

# *THE CITY OF NAPOLEON, OHIO*

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HENRY COUNTY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2015

*Prepared by the Finance Department*

Gregory J. Heath  
Director of Finance



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CITY OF NAPOLEON  
HENRY COUNTY, OHIO

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# ***INTRODUCTORY SECTION***

**COMMUNITY EVENTS FOUND THROUGHOUT NAPOLEON**



***KIDS KINGDOM***

***FUN ACTIVITIES WERE ENJOYED BY ALL AT.....***



***KIDS FEST!!***





# CITY OF NAPOLEON, OHIO

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May 27, 2016

## Introduction

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

We are pleased to present the Twentieth (20<sup>th</sup>) **Comprehensive Annual Financial Report** (CAFR) of the City of Napoleon, Ohio (City), for the year ended December 31, 2015. 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 Generally Accepted Auditing Standards (GAAS). GAAP requires a narrative introduction, overview, and analysis called the Management's Discussion and Analysis (MD&A) to accompany the basic financial statements. 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 was filed with the Auditor of State on or before May 31, 2016. Various City debt service *Trust Agreements* require Audited Annual Reports in accordance with GAAS. Pursuant to these requirements, we hereby issue the CAFR of the City for the fiscal year ended December 31, 2015.

While there is no legal requirement for the preparation of a CAFR, 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. Because the cost of internal controls should not outweigh their benefits, the City's various 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, 2015***

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The City's financial statements have been audited by an Independent Public Accountant (IPA), James G Zupka, CPA, Inc., of Garfield Heights, Ohio, as contracted through the Auditor of State Office of Ohio. 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, 2015. The report from the IPA is presented as the first component of the financial section of this report.

***PROFILE OF THE CITY OF NAPOLEON***

**Early History**

The City of Napoleon is located in Henry County in Northwest Ohio and occupies land that was once part of a vast area in this region known as "*The Great Black Swamp of Ohio*". This expanse of forest, water, and black soil was a tract of land extending west from Lake Erie for 120 miles in length covering an average breadth of 40 miles. Through the Black Swamp passed the "*Maumee River*" as named by the local Native American tribes. The Maumee River empties into Lake Erie and provided a natural navigable waterway as well as an abundance of aquatic life. The surrounding forests at that time were filled with many varieties of hardwood trees and wild game. These resources were used by the many tribes that occupied the region and later by the early settlers. The English moved into this area in the late 1700's and fought with the French for control. After the Revolutionary War the Americans gained title to the area, but the Native Americans possessed it. The Native Americans did not leave the area willingly and were defeated in 1796 by General Anthony Wayne in a very decisive battle at a place called Fallen Timbers. During his campaign against the Native Americans, General Anthony Wayne would often setup encampment for his men along the Maumee River where the City is currently located.

After the war of 1812, more trappers, traders, and pioneering farm families began moving into the area, and Henry County was officially formed in 1820. The Miami and Erie Canal, completed in 1843, passed directly through Napoleon and opened the area to early European emigration primarily of German descent. The canal helped to foster development throughout the county, and the town began to grow in both population and industry. Agriculture, and products based on agriculture, was at the heart of the area's early growth. This important relationship with agriculture continues through to this day. After the Civil War, railroads and better roadways opened the area to further development. By the turn of the 20<sup>th</sup> century Napoleon had grown into a strong, diversified economy. Today, Napoleon has a community with an economy based on manufacturing, retail sales, various service industries, engineering, and warehousing; all of which add to the continued strength of the traditional agriculture based economy.

**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*".

***Letter of Transmittal***

***For the Year Ended December 31, 2015***

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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 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 to the east just outside the City. 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 limited rail service through the Miami and Western Railroad with a spur that runs through the City connecting to CSX and Norfolk and Southern to the west in Defiance, Ohio. Main lines of CSX 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 provides passenger and freight air services, and is located about 30 miles to the northeast.

**Form of Government**

By 1950, the population of the Village of Napoleon exceeded 5,000 people allowing the Village to be incorporated into the City of Napoleon. 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, and was last amended in its entirety by a vote of its Citizens on November 7, 2000, with an effective date of July 1, 2001. The City Charter stipulates a charter review every eight (8) years. In 2008, the City Charter underwent a full review by an appointed Charter Review Commission. The Charter Review Commission recommended various changes to the Charter to be voted by the Citizens of Napoleon. City Council agreed, and placed these proposed changes before its Citizens for a vote on November 4, 2008; and all proposed changes were defeated. The City Charter remains unchanged from the prior changes effective July 1, 2001. A Charter Review Commission will be formed and meet in 2016 for another full review.

The City operates and is governed by a strong City Council (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 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 services, including; proposing income and property tax levies (voted levies), setting utility rates, approving appropriations and borrowing money, regulating businesses and trades, and all other related municipal services.

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 from among the Council members. 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, the Finance Director and the Law Director 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,

***Letter of Transmittal***

***For the Year Ended December 31, 2015***

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the City Manager has authority over all other operational departments and appoints those department heads. Subject to approval of Council, both Council and the Mayor, and on certain boards the City Manager, recommends appointments of individuals to the various City boards and commissions.

**Municipal Services**

The City offers a wide variety of services offered 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 and civil judicial services; recreation programs and parks (including various types of ball fields, playgrounds, picnic areas, a golf course 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 treatment and collection, including the storm water system (A storm water abatement charge is included within the sewer enterprise fund, and storm water revenues are used for the separation of the storm water systems from the sanitary sewer systems.); 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 seasonal bulk pickups.

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 133 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 (JV2, JV5 and JV6) all managed by AMP; in addition, the City is contractually obligated for costs related to various "Take-or-Pay" power contracts. This includes the AMPGS project, a proposed coal-fired generating facility that was terminated by AMP participants following unexpected increases in the target price from the contractor. The AMPGS project was originally intended to replace the decommissioned Gorsuch Station generating plant a coal-fired facility originally constructed in the 1950s. In 2013, the City posted an \$820,911 liability on incurred stranded costs to the AMPGS project. As of December 31, 2015, the estimated outstanding AMPGS liability for the City is \$15,955 plus \$3,859 in interest totaling \$19,814. This amount is posted as a 2015 payable and was recently paid. More recent "Take-or-Pay" contracts include the Prairie State project (advanced coal facility); the Fremont Energy project (natural gas combined cycle); the Napoleon Solar project (a solar panel energy field); and combined hydroelectric projects (Cannelton, Smithland and Willow Island) and the Meldahl Greenup Hydroelectric project (all run of the river hydroelectric power projects).



***Letter of Transmittal***

***For the Year Ended December 31, 2015***

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

The City has a contract with Henry County for the operation of a County/City Community Improvement Corporation (CIC) for the purpose of Economic Development. Mutual aid contracts for fire and emergency medical services are between the City and certain 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, this is funded by one half (1/2) of revenues received from 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 of 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, but includes the following services as authorized by its charter: police, emergency medical and fire protection services, parks and recreation, planning and zoning, street maintenance and various other general governmental services. In addition, the City owns and operates a water treatment plant and distribution system, a wastewater treatment plant and collection system, and an electric distribution system, and provides curbside refuse collection and recycling services.

**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 are maintained.

The concept of reasonable assurance states that internal controls should be evaluated using the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and members of the finance office.

All internal control evaluations occur within this framework. 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 Controls**

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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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 has authority to move appropriations within a specific object, but must have legislative approval to move appropriations or supplement appropriations from one object category to a different object category. Unencumbered appropriations return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year. The City's fiscal year currently coincides with the calendar year ending December 31<sup>st</sup>. The final budget must be adopted by City Council no later than March 31<sup>st</sup> in the fiscal year to which it applies.

***INFORMATION USEFUL IN ASSESSING ECONOMIC CONDITION***

**Local Economy**

The local economy has shown signs of continued growth in 2015, following both State of Ohio and National general economic trends. The pace of growth in 2015 for Napoleon has been at a steady rate, but slower when compared to other areas of the State of Ohio and the Nation. In certain sectors, especially manufacturing, prior economic retraction has stabilized with certain local area activity continuing to trend higher.

Comparing municipal income taxes on a cash basis for 2015 to 2014; overall combined total income tax collections was up by +5.78%; withholdings, business profit taxes and individual taxes all trended higher in 2015. Actual income tax revenues collected in 2015 at the one and a half (1.5%) percent rate was \$4,233,916, up +\$231,345 in 2015 over 2014 of \$4,002,571. In 2016, the taxable income through May, 2016, is continuing to trend higher compared to the same period for 2015. Income tax receipts, including withholdings, have the potential to be negatively impacted, with possible reduced taxable income, from business implementation of various state and federal mandates imposed on the City to exclude tax deferral plans from its allowable taxation base. Future taxable income tax growth may be restricted or reduced with employer implementation of various approved tax deferred 125 type plans; and, by other potential State imposed unilateral mandates placed on income tax revenues that may negatively impact this source. Currently, State Law limits the City tax on withholdings to be applied against Box "5" of the W-2 that represents Medicare wages and not Gross wages. In 2015, the City's allowed credit (also known as the reduced income tax credit) for taxes paid to other Cities remained at 100%.

In May, 2009, the Citizens of Napoleon voted on and approved an additional permanent income tax of 0.3% for General Operations and Capital Improvements of the City, with a July 1, 2009 effective date. When added to the prior 1.0% Council approved rate, plus the 0.2% voted Recreation Levy, this increased the income tax rate to a total of 1.5%. In May, 2010, the Citizens of Napoleon voted on and approved a



***Letter of Transmittal  
For the Year Ended December 31, 2015***

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permanent income tax renewal of the Recreation Levy of 0.2%, leaving the net rate at 1.5%. The total income tax rate of 1.5% is now permanent and is currently not subject to periodic voted renewals.

Local housing growth and general home values are slowly recovering and were slightly higher in 2015 in the City. Local area new housing starts did see some increased activity, and the turn-over of pre-existing homes picked up slightly in 2015 over 2014. With improvement in the local economy, and continued lowered mortgage rates and incentive programs offered through the State and Federal Governments, it is hoped housing activity will continue to increase in 2016. Actual data on local home foreclosures is not known, estimated to be about same as State averages. Building Permits issued for residential in 2015 was 181 with a value of \$1,419,426 as compared to 2014 of 170 with a value of \$1,829,261; for commercial in 2015 was 7 with a value of \$405,000 as compared to 2014 of 17 with a value of \$2,073,000. It is noted in 2013 commercial included \$21,510,067 of value representing the construction values of building a new consolidated public school campus by the Napoleon Area Schools. This new campus brings both the Middle School, and all Elementary Schools, into one central location into or adjacent to the current High School.

With improvements to the local economy in various areas, the unemployment rate for Henry County was lower in 2015 at 5.5% as of December 31, 2015, versus 5.6% for December 31, 2014 (as seasonally adjusted). The rate increased through March 31, 2016 to a reported 7.0%. Exact factors for this increase are not known at this time. At the end of 2015, the local area unemployment rate is higher as compared to the State of Ohio rate of 4.8% and slightly above the National rate of 5.0%. While specific data is unavailable from the reporting sources for the City, it is estimated that the City's unemployment rate falls somewhere between the State of Ohio rate and the rate for Henry County. Using the rates through December 31, 2015, it is estimated the rate for the City would fall between 4.8% and 5.5%, average 5.1%.

The City did experience a loss in population from the 2000 census of 9,318 to the 2010 census of 8,749, or down 569. Henry County as a whole also lost population from the 2000 census of 29,310 to the 2010 census 28,215, or down 1,095. Current estimates from the US Bureau of the Census for year ending 2014 show that Napoleon has increased population to 8,940 compared to the 2010 census of 8,749.

**Business**

The City has experienced both gains and losses from businesses located inside and outside the City limits in 2014 and 2015. Some recent losses of manufacturing, retail or food businesses in 2014 and 2015 located inside or close to the City include: Buckeye Launderers, Go Green 4 Power, China Buffet, Cigillusion Electronic Cigarette, Floral Art, Game Stop, Magic Hide A Way, Sweeney Fitness, Tasty Tamales, Universal Cooperatives and Wildcat Nutrition. B & B Molded Plastics, a structural foam and plastic molding company in 2014 announced their intention to move their operations to Defiance, Ohio. In 2014, they are listed as a major employer (Inside City Limits) employing approximately 130 employees. Their anticipated move is anticipated to be completed sometime in calendar year 2016.

On the positive side, there were some new businesses added in 2014 and 2015, these include: Cousino Harris Disaster Cleanup, Famed LLC (Ice House), Flatrock Winery & Brewing, Co., Fulton County Health Center, Just Stuff, Off the Top Barber Shop, Pedraza Trucking LLC, SBN II Reo LLC (Little Caesars Pizza), R & R Three, Inc., Seasons' Eatings, Suzie Q's, Sweets Just Sweets, Memory Keepers, Treasure Chest, Teaching & Mentoring Community and World Class Collision. In early 2015, Defiance Stamping, a metal fabrication company from Defiance, Ohio, decided to move their operations to Napoleon, Ohio. When fully operational, they are anticipated to fall into the category of a major employer (Inside City Limits) with an estimated 70 employees.

## ***CITY OF NAPOLEON, OHIO***

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### ***Letter of Transmittal***

***For the Year Ended December 31, 2015***

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The local automotive companies that survived the downturn in 2008-2009 have regained a substantial portion of their business. These companies have also worked to diversify their product offerings so they are not as dependent on the automotive industry. The following are the private and public employers that have the largest work forces and are located inside and/or outside (adjacent to) the City:

<u>Major Employers</u>	<u>Nature of Activity or Business</u>
<b><i>Inside City Limits:</i></b>	
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
Defiance Stamping	Engineered & fabricated parts stamping
Golden Living Center (Northcrest)	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
Leader Engineering	Custom Machining & Tooling
Lutheran Home	Rehabilitation Center & Long-term Care Facility
Napoleon Area City School District	Education – Elementary thru High School
Old Castle Precast (Formerly-Carson)	Structural Foam Plastic Molding
Tenneco Automotive (Pullman Corporation)	Rubber and Metal Shock Attenuation Parts
Wal-Mart Stores	Retail Sales
<b><i>Outside City Limits:</i></b>	
Alex Products (Ridgeville Corners)	Automotive Parts and Solar Energy 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
Graminex, LLC	International Dietary Supplements
Railtech Boutet	Rail Repair Equipment and Supplies
Silgan Can Company	Produces Cans for the Food Market

Excluding employers outside the City limits, the listed industries and service providers' employ an estimated 2,600 persons in both full and part-time positions. Campbell Soup Supply Co. and Silgan Can Company are both located adjacent to, but outside City limits. Campbell's is the largest single employer in Henry County, and is estimated to employ 1,550 persons, both full time and part time; and Silgan Can employees an approximate 200 persons, both full time and part time.

***The following is provided by Amanda Griffith, Director of Henry County Community Improvement Corporation (CIC), as to both current and potential future area economic development.***

### **Economic Development**

Private investment continues to drive the resurgence to the downtown and surrounding area in order to maintain the buildings' façade and infrastructure that reflect the proud heritage of the City and its residents. Overall, the downtown area has experienced positive change in the last few years and continued to do so in 2015.

The industrial sector of Napoleon remained relatively the same during 2015. Defiance Stamping Company has completed the move of its operations from a neighboring county to within the City. Defiance Stamping now occupies and is operating out of the former Isofoton North America, Inc.

***Letter of Transmittal***

***For the Year Ended December 31, 2015***

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building. B & B Molded Plastics continues to move in short increments out of the City to another surrounding county and is anticipated to be completely moved by end of 2016.

Outside the city limits, Campbell Soup Supply Company and Silgan Can Company has continued to prosper. Alex Products Incorporated is anticipating hiring approximately 100 new employees by end of 2016

Although Napoleon experienced some loss of businesses in 2015, overall the future looks very bright for the core businesses that have been in Napoleon for a number of years. Many core manufacturing businesses are getting to the point where expansion may be considered in the near future. Further, with the continued investment in the downtown area, including the addition of a relatively upscale bar, Napoleon's downtown is busier than it has been in years. Moreover, Napoleon, along with Henry County, is currently utilizing the long term economic development strategy through the Henry County CIC to increase expansion possibilities within the City of Napoleon and throughout Henry County. This strategy started with a plan that was completed in the fall of 2014 and includes action items on how Napoleon can proceed to make its community more attractive to outside investment.

***The following is provided by Monica S. Irelan, City Manager, as to Major City Accomplishments, Potential Future Initiatives and Department Accomplishments.***

**Major City Accomplishments**

The City accomplished numerous undertakings that provide for and promote the welfare of its residents:

- Hired a New Law Director, Fire Chief, and Wastewater Superintendent
- Completed major street and other infrastructure improvements
- Worked on design for the water treatment plant rehabilitation project
- Renewed the City's Wastewater NPDES permit and updated the Wet Weather Plan through the Ohio and Federal EPA

**Potential Future Initiatives**

Within the constraints of budgetary challenges, the City plans to continue to maintain City services as necessary to keep abreast of infrastructure needs and provide for required improvements as growth and development occurs. The following are some of the major goals and projects for the future:

- Construct the rehabilitation of the Water Treatment Plant facility.
- Create and disperse a Citizen Survey
- Create a Strategic Plan for Economic Development with City Council for the City.
- Update the Zoning Code and City Master Plan.
- Upgrade of water lines to improve water flow rates and reliability to all customers.
- Increased road improvements and other infrastructure street repairs
- Continue major equipment and utility infrastructure upgrades and replacements.
- Continued development of industrial and commercial sites for expanded and new industries.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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**Department Accomplishments**

Engineering Department designed and constructed the Appian Avenue Improvement project, receiving \$1.6 million in grant funding. The department also resurfaced Independence Drive, Fairview Drive, Daggett Drive and finished Scott Street. A Road Rating system was implemented and the information will be used to strategically maintain and repair streets for decades to come.

Operations Department installed sensors at CSO/SSO locations per the Wet Weather Plan. They also notified over 300 residents of illegal sewer connections that needed to be repaired. The bi-annual street striping program was implemented and all proper maintenance of hydrants, streets and sidewalks were completed. A new roller, plow, and salt shed were purchased.

Water Treatment submitted its UV Disinfection Project to the Ohio EPA in order to meet the LT2 Rule. Costs tied to the MIEX system were cut due to chemical optimization efforts. For the third year in a row, the City met all TTHM requirements. Harmful Algal Bloom (HAB) conversations were started and a HAB Optimization Plan was created. Staff is working with Engineering to design the rehabilitation of the plant.

Electric Department completed removal of 69kV transmission and distribution poles out of farming fields. The department purchased a new bucket truck and a small one-ton dump truck. Other projects accomplished include the SCADA Master Station replacement, new fencing at the Industrial Substation, and installation of new intelligent 3-phase reclosers.

Building/Zoning Department held 6 nuisance hearings for 24 long grass violations in 2015. The issued residential permit value in 2015 was \$1,419,426. This is a good indication that people are investing in their properties. 2 new residential homes were constructed and 181 residential permits were distributed.

Fire Department saw several personnel changes in 2015 including the addition of a new Fire Chief. The department received a Lucas Device through a grant program. The Lucas Device helps standardize chest compressions in accordance with the latest scientific guidelines. This device frees up rescuers to focus on other life-saving tasks.

Police Department continues to provide excellent service to the community through education, patrol, and community involvement. The department joined the MAN Unit in 2015 to focus on the rising heroin and drug addiction problems in Northwest Ohio. The MAN Unit is a multi-jurisdictional unit that focuses on drugs and drug related crimes.

Parks and Recreation Department received a grant from Ohio Department of Natural Resources (ODNR) in the amount of \$21,903. This was used to build a new pocket park in the historic downtown in 2015. The local Girl Scout troop built and donated a Dog Park to the City in 2015. The department spent much of the late summer and early fall recovering from flooding in June of 2015

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 full-time Human Resource Direction is drafting a training and education program to meet our priority of continuing education, safety (OSHA training), and skill training programs. The City continues the ongoing process of updating department policies and procedures for risk management to reflect changes to City code. The City's Healthcare Cost Committee meets quarterly to continue to evaluate the City's health and wellness programs and their related costs.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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All of these efforts help the City meet its Mission Statement which is:

**To provide our citizens with the best quality services at the lowest cost possible.**

**To provide our employees with wages and benefits competitive with others doing similar work within the field and within the region.**

***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, 2015, issued by the IPA, James G Zupka, CPA, Inc., Garfield Heights, Ohio, as contracted through the Auditor of State Office of Ohio. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a CAFR, 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. A 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, 2014. We believe this, our Twentieth (20<sup>th</sup>) Comprehensive Annual Financial Report, 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 CAFR is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Napoleon, the recipients of this report include city, state, federal offices, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is indicative of the continued efforts of the City to improve its overall financial accounting, management and reporting capabilities.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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**Acknowledgments**

The City is grateful to the many agencies and organizations that continue to contribute 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 the IPA, James G Zupka, CPA, Inc., and the Audit Division of the State Auditor's Office of Ohio.

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. In turn this demonstrates the City's commitment to conform to reporting requirements established for municipal governments, and to maintain the sound financial position the City has enjoyed for many years. 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. A special thank you is extended to Ms. Christine R. Peddicord, Assistant Finance Director, whom assisted in overseeing this project.

Respectfully submitted,



Gregory J. Heath  
Finance Director/Clerk of Council  
City of Napoleon, Ohio



Monica S. Ireland  
City Manager  
City of Napoleon, Ohio

## ***CITY OF NAPOLEON, OHIO***

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### ***List of Principal Officials For the Year Ended December 31, 2015***

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#### **Elected Officials**

Name	Title	Term Expires	Years of Service at 12/31/15	Surety
Ronald A. Behm	Mayor	12/31/15	4	A
John A. Helberg	President of Council (In 2014)	12/31/15	15.5	A
Travis B. Sheaffer	President of Council (In 2015)	12/31/17	22	A
Jason P. Maassel	President Pro-Tem of Council	12/31/15	3.2	A
Jeffery W. Comadoll	Council Person	12/31/19	1.7	A
Jeffrey C. Marihugh	Council Person	11/11/15	1.9	A
Christopher R. Ridley	Council Person	12/31/15	4	A
Heather R. Wilson	Council Person	6/30/15	1.7	A
Amy C. Rosebrook	Municipal Court Judge	12/31/17	4.5	A

#### **Appointed Officials**

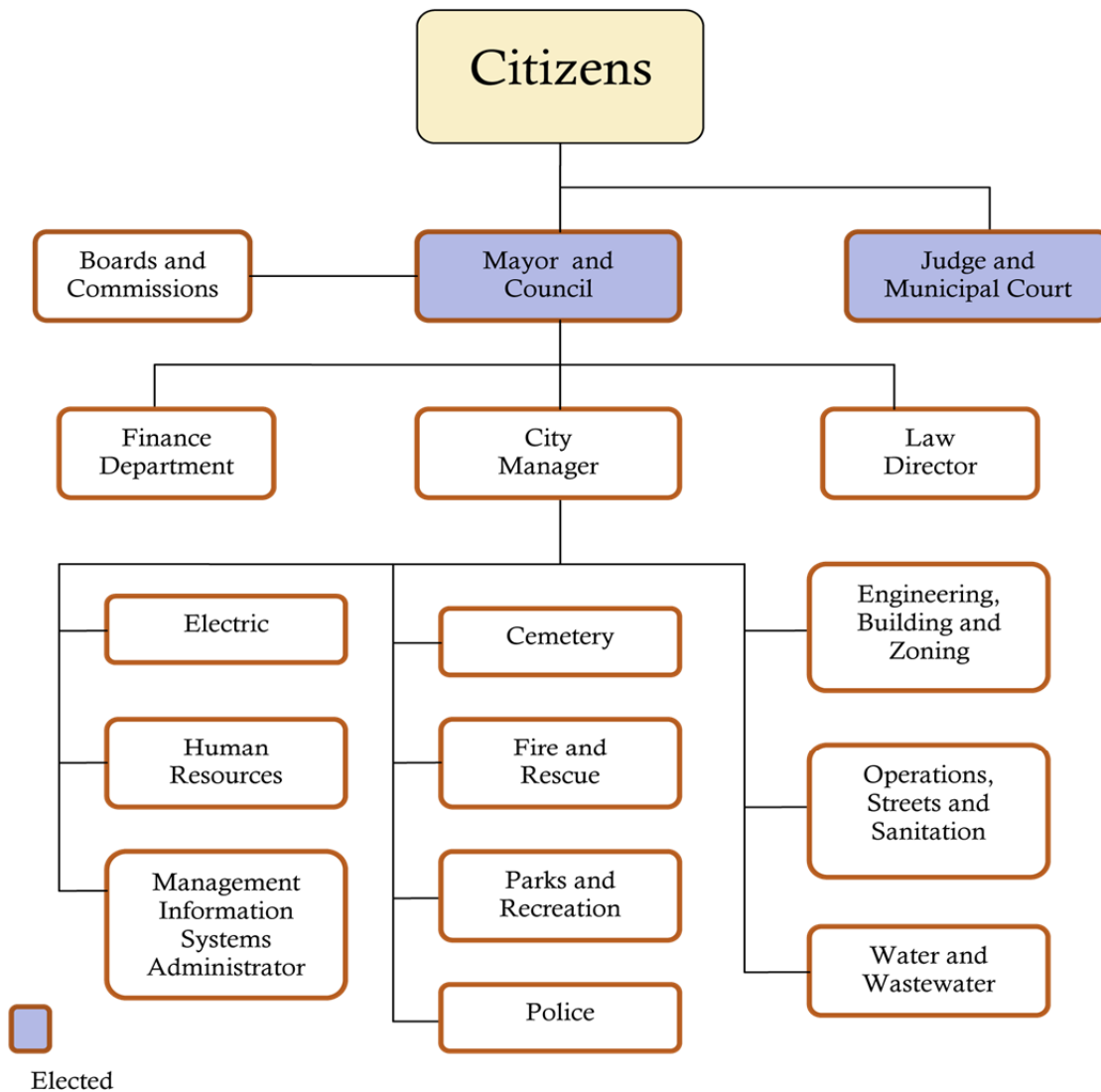
Name	Title	Term Expires	Years of Service	Surety
Monica S. Irelan	City Manager	Indefinite	1.6	A
Trevor Hayberger	Law Director	8/9/15	3.3	A
Lisa Nagel	Law Director	Indefinite	.4	A
Gregory Heath	Director of Finance	Indefinite	21.1	A
Betty S. Marihugh	Clerk of Courts	Indefinite	31.5	A

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

City Physical and Web Addresses:  
City of Napoleon, Ohio  
255 West Riverview Avenue  
P.O. Box 151  
Napoleon, Ohio 43545-0151  
[www.napoleonohio.com](http://www.napoleonohio.com)

***City Organizational Chart  
For the Year Ended December 31, 2015***

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**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  
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Government Finance Officers Association

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

Presented to

**City of Napoleon  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO



# ***FINANCIAL SECTION***

## ***TOMATO FESTIVAL PARADE***



***PHOTO COURTESY OF JLK PHOTOGRAPHY, JOHN KUSER***



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

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

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

The Honorable Dave Yost  
Auditor of State  
State of Ohio

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Napoleon, Henry County, Ohio, (City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Napoleon, Henry County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 2 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and restated its net position at December 31, 2014 for governmental and business-type activities. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

### ***Other Information***

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

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2016, on our consideration of the City of Napoleon, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Napoleon, Ohio's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James G. Zupka, CPA, Inc." The signature is written in a cursive, flowing style.

