

CITY OF WAPAKONETA, OHIO

Comprehensive Annual Financial Report

For the Year Ended
December 31, 2017

**INTRODUCTORY
SECTION**

CITY OF WAPAKONETA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2017

Prepared By:

City Auditor

WILBUR WELLS

This page is intentionally left blank.

CITY OF WAPAKONETA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

INTRODUCTORY SECTION

Title Page.....	i
Table of Contents	iii
Letter of Transmittal.....	vii
Certificate of Achievement.....	xi
Organizational Chart	xii
List of Principal Officials.....	xiii

FINANCIAL SECTION

Independent Auditor's Report	1
General Purpose External Financial Statements	
Management's Discussion and Analysis.....	5
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	15
Statement of Activities.....	16
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities.....	19
Statement of Revenues, Expenditures, and Change in Fund Balance - Governmental Funds	20
Reconciliation of Statement of Revenues, Expenditures, and Change in Fund Balance of Governmental Funds to Statement of Activities.....	21
Statement of Revenues, Expenditures, and Change in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual: General Fund.....	23

TABLE OF CONTENTS

(continued)

FINANCIAL SECTION (continued)

Statement of Fund Net Position - Proprietary Funds	24
Statement of Revenues, Expenses, and Change in Fund Net Position - Proprietary Funds	28
Statement of Cash Flows - Proprietary Funds	30
Statement of Fiduciary Assets and Liabilities - Agency Funds	34
Notes to the Basic Financial Statements	35
Required Supplementary Information	
Schedule of the City's Proportionate Share of the Net Pension Liability -	
Ohio Public Employees Retirement System	81
Ohio Police and Fire Pension Fund	83
Schedule of the City's Contributions -	
Ohio Public Employees Retirement System	82
Ohio Police and Fire Pension Fund	86
Notes to the Required Supplementary Information	88
Combining Statements and Individual Fund Schedules	89
Combining Statements - Nonmajor Governmental Funds	
Fund Descriptions.....	91
Combining Balance Sheet - Nonmajor Governmental Funds	93
Combining Statement of Revenues, Expenditures, and Change in Fund Balance - Nonmajor Governmental Funds.....	97
Combining Statements - Fiduciary Funds	
Fund Descriptions.....	101
Combining Statement of Change in Assets and Liabilities - Agency Funds.....	102
Individual Fund Schedules of Revenues, Expenditures/Expenses, and Change in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual	103
Major Funds	104
Nonmajor Funds	114

TABLE OF CONTENTS

(continued)

STATISTICAL SECTION

Net Position - Last Ten Years.....	S-2
Change in Net Position - Last Ten Years.....	S-4
Fund Balance - Governmental Funds - Last Ten Years.....	S-8
Change in Fund Balance - Governmental Funds - Last Ten Years.....	S-10
Assessed and Estimated Actual Value of Taxable Property - Last Ten Years.....	S-12
Property Tax Rates - Direct and All Overlapping Governments - Last Ten Years.....	S-14
Property Tax Levies and Collections - Last Ten Years.....	S-16
Principal Real Property Taxpayers - Current Year and Nine Years Ago	S-18
Income Tax Revenue Base and Collections - Last Ten Years.....	S-21
Electric Utility Statistics - Last Ten Years.....	S-22
Water Utility Statistics - Last Ten Years.....	S-24
Sewer Utility Statistics - Last Ten Years.....	S-26
Storm Sewer Utility Statistics - Last Ten Years.....	S-28
Refuse Utility Statistics - Last Ten Years.....	S-30
Ratios of Outstanding Debt by Type - Last Ten Years.....	S-32
Ratio of General Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita - Last Ten Years.....	S-34
Computation of Direct and Overlapping Debt for Governmental Activities	S-35

TABLE OF CONTENTS

(continued)

STATISTICAL SECTION (continued)

Computation of Legal Debt Margin - Last Ten Years.....	S-36
Pledged Revenue - Water Fund - Last Nine Years.....	S-38
Pledged Revenue - Sewer Fund - Last Ten Years.....	S-39
Demographic and Economic Statistics - Last Ten Years.....	S-41
Principal Employers - Current Year and Nine Years Ago	S-42
Full Time Equivalent City Government Employees by Program/Department - Last Ten Years.....	S-44
Operating Indicators by Program/Department - Last Ten Years.....	S-46
Capital Assets by Program/Department - Last Ten Years.....	S-48



City Hall
P.O. Box 269
Wapakoneta, Ohio 45895-0269
Telephone (419) 738-3011
Fax (419) 738-4762

Thomas A Stinebaugh
Mayor
(419) 738-6111
tstinebaugh@wapakoneta.net

Chad A Scott
Director of Public Service and Safety
(419) 738-6111
cscott@wapakoneta.net

June 22, 2018

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

I am pleased to present the City of Wapakoneta's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2017. This report was prepared according to generally accepted accounting principles (GAAP). Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City, specifically the City Auditor's Office. The City has a framework of internal controls established to ensure the accuracy of the presented data and the completeness and fairness of the presentation. Because the cost of internal controls should not exceed anticipated benefits, the controls provide reasonable assurance that the financial statements are free of any material misstatements.

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

The firm of James G. Zupka, CPA, Inc. has issued an unmodified opinion on the City of Wapakoneta's basic financial statements for the year ended December 31, 2017. The Independent Auditor's Report is located at the front of the financial section of this report.

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

PROFILE OF THE CITY

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



vii
701 Parlette Court

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

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

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

LOCAL ECONOMY

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

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

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

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

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

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

LONG-TERM FINANCIAL PLANNING

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

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

City Council has always transferred monies from the General Fund to the Street and Sewer Improvement capital projects fund. In 2017, the available funds were used for projects including repaving and maintenance of streets, curbs, and sidewalks. The City has always been able to maximize its available resources and grants, and to work with other communities, the County, or the schools and get things done to enhance the community.

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

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

RELEVANT FINANCIAL POLICIES

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

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

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

MAJOR INITIATIVES

A Community Development Block Grant (CDBG) was awarded to the City for Maple Street. The project consisted of the construction of ADA sidewalks, concrete approaches, curbing, and storm sewer work. The total project cost was \$77,665. The next CDBG project is to pave Maple Street. This project will be completely funded by the grant.

In 2017, Buchanan Street was reconstructed. The City was awarded \$335,000 in Issue 1 grant monies to perform this project which consisted of sidewalks, driveway approaches, curbs and gutters, water, sewer, and storm sewer lines, light fixtures, and paving.

An annual reclamite program was performed in 2017. Reclamite is an asphalt rejuvenator which promotes and extends the life of the existing asphalt surface. Seven streets were treated. The project was funded with City resources.

The City sent out approximately one hundred (letters) notifications of deficient sidewalks in 2017. Inspection and documentation was performed on all properties.

During 2017, the Engineering department issued 239 permits for commercial remodeling, new structures, residential living units, garages, residential remodeling, signage, sidewalk, demolition, swimming pools, decks, sheds, and patios.

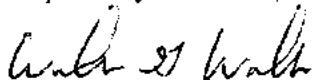
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wapakoneta for its comprehensive annual financial report (CAFR) for the year ended December 31, 2016. This was the twenty-seventh consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Wilbur Wells
City Auditor



Government Finance Officers Association

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

Presented to

**City of Wapakoneta
Ohio**

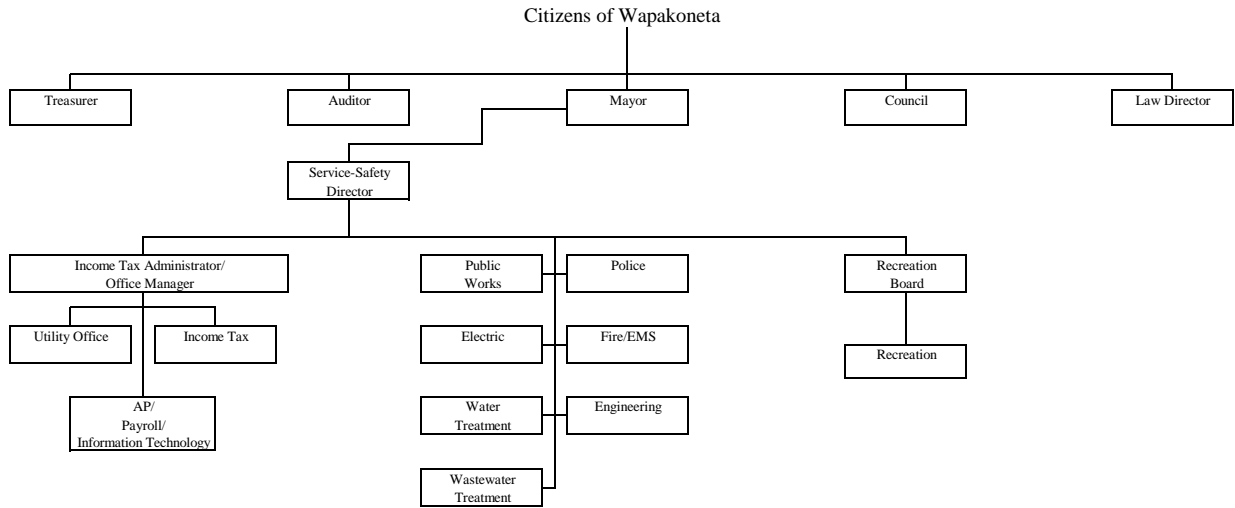
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

City of Wapakoneta Organizational Chart



CITY OF WAPAKONETA

LIST OF PRINCIPAL OFFICIALS

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

This page is intentionally left blank.

**FINANCIAL
SECTION**

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

*Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta, Auglaize County, Ohio, (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wapakoneta as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

June 22, 2018

This page is intentionally left blank.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

The discussion and analysis of the City of Wapakoneta's financial performance provides an overview of the City's financial activities for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

HIGHLIGHTS

Highlights for 2017 are as follows:

In total, the City's net position decreased \$165,144, less than 1 percent. Governmental activities had a decrease in net position of \$1,135,972 (5 percent) and business-type activities had an increase in net position of \$970,828 (2 percent).

A review of the enterprise funds reflects an operating income for the Electric, Water, Sewer, and Refuse funds and a modest operating loss for the Storm Sewer fund. The City's electric rates are determined by contract with the electric provider and these contracts typically are on a 1-5 year cycle. The sewer rates are on a scheduled increase by ordinance every year so the City can anticipate increased costs without a rate study. There were also increases in the water and refuse rates in 2017. Rates for all enterprise funds are monitored by the Administration to maintain the revenue needed to operate these activities.

USING THIS ANNUAL REPORT

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

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

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

REPORTING THE CITY AS A WHOLE

The statement of net position and the statement of activities reflect how the City did financially during 2017. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

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

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

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

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

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

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

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the City's net position for 2017 and 2016.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<u>Assets</u>						
Current and Other Assets	\$6,054,914	\$5,935,328	\$16,652,107	\$16,144,775	\$22,707,021	\$22,080,103
Capital Assets, Net	20,888,861	21,571,989	60,280,877	60,589,691	81,169,738	82,161,680
Total Assets	26,943,775	27,507,317	76,932,984	76,734,466	103,876,759	104,241,783

Deferred Outflows of Resources

Pension	2,128,007	1,894,534	1,217,345	1,046,000	3,258,573	2,940,534
---------	-----------	-----------	-----------	-----------	-----------	-----------

(continued)

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

Table 1
Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<u>Liabilities</u>						
Current and Other Liabilities	\$491,494	\$484,938	\$2,073,506	\$1,996,834	\$2,565,000	\$2,481,772
Long-Term Liabilities						
Pension	7,700,181	6,865,574	3,148,297	2,636,799	10,848,478	9,502,373
Other Amounts	458,071	487,350	26,003,223	27,239,972	26,461,294	27,727,322
Total Liabilities	8,649,746	7,837,862	31,225,026	31,873,605	39,874,772	39,711,467
<u>Deferred Inflows of Resources</u>						
Pension	25,076	41,710	134,134	86,520	72,431	128,230
Other Amounts	529,133	518,480	0	0	529,133	518,480
Total Deferred Inflows of Resources	554,209	560,190	134,134	86,520	601,564	646,710
<u>Net Position</u>						
Net Investment in Capital Assets	20,795,656	21,571,664	35,546,650	35,104,589	56,342,306	56,676,253
Restricted	1,769,237	1,438,740	1,256,831	1,255,353	3,026,068	2,694,093
Unrestricted (Deficit)	(2,697,066)	(2,006,605)	9,987,688	9,460,399	7,290,622	7,453,794
Total Net Position	\$19,867,827	\$21,003,799	\$46,791,169	\$45,820,341	\$66,658,996	\$66,824,140

The net pension liability reported by the City at December 31, 2017, is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions". For reasons discussed below, end users of these financial statements will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

GASB Statement No. 68 requires the net pension liability to equal the City's proportionate share of each plan's collective present value of estimated future pension benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

GASB notes that pension 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. GASB noted that the unfunded portion of this pension 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 this liability. 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 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 pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system 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 pension system is responsible for the administration of the plan.

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

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

Pension related changes noted in the above table for both governmental and business-type activities reflect an increase in deferred outflows due the change in assumptions in the latest actuarial valuation related to the net pension liability. The increase in the net pension liability represents the City's proportionate share of the unfunded benefits. As indicated previously, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability.

There were no changes of significance from the prior year for governmental activities.

There were also few changes of note for business-type activities. The increase in current and other assets was primarily related to an increase in cash and cash equivalents; there was an increase in water, sewer, and refuse rates in 2017 that contributed to the increase in cash on hand as of year end. The decrease in other long-term liabilities represents the retirement of debt.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

Table 2 reflects the change in net position for 2017 and 2016.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<u>Revenues</u>						
<u>Program Revenues</u>						
Charges for Services	\$890,647	\$1,207,666	\$24,236,504	\$22,959,411	\$25,127,151	\$24,167,077
Operating Grants, Contributions, and Interest	545,424	659,296	0	0	545,424	659,296
Capital Grants and Contributions	432,720	410,366	0	0	432,720	410,366
Total Program Revenues	1,868,791	2,277,328	24,236,504	22,959,411	26,105,295	25,236,739
<u>General Revenues</u>						
Property Taxes-General Purposes	383,253	372,286	0	0	383,253	372,286
Property Taxes-Recreation	152,784	99,006	0	0	152,784	99,006
Municipal Income Taxes	2,722,228	2,605,349	0	0	2,722,228	2,605,349
Other Local Taxes	766,069	822,341	0	0	766,069	822,341
Grants and Entitlements	252,161	255,631	0	0	252,161	255,631
Franchise Taxes	116,530	119,516	0	0	116,530	119,516
Interest	101,823	53,915	9,490	1,088	111,313	55,003
Gifts and Donations	16,654	17,893	0	0	16,654	17,893
Other	157,404	59,600	76,338	166,376	233,742	225,976
Total General Revenues	4,668,906	4,405,537	85,828	167,464	4,754,734	4,573,001
Total Revenues	6,537,697	6,682,865	24,322,332	23,126,875	30,860,029	29,809,740
<u>Program Expenses</u>						
<u>Security of Persons and Property</u>						
Police	2,032,266	1,922,596	0	0	2,032,266	1,922,596
Fire	1,712,394	1,917,941	0	0	1,712,394	1,917,941
Public Health	138,700	175,745	0	0	138,700	175,745
Leisure Time Activities	514,667	484,211	0	0	514,667	484,211
Community Environment	177,490	131,753	0	0	177,490	131,753
Transportation	2,214,462	1,861,607	0	0	2,214,462	1,861,607
General Government	858,914	594,651	0	0	858,914	594,651
Interest and Fiscal Charges	5,323	6,508	0	0	5,323	6,508
Electric	0	0	16,997,959	15,693,356	16,997,959	15,693,356
Water	0	0	2,263,282	1,950,485	2,263,282	1,950,485
Sewer	0	0	3,111,041	2,528,933	3,111,041	2,528,933
Storm Sewer	0	0	207,604	123,464	207,604	123,464
Refuse	0	0	791,071	1,145,654	791,071	1,145,654
Total Expenses	7,654,216	7,095,012	23,370,957	21,441,892	31,025,173	28,536,904

(continued)

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

Table 2
Change in Net Position
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Increase (Decrease) in Net Position Before Transfers	(\$1,116,519)	(\$412,147)	\$951,375	\$1,684,983	(\$165,144)	\$1,272,836
Transfers	(19,453)	(336,803)	19,453	336,803	0	0
Increase (Decrease) in Net Position	(1,135,972)	(748,950)	970,828	2,021,786	(165,144)	1,272,836
Net Position Beginning of Year	21,003,799	21,752,749	45,820,341	43,798,555	66,824,140	65,551,304
Net Position End of Year	<u>\$19,867,827</u>	<u>\$21,003,799</u>	<u>\$46,791,169</u>	<u>\$45,820,341</u>	<u>\$66,658,996</u>	<u>\$66,824,140</u>

For governmental activities, there was an overall decrease in program revenues (18 percent). The decrease in charges for services was largely due to a decrease in ambulance runs/fees (based on demand); the decrease in operating grants and contributions was primarily due to a drop in permissive license fees received from the County. The increase in general revenues is due to modest increases in municipal income taxes, interest, and other revenue. The increase in general government expenditures was due to an increase in security of person and property/police costs due to retirement severance payments, an increase in transportation costs related to projects undertaken in 2017, and an increase in general government costs. In the prior year, the City had to pay a judgment settlement in the security of persons and property/fire program; as a result there was a decrease in expenditures in 2017.

For business-type activities, program revenues in the form of charges for services, continue to fund the operation of the City's utilities. A portion of the increase in charges for services is due to rate increases for water, sewer, and refuse services. In addition, charges for services revenue is based on consumer usage and fluctuates as usage fluctuates. All of the enterprise funds had an increase in expenses from the prior year, with the exception of the Refuse Fund. Increases in the Electric Fund were related to personnel costs and the cost of purchasing power. Increases in the Water and Sewer funds were also primarily related to personnel costs as well as the replenishment of materials and supplies. All expenses were reduced in the Refuse Fund.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Security of Persons and Property				
Police	\$2,032,266	\$1,922,596	\$2,016,666	\$1,864,708
Fire	1,712,394	1,917,941	1,645,637	1,850,389
Public Health	138,700	175,745	(294,050)	(538,875)
Leisure Time Activities	514,667	484,211	254,736	214,493
Community Environment	177,490	131,753	173,221	122,815
Transportation	2,214,462	1,861,607	1,148,764	723,238
General Government	858,914	594,651	835,128	574,408
Interest and Fiscal Charges	5,323	6,508	5,323	6,508
Total Expenses	<u>\$7,654,216</u>	<u>\$7,095,012</u>	<u>\$5,785,425</u>	<u>\$4,817,684</u>

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

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

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

There was very little change in fund balance for the General Fund from the prior year. With the exception of other revenue and general government expenditures, both revenues and expenditures were similar to 2016. The increase in other revenue and general government expenditures reflects the land that the City purchased in 2017 with the intention of resale which also occurred in 2017.

There was an increase in fund balance in the Street and Sewer Improvement capital projects fund. This fund is subsidized annually with transfers from the General Fund.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS

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

The Electric Fund had an operating income and a 1 percent increase in net position; this was not a significant change.

The Water Fund also had an operating income and a 1 percent decrease in net position. Revenues increased slightly (rate increase) and expenses also increased slightly.

Net position increased 3 percent in the Sewer Fund. Despite a rate increase, revenue decreased slightly from the prior year (approximately \$86,000). Expenses increased due primarily to personnel costs and materials and supplies replenishment. The fund maintains a comfortable net position which is almost five times its annual operating expenses.

The Storm Sewer utility provides the City the ability to undertake storm water separation. The EPA has mandated the separation of storm water and sanitary sewers. The Storm Sewer fund had a modest operating loss and decrease in net position for 2017 (1 percent).

The City's Refuse Fund emerged from a deficit net position of the prior year. A modest rate increase coupled with a reduction in expenses led to the positive net position at year end.

BUDGETARY HIGHLIGHTS

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

The City's most significant budgeted fund is the General Fund. For revenues, there was a significant increase from the original budget to the final budget due to the sale of land that was held for resale. Changes from the final budget to actual revenues were not significant. For expenditures, there was a similar change as that of revenues; note the increase in the general government program reflecting the purchase of the land that was held for resale. The changes from the final budget to actual expenditures of significance were generally limited to the security of persons and property/fire and general government programs largely due to conservative budgeting. Also, note the changes from the original budget to the final budget for loans issued and debt retirement. This reflects the loan obtained and repaid by the City during 2017 and used to purchase the land that was resold. This purchase and sale was to enhance economic development efforts in the City.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2017, was \$20,795,656 and \$35,546,650, respectively (net of accumulated depreciation and related debt). Governmental activities additions and disposals were primarily street improvements and vehicles.

CITY OF WAPAKONETA
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

For business-type activities, the additions included a land purchase and the completion of construction projects. Disposals were minimal. For further information regarding the City's capital assets, refer to Note 10 to the basic financial statements.

Debt - During 2017, the City obtained a loan, in the amount of \$2,750,000 to acquire land that was held for resale. The land was also sold during the year and the loan was retired.

At December 31, 2017, the City had a number of long-term obligations outstanding. Governmental activities obligations consisted of a loan for energy efficiency improvements. The business-type activities obligations included \$5,770,000 in mortgage revenue bonds, \$18,547,622 in OWDA loans, a loan for energy efficiency improvements, and \$756,680 in landfill postclosure costs. The only new long-term debt in 2017 was an increase in OWDA loans for sewer related improvements.

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

CURRENT ISSUES

The Maple and Buchanan Street projects were completed in 2017. The projects consisted of the construction of ADA sidewalks; concrete approaches; curbs and gutters; water, sewer, and storm sewer improvements; and paving,

The City received a Community Development Block Grant for new sidewalks and handicap ramps on Maple Street. This grant fully funded this project.

