	14,316,319	16,902,388
(1,367,440)	(278,169)	2,196,233	1,553,898	2,623,906	32,906
0	0	0	0	0	0
N/A	N/A	N/A	N/A	N/A	N/A
<hr/>					
\$16,793,537	\$16,677,532	\$16,599,805	\$16,389,791	\$16,734,179	\$16,722,546
18,213,457	16,994,153	14,432,560	15,990,373	14,316,319	16,902,388
(1,419,920)	(316,621)	2,167,245	399,418	2,417,860	(179,842)
0	0	0	0	0	0
N/A	N/A	N/A	N/A	N/A	N/A
<hr/>					
\$3,805,918	\$4,107,007	\$4,031,016	\$4,409,471	\$4,530,081	\$4,389,331
2,718,266	2,834,700	2,167,499	2,238,289	3,389,330	4,076,853
1,087,652	1,272,307	1,863,517	2,171,182	1,140,751	312,478
541,221	331,328	476,114	469,132	468,272	469,121
2.01	3.84	3.91	4.63	2.44	0.67

City of Napoleon, Ohio

Demographic and Economic Statistics Last Ten Years

	Calendar Year	2015	2016	2017	2018
Population (1)					
City of Napoleon		8,940	8,851	8,659	8,299
Henry County		27,937	27,816	27,629	27,185
Income (2)					
Total Personal (in thousands)		339,300	343,994	353,980	355,438
Per Capita		37,953	38,865	40,880	42,829
Unemployment Rate (3)					
Federal		5.0%	4.7%	4.1%	3.9%
State		4.8%	5.0%	4.9%	4.6%
Henry County		5.5%	5.5%	5.1%	5.8%
Civilian Work Force Estimates (3)					
State		5,694,000	5,687,000	5,782,000	5,758,000
Henry County		13,500	13,500	13,500	13,100

Sources:

(1) US Bureau of Census of Population

(2) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) State Department of Labor Statistics

City of Napoleon, Ohio

2019	2020	2021	2022	2023	2024
8,249	8,207	8,107	8,794	8,695	8,750
27,006	26,921	26,836	27,538	27,497	27,520
386,721	381,699	377,048	462,283	455,514	486,325
46,881	46,509	46,509	52,568	52,388	55,580
3.5%	3.9%	3.7%	3.5%	3.7%	4.1%
4.1%	5.5%	3.4%	3.6%	3.7%	4.2%
4.6%	5.6%	2.8%	4.9%	3.3%	5.5%
5,811,750	5,634,700	5,136,800	5,723,000	5,805,700	5,835,200
13,265	12,679	9,921	12,700	12,944	13,000

City of Napoleon, Ohio



City of Napoleon, Ohio

Principal Employers *Current Year and Nine Years Ago*

Employer	Nature of Business	2024		
		Number of Employees	Rank	Percentage of Total Employment
JAC	Automobile Parts Manufacturer	654	1	6.50%
Napoleon City School District	Education	458	2	4.55%
Wal-Mart Stores	Retail	402	3	4.00%
Tenneco Automotive (Pullman Company)	Automobile Parts Manufacturer	377	4	3.75%
Henry County Hospital Inc	Health Care	373	5	3.71%
Henry County	County Government	368	6	3.66%
Campbel Soup Supply Co LLC*	Soup Manufacturer	337	7	3.35%
City of Napoleon	Local Government	259	8	2.58%
Custom Agri Systems	Agriculture/Manufacturer	117	9	1.16%
Automatic Feed	Steel Handling Equipment	79	10	0.79%
Total		<u>3,424</u>		
Total Employment within the City		<u>10,058</u>		
2015				
Employer	Nature of Business	Number of Employees	Rank	Percentage of Total Employment
Napoleon City School District	Education	475	1	4.31%
Campbel Soup Supply Co LLC	Soup Manufacturer	409	2	3.72%
Henry County Auditors	County Government	390	3	3.54%
Wal-Mart Stores	Retail	371	4	3.37%
Henry County Hospital Inc	Health Care	336	5	3.05%
Tenneco Automotive (Pullman Company)	Automobile Parts Manufacturer	235	6	2.13%
City of Napoleon	Local Government	218	7	1.98%
Oldcastle APG Inc	Manufacturing	198	8	1.80%
Automatic Feed	Steel Handling Equipment	94	9	0.85%
Koester Corporation	Design & Manufacture Electric Panels	78	10	0.71%
Total		<u>2,804</u>		
Total Employment within the City		<u>11,009</u>		

Sources: City of Napoleon Income Tax Department

(Total Employment # based on W2's received from employers)

City of Napoleon, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities				
General Government				
Finance	9.00	9.00	9.00	9.00
Legal/Court	9.00	9.00	10.00	10.00
Administration	10.00	10.00	9.00	11.00
Maintenance	3.00	3.00	3.00	3.00
Security of Persons and Property				
Police	21.00	23.00	20.00	19.00
Fire	9.00	9.00	10.00	8.00
Transportation				
Street	3.00	3.00	3.00	2.00
Leisure Time Activities				
Recreation/Seniors	5.00	5.00	5.00	5.00
Community Environment				
Service - Cemetery	1.00	1.00	1.00	1.00
Business-Type Activities				
Utilities - Electric	14.00	14.00	14.00	14.00
Water	9.00	10.00	11.00	10.00
Sewer	7.00	7.00	8.00	8.00
Solid Waste	2.00	3.00	3.00	2.00
<i>Total Employees</i>	<i><u>102.00</u></i>	<i><u>106.00</u></i>	<i><u>106.00</u></i>	<i><u>102.00</u></i>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: Finance Director's Office