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

May 27, 2016





***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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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, 2015. 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 2015 are as follows:

- ❑ In total, net position increased \$4,068,873, from 2014. The net position of governmental activities increased \$1,933,444, from 2014; and the net position of business-type activities increased \$2,135,429, from 2014. Please see additional Note on this item on the Changes in Net position Table listed later in the MD&A.
- ❑ Total revenues exceeded \$32 million. \$6.3 million was general revenues, or 19% of the total revenues; and \$26.1 million was program specific revenues in the form of charges for services and sales, operating grants and contributions and capital grants and contributions, or 81% of the total revenues.
- ❑ The City had \$7.3 million in program expenses related to governmental activities; only \$2.9 million of these expenses were offset by program specific revenues. General revenues (primarily taxes) of \$6.3 million and excess cash reserves were adequate to provide for the balance on these programs.
- ❑ Among major funds, the general fund had \$5.9 million in revenues, \$3.7 million in expenditures (the 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, netting to (\$1.9) million. The general fund's fund balance increased \$165,608.
- ❑ Net position for the proprietary funds increased by \$2,149,778. The increase is a result of higher operating revenues in water, sewer and sanitation, with a slight decrease in electric; expenses reflect a decrease in operating expenses for electric (primarily in the cost of purchased power), water and sewer; and, reflect an increase in expenses in sanitation. Net position includes major capital contributions in the form of capital assets for all proprietary funds, with increases for electric, water and sewer; there were no capital assets increases in sanitation.

**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, 2015***

***Unaudited***

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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, 2015****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 the separate Statement of Fiduciary Net Position.

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The following table provides a comparison of net position between 2015 and 2014:

	Governmental Activities		Business-type Activities		Total	
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014
Current and other assets	\$8,299,070	\$7,814,187	\$23,813,733	\$23,780,932	\$32,112,803	\$31,595,119
Capital assets, Net	34,488,537	33,140,195	40,273,220	39,489,824	74,761,757	72,630,019
Total assets	<u>42,787,607</u>	<u>40,954,382</u>	<u>64,086,953</u>	<u>63,270,756</u>	<u>106,874,560</u>	<u>104,225,138</u>
Deferred outflows of resources	911,500	609,255	362,601	229,634	1,274,101	838,889
Net pension liability	6,259,984	5,979,715	1,877,515	1,833,254	8,137,499	7,812,969
Other long-term liabilities	1,776,989	1,902,847	20,565,452	21,781,784	22,342,441	23,684,631
Other liabilities	363,292	359,618	1,301,957	1,349,332	1,665,249	1,708,950
Total liabilities	<u>8,400,265</u>	<u>8,242,180</u>	<u>23,744,924</u>	<u>24,964,370</u>	<u>32,145,189</u>	<u>33,206,550</u>
Deferred inflows of resources	451,914	407,973	33,181	0	485,095	407,973
Net position (deficit):						
Net investment in capital assets	33,433,083	31,960,590	22,542,372	20,700,229	55,975,455	52,660,819
Restricted	2,806,677	2,990,372	0	0	2,806,677	2,990,372
Unrestricted	(1,392,832)	(2,037,478)	18,129,077	17,835,791	16,736,245	15,798,313
Total net position	<u>\$34,846,928</u>	<u>\$32,913,484</u>	<u>\$40,671,449</u>	<u>\$38,536,020</u>	<u>\$75,518,377</u>	<u>\$71,449,504</u>

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. 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 the net pension liability to the reported net position and subtracting deferred outflows related to pension.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system 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 pension system is responsible for the administration of the plan.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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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. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from \$38,283,944 to a net position of \$32,913,484 in governmental activities and from \$40,139,640 to a net position of \$38,536,020 in business type activities.

At fiscal year-end for governmental activities, capital assets represented 82% of total assets. Capital assets include land, land improvements, buildings and improvements, machinery and equipment, and vehicles. Net investment in capital assets, at December 31, 2015 was \$33,433,083. These capital assets are used to provide services to the public and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$2,806,677, represents resources that are subject to external restriction on how they may be used. Excluding the effect of implementing GASB 68, the City has approximately \$4 million in unrestricted net position which may be used to meet the City's ongoing obligations to the public and creditors.

# CITY OF NAPOLEON, OHIO

## Management's Discussion and Analysis For the Year Ended December 31, 2015

Unaudited

Changes in Net position – The following table shows the changes in net position for the fiscal year 2015 and 2014:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for Services and Sales	\$1,367,198	\$1,457,811	\$23,045,787	\$22,820,803	\$24,412,985	\$24,278,614
Operating Grants and Contributions	586,830	950,214	0	0	586,830	950,214
Capital Grants and Contributions	931,660	76,151	167,351	0	1,099,011	76,151
General revenues:						
Property Taxes	365,123	371,815	0	0	365,123	371,815
Municipal Income Taxes	4,097,468	3,821,982	0	0	4,097,468	3,821,982
Other Local Taxes	520,952	512,414	0	0	520,952	512,414
Grants and Entitlements						
not Restricted to Specific Programs	798,480	50,375	0	0	798,480	50,375
Investment Earnings	8,164	40,475	103,486	75,755	111,650	116,230
Miscellaneous	397,832	211,898	0	0	397,832	211,898
Total revenues	9,073,707	7,493,135	23,316,624	22,896,558	32,390,331	30,389,693
Program Expenses:						
Security of Persons and Property	3,654,789	3,897,632	0	0	3,654,789	3,897,632
Public Health and Welfare Services	130,226	121,621	0	0	130,226	121,621
Leisure Time Activities	885,152	979,834	0	0	885,152	979,834
Community Environment	133,083	152,816	0	0	133,083	152,816
Transportation	1,508,973	1,646,040	0	0	1,508,973	1,646,040
General Government	895,716	1,089,719	0	0	895,716	1,089,719
Interest and Fiscal Charges	49,078	71,185	0	0	49,078	71,185
Electric (1)	0	0	14,525,667	16,111,027	14,525,667	16,111,027
Water	0	0	2,483,792	2,725,757	2,483,792	2,725,757
Sewer	0	0	3,298,500	3,114,530	3,298,500	3,114,530
Sanitation	0	0	756,482	742,677	756,482	742,677
Total expenses	7,257,017	7,958,847	21,064,441	22,693,991	28,321,458	30,652,838
Change in Net Position Before Transfers	1,816,690	(465,712)	2,252,183	202,567	4,068,873	(263,145)
Transfers (2)	116,754	0	(116,754)	0	0	0
Total Change in Net Position	1,933,444	(465,712)	2,135,429	202,567	4,068,873	(263,145)
Beginning Net Position, Restated	32,913,484	N/A	38,536,020	N/A	71,449,504	N/A
Ending Net Position	\$34,846,928	\$32,913,484	\$40,671,449	\$38,536,020	\$75,518,377	\$71,449,504

Note: (1) In Electric, program expenses for 2014 reflects a booked payable for \$14,074, and for 2015 reflects a booked payable for \$19,814. This is the City's contracted (take-or-pay) obligation on the AMPGS project stranded cost settlement. Please see NOTE 17 - CONTINGENCIES to the Basic Financial Statements for additional explanation and information.

(2) In 2015, net transfers were made from the proprietary capital funds to the general capital assets for \$116,754, returning unused advanced funding from the Scott Street project completed in 2014.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015******Unaudited***

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The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$595,214 for Governmental Activities and \$243,675 for Business-type Activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$626,518 for Governmental Activities and \$218,069 for Business-type Activities.

Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities	Business-type Activities
Total 2015 program expenses under GASB 68	\$7,257,017	\$21,064,441
Pension expense under GASB 68	(626,518)	(218,069)
2015 contractually required contribution	601,865	276,773
Adjusted 2015 program expenses	7,232,364	21,123,145
Total 2014 program expenses under GASB 27	7,958,847	22,693,991
Change in program expenses not related to pension	(\$726,483)	(\$1,570,846)

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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***Governmental Activities***

Net position of the City's governmental activities shows an increase of \$1,933,444 in 2015 from 2014. In 2015, the City experienced a net increase in total revenues for governmental activities from 2014, primarily in capital grants and contributions, grants and entitlements not restricted to specific programs and municipal income and other local taxes. Program operating expenses were lower in 2015 as compared to 2014. Major grants, and their related expenses, decreased due to the completion in 2014 of major project improvements from earlier years; other operating expenses were decreased in 2015 as compared to 2014. Economic factors impacting general trends to revenues improved in 2015 (as reflected in the income tax collections); however, grants and entitlements not restricted to specific programs were down.

Voted property tax revenues in Ohio do not change solely as a result of inflation or deflation, but remain fixed to property value at passage of a new levy for the period of the levy, or at renewal of the levy. (Example: A 1.0 mill levy on a home valued at \$100,000 is taxed at 35% of its value, or \$35,000, and generates \$35.00 annually in taxes; however, if the home is reappraised at \$200,000, taxed value for the voted levy remains at \$35,000, reducing the effective rate of the voted levy to 0.5 mills.) Only by passing a new levy would the effective rate increase back to 1 mill. The City currently has no voted property tax levies; however, the City receives a 2.90 mill allocation from the un-voted inside 10 mill general property tax as allowed by Ohio Revised Code of the State of Ohio. The 2.90 mill allocation is not subject to the set valuation on voted levies, and will rise or fall yearly as property tax values change. Economic changes, dating back to the 2008 recession, has negatively impacted the housing sector lowering home valuations; in 2015 home sales were on the increase creating a more positive outlook on home valuations. With stagnant valuations the corresponding collections of property tax collected on the un-voted 2.90 mill allocation for the City has been, and remains, generally flat over the past couple of years.

In addition, this source of revenue has been negatively impacted with unilateral changes made by the State of Ohio General Assembly; whom has from time to time exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property. The State may continue to make similar revisions to these and other source of revenues the City receives. The State of Ohio has eliminated the Estate Tax reducing revenues from this source to almost zero. The County Auditor maintains and collects the inside millage and the estate taxes. The City is aware of mandated impacts to its revenues and to changes to valuations; and, has made adjustments to its general revenue estimates, with corresponding adjustments to its program expenses, to account for the impact of reduced revenues from these sources.

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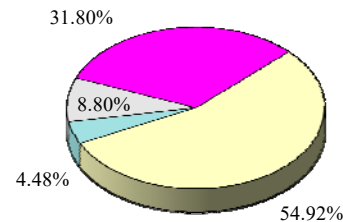
***Management's Discussion and Analysis  
For the Year Ended December 31, 2015******Unaudited***

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In 2015, the City had a permanent income tax rate of 1.5%. Prior to July 1, 2009, the rate was 1.2% (1% for General Operations and Capital Improvements, and 0.2% Recreation Levy). On May 5, 2009, the Citizens of Napoleon voted on and approved an additional permanent income tax of 0.3% for General Operations and Capital Improvements of the City, with a July 1, 2009 effective date. When added to the prior 1.2% rate, this increased the total income tax rate to 1.5%. Starting July 1, 2009, the rate adjusted up to 1.5% of all salaries, wages, commissions and other compensation earned from residents, and from nonresidents for work done or services performed or rendered in the City. In addition, on May 4, 2010, the Citizens of Napoleon voted on and approved a permanent income tax renewal of the Recreation Levy of 0.2%, with the net tax rate remaining at 1.5%. With this approval, the income tax rate of 1.5% was made permanent and is now not subject to periodic voted renewals. In 2015, the municipal income taxes reflect an increase in revenues of 7.2% over 2014. This is due to a more stable and growing local economy.

Property taxes, income taxes and other local taxes made up 4%, 45% and 6% respectively of revenues for governmental activities for the City in fiscal year 2015. The City's reliance upon tax revenues is demonstrated by the following graph indicating 54.92% of total revenues from general tax revenues:

Revenue Sources	2015	Percent of Total
General Shared Revenues	\$798,480	8.80%
Program Revenues	2,885,688	31.80%
General Tax Revenues	4,983,543	54.92%
General Other	405,996	4.48%
Total Revenue	<u>\$9,073,707</u>	<u>100.00%</u>



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**Management's Discussion and Analysis  
For the Year Ended December 31, 2015****Unaudited**

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**Business-Type Activities**

In 2015, the total net position of all business-type activities increased by \$2,135,429. The operating incomes for the business-type activities were \$1,075,172 for water, \$960,852 for sewer, \$108,528 for sanitation, and \$520,130 for electric. The City in 2014 booked an electric fund payable for \$14,074, and in 2015 booked a payable for \$19,814, both posted to contractual services for the City's contracted obligation on the AMPGS project stranded cost settlement. (See NOTE 17 - CONTINGENCIES to the Basic Financial Statements for additional explanation and information.) In total, all business-type activities operating revenues in 2015 were above 2014 levels. This was primarily due to increases in capital grants and contributions, and charges for services and sales. Overall, net billable dollars in 2015 from 2014 for electric was down due to lowered purchased power costs that are directly recovered through billing, and higher for water, sewer and sanitation.

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 \$6,547,707, which is an increase of \$444,447 from last year's balance of \$6,103,260. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2015 and 2014:

	<u>Fund Balance December 31, 2015</u>	<u>Fund Balance December 31, 2014</u>	<u>Increase (Decrease)</u>
General	\$2,126,981	\$1,961,373	\$165,608
Special Assessment Bond Retirement	571,619	570,022	1,597
Capital Improvement	1,437,382	838,532	598,850
Other Governmental	<u>2,411,725</u>	<u>2,733,333</u>	<u>(321,608)</u>
Total	<u>\$6,547,707</u>	<u>\$6,103,260</u>	<u>\$444,447</u>

General Fund – The City's General Fund balance increased due to many factors. The tables that follow assist in illustrating the financial activities of the General Fund:

	<u>2015 Revenues</u>	<u>2014 Revenues</u>	<u>Increase (Decrease)</u>
Taxes (Income, Property and Other)	\$4,854,374	\$4,543,964	\$310,410
Intergovernmental Revenue	238,756	247,984	(9,228)
Charges for Services	293,792	294,231	(439)
Licenses and Permits	70,735	70,252	483
Investment Earnings	(4,814)	23,670	(28,484)
Fines and Forfeitures	165,790	195,945	(30,155)
All Other Revenue	<u>249,828</u>	<u>275,017</u>	<u>(25,189)</u>
Total	<u>\$5,868,461</u>	<u>\$5,651,063</u>	<u>\$217,398</u>

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015******Unaudited***

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General Fund revenues in 2015 increased 4% compared to revenues in fiscal year 2014. The most significant factor contributing to this increase was in income tax revenue. Decreases occurred in all other categories of revenue. Fines and forfeitures reflected the largest decrease.

	2015	2014	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$2,693,509	\$2,673,231	\$20,278
Public Health and Welfare Services	111,598	107,365	4,233
Community Environment	127,124	146,366	(19,242)
General Government	797,078	883,554	(86,476)
Total	<u>\$3,729,309</u>	<u>\$3,810,516</u>	<u>(\$81,207)</u>

General Fund expenditures decreased slightly by \$81,207 in 2015 from 2014. The largest decrease was \$86,476 in General Government. This is attributed to reduced expenditures in both personnel and operating expense. Security of Persons and Property increased by \$20,278 and reflects both increased expenses and one time payouts for retiring personnel. 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 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.

In all funds, including business-type activities and governmental activities, individual salary and wages, retirement contributions, health and life insurance premiums, and other benefits for the City's employees increased in 2015 from 2014.

Other Funds - Fund balances in the Special Assessment Bond Retirement Fund and the Capital Improvement Fund increased in 2015 from 2014. The Other Governmental Funds decreased in 2015 from 2014.

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 2015 the City amended its General Fund budget, along with other funds, various times on an as needed basis.

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015****Unaudited**

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In the General Fund, the final budget basis for revenue was \$6.0 million, including other financing sources. This was a \$457,884 increase over the original conservative budget estimates of \$5.6 million. The General Fund had an adequate revenue stream and fund balance reserves to cover its expenditures in 2015.

**CAPITAL ASSETS AND DEBT ADMINISTRATION****Capital Assets**

At the end of fiscal 2015 the City had \$74,761,757 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$34,488,537 was related to governmental activities and \$40,273,220 to the business-type activities. The following table shows fiscal year 2015 and 2014 balances:

	Governmental Activities		Increase (Decrease)
	2015	2014	
Land	\$11,571,162	\$11,560,792	\$10,370
Construction in Progress	3,213,941	1,806,909	1,407,032
Improvements	2,522,917	2,367,577	155,340
Buildings	3,541,953	3,541,953	0
Machinery and Equipment	5,254,046	4,870,259	383,787
Infrastructure	30,144,914	29,640,125	504,789
Less: Accumulated Depreciation	(21,760,396)	(20,647,420)	(1,112,976)
Totals	\$34,488,537	\$33,140,195	\$1,348,342

	Business-Type Activities		Increase (Decrease)
	2015	2014	
Land	\$289,525	\$289,525	\$0
Construction in Progress	2,184,115	1,756,466	427,649
Buildings	9,330,578	9,330,578	0
Improvements	48,415,442	46,804,532	1,610,910
Machinery and Equipment	6,107,225	5,924,571	182,654
Less: Accumulated Depreciation	(26,053,665)	(24,615,848)	(1,437,817)
Totals	\$40,273,220	\$39,489,824	\$783,396

In the governmental activities, increases occurred in most categories as listed. Increases reflect major road upgrades and other infrastructure improvements.

In the business-type activities, increases occurred in most categories as listed. Increases reflect major electric, water and sewer project improvements. Many of the sewer project improvements are associated with continuing projects to meet the City's Long Term Control Plan with the Ohio and US EPA. Additional information on the City's capital assets can be found in NOTE 10 – CAPITAL ASSETS.

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015****Unaudited**

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**Debt**

At December 31, 2015, the City had \$11.2 million in bonds outstanding, \$790,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2015 and 2014:

	2015	2014
Governmental Activities:		
Special Assessment Bonds	\$80,754	\$112,554
General Obligation Bonds	950,000	1,030,000
OPWC Loans Payable	24,700	37,051
Compensated Absences	721,535	723,242
Net Pension Liability	6,259,984	5,370,460
Total Governmental Activities	8,036,973	7,273,307
Business-Type Activities:		
General Obligation Bonds	\$1,025,000	\$1,180,000
Revenue Bonds	9,085,000	9,585,000
Special Assessment Bonds	42,246	49,446
Long-Term Notes	2,500,000	2,500,000
WPCLF Loans Payable	5,874,191	6,235,432
OWDA Loans Payable	1,022,324	1,142,870
OPWC Loans Payable	339,736	368,421
OSWRC Deferred Loan Payable	300,832	300,832
Payable to Joint Venture	0	23,664
Compensated Absences	376,123	396,119
Net Pension Liability	1,877,515	1,603,620
Total Business-Type Activities	22,442,967	23,385,404
Totals	\$30,479,940	\$30,658,711

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, 2015, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 14.

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

The City purposefully builds into its budgets 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 actual 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 2015 General Fund budgeted revenues were conservatively projected below the final actual revenues; and the budgeted expenditures were projected above the final actual expenditures. Comparing the General Fund 2015 original estimated revenues to the actual receipts on a cash basis, there was a 7.2% increase in actual receipts compared to estimated revenues. Comparing the General fund 2015 original budgeted expenditures to actual expenditures on a cash basis, there was a 12.9% decrease in actual final expenditures compared to budgeted expenditures. This process 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.

The final approved 2015 budget for all funds did not add any new permanent positions as compared to 2014. In addition, during the 2015 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.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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City policy is to 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 in order to maintain fiscal stability. Local economic conditions started to down turn in the third (3<sup>rd</sup>) quarter of 2008 continuing through 2009. Economic conditions stabilized in late fourth (4<sup>th</sup>) quarter of 2009 with very slow growth; with recovery starting in 2010. This growth has been slow, but stable, through 2014; by 2015 economic conditions are showing better improvement as reflected in income tax receipts. This improvement has not reached the economic levels of growth seen prior to 2007, however, growth is considered generally stable and improving.

City budgets over this period have reflect 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:	<a href="mailto:gheath@napoleonohio.com">gheath@napoleonohio.com</a>
Web Page:	<a href="http://www.napoleonohio.com">www.napoleonohio.com</a>





**CITY OF NAPOLEON, OHIO****Statement of Net Position  
December 31, 2015**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 4,925,489	\$ 18,294,094	\$ 23,219,583
Receivables:			
Property Taxes	432,351	0	432,351
Municipal Income Taxes	1,182,277	0	1,182,277
Accounts	631,848	3,527,526	4,159,374
Intergovernmental	818,625	0	818,625
Interest	12,456	19,706	32,162
Special Assessments	45,738	226,760	272,498
Internal Balances	12,631	(12,631)	0
Inventory of Supplies at Cost	237,655	1,265,909	1,503,564
Capital Assets:			
Capital Assets Not Being Depreciated	14,785,103	2,473,640	17,258,743
Capital Assets Being Depreciated, Net	19,703,434	37,799,580	57,503,014
Investment in Joint Venture	0	492,369	492,369
<b>Total Assets</b>	<b>42,787,607</b>	<b>64,086,953</b>	<b>106,874,560</b>
<b>Deferred Outflows of Resources:</b>			
Pension	911,500	362,601	1,274,101
<b>Liabilities:</b>			
Accounts Payable	111,889	1,085,279	1,197,168
Accrued Wages and Benefits	247,628	116,053	363,681
Claims Payable	0	19,814	19,814
Accrued Interest Payable	3,775	80,811	84,586
Long-Term Liabilities:			
Due Within One Year	383,757	3,823,350	4,207,107
Net Pension Liability	6,259,984	1,877,515	8,137,499
Due in More Than One Year	1,393,232	16,742,102	18,135,334
<b>Total Liabilities</b>	<b>8,400,265</b>	<b>23,744,924</b>	<b>32,145,189</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	408,464	0	408,464
Pension	43,450	33,181	76,631
<b>Total Deferred Inflows of Resources</b>	<b>451,914</b>	<b>33,181</b>	<b>485,095</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	33,433,083	22,542,372	55,975,455
Restricted For:			
Debt Service	613,919	0	613,919
Street Construction, Maintenance and Repair	679,060	0	679,060
Fire Equipment	464,268	0	464,268
Court Improvement	217,207	0	217,207
Other Purposes	832,223	0	832,223
Unrestricted (Deficit)	(1,392,832)	18,129,077	16,736,245
<b>Total Net Position</b>	<b>\$ 34,846,928</b>	<b>\$ 40,671,449</b>	<b>\$ 75,518,377</b>

See accompanying notes to the basic financial statements

**CITY OF NAPOLEON, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2015**

		Program Revenues		
		Charges for	Operating	Capital Grants
	Expenses	Services and	Grants and	and
		Sales	Contributions	Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 3,654,789	\$ 1,062,603	\$ 65,235	\$ 0
Public Health and Welfare Services	130,226	22,665	0	0
Leisure Time Activities	885,152	240,539	0	36,000
Community Environment	133,083	5,280	4,092	0
Transportation	1,508,973	14,115	517,503	895,660
General Government	895,716	21,996	0	0
Interest and Fiscal Charges	49,078	0	0	0
<b>Total Governmental Activities</b>	<b>7,257,017</b>	<b>1,367,198</b>	<b>586,830</b>	<b>931,660</b>
<b>Business-Type Activities:</b>				
Electric	14,525,667	14,970,816	0	0
Water	2,483,792	3,309,819	0	11,455
Sewer	3,298,500	3,904,365	0	155,896
Sanitation	756,482	860,787	0	0
<b>Total Business-Type Activities</b>	<b>21,064,441</b>	<b>23,045,787</b>	<b>0</b>	<b>167,351</b>
<b>Totals</b>	<b>\$ 28,321,458</b>	<b>\$ 24,412,985</b>	<b>\$ 586,830</b>	<b>\$ 1,099,011</b>

**General Revenues:**

Property Taxes  
Municipal Income Taxes  
Other Local Taxes (kWh Tax)  
Grants and Entitlements not Restricted to Specific Programs  
Investment Earnings  
Miscellaneous  
Transfers  
Total General Revenues and Transfers  
  
Change in Net Position  
  
Net Position Beginning of Year, Restated  
Net Position End of Year

See accompanying notes to the basic financial statements

**CITY OF NAPOLEON, OHIO**

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Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (2,526,951)	\$ 0	\$ (2,526,951)
(107,561)	0	(107,561)
(608,613)	0	(608,613)
(123,711)	0	(123,711)
(81,695)	0	(81,695)
(873,720)	0	(873,720)
(49,078)	0	(49,078)
<u>(4,371,329)</u>	<u>0</u>	<u>(4,371,329)</u>
0	445,149	445,149
0	837,482	837,482
0	761,761	761,761
<u>0</u>	<u>104,305</u>	<u>104,305</u>
<u>0</u>	<u>2,148,697</u>	<u>2,148,697</u>
<u>(4,371,329)</u>	<u>2,148,697</u>	<u>(2,222,632)</u>
365,123	0	365,123
4,097,468	0	4,097,468
520,952	0	520,952
798,480	0	798,480
8,164	103,486	111,650
397,832	0	397,832
<u>116,754</u>	<u>(116,754)</u>	<u>0</u>
<u>6,304,773</u>	<u>(13,268)</u>	<u>6,291,505</u>
1,933,444	2,135,429	4,068,873
<u>32,913,484</u>	<u>38,536,020</u>	<u>71,449,504</u>
<u>\$ 34,846,928</u>	<u>\$ 40,671,449</u>	<u>\$ 75,518,377</u>

**CITY OF NAPOLEON, OHIO****Balance Sheet  
Governmental Funds  
December 31, 2015**

	General	Special Assessment Bond Retirement	Capital Improvement
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 1,172,976	\$ 571,709	\$ 1,030,867
Receivables:			
Property Taxes	297,940	0	0
Municipal Income Taxes	1,182,277	0	0
Accounts	73,689	0	0
Intergovernmental	114,850	0	423,372
Interest	9,472	919	0
Special Assessments	0	45,738	0
Inventory of Supplies, at Cost	1,965	0	0
<b>Total Assets</b>	<u>\$ 2,853,169</u>	<u>\$ 618,366</u>	<u>\$ 1,454,239</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 38,003	\$ 672	\$ 16,857
Accrued Wages and Benefits Payable	182,405	0	0
<b>Total Liabilities</b>	<u>220,408</u>	<u>672</u>	<u>16,857</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	224,081	46,075	0
Property Tax for Next Fiscal Year	281,699	0	0
<b>Total Deferred Inflows of Resources</b>	<u>505,780</u>	<u>46,075</u>	<u>0</u>
<b>Fund Balances:</b>			
Nonspendable	9,409	0	0
Restricted	0	571,619	0
Committed	13,022	0	1,437,382
Assigned	838,819	0	0
Unassigned	1,265,731	0	0
<b>Total Fund Balances</b>	<u>2,126,981</u>	<u>571,619</u>	<u>1,437,382</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 2,853,169</u>	<u>\$ 618,366</u>	<u>\$ 1,454,239</u>

See accompanying notes to the basic financial statements

**CITY OF NAPOLEON, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 2,105,022	\$ 4,880,574
134,411	432,351
0	1,182,277
547,907	621,596
280,403	818,625
2,065	12,456
0	45,738
229,196	231,161
<u>\$ 3,299,004</u>	<u>\$ 8,224,778</u>
\$ 55,949	\$ 111,481
57,752	240,157
<u>113,701</u>	<u>351,638</u>
646,813	916,969
126,765	408,464
<u>773,578</u>	<u>1,325,433</u>
229,196	238,605
1,707,428	2,279,047
474,844	1,925,248
28,749	867,568
(28,492)	1,237,239
<u>2,411,725</u>	<u>6,547,707</u>
<u>\$ 3,299,004</u>	<u>\$ 8,224,778</u>

## ***CITY OF NAPOLEON, OHIO***

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### ***Reconciliation Of Total Governmental Fund Balances To Net Position Of Governmental Activities December 31, 2015***

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<b>Total Governmental Fund Balances</b>	<b>\$</b>	<b>6,547,707</b>
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***Amounts reported for governmental activities in the  
statement of net position are different because***

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		34,488,537
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Other long-term assets are not available to pay for current-  
period expenditures and therefore are deferred in the funds.