The City's major project for 2018 is the addition of a turn lane on the access road leading to Wapakoneta's newest industry Pratt Industries. The project will include the purchase of land, the construction of the turn lane, new roadway, and utilities.

As Pratt Industries construction will begin in 2018, the City is going to have to evaluate the expansion of all the utility plants and infrastructure needs in the City. The Pratt addition is going to push the City to capacity and the utility plants will need to be upgraded to meet further growth in the City.

The Ohio Department of Transportation (ODOT) has awarded the City almost \$1.9 million for the Riverscape project. ODOT is funding 95 percent of the project cost. The City will begin preliminary work on the project in 2018 and the project will be bid in 2019.

REQUEST FOR INFORMATION

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

City of Wapakoneta
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities	Total *
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$3,459,549	\$10,189,092	\$13,648,641
Cash and Cash Equivalents with Fiscal Agents	0	1,317,504	1,317,504
Accounts Receivable	368,976	3,319,118	3,688,094
Due from Other Governments	402,189	9,278	411,467
Municipal Income Taxes Receivable	800,843	0	800,843
Other Local Taxes Receivable	16,581	67,669	84,250
Internal Balances	68,637	(68,637)	0
Prepaid Items	35,255	95,736	130,991
Materials and Supplies Inventory	39,605	1,722,347	1,761,952
Accrued Interest Receivable	4,415	0	4,415
Property Taxes Receivable	537,325	0	537,325
Notes Receivable	300,773	0	300,773
Special Assessments Receivable	20,766	0	20,766
Nondepreciable Capital Assets	1,410,446	1,323,898	2,734,344
Depreciable Capital Assets, Net	19,478,415	58,956,979	78,435,394
Total Assets	26,943,775	76,932,984	103,876,759
<u>Deferred Outflows of Resources</u>			
Pension	2,128,007	1,217,345	3,258,573
<u>Liabilities</u>			
Accrued Wages Payable	93,461	74,231	167,692
Accounts Payable	241,829	151,507	393,336
Contracts Payable	116,446	1,354,694	1,471,140
Due to Other Governments	39,383	23,636	63,019
Accrued Interest Payable	375	172,648	173,023
Refundable Deposits	0	296,790	296,790
Long-Term Liabilities			
Due Within One Year	138,154	1,077,888	1,216,042
Due in More Than One Year			
Net Pension Liability	7,700,181	3,148,297	10,848,478
Other Amounts Due in More Than One Year	319,917	24,925,335	25,245,252
Total Liabilities	8,649,746	31,225,026	39,874,772
<u>Deferred Inflows of Resources</u>			
Property Taxes	529,133	0	529,133
Pension	25,076	134,134	72,431
Total Deferred Inflows of Resources	554,209	134,134	601,564
<u>Net Position</u>			
Net Investment in Capital Assets	20,795,656	35,546,650	56,342,306
Restricted for			
Debt Service	785	0	785
Capital Projects	489,078	0	489,078
Community Environment	221,862	0	221,862
Recreation	66,939	0	66,939
Street and Highway Maintenance and Repair	932,747	0	932,747
Other Purposes	57,826	0	57,826
Revenue Bond Replacement	0	100,000	100,000
Future Debt Service	0	1,156,831	1,156,831
Unrestricted (Deficit)	(2,697,066)	9,987,688	7,290,622
Total Net Position	\$19,867,827	\$46,791,169	\$66,658,996

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

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Activities
For the Year Ended December 31, 2017

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$2,032,266	\$4,680	\$10,920	\$0
Fire	1,712,394	63,607	3,150	0
Public Health	138,700	422,775	9,975	0
Leisure Time Activities	514,667	224,543	35,388	0
Community Environment	177,490	0	4,269	0
Transportation	2,214,462	151,256	481,722	432,720
General Government	858,914	23,786	0	0
Interest and Fiscal Charges	5,323	0	0	0
Total Governmental Activities	7,654,216	890,647	545,424	432,720
<u>Business-Type Activities</u>				
Electric	16,997,959	17,232,897	0	0
Water	2,263,282	2,115,395	0	0
Sewer	3,111,041	3,438,526	0	0
Storm Sewer	207,604	157,780	0	0
Refuse	791,071	1,291,906	0	0
Total Business-Type Activities	23,370,957	24,236,504	0	0
Total	\$31,025,173	\$25,127,151	\$545,424	\$432,720

General Revenues

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

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in Net Position

Governmental Activities	Business-Type Activities	Total
(\$2,016,666)	\$0	(\$2,016,666)
(1,645,637)	0	(1,645,637)
294,050	0	294,050
(254,736)	0	(254,736)
(173,221)	0	(173,221)
(1,148,764)	0	(1,148,764)
(835,128)	0	(835,128)
(5,323)	0	(5,323)
(5,785,425)	0	(5,785,425)
0	234,938	234,938
0	(147,887)	(147,887)
0	327,485	327,485
0	(49,824)	(49,824)
0	500,835	500,835
0	865,547	865,547
(5,785,425)	865,547	(4,919,878)
383,253	0	383,253
152,784	0	152,784
2,722,228	0	2,722,228
677,616	0	677,616
88,453	0	88,453
252,161	0	252,161
116,530	0	116,530
101,823	9,490	111,313
16,654	0	16,654
157,404	76,338	233,742
4,668,906	85,828	4,754,734
(19,453)	19,453	0
4,649,453	105,281	4,754,734
(1,135,972)	970,828	(165,144)
21,003,799	45,820,341	66,824,140
<u>\$19,867,827</u>	<u>\$46,791,169</u>	<u>\$66,658,996</u>

City of Wapakoneta
Balance Sheet
Governmental Funds
December 31, 2017

	General	Street and Sewer Improvement	Other Governmental	Total Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,868,578	\$474,144	\$1,059,346	\$3,402,068
Accounts Receivable	367,139	0	1,837	368,976
Due from Other Governments	162,501	4,523	235,165	402,189
Municipal Income Taxes Receivable	800,843	0	0	800,843
Other Local Taxes Receivable	10,872	0	5,709	16,581
Interfund Receivable	63,091	0	150,000	213,091
Prepaid Items	27,153	0	6,251	33,404
Materials and Supplies Inventory	15,937	0	21,918	37,855
Accrued Interest Receivable	0	1,200	3,215	4,415
<u>Restricted Assets</u>				
Equity in Pooled Cash and Cash Equivalents	36,841	0	0	36,841
Property Taxes Receivable	379,210	0	158,115	537,325
Notes Receivable	205,753	0	95,020	300,773
Special Assessments Receivable	0	20,766	0	20,766
Total Assets	\$3,937,918	\$500,633	\$1,736,576	\$6,175,127
<u>Liabilities</u>				
Accrued Wages Payable	\$76,015	\$0	\$12,584	\$88,599
Accounts Payable	222,161	582	18,671	241,414
Contracts Payable	10,778	100,228	5,440	116,446
Due to Other Governments	33,228	2,365	2,993	38,586
Interfund Payable	162,759	1,585	14,268	178,612
Total Liabilities	504,941	104,760	53,956	663,657
<u>Deferred Inflows of Resources</u>				
Property Taxes	373,251	0	155,882	529,133
Unavailable Revenue	1,050,401	21,966	207,053	1,279,420
Total Deferred Inflows of Resources	1,423,652	21,966	362,935	1,808,553
<u>Fund Balance</u>				
Nonspendable	79,931	0	28,169	108,100
Restricted	5,198	373,907	1,058,364	1,437,469
Assigned	1,143,590	0	233,152	1,376,742
Unassigned	780,606	0	0	780,606
Total Fund Balance	2,009,325	373,907	1,319,685	3,702,917
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$3,937,918	\$500,633	\$1,736,576	\$6,175,127

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Reconciliation of Total Governmental Fund Balance
to Net Position of Governmental Activities
December 31, 2017

Total Governmental Fund Balance		\$3,702,917
<p>Amounts reported for governmental activities on the statement of net position are different because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental Activities	20,888,861	
Internal Service Fund	(37,150)	
		20,851,711
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.</p>		
Accounts Receivable	327,828	
Due from Other Governments	307,604	
Municipal Income Taxes Receivable	602,652	
Other Local Taxes Receivable	8,333	
Accrued Interest Receivable	4,045	
Delinquent Property Taxes Receivable	8,192	
Special Assessments Receivable	20,766	
		1,279,420
<p>An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities.</p>		
		23,875
<p>Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds; it is reported when due.</p>		
		(375)
<p>Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Loans Payable	(45,010)	
Compensated Absences Payable	(413,061)	
Compensated Absences Payable-Internal Service Fund	23,722	
		(434,349)
<p>The net pension liability is not due and payable in the current period, therefore, the liability and related deferred outflows/inflows are not reported in the governmental funds.</p>		
Deferred Outflows - Pension	2,128,007	
Deferred Outflows - Pension - Internal Service Fund	(99,773)	
Deferred Inflows - Pension	(25,076)	
Deferred Inflows - Pension - Internal Service Fund	2,967	
Net Pension Liability	(7,700,181)	
Net Pension Liability - Internal Service Fund	258,058	
		(5,435,998)
<p>An internal service fund is used by management to charge the cost of engineering services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.</p>		
		(119,374)
Net Position of Governmental Activities		\$19,867,827

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Revenues, Expenditures,
and Change in Fund Balance
Governmental Funds
For the Year Ended December 31, 2017

	General	Street and Sewer Improvement	Other Governmental	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$379,036	\$0	\$151,184	\$530,220
Municipal Income Taxes	2,671,757	0	0	2,671,757
Other Local Taxes	757,736	0	77,917	835,653
Special Assessments	0	34,458	0	34,458
Charges for Services	874,297	0	48,429	922,726
Fees, Licenses, and Permits	122,210	0	0	122,210
Fines and Forfeitures	19,742	0	2,425	22,167
Intergovernmental	271,658	432,720	487,776	1,192,154
Interest	101,338	972	16,152	118,462
Gifts and Donations	20,754	0	12,474	33,228
Other	150,039	0	6,665	156,704
Total Revenues	5,368,567	468,150	803,022	6,639,739
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,943,883	0	1,428	1,945,311
Fire	1,427,616	0	0	1,427,616
Public Health	120,307	0	0	120,307
Leisure Time Activities	242,674	0	152,692	395,366
Community Environment	151,507	0	640	152,147
Transportation	0	1,054,220	503,579	1,557,799
General Government	787,806	0	0	787,806
Debt Service:				
Principal Retirement	43,288	0	0	43,288
Interest and Fiscal Charges	5,684	0	0	5,684
Total Expenditures	4,722,765	1,054,220	658,339	6,435,324
Excess of Revenues Over (Under) Expenditures	645,802	(586,070)	144,683	204,415
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	700	0	0	700
Transfers In	0	700,000	0	700,000
Transfers Out	(700,000)	0	0	(700,000)
Total Other Financing Sources (Uses)	(699,300)	700,000	0	700
Change in Fund Balance	(53,498)	113,930	144,683	205,115
Fund Balance Beginning of Year	2,062,823	259,977	1,175,002	3,497,802
Fund Balance End of Year	<u>\$2,009,325</u>	<u>\$373,907</u>	<u>\$1,319,685</u>	<u>\$3,702,917</u>

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Reconciliation of Statement of Revenues, Expenditures,
and Change in Fund Balance
of Governmental Funds to Statement of Activities
For the Year Ended December 31, 2017

Change in Fund Balance - Total Governmental Funds \$205,115

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

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

Capital Outlay	455,596	
Depreciation	(1,065,332)	
Depreciation-Internal Service Fund	1,873	
		(607,863)

The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital assets is removed from the capital asset account on the statement of net position when disposed of resulting in a gain or loss on disposal of capital assets on the statement of activities.

Proceeds from Sale of Capital Assets	(700)	
Gain on Disposal of Capital Assets	700	
Loss on Disposal of Capital Assets	(73,392)	
		(73,392)

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

Delinquent Property Taxes	5,817	
Municipal Income Taxes	50,471	
Other Local Taxes	8,333	
Special Assessments	(9,798)	
Charges for Services	(161,217)	
Fees, Licenses, and Permits	(1,286)	
Intergovernmental	2,580	
Interest	2,358	
		(102,742)

Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net position. 43,288

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. 361

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

Compensated Absences Payable-Governmental Activities	(14,009)	
Compensated Absences Payable-Internal Service Fund	11,862	
		(2,147)

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

Pension Expense	(1,162,990)	
Pension Expense - Internal Service Fund	54,134	
		(1,108,856)

(continued)

City of Wapakoneta
 Reconciliation of Statement of Revenues, Expenditures,
 and Change in Fund Balance
 of Governmental Funds to Statement of Activities
 For the Year Ended December 31, 2017
 (continued)

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

Contractually Required Contributions	\$578,490	
Contractually Required Contributions - Internal Service Fund	<u>(19,953)</u>	558,537

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

(48,273)

Change in Net Position of Governmental Activities

(\$1,135,972)

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Over (Under)
	Original	Final		(Under)
<u>Revenues</u>				
Property Taxes	\$371,000	\$376,353	\$379,036	\$2,683
Municipal Income Taxes	2,800,000	2,800,000	2,680,786	(119,214)
Other Local Taxes	815,700	815,700	751,965	(63,735)
Charges for Services	727,500	727,500	865,350	137,850
Fees, Licenses, and Permits	112,600	112,600	121,087	8,487
Fines and Forfeitures	15,000	15,000	18,800	3,800
Intergovernmental	247,500	247,500	272,531	25,031
Interest	42,410	42,410	109,262	66,852
Gifts and Donations	10,000	10,000	20,754	10,754
Other	69,990	2,823,637	2,915,248	91,611
Total Revenues	<u>5,211,700</u>	<u>7,970,700</u>	<u>8,134,819</u>	<u>164,119</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	2,024,656	2,024,656	1,955,435	69,221
Fire	1,885,486	1,885,486	1,453,160	432,326
Other	7,698	7,698	0	7,698
Public Health	157,747	157,747	128,536	29,211
Leisure Time Activities	238,791	253,791	240,379	13,412
Community Environment	204,125	204,125	143,678	60,447
General Government	1,412,392	4,147,394	3,363,528	783,866
Debt Service:				
Principal Retirement	43,288	2,793,288	2,793,288	0
Interest and Fiscal Charges	3,712	12,712	5,684	7,028
Total Expenditures	<u>5,977,895</u>	<u>11,486,897</u>	<u>10,083,688</u>	<u>1,403,209</u>
Excess of Revenues Under Expenditures	<u>(766,195)</u>	<u>(3,516,197)</u>	<u>(1,948,869)</u>	<u>1,567,328</u>
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	700	700
Loans Issued	0	2,750,000	2,750,000	0
Advances In	150,000	150,000	0	(150,000)
Transfers Out	(700,000)	(700,000)	(700,000)	0
Total Other Financing Sources (Uses)	<u>(550,000)</u>	<u>2,200,000</u>	<u>2,050,700</u>	<u>(149,300)</u>
Change in Fund Balance	<u>(1,316,195)</u>	<u>(1,316,197)</u>	<u>101,831</u>	<u>1,418,028</u>
Fund Balance Beginning of Year	1,723,322	1,723,322	1,723,322	0
Prior Year Encumbrances Appropriated	62,735	62,735	62,735	0
Fund Balance End of Year	<u>\$469,862</u>	<u>\$469,860</u>	<u>\$1,887,888</u>	<u>\$1,418,028</u>

See Accompanying Notes to the Basic Financial Statements

City of Wapakoneta
Statement of Fund Net Position
Proprietary Funds
December 31, 2017

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
<u>Assets</u>				
<u>Current Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$5,819,241	\$965,461	\$1,520,716	\$730,239
Cash and Cash Equivalents with Fiscal Agents	181,245	0	0	0
Accounts Receivable	2,405,946	301,491	418,561	13,278
Due from Other Governments	0	0	0	0
Other Local Taxes Receivable	67,669	0	0	0
Interfund Receivable	125,504	47	120	18
Prepaid Items	55,691	12,795	19,897	0
Materials and Supplies Inventory	1,484,694	191,112	46,541	0
Total Current Assets	10,139,990	1,470,906	2,005,835	743,535
<u>Non-Current Assets</u>				
Restricted Assets				
Equity in Pooled Cash and Cash Equivalents	296,790	0	556,852	0
Cash and Cash Equivalents with Fiscal Agents	0	0	1,136,259	0
Nondepreciable Capital Assets	302,586	616,267	76,944	0
Depreciable Capital Assets, Net	14,725,634	14,798,334	25,764,372	2,849,217
Total Non-Current Assets	15,325,010	15,414,601	27,534,427	2,849,217
Total Assets	25,465,000	16,885,507	29,540,262	3,592,752
<u>Deferred Outflows of Resources</u>				
Pension	478,388	229,365	339,229	0
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accrued Wages Payable	28,510	13,611	21,962	0
Accounts Payable	74,967	16,833	32,164	0
Contracts Payable	1,347,600	7,094	0	0
Due to Other Governments	12,672	2,249	7,013	0
Interfund Payable	63,341	26,679	39,798	233
Accrued Interest Payable	0	151,125	21,523	0
Mortgage Revenue Bonds Payable	0	0	540,000	0
OWDA Loans Payable	0	184,745	0	0
Loans Payable	0	0	114,150	0
Capital Leases Payable	0	0	27,290	27,290
Compensated Absences Payable	35,392	22,916	22,401	0
Landfill Postclosure Costs Payable	0	0	0	0
Total Current Liabilities	1,562,482	425,252	826,301	27,523

Refuse	Total Enterprise Funds	Governmental Activity Internal Service Fund
\$299,793	\$9,335,450	\$20,640
0	181,245	0
179,842	3,319,118	0
9,278	9,278	0
0	67,669	0
65	125,754	10,740
7,353	95,736	1,851
0	1,722,347	1,750
496,331	14,856,597	34,981
0	853,642	0
0	1,136,259	0
328,101	1,323,898	0
819,422	58,956,979	37,150
1,147,523	62,270,778	37,150
1,643,854	77,127,375	72,131
189,522	1,236,504	99,773
10,148	74,231	4,862
27,543	151,507	415
0	1,354,694	0
1,702	23,636	797
40,465	170,516	457
0	172,648	0
0	540,000	0
0	184,745	0
0	114,150	0
28,034	82,614	0
15,823	96,532	8,110
59,847	59,847	0
183,562	3,025,120	14,641

(continued)

City of Wapakoneta
Statement of Fund Net Position
Proprietary Funds
December 31, 2017
(continued)

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
<u>Non-Current Liabilities</u>				
Refundable Deposits	\$296,790	\$0	\$0	\$0
Mortgage Revenue Bonds Payable	0	0	5,230,000	0
OWDA Loans Payable	0	7,507,945	10,854,932	0
Net Pension Liability	1,238,673	567,726	877,394	0
Capital Leases Payable	0	0	118,453	118,453
Compensated Absences Payable	122,143	99,258	58,209	0
Landfill Postclosure Costs Payable	0	0	0	0
Total Non-Current Liabilities	1,657,606	8,174,929	17,138,988	118,453
Total Liabilities	3,220,088	8,600,181	17,965,289	145,976
<u>Deferred Inflows of Resources</u>				
Pension	72,576	6,525	10,087	0
<u>Net Position</u>				
Net Investment in Capital Assets	15,028,220	7,714,817	9,070,641	2,703,474
Restricted for				
Revenue Bond Replacement	0	0	100,000	0
Future Debt Service	0	0	1,156,831	0
Unrestricted (Deficit)	7,622,504	793,349	1,576,643	743,302
Total Net Position (Deficit)	\$22,650,724	\$8,508,166	\$11,904,115	\$3,446,776

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

Net position of business-type activities

See Accompanying Notes to the Basic Financial Statements

Refuse	Total Enterprise Funds	Governmental Activity Internal Service Fund
\$0	\$296,790	\$0
0	5,230,000	0
0	18,362,877	0
464,504	3,148,297	258,058
89,991	326,897	0
29,118	308,728	15,612
696,833	696,833	0
1,280,446	28,370,422	273,670
1,464,008	31,395,542	288,311
64,105	153,293	2,967
1,029,498	35,546,650	37,150
0	100,000	0
0	1,156,831	0
(724,235)	10,011,563	(156,524)
\$305,263	46,815,044	(\$119,374)
	(23,875)	
	\$46,791,169	

City of Wapakoneta
Statement of Revenues, Expenses,
and Change in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
<u>Operating Revenues</u>				
Charges for Services	\$17,163,771	\$2,115,395	\$0	\$157,780
Charges for Services Pledged as Security on Mortgage Revenue Bonds	0	0	3,438,526	0
Licenses and Permits	0	0	0	0
Other	72,264	1,008	0	0
Other Pledged as Security on Mortgage Revenue Bonds	0	0	114	0
Total Operating Revenues	17,236,035	2,116,403	3,438,640	157,780
<u>Operating Expenses</u>				
Personal Services	872,386	587,750	811,790	0
Contractual Services	14,835,934	261,425	428,027	4,485
Materials and Supplies	626,617	742,231	498,809	99,321
Depreciation	598,354	329,160	700,159	90,463
Other	64,065	0	9,876	3,920
Total Operating Expenses	16,997,356	1,920,566	2,448,661	198,189
Operating Income (Loss)	238,679	195,837	989,979	(40,409)
<u>Non-Operating Revenues (Expenses)</u>				
Other Local Taxes	69,126	0	0	0
Loss on Disposal of Capital Assets	0	(30,267)	(10,007)	0
Interest Revenue	1,252	0	8,238	0
Interest Expense	0	(305,691)	(651,408)	(5,673)
Total Non-Operating Revenues (Expenses)	70,378	(335,958)	(653,177)	(5,673)
Income (Loss) before Contributions	309,057	(140,121)	336,802	(46,082)
Capital Contributions	0	19,453	0	0
Change in Net Position	309,057	(120,668)	336,802	(46,082)
Net Position (Deficit) Beginning of Year	22,341,667	8,628,834	11,567,313	3,492,858
Net Position (Deficit) End of Year	\$22,650,724	\$8,508,166	\$11,904,115	\$3,446,776

