

CITY OF NAPOLEON, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009

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



Mary Taylor, CPA
Auditor of State

Members of City Council
City of Napoleon
255 W. Riverview Ave
P. O. Box 151
Napoleon, Ohio 43545-0151

We have reviewed the *Independent Auditor's Report* of the City of Napoleon, Henry County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 12, 2010

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**CITY OF NAPOLEON, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Members of City Council
City of Napoleon, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Napoleon, Henry County, Ohio, as of and for the year ended December 31, 2009, which collectively comprise the City of Napoleon, Ohio's basic financial statements and have issued our report thereon dated June 3, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Napoleon, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Napoleon, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Napoleon, Ohio's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to the management of the City of Napoleon, Ohio, in a separate letter dated June 3, 2010.

This report is intended solely for the information and use of management, members of City Council, the Audit Committee, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.



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

June 3, 2010

CITY OF NAPOLEON, OHIO
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

The prior audit report, as of December 31, 2008, included no citations. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

THE CITY OF NAPOLEON, OHIO

HENRY COUNTY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2009

Prepared by the Finance Department

Gregory J. Heath
Director of Finance



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HENRY COUNTY, OHIO

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INTRODUCTORY SECTION

City of Napoleon Wastewater Treatment Plant Equalization Basin



Raw Effluent Building



2.5 MG Equalization Basin

Ultraviolet Building



All Photos Courtesy of Robert L Brubaker





CITY OF NAPOLEON, OHIO

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June 4, 2010

Introduction

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

We are pleased to present the Fourteenth (14th) **Comprehensive Annual Financial Report** (CAFR) of the City of Napoleon, Ohio, (the City) for the year ended December 31, 2009. 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. 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 of Napoleon, Ohio, for the fiscal year ended December 31, 2009.

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, 2009***

The City's financial statements have been audited by an Independent Public Accountant (IPA), James G Zupka, CPA, Inc., Garfield Heights, Ohio, as contracted through the Auditor of State Office of Ohio. The IPA issued an unqualified 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, 2009. 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 originally 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 it passed a winding river named by the local Native American tribes the "*Maumee*". 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. 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 relationship continues through to this day in importance. After the Civil War, railroads and better roadways opened the area to further development. By the turn of the 20th 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 first given to the township by a group of Frenchmen who inhabited the area. 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*".

CITY OF NAPOLEON, OHIO

Letter of Transmittal For the Year Ended December 31, 2009

The current day 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 off 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, a full service passenger and freight airport, is located about 30 miles to the northeast.

Form of Government

By 1950, the population of the Village of Napoleon had grown in size 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, amended several times, 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; all proposed changes were defeated. The City Charter remains the same from the last prior approved changes effective July 1, 2001.

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 and, under the Ohio Constitution, may exercise all powers of local self-government 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, including all judicial powers conferred upon mayors under Ohio law. The Council enacts ordinances and resolutions, fixes compensation of City officials and employees, sets policy relating to City services, including; tax levies, utility rates, 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. Except for Municipal Court, City Council establishes all department positions. By Charter, the City Manager, Finance Director and 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, the City Manager has authority over all other operational departments and appoints those department heads. Subject to approval of Council, the Mayor, and on certain boards the City Manager, recommends appointments of citizens to City boards and commissions.

***Letter of Transmittal
For the Year Ended December 31, 2009***

Municipal Services

The City offers a wide variety of services to its Citizens as authorized by its Charter, the Ohio Revised Code (ORC), and City Administrative Code. The broad categories of services include: police and fire protection; emergency medical rescue services; streets maintenance; traffic control; planning and engineering; building and zoning code enforcement; cemeteries; community development; municipal court and civil judicial services; recreation programs and parks (including 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: water treatment and distribution; sewer wastewater collection and treatment; electric distribution for residential, commercial and industrial customers; and 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. In 2007, the City added a new storm water abatement charge to its sewer enterprise fund. The new funds are designated for the separation of the sanitary sewer from the storm water systems.

The City's enterprise activities are not subject to rate review by the Public Utilities Commission of Ohio (PUCO) or any similar regulatory body. The City 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. Responsibility for frequency and amount of any rate changes lies solely with the City Council. The Board of Public Affairs, a citizen's board appointed by City Council, reviews and makes recommendations to City Council on all enterprise activity including all rates, policies and procedures.

The City is one (1) of the 128 member public entities in the American Municipal Power, Inc. "AMP", (previously known as American Municipal Power-Ohio or "AMP-Ohio"). AMP is a non-profit corporation organized in Ohio in 1971 for the purpose of owning and operating electric facilities and providing for the generation, transmission and distribution of electric power and energy to its members. AMP purchases wholesale electric power and energy and sells it to members at rates based on purchase price plus a small service fee. The organization also develops alternative power sources to best meet member's 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 administrated by AMP, and is contractually obligated to the Gorsuch Station generating plant. Recent contracts include the Prairie State generating plant, and various hydroelectric power generating stations. Detailed descriptions of the joint ventures are listed in the Notes to the Financial Statements. Currently the City has a closed electric system and does not purchase power from other providers.

The City has a contract between the City and Henry County for the joint operation of the Community Improvement Corporation. Mutual aide contracts for fire and emergency medical services are between the City, the Townships, Henry County and the Henry County Hospital. 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 through a lodge tax imposed and collected by the City.

***Letter of Transmittal
For the Year Ended December 31, 2009***

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 and fire protection services, parks and recreation, planning and zoning, street maintenance and various other 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.

***Letter of Transmittal
For the Year Ended December 31, 2009***

Budgetary Controls

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 City 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 31st. The final budget must be adopted by City Council no later than March 31st in the fiscal year to which it applies.

INFORMATION USEFUL IN ASSESSING ECONOMIC CONDITION

Local Economy

The local economy was slow in 2009 but started showing signs of stabilization, following both State of Ohio and National economic trends. In certain sectors, especially automotive and housing, economic retraction has occurred causing local area economic activity to trend lower. Comparing municipal income taxes for 2009 to 2008, by adjusting out a 0.3% income tax increase effective July 1, 2009 (see comments below); business profit taxes were down by -10.4%, individual returns were up by +3.6%, withholding taxes were down by -3.2%, and overall combined total income tax collections were down by -2.9%. Actual income tax revenues, including the 0.3% income tax increase, were up \$97,148 in 2009 over 2008. The taxable income trend into the first quarter of 2010 is generally flat with some areas trending higher. Income tax withholdings continue to be held lower by 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 growth will continue to be negatively impacted by implementation of these various approved tax deferred, 125 and other plans. Currently, State Law limits the City tax to be applied against Box 5 of the W-2 (Medicare wages and not Gross wages).

***Letter of Transmittal
For the Year Ended December 31, 2009***

On May 5, 2009, the Citizens of Napoleon voted on and approved an *additional permanent income tax of 0.3%* for the General Operations of the City, with a July 1, 2009 effective date. When added to the prior 1.2% rate, this increases the total income tax rate to 1.5%. In addition, on May 4, 2010 (*prior to the issuance of this report*) the Citizens of Napoleon voted on and approved a permanent income tax renewal of the recreation levy of 0.2%, with the net rate remaining at 1.5%. However, the total income tax rate of 1.5% is now permanent and is not subject to periodic voted renewals.

Both local housing growth and general home values continued to fall in 2009 following State and National trends. Local area new housing starts have fallen close to zero, and the turn over of pre-existing homes picked up slightly by the end of 2009. This trend has continued itself in the first quarter 2010 for the sales of pre-existing homes, and is primarily due to lowered mortgage rates and incentive programs through the Federal Government. Overall home foreclosures are up over last year.

With continued challenges to the domestic automotive manufacturing and their related industries, the unemployment rate in Henry County was at 13.3% as of December 31, 2009 (not seasonally adjusted), and this rate has slightly declined through March 31, 2010. The local area rate is higher compared to the State of Ohio rate of 10.2%, and the National rate of 9.3%, at the end of 2009. While specific data is unavailable from the Ohio Department of Job and Family Services (ODJFS) for the City, it is estimated that the City's unemployment rate falls between the State of Ohio rate and the rate for Henry County. Using the rates through December 31, 2009, it is estimated the rate for the City would fall between 10.2% and 13.3%, or about 11.8%.

Business

The City has experienced both loss and gain from businesses located inside and outside the City limits. Some recent losses of retail or food businesses in 2009 located inside or close to the City include: Town Tap Bar and Grill, JBS Office Solutions, Leininger's Floor Covering, Cattails Floral Designs, Grogan's Towne Chrysler Dodge, Dew's Towing and Napoleon Car and Care. In addition, the following manufacturing businesses have closed or have continued curtailed operations in 2009: High Production Technology, automotive related supplier, moved out of Henry County, Tenneco and Automatic Feed Company, both automotive related suppliers, continued curtailed operational levels.

On the positive side, there were some new businesses added in 2009, these include: Out of the Woods Florist, Lefty's Pizza, Subway (a second store on City's south side), Stimmels Market, O'Reilly Auto Parts and a downtown Antique Shop. In addition, the following manufacturing business located its operations in the City: Koester Corporation, manufacture of industrial electrical panels.

CITY OF NAPOLEON, OHIO

***Letter of Transmittal
For the Year Ended December 31, 2009***

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

<u>Employers (Inside & Outside City Limits)</u>	<u>Nature of Activity or Business</u>
<i>Inside City Limits:</i>	
Automatic Feed Company	Automotive Tool and Die Machine Shop
City of Napoleon Offices	Governmental Services to the City
Cloverleaf Cold Storage	Long Term Cold Storage and Warehousing
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
Lutheran Home	Rehabilitation Center & Long-term Care Facility
MBM	Warehousing and Trucking Services
Napoleon Area City School District	Education – Elementary thru High School
Old Castle Precast (Formerly-Carson)	Structural Foam Plastic Molding
Tenneco Automotive (Formerly-Pullman)	Rubber and Metal Shock Attenuation Parts
Wal-Mart Stores	Retail Sales
<i>Outside City Limits:</i>	
Alex Products (Ridgeville Corners)	Automotive Parts
Campbell Soup Supply Company, LLC	Canned Soups, Beverages, Other Food Products
Filing Home of Mercy	Developmental Disabilities Care & Services
Silgan Can Company	Produces Cans for the Food Market

Excluding Outside City Limits employers, the listed industries and service providers' employ an estimated 2,500 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 1,560 persons, both full time and part time; and Silgan Can employees an approximate 350 persons.

The following is provided by Mr. Ralph A. Lange, Director of Henry County Community Improvement Corporation (CIC), as to both current and future area economic development.

Current Development

2009 started out as badly as any year since the Great Depression of the 1930's. This steep down turn in economic activity hit Henry County as hard as any county in the State of Ohio. Since January 2009, the unemployment rate has varied from 12.0% to 15.0% through out the year. The County's manufacturing sector, heavily dependent on the automotive industry, helped to bring down the economy in the Northwest Ohio region. This down turn has caused many other service related companies to go out of business or greatly curtail operations. As an example, at one point in early 2009 one regional company in the County had to reduce down its total company wide work force by 80%.