Municipal Income Taxes	123,080	
Property Taxes	23,549	
Charges for Services	467,840	
Interest Revenues	4,569	
Special Assessments	45,738	
Intergovernmental	<u>252,193</u>	916,969

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

Deferred Outflows - Pension	890,804	
Deferred Inflows - Pension	(41,557)	
Net Pension Liability	<u>(6,169,773)</u>	(5,320,526)

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.

(3,775)

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.

(17,845)

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

Special Assessment Bond Payable	(80,754)	
General Obligation Bonds Payable	(950,000)	
Ohio Public Works Commission Loan Payable	(24,700)	
Compensated Absences Payable	<u>(708,685)</u>	<u>(1,764,139)</u>

***Net Position of Governmental Activities***

**\$ 34,846,928**

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, 2015**

	General	Special Assessment Bond Retirement	Capital Improvement
<b>Revenues:</b>			
Property Taxes	\$ 256,081	\$ 0	\$ 0
Municipal Income Tax	4,077,341	0	0
Other Local Taxes (kWh Tax)	520,952	0	0
Intergovernmental Revenues	238,756	0	1,273,166
Charges for Services	293,792	0	0
Licenses and Permits	70,735	0	0
Investment Earnings	(4,814)	4,411	0
Special Assessments	0	37,142	0
Fines and Forfeitures	165,790	0	0
All Other Revenue	249,828	0	0
<b>Total Revenue</b>	<b>5,868,461</b>	<b>41,553</b>	<b>1,273,166</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	2,693,509	0	0
Public Health and Welfare Services	111,598	0	0
Leisure Time Activities	0	0	0
Community Environment	127,124	0	0
Transportation	0	0	0
General Government	797,078	2,087	0
Capital Outlay	0	0	1,946,895
Debt Service:			
Principal Retirement	0	44,151	0
Interest and Fiscal Charges	0	6,078	0
<b>Total Expenditures</b>	<b>3,729,309</b>	<b>52,316</b>	<b>1,946,895</b>
Excess (Deficiency) of Revenues Over Expenditures	2,139,152	(10,763)	(673,729)
<b>Other Financing Sources (Uses):</b>			
Sale of Capital Assets	17,591	0	0
Transfers In	53,634	12,360	1,400,149
Transfers Out	(2,044,726)	0	(127,570)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,973,501)</b>	<b>12,360</b>	<b>1,272,579</b>
Net Change in Fund Balances	165,651	1,597	598,850
<b>Fund Balances at Beginning of Year</b>	<b>1,961,373</b>	<b>570,022</b>	<b>838,532</b>
Increase (Decrease) in Inventory Reserve	(43)	0	0
<b>Fund Balances End of Year</b>	<b>\$ 2,126,981</b>	<b>\$ 571,619</b>	<b>\$ 1,437,382</b>

See accompanying notes to the basic financial statements



**CITY OF NAPOLEON, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 115,548	\$ 371,629
0	4,077,341
0	520,952
760,234	2,272,156
575,697	869,489
0	70,735
11,450	11,047
0	37,142
140,502	306,292
89,236	339,064
<u>1,692,667</u>	<u>8,875,847</u>
732,640	3,426,149
0	111,598
792,662	792,662
5,153	132,277
671,335	671,335
52,950	852,115
324,716	2,271,611
80,000	124,151
43,350	49,428
<u>2,702,806</u>	<u>8,431,326</u>
(1,010,139)	444,521
3,363	20,954
718,901	2,185,044
(91,994)	(2,264,290)
<u>630,270</u>	<u>(58,292)</u>
(379,869)	386,229
2,733,333	6,103,260
58,261	58,218
<u>\$ 2,411,725</u>	<u>\$ 6,547,707</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, 2015***

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Net Change in Fund Balances - Total Governmental Funds \$ 386,229

***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	2,550,358	
Depreciation	<u>(1,373,846)</u>	1,176,512

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. (16,985)

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 188,815

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

Municipal Income Taxes	20,127	
Property Taxes	(6,506)	
Charges for Services	26,995	
Special Assessments	(47,228)	
Interest	(2,883)	
Intergovernmental	<u>(2,414)</u>	(11,909)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 601,865

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (626,518)

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.

Special Assessment Bonds Principal	31,800	
General Obligation Bonds Principal	80,000	
OPWC Loan Principal	<u>12,351</u>	124,151

(Continued)

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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		350
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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	58,218	
Decrease in Compensated Absences Payable	<u>495</u>	<u>58,713</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>52,221</u>
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***Change in Net Position of Governmental Activities***

\$	<u><u>1,933,444</u></u>
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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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 253,550	\$ 256,081	\$ 256,081	\$ 0
Municipal Income Tax	3,569,400	4,109,002	4,109,002	0
Other Local Taxes	519,800	520,952	520,952	0
Intergovernmental Revenue	243,360	241,223	241,223	0
Charges for Services	295,150	289,247	289,247	0
Licenses and Permits	64,100	70,735	70,735	0
Investment Earnings	24,700	50,487	50,487	0
Fines and Forfeitures	203,250	167,552	167,552	0
All Other Revenues	338,270	240,329	240,329	0
Total Revenues	5,511,580	5,945,608	5,945,608	0
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	3,024,487	2,718,493	2,716,697	1,796
Public Health and Welfare Services	113,030	111,712	111,712	0
Community Environment	147,600	128,262	128,262	0
General Government	1,258,238	1,009,414	998,711	10,703
Total Expenditures	4,543,355	3,967,881	3,955,382	12,499
Excess (Deficiency) of Revenues Over (Under) Expenditures	968,225	1,977,727	1,990,226	12,499
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	17,591	17,591	0
Transfers In	47,369	53,634	53,634	0
Transfers Out	(1,796,470)	(2,044,726)	(2,044,726)	0
Total Other Financing Sources (Uses):	(1,749,101)	(1,973,501)	(1,973,501)	0
Net Change In Fund Balance	(780,876)	4,226	16,725	12,499
Fund Balance at Beginning of Year	1,159,669	1,159,669	1,159,669	0
Prior Year Encumbrances	36,645	36,645	36,645	0
Fund Balance at End of Year	\$ 415,438	\$ 1,200,540	\$ 1,213,039	\$ 12,499

See accompanying notes to the basic financial statements

# **CITY OF NAPOLEON, OHIO**

## **Statement of Net Position Proprietary Funds December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Electric	Water	Sewer
<b>Assets:</b>			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 8,726,693	\$ 4,041,870	\$ 4,494,559
Receivables:			
Accounts	2,242,757	479,390	657,394
Interest	7,793	4,097	6,932
Special Assessments	0	25,788	200,972
Inventory of Supplies at Cost	962,006	240,958	62,945
<i>Total Current Assets</i>	11,939,249	4,792,103	5,422,802
<i>Non Current Assets:</i>			
Capital Assets, Net	10,606,243	9,692,433	19,453,176
Investment in Joint Venture	492,369	0	0
<i>Total Non Current Assets</i>	11,098,612	9,692,433	19,453,176
<b>Total Assets</b>	23,037,861	14,484,536	24,875,978
<b>Deferred Outflows of Resources:</b>			
Pension	162,963	96,175	77,105
<b>Liabilities:</b>			
<i>Current Liabilities:</i>			
Accounts Payable	926,371	45,836	104,664
Accrued Wages and Benefits	52,008	30,358	23,867
Claims Payable	19,814	0	0
Compensated Absences Payable - Current	66,463	39,277	30,989
Accrued Interest Payable	0	56,011	24,800
General Obligation Bonds - Current	0	160,000	0
Special Assessment Bonds - Current	0	0	8,000
Revenue Bonds - Current	0	168,400	341,600
Ohio Public Works Commission Loan - Current	0	0	28,685
Ohio Water Development Authority Loans - Current	0	34,633	71,613
Water Pollution Control Loans - Current	0	0	364,862
<i>Total Current Liabilities</i>	1,064,656	534,515	999,080

**CITY OF NAPOLEON, OHIO**

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<u>Sanitation</u>	<u>Total</u>	<u>Internal Service Fund</u>
\$ 1,030,972	\$ 18,294,094	\$ 44,915
147,985	3,527,526	10,252
884	19,706	0
0	226,760	0
0	1,265,909	6,494
<u>1,179,841</u>	<u>23,333,995</u>	<u>61,661</u>
521,368	40,273,220	0
0	492,369	0
<u>521,368</u>	<u>40,765,589</u>	<u>0</u>
<u>1,701,209</u>	<u>64,099,584</u>	<u>61,661</u>
26,358	362,601	20,696
8,408	1,085,279	408
9,820	116,053	7,471
0	19,814	0
8,828	145,557	6,388
0	80,811	0
0	160,000	0
0	8,000	0
0	510,000	0
0	28,685	0
0	106,246	0
0	364,862	0
<u>27,056</u>	<u>2,625,307</u>	<u>14,267</u>

(Continued)

**CITY OF NAPOLEON, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Electric	Water	Sewer
<i>Long Term Liabilities:</i>			
Compensated Absences Payable	105,454	66,098	45,427
Net Pension Liability	831,672	520,139	393,899
General Obligation Notes Payable	0	2,500,000	0
General Obligation Bonds Payable	0	865,000	0
Special Assessment Bonds Payable	0	0	34,246
Revenue Bonds Payable	0	3,353,400	5,221,600
OWDA Loans Payable	0	160,031	756,047
OPWC Loans Payable	0	0	311,051
Ohio Sewer & Water Rotary Commission Deferred Loan Payable	0	68,061	232,771
Water Pollution Control Loans Payable	0	0	5,509,329
<i>Total Long-Term Liabilities</i>	<u>937,126</u>	<u>7,532,729</u>	<u>12,504,370</u>
<b>Total Liabilities</b>	<u>2,001,782</u>	<u>8,067,244</u>	<u>13,503,450</u>
<b>Deferred Inflows of Resources:</b>			
Pension	<u>14,912</u>	<u>8,797</u>	<u>7,058</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	10,606,243	2,833,512	8,581,249
Unrestricted	<u>10,577,887</u>	<u>3,671,158</u>	<u>2,861,326</u>
<b>Total Net Position</b>	<u>\$ 21,184,130</u>	<u>\$ 6,504,670</u>	<u>\$ 11,442,575</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***

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<u>Sanitation</u>	<u>Total</u>	<u>Internal Service Fund</u>
13,587	230,566	6,462
131,805	1,877,515	90,211
0	2,500,000	0
0	865,000	0
0	34,246	0
0	8,575,000	0
0	916,078	0
0	311,051	0
0	300,832	0
0	5,509,329	0
<u>145,392</u>	<u>21,119,617</u>	<u>96,673</u>
<u>172,448</u>	<u>23,744,924</u>	<u>110,940</u>
<u>2,414</u>	<u>33,181</u>	<u>1,893</u>
521,368	22,542,372	0
1,031,337	18,141,708	(30,476)
<u>\$ 1,552,705</u>	<u>\$ 40,684,080</u>	<u>\$ (30,476)</u>
	 (12,631)	
	<u>\$ 40,671,449</u>	

**CITY OF NAPOLEON, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Electric	Water	Sewer
<b>Operating Revenues:</b>			
Charges for Services	\$ 14,824,808	\$ 3,283,501	\$ 3,841,785
Other Charges for Services	102,309	26,318	62,580
<b>Total Operating Revenues</b>	<b>14,927,117</b>	<b>3,309,819</b>	<b>3,904,365</b>
<b>Operating Expenses:</b>			
Personal Services	1,207,530	716,699	589,632
Contractual Services	875,973	866,999	501,752
Purchased Power	11,380,801	0	0
Materials and Supplies	451,499	133,065	1,091,929
Utilities	44,252	167,526	126,386
Depreciation	446,932	350,358	633,814
<b>Total Operating Expenses</b>	<b>14,406,987</b>	<b>2,234,647</b>	<b>2,943,513</b>
Operating Income (Loss)	520,130	1,075,172	960,852
<b>Nonoperating Revenue (Expenses):</b>			
Investment Earnings	38,191	26,046	32,358
Interest Expense	0	(246,794)	(352,196)
Other Local Taxes (kWh Tax)	117,644	0	0
Loss on Investment in Joint Venture	(73,945)	0	0
Other Nonoperating Expense (kWh Paid to State)	(113,696)	0	0
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(31,806)</b>	<b>(220,748)</b>	<b>(319,838)</b>
Income (Loss) Before Transfers and Contributions	488,324	854,424	641,014
Transfers In	0	0	0
Transfers Out	0	0	(116,754)
Capital Contributions	0	11,455	155,896
Change in Net Position	488,324	865,879	680,156
Net Position Beginning of Year, Restated	20,695,806	5,638,791	10,762,419
Net Position End of Year	<b>\$ 21,184,130</b>	<b>\$ 6,504,670</b>	<b>\$ 11,442,575</b>

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**

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Sanitation	Total	Internal Service Fund
\$ 848,005	\$ 22,798,099	\$ 113,581
12,782	203,989	5,016
860,787	23,002,088	118,597
207,148	2,721,009	158,984
375,320	2,620,044	0
0	11,380,801	0
91,640	1,768,133	117,074
1,889	340,053	667
76,262	1,507,366	0
752,259	20,337,406	276,725
108,528	2,664,682	(158,128)
6,891	103,486	0
0	(598,990)	0
0	117,644	0
0	(73,945)	0
0	(113,696)	0
6,891	(565,501)	0
115,419	2,099,181	(158,128)
0	0	196,000
0	(116,754)	0
0	167,351	0
115,419	2,149,778	37,872
1,437,286	38,534,302	(68,348)
\$ 1,552,705	\$ 40,684,080	\$ (30,476)
	2,149,778	
	(14,349)	
	\$ 2,135,429	

# **CITY OF NAPOLEON, OHIO**

## **Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2015**

	Business-Type Activities Enterprise Funds		
	Electric	Water	Sewer
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$15,229,993	\$3,295,027	\$3,893,886
Cash Payments for Goods and Services	(12,816,693)	(1,200,349)	(1,713,206)
Cash Payments to Employees	(1,238,838)	(744,067)	(624,530)
Net Cash Provided (Used) by Operating Activities	1,174,462	1,350,611	1,556,150
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	0	0
Transfers Out to Other Funds	0	0	(116,754)
Receipts of Other Local Taxes	117,644	0	0
kWh Tax Paid to State	(113,696)	0	0
Net Cash Provided (Used) by Noncapital Financing Activities	3,948	0	(116,754)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(641,362)	(368,109)	(1,214,599)
Capital Contributions	0	0	325,000
General Obligation Notes Issued	0	2,500,000	0
Principal Paid on General Obligation Notes	0	(2,500,000)	0
Principal Paid on Special Assessment Bond	0	0	(7,200)
Principal Paid on General Obligation Bonds	0	(155,000)	0
Principal Paid on Mortgage Revenue Bonds	0	(168,400)	(331,600)
Principal Paid on Ohio Public Works Commission Loan	0	0	(28,685)
Principal Paid on Ohio Water Development Authority Loans	0	(52,044)	(68,502)
Principal Paid on Water Pollution Control Loan Fund Loan	0	0	(361,241)
Interest Paid on All Debt	0	(227,475)	(353,053)
Net Cash Used for Capital and Related Financing Activities	(641,362)	(971,028)	(2,039,880)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	39,686	26,833	33,688
Net Cash Provided by Investing Activities	39,686	26,833	33,688
Net Increase (Decrease) in Cash and Cash Equivalents	576,734	406,416	(566,796)
Cash and Cash Equivalents at Beginning of Year	8,149,959	3,635,454	5,061,355
Cash and Cash Equivalents at End of Year	\$8,726,693	\$4,041,870	\$4,494,559

***CITY OF NAPOLEON, OHIO***

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		Governmental Activities Internal Service Funds
Sanitation	Totals	
\$868,363	\$23,287,269	\$123,595
(460,667)	(16,190,915)	(117,017)
(208,782)	(2,816,217)	(161,742)
198,914	4,280,137	(155,164)
0	0	196,000
0	(116,754)	0
0	117,644	0
0	(113,696)	0
0	(112,806)	196,000
0	(2,224,070)	0
0	325,000	0
0	2,500,000	0
0	(2,500,000)	0
0	(7,200)	0
0	(155,000)	0
0	(500,000)	0
0	(28,685)	0
0	(120,546)	0
0	(361,241)	0
0	(580,528)	0
0	(3,652,270)	0
7,061	107,268	0
7,061	107,268	0
205,975	622,329	40,836
824,997	17,671,765	4,079
<u>\$1,030,972</u>	<u>\$18,294,094</u>	<u>\$44,915</u>

(Continued)

**CITY OF NAPOLEON, OHIO**

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2015**

	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)	\$520,130	\$1,075,172	\$960,852
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	446,932	350,358	633,814
Changes in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	316,962	(17,572)	(34,646)
Increase in Deferred Outflows of Resources	(162,963)	(96,175)	(77,105)
Decrease in Special Assessments Receivable	0	2,780	24,167
Decrease (Increase) in Inventory	26,870	(24,315)	1,502
Increase (Decrease) in Accounts Payable	(105,124)	(8,444)	5,359
Decrease in Accrued			
Wages and Benefits	(7,379)	(7,862)	(3,231)
Increase in Net Pension Liability	123,095	72,617	58,258
Increase in Deferred Inflows of Resources	14,912	8,797	7,058
Increase (Decrease) in			
Compensated Absences	1,027	(4,745)	(19,878)
Total Adjustments	654,332	275,439	595,298
Net Cash Provided (Used) by Operating Activities	<u>\$1,174,462</u>	<u>\$1,350,611</u>	<u>\$1,556,150</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2015, the Electric Fund, Sewer Fund, and Water Fund had outstanding liabilities of \$1,845, \$75,844 and \$15,783, respectively, for the purchase of certain capital assets.

See accompanying notes to the basic financial statements

**CITY OF NAPOLEON, OHIO**

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		Governmental Activities Internal Service Funds
Sanitation	Totals	
\$108,528	\$2,664,682	(\$158,128)
76,262	1,507,366	0
7,576	272,320	4,998
(26,358)	(362,601)	(20,696)
0	26,947	0
0	4,057	316
8,182	(100,027)	408
(1,215)	(19,687)	111
19,925	273,895	15,624
2,414	33,181	1,893
3,600	(19,996)	310
90,386	1,615,455	2,964
\$198,914	\$4,280,137	(\$155,164)

***CITY OF NAPOLEON, OHIO***

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***Statement of Assets and Liabilities  
Fiduciary Funds  
December 31, 2015***

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	<u>Agency</u>
<b>Assets:</b>	
Cash and Cash Equivalents	<u>\$ 19,977</u>
<b>Total Assets</b>	<u>19,977</u>
<b>Liabilities:</b>	
Due to Others	<u>19,977</u>
<b>Total Liabilities</b>	<u>\$ 19,977</u>

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**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 3, 1992, and became effective January 1, 1993; and the current Charter was amended by vote on November 7, 2000 and became effective July 1, 2001.

The financial statements are presented as of December 31, 2015 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-Ohio which acts as the joint venture's agent. See Note 16 "Joint Ventures and Jointly Governed Organizations."

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**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 and Jointly Governed Organizations."

*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 and Jointly Governed Organizations."

*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 and Jointly Governed Organizations."

*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 and Jointly Governed Organizations."

*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 and Jointly Governed Organizations."

*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 and Jointly Governed Organizations."

*AMP, Inc. Solar Project 1* - 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 and Jointly Governed Organizations."

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**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 and Jointly Governed Organizations."

**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. See Note 16 "Joint Ventures and Jointly Governed Organizations."

**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, 2015***

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**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.

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, 2015***

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**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***

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations or other governments and therefore not available to support the City’s own programs. The agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operation. These funds operate on a full accrual basis of accounting. The City has three agency funds. These funds are used to account for monies received by the City in situations where the City’s role is purely custodial in nature. The three funds are the Municipal Court Fund, which accounts for monies that flow through the municipal court office, the Law Library Fund, which is used to account for monies collected from traffic fines until they are remitted to other entities and the Payroll Withholdings Fund, which is used to account for withholding taxes until they are remitted to other entities.

**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, 2015***

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**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, 2015***

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**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, 2015, but which are not intended to finance 2015 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflow of resources as further described in Note 7 “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, 2015***

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**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 position that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditures) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and explained in note 11.

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 position that applies to a future period(s) 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, interest, charges for services 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 are reported on the government-wide statement of net position. (See note 11)

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**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 agency 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, 2015***

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**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 2015.

**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 2015, 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, 2015***

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**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, 2015***

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**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
	<u>General Fund</u>
GAAP Basis (as reported)	\$165,651
Increase (Decrease):	
Accrued Revenues at	
December 31, 2015	
received during 2016	(1,172,448)
Accrued Revenues at	
December 31, 2014	
received during 2015	1,017,193
Accrued Expenditures at	
December 31, 2015	
paid during 2016	220,408
Accrued Expenditures at	
December 31, 2014	
paid during 2015	(254,707)
2014 Adjustment to Fair Value	565
2015 Adjustment to Fair Value	55,109
Outstanding Encumbrances	<u>(15,046)</u>
Budget Basis	<u><u>\$16,725</u></u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**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 6, "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 percentages mandated by City ordinance. In accordance with GASB Statement No. 31, *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools"*, the City records all its investments at fair value except for nonparticipating investment contracts (certificates of deposit) which are reported at cost, which approximates fair value. All investments, other than certificates of deposit, are considered, including those with a maturity of one year or less, and included in the calculation of the change in fair value. Fair value is determined by quoted market prices. See Note 6, "Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 2015. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2015.

**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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Capital Assets and Depreciation**

Contributed capital assets are recorded at fair market 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 fair market 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, 2015**

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**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
Special Assessment Bonds	Special Assessment Bond Retirement Fund
with Governmental Commitment	Sewer Fund
Long-Term Note	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
Payable to Joint Venture	Electric 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, 2015***

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**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, 2015***

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**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**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**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 2015.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION**

In 2015 the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure.