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

Change in net position of business-type activities

See Accompanying Notes to the Basic Financial Statements

Refuse	Total Enterprise Funds	Governmental Activity Internal Service Fund
\$1,291,906	\$20,728,852	\$215,051
0	3,438,526	0
0	0	15,213
2,952	76,224	89
0	114	0
1,294,858	24,243,716	230,353
472,845	2,744,771	263,646
166,390	15,696,261	12,600
64,122	2,031,100	12,575
82,747	1,800,883	1,873
0	77,861	0
786,104	22,350,876	290,694
508,754	1,892,840	(60,341)
0	69,126	0
0	(40,274)	0
0	9,490	0
(4,967)	(967,739)	0
(4,967)	(929,397)	0
503,787	963,443	(60,341)
0	19,453	0
503,787	982,896	(60,341)
(198,524)		(59,033)
\$305,263		(\$119,374)
	(12,068)	
	\$970,828	

City of Wapakoneta
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
Increases (Decreases) in Cash and Cash Equivalents				
<u>Cash Flows from Operating Activities</u>				
Cash Received from Customers	\$17,081,773	\$2,115,174	\$3,416,853	\$157,619
Cash Received from Transactions with Other Funds	0	0	0	0
Cash Received from Utility Deposits	48,287	0	0	0
Cash Received from Other Revenues	119,010	1,008	114	0
Cash Payments for Personal Services	(706,989)	(476,613)	(730,196)	0
Cash Payments for Contractual Services	(14,609,195)	(248,085)	(416,215)	0
Cash Payments to Vendors	(652,097)	(758,581)	(519,030)	(105,066)
Cash Payments for Transactions with Other Funds	(769)	(7,154)	(1,116)	(4,252)
Cash Payments for Utility Refunds	(28,343)	0	0	0
Cash Payments for Other Expenses	(64,065)	0	(10,856)	(3,920)
Net Cash Provided by (Used for) Operating Activities	<u>1,187,612</u>	<u>625,749</u>	<u>1,739,554</u>	<u>44,381</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Cash Received from Other Local Taxes	<u>69,126</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Principal Paid on Mortgage Revenue Bonds	0	0	(525,000)	0
Principal Paid on OWDA Loans	0	(175,931)	(270,608)	0
Principal Paid on Loans	0	0	(109,782)	0
Principal Paid on Capital Leases	0	0	(26,419)	(26,419)
Interest Paid on Mortgage Revenue Bonds	0	0	(270,718)	0
Interest Paid on OWDA Loans	0	(309,140)	(370,168)	0
Interest Paid on Loans	0	0	(7,752)	0
Interest Paid on Capital Leases	0	0	(5,673)	(5,673)
OWDA Loan Proceeds	0	0	299,599	0
Acquisition of Capital Assets	(672,247)	(248,469)	(507,046)	(84,119)
Net Cash Used for Capital and Related Financing Activities	<u>(672,247)</u>	<u>(733,540)</u>	<u>(1,793,567)</u>	<u>(116,211)</u>
<u>Cash Flows from Investing Activities</u>				
Interest Revenue	<u>1,252</u>	<u>0</u>	<u>8,238</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	585,743	(107,791)	(45,775)	(71,830)
Cash and Cash Equivalents Beginning of Year	<u>5,711,533</u>	<u>1,073,252</u>	<u>3,259,602</u>	<u>802,069</u>
Cash and Cash Equivalents End of Year	<u><u>\$6,297,276</u></u>	<u><u>\$965,461</u></u>	<u><u>\$3,213,827</u></u>	<u><u>\$730,239</u></u>

Refuse	Total Enterprise Funds	Governmental Activity Internal Service
\$1,265,173	\$24,036,592	\$15,213
0	0	204,311
0	48,287	0
2,981	123,113	89
(416,851)	(2,330,649)	(216,687)
(549,414)	(15,822,909)	(12,228)
(113,099)	(2,147,873)	(12,605)
0	(13,291)	0
0	(28,343)	0
0	(78,841)	0
188,790	3,786,086	(21,907)
0	69,126	0
0	(525,000)	0
0	(446,539)	0
0	(109,782)	0
(27,106)	(79,944)	0
0	(270,718)	0
0	(679,308)	0
0	(7,752)	0
(4,967)	(16,313)	0
0	299,599	0
0	(1,511,881)	0
(32,073)	(3,347,638)	0
0	9,490	0
156,717	517,064	(21,907)
143,076	10,989,532	42,547
\$299,793	\$11,506,596	\$20,640

(continued)

City of Wapakoneta
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017
(continued)

	Business-Type Activities			
	Electric	Water	Sewer	Storm Sewer
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>				
Operating Income (Loss)	\$238,679	\$195,837	\$989,979	(\$40,409)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>				
Depreciation	598,354	329,160	700,159	90,463
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(80,817)	(215)	(21,670)	(161)
Increase in Due from Other Governments	0	0	0	0
Increase in Other Local Taxes Receivable	(9,274)	0	0	0
(Increase) Decrease in Interfund Receivable	45,565	(6)	(3)	0
Decrease in Prepaid Items	1,804	6,378	3,476	0
(Increase) Decrease in Materials and Supplies Inventory	121,099	111	(14,650)	0
Increase (Decrease) in Accrued Wages Payable	1,761	(49)	1,293	0
Increase (Decrease) in Accounts Payable	(131,991)	(14,888)	12,068	0
Increase (Decrease) in Contracts Payable	218,508	0	0	(5,745)
Increase (Decrease) in Due to Other Governments	3,425	33	(5,944)	0
Increase (Decrease) in Interfund Payable	9,609	1,818	(128)	233
Increase in Refundable Deposits	19,944	0	0	0
Increase (Decrease) in Compensated Absences Payable	15,474	23,923	(41,241)	0
Decrease in Landfill Postclosure Costs	0	0	0	0
Increase in Net Pension Liability	27,728	12,708	19,642	0
Decrease in Deferred Outflows - Pension	162,526	79,916	110,446	0
Decrease in Deferred Inflows - Pension	(54,782)	(8,977)	(13,873)	0
Net Cash Provided by (Used for) Operating Activities	<u>\$1,187,612</u>	<u>\$625,749</u>	<u>\$1,739,554</u>	<u>\$44,381</u>

Non-Cash Capital Transactions

During 2017, governmental activities contributed capital assets to the Water enterprise fund, in the amount of \$19,453.

At December 31, 2017, the Water enterprise fund had payables related to the acquisition of capital assets, in the amount of \$7,094.

At December 31, 2016, the Sewer enterprise fund had payables related to the acquisition of capital assets, in the amount of \$6,085.

See Accompanying Notes to the Basic Financial Statements

Refuse	Total Enterprise Funds	Governmental Activity Internal Service
\$508,754	\$1,892,840	(\$60,341)
82,747	1,800,883	1,873
(25,928)	(128,791)	0
(772)	(772)	0
0	(9,274)	0
(4)	45,552	(10,740)
6,154	17,812	2,148
0	106,560	117
5	3,010	(586)
(16,453)	(151,264)	(274)
0	212,763	0
48	(2,438)	(63)
(44,955)	(33,423)	(84)
0	19,944	0
(335)	(2,179)	11,862
(372,904)	(372,904)	0
10,398	70,476	5,777
77,555	430,443	32,484
(35,520)	(113,152)	(4,080)
\$188,790	\$3,786,086	(\$21,907)

City of Wapakoneta
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2017

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$49,678</u>
<u>Liabilities</u>	
Undistributed Assets	<u>\$49,678</u>

See Accompanying Notes to the Basic Financial Statements

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

A. The City

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

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

B. Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. There were no component units of the City of Wapakoneta in 2017.

The City participates in the Ohio Plan Risk Management, an insurance pool. This organization is presented in Note 23 to the basic financial statements.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications; pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are not available to support the City's own programs. The City did not have any trust funds in 2017. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for funds deducted from employee's payroll for dependent, copayment, and COBRA insurance coverage and to account for monies belonging to the police auxiliary, an organization that is not part of the City of Wapakoneta.

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources includes property taxes, unavailable revenue, and pension. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 operations. This amount has been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes intergovernmental revenue including grants, municipal income taxes, other local taxes, accrued interest, delinquent property taxes, special assessments, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities on page 19. Deferred inflows of resources related to pension are reported on the government-wide and proprietary funds statement of net position and explained in Note 14 to the basic financial statements.

Expenses/Expenditures

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

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

E. Budgetary Process

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Investments

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

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

During 2017, investments included nonnegotiable and negotiable certificates of deposit, mutual funds, and STAR Ohio. Investments are reported at fair value, except for nonnegotiable certificates of deposit which are reported at cost. Star Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. Star Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board Statement No. 79, “Certain External Investment Pools and Pool Participants”. The City measures the investment in Star Ohio at the net asset value (NAV) per share provided by Star Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV that approximates fair value.

For 2017, 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 twenty-four 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 this purpose.

Interest earnings are generally allocated to City funds according to State statutes, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2017 was \$101,338, which includes \$88,407 assigned from other City funds.

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Inventory

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Restricted Assets

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

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

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

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

J. Capital Assets

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

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value on the date donated. The City maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized. No interest was capitalized for 2017.

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

K. Interfund Assets/Liabilities

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

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

L. Compensated Absences

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Net Position

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

O. Fund Balance

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Assigned - Amounts in the assigned classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by City Council. Fund balance policy of City Council has authorized the Director of Public Service and Safety to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council has also assigned amounts for swimming pool operations, to cover a gap between estimated resources and appropriations in the 2018 budget, debt retirement, and fire department operations.

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

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

P. Operating Revenues and Expenses

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

Q. Capital Contributions

Capital contributions arise from contributions of capital assets from other funds.

R. Interfund Transactions

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

S. Pension

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

T. Estimates

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

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For 2017, the City has implemented Governmental Accounting Standard Board (GASB) Implementation Guide No. 2016-1. These changes were incorporated in the City's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At December 31, 2017, the internal service fund had a deficit net position, in the amount of \$119,374, due to recording the net pension liability. This amount will be paid by the pension system in future years as individuals retire.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE (continued)

B. Compliance

For the year ended December 31, 2017, the Street Maintenance and State Highway special revenue funds; the Electric, Water, Storm Sewer, and Refuse enterprise funds; and the Engineering internal service fund had final appropriations in excess of estimated resources plus available balances, in the amount of \$11,756, \$426, \$1,117,046, \$423, \$35,913, \$45,798, and \$648, respectively. The City Auditor will review appropriations to ensure they are within amounts available.

The following accounts had expenditures plus encumbrances in excess of appropriations for the year ended December 31, 2017.

Fund Program/Department/Object	Appropriations	Expenditures Plus Encumbrances	Excess
General Fund			
Public Health			
Emergency Medical			
Contractual Services	\$79,813	\$84,175	\$4,362
General Government			
Finance			
Personal Services	35,000	35,226	226
Income Tax			
Materials and Supplies	10,200	11,359	1,159
Elections			
Contractual Services	2,500	3,547	1,047

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

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).

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

Change in Fund Balance	
GAAP Basis	(\$53,498)
<u>Increases (Decreases) Due To</u>	
Revenue Accruals:	
Accrued 2016, Received in Cash 2017	328,725
Accrued 2017, Not Yet Received in Cash	(360,004)
Expenditure Accruals:	
Accrued 2016, Paid in Cash 2017	(374,828)
Accrued 2017 Not Yet Paid in Cash	504,941
Cash Adjustments	
Unrecorded Activity 2017	6,801
Prepaid Items	32,789
Materials and Supplies Inventory	507
Revolving Loans Payments	40,730
Encumbrances Outstanding at Year End (Budget Basis)	(24,332)
Budget Basis	\$101,831

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio and, with certain limitations, bonds and other obligations of political subdivisions of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$1,565,962 of the City's bank balance of \$6,286,604 was exposed to custodial credit risk because it was uninsured and uncollateralized. Certain timing issues related to fluctuations in depository balances contributed to the uncollateralized balance. The insufficiencies were corrected the next business day.

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

In April 2018, one of the City's financial institutions participating in OPCS was approved for a reduced collateral floor of 50 percent. At the time the reduced floor became effective, none of the City's bank balance was exposed to custodial credit risk.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Investments

Investments are reported at fair value or amortized cost. As of December 31, 2017, the City had the following investments:

<u>Measurement/Investment</u>	<u>Measurement Amount</u>	<u>Maturity</u>
Fair Value - Level Two Inputs		
Mutual Funds	\$1,136,259	24 Days
Negotiable Certificates of Deposit	727,036	3/2/2020
Total Fair Value - Level Two Inputs	1,863,295	
Net Value Per Share		
STAR Ohio	6,868,559	52.1 Days
Total Investments	\$8,731,854	

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2017. All of the City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

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

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

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

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Negotiable Certificates of Deposit	\$727,036	8.33%

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - RECEIVABLES

Receivables at December 31, 2017, consisted of accounts (billings for user charged services, including unbilled utility services); intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; other local taxes; interfund; accrued interest; property taxes; notes; and special assessments. Income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Notes receivable, in the amount of \$212,088, will not be received within one year. Special assessments receivable, in the amount of \$10,332, will not be received within one year. At December 31, 2017, the amount of delinquent special assessments was \$430.

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

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$26,187
Local Government	96,298
Cigarette Taxes	343
Auglaize County	942
City of Celina	19,870
City of Ocala	10,637
City of Tallahassee	8,224
Total General Fund	162,501
Street and Sewer Improvement	
Ohio Department of Transportation	4,523
Total Major Funds	167,024
Nonmajor Funds	
Street Maintenance	
Gasoline Tax	111,243
Highway Distribution	58,365
Motor Vehicle License Tax	45,357
Total Street Maintenance	214,965
State Highway	
Gasoline Tax	9,020
Highway Distribution	4,733
Motor Vehicle License Tax	3,678
Total State Highway	17,431
	(continued)

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 7 - RECEIVABLES (continued)

	Amount
Governmental Activities (continued)	
Nonmajor Funds (continued)	
Recreation	
Homestead and Rollback	\$2,443
Enforcement and Education	
Auglaize County	26
Drug Law Enforcement	
Auglaize County	300
Total Nonmajor Funds	235,165
Total Governmental Activities	\$402,189
Business-Type Activities	
Refuse	
Auglaize County	\$9,278

NOTE 8 - MUNICIPAL INCOME TAXES

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

NOTE 9 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2017 represent the collection of 2016 taxes. Real property taxes received in 2017 were levied after October 1, 2016, on the assessed values as of January 1, 2016, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2017 represent the collection of 2016 taxes. Public utility real and tangible personal property taxes received in 2017 became a lien on December 31, 2015, were levied after October 1, 2016, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 9 - PROPERTY TAXES (continued)

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

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of December 31, 2017, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2017 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

The full tax rate for all City operations for the year ended December 31, 2017, was \$3.75 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2017 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Agricultural/Residential	\$108,044,270
Commercial/Industrial	44,642,180
Public Utility Real	64,140
Public Utility Personal	3,338,040
Total	\$156,088,630

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017
Governmental Activities:				
Nondepreciable Capital Assets				
Land	\$1,410,446	\$0	\$0	\$1,410,446
Construction in Progress	46,667	323,829	(370,496)	0
Total Nondepreciable Capital Assets	1,457,113	323,829	(370,496)	1,410,446

(continued)

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 10 - CAPITAL ASSETS (continued)

	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017
Governmental Activities (continued):				
Depreciable Capital Assets				
Land Improvements	\$3,031,111	\$0	\$0	\$3,031,111
Buildings	3,599,947	0	0	3,599,947
Equipment	492,909	0	(24,961)	467,948
Vehicles	2,896,071	131,767	(112,260)	2,915,578
Streets	28,261,915	370,496	(142,268)	28,490,143
Total Depreciable Capital Assets	38,281,953	502,263	(279,489)	38,504,727
Less Accumulated Depreciation for				
Land Improvements	(795,146)	(83,606)	0	(878,752)
Buildings	(979,729)	(53,303)	0	(1,033,032)
Equipment	(369,525)	(16,006)	24,961	(360,570)
Vehicles	(1,949,400)	(111,306)	93,404	(1,967,302)
Streets	(14,073,277)	(801,111)	87,732	(14,786,656)
Total Accumulated Depreciation	(18,167,077)	(1,065,332)	206,097	(19,026,312)
Total Depreciable Capital Assets, Net	20,114,876	(563,069)	(73,392)	19,478,415
Governmental Activities Capital Assets, Net	\$21,571,989	(\$239,240)	(\$443,888)	\$20,888,861
	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017
Business-Type Activities:				
Nondepreciable Capital Assets				
Land	\$1,171,268	\$97,027	\$0	\$1,268,295
Construction in Progress	12,863,298	395,711	(13,203,406)	55,603
Total Nondepreciable Capital Assets	14,034,566	492,738	(13,203,406)	1,323,898
Depreciable Capital Assets				
Buildings	20,009,700	0	0	20,009,700
Equipment	986,218	0	0	986,218
Vehicles	4,346,481	56,455	(33,363)	4,369,573
Electric, Water, Sewer, and Storm Sewer Lines	46,884,089	14,186,556	(92,589)	60,978,056
Total Depreciable Capital Assets	72,226,488	14,243,011	(125,952)	86,343,547

(continued)

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 10 - CAPITAL ASSETS (continued)

	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Business-Type Activities (continued):				
Less Accumulated Depreciation for				
Buildings	(\$2,964,530)	(\$267,062)	\$0	(\$3,231,592)
Equipment	(554,579)	(28,087)	0	(582,666)
Vehicles	(2,379,758)	(210,163)	33,363	(2,556,558)
Electric, Water, Sewer, and Storm Sewer Lines	(19,772,496)	(1,295,571)	52,315	(21,015,752)
Total Accumulated Depreciation	<u>(25,671,363)</u>	<u>(1,800,883)</u>	<u>85,678</u>	<u>(27,386,568)</u>
Total Depreciable Capital Assets, Net	<u>46,555,125</u>	<u>12,442,128</u>	<u>(40,274)</u>	<u>58,956,979</u>
Business-Type Activities Capital Assets, Net	<u>\$60,589,691</u>	<u>\$12,934,866</u>	<u>(\$13,243,680)</u>	<u>\$60,280,877</u>

Business-type activities accepted contributions of depreciable capital assets from governmental activities with a fair value of \$19,453.

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$36,211
Security of Persons and Property - Fire	85,049
Public Health	18,393
Leisure Time Activities	70,260
Transportation	841,459
General Government	13,960
Total Depreciation Expense - Governmental Activities	<u>\$1,065,332</u>

NOTE 11 - INTERFUND BALANCES

Interfund balances at December 31, 2017, consisted of the following individual fund receivables and payables:

Due to General Fund from:

Electric	<u>\$63,091</u>
----------	-----------------

Due to Other Governmental from:

General	<u>\$150,000</u>
---------	------------------

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 11 - INTERFUND BALANCES (continued)

Due to Electric Fund from:	
General	\$4,824
Other Governmental	14,268
Water	25,692
Sewer	39,798
Refuse	40,465
Internal Service	457
Total Electric Fund	<u>\$125,504</u>
Due to Water Fund from:	
Electric	<u>\$47</u>
Due to Sewer Fund from:	
Electric	<u>\$120</u>
Due to Storm Sewer from:	
Electric	<u>\$18</u>
Due to Refuse from:	
Electric	<u>\$65</u>
Due to Internal Service from:	
General	\$7,935
Street and Sewer Improvement	1,585
Water	987
Storm Sewer	233
Total Internal Service Fund	<u>\$10,740</u>

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

NOTE 12 - RISK MANAGEMENT

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 12 - RISK MANAGEMENT (continued)

During 2017, the City contracted with the Ohio Plan Risk Management, an insurance pool, for the following coverage:

Type of Coverage	Coverage	Deductible
Property	\$66,571,704	\$1,000
General Liability		
Each Occurrence	7,000,000	0
Aggregate	9,000,000	0
Wrongful Acts		
Each Occurrence	7,000,000	5,000
Aggregate	9,000,000	5,000
Law Enforcement Liability		
Each Occurrence	7,000,000	5,000
Aggregate	9,000,000	5,000
Automobile Liability	7,000,000	250-500
Inland Marine	1,581,690	1,000
Electronic Data Processing	350,773	1,000

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

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

NOTE 13 - SIGNIFICANT CONTRACTUAL COMMITMENTS

The City has several outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2017:

Vendor	Contract Amount	Amount Paid as of 12/31/17	Outstanding Balance
A CH2M Hill, Inc.	\$158,916	\$148,376	\$10,540
American Electric Power	100,000	0	100,000
American Municipal Power	1,345,328	0	1,345,328
Choice One Engineering Corp.	170,691	151,063	19,628
CTL Engineering, Inc.	70,840	40,672	30,168
Hohenbrink Excavating	470,683	462,089	8,594
Marker Industries	148,938	96,496	52,442

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 13 - SIGNIFICANT CONTRACTUAL COMMITMENTS (continued)

At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2018 are as follows:

General	\$24,332
Street and Sewer Improvement	80,650
Total	<u>\$104,982</u>

NOTE 14 - 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.

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

GASB Statement No. 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 the employers. All contributions to date have come solely from the employer (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within thirty years. If the amortization period exceeds thirty 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 as an intergovernmental payable on both the accrual and modified accrual basis of accounting.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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 cost-sharing multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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' CAFR referenced above for additional information including requirements for reduced and unreduced benefits).

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

When a benefit recipient has received benefits for twelve months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index capped at 3 percent.

