

Henry County, Ohio



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2023

Prepared by the Finance Department

Kevin Garringer
Director of Finance



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HENRY COUNTY, OHIO

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INTRODUCTORY SECTION





CITY OF NAPOLEON, OHIO

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June 28, 2024

Introduction

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

We are pleased to present the twenty-eighth (28th) **Annual Comprehensive Financial Report** (ACFR) of the City of Napoleon, Ohio (City), for the year ended December 31, 2023. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada and audited in accordance with Government Auditing Standards (GAS). GAAP requires a narrative introduction, overview, and analysis called the Management's Discussion and Analysis (MD&A), to accompany the basic financial statements and notes. This Letter of Transmittal (LOT) is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The Report

State law, along with *Administrative Rules* of the Auditor of State, requires all City governments to publish an Annual Report within 150 days of the close of each fiscal year. This report must present a complete set of financial statements presented in conformity with GAAP. This Annual Report for 2023 was filed with the Auditor of State on or before, May 31, 2024. Various City debt service *Trust Agreements* require Audited Annual Reports in accordance with GAS. Pursuant to these requirements, we hereby issue the ACFR of the City for the fiscal year ended December 31, 2023.

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

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

***Letter of Transmittal
For the Year Ended December 31, 2023***

The City's financial statements have been audited by BHM CPA Group Inc., Piketon, Ohio, an Independent Public Accountant (IPA) working as a contracted agent for the Auditor of State Office of Ohio (AOS), Keith Faber. The IPA issued an unmodified opinion that the basic financial statements are presented fairly in conformity with GAAP, in all material respects, representing the financial position of the City as of December 31, 2023. The report from the IPA is presented as the first component of the financial section of this report.

PROFILE OF THE CITY OF NAPOLEON

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

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

***Letter of Transmittal
For the Year Ended December 31, 2023***

Form of Government

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2023***

Municipal Services

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2023***

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

The Reporting Entity

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

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

Budgetary and Accounting Controls

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

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

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

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

Personal Services:

- Salary and Wages
- Fringe Benefits

Other Expenditures:

- Contractual Services
- Materials and Supplies
- Capital Outlays
- Transfers (Within Funds)
- Debt Service – Principal & Interest

Lower levels within each object are accounted for and reported internally. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered (Certification of Funds) prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level of appropriations are not approved unless additional appropriations are authorized. The City Manager and Finance Director have authority to move appropriations within a specific object, but must

CITY OF NAPOLEON, OHIO

***Letter of Transmittal
For the Year Ended December 31, 2023***

2023 Year in Review

The local economy has remained strong. The income tax collections were up 12.13% compared to the previous year, where some other communities saw a decrease in income tax projections from the previous year. The water, sewer, electric and sanitation funds were also strong. Water and sewer use remained steady and sanitation fund collections remained level. The electric usage throughout the City was up in 2023, the City’s rolling 3-month Power Supply Cost Adjustment Factor averaged at .0165 per KWH for the year. Napoleon did not see widespread business closures. Napoleon did approve of a future 200 plus unit market based apartments project expected to be completed by 2025.

Comparing municipal income taxes, on a cash basis, for 2023 to 2022, the overall combined total income tax collections was up by 12.13%. Withholdings were up 11.00% and business net profit taxes were up by 30% and individual taxes were up by 5.00%, in 2023 as compared to 2022. Actual income tax revenues collected in 2023 at the one and a half (1.5%) percent rate was \$6,152,448, up by \$665,738 as compared to 2022. As of the date of this report, 2024 income revenue through May is up 3.32% as compared to the same period for 2023. Starting in 2022, the City’s allowed credit (also known as the reduced income tax credit) for taxes paid to other Cities at 70% up to the rate of 1.5%. Starting July 1, 2022, the City began utilizing RITA for the income tax collection.

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

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

***Letter of Transmittal
For the Year Ended December 31, 2023***

In 2023, the City accomplished numerous undertakings that provide for and promote the welfare of its residents:

- Ongoing construction of the WWTP rehab project. Projected completion date is 2024.
- Keller Napoleon Industrial Properties, LLC. completed a \$6.5M project of a 150,000 Sq. Ft. facility.
- Received the Reliable Public Power Provider designation from the American Public Power Association, which is the highest recognition a public power utility can receive.
- Resurfaced five (5) residential streets, including Wayne Park Drive, Scott Street, Union Street, Derome Street and Maumee Lane.
- Resurfaced the downtown Canal Basin that is used as a recycling center lot.
- Completed the agreement with the Village of Malinta, Ohio to be the sole-source provider of water to their community for the next 26 years.
- Complete rebuild of Meekison Street.

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

- Resurface twenty eight (28) residential streets, across the community but primarily clustered on the northeast and southeast corners of the City at a cost of \$1 million.
- Complete the rebuild of the Palmer Ditch Pump Station at a cost of \$125,000.
- Complete the Third Street Sanitary Sewer Improvement Project at a cost of \$541,062.
- Complete the W. Front Street Improvement Project, including a rebuild and improvements to the parking lots at the municipal building at a cost of \$405,295.
- Complete the Oakwood Avenue Reconstruction Project, including water, sewer infrastructure along with new curbs, gutters, driveway approaches, sidewalks and resurfacing at a cost of \$4.23 million.
- Complete the Safe Routes To School Project with the installation of new sidewalks, handicap ramps and flashing beacons at a cost of \$351,006, funded completely (up to \$370,000) by ODOT Safe Routes to School Grant.
- Continue replacement of lead service lines throughout the City.
- Complete an agreement with the Village of Holgate to become the sole-source provider of water to their community for the next 30 years.
- Work with the Community Improvement Corporation to continue industrial and commercial growth in the community by having them assist in the sale of unused/unneeded City parcels.

***Letter of Transmittal
For the Year Ended December 31, 2023***

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

AWARDS AND ACKNOWLEDGEMENTS

Independent Audit

Included in this report is an unmodified audit opinion rendered on the City's financial statements for the year ended December 31, 2023, issued by BHM CPA Group Inc., Piquette, Ohio, the contracted IPA working for the AOS Office of Ohio and performing the 2022 Audit. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of an ACFR, and to meet requirements of certain revenue trust agreements on enterprise revenue debt. In addition, an annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

Awards

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

The City received a Certificate of Achievement for the fiscal year ended December 31, 2022. We believe this, our twenty-eight (28th) Annual Financial Report for 2023, meets the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting, and so therefore the City is submitting it to GFOA for certification.

Public Disclosure

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

***Letter of Transmittal
For the Year Ended December 31, 2023***

Acknowledgments

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

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

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

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

Respectfully submitted,



Kevin Garringer
Finance Director
City of Napoleon, Ohio



J. Andrew Small
City Manager
City of Napoleon, Ohio



CITY OF NAPOLEON, OHIO

**List of Principal Officials
For the Year Ended December 31, 2023**

Elected Officials

| Name | Title | Term Expires | (*)Years of Service at 12/31/23 | Surety |
|----------------------|------------------------------|--------------|---------------------------------|--------|
| Jason P. Maassel | Mayor | 12/31/23 | 8.00 | A |
| Joseph D. Bialorucki | President of Council | 12/31/25 | 8.00 | A |
| Daniel L. Baer | President Pro-Tem of Council | 12/31/23 | 8.00 | A |
| David Cordes | Council Person | 12/31/25 | 2.00 | A |
| Lori L. Siclair | Council Person (Appointed) | 12/31/25 | 6.00 | A |
| Kenneth Haase | Council Person | 12/31/25 | 6.00 | A |
| J. Ross Durham | Council Person | 12/31/23 | 4.00 | A |
| Molly Knepley | Council Person | 12/31/23 | 4.00 | A |

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

Appointed Officials

| Name | Title | Term Expires | Years of Service | Surety |
|-------------------|------------------------------|--------------|------------------|-------------|
| J. Andrew Small | City Manager (Apt. 01/09/23) | Indefinite | 1.00 | A |
| Billy D. Harmon | Law Director | Indefinite | 7.00 | A |
| Kevin Garringer | Director of Finance | Indefinite | 3.00 | Bonded * |
| Melissa K. Cotter | Clerk of Courts | Indefinite | 7.00 | A |

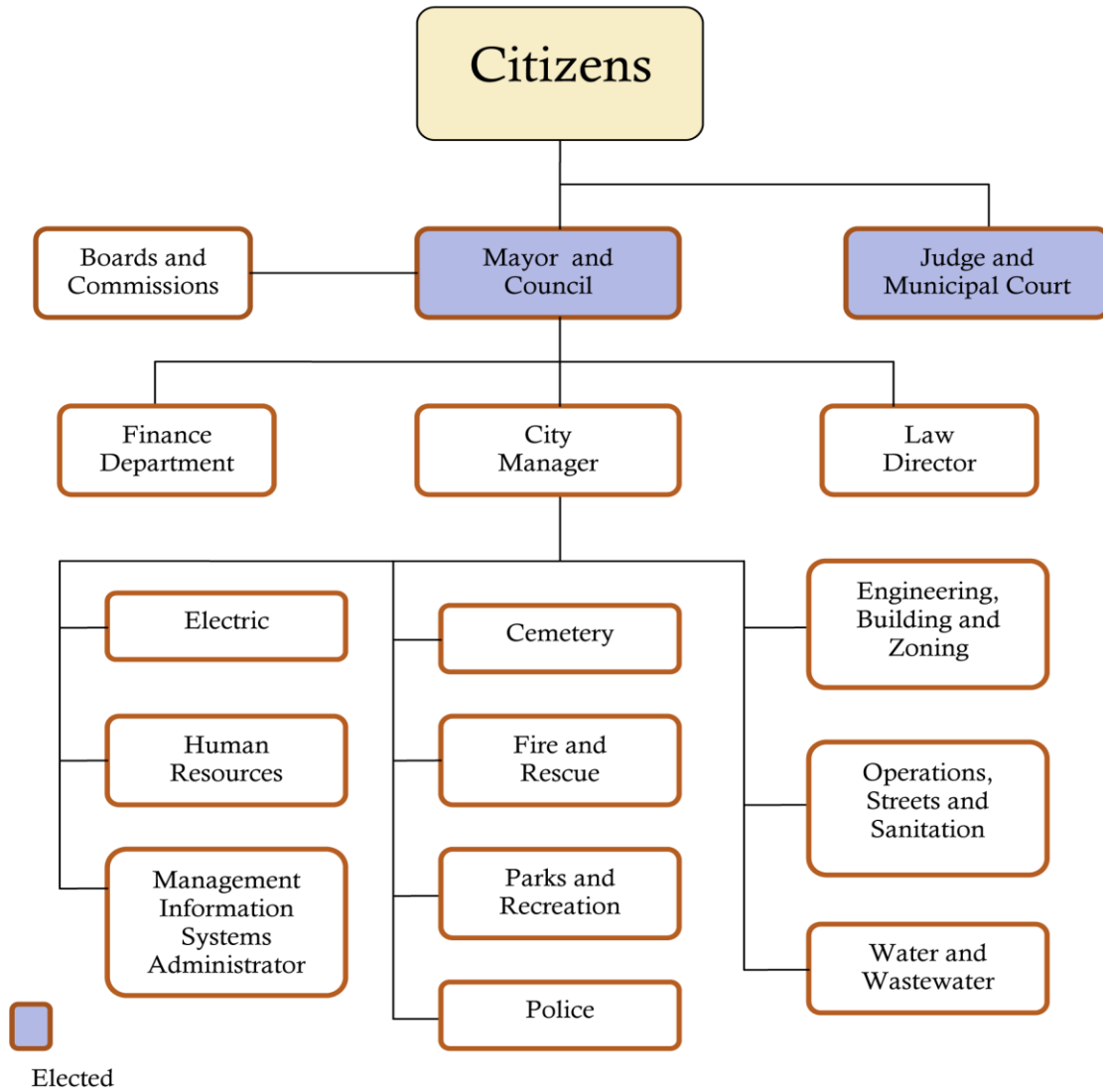
(A) Surety - PEP Insurance Company, Public Official Bond Surety up to \$1,000,000.

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

City Physical and Web Addresses:

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

**City Organizational Chart
For the Year Ended December 31, 2023**



Boards and Commissions

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

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



Government Finance Officers Association

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

Presented to

**City of Napoleon
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

To the Members of Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Napoleon, Henry County, Ohio (City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Napoleon, Henry County, Ohio as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.
Circleville, Ohio
June 28, 2024

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

The management discussion and analysis (MD&A) of the City of Napoleon's (City) financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2023. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- ❑ In total, net position increased \$7,018,291, from 2022. The net position of governmental activities increased \$3,502,741 from 2022; and the net position of business-type activities increased \$3,515,550, from 2022. Please see additional discussion on this item, and the Changes in Net position Table, both listed later in the MD&A.
- ❑ Total revenues exceeded \$40 million. \$10.0 million was general revenues, or 25% of the total revenues; and \$30.1 million was program specific revenues in the form of charges for services and sales, operating grants and contributions and capital grants and contributions, or 75% of the total revenues.
- ❑ The City had \$9.0 million in program expenses related to governmental activities; only \$3.0 million of these expenses were offset by program specific revenues. General revenues (primarily taxes) of \$10.0 million, plus excess cash reserves, were adequate to provide for the balance on these programs.
- ❑ Among major funds, the general fund had \$8.9 million in revenues, \$8.3 million in expenditures, (expenditures reflect a net of reimbursements (or off-sets) for shared administrative costs allocated to the business type activities) and other financing sources and uses. The general fund's fund balance increased \$678,142.
- ❑ Net position for the proprietary funds increased by \$3,430,160.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

***Management’s Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of net position between 2023 and 2022:

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|----------------------------|---------------------|-----------------------------|---------------------|----------------------|---------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current and other assets | \$14,411,845 | \$13,631,189 | \$34,196,579 | \$32,048,371 | \$48,608,424 | \$45,679,560 |
| Capital assets, Net | 47,111,949 | 45,200,780 | 64,390,349 | 59,959,873 | 111,502,298 | 105,160,653 |
| Total assets | <u>61,523,794</u> | <u>58,831,969</u> | <u>98,586,928</u> | <u>92,008,244</u> | <u>160,110,722</u> | <u>150,840,213</u> |
| Deferred outflows of resources | 4,827,720 | 2,465,545 | 2,045,520 | 572,826 | 6,873,240 | 3,038,371 |
| Net pension liability | 11,215,742 | 5,680,487 | 4,314,455 | 1,367,957 | 15,530,197 | 7,048,444 |
| Net OPEB liability | 573,258 | 731,747 | 93,429 | 0 | 666,687 | 731,747 |
| Other long-term liabilities | 4,537,440 | 4,822,592 | 41,661,154 | 37,911,523 | 46,198,594 | 42,734,115 |
| Other liabilities | 474,091 | 993,835 | 1,433,433 | 1,593,006 | 1,907,524 | 2,586,841 |
| Total liabilities | <u>16,800,531</u> | <u>12,228,661</u> | <u>47,502,471</u> | <u>40,872,486</u> | <u>64,303,002</u> | <u>53,101,147</u> |
| Deferred inflows of resources | 1,871,889 | 4,892,500 | 115,972 | 2,210,129 | 1,987,861 | 7,102,629 |
| Net position: | | | | | | |
| Net investment in capital assets | 43,296,009 | 41,100,079 | 23,223,589 | 22,504,359 | 66,519,598 | 63,604,438 |
| Restricted | 4,792,178 | 4,450,723 | 0 | 0 | 4,792,178 | 4,450,723 |
| Unrestricted (deficit) | (409,093) | (1,374,449) | 29,790,416 | 26,994,096 | 29,381,323 | 25,619,647 |
| Total net position | <u>\$47,679,094</u> | <u>\$44,176,353</u> | <u>\$53,014,005</u> | <u>\$49,498,455</u> | <u>\$100,693,099</u> | <u>\$93,674,808</u> |

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

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

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

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

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

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

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

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

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

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

CITY OF NAPOLEON, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|--------------|-----------------------------|--------------|---------------|--------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for Services and Sales | \$2,000,455 | \$1,630,086 | \$26,063,219 | \$26,881,787 | \$28,063,674 | \$28,511,873 |
| Operating Grants and Contributions | 906,941 | 701,307 | 0 | 0 | 906,941 | 701,307 |
| Capital Grants and Contributions | 81,069 | 777,295 | 1,078,595 | 461,632 | 1,159,664 | 1,238,927 |
| General revenues: | | | | | | |
| Property Taxes | 739,820 | 752,256 | 0 | 0 | 739,820 | 752,256 |
| Payments in Lieu of Taxes | 32,514 | 33,301 | 0 | 0 | 32,514 | 33,301 |
| Municipal Income Taxes | 6,032,896 | 5,894,014 | 0 | 0 | 6,032,896 | 5,894,014 |
| Other Local Taxes | 565,869 | 488,712 | 0 | 0 | 565,869 | 488,712 |
| Grants and Entitlements not Restricted to Specific Programs | 718,723 | 646,823 | 0 | 0 | 718,723 | 646,823 |
| Investment Earnings | 1,140,005 | (969,943) | 552,149 | 188,913 | 1,692,154 | (781,030) |
| Miscellaneous | 263,465 | 559,627 | 0 | 0 | 263,465 | 559,627 |
| Total revenues | 12,481,757 | 10,513,478 | 27,693,963 | 27,532,332 | 40,175,720 | 38,045,810 |
| Program Expenses: | | | | | | |
| Security of Persons and Property | 5,387,034 | 4,187,848 | 0 | 0 | 5,387,034 | 4,187,848 |
| Public Health and Welfare Services | 113,129 | 94,765 | 0 | 0 | 113,129 | 94,765 |
| Leisure Time Activities | 1,019,200 | 1,038,018 | 0 | 0 | 1,019,200 | 1,038,018 |
| Community Environment | 93,948 | 52,002 | 0 | 0 | 93,948 | 52,002 |
| Transportation | 1,094,207 | 1,557,945 | 0 | 0 | 1,094,207 | 1,557,945 |
| General Government | 1,207,352 | 2,233,563 | 0 | 0 | 1,207,352 | 2,233,563 |
| Interest and Fiscal Charges | 64,146 | 73,432 | 0 | 0 | 64,146 | 73,432 |
| Electric | 0 | 0 | 14,827,672 | 16,494,445 | 14,827,672 | 16,494,445 |
| Water | 0 | 0 | 4,488,426 | 3,355,622 | 4,488,426 | 3,355,622 |
| Sewer | 0 | 0 | 3,864,720 | 2,277,113 | 3,864,720 | 2,277,113 |
| Sanitation | 0 | 0 | 997,595 | 902,343 | 997,595 | 902,343 |
| Total expenses | 8,979,016 | 9,237,573 | 24,178,413 | 23,029,523 | 33,157,429 | 32,267,096 |
| Change in Net Position Before Transfers | 3,502,741 | 1,275,905 | 3,515,550 | 4,502,809 | 7,018,291 | 5,778,714 |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Change in Net Position | 3,502,741 | 1,275,905 | 3,515,550 | 4,502,809 | 7,018,291 | 5,778,714 |
| Beginning Net Position, as Restated | 44,176,353 | 42,900,448 | 49,498,455 | 44,995,646 | 93,674,808 | 87,896,094 |
| Ending Net Position | \$47,679,094 | \$44,176,353 | \$53,014,005 | \$49,498,455 | \$100,693,099 | \$93,674,808 |

***Management’s Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

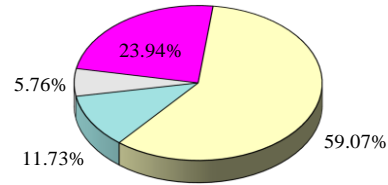
Governmental Activities

The City’s governmental activities net position increased by \$3,502,741 from 2022 to 2023. Much of this increase was related to increases income tax revenue, paired with an increase investment earnings related to an upturn in the market from 2022 to 2023.

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

Property taxes and income taxes made up 5.9% and 48.3% respectively of revenues for governmental activities for the City in fiscal year 2023. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 59.07% of total revenues from general tax revenues:

| <u>Revenue Sources</u> | <u>2023</u> | <u>Percent of Total</u> |
|-------------------------|---------------------|-----------------------------|
| General Shared Revenues | \$718,723 | 5.76% |
| Program Revenues | 2,988,465 | 23.94% |
| General Tax Revenues | 7,371,099 | 59.07% |
| General Other | 1,403,470 | 11.23% |
| Total Revenue | <u>\$12,481,757</u> | <u>100.00%</u> |



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**Management’s Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

Business-Type Activities

In 2023, the total net position of all business-type activities increased by \$3,515,550. Just like in the governmental activities, much of this increase was related to an increase in investment earnings due to the upturn in the market during 2023. The City also had an increase in capital contributions during 2023 related to an increase in capital grant revenue received in 2023 for various improvements to the utility infrastructure throughout the City during 2023.

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

FINANCIAL ANALYSIS OF THE CITY’S GOVERNMENTAL FUNDS

The City’s governmental funds reported a combined fund balance of \$11,395,506, which is an increase of \$1,238,704 from last year’s balance of \$10,156,802. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2023 and 2022:

| | Fund Balance December 31, 2023 | Fund Balance December 31, 2022 | Increase (Decrease) |
|------------------------------------|-----------------------------------|-----------------------------------|------------------------|
| General | \$3,699,717 | \$3,021,575 | \$678,142 |
| Special Assessment Bond Retirement | 634,495 | 616,028 | 18,467 |
| Capital Improvement | 1,888,876 | 1,411,001 | 477,875 |
| Aquatic Center | 192,469 | 277,802 | (85,333) |
| Other Governmental | 4,979,949 | 4,830,396 | 149,553 |
| Total | <u>\$11,395,506</u> | <u>\$10,156,802</u> | <u>\$1,238,704</u> |

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

| | 2023 Revenues | 2022 Revenues | Increase (Decrease) |
|------------------------------------|--------------------|--------------------|------------------------|
| Taxes (Income, Property and Other) | \$6,172,909 | \$6,911,999 | (\$739,090) |
| Intergovernmental Revenue | 427,820 | 375,398 | 52,422 |
| Charges for Services | 589,229 | 242,302 | 346,927 |
| Licenses and Permits | 74,479 | 78,783 | (4,304) |
| Investment Earnings | 991,973 | (1,015,480) | 2,007,453 |
| Fines and Forfeitures | 121,437 | 124,225 | (2,788) |
| All Other Revenue | 236,511 | 219,519 | 16,992 |
| Total | <u>\$8,614,358</u> | <u>\$6,936,746</u> | <u>\$1,677,612</u> |

General Fund revenues in 2023 increased 24.2% compared to revenues in fiscal year 2022. The most significant factors contributing to this increase was in investment earnings due to an uptick in the market during 2023.

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

| | 2023 | 2022 | Increase |
|------------------------------------|---------------------|---------------------|-------------------|
| | <u>Expenditures</u> | <u>Expenditures</u> | <u>(Decrease)</u> |
| Security of Persons and Property | \$4,257,875 | \$3,748,786 | \$509,089 |
| Public Health and Welfare Services | 103,104 | 107,677 | (4,573) |
| Community Environment | 45,000 | 39,000 | 6,000 |
| General Government | 1,077,251 | 1,064,871 | 12,380 |
| Total | <u>\$5,483,230</u> | <u>\$4,960,334</u> | <u>\$522,896</u> |

General Fund expenditures increased by \$522,896 in 2023 from 2022. The largest increase was \$509,089 in Security of Persons and Property. This is attributed to a slight increase in salaries and benefits for both the police and fire personnel from 2022 to 2023. General Government expenditures reflect a net of reimbursements (or off-sets) for shared administrative costs allocated to the business type activities. In addition, reimbursements (off-sets), and fund transfers, are included for the inside the City kilowatt hour (kWh) tax monies collected in the Electric Fund, and directed back to the General Fund pursuant to Ohio law. The kWh tax reimbursements off-set the general government charged utilities of electric and water, with the net balance receipted to the General Fund.

Both the Special Assessment Bond Retirement Fund and the Capital Improvement Fund balances increased in 2023 from 2022. The Aquatic Center Fund balance showed a decrease from 2022 to 2023 mostly due to an increase in transfers out of the fund during 2023. The Other Governmental Funds increased in 2023 from 2022. All of these were slight changes which can be attributed to the annual activities of these funds. The increase in the Capital Improvement Fund balance was mostly related to a decrease in capital expenditures during 2023. The increase in the Special Assessment Bond Retirement Fund can be attributed to the decrease in principal and interest payments on special assessment debt during the year.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances (known as Cash Basis). The most significant budgeted fund is the General Fund. During the course of fiscal year 2023 the City amended its General Fund budget, along with other funds, various times on an as needed basis.

In the General Fund, the final budget basis for revenue was \$9.1 million, including other financing sources. This was an increase from the original conservative budget estimates of \$7.0 million mostly related to an anticipation of increased income tax revenue for the year. The General Fund had an adequate revenue stream and fund balance reserves to cover its expenditures in 2023.

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2023 the City had \$111,502,298 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$47,111,949 was related to governmental activities and \$64,390,349 to the business-type activities. The following table shows fiscal year 2023 and 2022 balances:

| | Governmental Activities | | Increase (Decrease) |
|--------------------------------|----------------------------|---------------------|------------------------|
| | 2023 | 2022 | |
| Land | \$10,055,971 | \$10,055,971 | \$0 |
| Construction in Progress | 0 | 6,147,056 | (6,147,056) |
| Improvements | 15,319,145 | 10,104,543 | 5,214,602 |
| Buildings | 6,143,615 | 3,814,174 | 2,329,441 |
| Machinery and Equipment | 7,994,391 | 7,352,033 | 642,358 |
| Infrastructure | 38,832,228 | 37,825,087 | 1,007,141 |
| Less: Accumulated Depreciation | (31,233,401) | (30,098,084) | (1,135,317) |
| Totals | <u>\$47,111,949</u> | <u>\$45,200,780</u> | <u>\$1,911,169</u> |

| | Business-Type Activities | | Increase (Decrease) |
|--------------------------------|-----------------------------|---------------------|------------------------|
| | 2023 | 2022 | |
| Land | \$245,525 | \$245,525 | \$0 |
| Construction in Progress | 9,684,887 | 12,483,368 | (2,798,481) |
| Buildings | 26,644,240 | 26,644,240 | 0 |
| Improvements | 57,386,733 | 48,647,432 | 8,739,301 |
| Machinery and Equipment | 8,753,426 | 7,725,967 | 1,027,459 |
| Less: Accumulated Depreciation | (38,324,462) | (35,786,659) | (2,537,803) |
| Totals | <u>\$64,390,349</u> | <u>\$59,959,873</u> | <u>\$4,430,476</u> |

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

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

CITY OF NAPOLEON, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

Debt

At December 31, 2023, the City had \$11 million in bonds outstanding, \$885,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|--------------------------------|---------------------|---------------------|
| Governmental Activities: | | |
| General Obligation Bonds | \$3,815,940 | \$4,100,701 |
| Compensated Absences | 721,500 | 721,891 |
| Net Pension Liability | 11,215,742 | 5,680,487 |
| Net OPEB Liability | 573,258 | 731,747 |
| Total Governmental Activities | <u>16,326,440</u> | <u>11,234,826</u> |
| Business-Type Activities: | | |
| Revenue Bonds | \$7,499,898 | \$8,093,002 |
| WPCLF Loans Payable | 2,850,798 | 3,242,048 |
| OWDA Loans Payable | 16,300,075 | 11,352,360 |
| OPWC Loans Payable | 125,000 | 150,000 |
| OSWRC Deferred Loan Payable | 230,889 | 246,499 |
| WSRLA Loan | 14,160,100 | 14,371,605 |
| Compensated Absences | 494,394 | 456,009 |
| Net Pension Liability | 4,314,455 | 1,367,957 |
| Net OPEB Liability | 93,429 | 0 |
| Total Business-Type Activities | <u>46,069,038</u> | <u>39,279,480</u> |
| Totals | <u>\$62,395,478</u> | <u>\$50,514,306</u> |

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to the other applicable political subdivisions within Henry County, Ohio, where Napoleon is located, is limited to ten mills. At December 31, 2023, the City's outstanding debt was below the legal limit. (See NOTE 14 – LONG TERM DEBT to the Basic Financial Statements for additional explanation and information.)

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

The City purposefully builds into its budget conservative revenue estimates with offsetting reductions or limited increases in base operating costs. Budgetary revenue estimates for the General Fund, and other funds, typically projects no growth, or estimated reductions as necessary, in the various revenue sources for each budgeted fund. Original budgeted expenditures for the General Fund, and other funds, are typically *projected to exceed revenues*. Reductions are made to budgeted expenditures, as necessary, to keep the funds in balance as required by State Law. The City utilizes actual or projected fund balance reserves for any negative differences in revenues to expenditures to keep the budget balanced. The original 2023 General Fund budgeted revenues were conservatively projected at \$6.7 million and ended up lower than the final actual revenues of \$8.8 million; and the budgeted expenditures were projected below the final actual expenditures. Comparing the General Fund 2023 original estimated revenues to the actual receipts on a cash basis, there was a 32% increase in actual receipts compared to estimated revenues, mostly related to income taxes for the year. Comparing the General fund 2023 original budgeted expenditures to actual expenditures on a cash basis, there was a 7% decrease in actual final expenditures compared to original budgeted expenditures. The process used in 2023 of the lower estimate to actual for revenues, and the higher estimate to actual for expenditures assists in keeping year ending fund reserves at sustainable levels, and helps to buffer any potential down turns, or slow growth periods, in local economic conditions.

During the 2023 budget review and approval process, certain department requests were reduced from original submissions; certain requested capital projects and capital acquisitions were reduced or eliminated; and only those items that City management and City Council determined necessary for base service levels were appropriated.