***Letter of Transmittal
For the Year Ended December 31, 2009***

On the positive side, Campbell Soup provides an economic floor to stand on in Henry County, even in the worst of times. That was the case again in 2009 as they, their suppliers and transportation providers continued to provide thousands of jobs for Henry County residents. The CIC was able to sponsor the expansion of several small businesses in the county. This included working with a local bank that provided a refinancing package that saved at least 50 jobs for a Napoleon area business. The CIC was able to attract two (2) units of the Koester Corporation to the City, bringing in 45 high paying jobs.

All the companies listed in the table under “**Business**” section above were included in last year’s report and are still in business as of the date of this report. It is a great testament to the work ethic, talent and resourcefulness of these companies during these testing times.

Future Development

2010 started with a resurgence of economic activity in Henry County. Small businesses started to open again (i.e.) a new south side Subway, an auto parts chain opened a store, a antique store opened and Stimmels Market reopened its downtown store in the same location. The City received approval from the State of Ohio, in late 2009, for a \$400,000 downtown development grant that will insure public and private investment in the downtown through 2010 and in to 2011.

The CIC was able to assist a local development group, Napoleon 1 LLC, to partner with the Rite Aide drug store chain for a package that has allowed the developer to proceed to build a 15,000 square foot store at a prime location in the City. The agreed to lease is for 20 years and is projected to add over \$4.0 million dollars of new monetary value to the local economy, with the project to be completed in 2010.

In addition, Railtech Boutet, Inc. located in Liberty Township, just adjacent to the City, announced in early 2010 that it would invest approximately \$2.4 million in new equipment, facilities and projects including the hiring of 33 new employees. The new employees are projected to add approximately \$1.3 million in new base payroll to the local economy. This investment is expected to generate hundred’s of thousands of dollars of new contracts for machine shops located in Henry County. As an extra note of hope for 2010, the company previously mentioned that reduced its total company wide work force by 80% in 2009, has now hired back approximately 35% of those employees due to increased business. This equates to about 175 employees added back to the work force over their prior low of about 100.

With the completion of the Fort to Port Project (expanding Route 24 into a four lane highway between Toledo, Ohio and Fort Wayne, Indiana), and the completion of CSX’s massive intermodal rail facility (located west of North Baltimore, Ohio, less than 15 miles east of Deshler, Ohio of Henry County). A wide variety of other companies are currently looking at the City and the Henry County area with regard to either expanding their current operations, or setting up new businesses and/or operations. These projects bring the promise of hope that economic expansion and growth will occur into 2010 and beyond.

***Letter of Transmittal
For the Year Ended December 31, 2009***

Major City Initiatives for the Year (presented by Dr. Jon A. Bisher, City Manager)

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

- Completed major street and other infrastructure improvements, including West Washington St.
- Finalized the cleanup of an old landfill for use as a yard waste site.
- Upgraded major equipment in many of the Departments, including two (2) new police cruisers.
- Upgraded various Department computers, software, phones and added fiber optic extensions.
- Began the upgrade of the Industrial Substation by upgrading the primary transformer.
- Completed major sewer separations on the sanitary sewer and storm water systems at various locations in the City. Completed plans on a major upgrades to Haley Avenue and Scott Street.
- Fine tuned the operation of the MIEX Water Pretreatment Facility placed in service late 2008.
- Continued construction of the Equalization Basin (EQ) Storm Water Control Project.

Major City Initiatives for the Future (presented by Dr. Jon A. Bisher, City Manager)

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:

- Update the Zoning Code and implement recently approved new City Master Plan.
- Continued development of industrial and commercial sites for expanded and new industries.
- On-going road improvements and other infrastructure street repairs.
- Upgrade water lines to improve water flow rates and reliability to customers outside the City.
- Expansion of electric, water and sewer lines to new development areas in the City as needed.
- Elimination of sanitary sewer and combined sewer overflows by adding a 2.5 million gallon equalization (EQ) detention basin, with state of the art infrared treatment.
- Development from the completion of the SR-24 Fort to Port project.
- A study by the State of Ohio for a second possible river bridge crossing over the Maumee River.
- Major equipment and utility infrastructure upgrades and replacements.

Department Accomplishments

Management reviews for all departmental operations that are ongoing to identify operational changes that will enhance the efficiency and revenue effectiveness of those departments. All departments do annual reviews of their operations for cost savings and new potential revenue sources. Continuing education, safety (OSHA training), and skill training programs remain a priority for all departments. The City is continuing the process of updating department policies and procedures for risk management, and to reflect ongoing changes to City code. The City's Healthcare Cost Committee continues to actively re-evaluate City health programs and costs. The Human Resources person, added in 2007, provides direct training and monitoring of the various employee programs and their costs.

***Letter of Transmittal
For the Year Ended December 31, 2009***

AWARDS AND ACKNOWLEDGEMENTS

Independent Audit

Included in this report is an unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2009, 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 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, 2008. We believe this, our fourteenth (14th) 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.

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, the Community Improvement Corporation and the audit staff of the IPA, James G Zupka, CPA, Inc., and the Audit Division of the State Auditor's Office of Ohio.

***Letter of Transmittal
For the Year Ended December 31, 2009***

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.

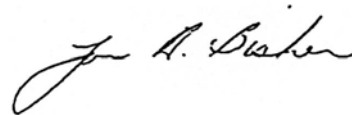
A special thank you is extended to the Members of City Council, the Mayor and the City Departments for the support and trust shown to the City Administration and the Finance Department and for allocating the resources and time for the development of this report, which demonstrates the City's commitment 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 Peddicord, Assistant Finance Director, who assisted in overseeing this project.

Respectfully submitted,



Gregory J. Heath
Director of Finance
City of Napoleon, Ohio



Jon A. Bisher
City Manager
City of Napoleon, Ohio

CITY OF NAPOLEON, OHIO

***List of Principal Officials
For the Year Ended December 31, 2009***

Elected Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>	<u>Years of Service</u>	<u>Surety</u>
J. Andrew Small	Mayor	12/31/11	9	A
Glen Miller	President of Council	12/31/09	12	A
Mike DeWit	Council	12/31/11	17	A
Jim Hershberger	Council	12/31/09	2.5	A
Jeff Lankenau	Council	12/31/09	1.5	A
Travis Sheaffer	Council	12/31/09	15	A
Terri Williams	Council	12/31/11	21	A
John Helberg	Council	12/31/11	9	A
John Collier	Municipal Judge	12/31/11	14	A

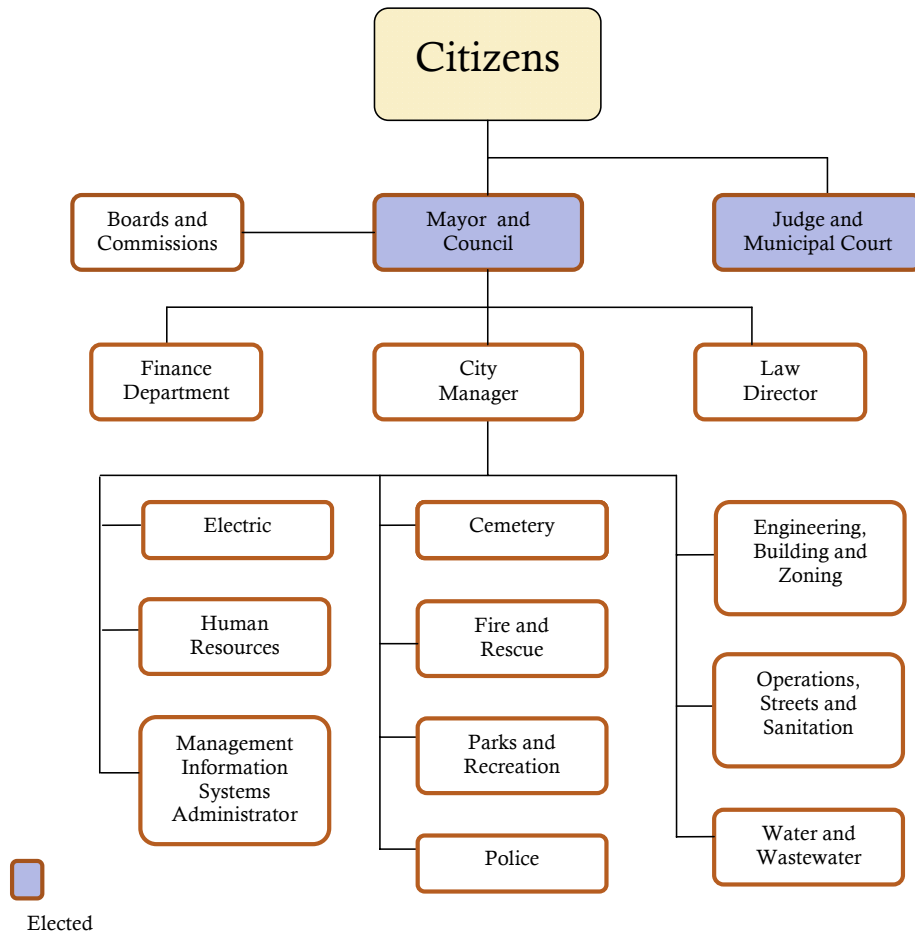
Appointed Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>	<u>Years of Service</u>	<u>Surety</u>
Jon Bisher	City Manager	Indefinite	11	A
Gregory Heath	Director of Finance	Indefinite	14	A
Betty Marihugh	Clerk of Courts	Indefinite	26	A
David Grahn	Law Director	Indefinite	16	A

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

City Address:
City of Napoleon
255 West Riverview Avenue
Napoleon, Ohio 43545
www.napoleonohio.com

**City Organizational Chart
For the Year Ended December 31, 2009**



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

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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized handwritten signature in black ink.

President

A stylized handwritten signature in black ink.

Executive Director



FINANCIAL SECTION

City of Napoleon Wastewater Treatment Plant Equalization Basin



Effluent Pumps



Equalization Basin Cell



Ultraviolet Units



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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Members of City Council
City of Napoleon, Ohio

The Honorable Mary Taylor
Auditor of State
State of Ohio

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 as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Napoleon, Ohio's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, Ohio, as of December 31, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2010, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 13 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Napoleon, Ohio's financial statements as a whole. 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.


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

June 3, 2010

The discussion and analysis 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, 2009. 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 2009 are as follows:

- ❑ In total, net assets increased \$2,460,040, a 3.7% increase from 2008. The net assets of governmental activities increased \$1,037,559, a 3.0% increase from 2008; and the net assets of business-type activities increased \$1,422,481, representing a 4.5% increase from 2008. Please see additional NOTE on this item on the Changes in Net Assets Table listed later in the MD&A.
- ❑ Total revenues exceeded \$30 million. \$4.7 million was general revenues, or 16% of the total revenues; and \$25.6 million was program specific revenues in the form of charges for services and sales, operating grants and contributions and capital grants and contributions, or over 84% of the total revenues.
- ❑ The City had \$7.6 million in program expenses related to governmental activities; only \$2.2 million of these expenses were offset by program specific revenues. General revenues (primarily taxes) of \$4.5 million were not adequate to provide for the balance on these programs.
- ❑ Among major funds, the general fund had \$4.9 million in revenues and \$3.2 million in expenditures (the expenditures reflect a net of reimbursements (or off-sets) for shared administrative costs allocated to the business type activities). The general fund's fund balance increased \$52,928.
- ❑ Net assets for the proprietary funds increased by \$1,426,787. The increase is a result of higher revenues in electric and sanitation, a reduction of operating expenses in sanitation, and higher capital contributions in the form of capital assets from major water, sewer and storm sewer projects.