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2017 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee	10.0 %	*	**

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

	State and Local	Public Safety	Law Enforcement
2017 Actual Contribution Rates			
Employer			
Pension	13.0 %	17.1 %	17.1 %
Postemployment Health Care Benefits	1.0	1.0	1.0
Total Employer	14.0 %	18.1 %	18.1 %
Total Employee	10.0 %	12.0 %	13.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by the ORC.

** This rate is also determined by OPERS' Board but is limited by the ORC to not more than 2 percent greater than the public safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$399,055 for 2017. Of this amount, \$12,357 is reported as an intergovernmental payable.

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

Plan Description - 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, required supplementary information, and detailed information about OPF's fiduciary net position that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

Members retiring under normal service retirement, with less than fifteen years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3 percent or the percentage increase in the Consumer Price Index, if any, over the twelve month period ending on September 30 of the immediately preceding year rounded to the nearest one-tenth of one percent.

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

	Police	Firefighters
2017 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
 2017 Actual Contribution Rates		
Employer		
Pension	19.00 %	23.50 %
Postemployment Health Care Benefits	.50	.50
Total Employer	19.50 %	24.00 %
Total Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution was \$422,858 for 2017. Of this amount, \$27,353 is reported as an intergovernmental payable.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

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

The net pension liability for OPERS was measured as of December 31, 2016, 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, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. 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 and pension expense.

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Current Measurement Date	0.02272800%	0.08979200%	
Prior Measurement Date	<u>0.02306500%</u>	<u>0.08560800%</u>	
Change in Proportionate Share	<u>0.00033700%</u>	<u>0.00418400%</u>	
Proportionate Share of the Net			
Pension Liability	\$5,161,143	\$5,687,335	\$10,848,478
Pension Expense	\$1,082,672	\$711,508	\$1,794,180

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources.

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Deferred Outflows of Resources			
Difference Between Expected and Actual Experience	\$6,996	\$1,609	\$8,605
Changes of Assumptions	818,620	0	818,620
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	768,613	553,069	1,321,682
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	2,186	285,567	287,753
City Contributions Subsequent to the Measurement Date	<u>399,055</u>	<u>422,858</u>	<u>821,913</u>
Total Deferred Outflows of Resources	<u>\$1,995,470</u>	<u>\$1,263,103</u>	<u>\$3,258,573</u>
Deferred Inflows of Resources			
Difference Between Expected and Actual Experience	\$30,716	\$13,095	\$43,811
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	<u>28,620</u>	<u>0</u>	<u>28,620</u>
Total Deferred Inflows of Resources	<u>\$59,336</u>	<u>\$13,095</u>	<u>\$72,431</u>

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

\$821,913 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

Year Ending December 31,	OPERS	OPF	Total
2018	\$633,070	\$269,985	\$903,055
2019	654,488	269,985	924,473
2020	272,051	219,865	491,916
2021	(22,530)	22,411	(119)
2022	0	41,166	41,166
Thereafter	0	3,738	3,738
Total	<u>\$1,537,079</u>	<u>\$827,150</u>	<u>\$2,364,229</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. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with GASB Statement No. 67. In 2016, the OPERS actuarial consultants conducted an experience study for the period 2011 through 2015 comparing assumptions to actual results. The experience study incorporates both a historical review and forward looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions with the most notable being a reduction in the actuarially assumed rate of return from 8 percent to 7.5 percent for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuations, reflecting experience study results, prepared as of December 31, 2016, compared to December 31, 2015, are presented below.

	December 31, 2016	December 31, 2015
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013	3 percent simple	3 percent simple
Post-January 7, 2013	3 percent simple through 2018, then 2.15 percent simple	3 percent simple through 2018, then 2.8 percent simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	individual entry age	individual entry age

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

For 2016, mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table. For males, healthy annuitant mortality tables were used adjusted for mortality improvements back to the observation period base of 2006 and then established the base year as 2015. For females, healthy annuitant mortality tables were used adjusted for mortality improvements back to the observation period base of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality Table adjusted for mortality improvements back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables were determined by applying the MP-2015 mortality improvements scale to the above described tables.

For 2015, mortality rates were based on the RP-2000 Mortality Table projected twenty years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections.

For males, 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2015. The prior experience study was completed for the five year period ended December 31, 2010.

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio, and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016, and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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. The Defined Benefit portfolio historically included the assets of the member-directed retiree medical accounts funded through the VEBA Trust; however, the VEBA Trust was closed as of June 30, 2016, and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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 8.3 percent for 2016.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plan. The table below displays the board approved asset allocation policy for 2016 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other Investments	18.00	4.92
Total	100.00 %	

Discount Rate - The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 was 8 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 contractually required rates as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments 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 7.5 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 (6.5 percent) or one percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's Proportionate Share of the Net Pension Liability	\$7,884,798	\$5,161,143	\$2,891,456

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - OPF

OPF's total pension liability as of December 31, 2016, is based on the results of an actuarial valuation date of January 1, 2016, 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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation prepared as of January 1, 2016, are presented below.

Valuation Date	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	entry age normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent plus productivity increase rate of .5 percent
Cost of Living Adjustments	3 percent simple; 2.6 percent simple for increases based on lesser of the increase in CPI and 3 percent

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

The most recent experience study was completed January 1, 2012.

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2016, are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equities	16.00	5.21
Non-U.S. Equities	16.00	5.40
Core Fixed Income*	20.00	2.37
Global Inflation Protected*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00 %	

Note: assumptions are
geometric

* levered 2x

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

Discount Rate - The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLANS (continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate and, to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 8.25 percent as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent) or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's Proportionate Share of the Net Pension Liability	\$7,574,856	\$5,687,335	\$4,087,635

Changes Between Measurement Date and Report Date

In October 2017, the OPF Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it has the potential to impact the City's net pension liability.

NOTE 15 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional and combined pension plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 45. See OPERS' CAFR referenced below for additional information.

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

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.

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed 14 percent of earnable salary and public safety and law enforcement employers contributed 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund the health care plans. The portion of the employer contribution allocated to health care for members of both the traditional and combined plans was 1 percent for 2017. As recommended by OPERS' actuary, the portion of the employer contribution allocated to health care beginning January 1, 2018, decreased to 0 percent for both plans.

The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. The employer contribution as a percentage of covered payroll deposited into the RMA for participants of the member-directed plan was 4 percent for 2017.

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing multiple-employer trusts. The corresponding contribution for the years ended December 31, 2017, 2016, and 2015 was \$30,697, \$58,762, and \$57,414, respectively. For 2017, 97 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

B. Police and Fire Pension Fund

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

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an other postemployment benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 45.

NOTE 15 - POSTEMPLOYMENT BENEFITS (continued)

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, the employer contribution allocated to the health care plan was .5 percent of covered payroll. The amount of employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contribution to OPF for the years ended December 31, 2017, 2016, and 2015, was \$432,672, \$366,487, and \$375,871, respectively, of which \$9,814, \$8,406, and \$8,582 was allocated to the health care plan. For 2017, 93 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

NOTE 16 - COMPENSATED ABSENCES

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 16 - COMPENSATED ABSENCES (continued)

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

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

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

NOTE 17 - SHORT-TERM OBLIGATIONS

On November 28, 2017, the City obtained a loan, in the amount of \$2,750,000, for the purchase of land to be held for resale. The loan had an interest rate of 3.875 percent and was to mature on February 28, 2018. The City paid the loan in full on December 1, 2017, with the proceeds of the land sale.

NOTE 18 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2017, was as follows:

	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017	Due Within One Year
<u>Governmental Activities</u>					
Other Long-Term Obligations					
Net Pension Liability					
Ohio Public Employees Retirement System	\$1,358,351	\$654,495	\$0	\$2,012,846	\$0
Ohio Police and Fire	5,507,223	180,112	0	5,687,335	0
Total Net Pension Liability	6,865,574	834,607	0	7,700,181	0
Loans Payable	88,298	0	43,288	45,010	45,010
Compensated Absences Payable	399,052	60,622	46,613	413,061	93,144
Total Governmental Activities	<u>\$7,352,924</u>	<u>\$895,229</u>	<u>\$89,901</u>	<u>\$8,158,252</u>	<u>\$138,154</u>

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017	Due Within One Year
<u>Business-Type Activities</u>						
Mortgage Revenue Bonds						
1998 Sewer System Bonds	3.30 - 4.95%	\$615,000	\$0	\$300,000	\$315,000	\$315,000
2006 Sewer System Bonds	4 - 4.25	5,680,000	0	225,000	5,455,000	225,000
Total Mortgage Revenue Bonds		6,295,000	0	525,000	5,770,000	540,000
Other Long-Term Obligations						
OWDA Loans						
Water		7,868,621	0	175,931	7,692,690	184,745
Sewer		10,825,941	299,599	270,608	10,854,932	0
Net Pension Liability						
Ohio Public Employees Retirement System		2,636,799	511,498	0	3,148,297	0
Loans Payable		223,932	0	109,782	114,150	114,150
Capital Leases Payable		489,455	0	79,944	409,511	82,614
Compensated Absences Payable		407,439	62,911	65,090	405,260	96,532
Landfill Postclosure Costs		1,129,584	0	372,904	756,680	59,847
Total Other Long-Term Obligations		23,581,771	874,008	1,074,259	23,381,520	537,888
Total Business-Type Activities		\$29,876,771	\$874,008	\$1,599,259	\$29,151,520	\$1,077,888

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

Loans Payable - In 2009, the City obtained a loan from Energy Systems Group, in the amount of \$1,303,630, for energy efficiency upgrades; \$368,662 at the fire station and \$934,968 at the waste water treatment plant. The loans were obtained for a ten year period with final maturity during 2018. The loans are being retired through the General Fund and the Sewer enterprise fund. Of the total loan amount, \$45,010 and \$114,150 was not capitalized for governmental activities and in the Sewer enterprise fund, respectively.

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

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

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

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

In conjunction with the issuance of the sewer system bonds, the City entered into a trust agreement with a commercial bank. This trust agreement, along with the bond indenture, requires that the City establish various funds for the repayment of debt. The restricted assets in the Sewer enterprise fund segregate funds held by the City from funds held by the trustee in accordance with the trust agreement. Restricted assets relating to the sewer system bonds held by the trustee at December 31, 2017, were \$358,889.

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

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

In conjunction with the issuance of the sewer system bonds, the City entered into a trust agreement with a commercial bank. This trust agreement, along with the bond indenture, requires that the City establish various funds for the repayment of debt. The restricted assets in the Sewer enterprise fund segregate funds held by the City from funds held by the trustee in accordance with the trust agreement. Restricted assets relating to the sewer system bonds held by the trustee at December 31, 2017, were \$777,370.

The mortgage revenue bonds will be paid from the gross revenues of the Sewer enterprise fund after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments on the bonds are expected to require less than 100 percent of these net revenues in future years. Principal and interest paid on the bonds from the Sewer enterprise fund during 2017 was \$795,718. Total net revenues for the Sewer enterprise fund were \$1,690,138.

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

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

The OWDA loans will be paid from the gross revenues of the Water and Sewer enterprise funds after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments on the loans are expected to require less than 100 percent of these net revenues in future years. Principal and interest paid on the loans during 2017 was \$485,071 from the Water enterprise fund and \$640,776 from the Sewer enterprise fund. Total net revenues for the Water and Sewer enterprise funds were \$524,997 and \$1,690,138 respectively. The OWDA loans are payable through 2040 from the Water enterprise fund. The loans related to the Sewer enterprise fund are for projects not yet completed and a repayment schedule has not yet been established.

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

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

The City's estimated share of the impaired costs at March 31, 2014, was \$860,980. The City received a credit of \$283,700 related to its participation in the AMP Fremont Energy Center (AFEC) project and another credit of \$226,124 related to the AMPGS costs deemed to have future benefit for the project participants leaving a net impaired cost estimate of \$351,156. The City had reported a liability of \$541,378 for its estimated share of the impaired costs at December 31, 2012, which the City paid during 2013. As a result of the payment in excess of the final impaired cost estimate, the City is reporting Cash and Cash Equivalents with Fiscal Agent on the statement of net position in the Electric enterprise fund for the amount still being held on account with AMP. This amount was \$181,245 at December 31, 2017.

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

The City's legal debt margin was \$16,388,612 at December 31, 2017.

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

Principal and interest requirements to retire governmental activities long-term obligations outstanding at December 31, 2017, were as follows:

Year	Loans	
	Principal	Interest
2018	\$45,010	\$1,334

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2017, from the enterprise funds were as follows:

Year	Mortgage Revenue Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2018	\$540,000	\$246,868	\$184,745	\$302,119
2019	565,000	222,275	194,007	294,746
2020	585,000	198,262	203,740	287,001
2021	610,000	173,400	213,969	278,867
2022	635,000	147,475	224,721	270,323
2023 to 2027	2,835,000	307,488	1,305,069	1,207,564
2028 to 2032	0	0	1,669,270	919,034
2033 to 2037	0	0	2,136,808	549,546
2038 to 2040	0	0	1,560,361	110,249
Total	<u>\$5,770,000</u>	<u>\$1,295,768</u>	<u>\$7,692,690</u>	<u>\$4,219,449</u>

Year	Loans	
	Principal	Interest
2018	\$114,150	\$3,384

NOTE 19 - CAPITAL LEASES - LESSEE DISCLOSURE

The City has entered into capitalized leases for vehicles and equipment. Principal payments in 2017 were \$26,419, \$26,419, and \$27,106 in the Sewer, Storm Sewer, and Refuse enterprise funds, respectively.

	Business-Type Activities
Equipment	\$71,170
Vehicles	524,891
Less Accumulated Depreciation	(102,996)
Total	<u>\$493,065</u>

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 19 - CAPITAL LEASES - LESSEE DISCLOSURE (continued)

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2017.

Year	Business-Type Activities	
	Principal	Interest
2018	\$82,614	\$13,643
2019	85,371	10,886
2020	88,222	8,035
2021	91,167	5,090
2022	62,137	2,047
Total	\$409,511	\$39,701

NOTE 20 - LANDFILL POSTCLOSURE COSTS

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City stopped accepting waste at its landfill in 1994. The Ohio EPA approved the final closure and postclosure plan in July 1998. The \$756,680 reported as landfill postclosure costs at December 31, 2017, represents the costs of maintenance and monitoring through 2028. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. A fee of \$3 and \$1.50 per month was imposed on commercial and residential refuse users, respectively, to finance the postclosure costs, which generates approximately \$155,000 annually.

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

NOTE 21 - INTERNAL BALANCES AND TRANSFERS

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

Eliminations made in the business-type activities column include a deferred outflow of resources for the Water, Sewer, and Refuse enterprise funds, in the amount of \$9,396, \$346, and \$9,417, respectively, and a deferred inflow of resources for the Electric enterprise fund, in the amount of \$19,159.

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 21 - INTERNAL BALANCES AND TRANSFERS (continued)

Eliminations made in the total column of the government-wide statement of net position include deferred outflows of resources for the governmental-type activities (\$34,625 related to the Electric enterprise fund, \$2,367 related to the Water enterprise fund, \$3,658 related to the Sewer enterprise fund, and \$46,129 related to the Refuse enterprise fund) and deferred inflows of resources for governmental activities, in the amount of \$86,779.

During 2017, the General Fund made transfers to the Street and Sewer Improvement capital projects fund, in the amount of \$700,000, for construction activities.

NOTE 22 - FUND BALANCE

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

Fund Balance	General	Street and Sewer Improvement	Other Governmental	Total
Nonspendable for:				
Materials and Supplies	\$15,937	\$0	\$21,918	\$37,855
Prepaid Items	27,153	0	6,251	33,404
Unclaimed Monies	36,841	0	0	36,841
Total Nonspendable	79,931	0	28,169	108,100
Restricted for:				
Ambulance Operations	2,500	0	0	2,500
Debt Retirement	0	0	1,160	1,160
Economic Development	0	0	221,862	221,862
Police Operations	2,698	0	19,183	21,881
Recreation	0	0	56,156	56,156
Street Construction and Maintenance	0	373,907	760,003	1,133,910
Total Restricted	5,198	373,907	1,058,364	1,437,469

(continued)

City of Wapakoneta
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 22 - FUND BALANCE (continued)

Fund Balance	General	Street and Sewer Improvement	Other Governmental	Total
Assigned for:				
Debt Retirement	\$0	\$0	\$43,156	\$43,156
Fire Department Operations	0	0	189,996	189,996
Swimming Pool Operations	8,473	0	0	8,473
Projected Budget Shortage	1,125,393	0	0	1,125,393
Unpaid Obligations	9,724	0	0	9,724
Total Assigned	1,143,590	0	233,152	1,376,742
Unassigned	780,606	0	0	780,606
Total Fund Balance	\$2,009,325	\$373,907	\$1,319,685	\$3,702,917

NOTE 23 - INSURANCE POOL

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

NOTE 24 - CONTINGENT LIABILITIES

A. Litigation

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

B. Federal and State Grants

For the period January 1, 2017, to December 31, 2017, the City received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

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

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.02272800%	0.02306500%	0.02301400%	0.02301400%
City's Proportionate Share of the Net Pension Liability	\$5,161,143	\$3,995,150	\$2,775,746	\$2,713,051
City's Covered Payroll	\$2,938,075	\$2,870,693	\$2,821,592	\$2,703,873
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	175.66%	139.17%	98.38%	100.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

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

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

See Accompanying Notes to the Required Supplementary Information

This page is intentionally left blank.

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

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.08979200%	0.08560800%	0.08273130%	0.08273130%
City's Proportionate Share of the Net Pension Liability	\$5,687,335	\$5,507,223	\$4,285,826	\$4,029,274
City's Covered Payroll	\$1,681,070	\$1,716,519	\$1,618,630	\$1,779,275
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	338.32%	320.84%	264.78%	226.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	71.71%	73.00%

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

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

See Accompanying Notes to the Required Supplementary Information

City of Wapakoneta
 Required Supplementary Information
 Schedule of the City's Contributions
 Ohio Public Employees Retirement System - Traditional Plan
 Last Five Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$399,055	\$352,569	\$344,483	\$338,591
Contributions in Relation to the Contractually Required Contribution	<u>(399,055)</u>	<u>(352,569)</u>	<u>(344,483)</u>	<u>(338,591)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$3,069,654	\$2,938,075	\$2,870,693	\$2,821,592
Contributions as a Percentage of Covered Payroll	13.00%	12.00%	12.00%	12.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.

See Accompanying Notes to the Required Supplementary Information

2013

\$351,504

(351,504)

\$0

\$2,703,873

13.00%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$422,858	\$358,081	\$367,289	\$346,225
Contributions in Relation to the Contractually Required Contribution	<u>(422,858)</u>	<u>(358,081)</u>	<u>(367,289)</u>	<u>(346,225)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll	\$1,962,825	\$1,681,070	\$1,716,519	\$1,618,630
Contributions as a Percentage of Covered Payroll	21.54%	21.30%	21.40%	21.39%
See Accompanying Notes to the Required Supplementary Information				

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$323,424	\$281,890	\$274,662	\$228,561	\$265,667	\$255,384
<u>(323,424)</u>	<u>(281,890)</u>	<u>(274,662)</u>	<u>(228,561)</u>	<u>(265,667)</u>	<u>(255,384)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,779,275	\$1,888,878	\$1,844,755	\$1,510,792	\$1,774,143	\$1,704,421
18.18%	14.92%	14.89%	15.13%	14.97%	14.98%

City of Wapakoneta
Notes to the Required Supplementary Information
For the Year Ended December 31, 2017

Changes in Assumptions - OPERS

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

	<u>December 31, 2017</u>	<u>December 31, 2016 and Prior</u>
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013	3 percent simple	3 percent simple
Post-January 7, 2013	3 percent simple through 2018, then 2.15 percent simple	3 percent simple through 2018, then 2.8 percent simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	individual entry age	individual entry age

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

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

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

This page is intentionally left blank.