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

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

REQUESTS FOR INFORMATION

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

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



CITY OF NAPOLEON, OHIO

**Statement of Net Position
December 31, 2023**

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|--------------------|
| Assets: | | | |
| Cash and Cash Equivalents | \$ 10,302,267 | \$ 27,572,139 | \$ 37,874,406 |
| Receivables: | | | |
| Property Taxes | 892,308 | 0 | 892,308 |
| Municipal Income Taxes | 1,671,483 | 0 | 1,671,483 |
| Accounts | 392,036 | 4,045,704 | 4,437,740 |
| Intergovernmental | 663,051 | 486,006 | 1,149,057 |
| Interest | 19,435 | 19,608 | 39,043 |
| Special Assessments | 0 | 62,742 | 62,742 |
| Loans | 117,384 | 0 | 117,384 |
| Internal Balances | (40,946) | 40,946 | 0 |
| Inventory of Supplies at Cost | 394,827 | 1,681,217 | 2,076,044 |
| Capital Assets: | | | |
| Capital Assets Not Being Depreciated | 10,055,971 | 9,930,412 | 19,986,383 |
| Capital Assets Being Depreciated, Net | 37,055,978 | 54,459,937 | 91,515,915 |
| Investment in Joint Venture | 0 | 288,217 | 288,217 |
| Total Assets | 61,523,794 | 98,586,928 | 160,110,722 |
| Deferred Outflows of Resources: | | | |
| Pension | 4,171,607 | 1,768,732 | 5,940,339 |
| OPEB | 656,113 | 276,788 | 932,901 |
| Total Deferred Outflows of Resources | 4,827,720 | 2,045,520 | 6,873,240 |
| Liabilities: | | | |
| Accounts Payable | 42,944 | 1,345,600 | 1,388,544 |
| Accrued Wages and Benefits | 168,074 | 78,314 | 246,388 |
| Intergovernmental Payable | 35,066 | 0 | 35,066 |
| Unearned Revenue | 222,946 | 0 | 222,946 |
| Accrued Interest Payable | 5,061 | 9,519 | 14,580 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 670,931 | 1,434,927 | 2,105,858 |
| Due in More than One Year: | | | |
| Other Amounts Due in More than One Year | 3,866,509 | 40,226,227 | 44,092,736 |
| Net Pension Liability | 11,215,742 | 4,314,455 | 15,530,197 |
| Net OPEB Liability | 573,258 | 93,429 | 666,687 |
| Total Liabilities | 16,800,531 | 47,502,471 | 64,303,002 |

(Continued)

CITY OF NAPOLEON, OHIO

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|-----------------------|
| Deferred Inflows of Resources: | | | |
| Property Tax Levy for Next Fiscal Year | 857,517 | 0 | 857,517 |
| Pension | 460,871 | 85,163 | 546,034 |
| OPEB | 553,501 | 30,809 | 584,310 |
| Total Deferred Inflows of Resources | <u>1,871,889</u> | <u>115,972</u> | <u>1,987,861</u> |
| Net Position: | | | |
| Net Investment in Capital Assets | 43,296,009 | 23,223,589 | 66,519,598 |
| Restricted For: | | | |
| Capital Projects | 208,340 | 0 | 208,340 |
| Debt Service | 702,790 | 0 | 702,790 |
| Street Construction, Maintenance and Repair | 1,859,674 | 0 | 1,859,674 |
| Fire Equipment | 523,423 | 0 | 523,423 |
| Court Improvement | 199,747 | 0 | 199,747 |
| Other Purposes | 1,298,204 | 0 | 1,298,204 |
| Unrestricted (Deficit) | (409,093) | 29,790,416 | 29,381,323 |
| Total Net Position | <u>\$ 47,679,094</u> | <u>\$ 53,014,005</u> | <u>\$ 100,693,099</u> |

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

**Statement of Activities
For the Year Ended December 31, 2023**

| | Expenses | Program Revenues | | |
|---------------------------------------|----------------------|--------------------------------|------------------------------------|----------------------------------|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| Security of Persons and Property | \$ 5,387,034 | \$ 1,373,950 | \$ 164,747 | \$ 0 |
| Public Health and Welfare Services | 113,129 | 14,905 | 0 | 0 |
| Leisure Time Activities | 1,019,200 | 541,267 | 0 | 7,593 |
| Community Environment | 93,948 | 2,075 | 13,783 | 0 |
| Transportation | 1,094,207 | 56,637 | 721,519 | 0 |
| General Government | 1,207,352 | 11,621 | 6,892 | 73,476 |
| Interest and Fiscal Charges | 64,146 | 0 | 0 | 0 |
| Total Governmental Activities | 8,979,016 | 2,000,455 | 906,941 | 81,069 |
| Business-Type Activities: | | | | |
| Electric | 14,827,672 | 16,701,438 | 0 | 0 |
| Water | 4,488,426 | 4,412,554 | 0 | 4,995 |
| Sewer | 3,864,720 | 4,335,327 | 0 | 756,621 |
| Sanitation | 997,595 | 930,879 | 0 | 0 |
| Total Business-Type Activities | 24,178,413 | 26,380,198 | 0 | 761,616 |
| Totals | \$ 33,157,429 | \$ 28,380,653 | \$ 906,941 | \$ 842,685 |

General Revenues:

Property Taxes
 Payments in Lieu of Taxes
 Municipal Income Taxes
 Other Local Taxes (kWh Tax)
 Grants and Entitlements not Restricted to Specific Programs
 Investment Earnings
 Miscellaneous
 Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year
 Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

Net (Expense) Revenue
and Changes in Net Position

| Governmental Activities | Business-Type Activities | Total |
|----------------------------|-----------------------------|-----------------------|
| \$ (3,848,337) | \$ 0 | \$ (3,848,337) |
| (98,224) | 0 | (98,224) |
| (470,340) | 0 | (470,340) |
| (78,090) | 0 | (78,090) |
| (316,051) | 0 | (316,051) |
| (1,115,363) | 0 | (1,115,363) |
| (64,146) | 0 | (64,146) |
| <u>(5,990,551)</u> | <u>0</u> | <u>(5,990,551)</u> |
| 0 | 1,873,766 | 1,873,766 |
| 0 | (70,877) | (70,877) |
| 0 | 1,227,228 | 1,227,228 |
| <u>0</u> | <u>(66,716)</u> | <u>(66,716)</u> |
| <u>0</u> | <u>2,963,401</u> | <u>2,963,401</u> |
| <u>(5,990,551)</u> | <u>2,963,401</u> | <u>(3,027,150)</u> |
| 739,820 | 0 | 739,820 |
| 32,514 | 0 | 32,514 |
| 6,032,896 | 0 | 6,032,896 |
| 565,869 | 0 | 565,869 |
| 718,723 | 0 | 718,723 |
| 1,140,005 | 552,149 | 1,692,154 |
| 263,465 | 0 | 263,465 |
| <u>9,493,292</u> | <u>552,149</u> | <u>10,045,441</u> |
| 3,502,741 | 3,515,550 | 7,018,291 |
| <u>44,176,353</u> | <u>49,498,455</u> | <u>93,674,808</u> |
| <u>\$ 47,679,094</u> | <u>\$ 53,014,005</u> | <u>\$ 100,693,099</u> |

CITY OF NAPOLEON, OHIO

**Balance Sheet
Governmental Funds
December 31, 2023**

| | General | Special Assessment Bond Retirement | Capital Improvement | Aquatic Center |
|---|---------------------|---|------------------------|-------------------|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 2,834,970 | \$ 634,495 | \$ 1,886,076 | \$ 191,882 |
| Receivables: | | | | |
| Property Taxes | 405,339 | 0 | 0 | 304,289 |
| Municipal Income Taxes | 1,671,483 | 0 | 0 | 0 |
| Accounts | 32,128 | 0 | 0 | 0 |
| Intergovernmental | 218,151 | 0 | 0 | 3,068 |
| Interest | 14,988 | 647 | 0 | 196 |
| Loans | 0 | 0 | 0 | 0 |
| Interfund Loans Receivables | 0 | 0 | 2,800 | 0 |
| Inventory of Supplies, at Cost | 25,275 | 0 | 0 | 0 |
| Total Assets | \$ 5,202,334 | \$ 635,142 | \$ 1,888,876 | \$ 499,435 |
| Liabilities: | | | | |
| Accounts Payable | \$ 37,065 | \$ 0 | \$ 0 | \$ 0 |
| Accrued Wages and Benefits Payable | 115,244 | 0 | 0 | 0 |
| Intergovernmental Payable | 35,066 | 0 | 0 | 0 |
| Interfund Loans Payable | 0 | 0 | 0 | 0 |
| Unearned Revenue | 0 | 0 | 0 | 0 |
| Total Liabilities | 187,375 | 0 | 0 | 0 |
| Deferred Inflows of Resources: | | | | |
| Unavailable Amounts | 924,606 | 647 | 0 | 15,871 |
| Property Tax for Next Fiscal Year | 390,636 | 0 | 0 | 291,095 |
| Total Deferred Inflows of Resources | 1,315,242 | 647 | 0 | 306,966 |
| Fund Balances: | | | | |
| Nonspendable | 39,120 | 0 | 0 | 0 |
| Restricted | 0 | 634,495 | 0 | 192,469 |
| Committed | 5,810 | 0 | 1,888,876 | 0 |
| Assigned | 220,347 | 0 | 0 | 0 |
| Unassigned | 3,434,440 | 0 | 0 | 0 |
| Total Fund Balances | 3,699,717 | 634,495 | 1,888,876 | 192,469 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 5,202,334 | \$ 635,142 | \$ 1,888,876 | \$ 499,435 |

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ 4,671,151 | \$ 10,218,574 |
| 182,680 | 892,308 |
| 0 | 1,671,483 |
| 355,267 | 387,395 |
| 441,832 | 663,051 |
| 3,604 | 19,435 |
| 117,384 | 117,384 |
| 0 | 2,800 |
| 362,231 | 387,506 |
| <u>\$ 6,134,149</u> | <u>\$ 14,359,936</u> |
| | |
| \$ 3,759 | \$ 40,824 |
| 49,586 | 164,830 |
| 0 | 35,066 |
| 2,800 | 2,800 |
| 222,946 | 222,946 |
| <u>279,091</u> | <u>466,466</u> |
| | |
| 699,323 | 1,640,447 |
| 175,786 | 857,517 |
| <u>875,109</u> | <u>2,497,964</u> |
| | |
| 362,231 | 401,351 |
| 3,385,578 | 4,212,542 |
| 1,255,676 | 3,150,362 |
| 11,644 | 231,991 |
| (35,180) | 3,399,260 |
| <u>4,979,949</u> | <u>11,395,506</u> |
| | |
| <u>\$ 6,134,149</u> | <u>\$ 14,359,936</u> |

CITY OF NAPOLEON, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2023***

| | | |
|--|------------------|-----------------------------|
| Total Governmental Fund Balances | | \$ 11,395,506 |
| <i>Amounts reported for governmental activities in the statement of net position are different because</i> | | |
| Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. | | 47,045,922 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | | |
| Municipal Income Taxes | 737,971 | |
| Property Taxes | 33,926 | |
| Charges for Services | 372,712 | |
| Interest Revenues | 19,435 | |
| Intergovernmental | <u>476,403</u> | 1,640,447 |
| The net pension/OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds: | | |
| Net OPEB Asset | 0 | |
| Deferred Outflows - Pension | 4,102,821 | |
| Deferred Inflows - Pension | (457,528) | |
| Deferred Outflows - OPEB | 645,348 | |
| Deferred Inflows - OPEB | (552,301) | |
| Net Pension Liability | (11,047,949) | |
| Net OEPB Liability | <u>(569,626)</u> | (7,879,235) |
| 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. | | (5,061) |
| Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | | 7,226 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | | |
| General Obligation Bonds Payable | (3,735,000) | |
| Premium on General Obligation Bonds Payable | (80,940) | |
| Compensated Absences Payable | <u>(709,771)</u> | <u>(4,525,711)</u> |
| <i>Net Position of Governmental Activities</i> | | <u>\$ 47,679,094</u> |

See accompanying notes to the basic financial statements



CITY OF NAPOLEON, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023**

| | General | Special Assessment Bond Retirement | Capital Improvement | Aquatic Center |
|--|---------------------|---|------------------------|-------------------|
| Revenues: | | | | |
| Property Taxes | \$ 312,115 | \$ 0 | \$ 0 | \$ 289,189 |
| Payments in Lieu of Taxes | 0 | 0 | 0 | 0 |
| Municipal Income Tax | 5,294,925 | 0 | 0 | 0 |
| Other Local Taxes (kWh Tax) | 565,869 | 0 | 0 | 0 |
| Intergovernmental Revenues | 427,820 | 0 | 73,476 | 7,593 |
| Charges for Services | 589,229 | 0 | 0 | 0 |
| Licenses and Permits | 74,479 | 0 | 0 | 0 |
| Investment Earnings | 991,973 | 18,106 | 0 | 7,291 |
| Special Assessments | 0 | 361 | 0 | 0 |
| Fines and Forfeitures | 121,437 | 0 | 0 | 0 |
| All Other Revenue | 236,511 | 0 | 57,796 | 2,988 |
| Total Revenue | 8,614,358 | 18,467 | 131,272 | 307,061 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 4,257,875 | 0 | 0 | 0 |
| Public Health and Welfare Services | 103,104 | 0 | 0 | 0 |
| Leisure Time Activities | 0 | 0 | 0 | 48,254 |
| Community Environment | 45,000 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 0 |
| General Government | 1,077,251 | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 1,482,868 | 0 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 0 | 0 |
| Total Expenditures | 5,483,230 | 0 | 1,482,868 | 48,254 |
| Excess (Deficiency) of Revenues Over Expenditures | 3,131,128 | 18,467 | (1,351,596) | 258,807 |
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 317 | 0 | 0 | 0 |
| Transfers In | 312,562 | 0 | 1,937,791 | 0 |
| Transfers Out | (2,782,685) | 0 | (108,320) | (344,140) |
| Total Other Financing Sources (Uses) | (2,469,806) | 0 | 1,829,471 | (344,140) |
| Net Change in Fund Balances | 661,322 | 18,467 | 477,875 | (85,333) |
| Fund Balances at Beginning of Year | 3,021,575 | 616,028 | 1,411,001 | 277,802 |
| Increase (Decrease) in Inventory Reserve | 16,820 | 0 | 0 | 0 |
| Fund Balances End of Year | \$ 3,699,717 | \$ 634,495 | \$ 1,888,876 | \$ 192,469 |

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ 139,451 | \$ 740,755 |
| 32,514 | 32,514 |
| 0 | 5,294,925 |
| 0 | 565,869 |
| 1,325,078 | 1,833,967 |
| 910,985 | 1,500,214 |
| 0 | 74,479 |
| 114,682 | 1,132,052 |
| 0 | 361 |
| 136,479 | 257,916 |
| 162,775 | 460,070 |
| <u>2,821,964</u> | <u>11,893,122</u> |
| | |
| 1,055,223 | 5,313,098 |
| 0 | 103,104 |
| 1,380,515 | 1,428,769 |
| 48,948 | 93,948 |
| 616,887 | 616,887 |
| 180,179 | 1,257,430 |
| 0 | 1,482,868 |
| | |
| 280,000 | 280,000 |
| 69,540 | 69,540 |
| <u>3,631,292</u> | <u>10,645,644</u> |
| | |
| (809,328) | 1,247,478 |
| | |
| 0 | 317 |
| 1,304,034 | 3,554,387 |
| (344,242) | (3,579,387) |
| <u>959,792</u> | <u>(24,683)</u> |
| | |
| 150,464 | 1,222,795 |
| | |
| 4,830,396 | 10,156,802 |
| (911) | 15,909 |
| <u>\$ 4,979,949</u> | <u>\$ 11,395,506</u> |

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2023***

Net Change in Fund Balances - Total Governmental Funds \$ 1,222,795

Amounts reported for governmental activities in the statement of activities are different because

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

| | | |
|----------------|--------------------|-----------|
| Capital Outlay | 3,309,739 | |
| Depreciation | <u>(1,453,577)</u> | 1,856,162 |

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received. (3,374)

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

| | | |
|------------------------|------------------|---------|
| Municipal Income Taxes | 737,971 | |
| Property Taxes | (935) | |
| Charges for Services | (29,437) | |
| Interest | 7,953 | |
| Intergovernmental | <u>(127,234)</u> | 588,318 |

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

| | | |
|---------|---------------|---------|
| Pension | 832,606 | |
| OPEB | <u>10,583</u> | 843,189 |

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

| | | |
|---------|----------------|-------------|
| Pension | (1,482,983) | |
| OPEB | <u>158,765</u> | (1,324,218) |

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

| | | |
|---|----------------|---------|
| Premium on General Obligation Bonds Amortized | 4,761 | |
| General Obligation Bonds Principal | <u>280,000</u> | 284,761 |

(Continued)

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

| | | |
|--------------------------|--|-----|
| Accrued Interest Payable | | 633 |
|--------------------------|--|-----|

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.

| | | |
|--|--------------|---------------|
| Increase in Supplies Inventory | 15,909 | |
| Decrease in Compensated Absences Payable | <u>3,497</u> | <u>19,406</u> |

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

| | |
|--|---------------|
| | <u>15,069</u> |
|--|---------------|

Change in Net Position of Governmental Activities

| | |
|--|----------------------------|
| | <u><u>\$ 3,502,741</u></u> |
|--|----------------------------|

See accompanying notes to the basic financial statements



CITY OF NAPOLEON, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2023**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| Revenues: | | | | |
| Property Taxes | \$ 302,400 | \$ 312,115 | \$ 312,115 | \$ 0 |
| Municipal Income Tax | 4,676,000 | 6,024,449 | 6,128,098 | 103,649 |
| Other Local Taxes | 495,000 | 565,869 | 565,869 | 0 |
| Intergovernmental Revenue | 258,850 | 431,044 | 431,044 | 0 |
| Charges for Services | 469,800 | 592,872 | 592,872 | 0 |
| Licenses and Permits | 73,300 | 74,479 | 74,479 | 0 |
| Investment Earnings | 100,000 | 404,980 | 404,980 | 0 |
| Fines and Forfeitures | 151,100 | 123,828 | 123,828 | 0 |
| All Other Revenues | 189,370 | 219,554 | 219,554 | 0 |
| Total Revenues | <u>6,715,820</u> | <u>8,749,190</u> | <u>8,852,839</u> | <u>103,649</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 4,869,825 | 5,006,908 | 4,385,844 | 621,064 |
| Public Health and Welfare Services | 151,342 | 151,342 | 103,943 | 47,399 |
| Community Environment | 45,000 | 45,000 | 45,000 | 0 |
| General Government | 1,328,682 | 2,019,845 | 1,438,308 | 581,537 |
| Total Expenditures | <u>6,394,849</u> | <u>7,223,095</u> | <u>5,973,095</u> | <u>1,250,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 320,971 | 1,526,095 | 2,879,744 | 1,353,649 |
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 5,000 | 317 | 317 | 0 |
| Transfers In | 306,720 | 310,980 | 312,562 | 1,582 |
| Transfers Out | (1,978,136) | (2,785,821) | (2,782,685) | 3,136 |
| Total Other Financing Sources (Uses): | <u>(1,666,416)</u> | <u>(2,474,524)</u> | <u>(2,469,806)</u> | <u>4,718</u> |
| Net Change In Fund Balance | (1,345,445) | (948,429) | 409,938 | 1,358,367 |
| Fund Balance at Beginning of Year | 2,637,491 | 2,637,491 | 2,637,491 | 0 |
| Prior Year Encumbrances | 68,752 | 68,752 | 68,752 | 0 |
| Fund Balance at End of Year | <u>\$ 1,360,801</u> | <u>\$ 1,757,813</u> | <u>\$ 3,116,182</u> | <u>\$ 1,358,369</u> |

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2023**

| | Business-Type Activities | | |
|--|--------------------------|-------------------|-------------------|
| | Enterprise Funds | | |
| | Electric | Water | Sewer |
| Assets: | | | |
| <i>Current Assets:</i> | | | |
| Cash and Cash Equivalents | \$ 15,342,733 | \$ 4,219,111 | \$ 6,658,504 |
| Receivables: | | | |
| Accounts | 2,626,403 | 574,584 | 698,782 |
| Intergovernmental | 0 | 0 | 486,006 |
| Interest | 7,205 | 4,263 | 6,762 |
| Special Assessments | 0 | 2,210 | 60,532 |
| Inventory of Supplies at Cost | 1,170,491 | 458,334 | 52,392 |
| <i>Total Current Assets</i> | <u>19,146,832</u> | <u>5,258,502</u> | <u>7,962,978</u> |
| <i>Non Current Assets:</i> | | | |
| Capital Assets, Net | 6,800,681 | 23,266,994 | 33,748,219 |
| Investment in Joint Venture | 288,217 | 0 | 0 |
| <i>Total Non Current Assets</i> | <u>7,088,898</u> | <u>23,266,994</u> | <u>33,748,219</u> |
| Total Assets | <u>26,235,730</u> | <u>28,525,496</u> | <u>41,711,197</u> |
| Deferred Outflows of Resources: | | | |
| Pension | 692,041 | 484,306 | 414,634 |
| OPEB | 108,297 | 75,789 | 64,886 |
| Total Deferred Outflows of Resources | <u>800,338</u> | <u>560,095</u> | <u>479,520</u> |
| Liabilities: | | | |
| <i>Current Liabilities:</i> | | | |
| Accounts Payable | 1,047,854 | 290,909 | 6,796 |
| Accrued Wages and Benefits | 31,087 | 21,556 | 17,967 |
| Compensated Absences Payable - Current | 92,928 | 58,468 | 51,851 |
| Accrued Interest Payable | 0 | 4,510 | 5,009 |
| Revenue Bonds - Current | 0 | 415,000 | 185,000 |
| Ohio Public Works Commission Loan - Current | 0 | 0 | 25,000 |
| Ohio Water Development Authority Loans - Current | 0 | 21,624 | 168,016 |
| Water Pollution Control Loans - Current | 0 | 0 | 399,133 |
| <i>Total Current Liabilities</i> | <u>1,171,869</u> | <u>812,067</u> | <u>858,772</u> |

CITY OF NAPOLEON, OHIO

| Sanitation | Total | Governmental Activities Internal Service Fund |
|--------------|---------------|--|
| \$ 1,351,791 | \$ 27,572,139 | \$ 83,693 |
| 145,935 | 4,045,704 | 4,641 |
| 0 | 486,006 | 0 |
| 1,378 | 19,608 | 0 |
| 0 | 62,742 | 0 |
| 0 | 1,681,217 | 7,321 |
| 1,499,104 | 33,867,416 | 95,655 |
| 574,455 | 64,390,349 | 66,027 |
| 0 | 288,217 | 0 |
| 574,455 | 64,678,566 | 66,027 |
| 2,073,559 | 98,545,982 | 161,682 |
| 177,751 | 1,768,732 | 68,786 |
| 27,816 | 276,788 | 10,765 |
| 205,567 | 2,045,520 | 79,551 |
| 41 | 1,345,600 | 2,120 |
| 7,704 | 78,314 | 3,244 |
| 17,907 | 221,154 | 8,623 |
| 0 | 9,519 | 0 |
| 0 | 600,000 | 0 |
| 0 | 25,000 | 0 |
| 0 | 189,640 | 0 |
| 0 | 399,133 | 0 |
| 25,652 | 2,868,360 | 13,987 |

(Continued)

CITY OF NAPOLEON, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2023**

| | Business-Type Activities | | |
|--|--------------------------|---------------------|----------------------|
| | Enterprise Funds | | |
| | Electric | Water | Sewer |
| Long Term Liabilities: | | | |
| Compensated Absences Payable | 153,875 | 40,245 | 49,350 |
| Net Pension Liability | 1,688,088 | 1,181,369 | 1,011,408 |
| Net OPEB Liability | 36,554 | 25,581 | 21,904 |
| Revenue Bonds Payable | 0 | 3,415,016 | 3,484,882 |
| OWDA Loans Payable | 0 | 11,176 | 16,099,259 |
| OPWC Loans Payable | 0 | 0 | 100,000 |
| Ohio Sewer & Water Rotary Commission Deferred Loan Payable | 0 | 59,459 | 171,430 |
| Water Pollution Control Loans Payable | 0 | 0 | 2,451,665 |
| WSLRA Loans Payable | 0 | 14,160,100 | 0 |
| <i>Total Long-Term Liabilities</i> | <u>1,878,517</u> | <u>18,892,946</u> | <u>23,389,898</u> |
| Total Liabilities | <u>3,050,386</u> | <u>19,705,013</u> | <u>24,248,670</u> |
| Deferred Inflows of Resources: | | | |
| Pension | 33,280 | 23,446 | 19,948 |
| OPEB | 12,055 | 8,437 | 7,222 |
| Total Deferred Inflows of Resources | <u>45,335</u> | <u>31,883</u> | <u>27,170</u> |
| Net Position: | | | |
| Net Investment in Capital Assets | 6,800,681 | 5,184,619 | 10,663,834 |
| Unrestricted | 17,139,666 | 4,164,076 | 7,251,043 |
| Total Net Position | <u>\$ 23,940,347</u> | <u>\$ 9,348,695</u> | <u>\$ 17,914,877</u> |

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

Net Position of Business-type Activities

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

| Sanitation | Total | Governmental Activities Internal Service Fund |
|---------------------|----------------------|--|
| 29,770 | 273,240 | 3,106 |
| 433,590 | 4,314,455 | 167,793 |
| 9,390 | 93,429 | 3,632 |
| 0 | 6,899,898 | 0 |
| 0 | 16,110,435 | 0 |
| 0 | 100,000 | 0 |
| 0 | 230,889 | 0 |
| 0 | 2,451,665 | 0 |
| 0 | 14,160,100 | 0 |
| <u>472,750</u> | <u>44,634,111</u> | <u>174,531</u> |
| <u>498,402</u> | <u>47,502,471</u> | <u>188,518</u> |
| 8,489 | 85,163 | 3,343 |
| 3,095 | 30,809 | 1,200 |
| <u>11,584</u> | <u>115,972</u> | <u>4,543</u> |
| 574,455 | 23,223,589 | 66,027 |
| 1,194,685 | 29,749,470 | (17,855) |
| <u>\$ 1,769,140</u> | <u>52,973,059</u> | <u>\$ 48,172</u> |
| | <u>40,946</u> | |
| | <u>\$ 53,014,005</u> | |

CITY OF NAPOLEON, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023**

| | Business-Type Activities | | |
|--|--------------------------|---------------------|----------------------|
| | Enterprise Funds | | |
| | Electric | Water | Sewer |
| Operating Revenues: | | | |
| Charges for Services | \$ 16,223,185 | \$ 4,321,981 | \$ 4,301,213 |
| Other Charges for Services | 510,994 | 90,573 | 34,114 |
| Total Operating Revenues | 16,734,179 | 4,412,554 | 4,335,327 |
| Operating Expenses: | | | |
| Personal Services | 1,489,241 | 1,052,820 | 892,090 |
| Contractual Services | 384,462 | 1,387,250 | 1,337,124 |
| Purchased Power | 12,091,009 | 0 | 0 |
| Materials and Supplies | 272,473 | 626,356 | 157,039 |
| Utilities | 79,134 | 322,904 | 157,373 |
| Depreciation | 443,958 | 1,058,033 | 1,232,328 |
| Total Operating Expenses | 14,760,277 | 4,447,363 | 3,775,954 |
| Operating Income (Loss) | 1,973,902 | (34,809) | 559,373 |
| Nonoperating Revenue (Expenses): | | | |
| Investment Earnings | 206,046 | 117,527 | 183,771 |
| Interest Expense | 0 | (46,086) | (108,857) |
| Other Local Taxes (kWh Tax) | 9,762 | 0 | 0 |
| Loss on Investment in Joint Venture | (42,503) | 0 | 0 |
| Other Nonoperating Expense (kWh Paid to State) | (102,556) | 0 | 0 |
| Total Nonoperating Revenues (Expenses) | 70,749 | 71,441 | 74,914 |
| Income (Loss) Before Transfers and Contributions | 2,044,651 | 36,632 | 634,287 |
| Transfers In | 0 | 0 | 0 |
| Capital Contributions | 0 | 4,995 | 756,621 |
| Change in Net Position | 2,044,651 | 41,627 | 1,390,908 |
| Net Position Beginning of Year | 21,895,696 | 9,307,068 | 16,523,969 |
| Net Position End of Year | \$ 23,940,347 | \$ 9,348,695 | \$ 17,914,877 |

Change in Net Position - Total Enterprise Funds

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

Change in Net Position - Business-type Activities

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

| Sanitation | Total | Governmental Activities Internal Service Fund |
|--------------|---------------|--|
| \$ 878,107 | \$ 25,724,486 | \$ 62,134 |
| 52,772 | 688,453 | 288,730 |
| 930,879 | 26,412,939 | 350,864 |
| 397,537 | 3,831,688 | 159,096 |
| 508,076 | 3,616,912 | 5,928 |
| 0 | 12,091,009 | 0 |
| 83,787 | 1,139,655 | 108,564 |
| 2,248 | 561,659 | 397 |
| 31,062 | 2,765,381 | 1,420 |
| 1,022,710 | 24,006,304 | 275,405 |
| (91,831) | 2,406,635 | 75,459 |
| 44,805 | 552,149 | 0 |
| 0 | (154,943) | 0 |
| 0 | 9,762 | 0 |
| 0 | (42,503) | 0 |
| 0 | (102,556) | 0 |
| 44,805 | 261,909 | 0 |
| (47,026) | 2,668,544 | 75,459 |
| 0 | 0 | 25,000 |
| 0 | 761,616 | 0 |
| (47,026) | 3,430,160 | 100,459 |
| 1,816,166 | 49,542,899 | (52,287) |
| \$ 1,769,140 | 52,973,059 | \$ 48,172 |
| | 3,430,160 | |
| | 85,390 | |
| | \$ 3,515,550 | |

CITY OF NAPOLEON, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023**

| | Business-Type Activities | | |
|--|--------------------------|-------------|-------------|
| | Enterprise Funds | | |
| | Electric | Water | Sewer |
| <u>Cash Flows from Operating Activities:</u> | | | |
| Cash Received from Customers | \$16,925,016 | \$4,487,285 | \$4,352,030 |
| Cash Payments for Goods and Services | (13,286,958) | (2,343,187) | (1,643,211) |
| Cash Payments to Employees | (1,465,690) | (1,075,358) | (908,978) |
| Net Cash Provided (Used) by Operating Activities | 2,172,368 | 1,068,740 | 1,799,841 |
| <u>Cash Flows from Noncapital Financing Activities:</u> | | | |
| Transfers In from Other Funds | 0 | 0 | 0 |
| Receipts of Other Local Taxes | 9,762 | 0 | 0 |
| kWh Tax Paid to State | (102,556) | 0 | 0 |
| Net Cash Provided (Used) by Noncapital Financing Activities | (92,794) | 0 | 0 |
| <u>Cash Flows from Capital and Related Financing Activities:</u> | | | |
| Acquisition and Construction of Assets | (1,517,775) | 0 | (5,344,996) |
| Capital Contributions | 0 | 157,882 | 286,084 |
| OWDA Loan Issued | 0 | 0 | 5,123,213 |
| WSLRA Loans Issued | 0 | 172,998 | 0 |
| Principal Paid on Mortgage Revenue Bonds | 0 | (405,000) | (175,000) |
| Principal Paid on Ohio Public Works Commission Loan | 0 | 0 | (25,000) |
| Principal Paid on Ohio Water Development Authority Loans | 0 | (20,684) | (154,813) |
| Principal Paid on OSWRC Loan | 0 | (4,995) | (10,615) |
| Principal Paid on WPCLF Loan | 0 | 0 | (391,250) |
| Principal Paid on WSLRA Loan | 0 | (384,503) | 0 |
| Interest Paid on All Debt | 0 | (53,908) | (112,763) |
| Net Cash Used for Capital and Related Financing Activities | (1,517,775) | (538,210) | (805,140) |
| <u>Cash Flows from Investing Activities:</u> | | | |
| Receipts of Interest | 203,470 | 115,605 | 180,603 |
| Net Cash Provided by Investing Activities | 203,470 | 115,605 | 180,603 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 765,269 | 646,135 | 1,175,304 |
| Cash and Cash Equivalents at Beginning of Year | 14,577,464 | 3,572,976 | 5,483,200 |
| Cash and Cash Equivalents at End of Year | \$15,342,733 | \$4,219,111 | \$6,658,504 |

CITY OF NAPOLEON, OHIO

| Sanitation | Totals | Governmental Activities Internal Service Funds |
|--------------------|---------------------|---|
| \$930,685 | \$26,695,016 | \$346,233 |
| (623,730) | (17,897,086) | (115,950) |
| (381,788) | (3,831,814) | (163,580) |
| (74,833) | 4,966,116 | 66,703 |
| 0 | 0 | 25,000 |
| 0 | 9,762 | 0 |
| 0 | (102,556) | 0 |
| 0 | (92,794) | 25,000 |
| (315,000) | (7,177,771) | (59,801) |
| 0 | 443,966 | 0 |
| 0 | 5,123,213 | 0 |
| 0 | 172,998 | 0 |
| 0 | (580,000) | 0 |
| 0 | (25,000) | 0 |
| 0 | (175,497) | 0 |
| 0 | (15,610) | 0 |
| 0 | (391,250) | 0 |
| 0 | (384,503) | 0 |
| 0 | (166,671) | 0 |
| (315,000) | (3,176,125) | (59,801) |
| 44,540 | 544,218 | 0 |
| 44,540 | 544,218 | 0 |
| (345,293) | 2,241,415 | 31,902 |
| 1,697,084 | 25,330,724 | 51,791 |
| <u>\$1,351,791</u> | <u>\$27,572,139</u> | <u>\$83,693</u> |

(Continued)

CITY OF NAPOLEON, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023**

| | Business-Type Activities | | |
|--|--------------------------|-------------|-------------|
| | Enterprise Funds | | |
| | Electric | Water | Sewer |
| <u>Reconciliation of Operating Income (Loss) to Net Cash</u> | | | |
| <u>Provided (Used) by Operating Activities:</u> | | | |
| Operating Income (Loss) | \$1,973,902 | (\$34,809) | \$559,373 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation Expense | 443,958 | 1,058,033 | 1,232,328 |
| Changes in Assets and Liabilities: | | | |
| Decrease (Increase) in Accounts Receivable | 190,837 | 74,731 | 16,703 |
| Increase in Deferred Outflows of Resources | (578,123) | (397,425) | (346,012) |
| Decrease (Increase) in Inventory | (139,457) | (41,730) | 18,544 |
| Decrease in Net OPEB Asset | 191,176 | 139,952 | 114,857 |
| Increase (Decrease) in Accounts Payable | (320,423) | 35,053 | (10,219) |
| Decrease in Claims Payable | 0 | 0 | 0 |
| Increase (Decrease) in Accrued | | | |
| Wages and Benefits | (862) | (1,784) | (964) |
| Increase in Net Pension Liability | 1,157,425 | 792,894 | 692,583 |
| Increase in Net OPEB Liability | 36,554 | 25,581 | 21,904 |
| Decrease in Deferred Inflows of Resources | (812,031) | (595,752) | (487,939) |
| Increase (Decrease) in Compensated Absences | 29,412 | 13,996 | (11,317) |
| Total Adjustments | 198,466 | 1,103,549 | 1,240,468 |
| Net Cash Provided (Used) | | | |
| by Operating Activities | \$2,172,368 | \$1,068,740 | \$1,799,841 |

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2023, the Water Fund and Sewer Fund had outstanding liabilities of \$202,864 and \$318, respectively, for the purchase of certain capital assets.