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.

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 assets includes all of the government's assets and liabilities. 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 assets and how they have changed. Net-assets (the difference between the City's assets and liabilities) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets 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 Assets 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, 2009**

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 Fiduciary Statement of Assets and Liabilities.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of net assets between 2009 and 2008:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$7,892,595	\$8,034,502	\$22,214,147	\$20,363,524	\$30,106,742	\$28,398,026
Capital assets, Net	31,318,182	30,489,321	37,689,570	29,771,359	69,007,752	60,260,680
Total assets	39,210,777	38,523,823	59,903,717	50,134,883	99,114,494	88,658,706
Long-term debt outstanding	1,733,765	1,848,889	22,670,334	15,061,971	24,404,099	16,910,860
Other liabilities	1,674,670	1,910,151	4,430,768	3,692,778	6,105,438	5,602,929
Total liabilities	3,408,435	3,759,040	27,101,102	18,754,749	30,509,537	22,513,789
Net assets						
Invested in capital assets, net of related debt	29,555,216	28,323,805	16,271,445	15,258,691	45,826,661	43,582,496
Restricted	4,298,992	3,625,081	0	0	4,298,992	3,625,081
Unrestricted	1,948,134	2,815,897	16,531,170	16,121,443	18,479,304	18,937,340
Total net assets	\$35,802,342	\$34,764,783	\$32,802,615	\$31,380,134	\$68,604,957	\$66,144,917

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**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2009 and 2008:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for Services and Sales	\$1,505,922	\$1,442,866	\$21,158,561	\$19,835,282	\$22,664,483	\$21,278,148
Operating Grants and Contributions	618,192	634,910	0	0	618,192	634,910
Capital Grants and Contributions	154,816	797	2,150,584	311,544	2,305,400	312,341
General revenues:						
Property Taxes	146,252	494,106	0	0	146,252	494,106
Income Taxes	2,361,108	2,255,314	0	0	2,361,108	2,255,314
Other Local Taxes	493,053	536,676	0	0	493,053	536,676
Shared Revenues	788,511	5,953	0	0	788,511	5,953
Investment Earnings	202,278	403,619	284,198	461,775	486,476	865,394
Miscellaneous	485,517	202,010	0	0	485,517	202,010
Total revenues	6,755,649	5,976,251	23,593,343	20,608,601	30,348,992	26,584,852
Program Expenses						
Security of Persons and Property	3,099,089	3,979,748	0	0	3,099,089	3,979,748
Public Health and Welfare Services	103,153	106,214	0	0	103,153	106,214
Leisure Time Activities	899,442	933,722	0	0	899,442	933,722
Community Environment	757,040	486,196	0	0	757,040	486,196
Transportation	1,702,924	872,400	0	0	1,702,924	872,400
General Government	991,969	678,405	0	0	991,969	678,405
Interest and Fiscal Charges	77,480	121,860	0	0	77,480	121,860
Electric	0	0	13,852,433	12,489,602	13,852,433	12,489,602
Water	0	0	2,543,426	2,175,036	2,543,426	2,175,036
Sewer	0	0	3,235,829	2,648,013	3,235,829	2,648,013
Sanitation	0	0	626,167	677,146	626,167	677,146
Total expenses	7,631,097	7,178,545	20,257,855	17,989,797	27,888,952	25,168,342
Change in Net Assets Before Transfers	(875,448)	(1,202,294)	3,335,488	2,618,804	2,460,040	1,416,510
Transfers (1)	1,913,007	2,260,946	(1,913,007)	(2,260,946)	0	0
Total Change in Net Assets	1,037,559	1,058,652	1,422,481	357,858	2,460,040	1,416,510
Beginning Net Assets	34,764,783	33,706,131	31,380,134	31,022,276	66,144,917	64,728,407
Ending Net Assets	\$35,802,342	\$34,764,783	\$32,802,615	\$31,380,134	\$68,604,957	\$66,144,917

Note: (1) During 2009, net transfers were made from the proprietary funds to the general capital assets in the amount of \$1,850,458. These transfers were related to the Washington Avenue Project.

Governmental Activities

Net assets of the City's *governmental activities* show an increase of \$1,037,559 in 2009 over 2008; however, this includes net transfers that were made from the proprietary funds to the general capital assets in the amount of \$1,850,458. Excluding these transfers, the Net assets of the City's *governmental activities* would reflect a *decrease* of \$812,899 in 2009 compared to 2008. In 2009, the City experienced a net increase in total revenues for governmental activities over 2008. However, revenue increases were off-set by a net *increase* in *program expenses*, and a net *decrease* in the amount of *transfers from the proprietary funds to the general capital assets* in 2009 when compared to 2008. Factors impacting general economic trends stabilized in 2009, but remain a concern and require continued monitoring.

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 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 home values change. Recent economic changes in the housing sector continue to impact home valuations into 2009, reducing the amount of tax collected on the un-voted 2.90 mill allocation for the City. The County Auditor maintains and collects the inside millage. The City is aware of these reduced valuations and has made adjustments to general revenue estimates and has reduced program expenses to account for the reduced revenues.

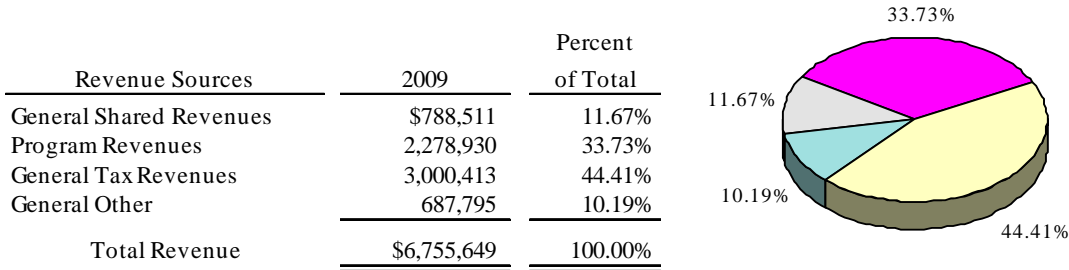
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**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

The City has an income tax, and from January 1, 2009 through June 30, 2009 the rate was based on 1.2%; starting July 1, 2009, the rate was based on 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. On May 5, 2009, the Citizens of Napoleon voted on and approved an *additional permanent income tax of 0.3%* for General Operations 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%. In addition, on May 4, 2010 (*prior to the issuance of this report*) the Citizens of Napoleon voted on and approved a permanent income tax renewal of the recreation levy of 0.2%, with the net rate remaining at 1.5%. However, the income tax rate is now permanent and is not subject to periodic voted renewals. In 2009, the municipal income taxes reflect an increase over 2008 due to the voted 0.3% increase in the rate. Adjusting for the mid-year rate increase of 0.3%, comparative analysis shows a *decrease* in total taxable income of about 2.9% in 2009 when compared to 2008. This is due to a continued slower local economy and reduced taxable income from business implementation of various state and federal mandates imposed on the City to exclude tax deferral plans, both negatively impacting revenues.

Property taxes and income taxes made up 2.2% and 34.9% respectively of revenues for governmental activities for the City in fiscal year 2009. The City's reliance upon tax revenues is demonstrated by the following graph indicating 44.41% of total revenues from general tax revenues:



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**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

Business-Type Activities

Total net assets of the business-type activities (electric, water, sewer, and sanitation) increased by \$1,422,481; however, this includes net transfers that were made from the proprietary funds to the general capital assets in the amount of \$1,850,458. Excluding these transfers, the net assets of the City's *business-type activities* would reflect an *increase* of \$3,272,939 in 2009 over 2008. In 2009, operating incomes for business-type activities were: electric \$639,529, water \$199,379, sewer \$490,967 and sanitation \$235,029. In electric, water and sanitation operating revenues in 2009 exceeded 2008; primarily due to current year rate increases and a carry forward of prior year rate increases. In sewer, operating revenues in 2009 were below 2008; primarily due to no rate increases for sewer or storm sewer. Overall billable usage in electric, water and sewer all decreased in 2009 as compared to 2008.

User rates in the enterprise funds are evaluated annually by management with rate adjustments recommended by City administration to the legislative body for 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 \$4,869,531, which is an increase of \$578,001 from last year's balance of \$4,291,530. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2009 and 2008:

	Fund Balance December 31, 2009	Fund Balance December 31, 2008	Increase (Decrease)
General	\$1,986,999	\$1,934,071	\$52,928
Special Assessment Bond Retirement	847,807	493,069	354,738
Capital Improvement	763,031	659,866	103,165
Other Governmental	1,271,694	1,204,524	67,170
Total	<u>\$4,869,531</u>	<u>\$4,291,530</u>	<u>\$578,001</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:

	2009 Revenues	2008 Revenues	Increase (Decrease)
Taxes (Income, Property and Other)	\$3,101,968	\$3,109,734	(\$7,766)
Intergovernmental Revenue	674,966	668,708	6,258
Charges for Services	279,876	254,018	25,858
Licenses and Permits	63,825	64,957	(1,132)
Investment Earnings	141,161	341,426	(200,265)
Fines and Forfeitures	300,372	287,014	13,358
All Other Revenue	307,797	309,032	(1,235)
Total	<u>\$4,869,965</u>	<u>\$5,034,889</u>	<u>(\$164,924)</u>

***Management's Discussion and Analysis
For the Year Ended December 31, 2009***

Unaudited

General Fund revenues in 2009 decreased approximately 3.3% compared to revenues in fiscal year 2008. The most significant factor contributing to this decrease was in taxes and investment earnings. Smaller decreases were also seen in licenses and permits and other revenue; however, the total decreases were off-set by increases in intergovernmental revenue, charges for services, and fines and forfeitures.

	2009	2008	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Security of Persons and Property	\$2,268,201	\$2,364,571	(\$96,370)
Public Health and Welfare Services	92,695	98,955	(6,260)
Community Environment	88,403	104,558	(16,155)
General Government	<u>753,515</u>	<u>1,024,388</u>	<u>(270,873)</u>
Total	<u>\$3,202,814</u>	<u>\$3,592,472</u>	<u>(\$389,658)</u>

General Fund expenditures *decreased* by \$389,658 or about 10.8% when compared to the prior year of 2008. The largest decrease was in General Government, a decrease of \$270,873. General government expenditures reflect a net of reimbursements (or off-sets) for shared administrative costs allocated to the business type activities, and this off-set was \$300,351 more in 2009 compared to 2008. In addition, reimbursement off-sets are included for the kilowatt hour tax monies as directed back to the General Fund pursuant to Ohio law. Overall individual salary and wages, retirement contributions, and health life insurance premiums for the City's employees decreased in 2009 as compared to 2008. In the last quarter of 2008 the City implemented a hiring freeze on all positions in the City, including those in the General Fund. This freeze was carried into 2009 and helped to hold down expenditures in 2009. A salary and wage freeze on cost of living was implemented on all non-unionized personnel for 2009.