Nonmajor Special Revenue Funds

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

Street Maintenance Fund

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

State Highway Fund

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

Motor Vehicle Permissive Tax Fund

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

Community Block Grant Fund

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

Recreation Fund

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

Law Enforcement Fund

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

Enforcement and Education Fund

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

Drug Law Enforcement Fund

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

Rudd Park Trust Fund

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

(continued)

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

Nonmajor Debt Service Funds

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

Debt Service Fund

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

Downtown Debt Fund

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

Nonmajor Capital Projects Fund

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

Capital Fire Truck Fund

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

City of Wapakoneta
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$975,034	\$44,316	\$39,996	\$1,059,346
Accounts Receivable	1,837	0	0	1,837
Due from Other Governments	235,165	0	0	235,165
Other Local Taxes Receivable	5,709	0	0	5,709
Interfund Receivable	0	0	150,000	150,000
Prepaid Items	6,251	0	0	6,251
Materials and Supplies Inventory	21,918	0	0	21,918
Accrued Interest Receivable	3,215	0	0	3,215
Property Taxes Receivable	158,115	0	0	158,115
Notes Receivable	95,020	0	0	95,020
Total Assets	<u>\$1,502,264</u>	<u>\$44,316</u>	<u>\$189,996</u>	<u>\$1,736,576</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$12,584	\$0	\$0	\$12,584
Accounts Payable	18,671	0	0	18,671
Contracts Payable	5,440	0	0	5,440
Due to Other Governments	2,993	0	0	2,993
Interfund Payable	14,268	0	0	14,268
Total Liabilities	<u>53,956</u>	<u>0</u>	<u>0</u>	<u>53,956</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	155,882	0	0	155,882
Unavailable Revenue	207,053	0	0	207,053
Total Deferred Inflows of Resources	<u>362,935</u>	<u>0</u>	<u>0</u>	<u>362,935</u>
<u>Fund Balance</u>				
Nonspendable	28,169	0	0	28,169
Restricted	1,057,204	1,160	0	1,058,364
Assigned	0	43,156	189,996	233,152
Total Fund Balance	<u>1,085,373</u>	<u>44,316</u>	<u>189,996</u>	<u>1,319,685</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$1,502,264</u>	<u>\$44,316</u>	<u>\$189,996</u>	<u>\$1,736,576</u>

City of Wapakoneta
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Street Maintenance	State Highway	Motor Vehicle Permissive Tax	Community Block Grant
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$260,234	\$325,153	\$171,586	\$126,842
Accounts Receivable	1,837	0	0	0
Due from Other Governments	214,965	17,431	0	0
Other Local Taxes Receivable	0	0	5,709	0
Prepaid Items	5,430	0	0	0
Materials and Supplies Inventory	17,675	0	0	0
Accrued Interest Receivable	0	0	0	0
Property Taxes Receivable	0	0	0	0
Notes Receivable	0	0	0	95,020
Total Assets	\$500,141	\$342,584	\$177,295	\$221,862
<u>Liabilities</u>				
Accrued Wages Payable	\$11,835	\$0	\$0	\$0
Accounts Payable	16,671	0	0	0
Contracts Payable	0	5,440	0	0
Due to Other Governments	1,950	0	0	0
Interfund Payable	1,484	0	0	0
Total Liabilities	31,940	5,440	0	0
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	0
Unavailable Revenue	184,704	14,828	0	0
Total Deferred Inflows of Resources	184,704	14,828	0	0
<u>Fund Balance</u>				
Nonspendable	23,105	0	0	0
Restricted	260,392	322,316	177,295	221,862
Total Fund Balance	283,497	322,316	177,295	221,862
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$500,141	\$342,584	\$177,295	\$221,862

<u>Recreation</u>	<u>Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Drug Law Enforcement</u>	<u>Rudd Park Trust</u>	<u>Total</u>
\$70,560	\$7,615	\$5,233	\$6,009	\$1,802	\$975,034
0	0	0	0	0	1,837
2,443	0	26	300	0	235,165
0	0	0	0	0	5,709
821	0	0	0	0	6,251
4,243	0	0	0	0	21,918
3,215	0	0	0	0	3,215
158,115	0	0	0	0	158,115
0	0	0	0	0	95,020
<u>\$239,397</u>	<u>\$7,615</u>	<u>\$5,259</u>	<u>\$6,309</u>	<u>\$1,802</u>	<u>\$1,502,264</u>
\$749	\$0	\$0	\$0	\$0	\$12,584
2,000	0	0	0	0	18,671
0	0	0	0	0	5,440
1,043	0	0	0	0	2,993
12,784	0	0	0	0	14,268
<u>16,576</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>53,956</u>
155,882	0	0	0	0	155,882
7,521	0	0	0	0	207,053
<u>163,403</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>362,935</u>
5,064	0	0	0	0	28,169
54,354	7,615	5,259	6,309	1,802	1,057,204
<u>59,418</u>	<u>7,615</u>	<u>5,259</u>	<u>6,309</u>	<u>1,802</u>	<u>1,085,373</u>
<u>\$239,397</u>	<u>\$7,615</u>	<u>\$5,259</u>	<u>\$6,309</u>	<u>\$1,802</u>	<u>\$1,502,264</u>

City of Wapakoneta
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2017

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

City of Wapakoneta
Combining Statement of Revenues, Expenditures,
and Change in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$151,184	\$0	\$0	\$151,184
Other Local Taxes	77,917	0	0	77,917
Charges for Services	48,429	0	0	48,429
Fines and Forfeitures	2,425	0	0	2,425
Intergovernmental	487,776	0	0	487,776
Interest	16,152	0	0	16,152
Gifts and Donations	12,474	0	0	12,474
Other	6,665	0	0	6,665
Total Revenues	803,022	0	0	803,022
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,428	0	0	1,428
Leisure Time Activities	152,692	0	0	152,692
Community Environment	640	0	0	640
Transportation	503,579	0	0	503,579
Total Expenditures	658,339	0	0	658,339
Change in Fund Balance	144,683	0	0	144,683
Fund Balance Beginning of Year	940,690	44,316	189,996	1,175,002
Fund Balance End of Year	\$1,085,373	\$44,316	\$189,996	\$1,319,685

City of Wapakoneta
Combining Statement of Revenues, Expenditures,
and Change in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017

	Street Maintenance	State Highway	Motor Vehicle Permissive Tax	Community Block Grant
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	77,917	0
Charges for Services	48,429	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	443,015	34,620	0	0
Interest	1,103	1,533	853	4,269
Gifts and Donations	0	0	0	0
Other	3,179	0	3,409	0
Total Revenues	495,726	36,153	82,179	4,269
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	640
Transportation	439,516	5,440	58,623	0
Total Expenditures	439,516	5,440	58,623	640
Change in Fund Balance	56,210	30,713	23,556	3,629
Fund Balance Beginning of Year	227,287	291,603	153,739	218,233
Fund Balance End of Year	<u>\$283,497</u>	<u>\$322,316</u>	<u>\$177,295</u>	<u>\$221,862</u>

<u>Recreation</u>	<u>Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Drug Law Enforcement</u>	<u>Rudd Park Trust</u>	<u>Total</u>
\$151,184	\$0	\$0	\$0	\$0	\$151,184
0	0	0	0	0	77,917
0	0	0	0	0	48,429
0	544	829	1,052	0	2,425
10,141	0	0	0	0	487,776
8,394	0	0	0	0	16,152
12,474	0	0	0	0	12,474
77	0	0	0	0	6,665
<u>182,270</u>	<u>544</u>	<u>829</u>	<u>1,052</u>	<u>0</u>	<u>803,022</u>
0	0	428	1,000	0	1,428
152,692	0	0	0	0	152,692
0	0	0	0	0	640
0	0	0	0	0	503,579
<u>152,692</u>	<u>0</u>	<u>428</u>	<u>1,000</u>	<u>0</u>	<u>658,339</u>
29,578	544	401	52	0	144,683
29,840	7,071	4,858	6,257	1,802	940,690
<u>\$59,418</u>	<u>\$7,615</u>	<u>\$5,259</u>	<u>\$6,309</u>	<u>\$1,802</u>	<u>\$1,085,373</u>

City of Wapakoneta
 Combining Statement of Revenues, Expenditures,
 and Change in Fund Balance
 Nonmajor Debt Service Funds
 For the Year Ended December 31, 2017

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

City of Wapakoneta
Combining Statements - Fiduciary Funds

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

Agency Funds

Dependent Coverage Fund

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

Police Auxiliary Fund

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

City of Wapakoneta
Combining Statement of Change in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017

	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017
<u>Dependent Coverage</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$2,935	\$247,848	\$248,773	\$2,010
<u>Liabilities</u>				
Undistributed Assets	\$2,935	\$247,848	\$248,773	\$2,010
<u>Police Auxiliary</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$17,173	\$39,297	\$8,802	\$47,668
<u>Liabilities</u>				
Undistributed Assets	\$17,173	\$39,297	\$8,802	\$47,668
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$20,108	\$287,145	\$257,575	\$49,678
<u>Liabilities</u>				
Undistributed Assets	\$20,108	\$287,145	\$257,575	\$49,678

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

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Revenues</u>				
Property Taxes	\$371,000	\$376,353	\$379,036	\$2,683
Municipal Income Taxes	2,800,000	2,800,000	2,680,786	(119,214)
Other Local Taxes	815,700	815,700	751,965	(63,735)
Charges for Services	727,500	727,500	865,350	137,850
Fees, Licenses, and Permits	112,600	112,600	121,087	8,487
Fines and Forfeitures	15,000	15,000	18,800	3,800
Intergovernmental	247,500	247,500	272,531	25,031
Interest	42,410	42,410	109,262	66,852
Gifts and Donations	10,000	10,000	20,754	10,754
Other	69,990	2,823,637	2,915,248	91,611
Total Revenues	5,211,700	7,970,700	8,134,819	164,119
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police Department				
Personal Services	1,627,626	1,627,626	1,598,878	28,748
Contractual Services	168,839	168,839	157,116	11,723
Materials and Supplies	37,410	37,410	24,619	12,791
Capital Outlay	190,781	190,781	174,822	15,959
Total Police Department	2,024,656	2,024,656	1,955,435	69,221
Fire Department				
Personal Services	1,739,934	1,739,934	1,330,394	409,540
Contractual Services	82,623	82,623	72,270	10,353
Materials and Supplies	40,219	40,219	28,412	11,807
Capital Outlay	22,710	22,710	22,084	626
Total Fire Department	1,885,486	1,885,486	1,453,160	432,326
Safety Director				
Personal Services	5,000	5,000	0	5,000
Materials and Supplies	2,698	2,698	0	2,698
Total Safety Director	7,698	7,698	0	7,698
Total Security of Persons and Property	3,917,840	3,917,840	3,408,595	509,245
Public Health				
Emergency Medical				
Personal Services	33,620	33,620	5,128	28,492
Contractual Services	79,813	79,813	84,175	(4,362)
Materials and Supplies	14,566	14,566	11,421	3,145
Capital Outlay	27,148	27,148	26,760	388
Other	1,100	1,100	531	569
Total Emergency Medical	156,247	156,247	128,015	28,232

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Miscellaneous				
Contractual Services	\$1,500	\$1,500	\$521	\$979
Total Public Health	157,747	157,747	128,536	29,211
Leisure Time Activities				
Recreation				
Personal Services	134,700	140,900	137,820	3,080
Contractual Services	25,655	33,185	31,051	2,134
Materials and Supplies	77,560	78,830	71,508	7,322
Other	876	876	0	876
Total Leisure Time Activities	238,791	253,791	240,379	13,412
Community Environment				
Boards and Commissions				
Contractual Services	103,000	103,000	96,583	6,417
Materials and Supplies	101,125	101,125	47,095	54,030
Total Community Environment	204,125	204,125	143,678	60,447
General Government				
Council				
Personal Services	46,000	46,000	45,700	300
Contractual Services	5,000	0	0	0
Materials and Supplies	5,500	5,700	4,306	1,394
Total Council	56,500	51,700	50,006	1,694
Clerk of Council				
Personal Services	5,000	5,000	4,800	200
Contractual Services	724	5,724	5,219	505
Materials and Supplies	200	0	0	0
Total Clerk of Council	5,924	10,724	10,019	705
Administrative				
Personal Services	89,739	89,739	82,090	7,649
Contractual Services	56,267	56,268	51,634	4,634
Materials and Supplies	87,138	87,139	82,837	4,302
Capital Outlay	8,000	8,000	3,120	4,880
Other	36,841	2,786,841	2,750,000	36,841
Total Administrative	277,985	3,027,987	2,969,681	58,306

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
Finance				
Personal Services	\$35,000	\$35,000	\$35,226	(\$226)
Contractual Services	62,000	62,000	51,631	10,369
Materials and Supplies	2,500	2,500	137	2,363
Total Finance	99,500	99,500	86,994	12,506
Income Tax				
Personal Services	133,910	133,910	108,860	25,050
Contractual Services	8,823	9,047	7,821	1,226
Materials and Supplies	10,424	10,200	11,359	(1,159)
Capital Outlay	3,000	3,000	1,420	1,580
Other	768,126	753,126	77,893	675,233
Total Income Tax	924,283	909,283	207,353	701,930
Law Director				
Personal Services	26,000	26,000	26,000	0
Contractual Services	1,000	1,000	0	1,000
Materials and Supplies	2,000	2,000	1,093	907
Total Law Director	29,000	29,000	27,093	1,907
Civil Service				
Personal Services	1,200	1,200	1,000	200
Materials and Supplies	5,000	5,000	408	4,592
Total Civil Service	6,200	6,200	1,408	4,792
Elections				
Contractual Services	2,500	2,500	3,547	(1,047)
Auglaize County				
Contractual Services	10,100	10,100	7,427	2,673
Administrative Support				
Other	400	400	0	400
Total General Government	1,412,392	4,147,394	3,363,528	783,866
Debt Service:				
Principal Retirement	43,288	2,793,288	2,793,288	0
Interest and Fiscal Charges	3,712	12,712	5,684	7,028
Total Debt Service	47,000	2,806,000	2,798,972	7,028
Total Expenditures	5,977,895	11,486,897	10,083,688	1,403,209
Excess of Revenues Under Expenditures	(766,195)	(3,516,197)	(1,948,869)	1,567,328

(continued)

City of Wapakoneta
General Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017
(continued)

	Original Budget	Revised Budget	Actual	Variance Over (Under)
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	700	\$700
Loans Issued	0	2,750,000	2,750,000	0
Advances In	150,000	150,000	0	(150,000)
Transfers Out	(700,000)	(700,000)	(700,000)	0
Total Other Financing Sources (Uses)	(550,000)	2,200,000	2,050,700	(149,300)
Change in Fund Balance	(1,316,195)	(1,316,197)	101,831	1,418,028
Fund Balance Beginning of Year	1,723,322	1,723,322	1,723,322	0
Prior Year Encumbrances Appropriated	62,735	62,735	62,735	0
Fund Balance End of Year	<u>\$469,862</u>	<u>\$469,860</u>	<u>\$1,887,888</u>	<u>\$1,418,028</u>

City of Wapakoneta
Street and Sewer Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Special Assessments	\$12,000	\$34,458	\$22,458
Intergovernmental	428,197	428,197	0
Interest	0	972	972
Total Revenues	<u>440,197</u>	<u>463,627</u>	<u>23,430</u>
<u>Expenditures</u>			
Current:			
Transportation			
Street and Sewer Improvement			
Contractual Services	217,002	191,286	25,716
Materials and Supplies	2,150	2,138	12
Capital Outlay	<u>1,188,008</u>	<u>919,309</u>	<u>268,699</u>
Total Expenditures	<u>1,407,160</u>	<u>1,112,733</u>	<u>294,427</u>
Excess of Revenues Under Expenditures	(966,963)	(649,106)	317,857
<u>Other Financing Sources</u>			
Transfers In	<u>700,000</u>	<u>700,000</u>	<u>0</u>
Change in Fund Balance	(266,963)	50,894	317,857
Fund Balance Beginning of Year	197,373	197,373	0
Prior Year Encumbrances Appropriated	<u>145,227</u>	<u>145,227</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$75,637</u></u>	<u><u>\$393,494</u></u>	<u><u>\$317,857</u></u>

City of Wapakoneta
Electric Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$15,548,500	\$17,081,773	\$1,533,273
Other Local Taxes	30,000	69,126	39,126
Utility Deposits	0	48,287	48,287
Interest	0	1,252	1,252
Other	58,500	119,010	60,510
Total Revenues	15,637,000	17,319,448	1,682,448
<u>Expenses</u>			
Personal Services	1,179,129	992,128	187,001
Contractual Services	16,675,533	15,995,547	679,986
Materials and Supplies	715,461	577,242	138,219
Capital Outlay	3,294,967	648,008	2,646,959
Utility Refunds	250,000	28,343	221,657
Other	171,636	64,065	107,571
Total Expenses	22,286,726	18,305,333	3,981,393
Change in Fund Balance	(6,649,726)	(985,885)	5,663,841
Fund Balance Beginning of Year	4,189,910	4,189,910	0
Prior Year Encumbrances Appropriated	1,342,770	1,342,770	0
Fund Balance (Deficit) End of Year	(\$1,117,046)	\$4,546,795	\$5,663,841

City of Wapakoneta
Water Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,906,200	\$2,115,174	\$208,974
Other	0	1,008	1,008
	<hr/>	<hr/>	<hr/>
Total Revenues	1,906,200	2,116,182	209,982
	<hr/>	<hr/>	<hr/>
<u>Expenses</u>			
Personal Services	529,463	476,613	52,850
Contractual Services	340,949	271,794	69,155
Materials and Supplies	500,765	440,751	60,014
Capital Outlay	953,798	583,491	370,307
Other	83,900	0	83,900
Debt Service:			
Principal Retirement	180,000	175,931	4,069
Interest Expense	391,000	309,140	81,860
	<hr/>	<hr/>	<hr/>
Total Expenses	2,979,875	2,257,720	722,155
	<hr/>	<hr/>	<hr/>
Change in Fund Balance	(1,073,675)	(141,538)	932,137
Fund Balance Beginning of Year	1,029,842	1,029,842	0
Prior Year Encumbrances Appropriated	43,410	43,410	0
	<hr/>	<hr/>	<hr/>
Fund Balance (Deficit) End of Year	(\$423)	\$931,714	\$932,137
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

City of Wapakoneta
Sewer Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$3,399,000	\$3,416,853	\$17,853
OWDA Loan Proceeds	299,599	299,599	0
Interest	350	8,238	7,888
Other	0	114	114
Total Revenues	3,698,949	3,724,804	25,855
<u>Expenses</u>			
Personal Services	793,381	730,196	63,185
Contractual Services	599,814	501,155	98,659
Materials and Supplies	292,104	256,939	35,165
Capital Outlay	2,176,324	760,193	1,416,131
Other	72,945	10,856	62,089
Debt Service:			
Principal Retirement	955,017	905,390	49,627
Interest Expense	699,218	648,638	50,580
Total Expenses	5,588,803	3,813,367	1,775,436
Change in Fund Balance	(1,889,854)	(88,563)	1,801,291
Fund Balance Beginning of Year	2,772,438	2,772,438	0
Prior Year Encumbrances Appropriated	487,164	487,164	0
Fund Balance End of Year	\$1,369,748	\$3,171,039	\$1,801,291

City of Wapakoneta
Storm Sewer Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$160,000	\$157,619	(\$2,381)
<u>Expenses</u>			
Contractual Services	30,000	4,252	25,748
Materials and Supplies	13,000	200	12,800
Capital Outlay	646,913	251,445	395,468
Other	308,069	3,920	304,149
Total Expenses	997,982	259,817	738,165
Change in Fund Balance	(837,982)	(102,198)	735,784
Fund Balance Beginning of Year	766,156	766,156	0
Prior Year Encumbrances Appropriated	35,913	35,913	0
Fund Balance (Deficit) End of Year	(\$35,913)	\$699,871	\$735,784

City of Wapakoneta
Refuse Enterprise Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,257,000	\$1,265,173	\$8,173
Other	0	2,981	2,981
Total Revenues	<u>1,257,000</u>	<u>1,268,154</u>	<u>11,154</u>
<u>Expenses</u>			
Personal Services	488,336	416,851	71,485
Contractual Services	711,028	576,793	134,235
Materials and Supplies	84,364	62,728	21,636
Capital Outlay	101,500	83,566	17,934
Other	60,646	0	60,646
Total Expenses	<u>1,445,874</u>	<u>1,139,938</u>	<u>305,936</u>
Change in Fund Balance	(188,874)	128,216	317,090
Fund Balance Beginning of Year	97,278	97,278	0
Prior Year Encumbrances Appropriated	<u>45,798</u>	<u>45,798</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u><u>(\$45,798)</u></u>	<u><u>\$271,292</u></u>	<u><u>\$317,090</u></u>

City of Wapakoneta
Street Maintenance Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$40,000	\$48,429	\$8,429
Intergovernmental	425,000	444,647	19,647
Interest	1,500	1,103	(397)
Other	5,000	3,179	(1,821)
Total Revenues	471,500	497,358	25,858
<u>Expenditures</u>			
Current:			
Transportation			
Street Maintenance			
Personal Services	346,687	306,122	40,565
Contractual Services	79,357	70,304	9,053
Materials and Supplies	77,960	64,799	13,161
Capital Outlay	80,000	3,082	76,918
Other	90,996	0	90,996
Total Expenditures	675,000	444,307	230,693
Change in Fund Balance	(203,500)	53,051	256,551
Fund Balance Beginning of Year	185,239	185,239	0
Prior Year Encumbrances Appropriated	6,505	6,505	0
Fund Balance (Deficit) End of Year	(\$11,756)	\$244,795	\$256,551

City of Wapakoneta
State Highway Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$34,000	\$34,752	\$752
Interest	3,000	1,533	(1,467)
Total Revenues	<u>37,000</u>	<u>36,285</u>	<u>(715)</u>
<u>Expenditures</u>			
Current:			
Transportation			
State Highway			
Contractual Services	60,000	0	60,000
Materials and Supplies	10,000	0	10,000
Capital Outlay	256,294	5,440	250,854
Total Expenditures	<u>326,294</u>	<u>5,440</u>	<u>320,854</u>
Change in Fund Balance	(289,294)	30,845	320,139
Fund Balance Beginning of Year	<u>288,868</u>	<u>288,868</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>(\$426)</u>	<u>\$319,713</u>	<u>\$320,139</u>

City of Wapakoneta
 Motor Vehicle Permissive Tax Special Revenue Fund

Schedule of Revenues, Expenditures,
 and Change in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended December 31, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other Local Taxes	\$70,000	\$78,694	\$8,694
Intergovernmental	50,000	0	(50,000)
Interest	1,000	853	(147)
Other	0	3,409	3,409
Total Revenues	<u>121,000</u>	<u>82,956</u>	<u>(38,044)</u>
<u>Expenditures</u>			
Current:			
Transportation			
Motor Vehicle Permissive Tax			
Contractual Services	10,000	0	10,000
Capital Outlay	188,126	59,398	128,728
Other	66,000	0	66,000
Total Expenditures	<u>264,126</u>	<u>59,398</u>	<u>204,728</u>
Change in Fund Balance	(143,126)	23,558	166,684
Fund Balance Beginning of Year	147,253	147,253	0
Prior Year Encumbrances Appropriated	<u>775</u>	<u>775</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$4,902</u></u>	<u><u>\$171,586</u></u>	<u><u>\$166,684</u></u>