The implementation of GASB 68 had the following effect on net position as reported December 31, 2014:

	Governmental Activities	Business-type Activities	Electric Fund
Net Position December 31, 2014	\$38,283,944	\$40,139,640	\$21,404,383
Adjustments:			
Net Pension Liability	(5,979,715)	(1,833,254)	(810,043)
Deferred Outflows - Payments Subsequent to Measurement Date	609,255	229,634	101,466
Restated Net Position December 31, 2014	<u>\$32,913,484</u>	<u>\$38,536,020</u>	<u>\$20,695,806</u>

	Water Fund	Sewer Fund	Sanitation Fund
Net Position December 31, 2014	\$6,086,313	\$11,098,060	\$1,549,166
Adjustments:			
Net Pension Liability	(511,606)	(383,704)	(127,901)
Deferred Outflows - Payments Subsequent to Measurement Date	64,084	48,063	16,021
Restated Net Position December 31, 2014	<u>\$5,638,791</u>	<u>\$10,762,419</u>	<u>\$1,437,286</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position of governmental funds as reported in the government-wide statement of net position. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

*Other long-term assets not available to pay for current-period expenditures:*

Delinquent Income Tax Revenue	\$123,080
Delinquent Property Tax Revenue	23,549
Charges for Services	467,840
Interest Revenues	4,569
Special Assessment Revenue	45,738
Shared Revenues	252,193
	<hr/>
	\$916,969

*Long-Term liabilities not reported in the funds:*

Special Assessment Bonds Payable	(\$80,754)
General Obligation Bonds Payable	(950,000)
OPWC Loans Payable	(24,700)
Accrued Interest on Long-Term Debt	(3,775)
Compensated Absences Payable	(708,685)
	<hr/>
	(\$1,767,914)

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

*Amount by which capital outlay exceeded depreciation in the current period:*

Capital Outlay	\$2,550,358
Depreciation Expense	<u>(1,373,846)</u>
	\$1,176,512

*Governmental revenues not reported in the funds:*

Increase in Delinquent Income Tax Revenue	\$20,127
Decrease in Delinquent Property Tax	(6,506)
Increase in Charges for Services	26,995
Decrease in Interest Revenue	(2,883)
Decrease in Special Assessment Revenue	(47,228)
Decrease in Shared Revenue	<u>(2,414)</u>
	(\$11,909)

*Expenses not requiring the use of current financial resources:*

Decrease in Compensated Absences Payable	\$495
Increase in supplies inventory	<u>58,218</u>
	\$58,713

**NOTE 4 - COMPLIANCE AND ACCOUNTABILITY**

***Fund Deficits*** - The fund deficits at December 31, 2015 of \$18,762 in the Police Pension Fund and \$9,730 in the Fire Pension Fund (special revenue funds) arise from the recognition of expenditures on the modified accrual basis of accounting which are greater than expenditures recognized on the budgetary basis. The deficits do not exist under the cash basis of accounting. The General Fund provides transfers when cash is required, not when accruals occur.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 5 – 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	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Supplies Inventory	\$1,965	\$0	\$0	\$229,196	\$231,161
Unclaimed Monies	7,444	0	0	0	7,444
Total Nonspendable	9,409	0	0	229,196	238,605
Restricted:					
Special Assessment Debt Service Payments	0	571,619	0	0	571,619
Street Construction and Maintenance	0	0	0	175,189	175,189
State Highway Improvements	0	0	0	14,844	14,844
Motor Vehicle License Tax	0	0	0	379,122	379,122
Cemetery	0	0	0	73,429	73,429
Hotel/Motel	0	0	0	7,104	7,104
Fire Equipment	0	0	0	464,011	464,011
CDBG Grant	0	0	0	51,773	51,773
Indigent Drivers Alcohol Treatment	0	0	0	64,033	64,033
Law Enforcement and Education	0	0	0	4,711	4,711
Law Enforcement	0	0	0	1,093	1,093
Court Computerization	0	0	0	98,676	98,676
Mandatory Drug Fine	0	0	0	20,120	20,120
Municipal Probation Service	0	0	0	51,002	51,002
Law Enforcement Grant	0	0	0	15,283	15,283
Probation Officer Grant	0	0	0	14,528	14,528
Court Improvement	0	0	0	217,207	217,207
Handicap Parking	0	0	0	1,100	1,100
Certified Police Training	0	0	0	7,064	7,064
Indigent Drivers Interlock/Alcohol	0	0	0	37,608	37,608
Probation Improvement	0	0	0	9,531	9,531
Total Restricted	0	571,619	0	1,707,428	2,279,047
Committed:					
Special Events	196	0	0	0	196
Economic Development	9,004	0	0	0	9,004
Employee Benefits	3,822	0	0	0	3,822
EMS Transport Service	0	0	0	60,332	60,332
Recreation	0	0	0	269,075	269,075
Capital Improvement	0	0	1,437,382	0	1,437,382
CIP	0	0	0	145,437	145,437
Total Committed	13,022	0	1,437,382	474,844	1,925,248
Assigned:					
Encumbrances for Purchase Orders	10,559	0	0	0	10,559
Budget Resource	828,260	0	0	0	828,260
Debt Service	0	0	0	28,749	28,749
Total Assigned	838,819	0	0	28,749	867,568
Unassigned	1,265,731	0	0	(28,492)	1,237,239
Total Fund Balances	\$2,126,981	\$571,619	\$1,437,382	\$2,411,725	\$6,547,707

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 6 - 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, 2015***

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**NOTE 6 - 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 market 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. All deposits, except for deposits held by fiscal and escrow agents or trustees, are collateralized with eligible securities. The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Collateral permitted by Chapter 135 of the ORC is limited to obligations of the United States and its agencies, bonds of any state, and bonds and other obligations of any country, municipal corporation or other legally constituted authority of the State of Ohio, or any instrumentality of such county, municipal corporation or other authority. Such collateral, as permitted by Chapter 135 of the ORC is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at a Federal Reserve Bank in the name of the City.



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)****A. Deposits (Continued)**

At year end the carrying amount of the City's deposits was \$9,822,197, including \$2,500 of cash on hand. \$4,860,334 of the City's bank balance of \$9,863,330 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, not in the City's name.

**B. Investments**

The City's investments at December 31, 2015 are summarized below:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
U.S. Treasury Notes	\$1,000,000	AAA <sup>1</sup> / Aaa <sup>2</sup>	\$1,000,000	\$0	\$0
FFCB	1,000,180	AAA <sup>1</sup> / Aaa <sup>2</sup>	1,000,180	0	0
FHLB	2,966,710	AAA <sup>1</sup> / Aaa <sup>2</sup>	0	1,000,130	1,966,580
FHLMC	2,751,113	AAA <sup>1</sup> / Aaa <sup>2</sup>	0	1,000,530	1,750,583
FNMA	1,980,593	AAA <sup>1</sup> / Aaa <sup>2</sup>	0	0	1,980,593
STAR Ohio	4,607	AAAm <sup>1</sup>	4,607	0	0
Negotiable CD's	3,714,160	N/A	994,050	1,237,083	1,483,027
Total Investments	<u>\$13,417,363</u>		<u>\$2,998,837</u>	<u>\$3,237,743</u>	<u>\$7,180,783</u>

<sup>1</sup> Standard & Poor's

<sup>2</sup> 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, FFCB, FHLB, FHLMC 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, 2015***

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**NOTE 6 - 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, FFCB, FHLB, FHLMC and FNMA in the amounts of \$1,000,000, \$1,000,180, \$2,966,710, \$2,751,113 and \$1,980,593 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 \$3,714,160 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 7% in U.S. Treasury Notes, 7% in FFCB, 22% in FHLB, 21% in FHLMC, 15% in FNMA, 28% in negotiable certificates of deposit and less than 1% in STAR Ohio.

**NOTE 7 - 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 2015 were levied after October 1, 2014 on assessed values as of January 1, 2014, 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 2014 and the equalization adjustment was completed in 2011. 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, 2015***

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**NOTE 7 - 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, 2015 was \$2.90 per \$1,000 of assessed value. The assessed value upon which the 2015 receipts were based was \$140,680,550. This amount constitutes \$139,593,370 in real property assessed value and \$1,087,180 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 .29% (2.90 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 100% 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, 2015**

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**NOTE 8 - RECEIVABLES**

Receivables at December 31, 2015 consisted of taxes, interest, accounts receivable, special assessments and intergovernmental receivables arising from shared revenues.

**NOTE 9 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2015:

Transfers In:	Transfers Out:				Total
	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Sewer Fund	
General Fund	\$0	\$0	\$53,634	\$0	\$53,634
Special Assessment Bond Retirement Fund	0	0	12,360	0	12,360
Capital Improvement Fund	1,283,395	0	0	116,754	1,400,149
Nonmajor Governmental Funds	565,331	127,570	26,000	0	718,901
Internal Service Fund	196,000	0	0	0	196,000
Total	<u>\$2,044,726</u>	<u>\$127,570</u>	<u>\$91,994</u>	<u>\$116,754</u>	<u>\$2,381,044</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, 2015**

**NOTE 10 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2015:

<i>Historical Cost:</i>				
Class	December 31, 2014	Additions	Deletions	December 31, 2015
<i>Capital assets not being depreciated:</i>				
Land	\$11,560,792	\$10,370	\$0	\$11,571,162
Construction in Progress	1,806,909	1,526,729	(119,697)	3,213,941
Subtotal	13,367,701	1,537,099	(119,697)	14,785,103
<i>Capital assets being depreciated:</i>				
Improvements	2,367,577	155,340	0	2,522,917
Buildings	3,541,953	0	0	3,541,953
Machinery and Equipment	4,870,259	576,663	(192,876)	5,254,046
Infrastructure	29,640,125	589,768	(84,979)	30,144,914
Subtotal	40,419,914	1,321,771	(277,855)	41,463,830
Total Cost	\$53,787,615	\$2,858,870	(\$397,552)	\$56,248,933
<i>Accumulated Depreciation:</i>				
Class	December 31, 2014	Additions	Deletions	December 31, 2015
Improvements	(\$505,071)	(\$73,835)	\$0	(\$578,906)
Buildings	(2,374,635)	(64,516)	0	(2,439,151)
Machinery and Equipment	(3,109,728)	(231,620)	176,058	(3,165,290)
Infrastructure	(14,657,986)	(1,003,875)	84,812	(15,577,049)
Total Depreciation	(\$20,647,420)	(\$1,373,846) *	\$260,870	(\$21,760,396)
<i>Net Value:</i>	\$33,140,195			\$34,488,537

\* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$129,956
Public Health and Welfare Services	4,617
Leisure Time Activities	67,826
Transportation	1,089,242
General Government	82,205
Total Depreciation Expense	\$1,373,846

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**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, 2015:

*Historical Cost:*

Class	December 31, 2014	Additions	Deletions	December 31, 2015
<i>Capital assets not being depreciated:</i>				
Land	\$289,525	\$0	\$0	\$289,525
Construction in Progress	1,756,466	427,649	0	2,184,115
Subtotal	2,045,991	427,649	0	2,473,640
<i>Capital assets being depreciated:</i>				
Buildings	9,330,578	0	0	9,330,578
Improvements	46,804,532	1,619,919	(9,009)	48,415,442
Machinery and Equipment	5,924,571	233,903	(51,249)	6,107,225
Subtotal	62,059,681	1,853,822	(60,258)	63,853,245
Total Cost	\$64,105,672	\$2,281,471	(\$60,258)	\$66,326,885

*Accumulated Depreciation:*

Class	December 31, 2014	Additions	Deletions	December 31, 2015
Buildings	(\$5,085,050)	(\$292,174)	\$0	(\$5,377,224)
Improvements	(15,081,921)	(1,042,251)	9,009	(16,115,163)
Machinery and Equipment	(4,448,877)	(163,650)	51,249	(4,561,278)
Total Depreciation	(\$24,615,848)	(\$1,498,075)	\$60,258	(\$26,053,665)
Net Value:	\$39,489,824			\$40,273,220

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**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. 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, 2015**

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**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 CAFR referenced above for additional information):

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

When a benefit recipient has received benefits for 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 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	<u>State and Local</u>
<b>2015 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2015 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
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 \$575,401 for 2015.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F 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. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at [www.op-f.org](http://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 OP&F may retire and receive a lifetime monthly pension. OP&F 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 after 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.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

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 three percent 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 three percent of their base pension or disability benefit.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**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>
<b>2015 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
<b>2015 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$303,237 for 2015.

***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, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. 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&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$4,361,902	\$3,775,597	\$8,137,499
Proportion of the Net Pension Liability	0.036165%	0.0728821%	
Pension Expense	\$476,446	\$368,141	\$844,587

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$232,738	\$162,725	\$395,463
City contributions subsequent to the measurement date	575,401	303,237	878,638
Total Deferred Outflows of Resources	<u>\$808,139</u>	<u>\$465,962</u>	<u>\$1,274,101</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	<u>\$76,631</u>	<u>\$0</u>	<u>\$76,631</u>

\$878,638 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2016	\$22,827	\$40,681	\$63,508
2017	22,827	40,681	63,508
2018	52,269	40,681	92,950
2019	58,184	40,681	98,865
Total	<u>\$156,107</u>	<u>\$162,724</u>	<u>\$318,831</u>

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. 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 money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Discount Rate** The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the 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 8 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 (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
City's proportionate share of the net pension liability	\$8,024,652	\$4,361,902	\$1,276,986

**Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged 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 OP&F's target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

\* levered 2x

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 1.2 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, 2015***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

	1% Decrease 7.25%	Current Discount Rate 8.25%	1% Increase 9.25%
City's proportionate share of the net pension liability	\$5,222,221	\$3,775,597	\$2,550,745

**NOTE 12 - POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System ("OPERS")**

Plan Description – 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.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B Premium reimbursement, to qualifying member of both the Traditional Pension and the Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment 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. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)**

**A. Ohio Public Employees Retirement System (“OPERS”) (Continued)**

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, local government employers contributed at a rate of 14.0% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee’s Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees 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 2.0% during calendar year 2015. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The 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 to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

The City's contributions for health care to the OPERS for the years ending December 31, 2015, 2014, and 2013 were \$91,774, \$91,761 and \$179,920, respectively, which were equal to the required contributions for each year.

**B. Ohio Police and Fire Pension Fund (“OP&F”)**

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)**

**B. Ohio Police and Fire Pension Fund ("OP&F") (Continued)**

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. 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% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

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 2015, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. 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 also is 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 contributions for health care to the OP&F for the years ending December 31, 2015, 2014, and 2013 were \$4,772, \$4,638 and \$61,336 for police and \$2,594, \$2,736 and \$34,207 for firefighters, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**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, 2015, the City's accumulated, unpaid compensated absences amounted to \$1,097,658, of which \$721,535 is recorded as a liability of the Governmental Activities and \$376,123 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, 2015

### NOTE 14 - LONG-TERM DEBT

Long-term debt of the City at December 31, 2015 was as follows:

Date Purchased	Interest Rate	Description	Maturity Date	Balance December 31, 2014	Additions	(Reductions)	Balance December 31, 2015	Amount Due Within One Year
Business-Type Activities:								
General Obligation Notes:								
2014	0.41%	Water Plant Renovation and Improvements	2015	\$2,500,000	\$0	(\$2,500,000)	\$0	\$0
2015	1.25%	Water Plant Renovation and Improvements	2016	0	2,500,000	0	2,500,000	2,500,000
Total General Obligation Notes				2,500,000	2,500,000	(2,500,000)	2,500,000	2,500,000
General Obligation Bonds:								
2005	3.00% - 5.00%	Waterworks System Improvements (Refunding)	2019	575,000	0	(105,000)	470,000	110,000
2004	2.50% - 5.12%	Capital Facilities Improvement	2024	605,000	0	(50,000)	555,000	50,000
Total General Obligation Bonds				1,180,000	0	(155,000)	1,025,000	160,000
Revenue Bonds:								
2008	3.50% - 4.50%	Water - Water System Improvements	2028	2,725,000	0	(150,000)	2,575,000	150,000
2010	4.60%	Water - Woodlawn Avenue Reconstruction	2040	282,600	0	(5,400)	277,200	5,400
2010	4.60%	Water - West Washington Avenue Reconstruction	2040	502,400	0	(9,600)	492,800	9,600
2010	4.60%	Sewer - Sewer System Improvement (Refunding 1998)	2040	1,396,550	0	(143,100)	1,253,450	145,750
2010	4.60%	Sewer - Woodlawn Avenue Reconstruction	2040	1,238,450	0	(126,900)	1,111,550	129,250
2010	7.50%	Sewer - West Washington Avenue Reconstruction	2040	2,380,000	0	(45,000)	2,335,000	50,000
2012	4.00%	Sewer - Clairmont Avenue Project	2042	180,200	0	(3,400)	176,800	3,400
2012	4.00%	Sewer - Haley I & I Reduction Project	2042	879,800	0	(16,600)	863,200	16,600
Total Revenue Bonds				9,585,000	0	(500,000)	9,085,000	510,000
Special Assessment Bond: (with Governmental Commitment)								
2000	5.09% - 5.875%	West Main, Wested and Vine and Palmer Ditch Improvements	2020	49,446	0	(7,200)	42,246	8,000
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			252,772	0	0	252,772	0
Total OSWRC Loans				300,832	0	0	300,832	0
Ohio Public Works Commission Loans (OPWC):								
2000	Railroad Street Sewer Separation		2020	18,421	0	(3,685)	14,736	3,685
2008	Woodlawn Avenue Improvements		2029	350,000	0	(25,000)	325,000	25,000
Total Ohio Public Works Commission Loans				368,421	0	(28,685)	339,736	28,685
Ohio Water Development Authority Loans (OWDA):								
1992	9.185%	OWDA - Water - Malinta Waterline	2016	57,020	0	(37,545)	19,475	19,475
2005	4.490%	OWDA - Water - NP Waterline Improvements	2025	189,688	0	(14,499)	175,189	15,158
2005	4.490%	OWDA - Sewer - E. Maumee Sewer Tap	2025	379,841	0	(28,770)	351,071	30,076
2005	4.490%	OWDA - Sewer - NP Sewerline Improvements	2025	516,321	0	(39,732)	476,589	41,537
Total Ohio Water Development Authority Loans				1,142,870	0	(120,546)	1,022,324	106,246
Water Pollution Control Loan Fund Loans (WPCLF):								
2008	EQ Basin Storm Water Retention		2030	6,235,432	0	(361,241)	5,874,191	364,862
Payable to Joint Venture				23,664	0	(23,664)	0	0
Compensated Absences				396,119	376,123	(396,119)	376,123	145,557
Net Pension Liability				1,603,620	273,895	0	1,877,515	0
Total Business-Type Long-Term Debt				\$23,385,404	\$3,150,018	(\$4,092,455)	\$22,442,967	\$3,823,350

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 14 - LONG-TERM DEBT (Continued)**

Date Purchased	Interest Rate	Description	Maturity Date	Balance December 31, 2014	Additions	(Reductions)	Balance December 31, 2015	Amount Due Within One Year
Governmental Activities:								
Special Assessment Bonds:								
1996	5.90%	Street Improvements	2016	\$30,000	\$0	(\$15,000)	\$15,000	\$15,000
1998	4.50-5.125%	Street Improvements	2018	50,000	0	(10,000)	40,000	10,000
1998	4.50-5.125%	Street Improvements	2018	20,000	0	(5,000)	15,000	5,000
2000	5.875%	West Main, Wested and Vine and Palmer Ditch Improvements	2020	12,554	0	(1,800)	10,754	2,000
Total Special Assessment Bonds (with Governmental Commitment)				112,554	0	(31,800)	80,754	32,000
General Obligation Bonds:								
2005	3.00% - 5.00%	Northerest Drive	2025	250,000	0	(20,000)	230,000	20,000
2005	3.00% - 5.00%	SR 424 Resurfacing	2025	190,000	0	(15,000)	175,000	15,000
2010	4.50%	Courthouse Renovations	2025	590,000	0	(45,000)	545,000	45,000
Total General Obligation Bonds				1,030,000	0	(80,000)	950,000	80,000
Ohio Public Works Commission Loan:								
1998		Unimproved Street Program	2017	37,051	0	(12,351)	24,700	12,351
Compensated Absences				723,242	721,535	(723,242)	721,535	259,406
Net Pension Liability				5,370,460	889,524	0	6,259,984	0
Total Governmental Activities Long-Term Debt				<u>\$7,273,307</u>	<u>\$1,611,059</u>	<u>(\$847,393)</u>	<u>\$8,036,973</u>	<u>\$383,757</u>

The principal amount of the City's special assessment debt outstanding at December 31, 2015, \$123,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$571,619 in the Special Assessment Bond Retirement Fund at December 31, 2015 is restricted for the retirement of outstanding special assessment bonds. 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 \$361,241 during 2015 to a year end balance of \$5,874,191.

**Ohio Water Development Authority Loans** - The City entered into two loan agreements with Ohio Water Development Authority (OWDA). 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 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, 2015***

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**NOTE 14 - LONG-TERM DEBT (Continued)**

The City's construction portion of the debt payments on the 1992 issue of the Malinta Waterline OWDA loan is being paid by the City of Napoleon to the Village of Malinta. The Village in turn is responsible for making the full debt payment when it is due.

**2004 General Obligation Bonds** - During 2004, the City issued \$1,000,000 worth of Capital Facilities Improvement bonds for work done on the Wauseon Reservoir Raw Waterline Project. These bonds have a variable interest rate ranging from 2.5% in 2004 to 5.12% in 2024, the year of maturity for the bonds.

**Refunding Bonds, Series 2005** - During 2005, the City refunded the 1994 Waterworks System Improvement General Obligation Bond. The refunded debt is considered defeased and accordingly, has been removed from the statement of net position.

The refunding bonds were issued on July 28, 2005. The bonds consisted of \$980,000 in serial bonds and \$470,000 in term bonds.

The term bonds maturing on December 1, 2017 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, 2016 (with the balance of the \$115,000 to be paid at stated maturity on December 1, 2017) at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<b>Year</b>	<b>Principal Amount to be Redeemed</b>
2016	\$110,000
2017	115,000

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 14 - LONG-TERM DEBT (Continued)**

The term bonds maturing on December 1, 2019 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, 2018 (with the balance of the \$125,000 to be paid at stated maturity on December 1, 2019) at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<b>Year</b>	<b>Principal Amount to be Redeemed</b>
2018	\$120,000
2019	125,000

This current refunding was undertaken to reduce total debt service payments over 14 years by \$145,017 and resulted in an economic gain of \$112,340.

The refunding 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 is to be derived from user charges.

***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.

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 14 - LONG-TERM DEBT (Continued)**

The term bonds maturing on December 1, 2017 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, 2016 (with the balance of the \$35,000 to be paid at stated maturity on December 1, 2017) at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<b>Year</b>	<b>Principal Amount to be Redeemed</b>
2016	\$35,000
2017	35,000

The term bonds maturing on December 1, 2019 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, 2018 (with the balance of the \$35,000 to be paid at stated maturity on December 1, 2019) at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<b>Year</b>	<b>Principal Amount to be Redeemed</b>
2018	\$35,000
2019	35,000

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:

<b>Year</b>	<b>Principal Amount to be Redeemed</b>
2020	\$35,000
2021	45,000
2022	45,000
2023	45,000
2024	45,000
2025	50,000



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**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.

**2008 Revenue Bonds** - During 2008, the City issued \$3,505,000 worth of Water System Improvement bonds for work done on the City's water tower and improvements to various water lines. These bonds have a variable interest rate ranging from 3.5% in 2008 to 4.5% in 2028, the year of maturity for the bonds. These bonds will be retired from the City's Water Fund through user charges.

**2010 Revenue Bonds** - During 2010, the City issued \$7,230,000 worth of Sewer and Water Mortgage Revenue bonds for work done on the City's sewer lines and reconstruction projects for Woodlawn Avenue and West Washington Avenue. \$4,695,000 of these bonds were issued as tax-exempt bonds with interest rates ranging from 2.00% - 4.6%. \$2,535,000 of these bonds were issued as non tax-exempt Revenue Zone Economic Development Bonds under the Federal Government Build America Bond (BAB's) program. Interest on these bonds is subsidized from the Federal Government. This subsidy is subject to change by actions from the Federal Government. These bonds are all scheduled to mature in 2040.

**2012 Revenue Bonds** - During 2012, the City issued \$1,100,000 worth of Sewer and Water Mortgage Revenue bonds for work done on the City's water and sewer lines and reconstruction projects for Clairmont Avenue. These bonds have an interest rate of 4.0%. A portion of the proceeds was used to pay off the principal balances of existing notes that had previously been issued for work done on this project and other improvements made to the City's Water and Sewer infrastructure. These bonds are scheduled to mature in 2042 and will be retired from the City's Water and Sewer Funds through user charges.

**Ohio Public Works Commission Loans** - The City entered into three loan agreements with Ohio Public Works Commission (OPWC). The first was on July 1, 1998, in the amount of \$247,015, to finance the Hobson/Reynolds Street Improvements. The second was on July 1, 2000, in the amount of \$73,686, to finance the Railroad Street Sewer Separation Project and the third was on January 16, 2008, in the amount of \$500,000, to finance the Woodlawn Avenue Improvement Project. All of the OPWC loans carry 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.

**2015 Bond Anticipation Notes** - During 2015, the City issued \$2,500,000 worth of Water bond anticipation notes for work done on the City's water plant. These notes have an interest rate of 1.25%. These notes will be retired from the City's Water Fund through user charges.

**2014 Bond Anticipation Notes** - During 2014, the City issued \$2,500,000 worth of Water bond anticipation notes for work done on the City's water plant. These notes have an interest rate of .041%. These notes will be retired from the City's Water Fund through user charges. Notes were paid off with the proceeds from the 2015 Bond Anticipation Notes.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015****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, 2015 follows:

Years	General Obligation Bonds		Mortgage Revenue Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$240,000	\$92,106	\$510,000	\$447,296	\$40,000	\$6,793
2017	255,000	82,444	540,000	429,096	30,000	4,564
2018	260,000	69,844	565,000	408,959	31,000	2,964
2019	270,000	57,868	315,000	386,782	11,000	1,293
2020	150,000	51,668	355,000	384,289	11,000	646
2021-2025	800,000	106,782	1,860,000	1,625,476	0	0
2026-2030	0	0	1,515,000	1,139,157	0	0
2031-2035	0	0	1,345,000	762,236	0	0
2036-2040	0	0	1,735,000	334,776	0	0
2041-2042	0	0	345,000	7,200	0	0
Totals	<u>\$1,975,000</u>	<u>\$460,712</u>	<u>\$9,085,000</u>	<u>\$5,925,267</u>	<u>\$123,000</u>	<u>\$16,260</u>

Years	OWDA Loans		OPWC Loans		WPCLF Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$106,246	\$44,065	\$41,036	\$0	\$364,862	\$57,832
2017	90,711	40,125	41,035	0	368,519	54,175
2018	94,829	36,007	28,684	0	372,214	50,480
2019	99,135	31,700	28,684	0	375,946	46,748
2020	103,637	27,199	25,000	0	379,715	42,979
2021-2025	527,766	65,746	124,990	0	1,956,442	157,030
2026-2030	0	0	75,007	0	2,056,493	56,976
Totals	<u>\$1,022,324</u>	<u>\$244,842</u>	<u>\$364,436</u>	<u>\$0</u>	<u>\$5,874,191</u>	<u>\$466,220</u>

**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, 2015***

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**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 488 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 2014, the City paid \$107,957 into the pool for total premiums for the property and casualty coverage for 12/01/2014 – 11/30/2015 and during 2015, paid \$117,089 for property and casualty coverage from 12/01/15 – 11/30/2016.