Expenditures in the Special Assessment Bond Retirement Fund, Capital Improvement Fund and Other Governmental Funds decreased in 2009 as compared to 2008. The majority of the decrease in the Other Governmental Funds is from funds expended for economic development, a new municipal court and other project grant accounting, in the prior year.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2009 the City amended its General Fund budget several times. The most significant budget changes occurred in the security of persons and property and general government functions, primarily in the areas of wages and benefits due to unfilled positions and in tighter control on everyday expenditures.

In the General Fund, the final budget basis for revenue was \$6.7 million, including transfers in, and did not significantly change over the original conservative budget estimates of \$6.1 million. The General Fund had an adequate revenue stream and fund balance reserves to cover its expenditures in 2009.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2009 the City had \$69,007,752 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$31,318,182 was related to governmental activities and \$37,689,570 to the business-type activities. The following table shows fiscal year 2009 and 2008 balances:

	Governmental Activities		Increase (Decrease)
	2009	2008	
Land	\$11,598,507	\$8,938,562	\$2,659,945
Construction in Progress	191,382	3,509,739	(3,318,357)
Improvements	1,816,556	1,135,116	681,440
Buildings	3,552,459	3,512,799	39,660
Machinery and Equipment	5,526,758	5,462,068	64,690
Infrastructure	25,933,338	24,271,814	1,661,524
Less: Accumulated Depreciation	(17,300,818)	(16,340,777)	(960,041)
Totals	\$31,318,182	\$30,489,321	\$828,861

	Business-Type Activities		Increase (Decrease)
	2009	2008	
Land	\$349,695	\$349,695	\$0
Construction in Progress	8,338,434	4,981,388	3,357,046
Buildings	7,030,855	7,030,855	0
Improvements	35,241,578	29,715,479	5,526,099
Machinery and Equipment	6,509,619	6,663,478	(153,859)
Less: Accumulated Depreciation	(19,780,611)	(18,969,536)	(811,075)
Totals	\$37,689,570	\$29,771,359	\$7,918,211

Increases were the greatest in major infrastructure and improvements associated with projects meeting the City's Long Term Control Plan with the EPA, much of which is construction in progress. Additional information on the City's capital assets can be found in Note 9.

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

Debt

At December 31, 2009, the City had \$10.1 million in bonds outstanding, \$705,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2009 and 2008:

	2009	2008
Governmental Activities:		
Special Assessment Bonds	\$384,153	\$459,353
General Obligation Bonds	580,000	605,000
OPWC Loans Payable	98,812	111,162
Compensated Absences	670,800	673,374
Total Governmental Activities	1,733,765	1,848,889
Business-Type Activities:		
General Obligation Bonds	\$1,870,000	\$1,995,000
Mortgage Revenue Bonds	7,150,000	7,600,000
Special Assessment Bonds	79,846	84,646
Long-Term Notes	4,000,000	0
WPCLF Loans Payable	5,204,566	587,200
OWDA Loans Payable	2,663,802	3,039,222
OPWC Loans Payable	511,846	540,530
OSWRC Deferred Loan Payable	666,070	666,070
Payable to Joint Venture	231,862	271,851
Compensated Absences	292,342	277,452
Total Business-Type Activities	22,670,334	15,061,971
Totals	\$24,404,099	\$16,910,860

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, 2009, 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 FUND BUDGET AND OTHER ECONOMIC FACTORS

City budgets purposefully build in conservative revenue estimates with offsetting limited increases in base operating costs. Revenue estimates project limited or no growth, or potential reductions as necessary, in the various revenues for each fund, including the General Fund. Original budgeted expenditures typically are *projected to exceed revenues* in most operating funds, including the General Fund. The City utilizes projected fund balance reserves to keep the budget balanced as required by State Law. The original 2009 General Fund revenues were conservatively projected at a level of 11.8% less than final actual receipts for 2009. With the exception of intergovernmental and other revenue, General Fund revenue estimates were projected below final actual revenues. The purpose of the lowered estimate is to buffer any potential down turns in local economic conditions, which did occur in 2008 and carried into 2009.

General Fund expenditures were originally budgeted at 17.3% more than final actual expenditures for 2009. No additional permanent full time personnel were added to the final 2009 approved budget. Some departmental 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 were appropriated. This was most apparent in the departments related to the security of persons and property and the general government functions.

City Council continues to pursue new revenue sources, while reviewing the possibility of increasing existing sources. A close watch of current 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 downturned starting in the third (3rd) quarter of 2008 and continued into 2009. Conditions stabilized in the fourth (4th) quarter of 2009, however close monitoring continues. The 2009 Budget included a number of budgetary actions to account for the slower economic conditions.

Please see the transmittal letter 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:	gheath@napoleonohio.com
Web Page:	www.napoleonohio.com



CITY OF NAPOLEON, OHIO

Statement of Net Assets
December 31, 2009

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 4,964,691	\$ 15,144,373	\$ 20,109,064
Receivables:			
Property Taxes	619,751	0	619,751
Municipal Income Taxes	745,812	0	745,812
Accounts	421,428	3,672,388	4,093,816
Intergovernmental	444,306	0	444,306
Interest	55,928	64,748	120,676
Special Assessments	507,195	788,230	1,295,425
Internal Balances	(11,943)	11,943	0
Inventory of Supplies at Cost	145,427	1,326,752	1,472,179
Capital Assets:			
Capital Assets Not Being Depreciated	11,789,889	8,688,129	20,478,018
Capital Assets Being Depreciated, Net	19,528,293	29,001,441	48,529,734
Investment in Joint Venture	0	1,205,713	1,205,713
Total Assets	39,210,777	59,903,717	99,114,494
Liabilities:			
Accounts Payable	108,265	1,460,712	1,568,977
Accrued Wages and Benefits	422,771	153,844	576,615
Unearned Revenue	428,794	0	428,794
Accrued Interest Payable	14,840	116,212	131,052
General Obligation Notes Payable	700,000	2,700,000	3,400,000
Long-Term Liabilities:			
Due Within One Year	395,765	5,203,422	5,599,187
Due in More Than One Year	1,338,000	17,466,912	18,804,912
Total Liabilities	3,408,435	27,101,102	30,509,537
Net Assets:			
Invested in Capital Assets, Net of Related Debt	29,555,216	16,271,445	45,826,661
Restricted For:			
Capital Projects	849,281	0	849,281
Debt Service	1,386,376	0	1,386,376
Street Construction, Maintenance and Repair	991,332	0	991,332
EMS Transport Service	427,999	0	427,999
Economic Development	5,488	0	5,488
Fire Equipment	289,640	0	289,640
Other Purposes	348,876	0	348,876
Unrestricted	1,948,134	16,531,170	18,479,304
Total Net Assets	\$ 35,802,342	\$ 32,802,615	\$ 68,604,957

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

**Statement of Activities
For the Year Ended December 31, 2009**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 3,099,089	\$ 1,028,246	\$ 52,634	\$ 1,376
Public Health and Welfare Services	103,153	14,660	0	0
Leisure Time Activities	899,442	301,100	0	0
Community Environment	757,040	2,935	0	0
Transportation	1,702,924	10,083	560,058	153,440
General Government	991,969	148,898	5,500	0
Interest and Fiscal Charges	77,480	0	0	0
Total Governmental Activities	7,631,097	1,505,922	618,192	154,816
Business-Type Activities:				
Electric	13,852,433	14,499,715	0	0
Water	2,543,426	2,448,655	0	1,202,305
Sewer	3,235,829	3,349,175	0	948,279
Sanitation	626,167	861,016	0	0
Total Business-Type Activities	20,257,855	21,158,561	0	2,150,584
Totals	\$ 27,888,952	\$ 22,664,483	\$ 618,192	\$ 2,305,400

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 Assets

Net Assets Beginning of Year
Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (2,016,833)	\$ 0	\$ (2,016,833)
(88,493)	0	(88,493)
(598,342)	0	(598,342)
(754,105)	0	(754,105)
(979,343)	0	(979,343)
(837,571)	0	(837,571)
(77,480)	0	(77,480)
<u>(5,352,167)</u>	<u>0</u>	<u>(5,352,167)</u>
0	647,282	647,282
0	1,107,534	1,107,534
0	1,061,625	1,061,625
0	234,849	234,849
<u>0</u>	<u>3,051,290</u>	<u>3,051,290</u>
<u>(5,352,167)</u>	<u>3,051,290</u>	<u>(2,300,877)</u>
146,252	0	146,252
2,361,108	0	2,361,108
493,053	0	493,053
788,511	0	788,511
202,278	284,198	486,476
485,517	0	485,517
1,913,007	(1,913,007)	0
<u>6,389,726</u>	<u>(1,628,809)</u>	<u>4,760,917</u>
1,037,559	1,422,481	2,460,040
<u>34,764,783</u>	<u>31,380,134</u>	<u>66,144,917</u>
<u>\$ 35,802,342</u>	<u>\$ 32,802,615</u>	<u>\$ 68,604,957</u>

CITY OF NAPOLEON, OHIO

**Balance Sheet
Governmental Funds
December 31, 2009**

	<u>General</u>	<u>Special Assessment Bond Retirement</u>	<u>Capital Improvement</u>
Assets:			
Cash and Cash Equivalents	\$ 1,433,735	\$ 846,563	\$ 794,945
Receivables:			
Property Taxes	477,902	0	0
Municipal Income Taxes	745,812	0	0
Accounts	34,650	0	0
Intergovernmental	181,128	0	0
Interest	46,630	2,924	0
Special Assessments	0	507,195	0
Inventory of Supplies, at Cost	1,789	0	0
Total Assets	<u><u>\$ 2,921,646</u></u>	<u><u>\$ 1,356,682</u></u>	<u><u>\$ 794,945</u></u>
Liabilities:			
Accounts Payable	\$ 48,805	\$ 0	\$ 31,914
Accrued Wages and Benefits Payable	289,513	0	0
Deferred Revenue	596,329	508,875	0
Accrued Interest Payable	0	0	0
General Obligation Notes Payable	0	0	0
Total Liabilities	<u><u>934,647</u></u>	<u><u>508,875</u></u>	<u><u>31,914</u></u>
Fund Balances:			
Reserved for Encumbrances	34,580	0	84,952
Reserved for Supplies Inventory	1,789	0	0
Undesignated/Unreserved in:			
General Fund	1,950,630	0	0
Special Revenue Funds	0	0	0
Debt Service Funds	0	847,807	0
Capital Projects Funds	0	0	678,079
Total Fund Balances	<u><u>1,986,999</u></u>	<u><u>847,807</u></u>	<u><u>763,031</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 2,921,646</u></u>	<u><u>\$ 1,356,682</u></u>	<u><u>\$ 794,945</u></u>