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

| <u>Sanitation</u> | <u>Totals</u> | <u>Governmental Activities Internal Service Funds</u> |
|-------------------|--------------------|---|
| (\$91,831) | \$2,406,635 | \$75,459 |
| 31,062 | 2,765,381 | 1,420 |
| (194) | 282,077 | (4,631) |
| (151,134) | (1,472,694) | (55,837) |
| 0 | (162,643) | (25) |
| 46,830 | 492,815 | 20,404 |
| (29,619) | (325,208) | (1,036) |
| 0 | 0 | 0 |
| (792) | (4,402) | 8 |
| 303,596 | 2,946,498 | 111,161 |
| 9,390 | 93,429 | 3,632 |
| (198,435) | (2,094,157) | (86,958) |
| 6,294 | 38,385 | 3,106 |
| <u>16,998</u> | <u>2,559,481</u> | <u>(8,756)</u> |
| <u>(\$74,833)</u> | <u>\$4,966,116</u> | <u>\$66,703</u> |

CITY OF NAPOLEON, OHIO

***Statement of Net Position
Fiduciary Funds
December 31, 2023***

| | <u>Custodial Funds</u> |
|---------------------------|----------------------------|
| Assets: | |
| Cash and Cash Equivalents | \$ 6,549 |
| Total Assets | <u>6,549</u> |
| Liabilities: | |
| Intergovernmental Payable | <u>6,549</u> |
| Total Liabilities | <u><u>6,549</u></u> |
| Net Position: | |
| Total Net Position | <u><u>\$ 0</u></u> |

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

***Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2023***

| | <u>Custodial Funds</u> |
|--|----------------------------|
| Additions: | |
| Contributions: | |
| Fines, Licenses and Permits for Distribution | <u>792,096</u> |
| Total Additions | <u>792,096</u> |
| Deductions: | |
| Distributions to Other Governments | <u>792,096</u> |
| Total Deductions | <u>792,096</u> |
| Net Change in Fiduciary Net Position | 0 |
| Net Position at Beginning of Year | <u>0</u> |
| Net Position End of Year | <u>\$ 0</u> |

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements are presented as of December 31, 2023 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

1. Joint Ventures with Equity Interest

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

1. Joint Ventures with Equity Interest (Continued)

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

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

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

2. Joint Ventures without Equity Interest

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

3. Jointly Governed Organization:

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

B. Basis of Presentation - Fund Accounting

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds

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

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the limitations of the City Charter.

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

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

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

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

Proprietary Funds

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

Fiduciary Funds

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

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The internal service fund is eliminated to avoid “doubling up” revenues and expenses; however, the interfund services provided and used are not eliminated in the process of consolidation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

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

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

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

Special assessment installments, which are measurable, but not available at December 31, are recorded as deferred inflow of resources – unavailable amount. Property taxes measurable as of December 31, 2023, but which are not intended to finance 2023 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflow of resources as further described in Note 6 “Taxes”.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Deferred Inflows/Outflows of Resources

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

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process

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

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

1. Tax Budget

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process (Continued)

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2023.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level, the legal level of control. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified by the County Budget Commission. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. During 2023, several supplemental appropriations were necessary to budget the use of contingency funds, intergovernmental grant proceeds and capital improvement projects. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--General Fund" are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process (Continued)

4. Encumbrances

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

5. Lapsing of Appropriations

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Process (Continued)

6. Budgetary Basis of Accounting

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

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

| | Net Change In Fund Balance |
|--|----------------------------|
| | General Fund |
| GAAP Basis (as reported) | \$661,322 |
| Increase (Decrease): | |
| Accrued Revenues at December 31, 2023 received during 2024 | (1,034,949) |
| Accrued Revenues at December 31, 2022 received during 2023 | 1,686,020 |
| Accrued Expenditures at December 31, 2023 paid during 2024 | 152,309 |
| Accrued Expenditures at December 31, 2022 paid during 2023 | (247,427) |
| 2022 Adjustment to Fair Value | (1,131,716) |
| 2023 Adjustment to Fair Value | 544,723 |
| Outstanding Encumbrances | (220,344) |
| Budget Basis | <u>\$409,938</u> |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Cash and Cash Equivalents

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

H. Investments

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

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 5, "Cash, Cash Equivalents and Investments."

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Inventory

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

J. Capital Assets and Depreciation

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

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

1. Property, Plant and Equipment - Governmental Activities

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

2. Property, Plant and Equipment – Business Type Activities

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

3. Depreciation

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

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

K. Long-Term Debt

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences

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

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

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered or to rights that vest or accumulate, and when payment of the obligation is probable and can be reasonably determined.

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

M. Net Position

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balances

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

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

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

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

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

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

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

O. Pensions/Other Postemployment Benefits (OPEB)

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Interfund Activity

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

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

Q. Estimates

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

R. Operating Revenues and Expenses

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2023.

T. Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 2 inputs are significant other observable inputs. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 2 – CHANGES IN ACCOUNTING PRINCIPLE

For 2023 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements,” and Statement No. 96, “Subscription-Based Information Technology Arrangements.”

GASB Statement No. 94 clarifies accounting and financial reporting requirements for public-private and public-public partnership arrangements and availability payment arrangements.

GASB Statement No. 96 provides guidance on accounting and financial reporting for subscription-based information technology arrangements for government end users.

The implementation of these Statements had no effect on beginning net position/fund balance.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

Fund Deficits - The fund deficits at December 31, 2023 of \$18,212 in the Police Pension Fund, \$14,168 in the Fire Pension Fund (special revenue funds) and \$2,800 in the Fire Facility Training Grant Fund (capital project fund) arise from the recognition of expenditures on the modified accrual basis of accounting which are greater than expenditures recognized on the budgetary basis and the posting of an interfund loan payable. The deficits do not exist under the cash basis of accounting. The General Fund provides transfers when cash is required, not when accruals occur.

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CITY OF NAPOLEON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 4 – FUND BALANCE CLASSIFICATION

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

| Fund Balances | General Fund | Special Assessment Bond Retirement Fund | Capital Improvement Fund | Aquatic Center Fund | Other Governmental Funds | Total Governmental Funds |
|--|--------------------|---|--------------------------------|---------------------------|--------------------------------|--------------------------------|
| Nonspendable: | | | | | | |
| Supplies Inventory | \$25,275 | \$0 | \$0 | \$0 | \$362,231 | \$387,506 |
| Unclaimed Monies | 13,845 | 0 | 0 | 0 | 0 | 13,845 |
| Total Nonspendable | 39,120 | 0 | 0 | 0 | 362,231 | 401,351 |
| Restricted: | | | | | | |
| Special Assessment Debt Service Payments | 0 | 634,495 | 0 | 0 | 0 | 634,495 |
| Oakwood/American TIF | 0 | 0 | 0 | 0 | 56,093 | 56,093 |
| Street Construction and Maintenance | 0 | 0 | 0 | 0 | 1,137,368 | 1,137,368 |
| State Highway Improvements | 0 | 0 | 0 | 0 | 108,434 | 108,434 |
| Motor Vehicle License Tax | 0 | 0 | 0 | 0 | 458,995 | 458,995 |
| Cemetery | 0 | 0 | 0 | 0 | 65,064 | 65,064 |
| Hotel/Motel | 0 | 0 | 0 | 0 | 26,883 | 26,883 |
| Fire Equipment | 0 | 0 | 0 | 0 | 523,957 | 523,957 |
| Fire Claims Loss | 0 | 0 | 0 | 0 | 20,885 | 20,885 |
| CDBG Grant | 0 | 0 | 0 | 0 | 22,181 | 22,181 |
| Indigent Drivers Alcohol Treatment | 0 | 0 | 0 | 0 | 76,218 | 76,218 |
| Law Enforcement and Education | 0 | 0 | 0 | 0 | 1,472 | 1,472 |
| Law Enforcement | 0 | 0 | 0 | 0 | 6,635 | 6,635 |
| Court Computerization | 0 | 0 | 0 | 0 | 222,754 | 222,754 |
| Mandatory Drug Fine | 0 | 0 | 0 | 0 | 21,054 | 21,054 |
| Municipal Probation Service | 0 | 0 | 0 | 0 | 186,414 | 186,414 |
| Aquatic Center | 0 | 0 | 0 | 192,469 | 0 | 192,469 |
| Aquatic Center Reserve | 0 | 0 | 0 | 0 | 101,442 | 101,442 |
| Aquatic Center Debt Reserve | 0 | 0 | 0 | 0 | 16,616 | 16,616 |
| Downtown Revitalization Grant | 0 | 0 | 0 | 0 | 18,757 | 18,757 |
| One Ohio | 0 | 0 | 0 | 0 | 7,074 | 7,074 |
| Probation Improvement | 0 | 0 | 0 | 0 | 22,781 | 22,781 |
| Court Improvement | 0 | 0 | 0 | 0 | 199,747 | 199,747 |
| Handicap Parking | 0 | 0 | 0 | 0 | 1,100 | 1,100 |
| Certified Police Training | 0 | 0 | 0 | 0 | 1,651 | 1,651 |
| Indigent Drivers Interlock/Alcohol | 0 | 0 | 0 | 0 | 82,003 | 82,003 |
| Total Restricted | 0 | 634,495 | 0 | 192,469 | 3,385,578 | 4,212,542 |
| Committed: | | | | | | |
| Special Events | 1 | 0 | 0 | 0 | 0 | 1 |
| Economic Development | 250 | 0 | 0 | 0 | 0 | 250 |
| Employee Benefits | 5,559 | 0 | 0 | 0 | 0 | 5,559 |
| EMS Transport Service | 0 | 0 | 0 | 0 | 514,708 | 514,708 |
| Recreation | 0 | 0 | 0 | 0 | 663,264 | 663,264 |
| Shelter House Facility Repair | 0 | 0 | 0 | 0 | 5,267 | 5,267 |
| Capital Improvement | 0 | 0 | 1,888,876 | 0 | 0 | 1,888,876 |
| CIP | 0 | 0 | 0 | 0 | 72,437 | 72,437 |
| Total Committed | 5,810 | 0 | 1,888,876 | 0 | 1,255,676 | 3,150,362 |
| Assigned: | | | | | | |
| Encumbrances for Purchase Orders | 220,347 | 0 | 0 | 0 | 0 | 220,347 |
| Debt Service | 0 | 0 | 0 | 0 | 11,644 | 11,644 |
| Total Assigned | 220,347 | 0 | 0 | 0 | 11,644 | 231,991 |
| Unassigned | | | | | | |
| | 3,434,440 | 0 | 0 | 0 | (35,180) | 3,399,260 |
| Total Fund Balances | \$3,699,717 | \$634,495 | \$1,888,876 | \$192,469 | \$4,979,949 | \$11,395,506 |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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

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

A. Deposits

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

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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

A. Deposits (Continued)

At year end the carrying amount of the City's deposits was \$8,801,788, including \$2,500 of cash on hand, and the bank balance was \$8,556,399. Federal depository insurance covered \$386,372 of the bank balance and \$8,170,027 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the City's name and securities held in the Ohio Pooled Collateral System.

B. Investments

The City's investments at December 31, 2023 are summarized below:

| | Fair Value | Credit Rating | Fair Value Hierarchy | Investment Maturities (in Years) | | |
|---------------------|---------------------|-------------------------------------|-------------------------|--|---------------------|---------------------|
| | | | | less than 1 | 1-3 | 3-5 |
| U.S. Treasury Notes | \$9,097,065 | AAA ¹ / Aaa ² | Level 1 | \$0 | \$3,344,140 | \$5,752,925 |
| U.S. Treasury Bonds | 637,938 | AAA ¹ / Aaa ² | Level 1 | 247,658 | 390,280 | 0 |
| Freddie MAC | 232,713 | AAA ¹ / Aaa ² | Level 2 | 0 | 232,713 | 0 |
| FFCB | 3,872,269 | AAA ¹ / Aaa ² | Level 2 | 857,810 | 670,099 | 2,344,360 |
| FHLB | 2,717,852 | AAA ¹ / Aaa ² | Level 2 | 248,905 | 655,432 | 1,813,515 |
| FNMA | 2,545,782 | AAA ¹ / Aaa ² | Level 2 | 650,849 | 1,894,933 | 0 |
| STAR Ohio | 4,558,950 | AAAm ¹ | N/A | 4,558,950 | 0 | 0 |
| Negotiable CD's | 5,416,598 | N/A | Level 1 | 1,465,579 | 3,700,504 | 250,515 |
| Total Investments | <u>\$29,079,167</u> | | | <u>\$8,029,751</u> | <u>\$10,888,101</u> | <u>\$10,161,315</u> |

¹ Standard & Poor's

² Moody's Investor Service

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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

B. Investments (Continued)

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investments in U.S. Treasury Notes, U.S. Treasury Bonds, Freddie Mac, FFCB, FHLB and FNMA in the amounts of \$9,097,065, \$637,938, \$232,713, \$3,872,269, \$2,717,852 and \$2,545,782 respectively are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty’s trust department or agent in the City’s name. The City has no investment policy dealing with custodial credit risk beyond the requirements of State statute which prohibit payment for investments prior to the delivery of the securities representing the investments to the treasurer or qualified trustee. At year end, the City’s investment in negotiable certificates of deposit of \$5,416,598 was fully insured by FDIC.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. The City has invested 31% in U.S. Treasury Notes, 2% in U.S. Treasury Bonds, 1% in Freddie Mac, 13% in FFCB, 9% in FHLB, 9% in FNMA, 16% in negotiable certificates of deposit and 19% in STAR Ohio.

NOTE 6 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2023 were levied after October 1, 2022 on assessed values as of January 1, 2022, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be reappraised every six years, and equalization adjustments are made in the third year following reappraisal. The last revaluation was completed in 2019 and the equalization adjustment was completed in 2017. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder is payable by June 20.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 6 - TAXES (Continued)

A. Property Taxes (Continued)

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

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

The full tax rate for the City's operations for the year ended December 31, 2023 was \$4.80 per \$1,000 of assessed value. The assessed value upon which the 2023 receipts were based was \$172,604,500. This amount constitutes \$171,180,580 in real property assessed value and \$1,423,920 in public utility assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .48% (4.80 mills) of assessed value.

B. Income Tax

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 7 – TAX ABATEMENT DISCLOSURES

As of December 31, 2023, the City of Napoleon provides tax incentives under a Community Reinvestment Area Program (CRA).

Real Estate Tax Abatements

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

Income Tax Abatement Programs

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

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2023.

| Tax Abatement | Total Amount of Taxes Abated (Incentives Abated For the Year 2023 In Actual Dollars) |
|--|--|
| <i>Just Busch Investments, LLC (2019 - 2029) (CRA)</i> | |
| - Gross Dollar amount of taxes abated during 2023 | \$2,756 |
| <i>Jan Mar Properties, LLC (2020 - 2030) (CRA)</i> | |
| - Gross Dollar amount of taxes abated during 2023 | 5,561 |
| <i>MSG Investments, LTD (2020 - 2030) (CRA)</i> | |
| - Gross Dollar amount of taxes abated during 2023 | 8,714 |
| Total | <u>\$17,031</u> |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 8 - RECEIVABLES

Receivables at December 31, 2023 consisted of taxes, interest, accounts receivable, special assessments and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full due to the ability to foreclose for nonpayment of taxes and the stable condition of State programs.

NOTE 9 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2023:

| | Transfers Out: | | |
|-----------------------------|--------------------|-----------------------------------|--------------------|
| | General Fund | Nonmajor Governmental Funds | Total |
| Transfers In: | | | |
| General Fund | \$0 | \$312,562 | \$312,562 |
| Capital Improvement Fund | 180,000 | 1,757,791 | 1,937,791 |
| Nonmajor Governmental Funds | 1,304,034 | 0 | 1,304,034 |
| Internal Service Fund | 25,000 | 0 | 25,000 |
| Total | <u>\$1,509,034</u> | <u>\$2,070,353</u> | <u>\$3,579,387</u> |

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Certain capital assets were misclassified in the prior period. Beginning balances have been corrected to reflect proper classification. Summary by category of changes in governmental activities capital assets at December 31, 2023:

| <i>Historical Cost:</i> | | | | |
|--|----------------------|-----------------|---------------|----------------------|
| Class | December 31, 2022 | Additions | Deletions | December 31, 2023 |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$10,055,971 | \$0 | \$0 | \$10,055,971 |
| Construction in Progress | 6,147,056 | 0 | (6,147,056) | 0 |
| Subtotal | 16,203,027 | 0 | (6,147,056) | 10,055,971 |
| <i>Capital assets being depreciated:</i> | | | | |
| Improvements | 10,104,543 | 5,214,602 | 0 | 15,319,145 |
| Buildings | 3,814,174 | 2,329,441 | 0 | 6,143,615 |
| Machinery and Equipment | 7,352,033 | 877,683 | (235,325) | 7,994,391 |
| Infrastructure | 37,825,087 | 1,094,870 | (87,729) | 38,832,228 |
| Subtotal | 59,095,837 | 9,516,596 | (323,054) | 68,289,379 |
| Total Cost | \$75,298,864 | \$9,516,596 | (\$6,470,110) | \$78,345,350 |
| <i>Accumulated Depreciation:</i> | | | | |
| Class | December 31, 2022 | Additions | Deletions | December 31, 2023 |
| Improvements | (\$2,625,041) | (\$389,356) | \$0 | (\$3,014,397) |
| Buildings | (2,853,792) | (72,319) | 0 | (2,926,111) |
| Machinery and Equipment | (4,525,824) | (347,349) | 235,325 | (4,637,848) |
| Infrastructure | (20,093,427) | (645,973) | 84,355 | (20,655,045) |
| Total Depreciation | (\$30,098,084) | (\$1,454,997) * | \$319,680 | (\$31,233,401) |
| <i>Net Value:</i> | \$45,200,780 | | | \$47,111,949 |

* Depreciation expenses were charged to governmental functions as follows:

| | |
|------------------------------------|-------------|
| Security of Persons and Property | \$169,236 |
| Public Health and Welfare Services | 8,636 |
| Leisure Time Activities | 77,713 |
| Transportation | 1,102,719 |
| General Government | 96,693 |
| Total Depreciation Expense | \$1,454,997 |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 10 - CAPITAL ASSETS (continued)

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets at December 31, 2023:

Historical Cost:

| Class | December 31, 2022 | Additions | Deletions | December 31, 2023 |
|--|----------------------|-------------|---------------|----------------------|
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$245,525 | \$0 | \$0 | \$245,525 |
| Construction in Progress | 12,483,368 | 0 | (2,798,481) | 9,684,887 |
| Subtotal | 12,728,893 | 0 | (2,798,481) | 9,930,412 |
| <i>Capital assets being depreciated:</i> | | | | |
| Buildings | 26,644,240 | 0 | 0 | 26,644,240 |
| Improvements | 48,647,432 | 8,739,301 | 0 | 57,386,733 |
| Machinery and Equipment | 7,725,967 | 1,255,037 | (227,578) | 8,753,426 |
| Subtotal | 83,017,639 | 9,994,338 | (227,578) | 92,784,399 |
| Total Cost | \$95,746,532 | \$9,994,338 | (\$3,026,059) | \$102,714,811 |

Accumulated Depreciation:

| Class | December 31, 2022 | Additions | Deletions | December 31, 2023 |
|-------------------------|----------------------|---------------|-----------|----------------------|
| Buildings | (\$9,315,331) | (\$1,008,337) | \$0 | (\$10,323,668) |
| Improvements | (21,719,160) | (951,684) | 0 | (22,670,844) |
| Machinery and Equipment | (4,752,168) | (805,360) | 227,578 | (5,329,950) |
| Total Depreciation | (\$35,786,659) | (\$2,765,381) | \$227,578 | (\$38,324,462) |
| <i>Net Value:</i> | \$59,959,873 | | | \$64,390,349 |

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS 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. Effective January 1, 2022, the Combined Plan is no longer available for member selection. 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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a benefit recipient has received benefits for 12 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 3.00% 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 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member’s FAS for the first 30 years of service.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS’s Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit. For additional information, see the Plan Statement in the OPERS Annual Comprehensive Financial Report.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

| | State and Local |
|--|--------------------|
| 2023 Statutory Maximum Contribution Rates | |
| Employer | 14.0 % |
| Employee | 10.0 % |
| 2023 Actual Contribution Rates | |
| Employer: | |
| Pension | 14.0 % |
| Post-employment Health Care Benefits | 0.0 |
| Total Employer | <u>14.0 %</u> |
| Employee | <u>10.0 %</u> |

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$757,163 for 2023.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

Members who retired prior to July 24, 1986 or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

| | <u>Police</u> | <u>Firefighters</u> |
|--|----------------|---------------------|
| 2023 Statutory Maximum Contribution Rates | | |
| Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 |
| 2023 Actual Contribution Rates | | |
| Employer: | | |
| Pension | 19.00 % | 23.50 % |
| Post-employment Health Care Benefits | 0.50 | 0.50 |
| Total Employer | <u>19.50 %</u> | <u>24.00 %</u> |
| Employee | 12.25 % | 12.25 % |

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$439,150 for 2023.

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

The net pension liability for OPERS was measured as of December 31, 2022, 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, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. 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>OP&F</u> | <u>Total</u> |
|--|--------------------|--------------------|--------------|
| Proportionate Share of the Net Pension Liability | \$9,331,110 | \$6,199,087 | \$15,530,197 |
| Proportion of the Net Pension Liability-2023 | 0.031588% | 0.065260% | |
| Proportion of the Net Pension Liability-2022 | 0.033075% | 0.066760% | |
| Percentage Change | <u>(0.001487%)</u> | <u>(0.001500%)</u> | |
| Pension Expense | \$1,195,571 | \$784,939 | \$1,980,510 |

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--|--------------------|--------------------|--------------------|
| Deferred Outflows of Resources | | | |
| Net difference between projected and actual earnings on pension plan investments | \$2,659,657 | \$902,511 | \$3,562,168 |
| Changes in assumptions | 98,577 | 559,135 | 657,712 |
| Differences between expected and actual experience | 309,940 | 92,987 | 402,927 |
| Change in proportionate share | 0 | 121,219 | 121,219 |
| City contributions subsequent to the measurement date | <u>757,163</u> | <u>439,150</u> | <u>1,196,313</u> |
| Total Deferred Outflows of Resources | <u>\$3,825,337</u> | <u>\$2,115,002</u> | <u>\$5,940,339</u> |
| Deferred Inflows of Resources | | | |
| Changes in assumptions | \$0 | \$120,881 | \$120,881 |
| Differences between expected and actual experience | 0 | 141,232 | 141,232 |
| Change in proportionate share | <u>183,446</u> | <u>100,475</u> | <u>283,921</u> |
| Total Deferred Inflows of Resources | <u>\$183,446</u> | <u>\$362,588</u> | <u>\$546,034</u> |

\$1,196,313 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--------------------------|--------------------|--------------------|--------------------|
| Year Ending December 31: | | | |
| 2024 | \$225,040 | \$155,083 | \$380,123 |
| 2025 | 573,927 | 333,015 | 906,942 |
| 2026 | 782,866 | 351,694 | 1,134,560 |
| 2027 | 1,302,895 | 500,881 | 1,803,776 |
| 2028 | <u>0</u> | <u>(27,409)</u> | <u>(27,409)</u> |
| Total | <u>\$2,884,728</u> | <u>\$1,313,264</u> | <u>\$4,197,992</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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The total pension liability in the December 31, 2022 and December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | December 31, 2022 |
|--|--|
| Wage Inflation | 2.75 percent |
| Future Salary Increases, including inflation | 2.75 to 10.75 percent including wage inflation |
| COLA or Ad Hoc COLA (Pre 1/7/13 retirees) | 3 percent simple |
| COLA or Ad Hoc COLA (Post 1/7/13 retirees) | 3 percent simple through 2023. 2.05 percent simple, thereafter |
| Investment Rate of Return | 6.9 percent |
| Actuarial Cost Method | Individual Entry Age |
| | December 31, 2021 |
| Wage Inflation | 2.75 percent |
| Future Salary Increases, including inflation | 2.75 to 10.75 percent including wage inflation |
| COLA or Ad Hoc COLA (Pre 1/7/13 retirees) | 3 percent simple |
| COLA or Ad Hoc COLA (Post 1/7/13 retirees) | 3 percent simple through 2022. 2.05 percent simple, thereafter |
| Investment Rate of Return | 6.9 percent |
| Actuarial Cost Method | Individual Entry Age |

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real estate 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. Best estimates of geometric rates of return were provided by the Board's investment consultant.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|----------------------|---|
| Fixed Income | 22.00 % | 2.62 % |
| Domestic Equities | 22.00 | 4.60 |
| Real Estate | 13.00 | 3.27 |
| Private Equity | 15.00 | 7.53 |
| International Equities | 21.00 | 5.51 |
| Risk Parity | 2.00 | 4.37 |
| Other Investments | 5.00 | 3.27 |
| Total | 100.00 % | |

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent. The discount rate for the prior year was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

| | 1% Decrease (5.90%) | Current Discount Rate (6.90%) | 1% Increase (7.90%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$13,977,690 | \$9,331,110 | \$5,465,988 |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2022 is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2022, compared with January 1, 2021, are presented below.

| | <u>January 1, 2022</u> | <u>January 1, 2021</u> |
|----------------------------|---|---|
| Valuation Date | January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022 | January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021 |
| Actuarial Cost Method | Entry Age Normal | Entry Age Normal |
| Investment Rate of Return | 7.5 percent | 7.5 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent | 3.75 percent to 10.5 percent |
| Payroll Growth | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 |
| Cost of Living Adjustments | 2.2 percent simple | 2.2 percent simple |

For the January 1, 2022 valuation, mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2022 are summarized below:

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|---------------------------------|-------------------|--|
| Cash and Cash Equivalents | 0.00 % | 0.00 % |
| Domestic Equity | 18.60 | 4.80 |
| Non-US Equity | 12.40 | 5.50 |
| Private Markets | 10.00 | 7.90 |
| Core Fixed Income * | 25.00 | 2.50 |
| High Yield Fixed Income | 7.00 | 4.40 |
| Private Credit | 5.00 | 5.90 |
| U.S. Inflation Linked Bonds* | 15.00 | 2.00 |
| Midstream Energy Infrastructure | 5.00 | 5.90 |
| Real Assets | 8.00 | 5.90 |
| Gold | 5.00 | 3.60 |
| Private Real Estate | 12.00 | 5.30 |
| Commodities | 2.00 | 3.60 |
| Total | 125.00 % | |

* levered 2.5x

Note: Assumptions are geometric

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 their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2022, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2021 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$8,177,791 | \$6,199,087 | \$4,554,189 |

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment 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 pension and the combined 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.

Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 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 determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2023. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2023 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2023.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75. OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2023, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$10,583 for 2023.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--|-------------------|-------------------|--------------|
| Proportionate Share of the Net OPEB Liability | \$202,054 | \$464,633 | \$666,687 |
| Proportion of the Net OPEB Liability (Asset) -2023 | 0.032045% | 0.065260% | |
| Proportion of the Net OPEB Liability (Asset) -2022 | <u>0.033099%</u> | <u>0.066760%</u> | |
| Percentage Change | <u>(0.00105%)</u> | <u>(0.00150%)</u> | |
| OPEB Expense | (\$363,263) | \$30,057 | (\$333,206) |

CITY OF NAPOLEON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--|------------------|------------------|------------------|
| Deferred Outflows of Resources | | | |
| Net difference between projected and actual earnings on pension plan investments | \$401,281 | \$39,851 | \$441,132 |
| Changes in assumptions | 197,346 | 231,549 | 428,895 |
| Differences between expected and actual experience | 0 | 27,726 | 27,726 |
| Change in proportionate share | 0 | 24,565 | 24,565 |
| City contributions subsequent to the measurement date | 0 | 10,583 | 10,583 |
| Total Deferred Outflows of Resources | <u>\$598,627</u> | <u>\$334,274</u> | <u>\$932,901</u> |
| Deferred Inflows of Resources | | | |
| Changes in assumptions | \$16,238 | \$380,027 | \$396,265 |
| Differences between expected and actual experience | 50,399 | 91,621 | 142,020 |
| Change in proportionate share | 0 | 46,025 | 46,025 |
| Total Deferred Inflows of Resources | <u>\$66,637</u> | <u>\$517,673</u> | <u>\$584,310</u> |

\$10,583 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending December 31: | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--------------------------|------------------|--------------------|------------------|
| 2024 | \$66,258 | (\$15,217) | \$51,041 |
| 2025 | 146,750 | (12,891) | 133,859 |
| 2026 | 125,132 | (20,383) | 104,749 |
| 2027 | 193,850 | (10,214) | 183,636 |
| 2028 | 0 | (38,593) | (38,593) |
| 2029 | 0 | (44,548) | (44,548) |
| 2030 | 0 | (50,133) | (50,133) |
| 2031 | 0 | (2,003) | (2,003) |
| Total | <u>\$531,990</u> | <u>(\$193,982)</u> | <u>\$338,008</u> |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

| | |
|--|--|
| Wage Inflation | 2.75 percent |
| Projected Salary Increases, including inflation | 2.75 to 10.75 percent including wage inflation |
| Single Discount Rate: | |
| Current measurement date | 5.22 percent |
| Prior measurement date | 6.00 percent |
| Investment Rate of Return: | |
| Current measurement date | 6.00 percent |
| Prior measurement date | 6.00 percent |
| Municipal Bond Rate: | |
| Current measurement date | 4.05 percent |
| Prior measurement date | 1.84 percent |
| Health Care Cost Trend Rate: | |
| Current measurement date | 5.5 percent initial, 3.5 percent ultimate in 2036 |
| Prior measurement date | 5.5 percent initial, 3.5 percent ultimate in 2034 |
| Actuarial Cost Method | Individual Entry Age Normal |

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6 percent for 2022.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------------|-------------------|--|
| Fixed Income | 34.00 % | 2.56 % |
| Domestic Equities | 26.00 | 4.60 |
| Real Estate Investment Trust | 7.00 | 4.70 |
| International Equities | 25.00 | 5.51 |
| Risk Parity | 2.00 | 4.37 |
| Other investments | 6.00 | 1.84 |
| Total | 100.00 % | |

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022. A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index").

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the City’s proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.22 percent, as well as what the City’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

| | 1% Decrease (4.22%) | Current Discount Rate (5.22%) | 1% Increase (6.22%) |
|---|------------------------|-------------------------------------|------------------------|
| City’s proportionate share of the net OPEB liability (asset) | \$687,686 | \$202,054 | (\$198,679) |

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates and the expected net OPEB liability (asset) if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

| | 1% Decrease | Current Health Care Cost Trend Rate Assumption | 1% Increase |
|---|-------------|--|-------------|
| City’s proportionate share of the net OPEB liability (asset) | \$189,386 | \$202,054 | \$216,304 |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

| | | |
|----------------------------|---|---|
| Valuation Date | January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022 | January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021 |
| Actuarial Cost Method | Entry Age Normal | Entry Age Normal |
| Investment Rate of Return | 7.5 percent | 7.5 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent | 3.75 percent to 10.5 percent |
| Payroll Growth | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent |
| Single discount rate | 4.27 percent | 2.84 percent |
| Cost of Living Adjustments | 2.2 percent simple | 2.2 percent simple |

For the January 1, 2022 valuation, mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

For the January 1, 2022 valuation, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2022 are summarized below:

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|---------------------------------|----------------------|---|
| Cash and Cash Equivalents | 0.00 % | 0.00 % |
| Domestic Equity | 18.60 | 4.80 |
| Non-US Equity | 12.40 | 5.50 |
| Private Markets | 10.00 | 7.90 |
| Core Fixed Income * | 25.00 | 2.50 |
| High Yield Fixed Income | 7.00 | 4.40 |
| Private Credit | 5.00 | 5.90 |
| U.S. Inflation Linked Bonds* | 15.00 | 2.00 |
| Midstream Energy Infrastructure | 5.00 | 5.90 |
| Real Assets | 8.00 | 5.90 |
| Gold | 5.00 | 3.60 |
| Private Real Estate | 12.00 | 5.30 |
| Commodities | 2.00 | 3.60 |
| Total | 125.00 % | |

* levered 2.5x

Note: Assumptions are geometric

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

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

Discount Rate For 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.50 percent for 2022, and 7.50 percent for 2021. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.65 percent at December 31, 2022 and 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.50 percent, which resulted in a blended discount rate of 4.27 percent for 2022 and 2.84 percent for 2021. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2035. The long-term expected rate of return on health care investments was applied to projected costs through 2035, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

| | 1% Decrease (3.27%) | Current Discount Rate (4.27%) | 1% Increase (5.27%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB liability | \$572,153 | \$464,633 | \$373,860 |

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 13 – COMPENSATED ABSENCES

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

At December 31, 2023, the City's accumulated, unpaid compensated absences amounted to \$1,177,900, of which \$721,500 is recorded as a liability of the Governmental Activities and \$494,394 is recorded as a liability of the Business-Type Activities.