**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, 2015, 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, 2014 and 2013 (the latest information available):

	<b><u>2015</u></b>	<b><u>2014</u></b>
Assets	\$ 38,307,677	\$ 35,402,177
Liabilities	<u>(12,759,127)</u>	<u>(12,363,257)</u>
Net Position – Unrestricted	\$ 25,548,550	\$ 23,038,920

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 15 - RISK MANAGEMENT (Continued)**

**A. PEP Property and Casualty Pool (Continued)**

	<b><u>2015</u></b>	<b><u>2014</u></b>
Number of Members	499	488
Unpaid Claims to be Billed in the Future	\$11.0 million	\$10.8 million

The Pool's membership increased from 488 members in 2014 to 499 members in 2015.

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 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 is also 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, 2015 the Pool retained \$350,000 for casualty claims and \$100,000 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, 2015***

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**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 2015, the pool included the following Ohio Cities and Villages as members: Archbold, Bowling Green, Bucyrus, Carey, Clyde, Corrections Center of Northwest Ohio, Defiance, Fayette, Fremont, Henry County, Hunting Valley, Hicksville, Napoleon, Oberlin, Oregon, Sandusky, Sandusky County Engineers, Sandusky County Health Department, Upper Sandusky and Willard. 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, 2015, the pool had total reported assets of \$5,399,659.

Each pool member provides to its own employees all-available options listed in its own developed plan as covered by the pool. The 2015 premiums paid by the City of Napoleon into the employee benefits pool were a monthly cost of \$1,288.66 for family coverage and \$447.37 for single coverage. The life insurance monthly premium was \$3.60 for \$20,000 in coverage, and \$5.40 for \$30,000 in coverage. Coverage levels were determined by bargaining agreements or personnel code. During 2015, the City paid \$1,329,289 into the pool for health benefits coverage, and \$5,798 into the pool for life insurance coverage. The cost of coverage for premiums is paid out of each respective fund and department that pays the salary of the individuals covered under the plan. The amount of risk retained by the pool was \$200,000 per individual for 2015 with excess coverage provided by HCC Life Insurance Company.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**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 2015, the City paid \$132,345 into the pool for total Workers Compensation premiums. It should be noted that premiums are based on the prior fiscal year's (2014) gross payroll

**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 2015, the City paid \$0 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, 2015***

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**NOTE 16 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS**

**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-Ohio 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 position 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. As of December 31, 2015, the outstanding debt was \$8,052,470. 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 \$32,661 at December 31, 2015. Complete financial statements for OMEGA JV2 may be obtained from AMP or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 16 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (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, 2015 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, 2015***

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**NOTE 16 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (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, 2015 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, 2015***

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**NOTE 16 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (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. Due to scheduled principal repayments, the resulting note receivable has been reduced at December 31, 2015 to \$49,803,187.\* AMP will continue to collect debt service from the OMEGA JV5 participants until the note is paid in full.

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, 2015. Complete financial statements for OMEGA JV5 may be obtained from AMP or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

\*Subsequent to year end, on January 19, 2016, OMEGA JV5 issued the Beneficial Interest Refunding Certificates, Series 2016 (the "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.

**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, 2015***

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**NOTE 16 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (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 December 31, 2015 Napoleon has met their debt coverage obligation.

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").

OMEGA JV6 is managed by American Municipal Power, Inc., which acts as the joint venture's agent. On July 30, 2004 AMP issued \$9,861,000 adjustable rate bonds that mature on August 15, 2019. The interest rate on the bonds will be set every six months until maturity. No fixed amortization schedule exists. The net proceeds of the bond issues were used to construct the OMEGA JV6 Project. On August 15, 2015 the remaining balance was paid on the OMEGA JV6 Bonds. The City's net obligation for these bonds at December 31, 2015 was \$0 (Including amounts withheld for Debt Service Reserve, amounts held in the Bond Fund, previous billings to members, interest payable and debt service paid and collected).

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 \$240,098 at December 31, 2015. Complete financial statements for OMEGA JV6 may be obtained from AMP or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 16 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (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, 2015 are:

<b>Participant</b>	<b>KW Amount</b>	<b>% of Financing</b>
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>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 16 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (Continued)**

**D. Prairie State Energy Campus (68 Members)**

On December 20, 2007, AMP acquired 368,000kW or an effective 23.26% undivided ownership interest (the "PSEC Ownership Interest") in the Prairie State Energy Campus ("PSEC"), a planned 1,600 MW coal-fired power plant 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.

On June 12, 2012, Unit 1 of the PSEC began commercial operation and on November 2, 2012 Unit 2 of the PSEC began commercial operation.

AMP sells the power and energy from the PSEC Ownership Interest pursuant to a take-or-pay power sales contract (the "Prairie State Power Sales Contract") with 68 Members (the "Prairie State Participants"). The Prairie State Power Sales Contract is, in all material respects, comparable to the Power Sales Contract for the Project. 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 City of Napoleon has executed a take-or-pay power sales contract with AMP for a Project Share of 4,976 kW or 1.35% kW of capacity and associated energy from the Prairie State facility.

AMP's share of the total Project costs, including AMP's share of PSEC capital improvements through 2016, resulted in the issuance by AMP of approximately \$1.697 billion of debt. As of December 31, 2015 the City's Project Share was associated with approximately \$21,746,134 of the outstanding Project debt. These costs include (i) AMP's costs of acquisition of its Ownership Interest and its share of the cost of construction of the PSEC, including an allowance for contingencies, (ii) capitalized interest during and after the scheduled in service dates of the two PSEC Units, (iii) costs of issuance associated with both the interim and long-term financing for the Project and (iv) deposits to the Parity Common Reserve Account for the Bonds issued to permanently finance the Project.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 16 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (Continued)**

**E. AMP Fremont Energy Center (AFEC)**

On February 3, 2011 American Municipal Power, Inc. (AMP) entered into 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. The closing date to purchase was July 28, 2011. AMP's acquisition of the plant was financed with draws on an additional line of credit for \$600,000,000 secured solely for the purpose of purchasing the plant.

To provide permanent financing for the AFEC Project on June 29, 2012 AMP issued in two series \$546,085,000 of its AMP Fremont Center Project Revenue Bonds consisting of taxable and tax-exempt obligations to (i) with other available funds, to repay the \$600,000,000 principal amount of an interim loan that financed the acquisition of the AMP Fremont Energy Center ("AFEC") and development costs and completion of construction and commissioning of AFEC; (ii) to make deposits to the Construction Accounts under the Indenture to finance additional capital expenditures allocable to AMP's 90.69% undivided ownership interest in AFEC; (iii) to fund deposits to certain reserve accounts; and (iv) to pay the costs of issuance of the Series 2012 Bonds.

On January 21, 2012 the AMP Fremont Energy Center ("AFEC") began commercial operation. The total cost of construction of the AFEC at the date it was placed in service was \$582,200,642. This amount included a development fee of \$35,535,448 paid by AFEC participants for the account of AMP Generating Station participants who are also AFEC participants. The amount was previously recorded as a noncurrent regulatory asset at December 31, 2011. In June 2012, AMP sold 26.419 MW or 5.16% undivided ownership interest in AFEC to Michigan Public Power Agency ("MPPA") and entered into a power sales contract with Central Virginia Electric Cooperative ("CVEC") for the output of a 21.248 MW or 4.15% interest in AFEC. AMP has sold the output of the remaining 464.355 MW or 90.69% interest to the AFEC participants, which consist of 87 of its members, pursuant to a take-or-pay power sales contract.

The City of Napoleon has executed a take-or-pay power sales contract with AMP for a Project Share of 6,650 kW or 1.43% of capacity and associated energy from the AFEC facility. As of December 31, 2015, the City's Project Share was associated with approximately \$7,700,369 of the outstanding Project debt.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 16 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (Continued)**

**F. Combined Hydroelectric Projects (79 Members)**

AMP is currently developing 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 entails the installation of run-of-the-river hydroelectric generating facilities on existing United States Army Corps of Engineers’ dams and includes associated transmission facilities. The Combined Hydroelectric Projects, including associated transmission facilities, will be constructed and operated by AMP. AMP holds the licenses from FERC for the Combined Hydroelectric Projects. AMP received the last of the material permits needed to begin construction on the Cannelton hydroelectric facility and Smithland hydroelectric facility, respectively in 2009. Ground breaking ceremonies were held for Cannelton on August 25, 2009 and for Smithland on September 1, 2010. AMP received the last of the material permits for the Willow Island hydroelectric facility in the last quarter of 2010 and ground breaking ceremonies took place on July 21, 2011.

All major contracts for the projects which include the turbines, the powerhouse construction, the powerhouse gates, the powerhouse cranes, and the transformers have been awarded for the Cannelton, Smithland, and Willow Island facilities. And property right-of-way acquisitions for the transmission lines have been completed for all three projects.

On February 12, 2015, AMP reached agreement with Barnard Construction Company, Inc. (“Barnard”) to serve as the replacement powerhouse contractor on AMP’s Smithland Hydroelectric Project (“Smithland Project”), which is one of the three projects constituting the Combined Hydroelectric Projects replacing C.J. Mahan whose contract was terminated by mutual agreement between AMP and C.J. Mahan. Barnard is a highly experienced hydropower construction contractor. AMP and Barnard are working together to achieve an orderly transition of the Smithland Project from the prior powerhouse contractor. Nearly all of the subcontractors currently working on the Smithland Project have been retained. The Project Engineer, MWH Americas, Inc., all owner furnished equipment suppliers and all other prime contractors remain in place.

The Smithland Project’s expected commercial operation date, currently projected for the second quarter of 2016, could be affected by this transition, but at this point, AMP management believes that there will be no negative effect. AMP will supplement this notice when and if AMP expects a materially different commercial operation date for the Smithland Project.

AMP is projecting that the two remaining Combined Hydroelectric Projects are expected to enter into commercial operation as follows: Cannelton in the second quarter of 2015; Willow Island in the second quarter of 2015.

Please note that these projected commercial operation dates set forth above are, and the other information herein is, subject to change and are dependent on a number of factors affecting each

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 16 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (Continued)**

**F. Combined Hydroelectric Projects (79 Members) (Continued)**

Project's overall remaining construction schedule, including weather. As a result, the commercial operation dates may occur earlier or later than the time frames set forth above.

The City of Napoleon has executed a take-or-pay power sales contract with AMP for a Project Share of 3,498 kW or 1.68% of capacity and associated energy from the hydro facilities.

To provide financing for the Combined Hydroelectric Projects, in 2009 and 2010 AMP has issued in seven series \$2,045,425,000 of its Combined Hydroelectric Projects Revenue Bonds (the "Combined Hydroelectric Bonds"), consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). As of December 31, 2015 the City's Project Share was associated with approximately \$34,398,542 of the outstanding Project debt. The Combined Hydroelectric Bonds are net revenue obligations of AMP, 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.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 16 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (Continued)**

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

AMP is currently constructing 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 (the "Meldahl Project"). When the Meldahl Project enters commercial operation, it is projected to have a generating capacity of approximately 105 MW. The City of Hamilton, Ohio, a Member of AMP and a participant in the Meldahl Project, and AMP hold, as co-licensees, the Federal Energy Regulatory Commission license necessary to construct and operate the Meldahl Project. Pursuant to the various agreements between Hamilton and AMP, the Meldahl Project will be owned by Meldahl, LLC, a single member, Delaware not-for-profit limited liability company ("Meldahl, LLC"), and will be operated by Hamilton. AMP, acting as agent of Meldahl LLC, is financing the development, acquisition, construction and equipping of the Meldahl Project. In order to finance the construction of the Meldahl Project and related costs, in 2010 and 2011 AMP issued six series of its Meldahl Hydroelectric Project Revenue Bonds (the "Meldahl Bonds") in the amount of \$685,100,000 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.

All major contracts for the project which include the turbine, the powerhouse construction, the powerhouse gate, the powerhouse crane, and the transformer have been awarded for the Meldahl facility. And the property right-of-way acquisitions for the transmission line have been completed for this project.

AMP projects that the first of the Project's three units will be in service in the second quarter of 2015 and the second and third units will be in service in the third quarter 2015, which means the commercial operation date of the Meldahl Project would occur during the third quarter of 2015. At this time the Meldahl Projects total construction budget remains unchanged.

Please note that the projected commercial operation date set forth above, and the other information herein is subject to change and is dependent on a number of factors affecting the Project's overall remaining construction schedule. As a result, the commercial operation date may occur earlier or later than the time frame set forth above.

The City of Napoleon has executed a take-or-pay power sales contract with AMP for a Project Share of 504 kW or 0.48% of capacity and associated energy from the Meldahl Project. As of December 31, 2015, the City's Project Share was associated with approximately \$3,288,480 of the outstanding Project debt.

The referenced agreements with Hamilton respecting the Meldahl Project also provided that Hamilton would sell to AMP a 48.6% undivided ownership interest in the Greenup Hydroelectric Facility ("Greenup"), a 70.2 MW run-of-the river hydroelectric generating facility located on the Greenup Locks and Dam on the Ohio River, in commercial operation since 1988. The sale is contingent upon the placement of the Meldahl Project into commercial operation. Based on the estimated commercial operation date for the Meldahl Project, AMP currently estimates that it will

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 16 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (Continued)**

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

issue bonds to finance its undivided ownership interest in Greenup in the fourth quarter of 2015. AMP's Greenup bonds will be secured by a separate power sales contract that has been executed by the same Members (all except Hamilton which will retain title to the remaining 51.4% ownership interest in Greenup) that executed the Meldahl power sales contract. Hamilton will continue to operate Greenup.

The City of Napoleon has executed a take-or-pay power sales contract with AMP for 330 kW or 0.97% of capacity and associated energy from the Greenup Project.

**H. AMP, Inc. Solar Project 1 (3 Members)**

In 2012 AMP constructed a 3.54 MW solar energy generation field on a brownfield area including on top of an old land fill, in Napoleon, Ohio.

The project consisted of 17,160 solar panels covering 20.74 acres. Construction started in April 2012 and the facility went online late August 2012. AMP financed the project on its revolving line of credit at \$9,600,000. The balance as of December 31, 2015, including interest, is \$8,763,098.61. There are three (3) member project participants. Those participants are the City of Napoleon, Ohio (1,040 kW), the City of St. Mary's, Ohio (2,300 kW) and the Village of Waynesfield, Ohio (200 kW).

The City of Napoleon has executed a take-or-pay sales contract with AMP for 1,040 kW or 29.38% of capacity and associated energy from the solar facility. The city's share of the debt is approximately \$2,574,470.

**I. 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 \$31,000 to the CIC during 2015. 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, 2015***

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**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. Since March 31, 2014 the City has made payments of \$820,991 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the City's allocation of additional costs incurred by the project is \$15,955 and interest expense incurred on AMP's line-of-credit of \$3,859, resulting in a net impaired cost estimate at December 31, 2015 of \$19,814.

**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.

**NOTE 18 – SUBSEQUENT EVENT**

On March 2, 2016 the City issued \$2,500,000 in one year General Obligation Notes to pay for Water Plant Improvements. The notes, which mature on March 2, 2017, have an interest rate of 1%.



*REQUIRED SUPPLEMENTAL INFORMATION*

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**CITY OF NAPOLEON, OHIO**

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

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**Ohio Public Employees Retirement System**

Year	2013	2014
City's proportion of the net pension liability (asset)	0.036165%	0.036165%
City's proportionate share of the net pension liability (asset)	\$4,263,382	\$4,361,903
City's covered-employee payroll	\$3,460,008	\$4,450,275
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	123.22%	98.01%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%

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

**Ohio Police and Fire Pension Fund**

Year	2013	2014
City's proportion of the net pension liability (asset)	0.0728821%	0.0728821%
City's proportionate share of the net pension liability (asset)	\$3,549,587	\$3,775,597
City's covered-employee payroll	\$1,190,129	\$1,497,328
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	298.25%	252.16%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

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

**CITY OF NAPOLEON, OHIO**

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***Schedule of City Contributions  
Last Three Years***

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**Ohio Public Employees Retirement System**

Fiscal Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$449,801	\$534,033	\$575,401
Contributions in relation to the contractually required contribution	<u>449,801</u>	<u>534,033</u>	<u>575,401</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$3,460,008	\$4,450,275	\$4,795,008
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%

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

**Ohio Police and Fire Pension Fund**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$203,274	\$304,856	\$303,237
Contributions in relation to the contractually required contribution	<u>203,274</u>	<u>304,856</u>	<u>303,237</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$1,190,129	\$1,497,328	\$1,509,393
Contributions as a percentage of covered-employee payroll	17.08%	20.36%	20.09%

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.





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

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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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.

(Continued)

***Special Revenue Funds***

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**Hotel/Motel Tax Fund**

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

**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.

**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.

(Continued)

***Special Revenue Funds***

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**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.

**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.

**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.

**Law Enforcement OT Grant Fund**

To account for grant monies and local share monies for police department overtime and mandatory continuing professional training.

**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.

**Probation Improvement Fund**

To account for financial resources used for municipal court/probation department.

***Debt Service Fund***

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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.

***Capital Projects Funds***

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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.

**Capital Improvement Project (CIP) Funding Reserve Fund**

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

**Downtown Pocket park Fund**

To account for financial resources used for the Pocket Park construction.

**CITY OF NAPOLEON, OHIO****Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2015**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Project Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 1,926,767	\$ 28,749	\$ 149,506	\$ 2,105,022
Receivables:				
Taxes	134,411	0	0	134,411
Accounts	547,907	0	0	547,907
Intergovernmental	258,500	0	21,903	280,403
Interest	2,065	0	0	2,065
Inventory of Supplies, at Cost	229,196	0	0	229,196
<b>Total Assets</b>	<b>\$ 3,098,846</b>	<b>\$ 28,749</b>	<b>\$ 171,409</b>	<b>\$ 3,299,004</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 29,977	\$ 0	\$ 25,972	\$ 55,949
Accrued Wages and Benefits Payable	57,752	0	0	57,752
<b>Total Liabilities</b>	<b>87,729</b>	<b>0</b>	<b>25,972</b>	<b>113,701</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	646,813	0	0	646,813
Property Tax for Next Fiscal Year	126,765	0	0	126,765
<b>Total Deferred Inflows of Resources</b>	<b>773,578</b>	<b>0</b>	<b>0</b>	<b>773,578</b>
<b>Fund Balances:</b>				
Nonspendable	229,196	0	0	229,196
Restricted	1,707,428	0	0	1,707,428
Committed	329,407	0	145,437	474,844
Assigned	0	28,749	0	28,749
Unassigned	(28,492)	0	0	(28,492)
<b>Total Fund Balances</b>	<b>2,237,539</b>	<b>28,749</b>	<b>145,437</b>	<b>2,411,725</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,098,846</b>	<b>\$ 28,749</b>	<b>\$ 171,409</b>	<b>\$ 3,299,004</b>

**CITY OF NAPOLEON, OHIO****Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2015**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Project Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$ 115,548	\$ 0	\$ 0	\$ 115,548
Intergovernmental Revenues	717,331	0	42,903	760,234
Charges for Services	575,697	0	0	575,697
Investment Earnings	11,450	0	0	11,450
Fines and Forfeitures	140,502	0	0	140,502
All Other Revenue	55,111	19,125	15,000	89,236
<b>Total Revenue</b>	<b>1,615,639</b>	<b>19,125</b>	<b>57,903</b>	<b>1,692,667</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	732,640	0	0	732,640
Leisure Time Activities	792,662	0	0	792,662
Community Environment	5,153	0	0	5,153
Transportation	671,335	0	0	671,335
General Government	52,950	0	0	52,950
Capital Outlay	0	0	324,716	324,716
Debt Service:				
Principal Retirement	45,000	35,000	0	80,000
Interest and Fiscal Charges	21,850	21,500	0	43,350
<b>Total Expenditures</b>	<b>2,321,590</b>	<b>56,500</b>	<b>324,716</b>	<b>2,702,806</b>
Excess (Deficiency) of Revenues Over Expenditures	(705,951)	(37,375)	(266,813)	(1,010,139)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	3,363	0	0	3,363
Transfers In	637,331	56,570	25,000	718,901
Transfers Out	(91,994)	0	0	(91,994)
<b>Total Other Financing Sources (Uses)</b>	<b>548,700</b>	<b>56,570</b>	<b>25,000</b>	<b>630,270</b>
Net Change In Fund Balance	(157,251)	19,195	(241,813)	(379,869)
<b>Fund Balances at Beginning of Year</b>	<b>2,336,529</b>	<b>9,554</b>	<b>387,250</b>	<b>2,733,333</b>
Increase in Inventory Reserve	58,261	0	0	58,261
<b>Fund Balances End of Year</b>	<b>\$ 2,237,539</b>	<b>\$ 28,749</b>	<b>\$ 145,437</b>	<b>\$ 2,411,725</b>

**CITY OF NAPOLEON, OHIO****Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015**

	Street Construction, Maintenance and Repair	State Highway Improvement	Motor Vehicle License Tax	EMS Transport Service
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 126,117	\$ 9,999	\$ 367,700	\$ 21,916
Receivables:				
Taxes	0	0	0	0
Accounts	1,992	0	0	524,685
Intergovernmental	178,455	14,469	32,886	0
Interest	254	35	727	0
Inventory of Supplies, at Cost	222,426	0	0	0
<b>Total Assets</b>	<b>\$ 529,244</b>	<b>\$ 24,503</b>	<b>\$ 401,313</b>	<b>\$ 546,601</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 2,464	\$ 0	\$ 0	\$ 18,429
Accrued Wages and Benefits Payable	10,102	0	0	0
<b>Total Liabilities</b>	<b>12,566</b>	<b>0</b>	<b>0</b>	<b>18,429</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	119,063	9,659	22,191	467,840
Property Tax for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>119,063</b>	<b>9,659</b>	<b>22,191</b>	<b>467,840</b>
<b>Fund Balances:</b>				
Nonspendable	222,426	0	0	0
Restricted	175,189	14,844	379,122	0
Committed	0	0	0	60,332
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<b>397,615</b>	<b>14,844</b>	<b>379,122</b>	<b>60,332</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 529,244</b>	<b>\$ 24,503</b>	<b>\$ 401,313</b>	<b>\$ 546,601</b>



**CITY OF NAPOLEON, OHIO**

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Recreation	Probation Improvement	Hotel/Motel Tax	CDBG Income	Indigent Drivers Alcohol Treatment	Law Enforcement and Education
\$ 290,913	\$ 9,746	\$ 0	\$ 51,773	\$ 63,469	\$ 4,650
0	0	0	0	0	0
934	0	9,879	0	509	57
0	0	0	0	0	0
148	0	0	0	87	7
6,770	0	0	0	0	0
<u>\$ 298,765</u>	<u>\$ 9,746</u>	<u>\$ 9,879</u>	<u>\$ 51,773</u>	<u>\$ 64,065</u>	<u>\$ 4,714</u>
\$ 6,309	\$ 0	\$ 2,775	\$ 0	\$ 0	\$ 0
16,557	215	0	0	0	0
<u>22,866</u>	<u>215</u>	<u>2,775</u>	<u>0</u>	<u>0</u>	<u>0</u>
54	0	0	0	32	3
0	0	0	0	0	0
<u>54</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>32</u>	<u>3</u>
6,770	0	0	0	0	0
0	9,531	7,104	51,773	64,033	4,711
269,075	0	0	0	0	0
0	0	0	0	0	0
<u>275,845</u>	<u>9,531</u>	<u>7,104</u>	<u>51,773</u>	<u>64,033</u>	<u>4,711</u>
<u>\$ 298,765</u>	<u>\$ 9,746</u>	<u>\$ 9,879</u>	<u>\$ 51,773</u>	<u>\$ 64,065</u>	<u>\$ 4,714</u>

(Continued)

**CITY OF NAPOLEON, OHIO**

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015**

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	Court Computerization	Law Enforcement Trust	Mandatory Drug Fine	Fire Equipment
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 96,189	\$ 1,093	\$ 19,925	\$ 463,567
Receivables:				
Taxes	0	0	0	0
Accounts	2,450	0	177	0
Intergovernmental	0	0	0	0
Interest	58	0	28	701
Inventory of Supplies, at Cost	0	0	0	0
<b>Total Assets</b>	<u>\$ 98,697</u>	<u>\$ 1,093</u>	<u>\$ 20,130</u>	<u>\$ 464,268</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	21	0	10	257
Property Tax for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<u>21</u>	<u>0</u>	<u>10</u>	<u>257</u>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	98,676	1,093	20,120	464,011
Committed	0	0	0	0
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<u>98,676</u>	<u>1,093</u>	<u>20,120</u>	<u>464,011</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 98,697</u>	<u>\$ 1,093</u>	<u>\$ 20,130</u>	<u>\$ 464,268</u>

**CITY OF NAPOLEON, OHIO**

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Municipal Probation Service	Probation Officer Grant	Court Improvement	Handicap Parking Fines	Police Pension	Fire Pension
\$ 49,112	\$ 4,244	\$ 212,382	\$ 1,100	\$ 10	\$ 0
0	0	0	0	89,611	44,800
1,877	0	4,825	0	0	0
0	24,644	0	0	5,364	2,682
20	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 51,009</u>	<u>\$ 28,888</u>	<u>\$ 217,207</u>	<u>\$ 1,100</u>	<u>\$ 94,985</u>	<u>\$ 47,482</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>0</u>	<u>2,038</u>	<u>0</u>	<u>0</u>	<u>19,001</u>	<u>9,839</u>
<u>0</u>	<u>2,038</u>	<u>0</u>	<u>0</u>	<u>19,001</u>	<u>9,839</u>
7	12,322	0	0	10,236	5,118
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>84,510</u>	<u>42,255</u>
<u>7</u>	<u>12,322</u>	<u>0</u>	<u>0</u>	<u>94,746</u>	<u>47,373</u>
0	0	0	0	0	0
51,002	14,528	217,207	1,100	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(18,762)</u>	<u>(9,730)</u>
<u>51,002</u>	<u>14,528</u>	<u>217,207</u>	<u>1,100</u>	<u>(18,762)</u>	<u>(9,730)</u>
<u>\$ 51,009</u>	<u>\$ 28,888</u>	<u>\$ 217,207</u>	<u>\$ 1,100</u>	<u>\$ 94,985</u>	<u>\$ 47,482</u>

(Continued)