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,856,463	\$ 4,931,706
141,849	619,751
0	745,812
382,818	417,468
263,178	444,306
6,374	55,928
0	507,195
<u>133,578</u>	<u>135,367</u>
<u>\$ 2,784,260</u>	<u>\$ 7,857,533</u>
\$ 26,849	\$ 107,568
126,925	416,438
651,306	1,756,510
7,486	7,486
<u>700,000</u>	<u>700,000</u>
<u>1,512,566</u>	<u>2,988,002</u>
33,269	152,801
133,578	135,367
0	1,950,630
981,549	981,549
37,048	884,855
<u>86,250</u>	<u>764,329</u>
<u>1,271,694</u>	<u>4,869,531</u>
<u>\$ 2,784,260</u>	<u>\$ 7,857,533</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2009***

Total Governmental Fund Balances	\$ 4,869,531
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	31,314,104
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	1,327,716
Internal service funds are used by management to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	26,362
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,735,371)</u>
<i>Net Assets of Governmental Funds</i>	<u><u>\$ 35,802,342</u></u>

See accompanying notes to the basic financial statements



CITY OF NAPOLEON, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009**

	General	Special Assessment Bond Retirement	Capital Improvement
Revenues:			
Property Taxes	\$ 263,815	\$ 0	\$ 0
Municipal Income Tax	2,345,100	0	0
Other Local Taxes (kWh Tax)	493,053	0	0
Intergovernmental Revenues	674,966	0	1,186
Charges for Services	279,876	0	0
Licenses and Permits	63,825	0	0
Investment Earnings	141,161	14,309	0
Special Assessments	0	106,700	0
Fines and Forfeitures	300,372	0	0
All Other Revenue	307,797	340,038	190
Total Revenue	4,869,965	461,047	1,376
Expenditures:			
Current:			
Security of Persons and Property	2,268,201	0	0
Public Health and Welfare Services	92,695	0	0
Leisure Time Activities	0	0	0
Community Environment	88,403	0	0
Transportation	0	0	0
General Government	753,515	3,492	0
Capital Outlay	0	0	688,609
Debt Service:			
Principal Retirement	0	87,550	0
Interest and Fiscal Charges	0	27,627	0
Total Expenditures	3,202,814	118,669	688,609
Excess (Deficiency) of Revenues Over Expenditures	1,667,151	342,378	(687,233)
Other Financing Sources (Uses):			
Sale of Capital Assets	10,941	0	0
Transfers In	38,432	12,360	996,438
Transfers Out	(1,663,553)	0	(206,040)
Total Other Financing Sources (Uses)	(1,614,180)	12,360	790,398
Net Change in Fund Balances	52,971	354,738	103,165
Fund Balances at Beginning of Year	1,934,071	493,069	659,866
Decrease in Inventory Reserve	(43)	0	0
Fund Balances End of Year	\$ 1,986,999	\$ 847,807	\$ 763,031

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 118,716	\$ 382,531
0	2,345,100
0	493,053
929,410	1,605,562
523,603	803,479
0	63,825
30,388	185,858
0	106,700
107,189	407,561
149,480	797,505
<u>1,858,786</u>	<u>7,191,174</u>
632,145	2,900,346
0	92,695
783,006	783,006
450,153	538,556
539,327	539,327
90,251	847,258
0	688,609
25,000	112,550
49,313	76,940
<u>2,569,195</u>	<u>6,579,287</u>
(710,409)	611,887
0	10,941
860,074	1,907,304
(76,792)	(1,946,385)
<u>783,282</u>	<u>(28,140)</u>
72,873	583,747
1,204,524	4,291,530
(5,703)	(5,746)
<u>\$ 1,271,694</u>	<u>\$ 4,869,531</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, 2009***

Net Change in Fund Balances - Total Governmental Funds \$ 583,747

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 depreciation exceeded capital outlay in the current period. (249,547)

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. (808,629)

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 1,887,508

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (483,516)

The repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 112,550

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (540)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (7,990)

The internal service funds are used by management to charge the costs of services to individual funds 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. 3,976

Change in Net Assets of Governmental Activities \$ 1,037,559

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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 225,770	\$ 263,810	\$ 263,815	\$ 5
Municipal Income Tax	2,373,200	2,794,150	2,794,181	31
Intergovernmental Revenue	493,110	601,000	600,995	(5)
Charges for Services	249,960	284,460	289,070	4,610
Licenses and Permits	52,160	63,820	63,825	5
Investment Earnings	186,850	238,880	238,881	1
Special Assessments	30	0	0	0
Fines and Forfeitures	295,000	297,890	297,901	11
All Other Revenues	410,240	312,140	312,118	(22)
Total Revenues	<u>4,286,320</u>	<u>4,856,150</u>	<u>4,860,786</u>	<u>4,636</u>
Expenditures:				
Current:				
Security of Persons and Property	2,599,170	2,250,362	2,250,016	346
Public Health and Welfare Services	110,460	92,140	92,028	112
Community Environment	114,440	87,820	87,739	81
General Government	1,528,602	1,281,392	1,280,329	1,063
Total Expenditures	<u>4,352,672</u>	<u>3,711,714</u>	<u>3,710,112</u>	<u>1,602</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(66,352)	1,144,436	1,150,674	6,238
Other Financing Sources (Uses):				
Sale of Capital Assets	0	10,940	10,941	1
Transfers In	1,805,920	1,801,328	1,801,325	(3)
Transfers Out	(2,652,170)	(2,933,405)	(2,933,393)	12
Total Other Financing Sources (Uses):	<u>(846,250)</u>	<u>(1,121,137)</u>	<u>(1,121,127)</u>	<u>10</u>
Net Change In Fund Balance	(912,602)	23,299	29,547	6,248
Fund Balance at Beginning of Year	1,188,102	1,188,102	1,188,102	0
Prior Year Encumbrances	46,236	46,236	46,236	0
Fund Balance at End of Year	<u>\$ 321,736</u>	<u>\$ 1,257,637</u>	<u>\$ 1,263,885</u>	<u>\$ 6,248</u>

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2009**

	Business-Type Activities Enterprise Funds		
	Electric	Water	Sewer
Assets:			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 7,025,993	\$ 1,937,654	\$ 5,685,063
<i>Receivables:</i>			
Accounts	2,676,615	338,202	517,905
Interest	27,274	6,438	28,156
Special Assessments	0	37,737	750,493
Inventory of Supplies at Cost	1,130,051	147,324	49,377
<i>Total Current Assets</i>	10,859,933	2,467,355	7,030,994
<i>Non Current Assets:</i>			
Capital Assets, Net	11,487,624	9,154,458	16,675,491
Investment in Joint Venture	1,205,713	0	0
<i>Total Non Current Assets</i>	12,693,337	9,154,458	16,675,491
Total Assets	23,553,270	11,621,813	23,706,485
Liabilities:			
<i>Current Liabilities:</i>			
Accounts Payable	991,800	18,320	427,719
Accrued Wages and Benefits	70,000	37,308	32,826
Accrued Interest Payable	0	33,458	82,754
General Obligation Notes Payable	0	410,400	2,289,600
General Obligation Bonds - Current	0	130,000	0
Special Assessment Bonds - Current	0	0	4,800
Mortgage Revenue Bonds - Current	165,000	125,000	180,000
Ohio Public Works Commission Loan - Current	0	0	28,685
Ohio Water Development Authority Loans - Current	0	37,439	365,299
Water Pollution Control Loans - Current	0	0	37,609
Long Term Notes Payable - Current	0	620,000	3,380,000
Compensated Absences Payable - Current	60,425	32,111	30,102
<i>Total Current Liabilities</i>	1,287,225	1,444,036	6,859,394

CITY OF NAPOLEON, OHIO

<u>Sanitation</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 495,663	\$ 15,144,373	\$ 32,985
139,666	3,672,388	3,960
2,880	64,748	0
0	788,230	0
0	1,326,752	10,060
<u>638,209</u>	<u>20,996,491</u>	<u>47,005</u>
371,997	37,689,570	4,078
0	1,205,713	0
<u>371,997</u>	<u>38,895,283</u>	<u>4,078</u>
<u>1,010,206</u>	<u>59,891,774</u>	<u>51,083</u>
22,873	1,460,712	697
13,710	153,844	6,333
0	116,212	0
0	2,700,000	0
0	130,000	0
0	4,800	0
0	470,000	0
0	28,685	0
0	402,738	0
0	37,609	0
0	4,000,000	0
6,952	129,590	4,463
<u>43,535</u>	<u>9,634,190</u>	<u>11,493</u>

(Continued)

CITY OF NAPOLEON, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2009**

	Business-Type Activities Enterprise Funds		
	Electric	Water	Sewer
<i>Long Term Liabilities:</i>			
Compensated Absences Payable	61,175	38,924	58,504
General Obligation Bonds Payable	0	1,740,000	0
Special Assessment Bonds Payable	0	0	75,046
Revenue Bonds Payable	1,650,000	3,260,000	1,770,000
Ohio Water Development Authority Loans Payable	0	423,671	1,837,393
Ohio Public Works Commission Loans Payable	0	0	483,161
Ohio Sewer & Water Rotary Commission Deferred Loan Payable	0	158,166	507,904
Water Pollution Control Loans Payable	0	0	5,166,957
Payable to Joint Venture	231,862	0	0
<i>Total Long-Term Liabilities</i>	<u>1,943,037</u>	<u>5,620,761</u>	<u>9,898,965</u>
Total Liabilities	<u>3,230,262</u>	<u>7,064,797</u>	<u>16,758,359</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	9,672,624	2,763,982	3,462,842
Unrestricted	10,650,384	1,793,034	3,485,284
Total Net Assets	<u>\$ 20,323,008</u>	<u>\$ 4,557,016</u>	<u>\$ 6,948,126</u>

Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.
Net Assets of Business-type Activities

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

Sanitation	Total	Governmental Activities - Internal Service Funds
4,149	162,752	1,285
0	1,740,000	0
0	75,046	0
0	6,680,000	0
0	2,261,064	0
0	483,161	0
0	666,070	0
0	5,166,957	0
0	231,862	0
4,149	17,466,912	1,285
47,684	27,101,102	12,778
371,997	16,271,445	4,078
590,525	16,519,227	34,227
\$ 962,522	\$ 32,790,672	\$ 38,305
	11,943	
	\$ 32,802,615	