CITY OF NAPOLEON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 14 - LONG-TERM DEBT

Long-term debt of the City at December 31, 2023 was as follows:

| Date Purchased | Interest Rate | Description | Maturity Date | Balance December 31, 2022 | Additions | (Reductions) | Balance December 31, 2023 | Amount Due Within One Year |
|---|---------------|--|---------------|---------------------------|-------------|---------------|---------------------------|----------------------------|
| Business-Type Activities: | | | | | | | | |
| Revenue Bonds: | | | | | | | | |
| 2020 | 2.00% | Water - Water System Improvement (Refunding 2004 - 2010) Premium | 2040 | \$1,960,000 | \$0 | (\$300,000) | \$1,660,000 | \$310,000 |
| | | | | 76,900 | 0 | (4,272) | 72,628 | 0 |
| 2021 | 3.00% | Water Improvement Bonds Premium | 2040 | 2,155,000 | 0 | (105,000) | 2,050,000 | 105,000 |
| | | | | 50,173 | 0 | (2,787) | 47,386 | 0 |
| 2021 | 5.00% | Sewer - Sewer System Improvement (Refunding 2010 - 2012) Premium | 2041 | 3,730,000 | 0 | (175,000) | 3,555,000 | 185,000 |
| | | | | 120,929 | 0 | (6,045) | 114,884 | 0 |
| Total Revenue Bonds | | | | 8,093,002 | 0 | (593,104) | 7,499,898 | 600,000 |
| Ohio Sewer and Water Rotary Commission Deferred Loans: | | | | | | | | |
| 1998 | | OSWRC - Palmer Ditch Project | | 48,060 | 0 | 0 | 48,060 | 0 |
| 2005 | | OSWRC - North Pointe Water and Sewer Project | | 198,439 | 0 | (15,610) | 182,829 | 0 |
| Total OSWRC Loans | | | | 246,499 | 0 | (15,610) | 230,889 | 0 |
| Ohio Public Works Commission Loan (OPWC): | | | | | | | | |
| 2008 | | Woodlawn Avenue Improvements | 2029 | 150,000 | 0 | (25,000) | 125,000 | 25,000 |
| Ohio Water Development Authority Loans (OWDA): | | | | | | | | |
| 2005 | 4.490% | OWDA - Water - NP Waterline Improvements | 2025 | 53,484 | 0 | (20,684) | 32,800 | 21,624 |
| 2005 | 4.490% | OWDA - Sewer - E. Maumee Sewer Tap | 2025 | 75,285 | 0 | (29,115) | 46,170 | 30,437 |
| 2005 | 4.490% | OWDA - Sewer - NP Sewerline Improvements | 2025 | 177,395 | 0 | (68,604) | 108,791 | 71,719 |
| 2019 | 1.000% | OWDA - Sewer - Williams Pump Station Improvements | 2040 | 1,232,450 | 0 | (57,095) | 1,175,355 | 65,860 |
| 2020 | 0.000% | OWDA - Sewer - WWTP Improvements Phase I | 2026 | 8,377,188 | 3,502,337 | 0 | 11,879,525 | 0 |
| 2022 | 0.000% | OWDA - Sewer - VanHuyning Pumping Station Replacement | 2025 | 1,436,558 | 1,620,876 | 0 | 3,057,434 | 0 |
| Total Ohio Water Development Authority Loans | | | | 11,352,360 | 5,123,213 | (175,498) | 16,300,075 | 189,640 |
| Water Pollution Control Loan Fund Loans (WPCLF): | | | | | | | | |
| 2008 | | EQ Basin Storm Water Retention | 2030 | 3,242,048 | 0 | (391,250) | 2,850,798 | 399,133 |
| WSRLA Loan: | | | | | | | | |
| 2017 | 0.000% | Water Plant Reconstruction | 2048 | 14,371,605 | 172,998 | (384,503) | 14,160,100 | 0 |
| Compensated Absences | | | | 456,009 | 494,394 | (456,009) | 494,394 | 221,154 |
| Net Pension Liability | | | | 1,367,957 | 2,946,498 | 0 | 4,314,455 | 0 |
| Net OPEB Liability | | | | 0 | 93,429 | 0 | 93,429 | 0 |
| Total Business-Type Long-Term Debt | | | | \$39,279,480 | \$8,830,532 | (\$2,040,974) | \$46,069,038 | \$1,434,927 |

CITY OF NAPOLEON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 14 - LONG-TERM DEBT (Continued)

| Date Purchased | Interest Rate | Description | Maturity Date | Balance December 31, 2022 | Additions | (Reductions) | Balance December 31, 2023 | Amount Due Within One Year |
|---------------------------|---------------|--|---------------|---------------------------|-------------|---------------|---------------------------|----------------------------|
| Governmental Activities: | | | | | | | | |
| General Obligation Bonds: | | | | | | | | |
| 2005 | 3.00% - 5.00% | Northcrest Drive | 2025 | \$80,000 | \$0 | (\$25,000) | \$55,000 | \$25,000 |
| 2005 | 3.00% - 5.00% | SR 424 Resurfacing | 2025 | 60,000 | 0 | (20,000) | 40,000 | 20,000 |
| 2010 | 4.50% | Courthouse Renovations | 2025 | 185,000 | 0 | (60,000) | 125,000 | 60,000 |
| 2021 | 3.00% | Municipal Pool Premium | 2040 | 3,690,000 | 0 | (175,000) | 3,515,000 | 180,000 |
| | | | | 85,701 | 0 | (4,761) | 80,940 | 0 |
| | | Total General Obligation Bonds | | 4,100,701 | 0 | (284,761) | 3,815,940 | 285,000 |
| | | Compensated Absences | | 721,891 | 721,500 | (721,891) | 721,500 | 385,931 |
| | | Net Pension Liability | | 5,680,487 | 5,535,255 | 0 | 11,215,742 | 0 |
| | | Net OPEB Liability | | 731,747 | 0 | (158,489) | 573,258 | 0 |
| | | Total Governmental Activities Long-Term Debt | | \$11,234,826 | \$6,256,755 | (\$1,165,141) | \$16,326,440 | \$670,931 |

The fund balance of \$634,495 in the Special Assessment Bond Retirement Fund at December 31, 2023 is restricted for the retirement of outstanding special assessment debt. The Sewer Fund will be collecting special assessments to retire the enterprise funds' special assessment debt.

Water Pollution Control Loan Fund Loans - During 2008, the City entered into two loan agreements with the Water Pollution Control Loan Fund (WPCLF). These loans were related to sewer and storm water improvements. The loan balance decreased by \$391,250 during 2023 to a year-end balance of \$2,850,798.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 14 - LONG-TERM DEBT (Continued)

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

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

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

| <u>Year</u> | <u>Principal Amount to be Redeemed</u> |
|-------------|--|
| 2024 | 45,000 |
| 2025 | 50,000 |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 14 - LONG-TERM DEBT (Continued)

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

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

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

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 14 - LONG-TERM DEBT (Continued)

A. Future Long-Term Financing Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2023 follows:

| Years | General Obligation Bonds | | Mortgage Revenue Bonds | | OWDA Loans | | OPWC Loans | | WPCLF Loans | |
|-----------|-----------------------------|------------------|---------------------------|------------------|--------------------|------------------|------------------|------------|--------------------|-----------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2024 | \$285,000 | \$60,734 | \$600,000 | \$114,229 | \$189,640 | \$17,876 | \$25,000 | \$0 | \$399,133 | \$23,561 |
| 2025 | 305,000 | 47,790 | 530,000 | 94,577 | 130,501 | 12,208 | 25,000 | 0 | 403,135 | 19,559 |
| 2026 | 195,000 | 36,990 | 550,000 | 77,329 | 67,187 | 10,262 | 25,000 | 0 | 407,176 | 15,518 |
| 2027 | 195,000 | 35,040 | 550,000 | 71,829 | 67,861 | 9,589 | 25,000 | 0 | 411,258 | 11,436 |
| 2028 | 200,000 | 33,090 | 555,000 | 66,329 | 68,541 | 8,909 | 25,000 | 0 | 415,380 | 7,314 |
| 2029-2033 | 1,020,000 | 135,300 | 1,775,000 | 268,328 | 353,153 | 34,095 | 0 | 0 | 814,716 | 6,298 |
| 2034-2038 | 1,080,000 | 78,385 | 1,850,000 | 158,892 | 371,212 | 16,037 | 0 | 0 | 0 | 0 |
| 2039-2042 | 455,000 | 10,505 | 855,000 | 25,822 | 115,021 | 1,152 | 0 | 0 | 0 | 0 |
| Totals | <u>\$3,735,000</u> | <u>\$437,834</u> | <u>\$7,265,000</u> | <u>\$877,335</u> | <u>\$1,363,116</u> | <u>\$110,128</u> | <u>\$125,000</u> | <u>\$0</u> | <u>\$2,850,798</u> | <u>\$83,686</u> |

OWDA loan numbers 9341 and 9720 payable in the amounts of \$11,879,525 and \$3,057,434 respectively, are not included in the above maturity tables. The construction has started, but we do not have final amortization schedules from OWDA.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 15 - RISK MANAGEMENT

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

A. PEP Property and Casualty Pool

The PEP Property and Casualty Pool provides boiler and machinery, automobile liability, automobile physical damage, general liability, crime and property, and public officials insurance coverage up to specifics limits. There are currently 608 members in the PEP Pool. Member contributions are calculated annually to produce a sufficient sum of money within the pool to fund administrative expenses and to create reserves for claims. During 2022, the City paid \$249,012 for property and casualty coverage from 12/01/22 – 11/30/2023 and during 2023, paid \$279,356 for property and casualty coverage from 12/01/23 – 11/30/2024.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2023, PEP retained \$350,000 casualty claims and \$100,000 for property claims.

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

Financial Position

PEP’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2022 and 2021 (the latest information available):

| | <u>2022</u> | <u>2021</u> |
|-----------------------------|---------------------|---------------------|
| Assets | \$ 61,537,313 | \$ 59,340,305 |
| Liabilities | <u>(18,643,081)</u> | <u>(17,071,953)</u> |
| Net Position – Unrestricted | \$ 42,894,232 | \$ 42,268,352 |

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 15 - RISK MANAGEMENT (Continued)

A. PEP Property and Casualty Pool (Continued)

| | <u>2022</u> | <u>2021</u> |
|--|----------------|----------------|
| Number of Members | 608 | 589 |
| Unpaid Claims to be Billed in the Future | \$14.3 million | \$13.9 million |

The Pool's membership increased from 589 members in 2021 to 608 members in 2022.

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 15 - RISK MANAGEMENT (Continued)

B. BORMA Health Benefits Pool

The BORMA Health Benefits Pool is for employee benefits and includes Life Insurance, Accidental Death and Dismemberment Insurance, Health Insurance and Prescription Drug Insurance. Each pool member has its own respective plan and coverage it has elected to provide for its employees. Premiums paid into the pool by each member are based on the level of coverage within each respective plan. In 2022, the pool included the following Ohio Cities and Villages as members: Archbold, Bowling Green, Bucyrus, Carey, Defiance, Fayette, Fremont, Hunting Valley, Hicksville, Napoleon, Oberlin, Oregon and Sandusky County Health Department. Member contributions are calculated annually to produce a sufficient sum of money within the pool to fund administrative expenses and to create reserves for claims. As of December 31, 2022, the pool had total reported assets of \$10,301,086. Each pool member provides to its own employees all-available options listed in its own developed plan as covered by the pool.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 15 - RISK MANAGEMENT (Continued)

B. BORMA Health Benefits Pool (Continued)

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

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

C. ORWA Workers Compensation Pool and Unemployment Benefits

The City participates in the State of Ohio's Bureau of Workers Compensation Group Rating Program as a member of the ORWA Workers Compensation Group Rated Pool. The ORWA pool is one of many organized group rated pools, authorized by the State of Ohio, providing lowered Workers Compensation Insurance Premiums to groups of like entities. Benefits received by injured workers are established and controlled by the State of Ohio Bureau of Workers Compensation. The City pays the State Workers Compensation a premium based upon a rate per \$100 of payroll paid in the prior year, plus administrative costs. The annual rate is a computed factor (%) using the past five (5) years of loss history for both the City and the other members of the group in the ORWA pool. During 2023, the City paid \$99,987 for Workers Compensation premiums. It should be noted that premiums are based on the prior fiscal year's (2015) gross payroll. Starting in 2017, Workers' Compensation changed from a perspective billing to a prospective billing basis. Premium payment is trued up in the next fiscal year.

D. State Unemployment Benefits

The City pays Unemployment Benefits Claims as they occur directly to the Ohio Department of Job and Family Services of the State of Ohio. Political Subdivisions in Ohio are not required to pay the unemployment tax. During 2023, the City paid \$153 to the Ohio Department of Job and Family Services for unemployment benefit claims.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 16 - JOINT VENTURES

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

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

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

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP, which acts as the joint venture's agent. During 2001, AMP issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. On January 3, 2011, AMP redeemed all of the \$31,110,000 OMEGA JV2 Project Distributive Generation Bonds then outstanding by borrowing on AMP's revolving credit facility. As such, the remaining outstanding bond principal of the OMEGA JV2 indebtedness was reduced to zero, with the remaining principal balance now residing on the AMP credit facility. The City's net investment and its share of operating results of OMEGA JV2 are reported in the City's electric fund (an enterprise fund). The City's net investment in OMEGA JV2 was (\$3,940) at December 31, 2023. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

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CITY OF NAPOLEON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 16 - JOINT VENTURES (Continued)

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

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2023 are:

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 16 - JOINT VENTURES (Continued)

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

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

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

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

Pursuant to the Agreement, each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net position will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2023 Napoleon has met their debt coverage obligation.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 16 - JOINT VENTURES (Continued)

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

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

The City's net investment and its share of operating results of OMEGA JV5 are reported in the City's electric fund (an enterprise fund). The City's net investment to date in OMEGA JV5 was \$219,610 at December 31, 2023. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 16 - JOINT VENTURES (Continued)

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

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

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

The City's net investment and its share of operating results of OMEGA JV6 are reported in the City's electric fund (an enterprise fund). The City's net investment to date in OMEGA JV6 was \$73,447 at December 31, 2023. Complete financial statements for OMEGA JV6 may be obtained from AMP or from the State Auditor's website at www.auditor.state.oh.us.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 16 - JOINT VENTURES (Continued)

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

The ten participating subdivisions and their respective ownership shares at December 31, 2023 are:

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 16 - JOINT VENTURES (Continued)

D. Prairie State Energy Campus (68 Members)

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

From July 2008 through September 2010, AMP issued five series of Prairie State Energy Campus Revenue Bonds (collectively, the “*Initial Prairie State Bonds*”) to finance PSEC project costs and PSEC related expenses. The Initial Prairie State Bonds consist of tax-exempt, taxable and tax advantaged Build America Bonds issued in the original aggregate principal amount of \$1,696,800,000. On January 14, 2015 and November 30, 2017, AMP issued bonds to refund all of the callable tax-exempt Initial Prairie State Bonds issued in 2008 and 2009. As of December 31, 2023, AMP had \$1,413,165,000 aggregate principal amount of Prairie State Bonds outstanding.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 16 - JOINT VENTURES (Continued)

E. AMP Fremont Energy Center (AFEC)

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

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

To provide permanent financing for the 90.69% Interest, in 2012, AMP issued, in two series \$546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the “AFEC Bonds”), consisting of taxable and tax-exempt obligations. The AFEC Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under the AFEC Power Sales Contract. On December 20, 2017, AMP issued bonds to refund all of the callable tax-exempt AFEC Bonds issued in 2012. As of December 31, 2023, \$405,280,000 aggregate principal amount of AFEC Bonds was outstanding.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 16 - JOINT VENTURES (Continued)

F. Combined Hydroelectric Projects (79 Members)

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

To provide financing for, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the “*Combined Hydroelectric Bonds*”), in an original aggregate principal amount of \$2,354,485,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of December 31, 2023, \$2,119,182,647 aggregate principal amount of the Combined Hydroelectric Bonds and approximately \$23.1 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Combined Hydroelectric Bonds.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 16 - JOINT VENTURES (Continued)

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

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

In order to finance the construction of the Meldahl Project and related costs, AMP issued seven series of its Meldahl Hydroelectric Project Revenue Bonds (“*Meldahl Bonds*”) in an original aggregate principal amount of \$820,185,000 consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Meldahl Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 48 of its Members. As of December 31, 2023, \$655,050,000 aggregate principal amount of the Meldahl Bonds and approximately \$2.3 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Meldahl Bonds.

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

H. Napoleon Solar (3 Members)

AMP owns the Napoleon Solar Project, a 3.54 MW solar installation, located in Napoleon, Ohio. The Napoleon Solar Project entered commercial operation in August 2012. The output of the Napoleon Solar Project is sold pursuant to the terms of a take-or-pay power sales contract with three of AMP’s Members. The cost of the Napoleon Solar Project was financed with the proceeds of a draw on the Line of Credit. As of December 31, 2023, \$3,642,991 on AMP’s Line of Credit was allocable to the financing or refinancing of costs related to the Napoleon Solar Project.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 16 - JOINT VENTURES (Continued)

I. Greenup Hydroelectric Project (47 Members)

In connection with the development of the Meldahl Project, Hamilton agreed to sell and AMP agreed to purchase a 48.6% undivided ownership interest (the “AMP Interest”) in the Greenup Hydroelectric Facility. On May 11, 2016, AMP issued \$125,630,000 aggregate principal amount of its Greenup Hydroelectric Project Revenue Bonds, Series 2016A (the “Greenup Bonds”) and, with a portion of the proceeds thereof, acquired the AMP Interest. The Greenup Bonds are secured by a separate power sales contract that has been executed by the same Members (with the exception of Hamilton, which retained title to a 51.4% ownership interest in the Greenup Hydroelectric Facility) that executed the Meldahl Power Sales Contract. As of December 31, 2023, \$120,600,000 aggregate principal amount of the Greenup Bonds was outstanding and approximately \$0.55 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit were outstanding under the indenture securing the Greenup Bonds.

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

J. Community Improvement Corporation (CIC)

The City, along with Henry County is a participant in the joint venture to operate the Community Improvement Corporation (CIC). The corporation's duties are to advance, encourage and promote the industrial, economic, commercial and civic development of the City of Napoleon and Henry County. The CIC is governed by a Board of 10 Trustees. Five of these trustees are residents of the City of Napoleon and the remaining five are residents of Henry County. The City's degree of control over the Board is limited to its representation on the Board. The City has no equity interest in the CIC. The City paid \$45,000 to the CIC during 2023. Financial information can be obtained from the CIC, 104 East Washington Street, Napoleon, Ohio 43545.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 17 - CONTINGENCIES

A. American Municipal Power Generating Station Project (AMPGS)

The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's share was 12,000 kilowatts of a total 771,281 kilowatts, giving the City a 1.56 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed *impaired* and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City's estimated share at March 31, 2014 of the impaired costs is \$2,078,311. The City received a credit of \$714,622 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$542,698 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$820,991. Because payment is now probable and reasonably estimable, the City is reporting a payable to AMP in its business-type activities and in its electric enterprise fund for these impaired costs. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's liability. These amounts will be recorded as they become estimable.

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

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

B. Litigation

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 17 - CONTINGENCIES (Continued)

C. Asset Retirement Obligations

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

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

NOTE 18 – SIGNIFICANT COMMITMENTS

There were significant encumbrances outstanding at year-end in the Capital Improvement Fund (capital projects fund) in the amount of \$421,102. This amount is reported as part of the committed fund balance.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NAPOLEON, OHIO

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

Ohio Public Employees Retirement System

| Year | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|
| City's proportion of the net pension liability | 0.036165% | 0.036165% | 0.035699% | 0.034863% |
| City's proportionate share of the net pension liability | \$4,263,382 | \$4,361,903 | \$6,183,555 | \$7,916,741 |
| City's covered payroll | \$3,460,008 | \$4,450,275 | \$4,795,008 | \$4,506,742 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 123.22% | 98.01% | 128.96% | 175.66% |
| Plan fiduciary net position as a percentage of the total pension liability | 86.36% | 86.45% | 81.08% | 77.25% |

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

Ohio Police and Fire Pension Fund

| Year | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|
| City's proportion of the net pension liability | 0.0728821% | 0.0728821% | 0.070684% | 0.064993% |
| City's proportionate share of the net pension liability | \$3,549,587 | \$3,775,597 | \$4,547,148 | \$4,116,571 |
| City's covered payroll | \$1,190,129 | \$1,497,328 | \$1,509,393 | \$1,468,432 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 298.25% | 252.16% | 301.26% | 280.34% |
| Plan fiduciary net position as a percentage of the total pension liability | 73.00% | 72.20% | 66.77% | 68.36% |

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

Notes: The City implemented GASB Statement 68 in 2015.

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

See accompanying notes to required supplementary information

CITY OF NAPOLEON, OHIO

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 0.036763% | 0.034758% | 0.033839% | 0.033820% | 0.033075% | 0.031588% |
| \$5,767,324 | \$9,519,511 | \$6,688,505 | \$5,008,003 | \$2,877,659 | \$9,331,110 |
| \$4,748,600 | \$4,694,650 | \$4,761,086 | \$4,769,814 | \$4,805,586 | \$4,989,057 |
| 121.45% | 202.77% | 140.48% | 104.99% | 59.88% | 187.03% |
| 84.66% | 74.70% | 82.17% | 86.88% | 92.62% | 75.74% |

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 0.066267% | 0.064170% | 0.063651% | 0.065738% | 0.066760% | 0.065260% |
| \$4,067,121 | \$5,237,967 | \$4,287,876 | \$4,481,424 | \$4,170,785 | \$6,199,087 |
| \$1,524,027 | \$1,527,850 | \$1,629,373 | \$1,379,061 | \$1,690,300 | \$1,762,014 |
| 266.87% | 342.83% | 263.16% | 324.96% | 246.75% | 351.82% |
| 70.91% | 63.07% | 69.89% | 70.65% | 75.03% | 62.90% |

CITY OF NAPOLEON, OHIO

***Schedule of City Pension Contributions
Last Ten Years***

Ohio Public Employees Retirement System

| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|
| Contractually required contribution | \$534,033 | \$575,401 | \$540,809 | \$631,563 |
| Contributions in relation to the contractually required contribution | 534,033 | 575,401 | 540,809 | 631,563 |
| Contribution deficiency (excess) | \$0 | \$0 | \$0 | \$0 |
| City's covered payroll | \$4,450,275 | \$4,795,008 | \$4,506,742 | \$4,748,600 |
| Contributions as a percentage of covered payroll | 12.00% | 12.00% | 12.00% | 13.00% |

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

Ohio Police and Fire Pension Fund

| Year | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|
| Contractually required contribution | \$304,856 | \$303,237 | \$295,008 | \$306,177 |
| Contributions in relation to the contractually required contribution | 304,856 | 303,237 | 295,008 | 306,177 |
| Contribution deficiency (excess) | \$0 | \$0 | \$0 | \$0 |
| City's covered payroll | \$1,497,328 | \$1,509,393 | \$1,468,432 | \$1,524,027 |
| Contributions as a percentage of covered payroll | 20.36% | 20.09% | 20.09% | 20.09% |

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

Notes: The City implemented GASB Statement 68 in 2015.

See accompanying notes to required supplementary information

CITY OF NAPOLEON, OHIO

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$657,251 | \$666,552 | \$667,774 | \$672,782 | \$698,468 | \$757,163 |
| <u>657,251</u> | <u>666,552</u> | <u>667,774</u> | <u>672,782</u> | <u>698,468</u> | <u>757,163</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$4,694,650 | \$4,761,086 | \$4,769,814 | \$4,805,586 | \$4,989,057 | \$5,408,307 |
| 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% |

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$306,945 | \$327,341 | \$293,740 | \$360,034 | \$375,309 | \$439,150 |
| <u>306,945</u> | <u>327,341</u> | <u>293,740</u> | <u>360,034</u> | <u>375,309</u> | <u>439,150</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$1,527,850 | \$1,629,373 | \$1,379,061 | \$1,690,300 | \$1,762,014 | \$2,061,737 |
| 20.09% | 20.09% | 21.30% | 21.30% | 21.30% | 21.30% |

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2016 is not available.

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

See accompanying notes to required supplementary information

CITY OF NAPOLEON, OHIO

| <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|-------------|-------------|---------------|-------------|
| 0.033834% | 0.033873% | 0.033099% | 0.032045% |
| \$4,673,357 | (\$603,472) | (\$1,036,709) | \$202,054 |
| \$4,761,086 | \$4,769,814 | \$4,805,586 | \$4,989,057 |
| 98.16% | (12.65%) | (21.57%) | 4.05% |
| 47.80% | 115.57% | 128.23% | 94.79% |

| <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|-------------|-------------|-------------|-------------|
| 0.063651% | 0.065738% | 0.066760% | 0.065260% |
| \$628,727 | \$696,504 | \$731,747 | \$464,633 |
| \$1,629,373 | \$1,379,061 | \$1,690,300 | \$1,762,014 |
| 38.59% | 50.51% | 43.29% | 26.37% |
| 47.08% | 45.42% | 46.86% | 52.59% |

CITY OF NAPOLEON, OHIO

***Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Ten Years***

Ohio Public Employees Retirement System

| Year | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|
| Contractually required contribution | \$89,006 | \$95,900 | \$90,135 | \$47,486 |
| Contributions in relation to the contractually required contribution | 89,006 | 95,900 | 90,135 | 47,486 |
| Contribution deficiency (excess) | \$0 | \$0 | \$0 | \$0 |
| City's covered payroll | \$4,450,275 | \$4,795,008 | \$4,506,742 | \$4,748,600 |
| Contributions as a percentage of covered payroll | 2.00% | 2.00% | 2.00% | 1.00% |

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

Ohio Police and Fire Pension Fund

| Year | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|
| Contractually required contribution | \$7,487 | \$7,547 | \$7,342 | \$7,441 |
| Contributions in relation to the contractually required contribution | 7,487 | 7,547 | 7,342 | 7,441 |
| Contribution deficiency (excess) | \$0 | \$0 | \$0 | \$0 |
| City's covered payroll | \$1,497,328 | \$1,509,393 | \$1,468,432 | \$1,524,027 |
| Contributions as a percentage of covered payroll | 0.50% | 0.50% | 0.50% | 0.50% |

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

Notes: The City implemented GASB Statement 75 in 2018.

See accompanying notes to required supplementary information

CITY OF NAPOLEON, OHIO

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$4,694,650 | \$4,761,086 | \$4,769,814 | \$4,805,586 | \$4,989,057 | \$5,408,307 |
| 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$7,448 | \$7,746 | \$7,237 | \$8,755 | \$9,110 | \$10,583 |
| 7,448 | 7,746 | 7,237 | 8,755 | 9,110 | 10,583 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$1,527,850 | \$1,629,373 | \$1,379,061 | \$1,690,300 | \$1,762,014 | \$2,061,737 |
| 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2023.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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

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

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

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

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

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

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

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

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

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

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

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

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2023.

Changes in assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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

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

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

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

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

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

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

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

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

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

Changes in assumptions:

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

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

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

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

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

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

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

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

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

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

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

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

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

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

2020 - 2023: There were no changes in benefit terms.

Changes in assumptions:

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

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

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

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

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

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

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

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

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

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET) (Continued)

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

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

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

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*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund

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

State Highway Improvement Fund

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

Motor Vehicle License Tax Fund

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

EMS Transport Service Fund

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

Recreation Fund

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

American Rescue Plan Fund

This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act.

Shelter House Facility Repair Fund

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

Hotel/Motel Tax Fund

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

Fire Loss Claims Fund

To account for insurance proceeds held as security against the cost to provide for removing, repairing and securing losses caused by fire.

Community Development Block Grant (CDBG) Income Fund

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

Indigent Drivers Alcohol Treatment Fund

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

(Continued)

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

Law Enforcement and Education Fund

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

Court Computerization Fund

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

Law Enforcement Trust Fund

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

Mandatory Drug Fine Fund

To account for mandatory fines collected for drug related offenses.

Fire Equipment Fund

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

Municipal Probation Service Fund

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

Probation Officer Grant Fund

To account for monies received from State Grant for Municipal Probation Officer. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Court Improvement Fund

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

Handicap Parking Fines Fund

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

Police Pension Fund

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

Fire Pension Fund

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

(Continued)

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

Cemetery Fund

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

Justice Reinvestment Incentive Grant Fund

To account for financial resources used for municipal court/probation department. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Certified Police Training Fund

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

Indigent Drivers Interlock/Alcohol Fund

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

One Ohio Fund

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

Napoleon Aquatic Center Reserve Fund

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

Downtown Revitalization Grant Fund

To account for financial resources used for public facility improvements of the downtown area.