City of Wapakoneta
Community Block Grant Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$3,500	\$543	(\$2,957)
Revolving Loan Payments	\$45,000	\$43,096	(1,904)
Total Revenues	48,500	43,639	(4,861)
<u>Expenditures</u>			
Current:			
Community Environment			
Community Block Grant			
Contractual Services	131,703	0	131,703
Change in Fund Balance	(83,203)	43,639	126,842
Fund Balance Beginning of Year	83,203	83,203	0
Fund Balance End of Year	\$0	\$126,842	\$126,842

City of Wapakoneta
Recreation Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$150,000	\$151,184	\$1,184
Intergovernmental	11,400	10,141	(1,259)
Interest	4,000	8,024	4,024
Gifts and Donations	0	12,474	12,474
Other	0	77	77
Total Revenues	165,400	181,900	16,500
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Recreation			
Personal Services	89,095	82,337	6,758
Contractual Services	32,754	25,902	6,852
Materials and Supplies	20,000	15,725	4,275
Capital Outlay	36,241	34,182	2,059
Total Expenditures	178,090	158,146	19,944
Excess of Revenues Over (Under) Expenditures	(12,690)	23,754	36,444
<u>Other Financing Uses</u>			
Transfers Out	(12,500)	0	12,500
Change in Fund Balance	(25,190)	23,754	48,944
Fund Balance Beginning of Year	46,493	46,493	0
Prior Year Encumbrances Appropriated	149	149	0
Fund Balance End of Year	\$21,452	\$70,396	\$48,944

City of Wapakoneta
Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$0	\$544	\$544
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Law Enforcement			
Personal Services	500	0	500
Materials and Supplies	2,000	0	2,000
Capital Outlay	4,571	0	4,571
Total Expenditures	7,071	0	7,071
Change in Fund Balance	(7,071)	544	7,615
Fund Balance Beginning of Year	7,071	7,071	0
Fund Balance End of Year	\$0	\$7,615	\$7,615

City of Wapakoneta
Enforcement and Education Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$700	\$803	\$103
<u>Expenditures</u>			
Current:			
Security of Persons and Property Enforcement and Education			
Materials and Supplies	3,000	428	2,572
Capital Outlay	2,558	0	2,558
Total Expenditures	5,558	428	5,130
Change in Fund Balance	(4,858)	375	5,233
Fund Balance Beginning of Year	4,858	4,858	0
Fund Balance End of Year	\$0	\$5,233	\$5,233

City of Wapakoneta
Drug Law Enforcement Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$1,000	\$752	(\$248)
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Drug Law Enforcement			
Materials and Supplies	2,500	1,000	1,500
Capital Outlay	4,757	0	4,757
Total Expenditures	7,257	1,000	6,257
Change in Fund Balance	(6,257)	(248)	6,009
Fund Balance Beginning of Year	6,257	6,257	0
Fund Balance End of Year	\$0	\$6,009	\$6,009

City of Wapakoneta
Rudd Park Trust Special Revenue Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

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

City of Wapakoneta
Debt Service Debt Service Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

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

City of Wapakoneta
Downtown Debt Debt Service Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

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

City of Wapakoneta
Capital Fire Truck Capital Projects Fund

Schedule of Revenues, Expenditures,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire Department			
Other	189,996	150,000	39,996
Change in Fund Balance	(189,996)	(150,000)	39,996
Fund Balance Beginning of Year	189,996	189,996	0
Fund Balance End of Year	\$0	\$39,996	\$39,996

City of Wapakoneta
Engineering Internal Service Fund

Schedule of Revenues, Expenses,
and Change in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2017

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$230,000	\$204,311	(\$25,689)
Licenses and Permits	14,200	14,733	533
Other	100	89	(11)
Total Revenues	<u>244,300</u>	<u>219,133</u>	<u>(25,167)</u>
<u>Expenses</u>			
Personal Services	220,714	216,687	4,027
Contractual Services	16,829	12,725	4,104
Materials and Supplies	15,054	10,393	4,661
Capital Outlay	3,551	2,411	1,140
Other	31,347	0	31,347
Total Expenses	<u>287,495</u>	<u>242,216</u>	<u>45,279</u>
Change in Fund Balance	(43,195)	(23,083)	20,112
Fund Balance Beginning of Year	41,899	41,899	0
Prior Year Encumbrances Appropriated	<u>648</u>	<u>648</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u><u>(\$648)</u></u>	<u><u>\$19,464</u></u>	<u><u>\$20,112</u></u>

**STATISTICAL
SECTION**

City of Wapakoneta
Statistical Section

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

Contents **Page**

Financial Trends..... S-2

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

Revenue Capacity..... S-12

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

Debt Capacity..... S-32

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

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

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

Operating Information.....S-44

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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities				
Net Investment in Capital Assets	\$20,795,656	\$21,571,664	\$21,944,652	\$21,180,841
Restricted for				
Debt Service	785	424	77	0
Capital Projects	489,078	292,553	132,894	1,103,853
Other Purposes	1,279,374	1,145,763	1,414,247	1,284,340
Unrestricted (Deficit)	<u>(2,697,066)</u>	<u>(2,006,605)</u>	<u>(1,739,121)</u>	<u>(1,843,855)</u>
Total Governmental Activities Net Position	<u>19,867,827</u>	<u>21,003,799</u>	<u>21,752,749</u>	<u>21,725,179</u>
Business-Type Activities				
Net Investment in Capital Assets	35,546,650	35,104,589	34,580,463	32,786,072
Restricted	1,256,831	1,255,353	1,254,595	1,256,749
Unrestricted	<u>9,987,688</u>	<u>9,460,399</u>	<u>7,963,497</u>	<u>9,010,157</u>
Total Business-Type Activities Net Position	<u>46,791,169</u>	<u>45,820,341</u>	<u>43,798,555</u>	<u>43,052,978</u>
Primary Government				
Net Investment in Capital Assets	56,342,306	56,676,253	56,525,115	53,966,913
Restricted	3,026,068	2,694,093	2,801,813	3,644,942
Unrestricted	<u>7,290,622</u>	<u>7,453,794</u>	<u>6,224,376</u>	<u>7,166,302</u>
Total Primary Government Net Position	<u>\$66,658,996</u>	<u>\$66,824,140</u>	<u>\$65,551,304</u>	<u>\$64,778,157</u>

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

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$21,411,432	\$20,891,574	\$20,767,868	\$21,307,484	\$19,716,391	\$19,192,324
0	0	0	461,278	533,350	609,944
1,175,919	2,039,417	2,166,097	2,630,138	2,684,217	2,534,599
1,427,570	1,369,753	1,375,679	1,433,040	1,660,223	1,904,101
<u>2,484,015</u>	<u>2,885,648</u>	<u>3,266,843</u>	<u>2,788,840</u>	<u>3,115,472</u>	<u>4,051,240</u>
<u>26,498,936</u>	<u>27,186,392</u>	<u>27,576,487</u>	<u>28,620,780</u>	<u>27,709,653</u>	<u>28,292,208</u>
32,464,606	30,836,570	29,921,959	27,291,889	21,792,361	18,991,836
1,258,937	1,259,685	1,114,899	1,108,811	1,141,228	1,170,970
<u>9,831,047</u>	<u>9,353,383</u>	<u>9,881,292</u>	<u>11,761,858</u>	<u>14,886,023</u>	<u>15,898,729</u>
<u>43,554,590</u>	<u>41,449,638</u>	<u>40,918,150</u>	<u>40,162,558</u>	<u>37,819,612</u>	<u>36,061,535</u>
53,876,038	51,728,144	50,689,827	48,599,373	41,508,752	38,184,160
3,862,426	4,668,855	4,656,675	5,633,267	6,019,018	6,219,614
<u>12,315,062</u>	<u>12,239,031</u>	<u>13,148,135</u>	<u>14,550,698</u>	<u>18,001,495</u>	<u>19,949,969</u>
<u>\$70,053,526</u>	<u>\$68,636,030</u>	<u>\$68,494,637</u>	<u>\$68,783,338</u>	<u>\$65,529,265</u>	<u>\$64,353,743</u>

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

	2017	2016	2015	2014
<u>Expenses</u>				
Governmental Activities				
Security of Persons and Property				
Police	\$2,032,266	\$1,922,596	\$1,760,195	\$1,613,384
Fire	1,712,394	1,917,941	1,616,058	1,514,617
Other	0	0	2,833	4,426
Public Health	138,700	175,745	193,759	162,403
Leisure Time Activities	514,667	484,211	431,140	484,814
Community Environment	177,490	131,753	91,948	126,153
Transportation	2,214,462	1,861,607	1,341,215	1,911,883
General Government	858,914	594,651	541,709	594,323
Interest and Fiscal Charges	5,323	6,508	10,379	8,219
Total Governmental Activities Expenses	7,654,216	7,095,012	5,989,236	6,420,222
Business-Type Activities				
Electric	16,997,959	15,693,356	16,139,240	15,259,517
Water	2,263,282	1,950,485	2,215,944	2,041,383
Sewer	3,111,041	2,528,933	2,666,829	1,978,245
Storm Sewer	207,604	123,464	221,359	155,091
Refuse	791,071	1,145,654	963,583	1,102,022
Total Business-Type Activities Expenses	23,370,957	21,441,892	22,206,955	20,536,258
Total Primary Government Expenses	31,025,173	28,536,904	28,196,191	26,956,480
<u>Program Revenues</u>				
Governmental Activities				
Charges for Services				
Security of Persons and Property				
Police	4,680	55,003	6,820	5,117
Fire	63,607	63,002	50,320	48,522
Public Health	422,775	714,370	476,706	398,918
Leisure Time Activities	224,543	247,800	211,839	195,415
Transportation	151,256	107,248	148,011	104,608
General Government	23,786	20,243	17,604	16,148
Total Charges for Services	890,647	1,207,666	911,300	768,728
Operating Grants, Contributions, and Interest	545,424	659,296	541,534	509,078
Capital Grants and Contributions	432,720	410,366	1,537,762	606,014
Total Governmental Activities Program Revenues	1,868,791	2,277,328	2,990,596	1,883,820
Business-Type Activities				
Charges for Services				
Electric	17,232,897	16,033,338	14,861,386	14,818,934
Water	2,115,395	2,014,148	1,870,405	1,825,871
Sewer	3,438,526	3,503,012	3,316,260	3,258,877
Storm Sewer	157,780	156,591	161,136	155,904
Refuse	1,291,906	1,252,322	1,235,415	1,214,454
Total Charges for Services	24,236,504	22,959,411	21,444,602	21,274,040
Capital Grants and Contributions	0	0	0	246,836
Total Business-Type Activities Program Revenues	24,236,504	22,959,411	21,444,602	21,520,876
Total Primary Government Program Revenues	26,105,295	25,236,739	24,435,198	23,404,696

2013	2012	2011	2010	2009	2008
\$1,516,675	\$1,545,559	\$1,584,868	\$1,443,241	\$1,468,762	\$1,353,354
1,503,565	1,494,511	1,353,865	1,429,639	1,617,800	1,287,195
5,004	4,557	8,492	15,744	15,744	27,849
180,131	172,130	177,297	198,272	194,857	231,505
463,263	433,670	492,736	452,815	412,328	304,089
86,893	84,148	116,039	88,867	137,689	109,785
2,317,993	2,049,319	2,236,189	1,366,298	1,366,920	1,312,919
515,084	510,071	512,540	559,760	705,023	496,979
17,988	38,654	49,942	63,692	87,500	70,941
6,606,596	6,332,619	6,531,968	5,618,328	6,006,623	5,194,616
15,277,737	13,550,781	14,371,849	13,905,809	13,411,381	14,456,015
1,813,945	1,758,911	1,843,734	921,970	827,854	1,084,075
2,161,928	2,241,662	2,171,320	2,235,926	2,927,271	2,231,009
142,646	271,419	114,124	91,075	85,127	83,831
1,089,290	1,113,500	1,053,317	1,080,264	1,005,233	1,022,632
20,485,546	18,936,273	19,554,344	18,235,044	18,256,866	18,877,562
27,092,142	25,268,892	26,086,312	23,853,372	24,263,489	24,072,178
7,004	6,946	8,473	7,786	9,456	8,911
50,380	53,961	50,157	45,091	43,616	41,361
523,208	504,789	413,758	287,206	380,940	302,651
203,119	259,592	228,629	249,666	197,945	121,592
158,633	83,734	94,715	250,147	223,294	231,173
33,287	11,970	23,581	20,145	39,969	36,549
975,631	920,992	819,313	860,041	895,220	742,237
635,984	524,997	582,636	632,254	608,906	863,897
1,923,549	837,654	572,510	1,493,506	426,237	285,219
3,535,164	2,283,643	1,974,459	2,985,801	1,930,363	1,891,353
14,383,981	13,443,956	14,410,686	14,824,354	14,731,146	14,705,519
1,724,995	1,607,652	1,560,401	1,619,474	1,651,348	1,609,240
3,127,622	2,716,328	2,415,413	1,983,565	1,789,863	1,845,275
155,599	154,668	154,095	155,831	158,771	156,374
1,108,914	1,106,281	1,114,270	1,070,336	1,085,472	1,112,113
20,501,111	19,028,885	19,654,865	19,653,560	19,416,600	19,428,521
0	0	0	247,321	0	0
20,501,111	19,028,885	19,654,865	19,900,881	19,416,600	19,428,521
24,036,275	21,312,528	21,629,324	22,886,682	21,346,963	21,319,874

(continued)

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

	2017	2016	2015	2014
<u>Net (Expense) Revenue</u>				
Governmental Activities	(\$5,785,425)	(\$4,817,684)	(\$2,998,640)	(\$4,536,402)
Business-Type Activities	865,547	1,517,519	(762,353)	984,618
Total Primary Government Net Expense	(4,919,878)	(3,300,165)	(3,760,993)	(3,551,784)
<u>General Revenues and Other Changes in Net Position</u>				
Governmental Activities				
Property Taxes Levied for General Purposes	383,253	372,286	369,966	362,175
Property Taxes Levied for Recreation	152,784	99,006	97,698	95,171
Municipal Income Taxes	2,722,228	2,605,349	2,645,764	2,602,279
Other Local Taxes	766,069	822,341	877,632	722,090
Grants and Entitlements not Restricted to Specific Programs	252,161	255,631	256,699	254,085
Franchise Taxes	116,530	119,516	79,168	144,915
Interest	101,823	53,915	10,215	15,376
Gifts and Donations	16,654	17,893	57,483	1,040
Other	157,404	59,600	73,657	58,133
Transfers	(19,453)	(336,803)	(1,442,072)	(26,000)
Total Governmental Activities	4,649,453	4,068,734	3,026,210	4,229,264
Business-Type Activities				
Interest	9,490	1,088	564	0
Other	76,338	166,376	65,294	78,660
Transfers	19,453	336,803	1,442,072	26,000
Total Business-Type Activities	105,281	504,267	1,507,930	104,660
Total Primary Government	4,754,734	4,573,001	4,534,140	4,333,924
<u>Change in Net Position</u>				
Governmental Activities	(1,135,972)	(748,950)	27,570	(307,138)
Business-Type Activities	970,828	2,021,786	745,577	1,089,278
Total Primary Government Change in Net Position	(165,144)	\$1,272,836	\$773,147	\$782,140

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

2013	2012	2011	2010	2009	2008
(\$3,071,432)	(\$4,048,976)	(\$4,557,509)	(\$2,632,527)	(\$4,076,260)	(\$3,303,263)
15,565	92,612	100,521	1,665,837	1,159,734	550,959
(3,055,867)	(3,956,364)	(4,456,988)	(966,690)	(2,916,526)	(2,752,304)
356,365	373,447	369,263	376,810	365,898	376,258
92,535	88,625	92,756	95,200	92,532	100,267
2,590,749	2,280,139	2,271,225	2,244,992	2,163,600	2,419,511
686,875	651,985	642,164	645,090	604,597	666,801
249,320	454,557	550,652	585,145	571,917	736,776
83,156	86,280	83,736	85,710	70,776	67,136
13,721	32,570	35,706	75,658	123,591	522,389
2,639	1,772	1,374	5,663	9,671	59,095
80,453	87,243	48,596	76,118	48,787	47,323
(1,771,837)	(397,737)	(582,256)	(646,732)	(557,664)	(546,051)
2,383,976	3,658,881	3,513,216	3,543,654	3,493,705	4,449,505
0	29	7	1	2	19,753
317,550	41,110	72,808	30,376	40,677	66,093
1,771,837	397,737	582,256	646,732	557,664	546,051
2,089,387	438,876	655,071	677,109	598,343	631,897
4,473,363	4,097,757	4,168,287	4,220,763	4,092,048	5,081,402
(687,456)	(390,095)	(1,044,293)	911,127	(582,555)	1,146,242
2,104,952	531,488	755,592	2,342,946	1,758,077	1,182,856
\$1,417,496	\$141,393	(\$288,701)	\$3,254,073	\$1,175,522	\$2,329,098

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund				
Reserved	\$0	\$0	\$0	\$0
Unreserved	0	0	0	0
Nonspendable	79,931	113,227	80,527	86,112
Restricted	5,198	2,948	2,698	10,154
Assigned	1,143,590	1,254,981	765,135	709,905
Unassigned	<u>780,606</u>	<u>691,667</u>	<u>1,053,284</u>	<u>862,133</u>
Total General Fund	<u>2,009,325</u>	<u>2,062,823</u>	<u>1,901,644</u>	<u>1,668,304</u>
All Other Governmental Funds				
Reserved	0	0	0	0
Unreserved, Reported in				
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
Nonspendable	28,169	24,311	28,217	30,778
Restricted	1,432,271	1,177,516	1,201,241	2,084,349
Assigned	233,152	233,152	233,152	402,702
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>(1,389)</u>	<u>(16,307)</u>
Total All Other Governmental Funds	<u>1,693,592</u>	<u>1,434,979</u>	<u>1,461,221</u>	<u>2,501,522</u>
Total Governmental Funds	<u><u>\$3,702,917</u></u>	<u><u>\$3,497,802</u></u>	<u><u>\$3,362,865</u></u>	<u><u>\$4,169,826</u></u>

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

2013	2012	2011	2010	2009	2008
\$0	\$0	\$0	\$122,631	\$138,697	\$159,606
0	0	0	2,077,148	2,546,481	3,169,890
87,798	85,291	48,027	n/a	n/a	n/a
10,154	18,517	18,457	n/a	n/a	n/a
71,374	237,724	244,541	n/a	n/a	n/a
1,671,656	1,603,958	2,035,875	n/a	n/a	n/a
1,840,982	1,945,490	2,346,900	2,199,779	2,685,178	3,329,496
0	0	0	811,189	330,711	465,171
0	0	0	1,081,987	1,265,764	1,392,222
0	0	0	467,448	539,473	609,729
0	0	0	1,539,432	2,177,385	1,617,466
29,308	30,129	31,950	n/a	n/a	n/a
1,920,873	2,700,149	2,954,653	n/a	n/a	n/a
277,702	723,004	698,244	n/a	n/a	n/a
(126,225)	(456,253)	0	n/a	n/a	n/a
2,101,658	2,997,029	3,684,847	3,900,056	4,313,333	4,084,588
\$3,942,640	\$4,942,519	\$6,031,747	\$6,099,835	\$6,998,511	\$7,414,084

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

	2017	2016	2015	2014
<u>Revenues</u>				
Property Taxes	\$530,220	\$474,524	\$465,520	\$458,036
Municipal Income Taxes	2,671,757	2,812,389	2,665,795	2,594,506
Other Local Taxes	835,653	900,709	954,248	797,205
Special Assessments	34,458	20,204	27,686	39,784
Charges for Services	922,726	874,832	751,539	750,578
Fees, Licenses, and Permits	122,210	120,915	113,940	134,013
Fines and Forfeitures	22,167	25,573	20,355	15,086
Intergovernmental	1,192,154	1,362,908	2,242,652	1,169,747
Interest	118,462	71,488	36,981	25,239
Gifts and Donations	33,228	29,074	73,028	19,171
Other	156,704	58,640	73,657	58,133
Total Revenues	6,639,739	6,751,256	7,425,401	6,061,498
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,945,311	1,698,831	1,608,199	1,714,844
Fire	1,427,616	1,566,585	1,726,979	1,481,619
Other	0	0	4,504	4,792
Public Health	120,307	161,023	177,468	149,970
Leisure Time Activities	395,366	400,724	363,140	410,517
Community Environment	152,147	571,094	94,072	126,163
Transportation	1,557,799	1,574,351	3,634,852	1,341,304
General Government	787,806	564,628	531,671	579,587
Debt Service:				
Principal Retirement	43,288	72,228	80,503	82,656
Interest and Fiscal Charges	5,684	6,855	10,974	8,789
Total Expenditures	6,435,324	6,616,319	8,232,362	5,900,241
Excess of Revenues Over (Under) Expenditures	204,415	134,937	(806,961)	161,257
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	700	0	0	0
Loans Issued	0	0	0	0
Inception of Capital Lease	0	0	0	91,929
Transfers In	700,000	740,000	640,000	791,225
Transfers Out	(700,000)	(740,000)	(640,000)	(817,225)
Total Other Financing Sources (Uses)	700	0	0	65,929
Change in Fund Balance	\$205,115	\$134,937	(\$806,961)	\$227,186
Debt Service as a Percentage of Noncapital Expenditures	0.82%	1.34%	1.46%	1.64%