CITY OF NAPOLEON, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2009**

	Business-Type Activities		
	Enterprise Funds		
	Electric	Water	Sewer
Operating Revenues:			
Charges for Services	\$ 14,212,526	\$ 2,216,244	\$ 3,192,533
Other Charges for Services	70,808	232,411	156,642
Total Operating Revenues	14,283,334	2,448,655	3,349,175
Operating Expenses:			
Personal Services	1,129,980	639,215	534,021
Contractual Services	948,677	544,333	700,826
Purchased Power	10,999,493	0	0
Materials and Supplies	100,903	655,986	1,086,914
Utilities	46,409	159,660	119,209
Depreciation	418,343	250,082	417,238
Total Operating Expenses	13,643,805	2,249,276	2,858,208
Operating Income (Loss)	639,529	199,379	490,967
Nonoperating Revenue (Expenses):			
Investment Earnings	115,495	41,159	113,869
Interest Expense	(96,574)	(293,674)	(377,599)
Loss on Sale of Capital Assets	(36,973)	0	0
Other Local Taxes (kWh Tax)	106,457	0	0
Gain on Investment in Joint Venture	146,897	0	0
Other Nonoperating Expense (kWh Paid to State)	(108,426)	0	0
Total Nonoperating Revenues (Expenses)	126,876	(252,515)	(263,730)
Income (Loss) Before Transfers and Contributions	766,405	(53,136)	227,237
Transfers In	0	0	0
Transfers Out	0	0	(1,913,007)
Capital Contributions	0	1,202,305	948,279
Change in Net Assets	766,405	1,149,169	(737,491)
Net Assets Beginning of Year, as Restated	19,556,603	3,407,847	7,685,617
Net Assets End of Year	\$ 20,323,008	\$ 4,557,016	\$ 6,948,126

Change in Net Assets - Total Enterprise Funds

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

Change in Net Assets - Business-type Activities

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

<u>Sanitation</u>	<u>Total</u>	Governmental Activities - Internal Service Funds
\$ 856,148	\$ 20,477,451	\$ 71,000
4,868	464,729	2,420
<u>861,016</u>	<u>20,942,180</u>	<u>73,420</u>
202,293	2,505,509	107,040
397,593	2,591,429	369
0	10,999,493	0
0	1,843,803	66,921
2,105	327,383	579
23,996	1,109,659	471
<u>625,987</u>	<u>19,377,276</u>	<u>175,380</u>
235,029	1,564,904	(101,960)
13,675	284,198	0
0	(767,847)	0
0	(36,973)	0
0	106,457	0
0	146,897	0
0	(108,426)	0
<u>13,675</u>	<u>(375,694)</u>	<u>0</u>
248,704	1,189,210	(101,960)
0	0	101,630
0	(1,913,007)	0
0	2,150,584	0
248,704	1,426,787	(330)
713,818	31,363,885	38,635
<u>\$ 962,522</u>	<u>\$ 32,790,672</u>	<u>\$ 38,305</u>
	\$ 1,426,787	
	(4,306)	
	<u>\$ 1,422,481</u>	

CITY OF NAPOLEON, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009**

	Business-Type Activities Enterprise Funds		
	Electric	Water	Sewer
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$13,853,707	\$2,395,772	\$3,424,109
Cash Payments for Goods and Services	(11,872,950)	(1,406,882)	(1,527,644)
Cash Payments to Employees	(1,134,504)	(643,709)	(522,201)
Net Cash Provided (Used) by Operating Activities	846,253	345,181	1,374,264
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	0	0
Transfers Out to Other Funds	0	0	(62,549)
Receipts of Other Local Taxes	106,457	0	0
kWh Tax Paid to State	(108,426)	0	0
Net Cash Provided (Used) by Noncapital Financing Activities	(1,969)	0	(62,549)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(575,935)	(47,757)	(7,924,325)
Capital Contributions	0	0	339,238
General Obligation Notes Issued	0	1,030,400	5,669,600
WPCLF Loans Issued	0	0	4,654,798
Principal Paid on General Obligation Notes	0	(410,400)	(2,289,600)
Principal Paid on Special Assessment Bond	0	0	(4,800)
Principal Paid on General Obligation Bonds	0	(125,000)	0
Principal Paid on Mortgage Revenue Bonds	(160,000)	(120,000)	(170,000)
Principal Paid on Ohio Public Works Commission Loan	0	0	(28,684)
Principal Paid on Ohio Water Development Authority Loans	0	(35,073)	(340,347)
Principal Paid on Water Pollution Control Loan Fund Loan	0	0	(37,432)
Interest Paid on All Debt	(92,550)	(259,677)	(320,313)
Net Cash Provided (Used) for Capital and Related Financing Activities	(828,485)	32,493	(451,865)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	117,615	35,960	108,328
Net Cash Provided by Investing Activities	117,615	35,960	108,328
Net Increase (Decrease) in Cash and Cash Equivalents	133,414	413,634	968,178
Cash and Cash Equivalents at Beginning of Year	6,892,579	1,524,020	4,716,885
Cash and Cash Equivalents at End of Year	\$7,025,993	\$1,937,654	\$5,685,063

CITY OF NAPOLEON, OHIO

Sanitation	Totals	Governmental Activities Internal Service Funds
\$817,171	\$20,490,759	\$74,205
(399,883)	(15,207,359)	(68,185)
(198,187)	(2,498,601)	(115,272)
219,101	2,784,799	(109,252)
0	0	101,630
0	(62,549)	0
0	106,457	0
0	(108,426)	0
0	(64,518)	101,630
(194,543)	(8,742,560)	0
0	339,238	0
0	6,700,000	0
0	4,654,798	0
0	(2,700,000)	0
0	(4,800)	0
0	(125,000)	0
0	(450,000)	0
0	(28,684)	0
0	(375,420)	0
0	(37,432)	0
0	(672,540)	0
(194,543)	(1,442,400)	0
14,297	276,200	0
14,297	276,200	0
38,855	1,554,081	(7,622)
456,808	13,590,292	40,607
\$495,663	\$15,144,373	\$32,985

(Continued)

CITY OF NAPOLEON, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009**

	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)	\$639,529	\$199,379	\$490,967
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Miscellaneous Nonoperating Income	0	0	364,134
Depreciation Expense	418,343	250,082	417,238
Changes in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	(429,627)	(62,297)	(72,961)
Decrease in Special Assessments Receivable	0	9,414	147,895
Increase in Inventory	(62,725)	(44,643)	(7,399)
Increase (Decrease) in Accounts Payable	285,257	(2,260)	22,570
Increase (Decrease) in Accrued			
Wages and Benefits	(8,555)	(4,116)	2,017
Increase (Decrease) in			
Compensated Absences	4,031	(378)	9,803
Total Adjustments	<u>206,724</u>	<u>145,802</u>	<u>883,297</u>
Net Cash Provided (Used) by Operating Activities	<u>\$846,253</u>	<u>\$345,181</u>	<u>\$1,374,264</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2009, the Electric, Sewer and Sanitation Funds had outstanding liabilities of \$4,331, \$403,163 and \$12,395, respectively, for the purchase of certain capital assets. In addition, the Water and the Sewer Fund had capital assets purchased from various other sources in the amounts of \$1,202,305 and \$609,041, respectively. During 2009, transfer of the net book value of capital assets was made from the Sewer Fund to the general capital assets in the amount of \$1,850,458.

See accompanying notes to the basic financial statements

CITY OF NAPOLEON, OHIO

<u>Sanitation</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
\$235,029	\$1,564,904	(\$101,960)
0	364,134	0
23,996	1,109,659	471
(43,845)	(608,730)	785
0	157,309	0
0	(114,767)	(375)
(185)	305,382	59
2,672	(7,982)	(3,414)
<u>1,434</u>	<u>14,890</u>	<u>(4,818)</u>
<u>(15,928)</u>	<u>1,219,895</u>	<u>(7,292)</u>
<u>\$219,101</u>	<u>\$2,784,799</u>	<u>(\$109,252)</u>

CITY OF NAPOLEON, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2009***

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 17,260
Total Assets	<u>17,260</u>
Liabilities:	
Due to Others	<u>17,260</u>
Total Liabilities	<u>\$ 17,260</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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, 2009 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 the GASB Statement No. 14, "*The Financial Reporting Entity*," 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 17 "Joint Ventures and Jointly Governed Organizations."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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 17 "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 17 "Joint Ventures and Jointly Governed Organizations."

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 17 "Joint Ventures and Jointly Governed Organizations."

3. Jointly Governed Organizations:

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 17 "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, liabilities, 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, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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 (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 fall under Business-Type Activities and are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities 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 net total assets.

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, 2009***

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 assets and changes in net assets. 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 assets 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, 2009***

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 current liabilities, 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 all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. 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, 2009***

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 including related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenue. Property taxes, which are measurable at December 31, 2009 but are not intended to finance 2009 operations, and delinquent property taxes whose availability is indeterminate, are recorded as deferred revenue as further described in Note 6 "Taxes".

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

E. 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, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. 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 2009.

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 2009, 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.

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 as reservations of fund balances for governmental funds in the accompanying basic financial statements.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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.

6. Budgetary Basis of Accounting

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

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

	Net Change In Fund Balance
	General Fund
GAAP Basis (as reported)	\$52,971
Increase (Decrease):	
Accrued Revenues at December 31, 2009 received during 2010	(889,793)
Accrued Revenues at December 31, 2008 received during 2009	807,321
Accrued Expenditures at December 31, 2009 paid during 2010	338,318
Accrued Expenditures at December 31, 2008 paid during 2009	(317,651)
2008 Adjustment to Fair Value	208,231
2009 Adjustment to Fair Value	(126,290)
Outstanding Encumbrances	(43,560)
Budget Basis	\$29,547

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, repurchase agreements, the State Treasury Asset Reserve (STAR Ohio) and certificates of deposit with original maturity dates of three months or less. The STAR Ohio is considered an investment for purposes of GASB Statement No. 3, but it is reported as a cash equivalent in the basic financial statements because it is a highly liquid instrument which is readily convertible to cash. The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. For purposes of the statement of cash flows, the proprietary funds' shares of equity in pooled certificates of deposit are considered to be cash equivalents. See Note 5, "Cash, Cash Equivalents and Investments." Investment earnings of \$131,166 earned by other funds were credited to the general fund as required by local statute.

G. 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 5, "Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 2009. 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, 2009.

H. 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, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000.

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). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, 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

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. 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.

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 Assets and in the respective funds.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Debt

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Obligation Bond Retirement Fund Water Fund
Mortgage Revenue Bonds	Sewer Fund Electric Fund
Special Assessment Bonds with Governmental Commitment	Special Assessment Bond Retirement Fund Sewer Fund
Long-Term Notes Payable	Water Fund Sewer Fund
Ohio Public Works Commission Loans	Special Assessment Bond Retirement Fund Sewer Fund
OWDA Loans	Water Fund Sewer Fund
OSWRC Loans	Sewer 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

K. 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences (Continued)

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 "Compensated Absences Payable." In the government wide statement of net assets, "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.

L. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are 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 assets are available.

M. Pensions

The provision for pension cost is recorded when the related payroll is accrued and the obligation is incurred.

N. 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Interfund Activity (Continued)

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.

O. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for inventories and encumbered amounts not accrued at year end.

P. 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.

Q. 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.

R. 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 2009.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 2 – PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2008, it was determined that a portion of the notes payable related to the Woodlawn Avenue Reconstruction Project should be included as part of the Water Fund (enterprise fund). The adjustment had the following effect on the following fund balances:

	Water Fund	Sewer Fund
Fund Balance December 31, 2008 as reported	\$3,818,247	\$7,275,217
Adjustments:		
Movement of Notes Payable	(410,400)	410,400
Fund Balance December 31, 2008 as restated	<u>\$3,407,847</u>	<u>\$7,685,617</u>

The changes to the beginning Fund balances had no effect on the governmental activities or the business-type activities beginning net assets.