**CITY OF NAPOLEON, OHIO**
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2015**

	Cemetery	Law Enforcement OT Grant	Certified Police Training	Indigent Drivers Interlock/Alcohol	Total Nonmajor Special Revenue Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 73,429	\$ 15,283	\$ 7,064	\$ 37,086	\$ 1,926,767
Receivables:					
Taxes	0	0	0	0	134,411
Accounts	0	0	0	522	547,907
Intergovernmental	0	0	0	0	258,500
Interest	0	0	0	0	2,065
Inventory of Supplies, at Cost	0	0	0	0	229,196
<b>Total Assets</b>	<b>\$ 73,429</b>	<b>\$ 15,283</b>	<b>\$ 7,064</b>	<b>\$ 37,608</b>	<b>\$ 3,098,846</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,977
Accrued Wages and Benefits Payable	0	0	0	0	57,752
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>87,729</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Amounts	0	0	0	0	646,813
Property Tax for Next Fiscal Year	0	0	0	0	126,765
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>773,578</b>
<b>Fund Balances:</b>					
Nonspendable	0	0	0	0	229,196
Restricted	73,429	15,283	7,064	37,608	1,707,428
Committed	0	0	0	0	329,407
Unassigned	0	0	0	0	(28,492)
<b>Total Fund Balances</b>	<b>73,429</b>	<b>15,283</b>	<b>7,064</b>	<b>37,608</b>	<b>2,237,539</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 73,429</b>	<b>\$ 15,283</b>	<b>\$ 7,064</b>	<b>\$ 37,608</b>	<b>\$ 3,098,846</b>



**CITY OF NAPOLEON, OHIO****Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

	Street Construction, Maintenance and Repair	State Highway Improvement	Motor Vehicle License Tax	EMS Transport Service
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	381,874	30,962	108,989	4,250
Charges for Services	10,116	0	0	355,287
Investment Earnings	842	103	3,000	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	3,999	0	0	0
<b>Total Revenue</b>	<b>396,831</b>	<b>31,065</b>	<b>111,989</b>	<b>359,537</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	348,820
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	404,257	35,778	231,300	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest & Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>404,257</b>	<b>35,778</b>	<b>231,300</b>	<b>348,820</b>
Excess (Deficiency) of Revenues Over Expenditures	(7,426)	(4,713)	(119,311)	10,717
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	(12,360)	(26,000)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>(12,360)</b>	<b>(26,000)</b>
Net Change In Fund Balance	(7,426)	(4,713)	(131,671)	(15,283)
<b>Fund Balances at Beginning of Year</b>	<b>345,417</b>	<b>19,557</b>	<b>510,793</b>	<b>75,615</b>
Increase (Decrease) in Inventory Reserve	59,624	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 397,615</b>	<b>\$ 14,844</b>	<b>\$ 379,122</b>	<b>\$ 60,332</b>

***CITY OF NAPOLEON, OHIO***

Recreation	Probation Improvement	Hotel/Motel Tax	CDBG Income	Indigent Drivers Alcohol Treatment	Law Enforcement and Education
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	11,696	108,985	4,017	0	0
191,101	0	0	0	0	0
2,501	0	0	0	438	34
0	0	0	0	6,879	841
48,910	0	0	0	0	0
<u>242,512</u>	<u>11,696</u>	<u>108,985</u>	<u>4,017</u>	<u>7,317</u>	<u>875</u>
0	2,165	0	0	1,418	623
792,662	0	0	0	0	0
0	0	0	64	0	0
0	0	0	0	0	0
0	0	52,950	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>792,662</u>	<u>2,165</u>	<u>52,950</u>	<u>64</u>	<u>1,418</u>	<u>623</u>
(550,150)	9,531	56,035	3,953	5,899	252
0	0	0	0	0	0
565,331	0	0	0	0	0
0	0	(53,634)	0	0	0
<u>565,331</u>	<u>0</u>	<u>(53,634)</u>	<u>0</u>	<u>0</u>	<u>0</u>
15,181	9,531	2,401	3,953	5,899	252
262,027	0	4,703	47,820	58,134	4,459
(1,363)	0	0	0	0	0
<u>\$ 275,845</u>	<u>\$ 9,531</u>	<u>\$ 7,104</u>	<u>\$ 51,773</u>	<u>\$ 64,033</u>	<u>\$ 4,711</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, 2015**

	Court Computerization	Law Enforcement Trust	Mandatory Drug Fine	Fire Equipment
<b>Revenues:</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	13,913
Investment Earnings	742	10	145	3,305
Fines and Forfeitures	31,847	0	843	0
All Other Revenue	0	0	0	0
<b>Total Revenue</b>	<b>32,589</b>	<b>10</b>	<b>988</b>	<b>17,218</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	32,210	459	474	146,497
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
<b>Total Expenditures</b>	<b>32,210</b>	<b>459</b>	<b>474</b>	<b>146,497</b>
Excess (Deficiency) of Revenues Over Expenditures	379	(449)	514	(129,279)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	0	3,363
Transfers In	0	0	0	72,000
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,363</b>
Net Change In Fund Balance	379	(449)	514	(53,916)
<b>Fund Balances at Beginning of Year</b>	<b>98,297</b>	<b>1,542</b>	<b>19,606</b>	<b>517,927</b>
Increase (Decrease) in Inventory Reserve	0	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 98,676</b>	<b>\$ 1,093</b>	<b>\$ 20,120</b>	<b>\$ 464,011</b>



**CITY OF NAPOLEON, OHIO**

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Municipal Probation Service	Probation Officer Grant	Court Improvement	Handicap Parking Fines	Police Pension	Fire Pension
\$ 0	\$ 0	\$ 0	\$ 0	\$ 76,173	\$ 39,375
0	49,289	0	0	11,730	5,539
0	0	0	0	0	0
330	0	0	0	0	0
30,746	0	62,836	0	0	0
0	0	0	0	0	0
31,076	49,289	62,836	0	87,903	44,914
15,166	49,058	0	0	87,996	45,411
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	45,000	0	0	0
0	0	21,850	0	0	0
15,166	49,058	66,850	0	87,996	45,411
15,910	231	(4,014)	0	(93)	(497)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
15,910	231	(4,014)	0	(93)	(497)
35,092	14,297	221,221	1,100	(18,669)	(9,233)
0	0	0	0	0	0
\$ 51,002	\$ 14,528	\$ 217,207	\$ 1,100	\$ (18,762)	\$ (9,730)

(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, 2015**

	Cemetery	Law Enforcement OT Grant	Certified Police Training	Indigent Drivers Interlock/Alcohol	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 115,548
Intergovernmental Revenues	0	0	0	0	717,331
Charges for Services	5,280	0	0	0	575,697
Investment Earnings	0	0	0	0	11,450
Fines and Forfeitures	0	0	0	6,510	140,502
All Other Revenue	0	0	1,680	522	55,111
<b>Total Revenue</b>	<b>5,280</b>	<b>0</b>	<b>1,680</b>	<b>7,032</b>	<b>1,615,639</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	0	0	343	2,000	732,640
Leisure Time Activities	0	0	0	0	792,662
Community Environment	5,089	0	0	0	5,153
Transportation	0	0	0	0	671,335
General Government	0	0	0	0	52,950
Debt Service:					
Principal Retirement	0	0	0	0	45,000
Interest & Fiscal Charges	0	0	0	0	21,850
<b>Total Expenditures</b>	<b>5,089</b>	<b>0</b>	<b>343</b>	<b>2,000</b>	<b>2,321,590</b>
Excess (Deficiency) of Revenues Over Expenditures	191	0	1,337	5,032	(705,951)
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	0	0	0	0	3,363
Transfers In	0	0	0	0	637,331
Transfers Out	0	0	0	0	(91,994)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>548,700</b>
Net Change In Fund Balance	191	0	1,337	5,032	(157,251)
<b>Fund Balances at Beginning of Year</b>	<b>73,238</b>	<b>15,283</b>	<b>5,727</b>	<b>32,576</b>	<b>2,336,529</b>
Increase (Decrease) in Inventory Reserve	0	0	0	0	58,261
<b>Fund Balances End of Year</b>	<b>\$ 73,429</b>	<b>\$ 15,283</b>	<b>\$ 7,064</b>	<b>\$ 37,608</b>	<b>\$ 2,237,539</b>

**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, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 253,550	\$ 256,081	\$ 256,081	\$ 0
Municipal Income Taxes	3,569,400	4,109,002	4,109,002	0
Other Local Taxes	519,800	520,952	520,952	0
Intergovernmental Revenues	243,360	241,223	241,223	0
Charges for Services	295,150	289,247	289,247	0
Licenses and Permits	64,100	70,735	70,735	0
Investment Earnings	24,700	50,487	50,487	0
Fines and Forfeitures	203,250	167,552	167,552	0
All Other Revenues	338,270	240,329	240,329	0
Total Revenues	5,511,580	5,945,608	5,945,608	0
<b>Expenditures:</b>				
Security of Persons and Property:				
Police:				
Personal Services	1,661,950	1,548,630	1,548,630	0
Materials and Supplies	90,927	57,518	57,518	0
Contractual Services	158,498	133,891	132,168	1,723
Other Expenditures	5,800	4,290	4,290	0
Capital Outlay	0	1,326	1,326	0
Total Police	1,917,175	1,745,655	1,743,932	1,723
Fire:				
Personal Services	917,740	853,174	853,174	0
Materials and Supplies	60,082	39,598	39,525	73
Contractual Services	129,490	80,066	80,066	0
Total Fire	1,107,312	972,838	972,765	73
Total Security of Persons and Property	3,024,487	2,718,493	2,716,697	1,796
Public Health and Welfare Services:				
Cemetery:				
Personal Services	87,170	89,082	89,082	0
Materials and Supplies	13,450	10,956	10,956	0
Contractual Services	12,410	11,674	11,674	0
Total Public Health and Welfare Services	113,030	111,712	111,712	0

(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, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:				
Building Inspection:				
Personal Services	91,690	89,087	89,087	0
Materials and Supplies	2,850	1,489	1,489	0
Contractual Services	12,060	6,550	6,550	0
Other Expenditures	1,000	136	136	0
Total Building Inspection	107,600	97,262	97,262	0
Economic Development:				
Contractual Services	40,000	31,000	31,000	0
Total Community Environment	147,600	128,262	128,262	0
General Government:				
City Council:				
Personal Services	3,732	1,565	1,369	196
Materials and Supplies	400	213	213	0
Contractual Services	725	239	209	30
Other Expenditures	700	618	618	0
Total City Council	5,557	2,635	2,409	226
Mayor:				
Personal Services	1,522	655	572	83
Materials and Supplies	200	38	38	0
Contractual Services	810	262	262	0
Other Expenditures	50	0	0	0
Total Mayor	2,582	955	872	83
City Manager - Administration:				
Personal Services	18,042	7,970	6,953	1,017
Materials and Supplies	346	23	20	3
Contractual Services	316	77	67	10
Other Expenditures	500	217	217	0
Total City Manager - Administration	19,204	8,287	7,257	1,030
City Manager - Human Resources:				
Personal Services	74,690	80,464	80,464	0
Materials and Supplies	500	2,052	2,052	0
Contractual Services	9,400	9,528	9,528	0
Other Expenditures	500	0	0	0
Total City Manager - Human Resources	85,090	92,044	92,044	0

(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, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Law Director:				
Personal Services	15,122	5,132	4,477	655
Materials and Supplies	231	15	13	2
Contractual Services	3,566	1,212	1,057	155
Other Expenditures	500	0	0	0
Total Law Director	19,419	6,359	5,547	812
Finance - Administration:				
Personal Services	38,494	16,301	14,222	2,079
Materials and Supplies	2,600	545	545	0
Contractual Services	9,491	3,826	3,338	488
Other Expenditures	1,350	963	963	0
Total Finance - Administration	51,935	21,635	19,068	2,567
Finance - Utility Billing:				
Personal Services	12,867	4,770	4,161	609
Materials and Supplies	3,498	1,437	1,254	183
Contractual Services	6,556	2,060	1,426	634
Total Finance - Utility Billing	22,921	8,267	6,841	1,426
Finance - Income Tax Collection:				
Personal Services	148,020	138,000	138,000	0
Materials and Supplies	7,500	8,943	8,943	0
Contractual Services	25,250	18,190	18,190	0
Capital Outlay	1,300	984	984	0
Total Finance - Income Tax Collection	182,070	166,117	166,117	0
Finance - Information Systems:				
Personal Services	153,630	114,767	114,767	0
Materials and Supplies	21,800	10,374	10,374	0
Contractual Services	31,250	19,149	19,149	0
Total Finance - Information Systems	206,680	144,290	144,290	0
City Engineer:				
Personal Services	31,328	12,405	10,823	1,582
Materials and Supplies	803	210	183	27
Contractual Services	5,893	1,440	1,256	184
Other Expenditures	1,000	867	867	0
Total City Engineer	39,024	14,922	13,129	1,793

(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, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Municipal Court:				
Personal Services	462,170	442,902	442,902	0
Materials and Supplies	40,845	34,370	34,270	100
Contractual Services	69,220	56,397	56,397	0
Other Expenditures	230	103	103	0
Total Municipal Court	572,465	533,772	533,672	100
Service - Buildings, Property and Equipment:				
Personal Services	5,527	2,243	1,957	286
Materials and Supplies	1,074	293	255	38
Contractual Services	398	64	56	8
Other Expenditures	100	45	45	0
Total Service - Buildings, Property and Equipment	7,099	2,645	2,313	332
Miscellaneous:				
Materials and Supplies	1,296	191	131	60
Contractual Services	24,107	3,644	2,508	1,136
Other Expenditures	18,789	3,651	2,513	1,138
Total Miscellaneous	44,192	7,486	5,152	2,334
Total General Government	1,258,238	1,009,414	998,711	10,703
Total Expenditures	4,543,355	3,967,881	3,955,382	12,499
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	968,225	1,977,727	1,990,226	12,499
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	17,591	17,591	0
Transfers In	47,369	53,634	53,634	0
Transfers Out	(1,796,470)	(2,044,726)	(2,044,726)	0
Total Other Financing Sources (Uses)	(1,749,101)	(1,973,501)	(1,973,501)	0
Net Change In Fund Balance	(780,876)	4,226	16,725	12,499
Fund Balance at Beginning of Year	1,159,669	1,159,669	1,159,669	0
Prior Year Encumbrances	36,645	36,645	36,645	0
Fund Balance at End of Year	<u>\$ 415,438</u>	<u>\$ 1,200,540</u>	<u>\$ 1,213,039</u>	<u>\$ 12,499</u>

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 2,480	\$ 4,374	\$ 4,374	\$ 0
Special Assessments	44,920	47,228	47,228	0
Total Revenues	47,400	51,602	51,602	0
<b>Expenditures:</b>				
General Government:				
Contractual Services	1,500	1,415	1,415	0
Debt Service:				
Principal Retirement	51,360	51,351	51,351	0
Interest and Fiscal Charges	8,960	8,964	8,964	0
Total Expenditures	61,820	61,730	61,730	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,420)	(10,128)	(10,128)	0
<b>Other Financing Sources (Uses):</b>				
Transfers In	12,360	12,360	12,360	0
Total Other Financing Sources (Uses)	12,360	12,360	12,360	0
Net Change In Fund Balance	(2,060)	2,232	2,232	0
Fund Balance at Beginning of Year	569,477	569,477	569,477	0
Fund Balance at End of Year	\$ 567,417	\$ 571,709	\$ 571,709	\$ 0

**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, 2015***

CAPITAL IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 1,292,900	\$ 849,794	\$ 849,794	\$ 0
Total Revenues	1,292,900	849,794	849,794	0
<b>Expenditures:</b>				
Capital Outlay:				
City Council	5,330	5,382	5,382	0
City Manager	22,240	16,971	16,902	69
Law Director	2,000	0	0	0
Finance - Administration	76,231	31,507	31,492	15
Central Information System	5,000	2,610	2,610	0
Engineering	49,843	46,304	33,460	12,844
Police	96,640	95,421	95,421	0
Fire	137,432	53,482	51,811	1,671
Parks and Recreation	43,500	34,454	34,454	0
Cemetery	10,300	9,855	9,855	0
Street Maintenance	2,624,722	1,726,114	1,726,114	0
Total Expenditures	3,073,238	2,022,100	2,007,501	14,599
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,780,338)	(1,172,306)	(1,157,707)	14,599
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,195,970	1,400,149	1,400,149	0
Transfers Out	(127,570)	(127,570)	(127,570)	0
Total Other Financing Sources (Uses)	1,068,400	1,272,579	1,272,579	0
Net Change In Fund Balance	(711,938)	100,273	114,872	14,599
Fund Balance at Beginning of Year	734,787	734,787	734,787	0
Prior Year Encumbrances	108,758	108,758	108,758	0
Fund Balance at End of Year	\$ 131,607	\$ 943,818	\$ 958,417	\$ 14,599





**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, 2015***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 383,000	\$ 384,081	\$ 384,081	\$ 0
Charges for Services	3,000	10,110	10,110	0
Investment Earnings	580	832	832	0
All Other Revenues	7,400	3,980	3,980	0
Total Revenues	393,980	399,003	399,003	0
<b>Expenditures:</b>				
Transportation:				
Street Maintenance:				
Personal Services	204,950	224,713	224,713	0
Materials and Supplies	101,930	45,954	45,954	0
Contractual Services	56,870	30,545	30,545	0
Other Expenditures	21,310	23,797	23,797	0
Capital Outlay	100	0	0	0
Total Street Maintenance	385,160	325,009	325,009	0
Ice and Snow Removal:				
Personal Services	32,000	28,011	28,011	0
Materials and Supplies	23,600	20,815	20,815	0
Contractual Services	18,500	6,850	6,850	0
Other Expenditures	7,000	4,524	4,524	0
Total Ice and Snow Removal	81,100	60,200	60,200	0
Storm Drainage:				
Personal Services	11,000	18,907	18,907	0
Materials and Supplies	5,000	3,021	3,021	0
Contractual Services	3,000	0	0	0
Other Expenditures	500	171	171	0
Total Storm Drainage	19,500	22,099	22,099	0
Total Expenditures	485,760	407,308	407,308	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(91,780)	(8,305)	(8,305)	0
Fund Balance at Beginning of Year	134,422	134,422	134,422	0
Fund Balance at End of Year	\$ 42,642	\$ 126,117	\$ 126,117	\$ 0

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	STATE HIGHWAY IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual		
<b>Revenues:</b>					
Intergovernmental Revenues	\$ 30,750	\$ 31,141	\$ 31,141	\$	0
Investment Earnings	80	102	102		0
Total Revenues	30,830	31,243	31,243		0
<b>Expenditures:</b>					
Transportation:					
Materials and Supplies	15,400	13,140	13,140		0
Contractual Services	26,000	22,640	22,638		2
Total Expenditures	41,400	35,780	35,778		2
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,570)	(4,537)	(4,535)		2
Fund Balance at Beginning of Year	14,534	14,534	14,534		0
Fund Balance at End of Year	\$ 3,964	\$ 9,997	\$ 9,999	\$	2

**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, 2015***

<b>MOTOR VEHICLE LICENSE TAX FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 105,000	\$ 108,764	\$ 108,764	\$ 0
Investment Earnings	1,810	2,972	2,972	0
Total Revenues	106,810	111,736	111,736	0
<b>Expenditures:</b>				
Transportation:				
Materials and Supplies	138,500	111,996	111,997	(1)
Contractual Services	135,000	119,303	119,303	0
Total Expenditures	273,500	231,299	231,300	(1)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(166,690)	(119,563)	(119,564)	(1)
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(12,360)	(12,360)	(12,360)	0
Total Other Financing Sources (Uses)	(12,360)	(12,360)	(12,360)	0
Net Change In Fund Balance	(179,050)	(131,923)	(131,924)	(1)
Fund Balance at Beginning of Year	499,624	499,624	499,624	0
Fund Balance at End of Year	\$ 320,574	\$ 367,701	\$ 367,700	\$ (1)

**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, 2015***

EMS TRANSPORT SERVICE FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 3,000	\$ 4,250	\$ 4,250	\$ 0
Charges for Services	358,200	353,094	353,094	0
Total Revenues	361,200	357,344	357,344	0
<b>Expenditures:</b>				
Security of Persons and Property:				
Materials and Supplies	35,252	30,215	30,214	1
Contractual Services	120,596	87,106	85,917	1,189
Other Expenditures	210,000	229,800	229,800	0
Capital Outlay	4,000	0	0	0
Total Expenditures	369,848	347,121	345,931	1,190
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,648)	10,223	11,413	1,190
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(26,000)	(26,000)	(26,000)	0
Total Other Financing Sources (Uses)	(26,000)	(26,000)	(26,000)	0
Net Change In Fund Balance	(34,648)	(15,777)	(14,587)	1,190
Fund Balance at Beginning of Year	32,535	32,535	32,535	0
Prior Year Encumbrances	2,348	2,348	2,348	0
Fund Balance at End of Year	\$ 235	\$ 19,106	\$ 20,296	\$ 1,190

**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, 2015***

RECREATION FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Charges for Services	\$ 231,620	\$ 191,101	\$ 191,101	\$ 0
Investment Earnings	1,160	2,495	2,495	0
All Other Revenues	41,700	49,546	49,546	0
Total Revenues	274,480	243,142	243,142	0
<b>Expenditures:</b>				
Leisure Time Activities:				
Administration:				
Personal Services	91,350	89,485	89,474	11
Materials and Supplies	9,200	6,338	6,338	0
Contractual Services	3,040	2,041	2,041	0
Other Expenditures	2,250	325	325	0
Total Administration	105,840	98,189	98,178	11
Golf Course Operations:				
Personal Services	144,100	145,525	145,525	0
Materials and Supplies	69,894	62,981	62,981	0
Contractual Services	15,600	13,642	13,642	0
Total Golf Course Operations	229,594	222,148	222,148	0
Pool Operations:				
Personal Services	47,380	45,647	45,647	0
Materials and Supplies	23,500	25,424	25,424	0
Contractual Services	24,980	32,106	32,106	0
Capital Outlay	20,500	20,389	20,389	0
Total Pool Operations	116,360	123,566	123,566	0
Parks and Programs:				
Personal Services	235,410	234,554	234,554	0
Materials and Supplies	84,500	68,968	68,968	0
Contractual Services	46,940	50,511	50,511	0
Total Parks and Programs	366,850	354,033	354,033	0
Total Expenditures	818,644	797,936	797,925	11
Excess (Deficiency) of Revenues Over (Under) Expenditures	(544,164)	(554,794)	(554,783)	11

(Continued)

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	RECREATION FUND			
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>493,210</u>	<u>565,331</u>	<u>565,331</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>493,210</u>	<u>565,331</u>	<u>565,331</u>	<u>0</u>
Net Change In Fund Balance	(50,954)	10,537	10,548	11
Fund Balance at Beginning of Year	277,255	277,255	277,255	0
Prior Year Encumbrances	<u>1,294</u>	<u>1,294</u>	<u>1,294</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 227,595</u>	<u>\$ 289,086</u>	<u>\$ 289,097</u>	<u>\$ 11</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, 2015***

	HOTEL/MOTEL TAX FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual		
<b>Revenues:</b>					
Intergovernmental Revenues	\$ 80,000	\$ 107,268	\$ 107,268	\$ 0	
Total Revenues	80,000	107,268	107,268	0	
<b>Expenditures:</b>					
General Government:					
Contractual Services	40,000	53,634	53,634	0	
Total Expenditures	40,000	53,634	53,634	0	
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,000	53,634	53,634	0	
<b>Other Financing Sources (Uses):</b>					
Transfers Out	(40,000)	(53,634)	(53,634)	0	
Total Other Financing Sources (Uses)	(40,000)	(53,634)	(53,634)	0	
Net Change In Fund Balance	0	0	0	0	
Fund Balance at Beginning of Year	0	0	0	0	
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0	



**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	CDBG INCOME FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 4,017	\$ 4,017	\$ 0
Total Revenues	0	4,017	4,017	0
<b>Expenditures:</b>				
Community Environment:				
Contractual Services	47,800	64	64	0
Total Expenditures	47,800	64	64	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47,800)	3,953	3,953	0
Fund Balance at Beginning of Year	47,820	47,820	47,820	0
Fund Balance at End of Year	\$ 20	\$ 51,773	\$ 51,773	\$ 0

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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INDIGENT DRIVERS ALCOHOL TREATMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 230	\$ 435	\$ 435	\$ 0
Fines and Forfeitures	9,000	6,710	6,710	0
Total Revenues	9,230	7,145	7,145	0
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	29,678	4,678	1,418	3,260
Total Expenditures	29,678	4,678	1,418	3,260
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,448)	2,467	5,727	3,260
Fund Balance at Beginning of Year	53,064	53,064	53,064	0
Prior Year Encumbrances	4,678	4,678	4,678	0
Fund Balance at End of Year	\$ 37,294	\$ 60,209	\$ 63,469	\$ 3,260

**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, 2015*****LAW ENFORCEMENT AND EDUCATION FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 20	\$ 34	\$ 34	\$ 0
Fines and Forfeitures	1,700	928	928	0
Total Revenues	1,720	962	962	0
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	3,000	229	229	0
Contractual Services	1,050	480	394	86
Capital Outlay	500	0	0	0
Total Expenditures	4,550	709	623	86
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,830)	253	339	86
Fund Balance at Beginning of Year	4,161	4,161	4,161	0
Prior Year Encumbrances	150	150	150	0
Fund Balance at End of Year	\$ 1,481	\$ 4,564	\$ 4,650	\$ 86

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	COURT COMPUTERIZATION FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 340	\$ 739	\$ 739	\$ 0
Fines and Forfeitures	28,000	31,953	31,953	0
Total Revenues	28,340	32,692	32,692	0
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	1,600	88	88	0
Other Expenditures	10,000	10,000	10,000	0
Capital Outlay	26,200	22,122	22,122	0
Total Expenditures	37,800	32,210	32,210	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,460)	482	482	0
Fund Balance at Beginning of Year	76,707	76,707	76,707	0
Prior Year Encumbrances	19,000	19,000	19,000	0
Fund Balance at End of Year	\$ 86,247	\$ 96,189	\$ 96,189	\$ 0

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	LAW ENFORCEMENT TRUST FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Investment Earnings	\$ 10	\$ 10	\$ 10	\$ 0
Total Revenues	10	10	10	0
<b>Expenditures:</b>				
Security of Persons and Property:				
Other Expenditures	500	0	0	0
Capital Outlay	500	459	459	0
Total Expenditures	1,000	459	459	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(990)	(449)	(449)	0
Fund Balance at Beginning of Year	1,542	1,542	1,542	0
Fund Balance at End of Year	\$ 552	\$ 1,093	\$ 1,093	\$ 0