Probation Improvement Fund

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

(Continued)

Nonmajor Governmental Funds

Debt Service Fund

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

General Bond Retirement Fund

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

Oakwood/American TIF Fund

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

Napoleon Aquatic Center Debt Reserve Fund

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

Capital Projects Funds

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

Fire Facility Training Grant Fund

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

Capital Improvement Project (CIP) Funding Reserve Fund

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

CITY OF NAPOLEON, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023**

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Project Funds | Total Nonmajor Governmental Funds |
|---|--------------------------------------|--------------------------------|--------------------------------------|---|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 4,514,361 | \$ 84,353 | \$ 72,437 | \$ 4,671,151 |
| Receivables: | | | | |
| Taxes | 182,680 | 0 | 0 | 182,680 |
| Accounts | 355,267 | 0 | 0 | 355,267 |
| Intergovernmental | 441,832 | 0 | 0 | 441,832 |
| Interest | 3,604 | 0 | 0 | 3,604 |
| Loans | 117,384 | 0 | 0 | 117,384 |
| Inventory of Supplies, at Cost | 362,231 | 0 | 0 | 362,231 |
| Total Assets | \$ 5,977,359 | \$ 84,353 | \$ 72,437 | \$ 6,134,149 |
| Liabilities: | | | | |
| Accounts Payable | \$ 3,759 | \$ 0 | \$ 0 | \$ 3,759 |
| Accrued Wages and Benefits Payable | 49,586 | 0 | 0 | 49,586 |
| Interfund Loans Payable | 0 | 0 | 2,800 | 2,800 |
| Unearned Revenue | 222,946 | 0 | 0 | 222,946 |
| Total Liabilities | 276,291 | 0 | 2,800 | 279,091 |
| Deferred Inflows of Resources: | | | | |
| Unavailable Amounts | 699,323 | 0 | 0 | 699,323 |
| Property Tax for Next Fiscal Year | 175,786 | 0 | 0 | 175,786 |
| Total Deferred Inflows of Resources | 875,109 | 0 | 0 | 875,109 |
| Fund Balances: | | | | |
| Nonspendable | 362,231 | 0 | 0 | 362,231 |
| Restricted | 3,312,869 | 72,709 | 0 | 3,385,578 |
| Committed | 1,183,239 | 0 | 72,437 | 1,255,676 |
| Assigned | 0 | 11,644 | 0 | 11,644 |
| Unassigned | (32,380) | 0 | (2,800) | (35,180) |
| Total Fund Balances | 4,825,959 | 84,353 | 69,637 | 4,979,949 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 5,977,359 | \$ 84,353 | \$ 72,437 | \$ 6,134,149 |

CITY OF NAPOLEON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2023***

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Project Funds | Total Nonmajor Governmental Funds |
|--|--------------------------------------|--------------------------------|--------------------------------------|---|
| Revenues: | | | | |
| Property Taxes | \$ 139,451 | \$ 0 | \$ 0 | \$ 139,451 |
| Payments in Lieu of Taxes | 0 | 32,514 | 0 | 32,514 |
| Intergovernmental Revenues | 1,325,078 | 0 | 0 | 1,325,078 |
| Charges for Services | 910,985 | 0 | 0 | 910,985 |
| Investment Earnings | 110,531 | 4,151 | 0 | 114,682 |
| Fines and Forfeitures | 136,479 | 0 | 0 | 136,479 |
| All Other Revenue | 162,775 | 0 | 0 | 162,775 |
| Total Revenue | 2,785,299 | 36,665 | 0 | 2,821,964 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 1,055,223 | 0 | 0 | 1,055,223 |
| Leisure Time Activities | 1,380,515 | 0 | 0 | 1,380,515 |
| Community Environment | 48,948 | 0 | 0 | 48,948 |
| Transportation | 616,887 | 0 | 0 | 616,887 |
| General Government | 174,467 | 5,712 | 0 | 180,179 |
| Debt Service: | | | | |
| Principal Retirement | 60,000 | 220,000 | 0 | 280,000 |
| Interest and Fiscal Charges | 7,400 | 62,140 | 0 | 69,540 |
| Total Expenditures | 3,343,440 | 287,852 | 0 | 3,631,292 |
| Excess (Deficiency) of Revenues Over Expenditures | (558,141) | (251,187) | 0 | (809,328) |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 1,007,894 | 296,140 | 0 | 1,304,034 |
| Transfers Out | (344,242) | 0 | 0 | (344,242) |
| Total Other Financing Sources (Uses) | 663,652 | 296,140 | 0 | 959,792 |
| Net Change In Fund Balance | 105,511 | 44,953 | 0 | 150,464 |
| Fund Balances at Beginning of Year | 4,721,359 | 39,400 | 69,637 | 4,830,396 |
| Decrease in Inventory Reserve | (911) | 0 | 0 | (911) |
| Fund Balances End of Year | \$ 4,825,959 | \$ 84,353 | \$ 69,637 | \$ 4,979,949 |

CITY OF NAPOLEON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

| | Street Construction, Maintenance and Repair | State Highway Improvement | Motor Vehicle License Tax | EMS Transport Service |
|---|--|------------------------------|------------------------------|--------------------------|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 1,054,998 | \$ 101,270 | \$ 447,917 | \$ 443,351 |
| Receivables: | | | | |
| Taxes | 0 | 0 | 0 | 0 |
| Accounts | 602 | 0 | 0 | 326,685 |
| Intergovernmental | 265,083 | 21,492 | 33,234 | 0 |
| Interest | 1,074 | 103 | 457 | 0 |
| Loans | 0 | 0 | 0 | 0 |
| Inventory of Supplies, at Cost | 352,686 | 0 | 0 | 0 |
| Total Assets | \$ 1,674,443 | \$ 122,865 | \$ 481,608 | \$ 770,036 |
| Liabilities: | | | | |
| Accounts Payable | \$ 103 | \$ 0 | \$ 0 | \$ 0 |
| Accrued Wages and Benefits Payable | 6,490 | 0 | 0 | 0 |
| Unearned Revenue | 0 | 0 | 0 | 0 |
| Total Liabilities | 6,593 | 0 | 0 | 0 |
| Deferred Inflows of Resources: | | | | |
| Unavailable Amounts | 177,796 | 14,431 | 22,613 | 255,328 |
| Property Tax for Next Fiscal Year | 0 | 0 | 0 | 0 |
| Total Deferred Inflows of Resources | 177,796 | 14,431 | 22,613 | 255,328 |
| Fund Balances: | | | | |
| Nonspendable | 352,686 | 0 | 0 | 0 |
| Restricted | 1,137,368 | 108,434 | 458,995 | 0 |
| Committed | 0 | 0 | 0 | 514,708 |
| Unassigned | 0 | 0 | 0 | 0 |
| Total Fund Balances | 1,490,054 | 108,434 | 458,995 | 514,708 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 1,674,443 | \$ 122,865 | \$ 481,608 | \$ 770,036 |

CITY OF NAPOLEON, OHIO

| Recreation | American Rescue Plan | Shelter House Facility Repair | Hotel/Motel Tax | Fire Loss Claims | CDBG Income |
|-------------------|----------------------|-------------------------------|------------------|------------------|-------------------|
| \$ 676,386 | \$ 222,946 | \$ 5,267 | \$ 0 | \$ 20,885 | \$ 22,181 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 972 | 0 | 0 | 26,883 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 689 | 227 | 5 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 117,384 |
| 9,545 | 0 | 0 | 0 | 0 | 0 |
| <u>\$ 687,592</u> | <u>\$ 223,173</u> | <u>\$ 5,272</u> | <u>\$ 26,883</u> | <u>\$ 20,885</u> | <u>\$ 139,565</u> |
| \$ 3,656 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 10,438 | 0 | 0 | 0 | 0 | 0 |
| 0 | 222,946 | 0 | 0 | 0 | 0 |
| 14,094 | 222,946 | 0 | 0 | 0 | 0 |
| 689 | 227 | 5 | 0 | 0 | 117,384 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 689 | 227 | 5 | 0 | 0 | 117,384 |
| 9,545 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 26,883 | 20,885 | 22,181 |
| 663,264 | 0 | 5,267 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 672,809 | 0 | 5,267 | 26,883 | 20,885 | 22,181 |
| <u>\$ 687,592</u> | <u>\$ 223,173</u> | <u>\$ 5,272</u> | <u>\$ 26,883</u> | <u>\$ 20,885</u> | <u>\$ 139,565</u> |

(Continued)

CITY OF NAPOLEON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

| | Indigent Drivers Alcohol Treatment | Law Enforcement and Education | Court Computerization | Law Enforcement Trust |
|---|--|-------------------------------------|--------------------------|-----------------------------|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 76,218 | \$ 1,472 | \$ 222,754 | \$ 6,635 |
| Receivables: | | | | |
| Taxes | 0 | 0 | 0 | 0 |
| Accounts | 0 | 0 | 0 | 0 |
| Intergovernmental | 0 | 0 | 0 | 0 |
| Interest | 78 | 1 | 225 | 0 |
| Loans | 0 | 0 | 0 | 0 |
| Inventory of Supplies, at Cost | 0 | 0 | 0 | 0 |
| Total Assets | \$ 76,296 | \$ 1,473 | \$ 222,979 | \$ 6,635 |
| Liabilities: | | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Accrued Wages and Benefits Payable | 0 | 0 | 0 | 0 |
| Unearned Revenue | 0 | 0 | 0 | 0 |
| Total Liabilities | 0 | 0 | 0 | 0 |
| Deferred Inflows of Resources: | | | | |
| Unavailable Amounts | 78 | 1 | 225 | 0 |
| Property Tax for Next Fiscal Year | 0 | 0 | 0 | 0 |
| Total Deferred Inflows of Resources | 78 | 1 | 225 | 0 |
| Fund Balances: | | | | |
| Nonspendable | 0 | 0 | 0 | 0 |
| Restricted | 76,218 | 1,472 | 222,754 | 6,635 |
| Committed | 0 | 0 | 0 | 0 |
| Unassigned | 0 | 0 | 0 | 0 |
| Total Fund Balances | 76,218 | 1,472 | 222,754 | 6,635 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 76,296 | \$ 1,473 | \$ 222,979 | \$ 6,635 |

CITY OF NAPOLEON, OHIO

| <u>Mandatory Drug Fine</u> | <u>Fire Equipment</u> | <u>Municipal Probation Service</u> | <u>Court Improvement</u> | <u>Handicap Parking Fines</u> | <u>Police Pension</u> |
|--------------------------------|-----------------------|--|------------------------------|-----------------------------------|-----------------------|
| \$ 21,054 | \$ 523,957 | \$ 186,414 | \$ 199,747 | \$ 1,100 | \$ 0 |
| 0 | 0 | 0 | 0 | 0 | 125,174 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 3,388 |
| 22 | 534 | 189 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$ 21,076</u> | <u>\$ 524,491</u> | <u>\$ 186,603</u> | <u>\$ 199,747</u> | <u>\$ 1,100</u> | <u>\$ 128,562</u> |
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 0 | 0 | 0 | 0 | 18,397 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 18,397 |
| 22 | 534 | 189 | 0 | 0 | 7,799 |
| 0 | 0 | 0 | 0 | 0 | 120,578 |
| 22 | 534 | 189 | 0 | 0 | 128,377 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 21,054 | 523,957 | 186,414 | 199,747 | 1,100 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | (18,212) |
| 21,054 | 523,957 | 186,414 | 199,747 | 1,100 | (18,212) |
| <u>\$ 21,076</u> | <u>\$ 524,491</u> | <u>\$ 186,603</u> | <u>\$ 199,747</u> | <u>\$ 1,100</u> | <u>\$ 128,562</u> |

(Continued)

CITY OF NAPOLEON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

| | Fire Pension | Cemetery | Certified Police Training | Indigent Drivers Interlock/Alcohol |
|---|------------------|------------------|------------------------------|---------------------------------------|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 0 | \$ 64,939 | \$ 1,651 | \$ 82,003 |
| Receivables: | | | | |
| Taxes | 57,506 | 0 | 0 | 0 |
| Accounts | 0 | 125 | 0 | 0 |
| Intergovernmental | 6,775 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 0 |
| Loans | 0 | 0 | 0 | 0 |
| Inventory of Supplies, at Cost | 0 | 0 | 0 | 0 |
| Total Assets | \$ 64,281 | \$ 65,064 | \$ 1,651 | \$ 82,003 |
| Liabilities: | | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Accrued Wages and Benefits Payable | 14,261 | 0 | 0 | 0 |
| Unearned Revenue | 0 | 0 | 0 | 0 |
| Total Liabilities | 14,261 | 0 | 0 | 0 |
| Deferred Inflows of Resources: | | | | |
| Unavailable Amounts | 8,980 | 0 | 0 | 0 |
| Property Tax for Next Fiscal Year | 55,208 | 0 | 0 | 0 |
| Total Deferred Inflows of Resources | 64,188 | 0 | 0 | 0 |
| Fund Balances: | | | | |
| Nonspendable | 0 | 0 | 0 | 0 |
| Restricted | 0 | 65,064 | 1,651 | 82,003 |
| Committed | 0 | 0 | 0 | 0 |
| Unassigned | (14,168) | 0 | 0 | 0 |
| Total Fund Balances | (14,168) | 65,064 | 1,651 | 82,003 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 64,281 | \$ 65,064 | \$ 1,651 | \$ 82,003 |

CITY OF NAPOLEON, OHIO

| One Ohio | Napoleon Aquatic Center Reserve Fund | Downtown Revitalization Grant Fund | Probation Improvement Fund | Total Nonmajor Special Revenue Funds |
|-----------------|--------------------------------------|------------------------------------|----------------------------|--------------------------------------|
| \$ 7,074 | \$ 101,442 | \$ 18,757 | \$ 3,943 | \$ 4,514,361 |
| 0 | 0 | 0 | 0 | 182,680 |
| 0 | 0 | 0 | 0 | 355,267 |
| 0 | 0 | 0 | 111,860 | 441,832 |
| 0 | 0 | 0 | 0 | 3,604 |
| 0 | 0 | 0 | 0 | 117,384 |
| 0 | 0 | 0 | 0 | 362,231 |
| <u>\$ 7,074</u> | <u>\$ 101,442</u> | <u>\$ 18,757</u> | <u>\$ 115,803</u> | <u>\$ 5,977,359</u> |
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 3,759 |
| 0 | 0 | 0 | 0 | 49,586 |
| 0 | 0 | 0 | 0 | 222,946 |
| 0 | 0 | 0 | 0 | 276,291 |
| 0 | 0 | 0 | 93,022 | 699,323 |
| 0 | 0 | 0 | 0 | 175,786 |
| 0 | 0 | 0 | 93,022 | 875,109 |
| 0 | 0 | 0 | 0 | 362,231 |
| 7,074 | 101,442 | 18,757 | 22,781 | 3,312,869 |
| 0 | 0 | 0 | 0 | 1,183,239 |
| 0 | 0 | 0 | 0 | (32,380) |
| <u>7,074</u> | <u>101,442</u> | <u>18,757</u> | <u>22,781</u> | <u>4,825,959</u> |
| <u>\$ 7,074</u> | <u>\$ 101,442</u> | <u>\$ 18,757</u> | <u>\$ 115,803</u> | <u>\$ 5,977,359</u> |

CITY OF NAPOLEON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

| | Street Construction, Maintenance and Repair | State Highway Improvement | Motor Vehicle License Tax | EMS Transport Service |
|--|--|------------------------------|------------------------------|-----------------------------|
| Revenues: | | | | |
| Property Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Intergovernmental Revenues | 542,669 | 43,999 | 127,727 | 907 |
| Charges for Services | 6,592 | 0 | 0 | 450,501 |
| Investment Earnings | 27,718 | 2,664 | 13,902 | 0 |
| Fines and Forfeitures | 0 | 0 | 0 | 556 |
| All Other Revenue | 48,965 | 0 | 0 | 0 |
| Total Revenue | 625,944 | 46,663 | 141,629 | 451,964 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 0 | 0 | 0 | 388,536 |
| Leisure Time Activities | 0 | 0 | 0 | 0 |
| Community Environment | 0 | 0 | 0 | 0 |
| Transportation | 433,904 | 24,696 | 158,287 | 0 |
| General Government | 0 | 0 | 0 | 0 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 0 | 0 | 0 |
| Interest & Fiscal Charges | 0 | 0 | 0 | 0 |
| Total Expenditures | 433,904 | 24,696 | 158,287 | 388,536 |
| Excess (Deficiency) of Revenues Over Expenditures | 192,040 | 21,967 | (16,658) | 63,428 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 0 | 0 | 0 | 0 |
| Transfers Out | 0 | 0 | 0 | (31,680) |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 | (31,680) |
| Net Change In Fund Balance | 192,040 | 21,967 | (16,658) | 31,748 |
| Fund Balances at Beginning of Year | 1,299,104 | 86,467 | 475,653 | 482,960 |
| Increase (Decrease) in Inventory Reserve | (1,090) | 0 | 0 | 0 |
| Fund Balances End of Year | \$ 1,490,054 | \$ 108,434 | \$ 458,995 | \$ 514,708 |

CITY OF NAPOLEON, OHIO

| Recreation | American Rescue Plan | Shelter House Facility Repair | Hotel/Motel Tax | Fire Loss Claims | CDBG Income | Indigent Drivers Alcohol Treatment |
|-------------------|-------------------------|-------------------------------------|--------------------|---------------------|------------------|--|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 348,944 | 0 | 124,667 | 0 | 13,783 | 0 |
| 449,569 | 0 | 2,248 | 0 | 0 | 0 | 0 |
| 22,171 | 12,936 | 184 | 0 | 0 | 0 | 2,039 |
| 0 | 0 | 0 | 0 | 0 | 0 | 8,090 |
| 73,630 | 0 | 0 | 0 | 20,885 | 0 | 0 |
| <u>545,370</u> | <u>361,880</u> | <u>2,432</u> | <u>124,667</u> | <u>20,885</u> | <u>13,783</u> | <u>10,129</u> |
| 0 | 94,747 | 0 | 0 | 0 | 0 | 0 |
| 1,380,515 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 3,396 | 0 | 0 | 39,597 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 17,133 | 0 | 62,562 | 94,772 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>1,380,515</u> | <u>111,880</u> | <u>3,396</u> | <u>62,562</u> | <u>94,772</u> | <u>39,597</u> | <u>0</u> |
| (835,145) | 250,000 | (964) | 62,105 | (73,887) | (25,814) | 10,129 |
| 819,894 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | (250,000) | 0 | (62,562) | 0 | 0 | 0 |
| <u>819,894</u> | <u>(250,000)</u> | <u>0</u> | <u>(62,562)</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| (15,251) | 0 | (964) | (457) | (73,887) | (25,814) | 10,129 |
| 687,881 | 0 | 6,231 | 27,340 | 94,772 | 47,995 | 66,089 |
| 179 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$ 672,809</u> | <u>\$ 0</u> | <u>\$ 5,267</u> | <u>\$ 26,883</u> | <u>\$ 20,885</u> | <u>\$ 22,181</u> | <u>\$ 76,218</u> |

(Continued)

CITY OF NAPOLEON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

| | Law Enforcement and Education | Court Computerization | Law Enforcement Trust | Mandatory Drug Fine |
|--|-------------------------------------|--------------------------|-----------------------------|------------------------|
| Revenues: | | | | |
| Property Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Intergovernmental Revenues | 0 | 0 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 |
| Investment Earnings | 46 | 6,000 | 136 | 585 |
| Fines and Forfeitures | 540 | 35,207 | 0 | 916 |
| All Other Revenue | 0 | 0 | 5,310 | 0 |
| Total Revenue | <u>586</u> | <u>41,207</u> | <u>5,446</u> | <u>1,501</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 945 | 18,550 | 0 | 0 |
| Leisure Time Activities | 0 | 0 | 0 | 0 |
| Community Environment | 0 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 0 |
| General Government | 0 | 0 | 0 | 0 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 0 | 0 | 0 |
| Interest & Fiscal Charges | 0 | 0 | 0 | 0 |
| Total Expenditures | <u>945</u> | <u>18,550</u> | <u>0</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (359) | 22,657 | 5,446 | 1,501 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 0 | 0 | 0 | 0 |
| Transfers Out | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Change In Fund Balance | (359) | 22,657 | 5,446 | 1,501 |
| Fund Balances at Beginning of Year | 1,831 | 200,097 | 1,189 | 19,553 |
| Increase (Decrease) in Inventory Reserve | 0 | 0 | 0 | 0 |
| Fund Balances End of Year | <u>\$ 1,472</u> | <u>\$ 222,754</u> | <u>\$ 6,635</u> | <u>\$ 21,054</u> |

CITY OF NAPOLEON, OHIO

| Fire Equipment | Municipal Probation Service | Probation Officer Grant | Court Improvement | Handicap Parking Fines | Police Pension |
|-------------------|-----------------------------------|----------------------------|----------------------|---------------------------|--------------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 92,967 |
| 0 | 0 | 5,689 | 0 | 0 | 12,145 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 15,180 | 4,878 | 0 | 0 | 0 | 0 |
| 0 | 30,171 | 0 | 57,167 | 0 | 0 |
| 13,985 | 0 | 0 | 0 | 0 | 0 |
| <u>29,165</u> | <u>35,049</u> | <u>5,689</u> | <u>57,167</u> | <u>0</u> | <u>105,112</u> |
| 112,074 | 5,751 | 27,972 | 0 | 0 | 211,730 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 60,000 | 0 | 0 |
| 0 | 0 | 0 | 7,400 | 0 | 0 |
| <u>112,074</u> | <u>5,751</u> | <u>27,972</u> | <u>67,400</u> | <u>0</u> | <u>211,730</u> |
| (82,909) | 29,298 | (22,283) | (10,233) | 0 | (106,618) |
| 88,000 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>88,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 5,091 | 29,298 | (22,283) | (10,233) | 0 | (106,618) |
| 518,866 | 157,116 | 22,283 | 209,980 | 1,100 | 88,406 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$ 523,957</u> | <u>\$ 186,414</u> | <u>\$ 0</u> | <u>\$ 199,747</u> | <u>\$ 1,100</u> | <u>\$ (18,212)</u> |

(Continued)

CITY OF NAPOLEON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

| | Fire Pension | Cemetery | Justice Reinvestment Incentive Grant | Certified Police Training |
|--|--------------------|------------------|--|------------------------------|
| Revenues: | | | | |
| Property Taxes | \$ 46,484 | \$ 0 | \$ 0 | \$ 0 |
| Intergovernmental Revenues | 6,073 | 0 | 0 | 0 |
| Charges for Services | 0 | 2,075 | 0 | 0 |
| Investment Earnings | 0 | 0 | 0 | 0 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 |
| All Other Revenue | 0 | 0 | 0 | 0 |
| Total Revenue | 52,557 | 2,075 | 0 | 0 |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 107,752 | 0 | 18,926 | 17,353 |
| Leisure Time Activities | 0 | 0 | 0 | 0 |
| Community Environment | 0 | 5,955 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 0 |
| General Government | 0 | 0 | 0 | 0 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 0 | 0 | 0 |
| Interest & Fiscal Charges | 0 | 0 | 0 | 0 |
| Total Expenditures | 107,752 | 5,955 | 18,926 | 17,353 |
| Excess (Deficiency) of Revenues Over Expenditures | (55,195) | (3,880) | (18,926) | (17,353) |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 0 | 0 | 0 | 0 |
| Transfers Out | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 | 0 |
| Net Change In Fund Balance | (55,195) | (3,880) | (18,926) | (17,353) |
| Fund Balances at Beginning of Year | 41,027 | 68,944 | 18,926 | 19,004 |
| Increase (Decrease) in Inventory Reserve | 0 | 0 | 0 | 0 |
| Fund Balances End of Year | \$ (14,168) | \$ 65,064 | \$ 0 | \$ 1,651 |

CITY OF NAPOLEON, OHIO

| Indigent Drivers Interlock/Alcohol | One Ohio | Napoleon Aquatic Center Reserve Fund | Downtown Revitalization Grant Fund | Probation Improvement Fund | Nonmajor Special Revenue Funds |
|---------------------------------------|-----------------|--|--|----------------------------------|---|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 139,451 |
| 0 | 6,892 | 0 | 36,245 | 55,338 | 1,325,078 |
| 0 | 0 | 0 | 0 | 0 | 910,985 |
| 0 | 138 | 1,442 | 512 | 0 | 110,531 |
| 3,832 | 0 | 0 | 0 | 0 | 136,479 |
| 0 | 0 | 0 | 0 | 0 | 162,775 |
| <u>3,832</u> | <u>7,030</u> | <u>1,442</u> | <u>36,757</u> | <u>55,338</u> | <u>2,785,299</u> |
| 330 | 0 | 0 | 18,000 | 32,557 | 1,055,223 |
| 0 | 0 | 0 | 0 | 0 | 1,380,515 |
| 0 | 0 | 0 | 0 | 0 | 48,948 |
| 0 | 0 | 0 | 0 | 0 | 616,887 |
| 0 | 0 | 0 | 0 | 0 | 174,467 |
| 0 | 0 | 0 | 0 | 0 | 60,000 |
| 0 | 0 | 0 | 0 | 0 | 7,400 |
| <u>330</u> | <u>0</u> | <u>0</u> | <u>18,000</u> | <u>32,557</u> | <u>3,343,440</u> |
| 3,502 | 7,030 | 1,442 | 18,757 | 22,781 | (558,141) |
| 0 | 0 | 100,000 | 0 | 0 | 1,007,894 |
| 0 | 0 | 0 | 0 | 0 | (344,242) |
| <u>0</u> | <u>0</u> | <u>100,000</u> | <u>0</u> | <u>0</u> | <u>663,652</u> |
| 3,502 | 7,030 | 101,442 | 18,757 | 22,781 | 105,511 |
| 78,501 | 44 | 0 | 0 | 0 | 4,721,359 |
| 0 | 0 | 0 | 0 | 0 | (911) |
| <u>\$ 82,003</u> | <u>\$ 7,074</u> | <u>\$ 101,442</u> | <u>\$ 18,757</u> | <u>\$ 22,781</u> | <u>\$ 4,825,959</u> |

CITY OF NAPOLEON, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2023**

| | <u>General Bond Retirement</u> | <u>Oakwood/ American TIF</u> | <u>Napoleon Aquatic Center Debt Reserve</u> | <u>Total Nonmajor Debt Service Funds</u> |
|---|------------------------------------|----------------------------------|---|--|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 11,644 | \$ 56,093 | \$ 16,616 | \$ 84,353 |
| Total Assets | <u>11,644</u> | <u>56,093</u> | <u>16,616</u> | <u>84,353</u> |
| Total Liabilities | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balances: | | | | |
| Restricted | 0 | 56,093 | 16,616 | 72,709 |
| Assigned | 11,644 | 0 | 0 | 11,644 |
| Total Fund Balances | <u>11,644</u> | <u>56,093</u> | <u>16,616</u> | <u>84,353</u> |
| Total Liabilities and Funds Balances | <u>\$ 11,644</u> | <u>\$ 56,093</u> | <u>\$ 16,616</u> | <u>\$ 84,353</u> |

CITY OF NAPOLEON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2023**

| | General Bond Retirement | Oakwood/ American TIF | Napoleon Aquatic Center Debt Reserve | Total Nonmajor Debt Service Funds |
|--|----------------------------|--------------------------|--|---|
| Revenues: | | | | |
| Payments in Lieu of Taxes | \$ 0 | \$ 32,514 | \$ 0 | \$ 32,514 |
| Investment Earnings | 0 | 1,535 | 2,616 | 4,151 |
| Total Revenue | 0 | 34,049 | 2,616 | 36,665 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 0 | 5,712 | 0 | 5,712 |
| Debt Service: | | | | |
| Principal Retirement | 45,000 | 0 | 175,000 | 220,000 |
| Interest & Fiscal Charges | 7,000 | 0 | 55,140 | 62,140 |
| Total Expenditures | 52,000 | 5,712 | 230,140 | 287,852 |
| Excess (Deficiency) of Revenues Over Expenditures | (52,000) | 28,337 | (227,524) | (251,187) |
| Other Financing Sources: | | | | |
| Transfers In | 52,000 | 0 | 244,140 | 296,140 |
| Total Other Financing Sources | 52,000 | 0 | 244,140 | 296,140 |
| Net Change In Fund Balance | 0 | 28,337 | 16,616 | 44,953 |
| Fund Balance at Beginning of Year | 11,644 | 27,756 | 0 | 39,400 |
| Fund Balance End of Year | \$ 11,644 | \$ 56,093 | \$ 16,616 | \$ 84,353 |

CITY OF NAPOLEON, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2023**

| | Fire Facility Training Grant | CIP Funding Reserve | Total Nonmajor Capital Projects Funds |
|---|---------------------------------|------------------------|---|
| Assets: | | | |
| Cash and Cash Equivalents | \$ 0 | \$ 72,437 | \$ 72,437 |
| Total Assets | <u>0</u> | <u>72,437</u> | <u>72,437</u> |
| Liabilities: | | | |
| Interfund Loans Payable | 2,800 | 0 | 2,800 |
| Total Liabilities | <u>2,800</u> | <u>0</u> | <u>2,800</u> |
| Fund Balances: | | | |
| Committed | 0 | 72,437 | 72,437 |
| Unassigned | (2,800) | 0 | (2,800) |
| Total Fund Balances | <u>(2,800)</u> | <u>72,437</u> | <u>69,637</u> |
| Total Liabilities and Funds Balances | <u>\$ 0</u> | <u>\$ 72,437</u> | <u>\$ 72,437</u> |

CITY OF NAPOLEON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2023***

| | Fire Facility Training Grant | CIP Funding Reserve | Total Nonmajor Capital Project Funds |
|--|---------------------------------|------------------------|--|
| Revenues: | | | |
| Total Revenue | \$ 0 | \$ 0 | \$ 0 |
| Expenditures: | | | |
| Total Expenditures | 0 | 0 | 0 |
| Excess (Deficiency) of Revenues Over Expenditures | 0 | 0 | 0 |
| Fund Balances (Deficits) at Beginning of Year | (2,800) | 72,437 | 69,637 |
| Fund Balances (Deficits) End of Year | \$ (2,800) | \$ 72,437 | \$ 69,637 |

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2023**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------|------------|---|
| Revenues: | | | | |
| Property Taxes | \$ 302,400 | \$ 312,115 | \$ 312,115 | \$ 0 |
| Municipal Income Taxes | 4,676,000 | 6,024,449 | 6,128,098 | 103,649 |
| Other Local Taxes | 495,000 | 565,869 | 565,869 | 0 |
| Intergovernmental Revenues | 258,850 | 431,044 | 431,044 | 0 |
| Charges for Services | 469,800 | 592,872 | 592,872 | 0 |
| Licenses and Permits | 73,300 | 74,479 | 74,479 | 0 |
| Investment Earnings | 100,000 | 404,980 | 404,980 | 0 |
| Fines and Forfeitures | 151,100 | 123,828 | 123,828 | 0 |
| All Other Revenues | 189,370 | 219,554 | 219,554 | 0 |
| Total Revenues | 6,715,820 | 8,749,190 | 8,852,839 | 103,649 |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Police: | | | | |
| Personal Services | 2,403,492 | 2,407,980 | 2,026,659 | 381,321 |
| Materials and Supplies | 114,651 | 149,251 | 127,170 | 22,081 |
| Contractual Services | 482,203 | 438,303 | 382,576 | 55,727 |
| Other Expenditures | 13,853 | 65,833 | 58,655 | 7,178 |
| Capital Outlay | 3,000 | 12,800 | 9,927 | 2,873 |
| Total Police | 3,017,199 | 3,074,167 | 2,604,987 | 469,180 |
| Fire: | | | | |
| Personal Services | 1,552,073 | 1,559,236 | 1,439,189 | 120,047 |
| Materials and Supplies | 75,812 | 72,372 | 66,592 | 5,780 |
| Contractual Services | 170,642 | 202,227 | 184,320 | 17,907 |
| Capital Outlay | 0 | 44,791 | 43,461 | 1,330 |
| Total Fire | 1,798,527 | 1,878,626 | 1,733,562 | 145,064 |
| Police Code Enforcement: | | | | |
| Personal Services | 43,949 | 44,465 | 43,871 | 594 |
| Materials and Supplies | 3,100 | 3,100 | 1,759 | 1,341 |
| Contractual Services | 6,550 | 6,050 | 1,585 | 4,465 |
| Other Expenditures | 500 | 500 | 80 | 420 |
| Total Police Code Enforcement | 54,099 | 54,115 | 47,295 | 6,820 |
| Total Security of Persons and Property | 4,869,825 | 5,006,908 | 4,385,844 | 621,064 |

(Continued)

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2023***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|----------------|----------------|---|
| Public Health and Welfare Services: | | | | |
| Cemetery: | | | | |
| Personal Services | 122,926 | 122,926 | 84,321 | 38,605 |
| Materials and Supplies | 13,696 | 13,696 | 10,342 | 3,354 |
| Contractual Services | 14,720 | 14,720 | 9,280 | 5,440 |
| Total Public Health and Welfare Services | <u>151,342</u> | <u>151,342</u> | <u>103,943</u> | <u>47,399</u> |
| Community Environment: | | | | |
| Economic Development: | | | | |
| Contractual Services | 45,000 | 45,000 | 45,000 | 0 |
| Total Community Environment | <u>45,000</u> | <u>45,000</u> | <u>45,000</u> | <u>0</u> |
| General Government: | | | | |
| City Council: | | | | |
| Personal Services | 2,286 | 10,130 | 3,624 | 6,506 |
| Materials and Supplies | 600 | 600 | 336 | 264 |
| Contractual Services | 458 | 1,620 | 372 | 1,248 |
| Other Expenditures | 1,095 | 2,695 | 1,898 | 797 |
| Total City Council | <u>4,439</u> | <u>15,045</u> | <u>6,230</u> | <u>8,815</u> |
| Mayor: | | | | |
| Personal Services | 1,054 | 4,671 | 1,725 | 2,946 |
| Materials and Supplies | 570 | 570 | 214 | 356 |
| Contractual Services | 2,700 | 2,700 | 0 | 2,700 |
| Other Expenditures | 100 | 100 | 26 | 74 |
| Total Mayor | <u>4,424</u> | <u>8,041</u> | <u>1,965</u> | <u>6,076</u> |
| City Manager - Administration: | | | | |
| Personal Services | 22,406 | 99,179 | 34,627 | 64,552 |
| Materials and Supplies | 168 | 1,451 | 353 | 1,098 |
| Contractual Services | 4,239 | 18,763 | 1,397 | 17,366 |
| Other Expenditures | 600 | 600 | 0 | 600 |
| Total City Manager - Administration | <u>27,413</u> | <u>119,993</u> | <u>36,377</u> | <u>83,616</u> |
| City Manager - Human Resources: | | | | |
| Personal Services | 4,794 | 21,585 | 7,967 | 13,618 |
| Materials and Supplies | 458 | 2,987 | 1,094 | 1,893 |
| Contractual Services | 642 | 2,081 | 672 | 1,409 |
| Other Expenditures | 1,200 | 1,200 | 1,125 | 75 |
| Total City Manager - Human Resources | <u>7,094</u> | <u>27,853</u> | <u>10,858</u> | <u>16,995</u> |

(Continued)

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2023***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|--------------------|----------------|----------------|---|
| Law Director: | | | | |
| Personal Services | 14,816 | 68,898 | 25,016 | 43,882 |
| Materials and Supplies | 86 | 380 | 72 | 308 |
| Contractual Services | 3,106 | 13,749 | 4,682 | 9,067 |
| Other Expenditures | 6,000 | 6,000 | 4,500 | 1,500 |
| Total Law Director | <u>24,008</u> | <u>89,027</u> | <u>34,270</u> | <u>54,757</u> |
| Finance - Administration: | | | | |
| Personal Services | 23,875 | 105,676 | 28,793 | 76,883 |
| Materials and Supplies | 2,650 | 2,650 | 1,465 | 1,185 |
| Contractual Services | 6,044 | 25,886 | 8,506 | 17,380 |
| Other Expenditures | 4,150 | 4,150 | 2,821 | 1,329 |
| Capital Outlay | 500 | 4,135 | 4,135 | 0 |
| Total Finance - Administration | <u>37,219</u> | <u>142,497</u> | <u>45,720</u> | <u>96,777</u> |
| Finance - Utility Billing: | | | | |
| Personal Services | 8,639 | 38,348 | 13,693 | 24,655 |
| Materials and Supplies | 2,431 | 11,367 | 4,027 | 7,340 |
| Contractual Services | 3,426 | 15,332 | 4,650 | 10,682 |
| Total Finance - Utility Billing | <u>14,496</u> | <u>65,047</u> | <u>22,370</u> | <u>42,677</u> |
| Finance - Income Tax Collection: | | | | |
| Personal Services | 94,401 | 94,950 | 90,902 | 4,048 |
| Materials and Supplies | 6,000 | 5,900 | 780 | 5,120 |
| Contractual Services | 76,757 | 210,795 | 193,887 | 16,908 |
| Total Finance - Income Tax Collection | <u>177,158</u> | <u>311,645</u> | <u>285,569</u> | <u>26,076</u> |
| Information Systems: | | | | |
| Personal Services | 187,134 | 199,382 | 193,605 | 5,777 |
| Materials and Supplies | 17,010 | 15,860 | 13,335 | 2,525 |
| Contractual Services | 61,127 | 62,277 | 57,330 | 4,947 |
| Total Finance - Information Systems | <u>265,271</u> | <u>277,519</u> | <u>264,270</u> | <u>13,249</u> |
| City Engineer: | | | | |
| Personal Services | 20,134 | 89,029 | 16,107 | 72,922 |
| Materials and Supplies | 503 | 3,044 | 751 | 2,293 |
| Contractual Services | 3,061 | 12,965 | 4,395 | 8,570 |
| Other Expenditures | 1,618 | 1,618 | 1,100 | 518 |
| Total City Engineer | <u>25,316</u> | <u>106,656</u> | <u>22,353</u> | <u>84,303</u> |