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 assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets of governmental funds as reported in the government-wide statement of net assets. 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	\$89,554
Delinquent Property Tax Revenue	28,275
Shared Revenues	335,394
Interest Revenues	33,619
Charges for Services	333,679
Special Assessment Revenue	507,195
	<u>\$1,327,716</u>

Long-Term liabilities not reported in the funds:

Special Assessment Bonds Payable	(\$384,153)
General Obligation Bonds Payable	(580,000)
OPWC Loans Payable	(98,812)
Accrued Interest on Long-Term Debt	(7,354)
Compensated Absences Payable	(665,052)
	<u>(\$1,735,371)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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 assets 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 depreciation exceeded capital outlay in the current period:

Capital Outlay	\$859,386
Depreciation Expense	(1,108,933)
	<u>(\$249,547)</u>

Governmental revenues not reported in the funds:

Increase in Delinquent Income Tax Revenue	\$16,008
Decrease in Delinquent Property Tax	(236,279)
Decrease in Shared Revenue	(197,673)
Increase in Interest Revenue	16,420
Decrease in Charges for Services	34,398
Decrease in Special Assessment Revenue	(116,390)
	<u>(\$483,516)</u>

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$2,244)
Decrease in supplies inventory	(5,746)
	<u>(\$7,990)</u>

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

Fund Deficits - The fund deficits at December 31, 2009 of \$538,296 in the Court Improvement Fund, \$21,871 in the Police Pension Fund and \$12,253 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, 2009***

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

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

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.

At year end the carrying amount of the City's deposits was \$17,382,107 and \$15,063,846 of the City's bank balance of \$17,526,646 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, 2009 are summarized below:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>	
			<u>less than 1</u>	<u>1-3</u>
Federal Home Loan Bank	\$2,112,721	AAA ¹ / Aaa ²	\$1,021,991	\$1,090,730
STAR Ohio	631,496	AAAm ¹	631,496	0
Total Investments	<u>\$2,744,217</u>		<u>\$1,653,487</u>	<u>\$1,090,730</u>

¹ Standard & Poor's

² Moody's Investor Service

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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

B. Investments (Continued)

Credit Risk – The City’s investments in FHLB securities 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.

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 FHLB securities in the amount of \$2,112,721 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.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. Of the City’s total investments, 77% are FHLB.

NOTE 6 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2009 were levied after October 1, 2008 on assessed values as of January 1, 2008, 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 2005 and the equalization adjustment was completed in 2008. 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, 2009***

NOTE 6 - TAXES (Continued)

A. Property Taxes (Continued)

Tangible personal property tax revenues received in 2009 (other than public utility property) represent the collection of 2009 taxes. Tangible personal property taxes received in 2009 were levied after October 1, 2008, on the true value as of January 1, 2008. In prior years, tangible personal property assessments were twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Tangible personal property tax is being phased out. This percentage was reduced to 6.25% in 2008 and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill NO.66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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, 2009 was \$2.90 per \$1,000 of assessed value. The assessed value upon which the 2009 receipts were based was \$152,128,200. This amount constitutes \$151,184,620 in real property assessed value, \$632,660 in public utility assessed value and \$310,920 in tangible personal property 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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 6 - TAXES (Continued)

B. Income Tax

The City levied a tax of 1.2% from January 1, 2009 through June 30, 2009 and 1.5% from July 1, 2009 through December 31, 2009 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 tax rate 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.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2009 consisted of taxes, interest, accounts receivable, special assessments and intergovernmental receivables arising from shared revenues.

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2009:

Transfers In:	Transfers Out:				Total
	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Sewer Fund	
General Fund	\$0	\$0	\$38,432	\$0	\$38,432
Special Assessment Bond Retirement Fund	0	0	12,360	0	12,360
Capital Improvement Fund	996,438	0	0	0	996,438
Nonmajor Governmental Funds	565,485	206,040	26,000	62,549	860,074
Internal Service Fund	101,630	0	0	0	101,630
Total	<u>\$1,663,553</u>	<u>\$206,040</u>	<u>\$76,792</u>	<u>\$62,549</u>	<u>\$2,008,934</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.

During 2009, net transfers were made from the Sewer Fund to the general capital assets in the amount of \$1,850,458. These items were related to an ongoing street project called the Washington Street reconstruction project.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2009:

Historical Cost:

Class	December 31, 2008	Transfers	Additions	Deletions	December 31, 2009
<i>Capital assets not being depreciated:</i>					
Land	\$8,938,562	\$368,919	\$2,291,026	\$0	\$11,598,507
Construction in Progress	3,509,739	(599,349)	277,371	(2,996,379)	191,382
Subtotal	12,448,301	(230,430)	2,568,397	(2,996,379)	11,789,889
<i>Capital assets being depreciated:</i>					
Improvements	1,135,116	(155,409)	836,849	0	1,816,556
Buildings	3,512,799	0	39,660	0	3,552,459
Machinery and Equipment	5,462,068	42,814	155,760	(133,884)	5,526,758
Infrastructure	24,271,814	1,481,539	249,335	(69,350)	25,933,338
Subtotal	34,381,797	1,368,944	1,281,604	(203,234)	36,829,111
Total Cost	\$46,830,098	\$1,138,514	\$3,850,001	(\$3,199,613)	\$48,619,000

Accumulated Depreciation:

Class	December 31, 2008	Transfers	Additions	Deletions	December 31, 2009
Improvements	(\$304,416)	\$0	(\$35,060)	\$0	(\$339,476)
Buildings	(2,021,701)	0	(71,126)	0	(2,092,827)
Machinery and Equipment	(3,108,238)	(42,867)	(327,947)	127,634	(3,351,418)
Infrastructure	(10,906,422)	0	(675,271)	64,596	(11,517,097)
Total Depreciation	(\$16,340,777)	(\$42,867)	(\$1,109,404) *	\$192,230	(\$17,300,818)

Net Value:

\$30,489,321	\$31,318,182
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* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$169,923
Public Health and Welfare Services	6,511
Leisure Time Activities	60,900
Community Environment	5,159
Transportation	755,757
General Government	110,683
Total Depreciation Expense recorded within the Governmental Activities	1,108,933
Amount of Depreciation Expense recorded in the Internal Service Fund	471
Total Depreciation Expense	\$1,109,404

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 9 - CAPITAL ASSETS (continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2009:

Historical Cost:

Class	December 31, 2008	Transfers	Additions	Deletions	December 31, 2009
<i>Capital assets not being depreciated:</i>					
Land	\$349,695	(\$368,919)	\$368,919	\$0	\$349,695
Construction in Progress	4,981,388	599,349	7,033,921	(4,276,224)	8,338,434
Subtotal	5,331,083	230,430	7,402,840	(4,276,224)	8,688,129
<i>Capital assets being depreciated:</i>					
Buildings	7,030,855	0	0	0	7,030,855
Improvements	29,715,479	(1,326,130)	6,852,229	0	35,241,578
Machinery and Equipment	6,663,478	(42,814)	182,616	(293,661)	6,509,619
Subtotal	43,409,812	(1,368,944)	7,034,845	(293,661)	48,782,052
Total Cost	\$48,740,895	(\$1,138,514)	\$14,437,685	(\$4,569,885)	\$57,470,181

Accumulated Depreciation:

Class	December 31, 2008	Transfers	Additions	Deletions	December 31, 2009
Buildings	(\$3,788,345)	\$0	(\$195,472)	\$0	(\$3,983,817)
Improvements	(10,124,522)	(971)	(672,012)	0	(10,797,505)
Machinery and Equipment	(5,056,669)	42,867	(242,175)	256,688	(4,999,289)
Total Depreciation	(\$18,969,536)	\$41,896	(\$1,109,659)	\$256,688	(\$19,780,611)
<i>Net Value:</i>	\$29,771,359				\$37,689,570

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 10 – DEFINED BENEFIT PENSION PLANS

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

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

The following information was provided by OPERS to assist the City in complying with GASB Statement No. 27, “*Accounting for Pensions by State and Local Government Employers.*”

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2009, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2009 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2009, from January 1 through March 31, 2009 7.0% of annual covered salary was the portion used to fund pension obligations, and from April 1 through December 31, 2009 8.5% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City’s contributions for pension obligations to OPERS for the years ending December 31, 2009, 2008, and 2007 were \$262,671, \$315,190 and \$356,716, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

All City full-time police officers and full-time firefighters participate in OP&F, a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the ORC. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements 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 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2009, 12.75% of annual covered salary for police and 17.25% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City's contributions for pension obligations to the OP&F Fund for the years ending December 31, 2009, 2008, and 2007 were \$91,150, \$104,038 and \$100,095 for police and \$71,527, \$78,218 and \$74,077 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 11 - 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 program 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 10 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 11 - 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 making a written request to OPERS, Attention: Finance Director, 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 2009, local government employers contributed at a rate of 14.00% 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.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7.0% of covered payroll from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree 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 OPERS for the years ending December 31, 2009, 2008, and 2007 were \$367,318, \$315,190 and \$234,962, respectively, which were equal to the required contributions for each year.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

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 postemployment 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.

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.

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.

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 2009, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees 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, 2009, 2008, and 2007 were \$52,363, \$55,078 and \$52,991 for police and \$29,712, \$30,607 and \$28,987 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, 2009***

NOTE 12 – 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, 2009, the City's accumulated, unpaid compensated absences amounted to \$963,142, of which \$670,800 is recorded as a liability of the Governmental Activities and \$292,342 is recorded as a liability of the Business-Type Activities.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 13 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than those principal maturities required if the bonds had been issued at the expiration of the initial five year period.

	Issue Date	Balance December 31, 2008	Issued (Retired)	Balance December 31, 2009
Enterprise Funds Notes Payable:				
2.55% Woodlawn Avenue Reconstruction	7/26/08	\$410,400	(\$410,400)	\$0
2.55% Woodlawn Avenue Reconstruction	7/26/08	2,289,600	(2,289,600)	0
2.55% Woodlawn Avenue Reconstruction	7/26/09	0	410,400	410,400
2.55% Woodlawn Avenue Reconstruction	7/26/09	0	2,289,600	2,289,600
Total Enterprise Funds Notes Payable:		<u>\$2,700,000</u>	<u>\$0</u>	<u>\$2,700,000</u>
Special Revenue Fund Notes Payable:				
2.55% Court Building Improvement	7/26/08	840,000	(840,000)	0
2.50% Court Building Improvement	7/26/09	0	700,000	700,000
Total Special Revenue Fund Notes Payable:		<u>840,000</u>	<u>(140,000)</u>	<u>700,000</u>
Capital Projects Fund Note Payable:				
2.55% Stout Street Improvement	7/26/08	150,000	(150,000)	0
Total Capital Project Fund Notes Payable:		<u>150,000</u>	<u>(150,000)</u>	<u>0</u>
Total Notes Payable		<u>\$3,690,000</u>	<u>(\$290,000)</u>	<u>\$3,400,000</u>

During 2007, the City issued notes in the amount of \$840,000 for court building improvements. During 2009, the notes were rolled over for the second time. Since 2007, the notes have been paid down by \$140,000.