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	MANDATORY DRUG FINE FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 80	\$ 143	\$ 143	\$ 0
Fines and Forfeitures	1,500	806	806	0
Total Revenues	1,580	949	949	0
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	3,000	212	212	0
Other Expenditures	900	262	262	0
Total Expenditures	3,900	474	474	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,320)	475	475	0
Fund Balance at Beginning of Year	19,300	19,300	19,300	0
Prior Year Encumbrances	150	150	150	0
Fund Balance at End of Year	\$ 17,130	\$ 19,925	\$ 19,925	\$ 0

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	FIRE EQUIPMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Charges for Services	\$ 18,000	\$ 13,913	\$ 13,913	\$ 0
Investment Earnings	2,210	3,277	3,277	0
Total Revenues	20,210	17,190	17,190	0
<b>Expenditures:</b>				
Security of Persons and Property:				
Capital Outlay	162,500	146,500	146,497	3
Total Expenditures	162,500	146,500	146,497	3
Excess (Deficiency) of Revenues Over (Under) Expenditures	(142,290)	(129,310)	(129,307)	3
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	3,363	3,363	0
Transfers In	72,000	72,000	72,000	0
Total Other Financing Sources (Uses)	72,000	75,363	75,363	0
Net Change In Fund Balance	(70,290)	(53,947)	(53,944)	3
Fund Balance at Beginning of Year	371,011	371,011	371,011	0
Prior Year Encumbrances	146,500	146,500	146,500	0
Fund Balance at End of Year	\$ 447,221	\$ 463,564	\$ 463,567	\$ 3

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	MUNICIPAL PROBATION SERVICE FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 120	\$ 329	\$ 329	\$ 0
Fines and Forfeitures	15,000	30,508	30,508	0
Total Revenues	15,120	30,837	30,837	0
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	4,570	5,305	5,305	0
Contractual Services	11,500	9,442	9,442	0
Other Expenditures	500	419	419	0
Total Expenditures	16,570	15,166	15,166	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,450)	15,671	15,671	0
Fund Balance at Beginning of Year	33,441	33,441	33,441	0
Fund Balance at End of Year	\$ 31,991	\$ 49,112	\$ 49,112	\$ 0



**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	PROBATION OFFICER GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 49,290	\$ 49,289	\$ 49,289	\$ 0
Total Revenues	49,290	49,289	49,289	0
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	49,290	49,289	49,289	0
Total Expenditures	49,290	49,289	49,289	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	4,244	4,244	4,244	0
Fund Balance at End of Year	\$ 4,244	\$ 4,244	\$ 4,244	\$ 0

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	COURT IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 65,000	\$ 63,099	\$ 63,099	\$ 0
Total Revenues	65,000	63,099	63,099	0
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	45,000	45,000	45,000	0
Interest and Fiscal Charges	21,850	21,850	21,850	0
Total Expenditures	66,850	66,850	66,850	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,850)	(3,751)	(3,751)	0
Fund Balance at Beginning of Year	216,133	216,133	216,133	0
Fund Balance at End of Year	\$ 214,283	\$ 212,382	\$ 212,382	\$ 0

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	HANDICAP PARKING FINES FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Security of Persons and Property:				
Other Expenditures	1,100	0	0	0
Total Expenditures	1,100	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,100)	0	0	0
Fund Balance at Beginning of Year	1,100	1,100	1,100	0
Fund Balance at End of Year	\$ 0	\$ 1,100	\$ 1,100	\$ 0

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	POLICE PENSION FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 75,610	\$ 76,175	\$ 76,175	\$ 0
Intergovernmental Revenues	11,220	11,730	11,730	0
Total Revenues	86,830	87,905	87,905	0
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	86,830	87,895	87,895	0
Total Expenditures	86,830	87,895	87,895	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	10	10	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 10	\$ 10	\$ 0

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	FIRE PENSION FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 37,780	\$ 39,376	\$ 39,376	\$ 0
Intergovernmental Revenues	5,630	5,539	5,539	0
Total Revenues	<u>43,410</u>	<u>44,915</u>	<u>44,915</u>	<u>0</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	<u>43,410</u>	<u>44,915</u>	<u>44,915</u>	<u>0</u>
Total Expenditures	<u>43,410</u>	<u>44,915</u>	<u>44,915</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	CEMETERY FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Charges for Services	\$ 4,000	\$ 5,280	\$ 5,280	\$ 0
Total Revenues	4,000	5,280	5,280	0
<b>Expenditures:</b>				
Community Environment:				
Materials and Supplies	6,000	5,089	5,089	0
Total Expenditures	6,000	5,089	5,089	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,000)	191	191	0
<b>Other Financing Sources (Uses):</b>				
Total Other Financing Sources (Uses)	0	0	0	0
Net Change In Fund Balance	(2,000)	191	191	0
Fund Balance at Beginning of Year	73,238	73,238	73,238	0
Fund Balance at End of Year	\$ 71,238	\$ 73,429	\$ 73,429	\$ 0

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	LAW ENFORCEMENT OT GRANT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual		
<b>Revenues:</b>					
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0	0
<b>Expenditures:</b>					
Total Expenditures	0	0	0		0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0		0
Fund Balance at Beginning of Year	15,283	15,283	15,283		0
Fund Balance at End of Year	\$ 15,283	\$ 15,283	\$ 15,283	\$ 0	0

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	CERTIFIED POLICE TRAINING FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 1,700	\$ 0	\$ 0	\$ 0
All Other Revenues	0	1,680	1,680	0
Total Revenues	1,700	1,680	1,680	0
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	1,000	343	343	0
Contractual Services	2,000	0	0	0
Total Expenditures	3,000	343	343	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,300)	1,337	1,337	0
Fund Balance at Beginning of Year	5,727	5,727	5,727	0
Fund Balance at End of Year	\$ 4,427	\$ 7,064	\$ 7,064	\$ 0



**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 4,800	\$ 6,955	\$ 6,955	\$ 0
Total Revenues	<u>4,800</u>	<u>6,955</u>	<u>6,955</u>	<u>0</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	<u>5,000</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Total Expenditures	<u>5,000</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200)	4,955	4,955	0
Fund Balance at Beginning of Year	<u>32,131</u>	<u>32,131</u>	<u>32,131</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 31,931</u>	<u>\$ 37,086</u>	<u>\$ 37,086</u>	<u>\$ 0</u>

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	PROBATION IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 11,696	\$ 11,696	\$ 0
Total Revenues	0	11,696	11,696	0
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	0	1,950	1,950	0
Materials and Supplies	0	715	715	0
Total Expenditures	0	2,665	2,665	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	9,031	9,031	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 9,031	\$ 9,031	\$ 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, 2015***

GENERAL BOND RETIREMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 0	\$ 19,125	\$ 19,125	\$ 0
Total Revenues	0	19,125	19,125	0
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	35,000	35,000	35,000	0
Interest and Fiscal Charges	21,570	21,500	21,500	0
Total Expenditures	56,570	56,500	56,500	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,570)	(37,375)	(37,375)	0
<b>Other Financing Sources (Uses):</b>				
Transfers In	56,570	56,570	56,570	0
Total Other Financing Sources (Uses)	56,570	56,570	56,570	0
Net Change In Fund Balance	0	19,195	19,195	0
Fund Balance at Beginning of Year	9,554	9,554	9,554	0
Fund Balance at End of Year	\$ 9,554	\$ 28,749	\$ 28,749	\$ 0

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

---

CIP FUNDING RESERVE FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Capital Outlay:				
Street Maintenance	350,000	289,913	289,913	0
Total Expenditures	350,000	289,913	289,913	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(350,000)	(289,913)	(289,913)	0
<b>Other Financing Sources (Uses):</b>				
Transfers In	25,000	25,000	25,000	0
Total Other Financing Sources (Uses)	25,000	25,000	25,000	0
Net Change In Fund Balance	(325,000)	(264,913)	(264,913)	0
Fund Balance at Beginning of Year	387,250	387,250	387,250	0
Fund Balance at End of Year	\$ 62,250	\$ 122,337	\$ 122,337	\$ 0

**CITY OF NAPOLEON, OHIO**

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***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, 2015***

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	DOWNTOWN POCKET PARK FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 21,000	\$ 21,000	\$ 0
All Other Revenues	0	15,000	15,000	0
Total Revenues	0	36,000	36,000	0
<b>Expenditures:</b>				
Capital Outlay:				
Parks and Recreation	0	31,931	31,931	0
Total Expenditures	0	31,931	31,931	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	4,069	4,069	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 4,069	\$ 4,069	\$ 0

***Fiduciary Funds***

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

***Agency Funds***

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**Municipal Court Fund**

To account for funds that flow through the municipal court office.

**Law Library Fund**

To account for monies collected from traffic fines until remitted to other entities.

**Payroll Withholding Fund**

To account for withholding taxes until remitted to other entities.

**CITY OF NAPOLEON, OHIO**

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***Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2015***

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	Balance December 31, 2014	Additions	Deductions	Balance December 31, 2015
<u>Municipal Court</u>				
Assets:				
Cash and Cash Equivalents	\$39,624	\$0	\$0	\$39,624
Total Assets	<u>\$39,624</u>	<u>\$0</u>	<u>\$0</u>	<u>\$39,624</u>
Liabilities:				
Due to Others	\$39,624	\$0	\$0	\$39,624
Total Liabilities	<u>\$39,624</u>	<u>\$0</u>	<u>\$0</u>	<u>\$39,624</u>
<u>Law Library</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$0	\$0	\$0
Total Assets	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Liabilities:				
Due to Others	\$0	\$0	\$0	\$0
Total Liabilities	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Payroll Withholding</u>				
Assets:				
Cash and Cash Equivalents	\$13,305	\$0	\$0	\$13,305
Total Assets	<u>\$13,305</u>	<u>\$0</u>	<u>\$0</u>	<u>\$13,305</u>
Liabilities:				
Due to Others	\$13,305	\$0	\$0	\$13,305
Total Liabilities	<u>\$13,305</u>	<u>\$0</u>	<u>\$0</u>	<u>\$13,305</u>
<u>Totals - Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$52,929	\$0	\$0	\$52,929
Total Assets	<u>\$52,929</u>	<u>\$0</u>	<u>\$0</u>	<u>\$52,929</u>
Liabilities:				
Due to Others	\$52,929	\$0	\$0	\$52,929
Total Liabilities	<u>\$52,929</u>	<u>\$0</u>	<u>\$0</u>	<u>\$52,929</u>





# *STATISTICAL SECTION*

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**EVERYONE LOVES A PARADE!**



**YOUNG AND YOUNG AT HEART**



**WE ENJOY AND CELEBRATE!**





## ***STATISTICAL TABLES***

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

### ***Contents***

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<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	
<b>Revenue Capacity</b>	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.	
<b>Debt Capacity</b>	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.	
<b>Economic and Demographic Information</b>	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.	
<b>Operating Information</b>	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.	
<b>Sources Note:</b>	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

## City of Napoleon, Ohio

*Net Position by Component  
Last Ten Years  
(accrual basis of accounting)*

	2006	2007	2008	2009
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$24,314,801	\$24,814,158	\$28,323,805	\$29,555,216
Restricted	6,878,481	5,668,640	3,625,081	4,298,992
Unrestricted	2,235,629	3,267,539	2,815,897	1,948,134
Total Governmental Activities Net Position	<u>\$33,428,911</u>	<u>\$33,750,337</u>	<u>\$34,764,783</u>	<u>\$35,802,342</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$11,264,160	\$13,254,500	\$15,258,691	\$16,271,445
Unrestricted	17,996,725	17,723,570	16,121,443	16,531,170
Total Business-type Activities Net Position	<u>\$29,260,885</u>	<u>\$30,978,070</u>	<u>\$31,380,134</u>	<u>\$32,802,615</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$35,578,961	\$38,068,658	\$43,582,496	\$45,826,661
Restricted	6,878,481	5,668,640	3,625,081	4,298,992
Unrestricted	20,232,354	20,991,109	18,937,340	18,479,304
Total Primary Government Net Position	<u>\$62,689,796</u>	<u>\$64,728,407</u>	<u>\$66,144,917</u>	<u>\$68,604,957</u>

Source: Finance Director's Office

*City of Napoleon, Ohio*

2010	2011	2012	2013	2014	2015
\$29,541,627	\$30,121,697	\$29,930,771	\$32,448,052	\$31,960,590	\$33,433,083
4,512,545	3,885,950	2,461,068	2,768,235	2,990,372	2,806,677
1,663,304	1,537,086	2,684,562	3,533,369	3,332,982	(1,392,832)
<u>\$35,717,476</u>	<u>\$35,544,733</u>	<u>\$35,076,401</u>	<u>\$38,749,656</u>	<u>\$38,283,944</u>	<u>\$34,846,928</u>
\$19,332,790	\$21,120,371	\$22,297,444	\$20,699,687	\$20,700,229	\$22,542,372
15,426,346	14,694,663	16,236,989	19,237,386	19,439,411	18,129,077
<u>\$34,759,136</u>	<u>\$35,815,034</u>	<u>\$38,534,433</u>	<u>\$39,937,073</u>	<u>\$40,139,640</u>	<u>\$40,671,449</u>
\$48,874,417	\$51,242,068	\$52,228,215	\$53,147,739	\$52,660,819	\$55,975,455
4,512,545	3,885,950	2,461,068	2,768,235	2,990,372	2,806,677
17,089,650	16,231,749	18,921,551	22,770,755	22,772,393	16,736,245
<u>\$70,476,612</u>	<u>\$71,359,767</u>	<u>\$73,610,834</u>	<u>\$78,686,729</u>	<u>\$78,423,584</u>	<u>\$75,518,377</u>

# City of Napoleon, Ohio

## Changes in Net Position Last Ten Years (accrual basis of accounting)

	2006	2007	2008	2009
<b>Expenses</b>				
Governmental Activities:				
Security of Persons and Property	\$2,790,209	\$3,424,326	\$3,979,748	\$3,099,089
Public Health and Welfare Services	96,450	137,358	106,214	103,153
Leisure Time Activities	849,041	885,586	933,722	899,442
Community Environment	446,673	725,183	486,196	757,040
Transportation	1,031,319	1,364,559	872,400	1,702,924
General Government	1,021,880	1,067,981	678,405	991,969
Interest and Fiscal Charges	83,755	100,392	121,860	77,480
<i>Total Governmental Activities Expenses</i>	<u>6,319,327</u>	<u>7,705,385</u>	<u>7,178,545</u>	<u>7,631,097</u>
Business-type Activities:				
Electric	13,153,590	12,864,738	12,489,602	13,852,433
Water	1,769,784	2,043,701	2,175,036	2,543,426
Sewer	1,808,683	2,247,335	2,648,013	3,235,829
Sanitation	620,867	661,575	677,146	626,167
<i>Total Business-type Activities Expenses</i>	<u>17,352,924</u>	<u>17,817,349</u>	<u>17,989,797</u>	<u>20,257,855</u>
<i>Total Primary Government Expenses</i>	<u>\$23,672,251</u>	<u>\$25,522,734</u>	<u>\$25,168,342</u>	<u>\$27,888,952</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$970,374	\$1,066,435	\$1,027,828	\$1,028,246
Public Health and Welfare Services	13,385	23,600	18,463	14,660
Leisure Time Activities	246,881	244,598	255,949	301,100
Community Environment	5,100	6,895	3,758	2,935
Transportation	8,336	6,581	9,985	10,083
General Government	83,485	144,827	126,883	148,898
Operating Grants and Contributions	1,045,250	1,067,046	634,910	618,192
Capital Grants and Contributions	357,291	258,787	797	154,816
<i>Total Governmental Activities Program Revenues</i>	<u>2,730,102</u>	<u>2,818,769</u>	<u>2,078,573</u>	<u>2,278,930</u>

*City of Napoleon, Ohio*

2010	2011	2012	2013	2014	2015
\$3,125,458	\$3,318,795	\$3,461,564	\$3,509,977	\$3,897,632	\$3,654,789
112,440	123,641	109,157	119,347	121,621	130,226
904,829	868,775	920,814	837,829	979,834	885,152
517,452	1,263,518	381,223	889,241	152,816	133,083
1,299,067	760,223	1,316,777	1,081,351	1,646,040	1,508,973
1,122,335	1,086,864	1,329,567	1,037,778	1,089,719	895,716
85,901	96,494	63,709	67,818	71,185	49,078
<u>7,167,482</u>	<u>7,518,310</u>	<u>7,582,811</u>	<u>7,543,341</u>	<u>7,958,847</u>	<u>7,257,017</u>
14,396,085	14,714,910	14,533,499	15,784,619	16,111,027	14,525,667
2,474,059	3,229,358	2,621,913	2,471,001	2,725,757	2,483,792
2,782,393	2,921,313	2,663,795	3,175,055	3,114,530	3,298,500
768,173	733,632	793,380	718,019	742,677	756,482
<u>20,420,710</u>	<u>21,599,213</u>	<u>20,612,587</u>	<u>22,148,694</u>	<u>22,693,991</u>	<u>21,064,441</u>
<u>\$27,588,192</u>	<u>\$29,117,523</u>	<u>\$28,195,398</u>	<u>\$29,692,035</u>	<u>\$30,652,838</u>	<u>\$28,321,458</u>
\$1,082,152	\$1,008,026	\$1,032,637	\$1,204,603	\$1,103,728	\$1,062,603
17,125	24,203	16,388	18,877	18,668	22,665
258,421	207,272	215,192	275,990	278,108	240,539
3,265	4,968	4,798	4,742	6,288	5,280
16,311	6,267	11,267	13,878	8,997	14,115
109,391	113,089	103,218	100,503	42,022	21,996
894,469	1,323,169	830,875	1,517,992	950,214	586,830
157,440	104,301	111,784	66,201	76,151	931,660
<u>2,538,574</u>	<u>2,791,295</u>	<u>2,326,159</u>	<u>3,202,786</u>	<u>2,484,176</u>	<u>2,885,688</u>

(continued)

# City of Napoleon, Ohio

## Changes in Net Position Last Ten Years (accrual basis of accounting)

	2006	2007	2008	2009
Business-type Activities:				
Charges for Services				
Electric	13,199,524	12,876,770	13,330,787	14,499,715
Water	2,090,647	2,301,840	2,438,644	2,448,655
Sewer	2,298,509	3,059,283	3,427,831	3,349,175
Sanitation	630,019	629,809	638,020	861,016
Capital Grants and Contributions	0	276,363	311,544	2,150,584
<i>Total Business-type Activities Program Revenues</i>	<u>18,218,699</u>	<u>19,144,065</u>	<u>20,146,826</u>	<u>23,309,145</u>
<i>Total Primary Government Program Revenues</i>	<u>20,948,801</u>	<u>21,962,834</u>	<u>22,225,399</u>	<u>25,588,075</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(3,589,225)	(4,886,616)	(5,099,972)	(5,352,167)
Business-type Activities	865,775	1,326,716	2,157,029	3,051,290
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$2,723,450)</u>	<u>(\$3,559,900)</u>	<u>(\$2,942,943)</u>	<u>(\$2,300,877)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes Levied for:				
Property Taxes	\$481,259	\$662,906	\$494,106	\$146,252
Municipal Income Taxes	2,455,843	2,503,814	2,255,314	2,361,108
Other Local Taxes (kWh Tax)	586,070	555,353	536,676	493,053
Grants and Entitlements not				
Restricted to Specific Programs	710,157	208,113	5,953	788,511
Investment Earnings	334,547	598,440	403,619	202,278
Miscellaneous	324,313	459,416	202,010	485,517
Transfers	231,000	220,000	2,260,946	1,913,007
<i>Total Governmental Activities</i>	<u>5,123,189</u>	<u>5,208,042</u>	<u>6,158,624</u>	<u>6,389,726</u>
Business-type Activities:				
Investment Earnings	427,411	610,469	461,775	284,198
Transfers	(231,000)	(220,000)	(2,260,946)	(1,913,007)
<i>Total Business-type Activities</i>	<u>196,411</u>	<u>390,469</u>	<u>(1,799,171)</u>	<u>(1,628,809)</u>
<i>Total Primary Government</i>	<u>\$5,319,600</u>	<u>\$5,598,511</u>	<u>\$4,359,453</u>	<u>\$4,760,917</u>
<b>Change in Net Position</b>				
Governmental Activities	\$1,533,964	\$321,426	\$1,058,652	\$1,037,559
Business-type Activities	1,062,186	1,717,185	357,858	1,422,481
<i>Total Primary Government Change in Net Position</i>	<u>\$2,596,150</u>	<u>\$2,038,611</u>	<u>\$1,416,510</u>	<u>\$2,460,040</u>

Source: Finance Director's Office



*City of Napoleon, Ohio*

2010	2011	2012	2013	2014	2015
14,984,767	15,490,550	15,189,640	15,693,889	15,391,341	14,970,816
2,822,576	2,610,784	3,154,088	2,862,800	3,218,817	3,309,819
3,136,055	3,412,565	3,445,027	3,340,375	3,343,019	3,904,365
853,623	858,054	858,402	867,760	867,626	860,787
403,881	113,431	412,650	3,455,321	0	167,351
22,200,902	22,485,384	23,059,807	26,220,145	22,820,803	23,213,138
24,739,476	25,276,679	25,385,966	29,422,931	25,304,979	26,098,826
(4,628,908)	(4,727,015)	(5,256,652)	(4,340,555)	(5,474,671)	(4,371,329)
1,780,192	886,171	2,447,220	4,071,451	126,812	2,148,697
(\$2,848,716)	(\$3,840,844)	(\$2,809,432)	(\$269,104)	(\$5,347,859)	(\$2,222,632)
\$386,482	\$382,639	\$369,498	\$368,837	\$371,815	\$365,123
2,796,692	2,826,623	3,265,008	3,588,267	3,821,982	4,097,468
515,545	522,615	524,942	524,529	512,414	520,952
629,483	691,333	509,026	448,430	50,375	798,480
92,083	91,360	67,633	49,515	40,475	8,164
123,757	139,873	165,688	277,279	211,898	397,832
0	(118,388)	(113,475)	2,756,953	0	116,754
4,544,042	4,536,055	4,788,320	8,013,810	5,008,959	6,304,773
176,329	155,535	158,704	88,142	75,755	103,486
0	118,388	113,475	(2,756,953)	0	(116,754)
176,329	273,923	272,179	(2,668,811)	75,755	(13,268)
\$4,720,371	\$4,809,978	\$5,060,499	\$5,344,999	\$5,084,714	\$6,291,505
(\$84,866)	(\$190,960)	(\$468,332)	\$3,673,255	(\$465,712)	\$1,933,444
1,956,521	1,160,094	2,719,399	1,402,640	202,567	2,135,429
\$1,871,655	\$969,134	\$2,251,067	\$5,075,895	(\$263,145)	\$4,068,873

# City of Napoleon, Ohio

## Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2006	2007	2008	2009
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	54,611	22,238	45,413	36,369
Unreserved	2,059,287	2,230,909	1,888,658	1,950,630
<i>Total General Fund</i>	<u>2,113,898</u>	<u>2,253,147</u>	<u>1,934,071</u>	<u>1,986,999</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	724,245	818,971	287,883	251,799
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	2,410,223	1,689,219	1,021,024	981,549
Debt Service Funds	470,238	516,266	502,806	884,855
Capital Projects Funds	390,741	106,351	545,746	764,329
Total All Other Governmental Funds	<u>3,995,447</u>	<u>3,130,807</u>	<u>2,357,459</u>	<u>2,882,532</u>
<i>Total Governmental Funds</i>	<u>\$6,109,345</u>	<u>\$5,383,954</u>	<u>\$4,291,530</u>	<u>\$4,869,531</u>

Source: Finance Director's Office

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

*City of Napoleon, Ohio*

2010	2011	2012	2013	2014	2015
\$5,889	\$5,761	\$7,456	\$7,706	\$9,120	\$9,409
9,956	93,945	67,783	19,966	11,772	13,022
43,792	42,032	67,913	871,172	777,758	838,819
1,961,094	1,810,169	1,714,410	1,030,178	1,162,723	1,265,731
0	0	0	0	0	0
0	0	0	0	0	0
<u>2,020,731</u>	<u>1,951,907</u>	<u>1,857,562</u>	<u>1,929,022</u>	<u>1,961,373</u>	<u>2,126,981</u>
\$119,506	\$120,535	\$195,635	\$177,587	\$170,935	\$229,196
2,530,239	2,105,312	2,269,103	2,391,541	2,434,009	2,279,047
898,911	1,010,839	800,226	1,439,374	1,555,291	1,912,226
9,520	9,528	22,214	27,767	9,554	28,749
(82,196)	(81,974)	(73,767)	(29,206)	(27,902)	(28,492)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>3,475,980</u>	<u>3,164,240</u>	<u>3,213,411</u>	<u>4,007,063</u>	<u>4,141,887</u>	<u>4,420,726</u>
<u>\$5,496,711</u>	<u>\$5,116,147</u>	<u>\$5,070,973</u>	<u>\$5,936,085</u>	<u>\$6,103,260</u>	<u>\$6,547,707</u>

# City of Napoleon, Ohio

## Changes in Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2006	2007	2008	2009
<b>Revenues:</b>				
Taxes	\$3,530,340	\$3,518,822	\$3,245,315	\$3,220,684
Intergovernmental Revenues	2,156,790	2,187,335	1,891,032	1,605,562
Charges for Services	768,875	660,349	732,494	803,479
Licenses and Permits	70,448	64,289	64,957	63,825
Investment Earnings	270,293	646,848	421,070	185,858
Special Assessments	223,796	113,080	105,288	106,700
Fines and Forfeitures	382,767	363,862	381,139	407,561
All Other Revenue	312,405	440,028	388,066	797,505
<b>Total Revenue</b>	<u>7,715,714</u>	<u>7,994,613</u>	<u>7,229,361</u>	<u>7,191,174</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,616,306	3,163,034	3,946,531	2,900,346
Public Health and Welfare Services	90,918	102,920	98,955	92,695
Leisure Time Activities	783,864	845,965	875,791	783,006
Community Environment	797,857	796,478	483,116	538,556
Transportation	526,918	673,933	604,199	539,327
General Government	887,028	1,023,651	1,114,009	847,258
Capital Outlay	1,826,376	2,075,703	901,518	688,609
Debt Service:				
Principal Retirement	215,357	111,357	111,550	112,550
Interest and Fiscal Charges	86,526	101,500	122,968	76,940
<b>Total Expenditures</b>	<u>7,831,150</u>	<u>8,894,541</u>	<u>8,258,637</u>	<u>6,579,287</u>
Excess (Deficiency) of Revenues Over Expenditures	(115,436)	(899,928)	(1,029,276)	611,887