(Continued)

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2023***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------|--------------|---|
| Municipal Court: | | | | |
| Personal Services | 600,801 | 600,801 | 566,538 | 34,263 |
| Materials and Supplies | 38,685 | 41,440 | 35,131 | 6,309 |
| Contractual Services | 71,833 | 69,078 | 58,417 | 10,661 |
| Other Expenditures | 230 | 230 | 128 | 102 |
| Total Municipal Court | 711,549 | 711,549 | 660,214 | 51,335 |
| Service - Buildings, Property and Equipment: | | | | |
| Personal Services | 5,431 | 24,055 | 8,803 | 15,252 |
| Materials and Supplies | 750 | 3,344 | 948 | 2,396 |
| Contractual Services | 211 | 910 | 215 | 695 |
| Other Expenditures | 150 | 150 | 46 | 104 |
| Total Service - Buildings, Property and E | 6,542 | 28,459 | 10,012 | 18,447 |
| Miscellaneous: | | | | |
| Materials and Supplies | 806 | 3,567 | 689 | 2,878 |
| Contractual Services | 9,061 | 42,259 | 13,715 | 28,544 |
| Other Expenditures | 13,886 | 70,688 | 23,696 | 46,992 |
| Total Miscellaneous | 23,753 | 116,514 | 38,100 | 78,414 |
| Total General Government | 1,328,682 | 2,019,845 | 1,438,308 | 581,537 |
| Total Expenditures | 6,394,849 | 7,223,095 | 5,973,095 | 1,250,000 |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | 320,971 | 1,526,095 | 2,879,744 | 1,353,649 |
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 5,000 | 317 | 317 | 0 |
| Transfers In | 306,720 | 310,980 | 312,562 | 1,582 |
| Transfers Out | (1,978,136) | (2,785,821) | (2,782,685) | 3,136 |
| Total Other Financing Sources (Uses) | (1,666,416) | (2,474,524) | (2,469,806) | 4,718 |
| Net Change In Fund Balance | (1,345,445) | (948,429) | 409,938 | 1,358,367 |
| Fund Balance at Beginning of Year | 2,637,491 | 2,637,491 | 2,637,491 | 0 |
| Prior Year Encumbrances | 68,752 | 68,752 | 68,752 | 0 |
| Fund Balance at End of Year | \$ 1,360,801 | \$ 1,757,813 | \$ 3,116,182 | \$ 1,358,369 |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund
For the Year Ended December 31, 2023***

| SPECIAL ASSESSMENT BOND RETIREMENT FUND | | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Investment Earnings | \$ 4,400 | \$ 18,106 | \$ 18,106 | \$ 0 |
| Special Assessments | 0 | 361 | 361 | 0 |
| All Other Revenues | 0 | 15,610 | 15,610 | 0 |
| Total Revenues | <u>4,400</u> | <u>34,077</u> | <u>34,077</u> | <u>0</u> |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal Retirement | 0 | 15,610 | 15,610 | 0 |
| Total Expenditures | <u>0</u> | <u>15,610</u> | <u>15,610</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4,400 | 18,467 | 18,467 | 0 |
| Fund Balance at Beginning of Year | <u>616,028</u> | <u>616,028</u> | <u>616,028</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 620,428</u> | <u>\$ 634,495</u> | <u>\$ 634,495</u> | <u>\$ 0</u> |

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Funds
For the Year Ended December 31, 2023**

| CAPITAL IMPROVEMENT FUND | | | | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 1,869,500 | \$ 73,476 | \$ 73,476 | \$ 0 |
| All Other Revenues | 400,000 | 57,796 | 57,796 | 0 |
| Total Revenues | <u>2,269,500</u> | <u>131,272</u> | <u>131,272</u> | <u>0</u> |
| Expenditures: | | | | |
| Capital Outlay: | | | | |
| City Manager | 1,300 | 489 | 0 | 489 |
| Law Director | 2,000 | 2,000 | 0 | 2,000 |
| Central Information System | 48,620 | 48,620 | 47,990 | 630 |
| Engineering | 55,000 | 55,000 | 44,694 | 10,306 |
| Municipal Court | 91,251 | 91,262 | 91,262 | 0 |
| Police | 377,279 | 377,279 | 333,403 | 43,876 |
| Fire | 42,509 | 42,509 | 42,064 | 445 |
| Parks and Recreation | 87,000 | 87,000 | 84,265 | 2,735 |
| Cemetery | 17,000 | 17,000 | 17,000 | 0 |
| Street Maintenance | 2,970,380 | 2,979,080 | 1,334,555 | 1,644,525 |
| Total Expenditures | <u>3,692,339</u> | <u>3,700,239</u> | <u>1,995,233</u> | <u>1,705,006</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,422,839) | (3,568,967) | (1,863,961) | 1,705,006 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 1,300,000 | 1,937,791 | 1,937,791 | 0 |
| Transfers Out | (108,320) | (108,320) | (108,320) | 0 |
| Total Other Financing Sources (Uses) | <u>1,191,680</u> | <u>1,829,471</u> | <u>1,829,471</u> | <u>0</u> |
| Net Change In Fund Balance | (231,159) | (1,739,496) | (34,490) | 1,705,006 |
| Fund Balance at Beginning of Year | 1,120,826 | 1,120,826 | 1,120,826 | 0 |
| Prior Year Encumbrances | 378,638 | 378,638 | 378,638 | 0 |
| Fund Balance at End of Year | <u>\$ 1,268,305</u> | <u>\$ (240,032)</u> | <u>\$ 1,464,974</u> | <u>\$ 1,705,006</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Funds
For the Year Ended December 31, 2023***

| AQUATIC CENTER FUND | | | | |
|--|--------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Property Taxes | \$ 282,000 | \$ 289,186 | \$ 289,186 | \$ 0 |
| Intergovernmental Revenues | 7,000 | 7,593 | 7,593 | 0 |
| Investment Earnings | 2,500 | 7,291 | 7,291 | 0 |
| All Other Revenues | 0 | 2,988 | 2,988 | 0 |
| Total Revenues | <u>291,500</u> | <u>307,058</u> | <u>307,058</u> | <u>0</u> |
| Expenditures: | | | | |
| Leisure Time Activities: | | | | |
| Capital Outlay | 57,850 | 83,096 | 48,553 | 34,543 |
| Total Expenditures | <u>57,850</u> | <u>83,096</u> | <u>48,553</u> | <u>34,543</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 233,650 | 223,962 | 258,505 | 34,543 |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | (344,140) | (344,140) | (344,140) | 0 |
| Total Other Financing Sources (Uses) | <u>(344,140)</u> | <u>(344,140)</u> | <u>(344,140)</u> | <u>0</u> |
| Net Change In Fund Balance | (110,490) | (120,178) | (85,635) | 34,543 |
| Fund Balance at Beginning of Year | 271,167 | 271,167 | 271,167 | 0 |
| Prior Year Encumbrances | 6,350 | 6,350 | 6,350 | 0 |
| Fund Balance at End of Year | <u>\$ 167,027</u> | <u>\$ 157,339</u> | <u>\$ 191,882</u> | <u>\$ 34,543</u> |

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------|--------------|---|
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 524,000 | \$ 539,657 | \$ 539,657 | \$ 0 |
| Charges for Services | 2,500 | 8,606 | 8,606 | 0 |
| Investment Earnings | 4,000 | 27,718 | 27,718 | 0 |
| All Other Revenues | 5,980 | 50,041 | 50,041 | 0 |
| Total Revenues | 536,480 | 626,022 | 626,022 | 0 |
| Expenditures: | | | | |
| Transportation: | | | | |
| Street Maintenance: | | | | |
| Personal Services | 294,740 | 294,225 | 274,324 | 19,901 |
| Materials and Supplies | 136,164 | 136,164 | 96,689 | 39,475 |
| Contractual Services | 45,945 | 45,395 | 22,786 | 22,609 |
| Other Expenditures | 31,450 | 31,450 | 21,694 | 9,756 |
| Capital Outlay | 500 | 1,050 | 1,041 | 9 |
| Total Street Maintenance | 508,799 | 508,284 | 416,534 | 91,750 |
| Ice and Snow Removal: | | | | |
| Personal Services | 38,295 | 38,295 | 5,973 | 32,322 |
| Materials and Supplies | 108,365 | 108,365 | 56,254 | 52,111 |
| Contractual Services | 18,500 | 18,500 | 0 | 18,500 |
| Other Expenditures | 7,000 | 7,000 | 908 | 6,092 |
| Total Ice and Snow Removal | 172,160 | 172,160 | 63,135 | 109,025 |
| Storm Drainage: | | | | |
| Personal Services | 11,902 | 17,361 | 15,852 | 1,509 |
| Materials and Supplies | 5,000 | 5,000 | 4,831 | 169 |
| Contractual Services | 10,000 | 10,000 | 10,000 | 0 |
| Other Expenditures | 500 | 529 | 529 | 0 |
| Total Storm Drainage | 27,402 | 32,890 | 31,212 | 1,678 |
| Total Expenditures | 708,361 | 713,334 | 510,881 | 202,453 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (171,881) | (87,312) | 115,141 | 202,453 |
| Fund Balance at Beginning of Year | 881,493 | 881,493 | 881,493 | 0 |
| Prior Year Encumbrances | 30,599 | 30,599 | 30,599 | 0 |
| Fund Balance at End of Year | \$ 740,211 | \$ 824,780 | \$ 1,027,233 | \$ 202,453 |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|-------------------|---|
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 36,500 | \$ 43,756 | \$ 43,756 | \$ 0 |
| Investment Earnings | 350 | 2,664 | 2,664 | 0 |
| Total Revenues | <u>36,850</u> | <u>46,420</u> | <u>46,420</u> | <u>0</u> |
| Expenditures: | | | | |
| Transportation: | | | | |
| Materials and Supplies | 38,200 | 38,200 | 3,397 | 34,803 |
| Contractual Services | <u>30,000</u> | <u>30,000</u> | <u>21,299</u> | <u>8,701</u> |
| Total Expenditures | <u>68,200</u> | <u>68,200</u> | <u>24,696</u> | <u>43,504</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (31,350) | (21,780) | 21,724 | 43,504 |
| Fund Balance at Beginning of Year | <u>79,546</u> | <u>79,546</u> | <u>79,546</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 48,196</u> | <u>\$ 57,766</u> | <u>\$ 101,270</u> | <u>\$ 43,504</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------|------------|---|
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 112,000 | \$ 127,420 | \$ 127,420 | \$ 0 |
| Investment Earnings | 2,600 | 13,902 | 13,902 | 0 |
| Total Revenues | 114,600 | 141,322 | 141,322 | 0 |
| Expenditures: | | | | |
| Transportation: | | | | |
| Materials and Supplies | 93,793 | 93,793 | 46,980 | 46,813 |
| Contractual Services | 155,000 | 155,000 | 127,557 | 27,443 |
| Total Expenditures | 248,793 | 248,793 | 174,537 | 74,256 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (134,193) | (107,471) | (33,215) | 74,256 |
| Fund Balance at Beginning of Year | 447,089 | 447,089 | 447,089 | 0 |
| Prior Year Encumbrances | 17,793 | 17,793 | 17,793 | 0 |
| Fund Balance at End of Year | \$ 330,689 | \$ 357,411 | \$ 431,667 | \$ 74,256 |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| EMS TRANSPORT SERVICE FUND | | | | |
|--|--------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 5,000 | \$ 907 | \$ 907 | \$ 0 |
| Charges for Services | 428,000 | 461,298 | 462,678 | 1,380 |
| Fines and Forfeitures | 100 | 556 | 556 | 0 |
| Total Revenues | <u>433,100</u> | <u>462,761</u> | <u>464,141</u> | <u>1,380</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Materials and Supplies | 54,845 | 54,845 | 48,884 | 5,961 |
| Contractual Services | 154,724 | 155,344 | 145,884 | 9,460 |
| Other Expenditures | 205,000 | 205,000 | 205,000 | 0 |
| Capital Outlay | 7,500 | 7,500 | 7,314 | 186 |
| Total Expenditures | <u>422,069</u> | <u>422,689</u> | <u>407,082</u> | <u>15,607</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 11,031 | 40,072 | 57,059 | 16,987 |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | (31,680) | (31,680) | (31,680) | 0 |
| Total Other Financing Sources (Uses) | <u>(31,680)</u> | <u>(31,680)</u> | <u>(31,680)</u> | <u>0</u> |
| Net Change In Fund Balance | (20,649) | 8,392 | 25,379 | 16,987 |
| Fund Balance at Beginning of Year | 394,738 | 394,738 | 394,738 | 0 |
| Prior Year Encumbrances | 6,119 | 6,119 | 6,119 | 0 |
| Fund Balance at End of Year | <u>\$ 380,208</u> | <u>\$ 409,249</u> | <u>\$ 426,236</u> | <u>\$ 16,987</u> |

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

| RECREATION FUND | | | | |
|--|--------------------|------------------|------------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Charges for Services | \$ 326,080 | \$ 447,966 | \$ 449,519 | \$ 1,553 |
| Investment Earnings | 3,000 | 22,402 | 22,171 | (231) |
| All Other Revenues | 55,400 | 72,666 | 72,666 | 0 |
| Total Revenues | <u>384,480</u> | <u>543,034</u> | <u>544,356</u> | <u>1,322</u> |
| Expenditures: | | | | |
| Leisure Time Activities: | | | | |
| Administration: | | | | |
| Personal Services | 162,229 | 163,626 | 158,823 | 4,803 |
| Materials and Supplies | 800 | 800 | 348 | 452 |
| Contractual Services | 4,175 | 4,175 | 2,986 | 1,189 |
| Other Expenditures | 2,000 | 0 | 0 | 0 |
| Total Administration | <u>169,204</u> | <u>168,601</u> | <u>162,157</u> | <u>6,444</u> |
| Golf Course Operations: | | | | |
| Personal Services | 319,783 | 334,544 | 320,740 | 13,804 |
| Materials and Supplies | 101,321 | 109,860 | 103,896 | 5,964 |
| Contractual Services | 27,403 | 34,563 | 32,455 | 2,108 |
| Other Expenditures | 7,380 | 10,380 | 6,778 | 3,602 |
| Capital Outlay | 74,677 | 67,177 | 67,167 | 10 |
| Total Golf Course Operations | <u>530,564</u> | <u>556,524</u> | <u>531,036</u> | <u>25,488</u> |
| Pool Operations: | | | | |
| Personal Services | 113,052 | 125,294 | 125,294 | 0 |
| Materials and Supplies | 38,270 | 46,670 | 41,109 | 5,561 |
| Contractual Services | 34,179 | 50,579 | 46,878 | 3,701 |
| Capital Outlay | 60,162 | 67,162 | 65,506 | 1,656 |
| Total Pool Operations | <u>245,663</u> | <u>289,705</u> | <u>278,787</u> | <u>10,918</u> |
| Parks and Programs: | | | | |
| Personal Services | 274,777 | 303,209 | 292,969 | 10,240 |
| Materials and Supplies | 108,571 | 102,168 | 97,879 | 4,289 |
| Contractual Services | 72,525 | 77,533 | 68,464 | 9,069 |
| Total Parks and Programs | <u>455,873</u> | <u>482,910</u> | <u>459,312</u> | <u>23,598</u> |
| Total Expenditures | <u>1,401,304</u> | <u>1,497,740</u> | <u>1,431,292</u> | <u>66,448</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,016,824) | (954,706) | (886,936) | 67,770 |

(Continued)

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| | RECREATION FUND | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 650,000 | 819,894 | 819,894 | 0 |
| Total Other Financing Sources (Uses) | 650,000 | 819,894 | 819,894 | 0 |
| Net Change In Fund Balance | (366,824) | (134,812) | (67,042) | 67,770 |
| Fund Balance at Beginning of Year | 664,523 | 664,523 | 664,523 | 0 |
| Prior Year Encumbrances | 58,828 | 58,828 | 58,828 | 0 |
| Fund Balance at End of Year | <u>\$ 356,527</u> | <u>\$ 588,539</u> | <u>\$ 656,309</u> | <u>\$ 67,770</u> |

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

| AMERICAN RESCUE PLAN ACT FUND | | | | |
|--|--------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 0 | \$ 109,784 | \$ 109,784 | \$ 0 |
| Investment Earnings | 2,000 | 12,936 | 12,936 | 0 |
| Total Revenues | <u>2,000</u> | <u>122,720</u> | <u>122,720</u> | <u>0</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Personal Services | 0 | 94,747 | 94,747 | 0 |
| Capital Outlay | 16,228 | 27,925 | 17,133 | 10,792 |
| Total Expenditures | <u>16,228</u> | <u>122,672</u> | <u>111,880</u> | <u>10,792</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (14,228) | 48 | 10,840 | 10,792 |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | 0 | (250,000) | (250,000) | 0 |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>(250,000)</u> | <u>(250,000)</u> | <u>0</u> |
| Net Change In Fund Balance | (14,228) | (249,952) | (239,160) | 10,792 |
| Fund Balance at Beginning of Year | 455,878 | 455,878 | 455,878 | 0 |
| Prior Year Encumbrances | 6,228 | 6,228 | 6,228 | 0 |
| Fund Balance at End of Year | <u>\$ 447,878</u> | <u>\$ 212,154</u> | <u>\$ 222,946</u> | <u>\$ 10,792</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

SHELTER HOUSE FACILITY REPAIR FUND

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|-----------------|---|
| Revenues: | | | | |
| Charges for Services | \$ 2,000 | \$ 2,248 | \$ 2,248 | \$ 0 |
| Investment Earnings | 50 | 184 | 184 | 0 |
| Total Revenues | <u>2,050</u> | <u>2,432</u> | <u>2,432</u> | <u>0</u> |
| Expenditures: | | | | |
| Community Environment: | | | | |
| Contractual Services | 0 | 3,600 | 3,396 | 204 |
| Total Expenditures | <u>0</u> | <u>3,600</u> | <u>3,396</u> | <u>204</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,050 | (1,168) | (964) | 204 |
| Fund Balance at Beginning of Year | <u>6,231</u> | <u>6,231</u> | <u>6,231</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 8,281</u> | <u>\$ 5,063</u> | <u>\$ 5,267</u> | <u>\$ 204</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| HOTEL/MOTEL TAX FUND | | | | |
|--|--------------------|-----------------|-----------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 90,000 | \$ 125,124 | \$ 125,124 | \$ 0 |
| Total Revenues | <u>90,000</u> | <u>125,124</u> | <u>125,124</u> | <u>0</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Contractual Services | 58,573 | 71,135 | 71,135 | 0 |
| Total Expenditures | <u>58,573</u> | <u>71,135</u> | <u>71,135</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 31,427 | 53,989 | 53,989 | 0 |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | (50,000) | (62,562) | (62,562) | 0 |
| Total Other Financing Sources (Uses) | <u>(50,000)</u> | <u>(62,562)</u> | <u>(62,562)</u> | <u>0</u> |
| Net Change In Fund Balance | (18,573) | (8,573) | (8,573) | 0 |
| Fund Balance at Beginning of Year | 0 | 0 | 0 | 0 |
| Prior Year Encumbrances | 8,573 | 8,573 | 8,573 | 0 |
| Fund Balance at End of Year | <u>\$ (10,000)</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|------------------|---|
| Revenues: | | | | |
| All Other Revenues | \$ 0 | \$ 20,885 | \$ 20,885 | \$ 0 |
| Total Revenues | <u>0</u> | <u>20,885</u> | <u>20,885</u> | <u>0</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Other Expenditures | <u>31,000</u> | <u>94,772</u> | <u>94,772</u> | <u>0</u> |
| Total Expenditures | <u>31,000</u> | <u>94,772</u> | <u>94,772</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (31,000) | (73,887) | (73,887) | 0 |
| Fund Balance at Beginning of Year | <u>94,772</u> | <u>94,772</u> | <u>94,772</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 63,772</u> | <u>\$ 20,885</u> | <u>\$ 20,885</u> | <u>\$ 0</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| | CDBG INCOME FUND | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 30,000 | \$ 13,783 | \$ 13,783 | \$ 0 |
| Total Revenues | <u>30,000</u> | <u>13,783</u> | <u>13,783</u> | <u>0</u> |
| Expenditures: | | | | |
| Community Environment: | | | | |
| Contractual Services | <u>34,000</u> | <u>39,597</u> | <u>39,597</u> | <u>0</u> |
| Total Expenditures | <u>34,000</u> | <u>39,597</u> | <u>39,597</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (4,000) | (25,814) | (25,814) | 0 |
| Fund Balance at Beginning of Year | <u>47,995</u> | <u>47,995</u> | <u>47,995</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 43,995</u> | <u>\$ 22,181</u> | <u>\$ 22,181</u> | <u>\$ 0</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| INDIGENT DRIVERS ALCOHOL TREATMENT FUND | | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Investment Earnings | \$ 750 | \$ 2,039 | \$ 2,039 | \$ 0 |
| Fines and Forfeitures | 2,000 | 8,090 | 8,090 | 0 |
| Total Revenues | <u>2,750</u> | <u>10,129</u> | <u>10,129</u> | <u>0</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Contractual Services | 25,000 | 25,000 | 0 | 25,000 |
| Total Expenditures | <u>25,000</u> | <u>25,000</u> | <u>0</u> | <u>25,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (22,250) | (14,871) | 10,129 | 25,000 |
| Fund Balance at Beginning of Year | <u>66,039</u> | <u>66,039</u> | <u>66,039</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 43,789</u> | <u>\$ 51,168</u> | <u>\$ 76,168</u> | <u>\$ 25,000</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------|----------|---|
| Revenues: | | | | |
| Investment Earnings | \$ 50 | \$ 46 | \$ 46 | \$ 0 |
| Fines and Forfeitures | 800 | 540 | 540 | 0 |
| Total Revenues | 850 | 586 | 586 | 0 |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Contractual Services | 2,182 | 2,182 | 945 | 1,237 |
| Capital Outlay | 100 | 100 | 0 | 100 |
| Total Expenditures | 2,282 | 2,282 | 945 | 1,337 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,432) | (1,696) | (359) | 1,337 |
| Fund Balance at Beginning of Year | 1,299 | 1,299 | 1,299 | 0 |
| Prior Year Encumbrances | 482 | 482 | 482 | 0 |
| Fund Balance at End of Year | \$ 349 | \$ 85 | \$ 1,422 | \$ 1,337 |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------|------------|---|
| Revenues: | | | | |
| Investment Earnings | \$ 25,000 | \$ 6,000 | \$ 6,000 | \$ 0 |
| Fines and Forfeitures | 32,000 | 36,028 | 36,028 | 0 |
| Total Revenues | 57,000 | 42,028 | 42,028 | 0 |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Contractual Services | 10,000 | 10,000 | 7,669 | 2,331 |
| Other Expenditures | 10,000 | 10,008 | 10,008 | 0 |
| Capital Outlay | 28,000 | 28,000 | 21,637 | 6,363 |
| Total Expenditures | 48,000 | 48,008 | 39,314 | 8,694 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 9,000 | (5,980) | 2,714 | 8,694 |
| Fund Balance at Beginning of Year | 198,018 | 198,018 | 198,018 | 0 |
| Fund Balance at End of Year | \$ 207,018 | \$ 192,038 | \$ 200,732 | \$ 8,694 |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| LAW ENFORCEMENT TRUST FUND | | | | |
|--|--------------------|-----------------|-----------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Investment Earnings | \$ 20 | \$ 136 | \$ 136 | \$ 0 |
| All Other Revenues | 0 | 5,310 | 5,310 | 0 |
| Total Revenues | <u>20</u> | <u>5,446</u> | <u>5,446</u> | <u>0</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Other Expenditures | 500 | 500 | 0 | 500 |
| Capital Outlay | 500 | 500 | 0 | 500 |
| Total Expenditures | <u>1,000</u> | <u>1,000</u> | <u>0</u> | <u>1,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (980) | 4,446 | 5,446 | 1,000 |
| Fund Balance at Beginning of Year | 1,189 | 1,189 | 1,189 | 0 |
| Fund Balance at End of Year | <u>\$ 209</u> | <u>\$ 5,635</u> | <u>\$ 6,635</u> | <u>\$ 1,000</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| MANDATORY DRUG FINE FUND | | | | |
|--|--------------------|------------------|------------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Investment Earnings | \$ 250 | \$ 585 | \$ 585 | \$ 0 |
| Fines and Forfeitures | 750 | 1,006 | 1,006 | 0 |
| Total Revenues | <u>1,000</u> | <u>1,591</u> | <u>1,591</u> | <u>0</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Other Expenditures | 1,000 | 1,000 | 0 | 1,000 |
| Capital Outlay | 1,000 | 1,000 | 0 | 1,000 |
| Total Expenditures | <u>2,000</u> | <u>2,000</u> | <u>0</u> | <u>2,000</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,000) | (409) | 1,591 | 2,000 |
| Fund Balance at Beginning of Year | <u>19,463</u> | <u>19,463</u> | <u>19,463</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 18,463</u> | <u>\$ 19,054</u> | <u>\$ 21,054</u> | <u>\$ 2,000</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| FIRE EQUIPMENT FUND | | | | |
|--|--------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Investment Earnings | \$ 3,000 | \$ 15,180 | \$ 15,180 | \$ 0 |
| All Other Revenues | 1,000 | 13,985 | 13,985 | 0 |
| Total Revenues | <u>4,000</u> | <u>29,165</u> | <u>29,165</u> | <u>0</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Capital Outlay | 148,176 | 148,176 | 146,441 | 1,735 |
| Total Expenditures | <u>148,176</u> | <u>148,176</u> | <u>146,441</u> | <u>1,735</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (144,176) | (119,011) | (117,276) | 1,735 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 88,000 | 88,000 | 88,000 | 0 |
| Total Other Financing Sources (Uses) | <u>88,000</u> | <u>88,000</u> | <u>88,000</u> | <u>0</u> |
| Net Change In Fund Balance | (56,176) | (31,011) | (29,276) | 1,735 |
| Fund Balance at Beginning of Year | 512,565 | 512,565 | 512,565 | 0 |
| Prior Year Encumbrances | 16,276 | 16,276 | 16,276 | 0 |
| Fund Balance at End of Year | <u>\$ 472,665</u> | <u>\$ 497,830</u> | <u>\$ 499,565</u> | <u>\$ 1,735</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| MUNICIPAL PROBATION SERVICE FUND | | | | |
|--|--------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Investment Earnings | \$ 1,500 | \$ 4,878 | \$ 4,878 | \$ 0 |
| Fines and Forfeitures | 26,200 | 29,354 | 29,354 | 0 |
| Total Revenues | <u>27,700</u> | <u>34,232</u> | <u>34,232</u> | <u>0</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Personal Services | 0 | 8,302 | 5,751 | 2,551 |
| Contractual Services | 500 | 500 | 0 | 500 |
| Other Expenditures | 500 | 500 | 0 | 500 |
| Total Expenditures | <u>1,000</u> | <u>9,302</u> | <u>5,751</u> | <u>3,551</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 26,700 | 24,930 | 28,481 | 3,551 |
| Fund Balance at Beginning of Year | <u>155,873</u> | <u>155,873</u> | <u>155,873</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 182,573</u> | <u>\$ 180,803</u> | <u>\$ 184,354</u> | <u>\$ 3,551</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| PROBATION OFFICER GRANT FUND | | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|---------------|---------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 53,000 | \$ 18,012 | \$ 18,012 | \$ 0 |
| Total Revenues | <u>53,000</u> | <u>18,012</u> | <u>18,012</u> | <u>0</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Personal Services | 26,787 | 28,478 | 28,478 | 0 |
| Total Expenditures | <u>26,787</u> | <u>28,478</u> | <u>28,478</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 26,213 | (10,466) | (10,466) | 0 |
| Fund Balance at Beginning of Year | 10,466 | 10,466 | 10,466 | 0 |
| Fund Balance at End of Year | <u>\$ 36,679</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| COURT IMPROVEMENT FUND | | | | |
|--|--------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Fines and Forfeitures | \$ 60,000 | \$ 58,476 | \$ 58,476 | \$ 0 |
| Total Revenues | <u>60,000</u> | <u>58,476</u> | <u>58,476</u> | <u>0</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Debt Service: | | | | |
| Principal Retirement | 0 | 60,000 | 60,000 | 0 |
| Interest and Fiscal Charges | 0 | 7,400 | 7,400 | 0 |
| Total Expenditures | <u>0</u> | <u>67,400</u> | <u>67,400</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 60,000 | (8,924) | (8,924) | 0 |
| Fund Balance at Beginning of Year | <u>205,126</u> | <u>205,126</u> | <u>205,126</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 265,126</u> | <u>\$ 196,202</u> | <u>\$ 196,202</u> | <u>\$ 0</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| HANDICAP PARKING FINES FUND | | | | |
|--|--------------------|--------------|----------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Total Revenues | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Expenditures: | | | | |
| Total Expenditures | 0 | 0 | 0 | 0 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | 0 | 0 | 0 |
| Fund Balance at Beginning of Year | 1,100 | 1,100 | 1,100 | 0 |
| Fund Balance at End of Year | \$ 1,100 | \$ 1,100 | \$ 1,100 | \$ 0 |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| POLICE PENSION FUND | | | | |
|--|--------------------|----------------|----------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Property Taxes | \$ 85,700 | \$ 92,958 | \$ 92,958 | \$ 0 |
| Intergovernmental Revenues | 9,900 | 12,145 | 12,145 | 0 |
| Total Revenues | <u>95,600</u> | <u>105,103</u> | <u>105,103</u> | <u>0</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Personal Services | 95,600 | 209,861 | 209,861 | 0 |
| Total Expenditures | <u>95,600</u> | <u>209,861</u> | <u>209,861</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | (104,758) | (104,758) | 0 |
| Fund Balance at Beginning of Year | <u>104,758</u> | <u>104,758</u> | <u>104,758</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 104,758</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

| FIRE PENSION FUND | | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|----------------|----------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Property Taxes | \$ 42,350 | \$ 46,479 | \$ 46,479 | \$ 0 |
| Intergovernmental Revenues | 5,500 | 6,073 | 6,073 | 0 |
| Total Revenues | <u>47,850</u> | <u>52,552</u> | <u>52,552</u> | <u>0</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Personal Services | 47,850 | 104,931 | 104,931 | 0 |
| Total Expenditures | <u>47,850</u> | <u>104,931</u> | <u>104,931</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | (52,379) | (52,379) | 0 |
| Fund Balance at Beginning of Year | <u>52,379</u> | <u>52,379</u> | <u>52,379</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 52,379</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| CEMETERY FUND | | | | |
|--|--------------------|------------------|------------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Charges for Services | \$ 4,000 | \$ 1,950 | \$ 1,950 | \$ 0 |
| Total Revenues | <u>4,000</u> | <u>1,950</u> | <u>1,950</u> | <u>0</u> |
| Expenditures: | | | | |
| Community Environment: | | | | |
| Materials and Supplies | 7,079 | 7,079 | 5,992 | 1,087 |
| Total Expenditures | <u>7,079</u> | <u>7,079</u> | <u>5,992</u> | <u>1,087</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,079) | (5,129) | (4,042) | 1,087 |
| Other Financing Sources (Uses): | | | | |
| Proceeds from the Sale of Capital Assets | 500 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | <u>500</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Change In Fund Balance | (2,579) | (5,129) | (4,042) | 1,087 |
| Fund Balance at Beginning of Year | 68,365 | 68,365 | 68,365 | 0 |
| Prior Year Encumbrances | 579 | 579 | 579 | 0 |
| Fund Balance at End of Year | <u>\$ 66,365</u> | <u>\$ 63,815</u> | <u>\$ 64,902</u> | <u>\$ 1,087</u> |