2013	2012	2011	2010	2009	2008
\$453,266	\$459,863	\$467,205	\$472,312	\$454,699	\$475,488
2,415,109	2,262,379	2,230,352	2,171,986	2,138,100	2,343,504
780,110	705,308	707,507	718,141	744,078	739,543
52,670	57,956	49,364	108,280	79,745	113,600
711,028	774,341	686,888	673,656	624,096	534,173
103,076	87,538	90,097	82,112	98,226	84,803
18,785	13,412	21,706	21,292	21,495	26,414
3,247,382	1,272,298	2,111,174	2,385,316	1,985,445	2,352,860
36,097	50,039	78,486	101,299	167,697	638,987
10,508	16,222	4,794	30,264	51,756	306,596
72,016	87,243	48,596	76,348	48,557	47,323
<u>7,900,047</u>	<u>5,786,599</u>	<u>6,496,169</u>	<u>6,841,006</u>	<u>6,413,894</u>	<u>7,663,291</u>
1,507,378	1,550,757	1,569,832	1,423,412	1,498,398	1,335,039
1,927,319	1,461,318	1,283,633	1,406,482	1,771,274	1,228,768
4,685	4,592	8,166	15,472	14,842	27,847
159,821	143,550	147,474	172,208	171,546	270,897
389,085	357,705	452,069	389,487	425,862	1,874,381
93,366	81,344	111,158	82,067	136,721	105,721
3,916,917	2,396,004	1,635,535	3,037,581	1,651,528	1,790,505
498,250	491,108	489,958	536,168	679,793	474,176
273,007	261,167	376,099	365,342	358,346	449,624
19,251	28,938	41,045	52,045	74,109	61,042
<u>8,789,079</u>	<u>6,776,483</u>	<u>6,114,969</u>	<u>7,480,264</u>	<u>6,782,419</u>	<u>7,618,000</u>
<u>(889,032)</u>	<u>(989,884)</u>	<u>381,200</u>	<u>(639,258)</u>	<u>(368,525)</u>	<u>45,291</u>
26,760	0	0	3,100	1,531	0
0	0	0	54,955	368,662	0
0	0	0	0	0	0
747,893	1,044,156	1,052,712	919,852	907,759	1,147,341
<u>(885,500)</u>	<u>(1,143,500)</u>	<u>(1,502,000)</u>	<u>(1,237,325)</u>	<u>(1,325,000)</u>	<u>(1,665,000)</u>
<u>(110,847)</u>	<u>(99,344)</u>	<u>(449,288)</u>	<u>(259,418)</u>	<u>(47,048)</u>	<u>(517,659)</u>
<u>(\$999,879)</u>	<u>(\$1,089,228)</u>	<u>(\$68,088)</u>	<u>(\$898,676)</u>	<u>(\$415,573)</u>	<u>(\$472,368)</u>
4.02%	5.05%	7.81%	7.56%	7.68%	10.18%

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

Year	Real Property				Public Utility Personal Property		
	Assessed Value		Public Utility	Total Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial					
2017	\$108,044,270	\$44,642,180	\$64,140	\$152,750,590	\$436,430,257	\$3,338,040	\$3,793,227
2016	107,511,780	44,587,200	66,420	152,165,400	434,758,286	3,262,400	3,707,273
2015	106,495,310	44,517,970	65,790	151,079,070	431,654,486	1,122,690	1,275,784
2014	105,469,010	45,237,190	64,720	150,770,920	430,774,057	1,120,460	1,273,250
2013	104,962,290	46,822,260	62,380	151,846,930	433,848,371	1,055,660	1,199,614
2012	104,390,450	47,087,190	74,990	151,552,630	433,007,514	426,650	484,830
2011	108,463,200	45,560,200	66,570	154,089,970	440,257,057	412,220	468,432
2010	107,696,140	45,716,950	61,680	153,474,770	438,499,343	401,430	456,170
2009	108,578,130	47,073,300	87,780	155,739,210	444,969,171	577,790	656,580
2008	99,932,540	43,264,780	46,920	143,244,240	409,269,257	584,380	664,068

Source: Auglaize County Auditor

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

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

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

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

Tangible Personal Property		Total		Weighted Average Tax Rate (1)
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$0	\$0	\$156,088,630	\$440,223,484	\$3.75
0	0	155,427,800	438,465,559	3.46
0	0	152,201,760	432,930,270	3.46
0	0	151,891,380	432,047,307	3.46
0	0	152,902,590	435,047,985	3.46
0	0	151,979,280	433,492,344	3.44
0	0	154,502,190	440,725,489	3.43
434,390	434,390	154,310,590	439,389,903	3.43
868,780	868,780	157,185,780	446,494,531	3.43
4,227,152	67,634,432	148,055,772	477,567,757	3.45

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

Collection Year	2017	2016	2015	2014
Voted Millage				
Recreation				
Effective Millage Rates				
Residential/Agriculture	\$0.9997	\$0.6236	\$0.6236	\$0.6246
Commercial/Industrial	1.0000	0.9010	0.9010	0.9011
Tangible/Public Utility Personal	1.0000	1.0000	1.0000	1.0000
Unvoted Millage				
General	2.1500	2.1500	2.1500	2.1500
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	2.7500	2.7500	2.7500	2.7500
Total Millage (Total Direct Rate)				
Total Effective Millage by Type of Property				
Residential/Agriculture	3.7497	3.3736	3.3736	3.3746
Commercial/Industrial	3.7500	3.6510	3.6510	3.6511
Tangible/Public Utility Personal	3.7500	3.7500	3.7500	3.7500
Total Weighted Average Tax Rate	3.7500	3.4612	3.4584	3.4606
Auglaize County	12.7500	12.7500	12.7500	12.7500
Wapakoneta City School District	30.6000	30.6000	30.6000	31.3000
Apollo Career Center	3.0400	3.0000	3.3400	3.4400
Duchouquet Township	0.2000	0.2000	0.2000	0.2000

Source: Auglaize County Auditor

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

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

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

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$0.6274	\$0.6261	\$0.5995	\$0.5995	\$0.5989	\$0.5989
0.8902	0.8430	0.8555	0.8555	0.8441	0.8693
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2.1500	2.1500	2.1500	2.1500	2.1500	2.1500
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
<u>0.3000</u>	<u>0.3000</u>	<u>0.3000</u>	<u>0.3000</u>	<u>0.3000</u>	<u>0.3000</u>
<u>2.7500</u>	<u>2.7500</u>	<u>2.7500</u>	<u>2.7500</u>	<u>2.7500</u>	<u>2.7500</u>
3.3774	3.3761	3.3495	3.3495	3.3489	3.3489
3.6402	3.5930	3.6055	3.6055	3.5941	3.6193
3.7500	3.7500	3.7500	3.7500	3.7500	3.7500
3.4606	3.4445	3.4262	3.4276	3.4262	3.4477
11.7500	11.7500	11.7500	11.7500	11.7500	11.7500
31.3000	31.3000	31.3000	31.3000	31.3000	31.3000
3.4400	2.2000	2.2000	2.2000	2.2000	2.2000
0.2000	0.2000	0.2000	0.2000	0.2000	0.2000

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

Year	Current Tax Levy (1)	Delinquent Tax Levy (2)	Total Tax Levy	Current Tax Collections	Percentage of Current Tax Collections to Current Tax Levy
2017	\$581,688	\$10,161	\$591,849	\$556,708	95.71%
2016	534,164	10,807	544,971	517,836	96.94
2015	522,607	14,503	537,110	514,134	98.38
2014	521,688	138,065	659,753	504,208	95.11
2013	523,622	19,687	543,309	501,674	95.19
2012	519,540	16,967	725,851	504,972	95.96
2011	591,313	19,618	727,166	514,116	94.32
2010	599,891	33,657	724,910	505,905	95.52
2009	610,363	19,274	750,158	493,080	95.14
2008	568,164	37,145	740,663	480,038	97.05

Source: Auglaize County Auditor

- (1) State reimbursement of rollback and homestead exemptions are included.
- (2) Amounts listed include penalties and interest.

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

Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes (2)	Percentage of Outstanding Delinquent Taxes to Total Tax Levy
\$8,236	\$564,944	95.45%	\$2,375	0.40%
8,122	525,958	96.51	2,685	0.49
11,040	525,174	97.78	3,463	0.64
13,355	517,563	91.35	4,490	8.30
10,832	512,506	92.00	8,855	7.03
10,329	515,301	93.61	6,638	6.07
13,130	527,246	72.51	6,489	6.78
21,859	527,764	72.80	11,798	6.08
11,207	504,287	67.22	8,067	5.68
30,116	510,154	68.88	7,030	4.82

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

Taxpayer	Type of Business	2017		
		Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Wal-Mart Stores East LP	Retail Business	\$2,376,500	1	1.55%
Lowes Home Centers, Inc.	Retail Business	1,726,530	2	1.13
Ametek, Inc.	Plastic Compounds	1,315,230	3	0.86
Koneta, Inc.	Rubber Truck Accessories Manufacturing	1,232,890	4	0.81
GAMCO Components Group LLC	Automotive Suspension Manufacturing	1,137,500	5	0.74
DW 28 Wapakoneta LLC	Retail Business	1,080,400	6	0.71
Schlenker Enterprises	Land Developments and Apartments	1,026,220	7	0.67
Quaker Run Farms	Warehousing and Distribution	992,550	8	0.65
Mid America Properties	Residential Apartments	866,920	9	0.57
Miller's Textile Services, Inc.	Uniform Rentals	822,590	10	0.54
Normandy Ridge Limited	Residential Apartments			
Dr. L. Y. Soo	Individual Property Owner			
	Total	12,577,330		8.23
	All Other Taxpayers	140,173,260		91.77
	Total Assessed Valuation	<u>\$152,750,590</u>		<u>100.00%</u>

Source: Auglaize County Auditor

2008		
<u>Real Property Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
\$3,355,230	1	2.34%
1,164,360	4	0.81
1,081,660	6	0.76
1,980,650	2	1.38
1,097,780	5	0.77
1,879,280	3	1.31
987,150	7	0.69
844,160	9	0.59
858,600	8	0.60
<u>735,550</u>	<u>10</u>	<u>0.51</u>
13,984,420		9.76
<u>129,259,820</u>		<u>90.24</u>
<u><u>\$143,244,240</u></u>		<u><u>100.00%</u></u>

This page is intentionally left blank.

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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individual Payments</u>	<u>Percentage of Taxes from Individual Payments</u>
2017	1.00%	\$2,722,228	\$2,070,967	76.08%	\$276,878	10.17%	\$374,383	13.75%
2016	1.00	2,605,349	1,959,370	75.21	304,085	11.67	341,894	13.12
2015	1.00	2,645,764	2,219,838	83.90	226,223	8.55	199,703	7.55
2014	1.00	2,602,279	2,459,828	94.53	129,418	4.97	13,033	0.50
2013	1.00	2,590,749	2,015,566	77.80	295,940	11.42	279,243	10.78
2012	1.00	2,280,139	1,986,930	87.14	144,118	6.32	149,091	6.54
2011	1.00	2,271,225	1,693,982	74.59	232,213	10.22	345,030	15.19
2010	1.00	2,244,992	1,831,471	81.58	143,612	6.40	269,909	12.02
2009	1.00	2,163,600	1,706,006	78.85	119,471	5.52	338,123	15.63
2008	1.00	2,419,511	1,843,971	76.21	228,064	9.43	347,476	14.36

Source: City Records

City of Wapakoneta
Electric Utility Statistics
Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Kilowatt Hours Purchased from:					
AMP-Ohio	192,537,820	191,214,926	199,918,896	202,219,618	195,926,166
Solar Planet	<u>3,639,898</u>	<u>3,772,124</u>	<u>3,755,014</u>	<u>3,759,567</u>	<u>1,396,868</u>
Total Kilowatt Hours Purchased	<u><u>196,177,718</u></u>	<u><u>194,987,050</u></u>	<u><u>203,673,910</u></u>	<u><u>205,979,185</u></u>	<u><u>197,323,034</u></u>
Payments for Purchased Power to:					
American Electric Power	\$0	\$0	\$0	\$0	\$0
AMP-Ohio	13,768,607	12,699,695	12,101,040	12,388,027	12,125,226
Solar Planet	<u>292,218</u>	<u>291,028</u>	<u>278,912</u>	<u>268,363</u>	<u>97,781</u>
Total Payments for Purchased Power	<u><u>\$14,060,825</u></u>	<u><u>\$12,990,723</u></u>	<u><u>\$12,379,952</u></u>	<u><u>\$12,656,390</u></u>	<u><u>\$12,223,007</u></u>
Kilowatt Hours Sold to Users					
Residential	46,367,341	49,392,226	49,280,300	49,954,412	48,670,513
Commercial	46,863,363	51,438,287	53,645,140	54,550,253	55,505,734
Industrial	<u>89,858,285</u>	<u>84,614,380</u>	<u>91,507,360</u>	<u>90,524,080</u>	<u>81,355,860</u>
Total Kilowatt Hours Sold to Users	<u><u>183,088,989</u></u>	<u><u>185,444,893</u></u>	<u><u>194,432,800</u></u>	<u><u>195,028,745</u></u>	<u><u>185,532,107</u></u>
Charges for Kilowatt Hours Sold to Users					
Residential	\$4,915,843	\$4,752,885	\$4,465,330	\$4,405,323	\$4,247,295
Commercial	5,315,927	5,307,928	5,233,331	5,175,088	5,239,272
Industrial	<u>6,842,184</u>	<u>6,513,716</u>	<u>6,061,489</u>	<u>5,836,043</u>	<u>5,513,562</u>
Total Dollar Amount of Kilowatt Hours Sold to Users	<u><u>\$17,073,954</u></u>	<u><u>\$16,574,529</u></u>	<u><u>\$15,760,150</u></u>	<u><u>\$15,416,454</u></u>	<u><u>\$15,000,129</u></u>

Rate

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

Source: City Records

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

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
186,176,513	180,959,049	182,091,811	170,099,880	191,475,666
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>186,176,513</u>	<u>180,959,049</u>	<u>182,091,811</u>	<u>170,099,880</u>	<u>191,475,666</u>
\$0	\$0	\$0	\$0	\$11,197
11,076,435	11,968,304	12,224,095	11,750,318	12,608,416
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$11,076,435</u>	<u>\$11,968,304</u>	<u>\$12,224,095</u>	<u>\$11,750,318</u>	<u>\$12,619,613</u>
49,046,019	50,710,995	51,220,653	48,207,823	49,579,753
51,663,059	53,536,889	54,671,941	51,504,966	54,894,606
<u>74,799,100</u>	<u>68,122,540</u>	<u>67,158,540</u>	<u>60,748,180</u>	<u>73,796,880</u>
<u>175,508,178</u>	<u>172,370,424</u>	<u>173,051,134</u>	<u>160,460,969</u>	<u>178,271,239</u>
\$4,207,297	\$4,730,277	\$4,816,497	\$4,619,968	\$4,420,838
4,837,440	5,390,470	5,566,648	5,364,868	5,355,024
<u>5,080,856</u>	<u>5,223,424</u>	<u>5,201,984</u>	<u>5,013,166</u>	<u>5,503,887</u>
<u>\$14,125,593</u>	<u>\$15,344,171</u>	<u>\$15,585,129</u>	<u>\$14,998,002</u>	<u>\$15,279,749</u>

City of Wapakoneta
Water Utility Statistics
Last Ten Years

Type of Customer	2017	2016	2015	2014	2013
Residential	\$1,262,812	\$1,247,623	\$1,168,845	\$1,120,415	\$1,090,272
Industrial	391,409	402,659	348,555	354,636	313,989
Commercial	434,407	326,741	315,901	302,352	286,194
Total Billed	<u>\$2,088,628</u>	<u>\$1,977,023</u>	<u>\$1,833,301</u>	<u>\$1,777,403</u>	<u>\$1,690,455</u>
Billed in Cubic Feet					
Rate in Cubic Feet:					
All Customers					
0 - 200	\$10.88	\$10.36	\$9.87	\$9.40	\$8.95
201 - 1,300	4.58	4.36	4.15	3.95	3.76
1,301 - 6,100	3.82	3.64	3.46	3.30	3.14
6,101 - 22,800	3.10	2.95	2.81	2.68	2.55
22,801 and up	2.80	2.67	2.55	2.43	2.31
Multi Residential					
0 - 200	\$10.88	\$10.36	\$9.87	\$9.40	\$8.95
Each Additional 100	4.43	4.22	4.02	3.83	3.65

Outside Rates add 200%

Source: City Records

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

2012	2011	2010	2009	2008
\$1,037,648	\$1,012,829	\$1,029,780	\$1,048,899	\$977,828
273,445	270,269	291,804	274,435	312,965
262,502	263,642	277,948	280,266	270,467
<u>\$1,573,595</u>	<u>\$1,546,740</u>	<u>\$1,599,532</u>	<u>\$1,603,600</u>	<u>\$1,561,260</u>

\$8.52	\$7.72	\$7.72	\$7.72	\$7.72
3.58	3.25	3.25	3.25	3.25
2.99	2.71	2.71	2.71	2.71
2.43	2.20	2.20	2.20	2.20
2.19	1.99	1.99	1.99	1.99

\$8.52	\$7.72	\$7.72	\$7.72	\$7.72
3.48	3.15	3.15	3.15	3.15

City of Wapakoneta
Sewer Utility Statistics
Last Ten Years

Type of Customer	2017	2016	2015	2014	2013
Residential	\$1,261,470	\$1,261,962	\$1,214,430	\$1,184,334	\$1,167,565
Commercial	358,900	347,329	338,763	326,180	328,079
Industrial	601,560	678,411	515,794	536,659	420,142
Total Billed	<u><u>\$2,221,930</u></u>	<u><u>\$2,287,702</u></u>	<u><u>\$2,068,987</u></u>	<u><u>\$2,047,173</u></u>	<u><u>\$1,915,786</u></u>

Billed in Cubic Feet

Base Rate for First 200 Cubic Feet:

Residential	\$13.60	\$13.20	\$12.83	\$12.45	\$12.10
Commercial	13.60	13.20	12.83	12.45	12.10
Industrial	13.60	13.20	12.83	12.45	12.10

Additional per 100 Cubic Feet:

Residential	\$3.98	\$3.86	\$3.74	\$3.64	\$3.53
Commercial	4.27	4.15	4.03	3.91	3.80
Industrial	3.98	3.86	3.74	3.64	3.53

Outside Rates add 115%

Source: City Records

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

2012	2011	2010	2009	2008
\$1,158,891	\$1,123,865	\$1,081,696	\$1,051,463	\$1,035,296
308,411	318,190	307,324	291,326	300,312
347,512	370,480	393,287	400,621	473,693
<u>\$1,814,814</u>	<u>\$1,812,535</u>	<u>\$1,782,307</u>	<u>\$1,743,410</u>	<u>\$1,809,301</u>

\$11.74	\$11.40	\$11.07	\$10.20	\$10.05
11.74	11.40	11.07	10.20	10.05
11.74	11.40	11.07	10.20	10.05

\$3.43	\$3.33	\$3.23	\$2.98	\$2.93
3.69	3.58	3.48	3.21	3.16
3.43	3.33	3.23	2.98	2.93

City of Wapakoneta
Storm Sewer Utility Statistics
Last Ten Years

Type of Customer	2017	2016	2015	2014	2013
Residential	\$91,008	\$99,528	\$99,408	\$89,856	\$89,256
Commercial/Industrial	65,703	56,166	55,353	64,905	64,883
Total Billed	\$156,711	\$155,694	\$154,761	\$154,761	\$154,139

Rates:

Residential: \$2 per month

Commercial/Industrial:

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

Source: City Records

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

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$88,846	\$87,912	\$87,960	\$87,722	\$87,772
<u>64,942</u>	<u>65,389</u>	<u>68,249</u>	<u>68,133</u>	<u>66,802</u>
<u><u>\$153,788</u></u>	<u><u>\$153,301</u></u>	<u><u>\$156,209</u></u>	<u><u>\$155,855</u></u>	<u><u>\$154,574</u></u>

City of Wapakoneta
Refuse Utility Statistics
Last Ten Years

Type of Customer	2017	2016	2015	2014	2013
Residential	\$508,211	\$489,186	\$466,974	\$440,092	\$416,494
Commercial/Industrial	193,823	187,969	190,931	185,454	186,212
Bag Sales (all customers)	339,875	337,780	331,875	334,125	288,750
Total	\$1,041,909	\$1,014,935	\$989,780	\$959,671	\$891,456
Amount Paid by City to Waste Management	\$276,131	\$269,362	\$266,651	\$251,869	\$235,714
Amount per Ton Paid to Waste Management	\$72.39	\$70.97	\$68.22	\$68.22	\$66.63
Monthly Base Rate:					
Residential Inside	\$10.50	\$10.00	\$9.00	\$9.00	\$8.50
Residential Outside	14.50	14.00	13.00	13.00	12.50

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

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

Source: City Records

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

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$414,011	\$414,234	\$411,384	\$386,024	\$366,097
182,251	182,801	190,085	194,305	207,471
<u>288,738</u>	<u>271,437</u>	<u>267,688</u>	<u>254,313</u>	<u>287,938</u>
<u>\$885,000</u>	<u>\$868,472</u>	<u>\$869,157</u>	<u>\$834,642</u>	<u>\$861,506</u>
<u>\$227,332</u>	<u>\$239,428</u>	<u>\$223,051</u>	<u>\$206,999</u>	<u>\$215,993</u>
\$65.09	\$65.09	\$61.99	\$59.15	\$55.09
\$8.50	\$8.50	\$8.50	\$8	\$7
12.50	12.50	12.50	12	11

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

Year	Governmental Activities				Business-Type Activities		
	General Obligation Bonds	Capital Loans	Loans	Capital Leases	General Obligation Bonds	Mortgage Revenue Bonds	Due to Auglaize County
2017	\$0	\$0	\$45,010	\$0	\$0	\$5,770,000	\$0
2016	0	0	88,298	0	0	6,295,000	0
2015	0	0	129,929	30,597	0	6,780,000	0
2014	0	11,870	169,967	59,192	0	7,250,000	0
2013	0	23,283	208,473	0	0	7,705,000	0
2012	225,000	34,257	245,506	0	0	8,130,000	1,250
2011	440,000	44,809	281,121	0	0	8,540,000	3,750
2010	750,428	54,955	315,374	0	23,300	8,940,000	6,250
2009	1,071,228	0	348,316	0	45,900	9,315,000	8,750
2008	1,397,951	0	0	0	67,900	9,655,196	11,250