*City of Napoleon, Ohio*

2010	2011	2012	2013	2014	2015
\$3,722,602	\$3,749,404	\$4,170,959	\$4,458,946	\$4,660,798	\$4,969,922
1,380,019	2,220,622	1,426,432	1,719,738	1,248,507	2,272,156
807,930	800,287	805,926	1,012,086	819,227	869,489
63,599	68,203	76,513	73,435	70,252	70,735
114,664	95,435	68,959	54,013	34,162	11,047
101,853	92,238	84,532	49,694	28,815	37,142
371,916	363,988	331,022	369,351	354,229	306,292
456,874	400,885	453,642	365,253	464,363	339,064
<u>7,019,457</u>	<u>7,791,062</u>	<u>7,417,985</u>	<u>8,102,516</u>	<u>7,680,353</u>	<u>8,875,847</u>
2,949,630	3,278,087	3,216,671	3,293,773	3,559,821	3,426,149
101,383	110,917	98,178	105,132	107,365	111,598
821,199	799,615	809,897	722,535	717,360	792,662
515,451	1,260,984	378,447	885,933	151,254	132,277
582,589	596,226	530,317	503,534	554,015	671,335
1,027,824	962,827	1,009,104	897,863	936,313	852,115
873,383	650,487	1,095,962	471,986	1,177,632	2,271,611
112,557	142,751	138,951	129,951	119,151	124,151
85,058	96,938	64,594	70,247	71,499	49,428
<u>7,069,074</u>	<u>7,898,832</u>	<u>7,342,121</u>	<u>7,080,954</u>	<u>7,394,410</u>	<u>8,431,326</u>
(49,617)	(107,770)	75,864	1,021,562	285,943	444,521

(Continued)

## City of Napoleon, Ohio

### *Changes in Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)*

	2006	2007	2008	2009
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	127,000	21,991	202	10,941
General Obligation Notes Issued	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
Transfers In	2,730,521	2,357,900	2,210,781	1,907,304
Transfers Out	(2,587,521)	(2,245,900)	(2,258,101)	(1,946,385)
Other Financing Sources - Capital Leases	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>270,000</u>	<u>133,991</u>	<u>(47,118)</u>	<u>(28,140)</u>
<b>Net Change in Fund Balance</b>	<u>\$154,564</u>	<u>(\$765,937)</u>	<u>(\$1,076,394)</u>	<u>\$583,747</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	5.83%	3.41%	3.86%	3.31%

Source: Finance Director's Office

*City of Napoleon, Ohio*

2010	2011	2012	2013	2014	2015
11,224	26	19,300	38,700	17,289	20,954
0	0	0	0	0	0
760,000	0	0	0	0	0
2,053,509	2,174,344	1,923,114	1,878,718	2,137,016	2,185,044
(2,134,769)	(2,447,105)	(2,167,589)	(2,056,218)	(2,266,206)	(2,264,290)
0	0	28,818	0	0	0
689,964	(272,735)	(196,357)	(138,800)	(111,901)	(58,292)
\$640,347	(\$380,505)	(\$120,493)	\$882,762	\$174,042	\$386,229
3.33%	3.88%	3.27%	3.31%	3.16%	2.95%

## *City of Napoleon, Ohio*

### *Income Tax Revenues by Source, Governmental Funds Last Ten Years*

<b>Tax year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
				(1)
Income Tax Rate	1.20%	1.20%	1.20%	1.50%
Estimated Personal Income	\$285,652,608	\$296,442,852	\$300,589,362	\$302,853,636
Total Tax Collected	\$2,977,788	\$2,917,159	\$2,808,030	\$2,905,178
Income Tax Receipts				
Withholding	2,140,405	2,138,258	2,140,997	2,212,313
Percentage	71.87%	73.30%	76.24%	76.15%
Corporate	409,001	326,668	269,755	263,809
Percentage	13.74%	11.20%	9.61%	9.08%
Individuals	428,382	452,233	397,278	429,056
Percentage	14.39%	15.50%	14.15%	14.77%

Source: City Income Tax Department

(1) During 2009, the residents of the City voted to increase the income tax rate from 1.2% to 1.5%, effective July 1, 2009.



*City of Napoleon, Ohio*

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2010	2011	2012	2013	2014	2015
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$284,359,998	\$288,367,040	\$308,842,682	\$321,298,252	\$340,074,000	\$339,299,820
\$3,378,498	\$3,453,702	\$3,653,543	\$3,766,944	\$4,002,571	\$4,233,916
2,529,184	2,620,422	2,819,529	2,815,263	2,885,428	3,021,851
74.86%	75.88%	77.17%	74.74%	72.09%	71.37%
366,726	333,369	343,738	426,751	561,348	608,345
10.85%	9.65%	9.41%	11.32%	14.02%	14.37%
482,588	499,911	490,276	524,930	555,795	603,721
14.29%	14.47%	13.42%	13.94%	13.89%	14.26%



# City of Napoleon, Ohio

## Income Tax Collections Current Year and Nine Years Ago

### Calendar Year 2015

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,683	50.42%	\$17,590,227	10.09%
20,000 - 49,999	1,439	27.04%	46,968,147	26.94%
50,000 - 74,999	585	10.99%	35,447,244	20.33%
75,000 - 99,999	284	5.34%	24,309,590	13.95%
Over 100,000	330	6.21%	50,012,340	28.69%
Total	5,321	100.00%	\$174,327,548	100.00%

### Calendar Year 2006

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,336	47.87%	\$16,630,668	10.14%
20,000 - 49,999	1,451	29.74%	48,226,142	29.41%
50,000 - 74,999	575	11.79%	35,222,520	21.48%
75,000 - 99,999	285	5.84%	24,641,736	15.03%
Over 100,000	232	4.76%	39,270,297	23.94%
Total	4,879	100.00%	\$163,991,363	100.00%

Source: Finance Director's Office

# *City of Napoleon, Ohio*

## *Ratio of Outstanding Debt By Type Last Ten Years*

	2006	2007	2008
<b>Governmental Activities</b> <sup>(1)</sup>			
General Obligation Bonds Payable	\$655,000	\$630,000	\$605,000
Special Assessment Bonds Payable	607,561	533,553	459,353
Ohio Public Works Commission Loan Payable	135,862	123,512	111,162
<b>Business-type Activities</b> <sup>(1)</sup>			
Ohio Water Development Authority Loans Payable	3,715,575	3,389,225	3,039,222
Ohio Public Works Commission Loans Payable	47,898	44,214	540,530
Ohio Water and Sewer Rotary Commission Loans Payable	666,070	666,070	666,070
Water Pollution Control Loan Fund Loans Payable	0	0	587,200
Long-Term Notes Payable	0	0	0
General Obligation Bonds Payable	2,240,000	2,115,000	1,995,000
Special Assessment Bond Payable	93,439	89,446	84,646
Revenue Bonds Payable	4,710,000	4,410,000	7,600,000
Total Primary Government	<u>\$12,871,405</u>	<u>\$12,001,020</u>	<u>\$15,688,183</u>
<b>Population</b> <sup>(2)</sup>			
City of Napoleon	9,318	9,318	9,318
Outstanding Debt Per Capita	\$1,381	\$1,288	\$1,684
<b>Income</b> <sup>(3)</sup>			
Personal (in thousands)	285,653	296,443	300,589
Percentage of Personal Income	4.51%	4.05%	5.22%

### **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*

2009	2010	2011	2012	2013	2014	2015
\$580,000	\$1,315,000	\$1,250,000	\$1,180,000	\$1,105,000	\$1,030,000	\$950,000
384,153	308,953	243,553	186,954	144,354	112,554	80,754
98,812	86,455	74,104	61,753	49,402	37,051	24,700
2,663,802	2,261,064	1,828,963	1,365,382	1,257,105	1,142,870	1,022,324
511,846	483,159	454,475	425,791	397,106	368,421	336,736
666,070	659,186	310,945	310,945	307,669	300,832	300,832
5,204,566	7,653,135	7,251,586	6,966,622	6,593,088	6,235,432	5,874,191
4,000,000	0	1,200,000	0	2,500,000	2,500,000	2,500,000
1,870,000	1,740,000	1,610,000	1,470,000	1,325,000	1,180,000	1,025,000
79,846	75,046	69,446	63,046	56,646	49,446	42,246
7,150,000	10,290,000	9,885,000	10,545,000	10,070,000	9,585,000	9,085,000
<u>\$23,209,095</u>	<u>\$24,871,998</u>	<u>\$24,178,072</u>	<u>\$22,575,493</u>	<u>\$23,805,370</u>	<u>\$22,541,606</u>	<u>\$21,241,783</u>
9,318	8,749	8,749	8,702	8,782	9,000	8,940
\$2,491	\$2,843	\$2,764	\$2,594	\$2,711	\$2,505	\$2,376
302,854	284,360	288,367	308,843	321,298	340,074	339,300
7.66%	8.75%	8.38%	7.31%	7.41%	6.63%	6.26%

## *City of Napoleon, Ohio*

### *Ratios of General Bonded Debt Outstanding Last Ten Years*

Year	2006	2007	2008	2009
<b>Population</b> <sup>(1)</sup>	9,318	9,318	9,318	9,318
<b>Assessed Value</b> <sup>(2)</sup>	\$157,767,430	\$150,513,440	\$152,128,200	\$150,647,060
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	\$2,895,000	\$2,745,000	\$2,600,000	\$2,450,000
<b>Resources Available to Pay Principal</b> <sup>(4)</sup>	\$26,227	\$43,211	\$9,737	\$37,048
<b>Net General Bonded Debt</b>	\$2,868,773	\$2,701,789	\$2,590,263	\$2,412,952
<b>Ratio of Net Bonded Debt to Assessed Value</b>	1.82%	1.80%	1.70%	1.60%
<b>Net Bonded Debt per Capita</b>	\$307.87	\$289.95	\$277.98	\$258.96

**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*

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2010	2011	2012	2013	2014	2015
8,749	8,749	8,702	8,782	9,000	8,940
\$152,001,940	\$143,316,660	\$144,228,260	\$144,710,680	\$140,680,550	\$140,849,400
\$3,055,000	\$2,860,000	\$2,650,000	\$2,430,000	\$2,210,000	\$1,975,000
\$9,520	\$9,528	\$22,214	\$27,767	\$9,554	\$28,749
\$3,045,480	\$2,850,472	\$2,627,786	\$2,402,233	\$2,200,446	\$1,946,251
2.00%	1.99%	1.82%	1.66%	1.56%	1.38%
\$348.09	\$325.81	\$301.97	\$273.54	\$244.49	\$217.70





## *City of Napoleon, Ohio*

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2015*

<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>
<b>Direct:</b>			
City of Napoleon	\$3,045,000	100.00%	\$3,045,000
<b>Overlapping:</b>			
Napoleon City School District	31,060,000	41.78%	12,976,868
Liberty Center School District	19,489,344	2.70%	526,212
Four County Vocational School District	2,640,000	4.16%	109,824
Henry County	1,142,000	18.61%	212,526
		Subtotal	13,825,430
		Total	\$16,870,430

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	2006	2007	2008	2009
<b>Total Debt</b>				
Net Assessed Valuation	\$157,767,430	\$150,513,440	\$152,128,200	\$150,647,060
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	16,565,580	15,803,911	15,973,461	15,817,941
City Debt Outstanding (2)	655,000	630,000	605,000	580,000
Less: Applicable Debt Service Fund Amounts	(26,227)	(43,211)	(9,737)	(37,048)
Net Indebtedness Subject to Limitation	628,773	586,789	595,263	542,952
Overall Legal Debt Margin	<u>\$15,936,807</u>	<u>\$15,217,122</u>	<u>\$15,378,198</u>	<u>\$15,274,989</u>
<b>Unvoted Debt</b>				
Net Assessed Valuation	\$157,767,430	\$150,513,440	\$152,128,200	\$150,647,060
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	8,677,209	8,278,239	8,367,051	8,285,588
City Debt Outstanding (2)	655,000	630,000	605,000	580,000
Less: Applicable Debt Service Fund Amounts	(26,227)	(43,211)	(9,737)	(37,048)
Net Indebtedness Subject to Limitation	628,773	586,789	595,263	542,952
Overall Legal Debt Margin	<u>\$8,048,436</u>	<u>\$7,691,450</u>	<u>\$7,771,788</u>	<u>\$7,742,636</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*

2010	2011	2012	2013	2014	2015
\$152,001,940	\$143,316,660	\$144,228,260	\$144,710,680	\$140,680,550	\$140,849,400
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
15,960,204	15,048,249	15,143,967	15,194,621	14,771,458	14,789,187
1,315,000	1,250,000	1,180,000	1,105,000	1,030,000	950,000
(9,520)	(9,528)	(22,214)	(27,767)	(9,554)	(28,749)
1,305,480	1,240,472	1,157,786	1,077,233	1,020,446	921,251
\$14,654,724	\$13,807,777	\$13,986,181	\$14,117,388	\$13,751,012	\$13,867,936
\$152,001,940	\$143,316,660	\$144,228,260	\$144,710,680	\$140,680,550	\$140,849,400
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
8,360,107	7,882,416	7,932,554	7,959,087	7,737,430	7,746,717
1,315,000	1,250,000	1,180,000	1,105,000	1,030,000	950,000
(9,520)	(9,528)	(22,214)	(27,767)	(9,554)	(28,749)
1,305,480	1,240,472	1,157,786	1,077,233	1,020,446	921,251
\$7,054,627	\$6,641,944	\$6,774,768	\$6,881,854	\$6,716,984	\$6,825,466

# City of Napoleon, Ohio

## Pledged Revenue Coverage Last Ten Years

	2006	2007	2008	2009
<b>Sewer System Bonds (1 a)</b>				
Gross Revenues (2)	\$2,414,785	\$3,250,149	\$3,589,269	\$3,463,044
Direct Operating Expenses (3)	1,109,623	1,545,755	1,929,369	2,440,970
Net Revenue Available for Debt Service	1,305,162	1,704,394	1,659,900	1,022,074
Annual Debt Service Requirement (4)	273,244	272,985	276,088	273,663
Coverage	4.78	6.24	6.01	3.73
<b>Electric System Bonds (1 b)</b>				
Gross Revenues (2)	\$13,175,363	\$13,138,486	\$13,400,514	\$14,398,829
Direct Operating Expenses (3)	12,544,217	12,220,066	11,858,934	13,225,462
Net Revenue Available for Debt Service	631,146	918,420	1,541,580	1,173,367
Annual Debt Service Requirement (4)	254,512	254,777	253,325	256,575
Coverage	2.48	3.60	6.09	4.57
<b>Electric System Amp-Ohio (1 b)</b>				
Gross Revenues (5)	\$12,996,003	\$12,872,163	\$13,182,141	\$14,283,334
Direct Operating Expenses (3)	11,768,899	11,444,835	11,082,996	12,434,280
Net Revenue Available for Debt Service	1,227,104	1,427,328	2,099,145	1,849,054
Annual Debt Service Requirement (4)	775,318	775,231	775,938	791,182
Coverage	1.58	1.84	2.71	2.34
<b>Water System Bonds (1 c)</b>				
Gross Revenues (5)	N/A	N/A	N/A	\$2,489,814
Direct Operating Expenses (3)	N/A	N/A	N/A	1,999,194
Net Revenue Available for Debt Service	N/A	N/A	N/A	490,620
Annual Debt Service Requirement (4)	N/A	N/A	N/A	263,819
Coverage	N/A	N/A	N/A	1.86

(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 and in 2012 in the amount of \$913,000.
- (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 and in 2012 in the amount of \$187,000.

(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*

2010	2011	2012	2013	2014	2015
\$3,225,591	\$3,484,605	\$3,513,056	\$3,373,988	\$3,412,809	\$3,936,723
2,286,816	1,862,369	1,886,347	2,159,341	2,118,671	2,309,699
938,775	1,622,236	1,626,709	1,214,647	1,294,138	1,627,024
245,684	543,135	591,708	650,633	640,676	636,597
3.82	2.99	2.75	1.87	2.02	2.56
\$14,892,869	\$15,414,354	\$15,361,398	\$15,603,439	\$15,991,230	\$14,965,308
13,496,084	14,214,131	14,001,754	15,220,282	15,555,991	13,960,055
1,396,785	1,200,223	1,359,644	383,157	435,239	1,005,253
0	0	0	0	0	0
N/A	N/A	N/A	N/A	N/A	N/A
\$14,823,120	\$15,353,250	\$15,299,299	\$15,571,064	\$15,961,782	\$14,927,117
13,496,084	14,214,131	14,001,754	15,220,282	15,555,991	13,960,055
1,327,036	1,139,119	1,297,545	350,782	405,791	967,062
0	0	0	0	0	0
N/A	N/A	N/A	N/A	N/A	N/A
\$2,843,139	\$2,643,832	\$3,174,903	\$2,889,431	\$3,317,029	\$3,335,865
1,913,351	2,697,472	2,068,821	1,856,073	2,123,585	1,884,289
929,788	(53,640)	1,106,082	1,033,358	1,193,444	1,451,576
264,619	321,889	525,902	544,556	529,806	538,471
3.51	(0.17)	2.10	1.90	2.25	2.70

## *City of Napoleon, Ohio*

### *Demographic and Economic Statistics Last Ten Years*

Calendar Year	2006	2007	2008	2009
<b>Population</b> <sup>(1)</sup>				
City of Napoleon	9,318	9,318	9,318	9,318
Henry County	29,310	29,310	29,310	29,310
<b>Income</b> <sup>(2) (a)</sup>				
Total Personal (in thousands)	285,653	296,443	300,589	302,854
Per Capita	30,656	31,814	32,259	32,502
<b>Unemployment Rate</b> <sup>(3)</sup>				
Federal	5.0%	4.6%	5.8%	9.3%
State	5.9%	5.6%	6.6%	10.2%
Henry County	5.9%	6.3%	8.0%	13.3%
<b>Civilian Work Force Estimates</b> <sup>(3)</sup>				
State	5,971,500	5,976,500	5,986,400	5,970,000
Henry County	16,100	15,900	15,900	15,900

#### **Sources:**

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2010 for the presentation of 2011 statistics, the City is using the latest information available.

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) State Department of Labor Statistics

*City of Napoleon, Ohio*

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2010	2011	2012	2013	2014	2015
8,749	8,749	8,702	8,782	9,000	8,940
28,215	28,215	28,064	28,045	28,092	27,937
284,360	288,367	308,843	321,298	340,074	339,300
32,502	32,960	35,491	36,586	37,786	37,953
9.4%	8.9%	7.8%	6.7%	5.6%	5.0%
9.5%	8.6%	6.7%	7.1%	5.1%	4.8%
11.0%	9.7%	7.5%	7.2%	5.5%	5.5%
5,894,000	5,806,000	5,729,000	5,758,000	5,726,000	5,694,000
15,600	15,300	15,000	15,300	13,700	13,500





## *City of Napoleon, Ohio*

### *Principal Employers Current Year and Nine Years Ago*

Employer	Nature of Business	2015		
		Number of Employees	Rank	Percentage of Total Employment
Napoleon City School District	Education	475	1	4.31%
Campbel Soup Supply Co LLC	Soup Manufacturer	409	2	3.72%
Henry County Auditors	County Government	390	3	3.54%
Wal-Mart Stores	Retail	371	4	3.37%
Henry County Hospital Inc	Health Care	336	5	3.05%
Tenneco Automotive (Pullman Company)	Automobile Parts Manufacturer	235	6	2.13%
City of Napoleon	Local Government	218	7	1.98%
Oldcastle APG Inc	Manufacturing	198	8	1.80%
Automatic Feed	Steel Handling Equipment	94	9	0.85%
Koester Corporation	Design & Manufacture Electric Pan	78	10	0.71%
Total		2,804		
Total Employment within the City		11,009		

Employer	Nature of Business	2006		
		Number of Employees	Rank	Percentage of Total Employment
Napoleon City School District	Education	480	1	16.91%
Tenneco Automotive (Pullman Company)	Automobile Parts Manufacturer	361	2	12.72%
Plastech Engineered Products	Manufacturing	341	3	12.02%
Henry County	County Government	338	4	11.91%
Wal-Mart Stores	Retail	298	5	10.50%
Henry County Hospital	Health Care	276	6	9.73%
The Lutheran Home	Long-term Health Care	273	7	9.62%
City of Napoleon	Local Government	231	8	8.14%
Golden Living Center - Northcrest	Health Care and Rehabilitation	121	9	4.26%
Carson Industries	Manufacturing	119	10	4.19%
Total		2,838		
Total Employment within the City		14,922		

Sources: City of Napoleon Income Tax Department  
(Total Employment # based on W2's received from employers)

# *City of Napoleon*

## *Full Time Equivalent Employees by Function Last Ten Years*

	2006	2007	2008	2009
<b>Governmental Activities</b>				
General Government				
Finance	10.00	10.00	9.00	11.00
Legal/Court	9.00	9.00	9.00	9.00
Administration	8.00	10.00	10.00	11.00
Maintenance	4.00	4.00	4.00	3.00
Security of Persons and Property				
Police	22.00	21.00	22.00	22.00
Fire	8.00	8.00	8.00	8.00
Transportation				
Street	6.00	7.00	7.00	6.00
Leisure Time Activities				
Recreation/Seniors	5.00	5.00	5.00	4.00
Community Environment				
Service - Cemetery	1.00	1.00	1.00	1.00
<b>Business-Type Activities</b>				
Utilities - Electric	14.00	15.00	15.00	14.00
Water	10.00	10.00	10.00	9.00
Sewer	6.00	6.00	6.00	7.00
Solid Waste	3.00	3.00	3.00	3.00
<i>Total Employees</i>	<u>106.00</u>	<u>109.00</u>	<u>109.00</u>	<u>108.00</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*

2010	2011	2012	2013	2014	2015
10.00	10.00	10.00	9.00	9.00	9.00
8.00	9.00	9.00	10.00	10.00	9.00
9.00	10.00	10.00	10.00	10.00	10.00
4.00	4.00	3.00	3.00	3.00	3.00
22.00	22.00	22.00	21.00	22.00	21.00
8.00	10.00	8.00	9.00	9.00	9.00
7.00	6.00	4.00	3.00	3.00	3.00
5.00	4.00	5.00	5.00	5.00	5.00
1.00	1.00	1.00	1.00	1.00	1.00
14.00	13.00	13.00	14.00	14.00	14.00
10.00	9.00	8.00	9.00	9.00	9.00
7.00	7.00	7.00	7.00	7.00	7.00
3.00	3.00	3.00	3.00	3.00	2.00
108.00	108.00	103.00	104.00	105.00	102.00

# *City of Napoleon*

## *Operating Indicators by Function Last Ten Years*

	2006	2007	2008	2009
<b>Governmental Activities</b>				
General Government				
Licenses and Permits				
Number of Building Permits	379	382	387	302
Number of Commercial Permits	85	67	28	21
Security of Persons and Property				
Police				
Number of Traffic Citations Issued	1,122	990	927	878
Number of Parking Tickets	108	97	184	191
Number of Law Violations:				
Criminal/Juvenile Citations	1,225	1,129	1,022	1,644
Fire				
Number of Fire Calls Answered	131	233	173	144
Number of EMS Runs	898	903	866	919
Number of Inspections	28	12	66	30
Transportation				
Street				
Facilities and Services: Miles of Streets	72	72	72	72
<b>Business-Type Activities</b>				
Water				
Number of Service Connections	3,634	3,679	3,679	4,114
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	3,493	3,679	3,679	3,593
Daily Average Sewage Treatment (gallons)	1.8M	1.8M	1.8M	1.8M
Maximum Daily Capacity of Treatment (gallons)	2.5M	2.5M	2.5M	4.5M

Source: Finance Director's Office

*City of Napoleon*

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2010	2011	2012	2013	2014	2015
222	222	117	99	87	181
15	18	14	13	17	7
834	816	596	1,070	741	741
125	142	28	16	83	83
1,508	611	1,392	832	713	713
178	133	220	246	237	227
1,003	1,041	1,149	1,135	1,147	1,237
45	67	96	97	36	188
72	72	72	72	72	72
4,114	4,114	4,114	3,663	3,663	3,663
1.3M	1.3M	1.3M	1.3M	1.3M	1.3M
4.5M	4.5M	4.5M	4.5M	4.5M	4.5M
3,593	3,593	4	4,360	3,553	3,553
1.8M	1.8M	1.8M	1.8M	1.8M	1.8M
4.5M	4.5M	4.5M	4.5M	4.5M	4.5M

# *City of Napoleon*

## *Capital Asset Statistics by Function Last Ten Years*

	2006	2007	2008	2009	2010
<b>Governmental Activities</b>					
General Government					
Area (square miles)	7	7	7	7	7
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	9	9	9	8	8
Fire					
Stations	1	1	1	1	1
Vehicles	10	10	10	11	11
Transportation					
Street					
Vehicles	9	9	9	9	9
Leisure Time Activities					
Recreation/Seniors					
Land (acres)	225	225	225	225	225
Parks	9	9	9	9	9
Swimming Pools	1	1	1	1	1
Tennis Courts	2	2	2	2	2
Baseball/Softball Diamonds	7	7	7	7	7
Golf Courses	1	1	1	1	1
<b>Business-Type Activities</b>					
Utilities					
Water					
Waterlines (Miles)	58	58	58	58	58
Number of Purification Plants	1	1	1	2	2
Number of Hydrants	599	599	599	599	599
Number of Water Towers	2	2	2	2	2
Sewer					
Sewerlines (Miles)	45	45	45	47	47
Number of Treatment Plants	1	1	1	1	1
Storm Water Drainage					
Miles of Storm Sewers	30	30	30	37	37

Source: Finance Director's Office

*City of Napoleon*

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2011	2012	2013	2014	2015
7	7	7	7	7
1	1	1	1	1
7	7	7	7	7
1	1	1	1	1
11	11	11	11	11
10	10	9	9	9
225	225	225	225	225
9	9	9	9	9
1	1	1	1	1
1	1	1	1	1
7	7	7	7	7
1	1	1	1	1
58	63	63	63	63
2	2	2	2	2
599	653	653	653	653
2	2	2	2	2
47	47	47	47	47
1	1	1	1	1
37	37	37	37	37