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|---------------|---------------|---|
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 21,356 | \$ 3,716 | \$ 3,716 | \$ 0 |
| Total Revenues | <u>21,356</u> | <u>3,716</u> | <u>3,716</u> | <u>0</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Personal Services | 9,737 | 11,443 | 11,443 | 0 |
| Materials and Supplies | 0 | 1,379 | 1,379 | 0 |
| Contractual Services | 304 | 1,161 | 1,161 | 0 |
| Capital Outlay | 0 | 3,572 | 3,572 | 0 |
| Total Expenditures | <u>10,041</u> | <u>17,555</u> | <u>17,555</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 11,315 | (13,839) | (13,839) | 0 |
| Fund Balance at Beginning of Year | <u>13,839</u> | <u>13,839</u> | <u>13,839</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 25,154</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| CERTIFIED POLICE TRAINING FUND | | | | |
|--|--------------------|---------------|-----------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Total Revenues | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Contractual Services | 500 | 18,431 | 17,885 | 546 |
| Total Expenditures | 500 | 18,431 | 17,885 | 546 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (500) | (18,431) | (17,885) | 546 |
| Fund Balance at Beginning of Year | 19,004 | 19,004 | 19,004 | 0 |
| Fund Balance at End of Year | <u>\$ 18,504</u> | <u>\$ 573</u> | <u>\$ 1,119</u> | <u>\$ 546</u> |

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

| INDIGENT DRIVERS INTERLOCK / ALCOHOL FUND | | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Fines and Forfeitures | \$ 7,500 | \$ 3,374 | \$ 3,374 | \$ 0 |
| Total Revenues | <u>7,500</u> | <u>3,374</u> | <u>3,374</u> | <u>0</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Contractual Services | 5,000 | 5,000 | 330 | 4,670 |
| Total Expenditures | <u>5,000</u> | <u>5,000</u> | <u>330</u> | <u>4,670</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,500 | (1,626) | 3,044 | 4,670 |
| Fund Balance at Beginning of Year | <u>78,346</u> | <u>78,346</u> | <u>78,346</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 80,846</u> | <u>\$ 76,720</u> | <u>\$ 81,390</u> | <u>\$ 4,670</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| | ONE OHIO FUND | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|-----------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 1,800 | \$ 6,892 | \$ 6,892 | \$ 0 |
| Investment Earnings | 50 | 138 | 138 | 0 |
| Total Revenues | <u>1,850</u> | <u>7,030</u> | <u>7,030</u> | <u>0</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Contractual Services | <u>1,700</u> | <u>1,700</u> | <u>0</u> | <u>1,700</u> |
| Total Expenditures | <u>1,700</u> | <u>1,700</u> | <u>0</u> | <u>1,700</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 150 | 5,330 | 7,030 | 1,700 |
| Fund Balance at Beginning of Year | <u>44</u> | <u>44</u> | <u>44</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 194</u> | <u>\$ 5,374</u> | <u>\$ 7,074</u> | <u>\$ 1,700</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| NAPOLEON AQUATIC CENTER RESERVE FUND | | | | |
|--|--------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Investment Earnings | \$ 0 | \$ 1,210 | \$ 1,442 | \$ 232 |
| Total Revenues | <u>0</u> | <u>1,210</u> | <u>1,442</u> | <u>232</u> |
| Expenditures: | | | | |
| Total Expenditures | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | 1,210 | 1,442 | 232 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>0</u> |
| Net Change In Fund Balance | 100,000 | 101,210 | 101,442 | 232 |
| Fund Balance at Beginning of Year | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 100,000</u> | <u>\$ 101,210</u> | <u>\$ 101,442</u> | <u>\$ 232</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| DOWNTOWN REVITALIZATION GRANT FUND | | | | |
|--|--------------------|---------------|---------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 0 | \$ 36,245 | \$ 36,245 | \$ 0 |
| Investment Earnings | 0 | 512 | 512 | 0 |
| Total Revenues | <u>0</u> | <u>36,757</u> | <u>36,757</u> | <u>0</u> |
| Expenditures: | | | | |
| Community Environment: | | | | |
| Capital Outlay | 0 | 36,245 | 36,245 | 0 |
| Total Expenditures | <u>0</u> | <u>36,245</u> | <u>36,245</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | 512 | 512 | 0 |
| Fund Balance at Beginning of Year | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 0</u> | <u>\$ 512</u> | <u>\$ 512</u> | <u>\$ 0</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

| PROBATION IMPROVEMENT FUND | | | | |
|--|--------------------|-------------------|-----------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 0 | \$ 36,500 | \$ 36,500 | \$ 0 |
| Total Revenues | <u>0</u> | <u>36,500</u> | <u>36,500</u> | <u>0</u> |
| Expenditures: | | | | |
| Security of Persons and Property: | | | | |
| Personal Services | 0 | 39,143 | 32,307 | 6,836 |
| Contractual Services | 0 | 2,050 | 250 | 1,800 |
| Total Expenditures | <u>0</u> | <u>41,193</u> | <u>32,557</u> | <u>8,636</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | (4,693) | 3,943 | 8,636 |
| Fund Balance at Beginning of Year | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 0</u> | <u>\$ (4,693)</u> | <u>\$ 3,943</u> | <u>\$ 8,636</u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2023***

| GENERAL BOND RETIREMENT FUND | | | | |
|--|--------------------|--------------|-----------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Total Revenues | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal Retirement | 45,000 | 45,000 | 45,000 | 0 |
| Interest and Fiscal Charges | 7,000 | 7,000 | 7,000 | 0 |
| Total Expenditures | 52,000 | 52,000 | 52,000 | 0 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (52,000) | (52,000) | (52,000) | 0 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 52,000 | 52,000 | 52,000 | 0 |
| Total Other Financing Sources (Uses) | 52,000 | 52,000 | 52,000 | 0 |
| Net Change In Fund Balance | 0 | 0 | 0 | 0 |
| Fund Balance at Beginning of Year | 11,644 | 11,644 | 11,644 | 0 |
| Fund Balance at End of Year | \$ 11,644 | \$ 11,644 | \$ 11,644 | \$ 0 |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2023***

| OAKWOOD/AMERICAN TIF FUND | | | | |
|--|--------------------|------------------|------------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Payments in Lieu of Taxes | \$ 35,000 | \$ 32,514 | \$ 32,514 | \$ 0 |
| Investment Earnings | 200 | 1,535 | 1,535 | 0 |
| Total Revenues | <u>35,200</u> | <u>34,049</u> | <u>34,049</u> | <u>0</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Contractual Services | 5,830 | 5,863 | 5,712 | 151 |
| Total Expenditures | <u>5,830</u> | <u>5,863</u> | <u>5,712</u> | <u>151</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 29,370 | 28,186 | 28,337 | 151 |
| Fund Balance at Beginning of Year | <u>27,756</u> | <u>27,756</u> | <u>27,756</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 57,126</u> | <u>\$ 55,942</u> | <u>\$ 56,093</u> | <u>\$ 151</u> |

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2023**

| NAPOLEON AQUATIC CENTER DEBT RESERVE FUND | | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|-------------------------|---|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Investment Earnings | \$ 0 | \$ 2,616 | \$ 2,616 | \$ 0 |
| Total Revenues | <u>0</u> | <u>2,616</u> | <u>2,616</u> | <u>0</u> |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal Retirement | 175,000 | 175,000 | 175,000 | 0 |
| Interest and Fiscal Charges | <u>55,140</u> | <u>55,140</u> | <u>55,140</u> | <u>0</u> |
| Total Expenditures | <u>230,140</u> | <u>230,140</u> | <u>230,140</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (230,140) | (227,524) | (227,524) | 0 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | <u>244,140</u> | <u>244,140</u> | <u>244,140</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>244,140</u> | <u>244,140</u> | <u>244,140</u> | <u>0</u> |
| Net Change In Fund Balance | 14,000 | 16,616 | 16,616 | 0 |
| Fund Balance at Beginning of Year | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balance at End of Year | <u><u>\$ 14,000</u></u> | <u><u>\$ 16,616</u></u> | <u><u>\$ 16,616</u></u> | <u><u>\$ 0</u></u> |

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Year Ended December 31, 2023***

| CIP FUNDING RESERVE FUND | | | | |
|--|--------------------|-------------------|-------------------|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Revenues: | | | | |
| Total Revenues | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Expenditures: | | | | |
| Total Expenditures | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | 0 | 0 | 0 |
| Fund Balance at Beginning of Year | <u>72,437</u> | <u>72,437</u> | <u>72,437</u> | <u>0</u> |
| Fund Balance at End of Year | <u>\$ 72,437</u> | <u>\$ 72,437</u> | <u>\$ 72,437</u> | <u>\$ 0</u> |



STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

| | |
|---|-------------|
| Financial Trends | S 2 – S 13 |
| These schedules contain trend information to help the reader understand how the City’s financial position has changed over time. | |
| Revenue Capacity | S 14 – S 17 |
| These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue source, the income tax. | |
| Debt Capacity | S 18 – S 27 |
| These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future. | |
| Economic and Demographic Information | S 28 – S 31 |
| These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments. | |
| Operating Information | S 32– S 37 |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs. | |
| Sources Note: | |
| Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year. | |

City of Napoleon, Ohio

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

| | 2014 | 2015 | 2016 |
|---|---------------------|---------------------|---------------------|
| Governmental Activities: | | | |
| Net Investment in Capital Assets | \$31,960,590 | \$33,433,083 | \$34,214,705 |
| Restricted | 2,990,372 | 2,806,677 | 2,858,956 |
| Unrestricted (Deficit) | 3,332,982 | (1,392,832) | (1,146,059) |
| Total Governmental Activities Net Position | <u>\$38,283,944</u> | <u>\$34,846,928</u> | <u>\$35,927,602</u> |
| | | | |
| Business-type Activities: | | | |
| Net Investment in Capital Assets | \$20,700,229 | \$22,542,372 | \$23,498,665 |
| Unrestricted | 19,439,411 | 18,129,077 | 19,777,496 |
| Total Business-type Activities Net Position | <u>\$40,139,640</u> | <u>\$40,671,449</u> | <u>\$43,276,161</u> |
| | | | |
| Primary Government: | | | |
| Net Investment in Capital Assets | \$52,660,819 | \$55,975,455 | \$57,713,370 |
| Restricted | 2,990,372 | 2,806,677 | 2,858,956 |
| Unrestricted | 22,772,393 | 16,736,245 | 18,631,437 |
| Total Primary Government Net Position | <u>\$78,423,584</u> | <u>\$75,518,377</u> | <u>\$79,203,763</u> |

Source: Finance Director's Office

City of Napoleon, Ohio

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| \$35,367,308 | \$37,840,220 | \$38,273,373 | \$40,207,246 | \$41,700,091 | \$41,100,079 | \$43,296,009 |
| 2,935,327 | 3,177,822 | 3,172,484 | 5,721,764 | 4,386,895 | 4,450,723 | 4,792,178 |
| (1,616,213) | (8,420,054) | (6,217,292) | (7,937,540) | (3,186,538) | (1,374,449) | (409,093) |
| <u>\$36,686,422</u> | <u>\$32,597,988</u> | <u>\$35,228,565</u> | <u>\$37,991,470</u> | <u>\$42,900,448</u> | <u>\$44,176,353</u> | <u>\$47,679,094</u> |
| | | | | | | |
| \$25,425,370 | \$26,268,146 | \$25,176,518 | \$25,983,867 | \$21,190,379 | \$22,504,359 | \$23,223,589 |
| 18,808,213 | 17,042,982 | 16,241,395 | 15,841,205 | 23,805,267 | 26,994,096 | 29,790,416 |
| <u>\$44,233,583</u> | <u>\$43,311,128</u> | <u>\$41,417,913</u> | <u>\$41,825,072</u> | <u>\$44,995,646</u> | <u>\$49,498,455</u> | <u>\$53,014,005</u> |
| | | | | | | |
| \$60,792,678 | \$64,108,366 | \$63,449,891 | \$66,191,113 | \$62,890,470 | \$63,604,438 | \$66,519,598 |
| 2,935,327 | 3,177,822 | 3,172,484 | 5,721,764 | 4,386,895 | 4,450,723 | 4,792,178 |
| 17,192,000 | 8,622,928 | 10,024,103 | 7,903,665 | 20,618,729 | 25,619,647 | 29,381,323 |
| <u>\$80,920,005</u> | <u>\$75,909,116</u> | <u>\$76,646,478</u> | <u>\$79,816,542</u> | <u>\$87,896,094</u> | <u>\$93,674,808</u> | <u>\$100,693,099</u> |

City of Napoleon, Ohio

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

| | 2014 | 2015 | 2016 |
|---|---------------------|---------------------|---------------------|
| Expenses | | | |
| Governmental Activities: | | | |
| Security of Persons and Property | \$3,897,632 | \$3,654,789 | \$3,546,651 |
| Public Health and Welfare Services | 121,621 | 130,226 | 107,520 |
| Leisure Time Activities | 979,834 | 885,152 | 896,040 |
| Community Environment | 152,816 | 133,083 | 1,057,736 |
| Transportation | 1,646,040 | 1,508,973 | 225,516 |
| General Government | 1,089,719 | 895,716 | 1,108,794 |
| Interest and Fiscal Charges | 71,185 | 49,078 | 64,017 |
| <i>Total Governmental Activities Expenses</i> | <u>7,958,847</u> | <u>7,257,017</u> | <u>7,006,274</u> |
| Business-type Activities: | | | |
| Electric | 16,111,027 | 14,525,667 | 15,578,395 |
| Water | 2,725,757 | 2,483,792 | 2,820,862 |
| Sewer | 3,114,530 | 3,298,500 | 3,322,734 |
| Sanitation | 742,677 | 756,482 | 829,618 |
| <i>Total Business-type Activities Expenses</i> | <u>22,693,991</u> | <u>21,064,441</u> | <u>22,551,609</u> |
| <i>Total Primary Government Expenses</i> | <u>\$30,652,838</u> | <u>\$28,321,458</u> | <u>\$29,557,883</u> |
| Program Revenues | | | |
| Governmental Activities: | | | |
| Charges for Services | | | |
| Security of Persons and Property | \$1,103,728 | \$1,062,603 | \$1,045,704 |
| Public Health and Welfare Services | 18,668 | 22,665 | 14,655 |
| Leisure Time Activities | 278,108 | 240,539 | 260,055 |
| Community Environment | 6,288 | 5,280 | 3,270 |
| Transportation | 8,997 | 14,115 | 7,486 |
| General Government | 42,022 | 21,996 | 51,590 |
| Operating Grants and Contributions | 950,214 | 586,830 | 621,783 |
| Capital Grants and Contributions | 76,151 | 931,660 | 802,876 |
| <i>Total Governmental Activities Program Revenues</i> | <u>2,484,176</u> | <u>2,885,688</u> | <u>2,807,419</u> |

City of Napoleon, Ohio

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$4,052,817 | \$4,181,547 | \$1,528,894 | \$3,972,294 | \$4,072,196 | \$4,187,848 | \$5,387,034 |
| 121,144 | 166,772 | 163,755 | 93,016 | 75,470 | 94,765 | 113,129 |
| 1,037,985 | 1,069,024 | 1,213,411 | 1,618,929 | 3,215,616 | 1,038,018 | 1,019,200 |
| 543,782 | 53,119 | 44,359 | 80,173 | 88,315 | 52,002 | 93,948 |
| 721,483 | 1,065,866 | 1,649,584 | 720,992 | 1,475,757 | 1,557,945 | 1,094,207 |
| 1,118,076 | 2,079,503 | 1,074,671 | 1,246,393 | 452,869 | 2,233,563 | 1,207,352 |
| 43,997 | 59,666 | 52,836 | 98,944 | 103,000 | 73,432 | 64,146 |
| <u>7,639,284</u> | <u>8,675,497</u> | <u>5,727,510</u> | <u>7,830,741</u> | <u>9,483,223</u> | <u>9,237,573</u> | <u>8,979,016</u> |
| 16,376,184 | 17,946,062 | 18,812,383 | 17,546,472 | 15,002,149 | 16,494,445 | 14,827,672 |
| 3,165,477 | 3,425,305 | 3,592,861 | 3,597,475 | 3,237,649 | 3,355,622 | 4,488,426 |
| 3,601,304 | 3,711,983 | 3,394,400 | 4,684,426 | 6,325,475 | 2,277,113 | 3,864,720 |
| 848,385 | 837,422 | 934,836 | 934,847 | 722,412 | 902,343 | 997,595 |
| <u>23,991,350</u> | <u>25,920,772</u> | <u>26,734,480</u> | <u>26,763,220</u> | <u>25,287,685</u> | <u>23,029,523</u> | <u>24,178,413</u> |
| <u>\$31,630,634</u> | <u>\$34,596,269</u> | <u>\$32,461,990</u> | <u>\$34,593,961</u> | <u>\$34,770,908</u> | <u>\$32,267,096</u> | <u>\$33,157,429</u> |
| \$1,135,063 | \$1,189,906 | \$1,068,296 | \$1,238,565 | \$1,243,403 | \$1,115,612 | \$1,373,950 |
| 16,752 | 21,152 | 18,105 | 19,515 | 23,500 | 14,403 | 14,905 |
| 243,119 | 252,546 | 240,154 | 266,306 | 513,539 | 466,881 | 541,267 |
| 4,222 | 5,092 | 4,260 | 7,890 | 4,880 | 11,926 | 2,075 |
| 6,783 | 11,188 | 5,924 | 10,000 | 21,188 | 8,133 | 56,637 |
| 138,934 | 97,747 | 77,391 | 30,955 | 89,605 | 13,131 | 11,621 |
| 697,848 | 664,597 | 785,332 | 1,606,197 | 902,153 | 701,307 | 906,941 |
| 237,473 | 2,156,969 | 160,476 | 752,003 | 3,872,102 | 777,295 | 81,069 |
| <u>2,480,194</u> | <u>4,399,197</u> | <u>2,359,938</u> | <u>3,931,431</u> | <u>6,670,370</u> | <u>3,108,688</u> | <u>2,988,465</u> |

(Continued)

City of Napoleon, Ohio

Changes in Net Position Last Ten Years (accrual basis of accounting)

| | 2014 | 2015 | 2016 |
|--|---------------|---------------|---------------|
| Business-type Activities: | | | |
| Charges for Services | | | |
| Electric | 15,391,341 | 14,970,816 | 16,250,617 |
| Water | 3,218,817 | 3,309,819 | 3,233,144 |
| Sewer | 3,343,019 | 3,904,365 | 4,054,675 |
| Sanitation | 867,626 | 860,787 | 874,071 |
| Capital Grants and Contributions | 0 | 167,351 | 624,929 |
| <i>Total Business-type Activities Program Revenues</i> | 22,820,803 | 23,213,138 | 25,037,436 |
| <i>Total Primary Government Program Revenues</i> | 25,304,979 | 26,098,826 | 27,844,855 |
| Net (Expense)/Revenue | | | |
| Governmental Activities | (5,474,671) | (4,371,329) | (4,198,855) |
| Business-type Activities | 126,812 | 2,148,697 | 2,485,827 |
| <i>Total Primary Government Net (Expense)/Revenue</i> | (\$5,347,859) | (\$2,222,632) | (\$1,713,028) |
| General Revenues and Other Changes in Net Position | | | |
| Governmental Activities: | | | |
| Property Taxes | \$371,815 | \$365,123 | \$358,670 |
| Payments in Lieu of Taxes | 0 | 0 | 0 |
| Municipal Income Taxes | 3,821,982 | 4,097,468 | 4,120,044 |
| Other Local Taxes (kWh Tax) | 512,414 | 520,952 | 515,950 |
| Grants and Entitlements not Restricted to Specific Programs | 50,375 | 798,480 | 5,422 |
| Investment Earnings | 40,475 | 8,164 | 99,506 |
| Miscellaneous | 211,898 | 397,832 | 79,387 |
| Transfers | 0 | 116,754 | 100,550 |
| <i>Total Governmental Activities</i> | 5,008,959 | 6,304,773 | 5,279,529 |
| Business-type Activities: | | | |
| Investment Earnings | 75,755 | 103,486 | 219,435 |
| Transfers | 0 | (116,754) | (100,550) |
| <i>Total Business-type Activities</i> | 75,755 | (13,268) | 118,885 |
| <i>Total Primary Government</i> | \$5,084,714 | \$6,291,505 | \$5,398,414 |
| Change in Net Position | | | |
| Governmental Activities | (\$465,712) | \$1,933,444 | \$1,080,674 |
| Business-type Activities | 202,567 | 2,135,429 | 2,604,712 |
| <i>Total Primary Government Change in Net Position</i> | (\$263,145) | \$4,068,873 | \$3,685,386 |

Source: Finance Director's Office

City of Napoleon, Ohio

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------|----------------------|----------------------|----------------------|--------------------|----------------------|----------------------|
| 15,591,655 | 17,557,232 | 16,889,912 | 16,667,338 | 19,373,830 | 17,484,705 | 16,701,438 |
| 3,390,516 | 3,590,647 | 2,819,295 | 4,073,887 | 3,988,547 | 4,372,307 | 4,412,554 |
| 4,036,930 | 3,932,884 | 4,049,241 | 3,703,599 | 4,555,774 | 4,115,241 | 4,018,348 |
| 892,891 | 879,260 | 836,225 | 891,572 | 894,677 | 909,534 | 930,879 |
| 839,103 | 324,231 | 70,219 | 1,684,785 | 387,441 | 461,632 | 1,078,595 |
| <u>24,751,095</u> | <u>26,284,254</u> | <u>24,664,892</u> | <u>27,021,181</u> | <u>29,200,269</u> | <u>27,343,419</u> | <u>27,141,814</u> |
| <u>27,231,289</u> | <u>30,683,451</u> | <u>27,024,830</u> | <u>30,952,612</u> | <u>35,870,639</u> | <u>30,452,107</u> | <u>30,130,279</u> |
| (5,159,090) | (4,276,300) | (3,367,572) | (3,899,310) | (2,812,853) | (6,128,885) | (5,990,551) |
| 759,745 | 363,482 | (2,069,588) | 257,961 | 3,912,584 | 4,313,896 | 2,963,401 |
| <u>(\$4,399,345)</u> | <u>(\$3,912,818)</u> | <u>(\$5,437,160)</u> | <u>(\$3,641,349)</u> | <u>\$1,099,731</u> | <u>(\$1,814,989)</u> | <u>(\$3,027,150)</u> |
| \$350,199 | \$385,234 | \$389,773 | \$674,149 | \$717,005 | \$752,256 | \$739,820 |
| 0 | 0 | 0 | 0 | 0 | 33,301 | 32,514 |
| 4,212,894 | 3,272,728 | 4,017,857 | 4,289,399 | 4,904,826 | 5,894,014 | 6,032,896 |
| 483,133 | 497,718 | 477,525 | 470,521 | 489,124 | 488,712 | 565,869 |
| 340,970 | 335,637 | 384,626 | 215,104 | 716,775 | 646,823 | 718,723 |
| 64,846 | 93,922 | 560,642 | 371,297 | (201,552) | (969,943) | 1,140,005 |
| 465,868 | 343,819 | 140,351 | 647,995 | 259,211 | 559,627 | 263,465 |
| 0 | 0 | 27,375 | (6,250) | 836,442 | 0 | 0 |
| <u>5,917,910</u> | <u>4,929,058</u> | <u>5,998,149</u> | <u>6,662,215</u> | <u>7,721,831</u> | <u>7,404,790</u> | <u>9,493,292</u> |
| 197,677 | 331,845 | 203,748 | 142,948 | 94,432 | 188,913 | 552,149 |
| 0 | 0 | (27,375) | 6,250 | (836,442) | 0 | 0 |
| <u>197,677</u> | <u>331,845</u> | <u>176,373</u> | <u>149,198</u> | <u>(742,010)</u> | <u>188,913</u> | <u>552,149</u> |
| <u>\$6,115,587</u> | <u>\$5,260,903</u> | <u>\$6,174,522</u> | <u>\$6,811,413</u> | <u>\$6,979,821</u> | <u>\$7,593,703</u> | <u>\$10,045,441</u> |
| \$758,820 | \$652,758 | \$2,630,577 | \$2,762,905 | \$4,908,978 | \$1,275,905 | \$3,502,741 |
| 957,422 | 695,327 | (1,893,215) | 407,159 | 3,170,574 | 4,502,809 | 3,515,550 |
| <u>\$1,716,242</u> | <u>\$1,348,085</u> | <u>\$737,362</u> | <u>\$3,170,064</u> | <u>\$8,079,552</u> | <u>\$5,778,714</u> | <u>\$7,018,291</u> |

City of Napoleon, Ohio

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| General Fund | | | | |
| Nonspendable | \$9,120 | \$9,409 | \$44,283 | \$47,322 |
| Committed | 11,772 | 13,022 | 11,196 | 32,808 |
| Assigned | 777,758 | 838,819 | 590,274 | 498,796 |
| Unassigned | <u>1,162,723</u> | <u>1,265,731</u> | <u>1,301,015</u> | <u>1,405,609</u> |
| <i>Total General Fund</i> | <u>1,961,373</u> | <u>2,126,981</u> | <u>1,946,768</u> | <u>1,984,535</u> |
| All Other Governmental Funds | | | | |
| Nonspendable | \$170,935 | \$229,196 | \$252,736 | \$330,192 |
| Restricted | 2,434,009 | 2,279,047 | 2,442,470 | 2,580,649 |
| Committed | 1,555,291 | 1,912,226 | 2,586,537 | 2,522,755 |
| Assigned | 9,554 | 28,749 | 13,650 | 36,757 |
| Unassigned | <u>(27,902)</u> | <u>(28,492)</u> | <u>(29,300)</u> | <u>(40,465)</u> |
| Total All Other Governmental Funds | <u>4,141,887</u> | <u>4,420,726</u> | <u>5,266,093</u> | <u>5,429,888</u> |
| <i>Total Governmental Funds</i> | <u>\$6,103,260</u> | <u>\$6,547,707</u> | <u>\$7,212,861</u> | <u>\$7,414,423</u> |

Source: Finance Director's Office

City of Napoleon, Ohio

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|--------------------|--------------------|---------------------|--------------------|---------------------|---------------------|
| \$16,404 | \$57,417 | \$18,334 | \$15,599 | \$19,678 | \$39,120 |
| 54,198 | 41,611 | 21,938 | 7,779 | 13,590 | 5,810 |
| 1,054,526 | 691,949 | 46,906 | 94,575 | 68,755 | 220,347 |
| <u>655,332</u> | <u>1,648,729</u> | <u>3,104,136</u> | <u>3,111,642</u> | <u>2,919,552</u> | <u>3,434,440</u> |
| <u>1,780,460</u> | <u>2,439,706</u> | <u>3,191,314</u> | <u>3,229,595</u> | <u>3,021,575</u> | <u>3,699,717</u> |
| | | | | | |
| \$344,474 | \$280,242 | \$357,437 | \$323,209 | \$363,142 | \$362,231 |
| 2,798,732 | 3,029,161 | 5,422,310 | 3,926,117 | 4,112,097 | 4,212,542 |
| 1,612,463 | 1,487,789 | 1,236,769 | 1,768,986 | 2,651,144 | 3,144,552 |
| 34,596 | 21,995 | 55,235 | 9,394 | 11,644 | 11,644 |
| <u>(47,434)</u> | <u>(133,606)</u> | <u>(29,477)</u> | <u>(2,800)</u> | <u>(2,800)</u> | <u>(35,180)</u> |
| <u>4,742,831</u> | <u>4,685,581</u> | <u>7,042,274</u> | <u>6,024,906</u> | <u>7,135,227</u> | <u>7,695,789</u> |
| <u>\$6,523,291</u> | <u>\$7,125,287</u> | <u>\$10,233,588</u> | <u>\$9,254,501</u> | <u>\$10,156,802</u> | <u>\$11,395,506</u> |

City of Napoleon, Ohio

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

| | 2014 | 2015 | 2016 | 2017 |
|--|------------------|------------------|------------------|------------------|
| Revenues: | | | | |
| Taxes | \$4,660,798 | \$4,969,922 | \$4,998,063 | \$5,045,738 |
| Intergovernmental Revenues | 1,248,507 | 2,272,156 | 1,283,816 | 1,223,001 |
| Charges for Services | 819,227 | 869,489 | 865,305 | 997,003 |
| Licenses and Permits | 70,252 | 70,735 | 75,027 | 70,563 |
| Investment Earnings | 34,162 | 11,047 | 89,533 | 61,866 |
| Special Assessments | 28,815 | 37,142 | 33,107 | 11,526 |
| Fines and Forfeitures | 354,229 | 306,292 | 363,060 | 332,305 |
| All Other Revenue | 464,363 | 339,064 | 343,855 | 429,527 |
| Total Revenue | <u>7,680,353</u> | <u>8,875,847</u> | <u>8,051,766</u> | <u>8,171,529</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of Persons and Property | 3,559,821 | 3,426,149 | 3,271,532 | 3,664,792 |
| Public Health and Welfare Services | 107,365 | 111,598 | 100,039 | 104,137 |
| Leisure Time Activities | 717,360 | 792,662 | 808,066 | 858,514 |
| Community Environment | 151,254 | 132,277 | 192,306 | 137,222 |
| Transportation | 554,015 | 671,335 | 498,095 | 507,430 |
| General Government | 936,313 | 852,115 | 1,030,993 | 795,734 |
| Capital Outlay | 1,177,632 | 2,271,611 | 1,337,778 | 1,683,118 |
| Debt Service: | | | | |
| Principal Retirement | 119,151 | 124,151 | 124,351 | 119,349 |
| Interest and Fiscal Charges | 71,499 | 49,428 | 64,423 | 44,456 |
| Total Expenditures | <u>7,394,410</u> | <u>8,431,326</u> | <u>7,427,583</u> | <u>7,914,752</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 285,943 | 444,521 | 624,183 | 256,777 |

City of Napoleon, Ohio

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| \$4,131,094 | \$4,869,080 | \$5,394,521 | \$6,095,962 | \$7,372,342 | \$6,634,063 |
| 3,107,470 | 1,204,837 | 1,917,555 | 1,774,292 | 2,151,787 | 1,833,967 |
| 952,986 | 985,505 | 1,041,551 | 1,418,304 | 1,077,177 | 1,500,214 |
| 71,387 | 75,182 | 95,475 | 65,926 | 78,783 | 74,479 |
| 88,365 | 561,244 | 376,904 | (200,465) | (965,642) | 1,132,052 |
| 22,995 | 8,787 | 2,493 | 467 | 0 | 361 |
| 327,219 | 277,376 | 244,488 | 301,672 | 253,674 | 257,916 |
| 477,490 | 280,640 | 1,122,416 | 352,081 | 804,089 | 460,070 |
| <u>9,179,006</u> | <u>8,262,651</u> | <u>10,195,403</u> | <u>9,808,239</u> | <u>10,772,210</u> | <u>11,893,122</u> |
| 3,510,952 | 3,708,022 | 4,318,562 | 4,222,031 | 4,334,089 | 5,313,098 |
| 108,592 | 108,888 | 108,905 | 106,266 | 107,677 | 103,104 |
| 879,372 | 940,402 | 2,275,228 | 3,599,187 | 1,171,133 | 1,428,769 |
| 45,707 | 44,359 | 80,173 | 88,315 | 52,002 | 93,948 |
| 498,793 | 523,974 | 393,793 | 523,594 | 557,918 | 616,887 |
| 1,332,128 | 474,245 | 934,074 | 1,103,138 | 1,403,373 | 1,257,430 |
| 3,439,910 | 1,585,880 | 2,188,179 | 2,138,986 | 1,960,117 | 1,482,868 |
| 107,200 | 87,200 | 92,354 | 3,780,000 | 270,000 | 280,000 |
| 59,971 | 53,159 | 39,979 | 162,417 | 79,090 | 69,540 |
| <u>9,982,625</u> | <u>7,526,129</u> | <u>10,431,247</u> | <u>15,723,934</u> | <u>9,935,399</u> | <u>10,645,644</u> |
| (803,619) | 736,522 | (235,844) | (5,915,695) | 836,811 | 1,247,478 |

(Continued)

City of Napoleon, Ohio

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

| | 2014 | 2015 | 2016 | 2017 |
|--|------------------|------------------|------------------|------------------|
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 17,289 | 20,954 | 33,755 | 50,395 |
| General Obligation Notes Issued | 0 | 0 | 0 | 0 |
| General Obligation Bonds Issued | 0 | 0 | 0 | 0 |
| Premium on General Obligation Bonds | 0 | 0 | 0 | 0 |
| Transfers In | 2,137,016 | 2,185,044 | 2,457,040 | 2,442,394 |
| Transfers Out | (2,266,206) | (2,264,290) | (2,508,340) | (2,628,344) |
| Other Financing Sources - Capital Leases | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | <u>(111,901)</u> | <u>(58,292)</u> | <u>(17,545)</u> | <u>(135,555)</u> |
| Net Change in Fund Balance | <u>\$174,042</u> | <u>\$386,229</u> | <u>\$606,638</u> | <u>\$121,222</u> |
| | | | | |
| Debt Service as a Percentage of Noncapital Expenditures | 3.16% | 2.95% | 4.02% | 3.06% |