City of Napoleon, Ohio

2019	2020	2021	2022	2023	2024
8.00	6.00	6.00	6.00	6.00	6.00
11.50	11.00	9.50	11.50	9.50	10.50
13.00	13.50	13.50	11.00	11.00	11.50
3.00	3.00	3.00	3.00	3.00	3.00
22.00	22.00	22.00	23.00	24.00	25.00
24.00	24.50	22.00	22.00	26.00	24.50
2.00	2.00	3.00	3.00	2.00	2.00
7.50	4.50	10.50	19.00	22.00	20.50
1.00	2.00	2.00	2.00	2.00	3.00
14.00	12.00	12.00	13.00	15.00	15.00
11.50	11.00	11.00	12.00	11.00	11.00
8.00	8.50	8.50	8.50	10.00	9.50
4.00	4.00	3.00	4.00	5.00	5.00
129.50	124.00	126.00	138.00	146.50	146.50

City of Napoleon, Ohio

Operating Indicators by Function *Last Ten Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities				
General Government				
Licenses and Permits				
Number of Building Permits	181	139	186	171
Number of Commercial Permits	7	13	31	60
Security of Persons and Property				
Police				
Number of Traffic Citations Issued	741	565	427	456
Number of Parking Tickets	83	59	53	28
Number of Law Violations:				
Criminal/Juvenile Citations	713	827	1,054	927
Fire				
Number of Fire Calls Answered	227	170	167	210
Number of EMS Runs	1,237	1,339	1,428	1,370
Number of Inspections	188	107	270	463
Transportation				
Street				
Facilities and Services: Miles of Streets	72	72	72	72
Business-Type Activities				
Water				
Number of Service Connections	3,663	3,663	3,895	3,895
Daily Average Consumption (gallons)	1.3M	1.3M	1.3M	1.3M
Maximum Daily Capacity of Treatment (gallons)	4.5M	4.5M	4.5M	4.5M
Sewer				
Number of Service Connections	3,553	3,553	3,683	3,683
Daily Average Sewage Treatment (gallons)	1.8M	1.8M	1.8M	1.8M
Maximum Daily Capacity of Treatment (gallons)	4.5M	4.5M	4.5M	4.5M

Source: Finance Director's Office

City of Napoleon, Ohio

2019	2020	2021	2022	2023	2024
164	180	192	177	126	210
73	62	54	73	64	50
411	232	388	322	296	172
22	8	62	8	4	8
855	712	670	589	450	252
237	296	362	442	343	364
1,409	1,449	1,574	1,401	1,304	1,435
204	87	145	169	146	145
72	72	72	72	72	72
3,900	3,920	3,960	3,970	3,978	3,980
1.14M	1.14M	1.13M	1.093M	1.077M	0.966M
4.5M	4.5M	4.5M	4.5M	4.5M	4.5M
3,678	3,715	3,740	3,754	3,760	3,760
2.0M	1.64M	1.77M	1.518M	1.399M	1.595M
4.5M	4.5M	4.5M	4.5M	4.7M	4.7M

City of Napoleon, Ohio

Capital Asset Statistics by Function *Last Ten Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities				
General Government				
Area (square miles)	7	7	7	7
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	7	7	8	8
Fire				
Stations	1	1	1	1
Vehicles	11	11	11	10
Transportation				
Street				
Vehicles	9	9	9	9
Leisure Time Activities				
Recreation/Seniors				
Land (acres)	225	225	225	225
Parks	9	9	9	9
Swimming Pools	1	1	1	1
Tennis Courts	1	1	1	1
Baseball/Softball Diamonds	7	7	7	7
Golf Courses	1	1	1	1
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	63	63	63	63
Number of Purification Plants	2	2	2	1
Number of Hydrants	653	653	658	658
Number of Water Towers	2	2	2	2
Sewer				
Sewerlines (Miles)	47	47	47	47
Number of Treatment Plants	1	1	1	1
Storm Water Drainage				
Miles of Storm Sewers	37	37	37	37

Source: Finance Director's Office

City of Napoleon, Ohio

2019	2020	2021	2022	2023	2024
7	7	7	7	7	7
1 9	1 9	1 9	1 10	1 10	1 11
1 10	1 10	1 10	1 10	1 11	1 11
9	9	9	9	10	10
225 9 1 1 7 1	225 9 1 1 7 1	225 9 1 1 7 1	225 9 1 1 7 1	225 9 1 0 1 1	225 9 1 0 7 1
63 1 646 2	63 1 646 2	63 1 646 2	63 1 646 2	64 1 708 2	64 1 708 2
47 1	47 1	47 1	47 1	49 1	49 1
37	37	37	37	38	38

City of Napoleon, Ohio



OHIO AUDITOR OF STATE KEITH FABER



CITY OF NAPOLEON

HENRY 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 12/9/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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