Source: City Records

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

Business-Type Activities						
OWDA Loans	Capital Loans	Loans	Capital Leases	Total Debt	Per Capita (1)	Percentage of Personal Income (1)
\$18,547,622	\$0	\$114,150	\$409,511	\$24,886,293	\$2,535	11.26%
18,694,562	0	223,932	489,455	25,791,247	2,638	11.80
18,468,055	0	329,514	566,820	26,304,915	2,666	12.64
16,527,575	11,870	431,055	0	24,461,529	2,481	9.06
12,393,522	71,842	528,711	34,925	20,965,756	2,133	7.79
8,919,074	129,624	622,630	68,563	18,375,904	1,867	7.54
8,833,359	185,295	712,955	100,962	19,142,251	1,940	7.84
8,743,063	266,866	799,824	0	19,900,060	2,103	11.08
4,853,063	280,568	883,369	0	16,806,194	1,781	9.39
1,007	80,256	0	0	11,213,560	1,189	6.27

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

Year	Population	Estimated Actual Value	Gross Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt Per Capita
2017	9,816	\$440,223,484	\$0	0.00%	\$0.00
2016	9,776	438,465,559	0	0.00	0.00
2015	9,867	432,930,270	0	0.00	0.00
2014	9,861	432,047,307	0	0.00	0.00
2013	9,830	435,047,985	0	0.00	0.00
2012	9,843	433,492,344	225,000	0.05	22.86
2011	9,867	440,725,489	440,000	0.10	44.59
2010	9,464	439,389,903	773,728	0.18	81.75
2009	9,438	446,494,531	1,117,128	0.25	118.36
2008	9,432	477,567,757	1,465,851	0.31	155.41

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

City of Wapakoneta
 Computation of Direct and Overlapping Debt for Governmental Activities
 December 31, 2017

<u>Jurisdiction</u>	<u>Outstanding Debt</u>	<u>Percentage Applicable to City of Wapakoneta (1)</u>	<u>Amount Applicable to City of Wapakoneta</u>
City of Wapakoneta Loans	<u>\$45,010</u>	100.00%	<u>\$45,010</u>
Wapakoneta City School District	21,739,894	39.13	8,506,821
Apollo Career Center	<u>29,520,000</u>	6.66	<u>1,966,032</u>
Total Overlapping Debt	<u>51,259,894</u>		<u>10,472,853</u>
Total	<u><u>\$51,304,904</u></u>		<u><u>\$10,517,863</u></u>

Source: City Records
 Ohio Municipal Advisory Council

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

City of Wapakoneta
 Computation of Legal Debt Margin
 Last Ten Years

	2017	2016	2015	2014
Total Assessed Valuation	<u>\$156,088,630</u>	<u>\$155,427,800</u>	<u>\$152,201,760</u>	<u>\$151,891,380</u>
Overall Debt Limitation - 10.5 Percent of Assessed Valuation	16,389,306	16,319,919	15,981,185	15,948,595
Gross Indebtedness	24,476,782	25,301,792	25,707,498	24,402,337
Less Debt Outside Limitation				
Bond Anticipation Notes	0	0	0	0
General Obligation Bonds	0	0	0	0
Mortgage Revenue Bonds	5,770,000	6,295,000	6,780,000	7,250,000
OWDA Loans	18,547,622	18,694,562	18,468,055	16,527,575
Capital Loans	0	0	0	11,870
Loans Payable	114,150	223,932	329,514	431,055
Net Indebtedness	45,010	88,298	129,929	181,837
Less Fund Balance in Debt Service Fund	<u>44,316</u>	<u>44,316</u>	<u>44,316</u>	<u>44,316</u>
Net Debt Within 10.5 Percent Limitation	<u>694</u>	<u>43,982</u>	<u>85,613</u>	<u>137,521</u>
Legal Debt Margin Within 10.5 Percent Limitation	<u>\$16,388,612</u>	<u>\$16,275,937</u>	<u>\$15,895,572</u>	<u>\$15,811,074</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	100.00%	99.73%	99.46%	99.14%
Unvoted Debt Limitation - 5.5 Percent of Assessed Valuation	\$8,584,875	\$8,548,529	\$8,371,097	\$8,354,026
Gross Indebtedness	24,476,782	25,301,792	25,707,498	24,402,337
Less Debt Outside Limitation				
Bond Anticipation Notes	0	0	0	0
General Obligation Bonds	0	0	0	0
Mortgage Revenue Bonds	5,770,000	6,295,000	6,780,000	7,250,000
OWDA Loans	18,547,622	18,694,562	18,468,055	16,527,575
Capital Loans	0	0	0	11,870
Loans Payable	114,150	223,932	329,514	431,055
Net Indebtedness	45,010	88,298	129,929	181,837
Less Fund Balance in Debt Service Fund	<u>44,316</u>	<u>44,316</u>	<u>44,316</u>	<u>44,316</u>
Net Debt Within 5.5 Percent Limitation	<u>694</u>	<u>43,982</u>	<u>85,613</u>	<u>137,521</u>
Legal Debt Margin Within 5.5 Percent Limitation	<u>\$8,584,181</u>	<u>\$8,504,547</u>	<u>\$8,285,484</u>	<u>\$8,216,505</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	99.99%	99.49%	98.98%	98.35%

Source: City Records

2013	2012	2011	2010	2009	2008
<u>\$152,902,590</u>	<u>\$151,979,280</u>	<u>\$154,502,190</u>	<u>\$154,310,590</u>	<u>\$157,185,780</u>	<u>\$148,055,772</u>
16,054,772	15,957,824	16,222,730	16,202,612	16,504,507	15,545,856
20,930,831	18,306,091	19,037,539	19,915,082	17,130,316	11,861,263
0	0	0	0	300,000	600,000
0	0	0	23,300	45,900	67,900
7,705,000	8,130,000	8,540,000	8,940,000	9,315,000	9,670,000
12,393,522	8,919,074	8,833,359	8,743,063	4,853,063	1,007
71,842	129,624	185,295	266,866	280,568	80,256
528,711	622,630	712,955	799,824	883,369	0
231,756	504,763	765,930	1,142,029	1,452,416	1,442,100
44,316	144,972	245,212	467,448	539,473	609,729
187,440	359,791	520,718	674,581	912,943	832,371
<u>\$15,867,332</u>	<u>\$15,598,033</u>	<u>\$15,702,012</u>	<u>\$15,528,031</u>	<u>\$15,591,564</u>	<u>\$14,713,485</u>
98.83%	97.75%	96.79%	95.84%	94.47%	94.65%
\$8,409,642	\$8,358,860	\$8,497,620	\$8,487,082	\$8,645,218	\$8,143,067
20,930,831	18,306,091	19,037,539	19,915,082	17,130,316	11,861,263
0	0	0	0	300,000	600,000
0	0	0	23,300	45,900	67,900
7,705,000	8,130,000	8,540,000	8,940,000	9,315,000	9,670,000
12,393,522	8,919,074	8,833,359	8,743,063	4,853,063	1,007
71,842	129,624	185,295	266,866	280,568	80,256
528,711	622,630	712,955	799,824	883,369	0
231,756	504,763	765,930	1,142,029	1,452,416	1,442,100
44,316	144,972	245,212	467,448	539,473	609,729
187,440	359,791	520,718	674,581	912,943	832,371
<u>\$8,222,202</u>	<u>\$7,999,069</u>	<u>\$7,976,902</u>	<u>\$7,812,501</u>	<u>\$7,732,275</u>	<u>\$7,310,696</u>
97.77%	95.70%	93.87%	92.05%	89.44%	89.78%

City of Wapakoneta
Pledged Revenue
Water Fund
Last Nine Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2017	\$2,116,403	\$1,591,406	\$524,997	\$175,931	\$309,140	\$485,071	1.08
2016	2,014,208	1,308,594	705,614	167,545	315,824	483,369	1.46
2015	1,872,030	1,491,250	380,780	159,564	407,209	566,773	0.67
2014	1,833,207	1,099,767	733,440	107,093	414,804	521,897	1.41
2013	1,734,258	1,086,316	647,942	183,042	398,689	581,731	1.11
2012	1,613,831	1,010,596	603,235	136,798	431,735	568,533	1.06
2011	1,563,522	1,093,005	470,517	138,950	455,981	594,931	0.79
2010	1,621,188	720,759	900,429	0	1,188	1,188	757.94
2009	1,653,594	615,127	1,038,467	0	578	578	1,796.66

Source: City Records

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

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

City of Wapakoneta
Pledged Revenue
Sewer Fund
Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2017	\$3,446,878	\$1,748,502	\$1,698,376	\$795,608	\$640,886	\$1,436,494	1.18
2016	3,526,130	1,404,195	2,121,935	747,443	671,158	1,418,601	1.50
2015	3,320,572	1,433,053	1,887,519	684,787	621,478	1,306,265	1.44
2014	3,266,033	1,217,489	2,048,544	455,000	334,812	789,812	2.59
2013	3,138,652	1,371,493	1,767,159	447,787	354,140	801,927	2.20
2012	2,718,422	1,174,231	1,544,191	432,900	372,773	805,673	1.92
2011	2,418,291	1,315,509	1,102,782	422,900	390,909	813,809	1.36
2010	1,987,702	1,305,730	681,972	375,000	407,905	782,905	0.87
2009	1,803,106	1,936,809	(133,703)	355,000	423,123	778,123	(0.17)
2008	1,879,320	1,324,362	554,958	345,000	437,210	782,210	0.71

Source: City Records

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

This page is intentionally left blank.

City of Wapakoneta
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate Auglaize County (5)</u>
2017	9,816	\$220,938,528	\$22,508	3,113	3.30%
2016	9,776	218,522,928	22,353	3,092	3.70
2015	9,867	208,134,498	21,094	3,062	3.60
2014	9,861	270,122,373	27,393	3,144	3.50
2013	9,830	269,273,190	27,393	3,133	4.60
2012	9,843	243,673,308	24,756	3,062	4.80
2011	9,867	244,267,452	24,756	3,065	6.20
2010	9,464	179,588,864	18,976	3,036	8.20
2009	9,438	179,095,488	18,976	3,025	10.60
2008	9,432	178,981,632	18,976	3,025	6.80

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

City of Wapakoneta
Principal Employers
Current Year and Nine Years Ago

Employer	Type of Business	2017		
		Number of Employees	Rank	Percentage of Total Employment
Auglaize County	Government	411	1	7.13%
Wapakoneta City School District	Government	302	2	5.24
American Trim Limited	Metal Stamping	261	3	4.53
Wal-Mart Stores East LP	Retail Business	220	4	3.81
General Aluminum Manufacturing Company	Aluminum Manufacturing	207	5	3.59
Miller's Textile Services, Inc.	Uniform Rentals	197	6	3.42
GA Wintzer & Son Company	Manufacturing	118	7	2.05
Golden Fresh Farms	Produce	93	8	1.61
Ametek, Inc.	Plastic Compounds	82	9	1.42
City of Wapakoneta	Government	81	10	1.40
Koneta, Inc.	Rubber Truck Accessories Manufacturing			
Advanced Agri Solutions	Agricultural Commodities Supplier			
Total		<u>1,972</u>		<u>34.20%</u>
Total Employment Within the City		<u>5,766</u>		

Source: City Records

2008		
<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
518	1	10.93%
307	2	6.48
235	4	4.96
288	3	6.08
125	7	2.64
125	8	2.64
93	10	1.96
110	9	2.32
217	5	4.58
<u>168</u>	6	<u>3.54</u>
<u>2,186</u>		<u>46.13%</u>
<u>4,739</u>		

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

Function/Program	2017	2016	2015	2014
General Government				
Mayor	1.00	1.00	1.00	1.00
Council	8.00	8.00	8.00	8.00
Clerk of Council	0.50	0.50	0.50	0.50
Auditor	1.00	1.00	1.00	1.00
Treasurer	1.00	1.00	1.00	1.00
Income Tax Administrator	1.00	1.00	1.00	1.00
Income Tax Clerk	1.00	1.00	1.00	1.00
Law Director	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
Information Technology Technician	1.00	0.00	0.00	0.00
Security of Persons and Property				
Police	14.00	14.00	14.00	13.00
Police - Dispatchers	5.00	5.00	5.00	5.00
Police - Auxiliary	8.00	8.00	9.00	10.00
Fire	13.00	14.00	13.00	13.00
Fire - Auxiliary	3.00	3.00	8.00	10.00
Fire - Administrative Assistant	0.50	0.00	0.00	0.00
Safety Director	1.00	1.00	1.00	1.00
Public Health				
Emergency Medical Services	0.00	0.00	2.00	6.00
Leisure Time Activities				
Recreation Director	1.00	1.00	1.00	1.00
Transportation				
Public Works	10.00	10.00	9.00	9.00
Basic Utility Services				
Engineering	3.00	3.00	3.00	3.00
Utility Clerks	4.00	4.00	4.00	4.00
Electric	10.00	10.00	10.00	10.00
Water	6.00	6.00	6.00	6.00
Sewer	5.00	5.00	4.00	4.00
Refuse	5.00	5.00	4.00	6.00
Total	<u>105.00</u>	<u>104.50</u>	<u>108.50</u>	<u>116.50</u>

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

Source: City Payroll Records

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
1.00	1.00	1.00	1.00	1.00	1.00
8.00	8.00	8.00	8.00	8.00	8.00
0.50	0.50	0.50	0.50	0.50	0.50
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00	0.00
14.00	14.00	14.00	14.00	14.00	14.00
5.00	5.00	5.00	5.00	5.00	5.00
12.00	15.00	17.00	16.00	14.00	15.00
14.00	14.00	14.00	15.00	15.00	15.00
10.00	12.00	12.00	11.00	13.00	11.00
0.00	0.00	0.00	0.00	0.00	0.00
1.00	1.00	1.00	1.00	1.00	1.00
6.00	6.00	7.00	7.00	7.00	9.00
1.00	1.00	1.00	1.00	1.00	1.00
10.00	10.00	10.00	10.00	10.00	10.00
3.00	3.00	3.00	3.00	3.00	3.00
4.00	4.00	2.00	2.00	2.00	2.00
11.00	11.00	11.00	11.00	11.00	12.00
6.00	6.00	6.00	6.00	6.00	4.00
4.00	4.00	4.00	5.00	5.00	6.00
6.00	6.00	6.00	7.00	7.00	6.00
<u>122.50</u>	<u>127.50</u>	<u>128.50</u>	<u>129.50</u>	<u>129.50</u>	<u>129.50</u>

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

Function/Program	2017	2016	2015	2014
Security of Persons and Property-Police				
Vehicle Mileage	99,266	110,984	115,612	113,720
Number of Traffic Citations and Arrests	1,516	1,319	1,187	1,023
Number of Parking Tickets Issued	374	398	444	291
Dollar Amount Collected for Tickets	\$3,110	\$3,600	\$4,100	\$2,990
Security of Persons and Property-Fire				
Number of EMS Calls	1,593	1,308	1,159	1,283
Number of Fire Calls	193	242	300	39
Miscellaneous Calls	0	297	240	232
Transportation				
Number of Gallons of R-S-2 Used to Fill Potholes	2,785	2,510	2,655	0
Number of Pounds of Crack Sealer Used	0	0	0	0
General Government				
Income Tax				
Number of Individual Accounts	5,321	5,302	5,198	4,765
Number of Business Accounts	783	786	803	773
Number of Business Withholding Accounts	945	963	923	880
Total Receipts Collected	\$2,722,228	\$2,605,349	\$2,645,764	\$2,602,279
Amount of Interest and Penalties Charged	\$23,237	\$27,186	\$13,813	\$31,323
Amount of Interest and Penalties Collected	\$10,173	\$7,035	\$4,668	\$15,910
City Commission				
Number of Ordinances Passed	44	39	41	37
Number of Resolutions Passed	7	9	12	4
Electric Department				
Kilowatt Hours Used	196,177,718	194,987,050	203,673,910	205,979,185
City Cost of Power	\$14,060,825	\$12,990,723	\$12,379,952	\$12,656,390
Water Department				
Number of Wells Operating	6	6	6	7
Millions of Gallons of Finished Water	576.42	530.80	524.00	543.00
Chlorine Used (gallons)	16,051	16,458	16,556	17,649
Phosphate Used (gallons)	2,664	2,514	2,268	2,138
Salt in Tons (regenerates softening units)	2,116	2,297	2,056	1,861
Number of Gallons of Water Able to be Pumped a Day Combined	3,000,000	3,000,000	3,000,000	3,000,000
Daily Average Consumption (gallons)	1,583,000	1,450,035	1,437,000	1,450,000
Maximum Daily Capacity of Treatment Plant (gallons)	2,500,000	2,500,000	2,500,000	2,500,000
Sewer Department				
Number of Gallons of Sewage Treated (in millions)	996	851	1,068	1,063
Average Daily Flow (millions of gallons per day)	2.72	2.32	2.92	2.91
Maximum Daily Capacity of Treatment Plant (gallons)	6,000,000	6,000,000	6,000,000	6,000,000
Number of Tons of N-Viro Produced (fertilizer)	3,029	3,634	4,091	3,013
Refuse Department				
Number of Tons of Refuse Collected	3,891	3,795	3,832	3,692
Number of Trash Bags Sold (in cases of 250 bags)	970	960	988	1,080
Number of Tons of Recycling Collected	820	729	713	n/a
Number of Gallons of Used Motor Oil Collected and Recycled	2,200	2,055	1,700	3,000
Engineering				
Number of Registered Contractors	163	188	178	192
Number of Building Permits Issued	239	246	252	235

Source: City Records

2013	2012	2011	2010	2009	2008
118,841	116,181	107,529	118,129	104,347	100,909
1,143	797	961	1,092	1,008	1,239
435	369	340	489	478	474
\$4,390	\$3,690	\$3,400	\$4,630	\$4,390	\$4,650
1,260	1,249	1,074	1,016	928	1,009
21	17	38	41	41	41
219	214	229	240	201	246
0	0	0	2,200	5,250	5,320
0	0	0	2,000	4,000	4,730
5,435	4,996	4,740	4,713	4,837	4,805
828	862	827	804	820	805
963	947	925	879	907	856
\$2,590,749	\$2,280,139	\$2,271,225	\$2,244,992	\$2,163,600	\$2,419,511
\$26,254	\$26,912	\$35,654	\$29,401	\$22,951	\$19,780
\$26,293	\$8,504	\$25,571	\$11,130	\$14,998	\$6,604
33	54	62	46	45	53
5	11	11	9	13	6
197,323,034	186,176,513	180,959,049	182,091,811	170,099,880	191,475,666
\$12,223,007	\$11,076,435	\$11,968,304	\$12,224,095	\$11,750,318	\$12,619,613
7	7	10	7	7	7
503.00	519.00	537.00	532.00	523.52	576.70
15,275	14,695	15,799	14,362	13,667	17,424
1,887	2,035	1,755	2,961	2,190	2,649
1,693	1,571	1,296	1,448	1,420	2,150
3,000,000	2,500,000	2,700,000	2,700,000	2,700,000	2,000,000
1,400,000	1,350,000	1,470,000	1,579,000	1,576,000	1,576,000
2,500,000	2,500,000	2,560,000	2,722,000	2,722,000	2,722,000
1,101	1,013	1,332	911	822	1,281
3.02	2.76	3.66	2.49	2.25	3.50
6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
3,273	4,775	3,830	3,152	3,762	4,460
3,621	3,680	3,680	4,119	3,575	3,849
1,018	935	962	757	855	966
n/a	831	816	1,077	1,017	1,305
4,600	2,900	2,900	2,900	5,300	5,600
232	225	240	239	253	287
317	254	233	213	194	264

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

Function/Program	2017	2016	2015	2014
Security of Persons and Property-Police				
Stations	1	1	1	1
Vehicles	12	9	12	12
Security of Persons and Property-Fire				
Stations	1	1	1	1
Fire Trucks	5	5	7	7
Trailer	0	0	1	1
Vehicles	3	4	4	3
Public Health				
Vehicles	3	3	3	3
Transportation				
Streets (miles)	46.37	46.37	46.37	46.37
Vehicles	20	20	22	22
General Government				
Vehicles	1	1	1	1
Electric				
Electric Lines (miles)	103.37	103.37	103.37	103.37
Number of Substations	8	8	8	8
Vehicles	22	21	14	11
Water				
Water Lines (miles)	61.28	61.28	61.28	61.28
Number of Treatment Plants	2	2	2	2
Vehicles	7	8	9	9
Sewer				
Sanitary Sewer Lines (miles)	48.39	48.39	48.39	48.39
Storm Sewer Lines (miles)	28.19	28.19	28.19	28.19
Number of Treatment Plants	1	1	1	1
Vehicles	8	8	5	4
Refuse				
Vehicles	6	6	6	5
Recycling				
Vehicles	5	5	5	5
Engineering				
Vehicles	2	4	3	3

Source: City Records

2013	2012	2011	2010	2009	2008
1 9	1 11	1 11	1 10	1 8	1 8
1 7 1 3	1 7 1 2	1 7 1 2	1 5 1 2	1 6 1 2	1 6 1 2
3	3	3	3	3	3
46.20 22	46.20 22	46.16 22	46.16 19	46.16 19	46.16 19
1	1	1	1	1	1
103.37 8 11	103.37 8 10	103.37 8 9	103.37 8 9	102.88 8 9	106.37 8 15
61.00 2 9	61.00 2 8	61.00 2 8	61.00 1 5	59.91 1 4	59.91 1 4
48.20 27.93 1 4	48.20 27.93 1 4	48.20 27.93 1 4	48.20 27.93 1 4	48.20 27.93 1 4	48.20 27.93 1 4
4	4	4	4	4	4
5	5	5	4	4	4
3	3	3	3	3	3

This page is intentionally left blank.