Source: Finance Director's Office

City of Napoleon, Ohio

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------|------------------|--------------------|--------------------|------------------|--------------------|
| 103,355 | 59,041 | 861 | 2,058 | 39,715 | 317 |
| 0 | 0 | 3,500,000 | 0 | 0 | 0 |
| 0 | 0 | 0 | 4,040,000 | 0 | 0 |
| 0 | 0 | 0 | 95,223 | 0 | 0 |
| 2,952,732 | 2,256,321 | 2,069,206 | 3,286,569 | 2,473,961 | 3,554,387 |
| (3,127,062) | (2,427,701) | (2,262,567) | (2,450,127) | (2,488,961) | (3,579,387) |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>(70,975)</u> | <u>(112,339)</u> | <u>3,307,500</u> | <u>4,973,723</u> | <u>24,715</u> | <u>(24,683)</u> |
| <u>(\$874,594)</u> | <u>\$624,183</u> | <u>\$3,071,656</u> | <u>(\$941,972)</u> | <u>\$861,526</u> | <u>\$1,222,795</u> |
| 2.81% | 2.39% | 2.26% | 29.02% | 3.75% | 4.80% |

City of Napoleon, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

| Tax year | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------|---------------|---------------|---------------|---------------|
| Income Tax Rate | 1.50% | 1.50% | 1.50% | 1.50% |
| Estimated Personal Income | \$340,074,000 | \$339,299,820 | \$343,994,115 | \$353,979,920 |
| Total Tax Collected | \$4,002,571 | \$4,233,916 | \$4,906,698 | \$4,616,746 |
| Income Tax Receipts | | | | |
| Withholding | 2,885,428 | 3,021,851 | 3,372,317 | 3,162,578 |
| Percentage | 72.09% | 71.37% | 68.73% | 68.50% |
| Corporate | 561,348 | 608,345 | 807,938 | 727,125 |
| Percentage | 14.02% | 14.37% | 16.47% | 15.75% |
| Individuals | 555,795 | 603,721 | 726,443 | 727,043 |
| Percentage | 13.89% | 14.26% | 14.80% | 15.75% |

Source: City Income Tax Department

City of Napoleon, Ohio

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| \$355,437,871 | \$386,721,369 | \$381,699,363 | \$377,048,463 | \$462,282,992 | \$455,513,660 |
| \$4,300,691 | \$4,516,394 | \$4,589,475 | \$5,223,095 | \$5,486,709 | \$6,263,439 |
| 3,242,460 | 3,337,832 | 3,579,093 | 3,826,675 | 3,957,746 | 4,385,605 |
| 75.39% | 73.90% | 77.98% | 73.26% | 72.13% | 70.02% |
| 390,875 | 460,411 | 331,043 | 656,574 | 636,879 | 855,163 |
| 9.09% | 10.19% | 7.21% | 12.57% | 11.61% | 13.65% |
| 667,357 | 718,152 | 679,339 | 739,846 | 892,084 | 1,022,671 |
| 15.52% | 15.91% | 14.81% | 14.17% | 16.26% | 16.33% |



City of Napoleon, Ohio

Income Tax Collections Current Year and Nine Years Ago

Calendar Year 2023

| Income Level | Number of Filers | Percent of Total | Local Taxable Income | Percent of Income |
|-----------------|---------------------|---------------------|----------------------------|----------------------|
| \$0 - \$19,999 | 23 | 20.72% | \$242,074 | 4.60% |
| 20,000 - 49,999 | 45 | 40.54% | 1,574,750 | 29.95% |
| 50,000 - 74,999 | 27 | 24.32% | 1,723,137 | 32.78% |
| 75,000 - 99,999 | 8 | 7.21% | 648,165 | 12.33% |
| Over 100,000 | 8 | 7.21% | 1,069,103 | 20.34% |
| Total | 111 | 100.00% | \$5,257,229 | 100.00% |

Calendar Year 2014

| Income Level | Number of Filers | Percent of Total | Local Taxable Income | Percent of Income |
|-----------------|---------------------|---------------------|----------------------------|----------------------|
| \$0 - \$19,999 | 2,909 | 52.71% | \$18,253,479 | 10.52% |
| 20,000 - 49,999 | 1,422 | 25.77% | 46,641,934 | 26.88% |
| 50,000 - 74,999 | 594 | 10.76% | 36,162,598 | 20.84% |
| 75,000 - 99,999 | 283 | 5.13% | 24,154,053 | 13.91% |
| Over 100,000 | 311 | 5.63% | 48,320,240 | 27.85% |
| Total | 5,519 | 100.00% | \$173,532,304 | 100.00% |

Source: Finance Director's Office

City of Napoleon, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

| | 2014 | 2015 | 2016 |
|--|---------------------|---------------------|---------------------|
| Governmental Activities ⁽¹⁾ | | | |
| General Obligation Bonds Payable | \$1,030,000 | \$950,000 | \$870,000 |
| Special Assessment Bonds Payable | 112,554 | 80,754 | 48,754 |
| Long-Term Notes Payable | 0 | 0 | 0 |
| Ohio Public Works Commission Loan Payable | 37,051 | 24,700 | 12,349 |
| Business-type Activities ⁽¹⁾ | | | |
| Ohio Water Development Authority Loans Payable | 1,142,870 | 1,022,324 | 916,078 |
| Ohio Public Works Commission Loans Payable | 368,421 | 339,736 | 311,051 |
| Ohio Water and Sewer Rotary Commission Loans Payable | 300,832 | 300,832 | 300,832 |
| Water Pollution Control Loan Fund Loans Payable | 6,235,432 | 5,874,191 | 5,509,329 |
| Water Supply Revolving Loan Payable | 0 | 0 | 0 |
| Long-Term Notes Payable | 2,500,000 | 2,500,000 | 3,900,000 |
| General Obligation Bonds Payable | 1,180,000 | 1,025,000 | 865,000 |
| Special Assessment Bond Payable | 49,446 | 42,246 | 34,246 |
| Revenue Bonds Payable | 9,585,000 | 9,085,000 | 8,575,000 |
| Total Primary Government | <u>\$22,541,606</u> | <u>\$21,244,783</u> | <u>\$21,342,639</u> |
| Population ⁽²⁾ | | | |
| City of Napoleon | 9,000 | 8,940 | 8,851 |
| Outstanding Debt Per Capita | \$2,505 | \$2,376 | \$2,411 |
| Income ⁽³⁾ | | | |
| Personal (in thousands) | 340,074 | 339,300 | 343,994 |
| Percentage of Personal Income | 6.63% | 6.26% | 6.20% |

Sources:

- (1) City Finance Director's Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Napoleon, Ohio

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$785,000 | \$700,000 | \$615,000 | \$525,000 | \$4,375,462 | \$4,100,701 | \$3,815,940 |
| 26,754 | 4,554 | 2,354 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 3,500,000 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 825,367 | 811,926 | 703,383 | 2,748,926 | 3,794,512 | 11,352,360 | 16,300,075 |
| 282,366 | 253,681 | 225,000 | 225,000 | 175,000 | 150,000 | 125,000 |
| 300,832 | 300,832 | 263,116 | 246,499 | 246,499 | 246,499 | 230,889 |
| 5,140,810 | 4,768,596 | 4,392,650 | 4,012,935 | 3,629,414 | 3,242,048 | 2,850,798 |
| 9,247,156 | 15,715,701 | 15,956,748 | 15,503,850 | 14,824,503 | 14,371,605 | 14,160,100 |
| 3,900,000 | 2,500,000 | 2,352,000 | 2,352,000 | 0 | 0 | 0 |
| 695,000 | 520,000 | 335,000 | 0 | 0 | 0 | 0 |
| 26,246 | 17,446 | 8,646 | 0 | 0 | 0 | 0 |
| 8,035,000 | 7,470,000 | 7,155,000 | 7,040,445 | 8,666,107 | 8,093,002 | 7,499,898 |
| <u>\$29,264,531</u> | <u>\$33,062,736</u> | <u>\$32,008,897</u> | <u>\$36,154,655</u> | <u>\$35,711,497</u> | <u>\$41,556,215</u> | <u>\$44,982,700</u> |
| 8,659 | 8,299 | 8,249 | 8,207 | 8,107 | 8,794 | 8,695 |
| \$3,380 | \$3,984 | \$3,880 | \$4,405 | \$4,405 | \$4,726 | \$5,173 |
| 353,980 | 355,438 | 386,721 | 381,699 | 377,048 | 462,283 | 455,514 |
| 8.27% | 9.30% | 8.28% | 9.47% | 9.47% | 8.99% | 9.88% |

City of Napoleon, Ohio

Ratios of General Bonded Debt Outstanding Last Ten Years

| Year | 2014 | 2015 | 2016 | 2017 |
|---|---------------|---------------|---------------|---------------|
| Population (1) | 9,000 | 8,940 | 8,851 | 8,659 |
| Assessed Value (2) | \$140,680,550 | \$140,849,400 | \$140,501,870 | \$151,096,730 |
| General Bonded Debt (3) | | | | |
| General Obligation Bonds | \$2,210,000 | \$1,975,000 | \$1,735,000 | \$1,480,000 |
| Resources Available to Pay Principal (4) | \$9,554 | \$28,749 | \$13,650 | \$36,757 |
| Net General Bonded Debt | \$2,200,446 | \$1,946,251 | \$1,721,350 | \$1,443,243 |
| Ratio of Net Bonded Debt to Assessed Value | 1.56% | 1.38% | 1.23% | 0.96% |
| Net Bonded Debt per Capita | \$244.49 | \$217.70 | \$194.48 | \$166.68 |

Source:

- (1) U.S. Bureau of Census of Population
- (2) Henry County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

City of Napoleon, Ohio

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 8,299 | 8,249 | 8,207 | 8,107 | 8,794 | 8,695 |
| \$150,298,770 | \$150,765,380 | \$169,600,090 | \$172,645,510 | \$171,106,790 | \$172,604,500 |
| \$1,220,000 | \$950,000 | \$525,000 | \$4,375,462 | \$4,100,701 | \$3,815,940 |
| \$34,596 | \$21,995 | \$55,235 | \$9,394 | \$11,644 | \$11,644 |
| \$1,185,404 | \$928,005 | \$469,765 | \$4,366,068 | \$4,089,057 | \$3,804,296 |
| 0.79% | 0.62% | 0.28% | 2.53% | 2.39% | 2.20% |
| \$142.84 | \$112.50 | \$57.24 | \$538.56 | \$464.98 | \$437.53 |



City of Napoleon, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2023*

| <u>Jurisdiction</u> | <u>Gross Debt Outstanding</u> | <u>Percentage Applicable to the City of Napoleon</u> | <u>Amount Applicable to the City of Napoleon</u> |
|--------------------------------|-----------------------------------|--|--|
| Direct: | | | |
| City of Napoleon | \$3,815,940 | 100.00% | \$3,815,940 |
| Overlapping: | | | |
| Napoleon City School District | 26,495,000 | 40.88% | 10,831,156 |
| Liberty Center School District | 17,100,000 | 2.34% | 400,140 |
| Four County Career Center | 1,985,000 | 4.29% | 85,157 |
| | | Subtotal | <u>11,316,453</u> |
| | | Total | <u><u>\$15,132,393</u></u> |

Source: Henry County

Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

City of Napoleon, Ohio

Debt Limitations Last Ten Years

| Collection Year | 2014 | 2015 | 2016 | 2017 |
|--|---------------------|---------------------|---------------------|---------------------|
| Total Debt | | | | |
| Net Assessed Valuation | \$140,680,550 | \$140,849,400 | \$140,501,870 | \$151,096,730 |
| Legal Debt Limitation (%) ⁽¹⁾ | 10.50% | 10.50% | 10.50% | 10.50% |
| Legal Debt Limitation (\$) ⁽¹⁾ | 14,771,458 | 14,789,187 | 14,752,696 | 15,865,157 |
| City Debt Outstanding ⁽²⁾ | 1,030,000 | 950,000 | 870,000 | 785,000 |
| Less: Applicable Debt Service Fund Amounts | (9,554) | (28,749) | (13,650) | (36,757) |
| Net Indebtedness Subject to Limitation | 1,020,446 | 921,251 | 856,350 | 748,243 |
| Overall Legal Debt Margin | <u>\$13,751,012</u> | <u>\$13,867,936</u> | <u>\$13,896,346</u> | <u>\$15,116,914</u> |
| Unvoted Debt | | | | |
| Net Assessed Valuation | \$140,680,550 | \$140,849,400 | \$140,501,870 | \$151,096,730 |
| Legal Debt Limitation (%) ⁽¹⁾ | 5.50% | 5.50% | 5.50% | 5.50% |
| Legal Debt Limitation (\$) ⁽¹⁾ | 7,737,430 | 7,746,717 | 7,727,603 | 8,310,320 |
| City Debt Outstanding ⁽²⁾ | 1,030,000 | 950,000 | 870,000 | 785,000 |
| Less: Applicable Debt Service Fund Amounts | (9,554) | (28,749) | (13,650) | (36,757) |
| Net Indebtedness Subject to Limitation | 1,020,446 | 921,251 | 856,350 | 748,243 |
| Overall Legal Debt Margin | <u>\$6,716,984</u> | <u>\$6,825,466</u> | <u>\$6,871,253</u> | <u>\$7,562,077</u> |

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: Finance Director's Office

City of Napoleon, Ohio

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$150,298,770 | \$150,765,380 | \$169,600,090 | \$172,645,510 | \$171,106,790 | \$172,604,500 |
| 10.50% | 10.50% | 10.50% | 10.50% | 10.50% | 10.50% |
| 15,781,371 | 15,830,365 | 17,808,009 | 18,127,779 | 17,966,213 | 18,123,473 |
| 700,000 | 615,000 | 525,000 | 4,285,000 | 4,015,000 | 3,735,000 |
| (34,596) | (21,995) | (55,235) | (9,394) | (11,644) | (11,644) |
| 665,404 | 593,005 | 469,765 | 4,275,606 | 4,003,356 | 3,723,356 |
| <u>\$15,115,967</u> | <u>\$15,237,360</u> | <u>\$17,338,244</u> | <u>\$13,852,173</u> | <u>\$13,962,857</u> | <u>\$14,400,117</u> |
| | | | | | |
| \$150,298,770 | \$150,765,380 | \$169,600,090 | \$172,645,510 | \$171,106,790 | \$172,604,500 |
| 5.50% | 5.50% | 5.50% | 5.50% | 5.50% | 5.50% |
| 8,266,432 | 8,292,096 | 9,328,005 | 9,495,503 | 9,410,873 | 9,493,248 |
| 700,000 | 615,000 | 525,000 | 4,285,000 | 4,015,000 | 3,735,000 |
| (34,596) | (21,995) | (55,235) | (9,394) | (11,644) | (11,644) |
| 665,404 | 593,005 | 469,765 | 4,275,606 | 4,003,356 | 3,723,356 |
| <u>\$7,601,028</u> | <u>\$7,699,091</u> | <u>\$8,858,240</u> | <u>\$5,219,897</u> | <u>\$5,407,517</u> | <u>\$5,769,892</u> |

City of Napoleon, Ohio

Pledged Revenue Coverage

Last Ten Years

| | 2014 | 2015 | 2016 | 2017 |
|--|--------------|--------------|--------------|--------------|
| Sewer System Bonds (1 a) | | | | |
| Gross Revenues (2) | \$3,412,809 | \$3,936,723 | \$4,159,750 | \$4,102,182 |
| Direct Operating Expenses (3) | 2,118,671 | 2,309,699 | 2,295,638 | 2,596,558 |
| Net Revenue Available for Debt Service | 1,294,138 | 1,627,024 | 1,864,112 | 1,505,624 |
| Annual Debt Service Requirement (4) | 640,676 | 636,597 | 636,732 | 644,217 |
| Coverage | 2.02 | 2.56 | 2.93 | 2.34 |
| Electric System Bonds (1 b) | | | | |
| Gross Revenues (2) | \$15,991,230 | \$14,965,308 | \$16,208,908 | \$15,561,372 |
| Direct Operating Expenses (3) | 15,555,991 | 13,960,055 | 14,997,692 | 15,782,123 |
| Net Revenue Available for Debt Service | 435,239 | 1,005,253 | 1,211,216 | (220,751) |
| Annual Debt Service Requirement (4) | 0 | 0 | 0 | 0 |
| Coverage | N/A | N/A | N/A | N/A |
| Electric System Amp-Ohio (1 b) | | | | |
| Gross Revenues (5) | \$15,961,782 | \$14,927,117 | \$16,153,201 | \$15,499,543 |
| Direct Operating Expenses (3) | 15,555,991 | 13,960,055 | 14,997,692 | 15,782,123 |
| Net Revenue Available for Debt Service | 405,791 | 967,062 | 1,155,509 | (282,580) |
| Annual Debt Service Requirement (4) | 0 | 0 | 0 | 0 |
| Coverage | N/A | N/A | N/A | N/A |
| Water System Bonds (1 c) | | | | |
| Gross Revenues (2) | \$3,317,029 | \$3,335,865 | \$3,278,782 | \$3,441,821 |
| Direct Operating Expenses (3) | 2,123,585 | 1,884,289 | 2,212,787 | 2,436,100 |
| Net Revenue Available for Debt Service | 1,193,444 | 1,451,576 | 1,065,995 | 1,005,721 |
| Annual Debt Service Requirement (4) | 529,806 | 538,471 | 528,884 | 537,699 |
| Coverage | 2.25 | 2.70 | 2.02 | 1.87 |

(1) The Mortgage Revenue Bonds were issued as follows:

(a) The Sewer Bonds were issued in 1998, in the amount of \$3,480,000, in 2010 in the amounts of \$2,050,000, \$1,800,000 and \$2,535,000, in 2012 in the amount of \$913,000 and in 2021 in the amount of \$4,070,000.

(b) The Electric Bonds were issued in 1998, in the amount of \$3,245,000.

(c) The Water Bonds were issued in 2008, in the amount of \$3,505,000, in 2010 in the amounts of \$305,000 and \$540,000, in 2012 in the amount of \$187,000, in 2020 in the amount of \$2,545,000 and 2021 in the amount of \$2,360,000.

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

(4) Annual debt service requirements include principal and interest on revenue bonds only.

(5) Gross revenues do not include interest income. This is operating revenue only according to Amp-Ohio debt covenant.

Source: Finance Director's Office

City of Napoleon, Ohio

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$4,103,091 | \$4,128,417 | \$4,210,583 | \$4,589,284 | \$4,392,033 | \$4,519,098 |
| 2,597,562 | 2,471,357 | 3,739,254 | 4,925,856 | 1,291,918 | 2,543,626 |
| 1,505,529 | 1,657,060 | 471,329 | (336,572) | 3,100,115 | 1,975,472 |
| 641,274 | 372,130 | 371,711 | 253,318 | 253,404 | 243,858 |
| 2.35 | 4.45 | 1.27 | (1.33) | 12.23 | 8.10 |
| \$17,626,832 | \$16,846,017 | \$16,715,984 | \$16,628,793 | \$17,544,271 | \$16,940,225 |
| 17,379,408 | 18,213,457 | 16,994,153 | 14,432,560 | 15,990,373 | 14,316,319 |
| 247,424 | (1,367,440) | (278,169) | 2,196,233 | 1,553,898 | 2,623,906 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| N/A | N/A | N/A | N/A | N/A | N/A |
| \$17,539,066 | \$16,793,537 | \$16,677,532 | \$16,599,805 | \$16,389,791 | \$16,734,179 |
| 17,379,408 | 18,213,457 | 16,994,153 | 14,432,560 | 15,990,373 | 14,316,319 |
| 159,658 | (1,419,920) | (316,621) | 2,167,245 | 399,418 | 2,417,860 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| N/A | N/A | N/A | N/A | N/A | N/A |
| \$3,638,507 | \$3,805,918 | \$4,107,007 | \$4,031,016 | \$4,409,471 | \$4,530,081 |
| 2,755,307 | 2,718,266 | 2,834,700 | 2,167,499 | 2,238,289 | 3,389,330 |
| 883,200 | 1,087,652 | 1,272,307 | 1,863,517 | 2,171,182 | 1,140,751 |
| 542,279 | 541,221 | 331,328 | 476,114 | 469,132 | 468,272 |
| 1.63 | 2.01 | 3.84 | 3.91 | 4.63 | 2.44 |

City of Napoleon, Ohio

Demographic and Economic Statistics Last Ten Years

| Calendar Year | 2014 | 2015 | 2016 | 2017 |
|---|-----------|-----------|-----------|-----------|
| Population ⁽¹⁾ | | | | |
| City of Napoleon | 9,000 | 8,940 | 8,851 | 8,659 |
| Henry County | 28,092 | 27,937 | 27,816 | 27,629 |
| Income ⁽²⁾ | | | | |
| Total Personal (in thousands) | 340,074 | 339,300 | 343,994 | 353,980 |
| Per Capita | 37,786 | 37,953 | 38,865 | 40,880 |
| Unemployment Rate ⁽³⁾ | | | | |
| Federal | 5.6% | 5.0% | 4.7% | 4.1% |
| State | 5.1% | 4.8% | 5.0% | 4.9% |
| Henry County | 5.5% | 5.5% | 5.5% | 5.1% |
| Civilian Work Force Estimates ⁽³⁾ | | | | |
| State | 5,726,000 | 5,694,000 | 5,687,000 | 5,782,000 |
| Henry County | 13,700 | 13,500 | 13,500 | 13,500 |

Sources:

- (1) US Bureau of Census of Population
- (2) Per Capita Income is only available by County, Total Personal Income is a calculation
- (3) State Department of Labor Statistics

City of Napoleon, Ohio

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 8,299 | 8,249 | 8,207 | 8,107 | 8,794 | 8,695 |
| 27,185 | 27,006 | 26,921 | 26,836 | 27,538 | 27,497 |
| 355,438 | 386,721 | 381,699 | 377,048 | 462,283 | 455,514 |
| 42,829 | 46,881 | 46,509 | 46,509 | 52,568 | 52,388 |
| 3.9% | 3.5% | 3.9% | 3.7% | 3.5% | 3.7% |
| 4.6% | 4.1% | 5.5% | 3.4% | 3.6% | 3.7% |
| 5.8% | 4.6% | 5.6% | 2.8% | 4.9% | 3.3% |
| 5,758,000 | 5,811,750 | 5,634,700 | 5,136,800 | 5,723,000 | 5,805,700 |
| 13,100 | 13,265 | 12,679 | 9,921 | 12,700 | 12,944 |



City of Napoleon, Ohio

Principal Employers Current Year and Nine Years Ago

| | | 2023 | | |
|--------------------------------------|-------------------------------|---------------------------|------|--------------------------------------|
| Employer | Nature of Business | Number of Employees | Rank | Percentage of Total Employment |
| JAC | Automobile Parts Manufacturer | 692 | 1 | 6.88% |
| Napoleon City School District | Education | 467 | 2 | 4.64% |
| Campbel Soup Supply Co LLC* | Soup Manufacturer | 449 | 3 | 4.46% |
| Wal-Mart Stores | Retail | 400 | 4 | 3.98% |
| Henry County Hospital Inc | Health Care | 375 | 5 | 3.73% |
| Henry County | County Government | 369 | 6 | 3.67% |
| Tenneco Automotive (Pullman Company) | Automobile Parts Manufacturer | 278 | 7 | 2.76% |
| City of Napoleon | Local Government | 238 | 8 | 2.37% |
| Custom Agri Systems | Agriculture/Manufacturer | 114 | 9 | 1.13% |
| Automatic Feed | Steel Handling Equipment | 84 | 10 | 0.84% |
| Total | | <u>3,466</u> | | |
| Total Employment within the City | | <u><u>10,058</u></u> | | |
| | | 2014 | | |
| Employer | Nature of Business | Number of Employees | Rank | Percentage of Total Employment |
| Napoleon City School District | Education | 448 | 1 | 4.44% |
| Campbel Soup Supply Co LLC | Soup Manufacturer | 399 | 2 | 3.96% |
| Henry County Auditors | County Government | 394 | 3 | 3.91% |
| Wal-Mart Stores | Retail | 356 | 4 | 3.53% |
| Henry County Hospital Inc | Health Care | 310 | 5 | 3.07% |
| The Lutheran Home | Long-term Health Care | 265 | 6 | 2.63% |
| Tenneco Automotive (Pullman Company) | Automobile Parts Manufacturer | 233 | 7 | 2.31% |
| City of Napoleon | Local Government | 207 | 8 | 2.05% |
| Oldcastle APG Inc | Manufacturing | 166 | 9 | 1.65% |
| Cloverleaf Cold Storage Co | Food Storage | 125 | 10 | 1.24% |
| Total | | <u>2,903</u> | | |
| Total Employment within the City | | <u><u>10,087</u></u> | | |

Sources: City of Napoleon Income Tax Department
(Total Employment # based on W2's received from employers)

City of Napoleon, Ohio

Full Time Equivalent Employees by Function Last Ten Years

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------------------------|---------------|---------------|---------------|---------------|
| Governmental Activities | | | | |
| General Government | | | | |
| Finance | 9.00 | 9.00 | 9.00 | 9.00 |
| Legal/Court | 10.00 | 9.00 | 9.00 | 10.00 |
| Administration | 10.00 | 10.00 | 10.00 | 9.00 |
| Maintenance | 3.00 | 3.00 | 3.00 | 3.00 |
| Security of Persons and Property | | | | |
| Police | 22.00 | 21.00 | 23.00 | 20.00 |
| Fire | 9.00 | 9.00 | 9.00 | 10.00 |
| Transportation | | | | |
| Street | 3.00 | 3.00 | 3.00 | 3.00 |
| Leisure Time Activities | | | | |
| Recreation/Seniors | 5.00 | 5.00 | 5.00 | 5.00 |
| Community Environment | | | | |
| Service - Cemetery | 1.00 | 1.00 | 1.00 | 1.00 |
| Business-Type Activities | | | | |
| Utilities - Electric | 14.00 | 14.00 | 14.00 | 14.00 |
| Water | 9.00 | 9.00 | 10.00 | 11.00 |
| Sewer | 7.00 | 7.00 | 7.00 | 8.00 |
| Solid Waste | 3.00 | 2.00 | 3.00 | 3.00 |
| <i>Total Employees</i> | <u>105.00</u> | <u>102.00</u> | <u>106.00</u> | <u>106.00</u> |

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: Finance Director's Office

City of Napoleon, Ohio

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 9.00 | 8.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 10.00 | 11.50 | 11.00 | 9.50 | 11.50 | 9.50 |
| 11.00 | 13.00 | 13.50 | 13.50 | 11.00 | 11.00 |
| 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| 19.00 | 22.00 | 22.00 | 22.00 | 23.00 | 24.00 |
| 8.00 | 24.00 | 24.50 | 22.00 | 22.00 | 26.00 |
| 2.00 | 2.00 | 2.00 | 3.00 | 3.00 | 2.00 |
| 5.00 | 7.50 | 4.50 | 10.50 | 19.00 | 22.00 |
| 1.00 | 1.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| 14.00 | 14.00 | 12.00 | 12.00 | 13.00 | 15.00 |
| 10.00 | 11.50 | 11.00 | 11.00 | 12.00 | 11.00 |
| 8.00 | 8.00 | 8.50 | 8.50 | 8.50 | 10.00 |
| 2.00 | 4.00 | 4.00 | 3.00 | 4.00 | 5.00 |
| <u>102.00</u> | <u>129.50</u> | <u>124.00</u> | <u>126.00</u> | <u>138.00</u> | <u>146.50</u> |

City of Napoleon, Ohio

Operating Indicators by Function Last Ten Years

| | 2014 | 2015 | 2016 | 2017 |
|---|-------|-------|-------|-------|
| Governmental Activities | | | | |
| General Government | | | | |
| Licenses and Permits | | | | |
| Number of Building Permits | 87 | 181 | 139 | 186 |
| Number of Commercial Permits | 17 | 7 | 13 | 31 |
| Security of Persons and Property | | | | |
| Police | | | | |
| Number of Traffic Citations Issued | 741 | 741 | 565 | 427 |
| Number of Parking Tickets | 83 | 83 | 59 | 53 |
| Number of Law Violations: | | | | |
| Criminal/Juvenile Citations | 713 | 713 | 827 | 1,054 |
| Fire | | | | |
| Number of Fire Calls Answered | 237 | 227 | 170 | 167 |
| Number of EMS Runs | 1,147 | 1,237 | 1,339 | 1,428 |
| Number of Inspections | 36 | 188 | 107 | 270 |
| Transportation | | | | |
| Street | | | | |
| Facilities and Services: Miles of Streets | 72 | 72 | 72 | 72 |
| Business-Type Activities | | | | |
| Water | | | | |
| Number of Service Connections | 3,663 | 3,663 | 3,663 | 3,895 |
| Daily Average Consumption (gallons) | 1.3M | 1.3M | 1.3M | 1.3M |
| Maximum Daily Capacity of Treatment (gallons) | 4.5M | 4.5M | 4.5M | 4.5M |
| Sewer | | | | |
| Number of Service Connections | 3,553 | 3,553 | 3,553 | 3,683 |
| Daily Average Sewage Treatment (gallons) | 1.8M | 1.8M | 1.8M | 1.8M |
| Maximum Daily Capacity of Treatment (gallons) | 4.5M | 4.5M | 4.5M | 4.5M |

Source: Finance Director's Office

City of Napoleon, Ohio

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------|-------|-------|-------|--------|--------|
| 171 | 164 | 180 | 192 | 177 | 126 |
| 60 | 73 | 62 | 54 | 73 | 64 |
| 456 | 411 | 232 | 388 | 322 | 296 |
| 28 | 22 | 8 | 62 | 8 | 4 |
| 927 | 855 | 712 | 670 | 589 | 450 |
| 210 | 237 | 296 | 362 | 442 | 343 |
| 1,370 | 1,409 | 1,449 | 1,574 | 1,401 | 1,304 |
| 463 | 204 | 87 | 145 | 169 | 146 |
| 72 | 72 | 72 | 72 | 72 | 72 |
| 3,895 | 3,900 | 3,920 | 3,960 | 3,970 | 3,978 |
| 1.3M | 1.14M | 1.14M | 1.13M | 1.093M | 1.077M |
| 4.5M | 4.5M | 4.5M | 4.5M | 4.5M | 4.5M |
| 3,683 | 3,678 | 3,715 | 3,740 | 3,754 | 3,760 |
| 1.8M | 2.0M | 1.64M | 1.77M | 1.518M | 1.399M |
| 4.5M | 4.5M | 4.5M | 4.5M | 4.5M | 4.7M |

City of Napoleon, Ohio

Capital Asset Statistics by Function Last Ten Years

| | 2014 | 2015 | 2016 | 2017 |
|----------------------------------|------|------|------|------|
| Governmental Activities | | | | |
| General Government | | | | |
| Area (square miles) | 7 | 7 | 7 | 7 |
| Security of Persons and Property | | | | |
| Police | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Vehicles | 7 | 7 | 7 | 8 |
| Fire | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Vehicles | 11 | 11 | 11 | 11 |
| Transportation | | | | |
| Street | | | | |
| Vehicles | 9 | 9 | 9 | 9 |
| Leisure Time Activities | | | | |
| Recreation/Seniors | | | | |
| Land (acres) | 225 | 225 | 225 | 225 |
| Parks | 9 | 9 | 9 | 9 |
| Swimming Pools | 1 | 1 | 1 | 1 |
| Tennis Courts | 1 | 1 | 1 | 1 |
| Baseball/Softball Diamonds | 7 | 7 | 7 | 7 |
| Golf Courses | 1 | 1 | 1 | 1 |
| Business-Type Activities | | | | |
| Utilities | | | | |
| Water | | | | |
| Waterlines (Miles) | 63 | 63 | 63 | 63 |
| Number of Purification Plants | 2 | 2 | 2 | 2 |
| Number of Hydrants | 653 | 653 | 653 | 658 |
| Number of Water Towers | 2 | 2 | 2 | 2 |
| Sewer | | | | |
| Sewerlines (Miles) | 47 | 47 | 47 | 47 |
| Number of Treatment Plants | 1 | 1 | 1 | 1 |
| Storm Water Drainage | | | | |
| Miles of Storm Sewers | 37 | 37 | 37 | 37 |

Source: Finance Director's Office

City of Napoleon, Ohio

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------|------|------|------|------|------|
| 7 | 7 | 7 | 7 | 7 | 7 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 8 | 9 | 9 | 9 | 10 | 10 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 10 | 10 | 10 | 10 | 10 | 11 |
| 9 | 9 | 9 | 9 | 9 | 10 |
| 225 | 225 | 225 | 225 | 225 | 225 |
| 9 | 9 | 9 | 9 | 9 | 9 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 0 |
| 7 | 7 | 7 | 7 | 7 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 63 | 63 | 63 | 63 | 63 | 64 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 658 | 646 | 646 | 646 | 646 | 708 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 47 | 47 | 47 | 47 | 47 | 49 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 37 | 37 | 37 | 37 | 37 | 38 |