During 2008, the City issued notes for the reconstruction of Woodlawn Avenue in the amount of \$2,700,000. These notes were rolled over during 2009 and the City plans to issue bonds in their place in the future.

CITY OF NAPOLEON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 14 - LONG-TERM DEBT

Long-term debt of the City at December 31, 2009 was as follows:

Date Purchased	Interest Rate	Description	Maturity Date	Balance December 31, 2008	Additions	(Reductions)	Balance December 31, 2009	Amount Due Within One Year
Business-Type Activities:								
General Obligation Bonds:								
2005	3.00% - 5.00%	Waterworks System Improvements	2019	\$1,135,000	\$0	(\$85,000)	\$1,050,000	\$90,000
2004	2.50% - 5.12%	Capital Facilities Improvement	2024	860,000	0	(40,000)	820,000	40,000
Total General Obligation Bonds				1,995,000	0	(125,000)	1,870,000	130,000
Mortgage Revenue Bonds:								
1998	4.00% - 5.00%	Sewer System Improvement	2018	2,120,000	0	(170,000)	1,950,000	180,000
1998	4.00% - 5.00%	Electric System Improvement	2018	1,975,000	0	(160,000)	1,815,000	165,000
2008	3.50% - 4.50%	Water System Improvements	2028	3,505,000	0	(120,000)	3,385,000	125,000
Total Mortgage Revenue Bonds				7,600,000	0	(450,000)	7,150,000	470,000
Special Assessment Bond: (with Governmental Commitment)								
2000	5.00%	West Main, Wested and Vine Improvements	2020	84,646	0	(4,800)	79,846	4,800
Long-Term Notes Payable:								
2010	2.55%	West Washington and Avon Improvements		0	620,000	0	620,000	620,000
2010	2.55%	West Washington and Avon Improvements		0	3,380,000	0	3,380,000	3,380,000
Total Long-Term Notes Payable				0	4,000,000	0	4,000,000	4,000,000
Ohio Sewer and Water Rotary Commission Deferred Loans:								
1998		OSWRC - Palmer Ditch Project		88,341	0	0	88,341	0
2005		OSWRC - North Pointe Water and Sewer Project		577,729	0	0	577,729	0
Total OSWRC Loans				666,070	0	0	666,070	0
Ohio Public Works Commission Loans (OPWC):								
2000		Railroad Street Sewer Separation	2020	40,530	0	(3,684)	36,846	3,685
2008		Woodlawn Avenue Improvements	2020	500,000	0	(25,000)	475,000	25,000
Total Ohio Public Works Commission Loans				540,530	0	(28,684)	511,846	28,685
Ohio Water Development Authority Loans (OWDA):								
1990	7.840%	OWDA - Project #1089	2013	1,294,010	0	(287,866)	1,006,144	310,435
1992	9.185%	OWDA - Malinta Waterline	2016	231,804	0	(23,964)	207,840	25,826
2005	4.490%	OWDA - Waterline Construction	2025	1,249,029	0	(52,481)	1,196,548	54,864
2005	4.490%	OWDA - Sewer System Improvements	2025	264,379	0	(11,109)	253,270	11,613
Total Ohio Water Development Authority Loans				3,039,222	0	(375,420)	2,663,802	402,738
Water Pollution Control Loan Fund Loans (WPCLF):								
2008		Railroad Street Sewer Separation	2013	171,376	0	(37,432)	133,944	37,609
2008		EQ Basin Storm Water Retention	2031	415,824	4,654,798	0	5,070,622	0
Total Water Pollution Control Loan Fund Loans				587,200	4,654,798	(37,432)	5,204,566	37,609
Payable to Joint Venture				271,851	0	(39,989)	231,862	0
Compensated Absences				277,452	292,342	(277,452)	292,342	129,590
Total Business-Type Long-Term Debt				\$15,061,971	\$8,947,140	(\$1,338,777)	\$22,670,334	\$5,203,422

CITY OF NAPOLEON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 14- LONG-TERM DEBT (Continued)

Date Purchased	Interest Rate	Description	Maturity Date	Balance December 31, 2008	Additions	(Reductions)	Balance December 31, 2009	Amount Due Within One Year
Governmental Activities:								
Special Assessment Bonds:								
1990	7.250%	Oberhaus Creek						
		Sewer Improvements	2010	\$30,000	\$0	(\$15,000)	\$15,000	\$15,000
1991	5.65-6.55%	Street Improvements	2011	30,000	0	(10,000)	20,000	10,000
1992	5.70-6.10%	Street Improvements	2012	80,000	0	(20,000)	60,000	20,000
1993	5.40%	Street Improvements	2013	48,000	0	(9,000)	39,000	9,000
1996	5.90%	Street Improvements	2016	100,000	0	(10,000)	90,000	10,000
1998	4.50-5.125%	Street Improvements	2018	102,000	0	(6,000)	96,000	6,000
1998	4.50-5.125%	Street Improvements	2018	48,000	0	(4,000)	44,000	4,000
2000	5.875%	West Main, Wested and Vine						
		Improvements	2020	21,353	0	(1,200)	20,153	1,200
Total Special Assessment Bonds (with Governmental Commitment)				459,353	0	(75,200)	384,153	75,200
General Obligation Bonds:								
2005	3.00% - 5.00%	Northcrest Drive	2025	340,000	0	(15,000)	325,000	15,000
2005	3.00% - 5.00%	SR-424 Resurfacing	2025	265,000	0	(10,000)	255,000	10,000
Total General Obligation Bonds				605,000	0	(25,000)	580,000	25,000
Ohio Public Works Commission Loan:								
1998		Unimproved Street Program	2017	111,162	0	(12,350)	98,812	12,351
Compensated Absences				673,374	670,800	(673,374)	670,800	283,214
Total Governmental Activities Long-Term Debt				\$1,848,889	\$670,800	(\$785,924)	\$1,733,765	\$395,765

During 2009, the City issued notes for the reconstruction of West Washington and Avon Avenues in the amount of \$4,000,000. The City plans to issue bonds in their place during 2010.

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 increased by \$4,654,798 during 2009 to a year end balance of \$5,204,566.

The principal amount of the City's special assessment debt outstanding at December 31, 2009, \$463,999, 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 \$847,807 in the Special Assessment Bond Retirement Fund at December 31, 2009 is reserved for the retirement of outstanding special assessment bonds. The Sewer Fund will be collecting special assessments to retire the enterprise funds' special assessment debt.

Ohio Water Development Authority Loans - The City entered into two loan agreements with Ohio Water Development Authority (OWDA) on May 16, 2005 to finance the Sewer System Extension and Improvement (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, 2009***

NOTE 14 - LONG-TERM DEBT (Continued)

The City's 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.

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 assets.

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 serial bonds shall bear interest at the rates per year and will mature in the principal amounts and on the following dates:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2010	90,000	3.25%
2011	90,000	3.50%
2012	95,000	3.50%
2013	100,000	3.50%
2014	100,000	3.75%
2015	105,000	3.75%

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:

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

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 \$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:

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 14 - LONG-TERM DEBT (Continued)

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
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.

The serial bonds shall bear interest at the rates per year and will mature in the principal amounts and on the following dates:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2010	25,000	3.25%
2011	25,000	3.50%
2012	30,000	3.50%
2013	30,000	3.50%
2014	30,000	3.75%
2015	35,000	3.75%

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:

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

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 \$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:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
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:

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

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.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

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, 2009 follows:

Years	General Obligation Bonds		Mortgage Revenue Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$155,000	\$108,272	\$470,000	\$324,181	\$80,000	\$26,411
2011	155,000	103,136	485,000	303,420	71,000	21,535
2012	170,000	97,710	505,000	281,943	63,000	17,422
2013	175,000	91,970	535,000	259,418	49,000	13,843
2014	175,000	85,506	555,000	235,406	39,000	11,135
2015-2019	1,020,000	312,666	2,680,000	756,856	151,000	24,578
2020-2024	550,000	99,050	980,000	336,608	10,999	646
2025-2028	50,000	2,500	940,000	107,320	0	0
Totals	<u>\$2,450,000</u>	<u>\$900,810</u>	<u>\$7,150,000</u>	<u>\$2,605,152</u>	<u>\$463,999</u>	<u>\$115,570</u>

Years	OWDA Loans		OPWC Loans		WPCLF Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$402,738	\$159,389	\$41,036	\$0	\$37,609	\$1,246
2011	432,101	130,026	41,035	0	438,041	80,837
2012	463,581	98,548	41,035	0	438,425	76,456
2013	108,276	64,535	41,035	0	419,434	72,071
2014	114,235	58,576	41,035	0	399,855	67,974
2015-2019	511,467	205,673	180,472	0	1,999,260	279,896
2020-2024	567,422	86,758	125,010	0	1,471,942	179,934
2025-2029	63,982	1,436	100,000	0	0	0
2030-2031	0	0	0	0	0	0
Totals	<u>\$2,663,802</u>	<u>\$804,941</u>	<u>\$610,658</u>	<u>\$0</u>	<u>\$5,204,566</u>	<u>\$758,414</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, 2009***

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: Buckeye Ohio Risk Management Association - Property and Casualty, Inc., for Property and Casualty Coverage (aka - BORMA Property and Casualty, or BORMA P & C); 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. BORMA Property and Casualty Pool

The BORMA 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 specific limits. The pool includes the following Ohio Cities as members: Bowling Green, Defiance, Huron, Napoleon, 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, 2009, the pool has cash reserves of \$760,255, which in the opinion of management is adequate for any claims currently pending against the pool. During 2009, the City paid \$129,462 into the pool for total premiums for the property and casualty coverage received.

For the period 12/01/2008 through 11/30/2009, the amount of risk retained within the pool is \$150,000 per occurrence for all coverages, except \$25,000 per occurrence for crime. The City's individual liability is \$1,000 per occurrence for property and crime losses. Coverage is provided by various insurance carriers with total property limits of \$82,092,000, primary general liability limit of \$2,000,000 per occurrence, primary automobile liability limit of \$2,000,000 per occurrence and excess liability limits of \$8,000,000 per occurrence and aggregate. These limits are inclusive of the above noted retentions.

For the period 12/01/2009 through 11/30/2010, the amount of risk retained within the pool is \$150,000 per occurrence for property, \$25,000 per occurrence for crime, and \$150,000 per occurrence for general liability and automobile liability. The City's individual liability is \$1,000 per occurrence for property and crime losses. Coverage is provided by various insurance carriers with total property limits of \$92,891,000, primary general liability limit of \$2,000,000 per occurrence, primary Automobile Liability limit of \$2,000,000 per occurrence and excess liability limits of \$8,000,000 per occurrence and aggregate. These limits are inclusive of the above noted retentions.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 15 - RISK MANAGEMENT (Continued)

A. BORMA Property and Casualty Pool (Continued)

The BORMA Property and Casualty Pool previously joined with other public cost sharing pools to form a new pool called the Public Entity Risk Corporation (PERC). This pool provides self-insured retentions for each of the member pools as follows: Property up to \$250,000 per occurrence, Liability up to \$500,000 per occurrence and Stop Loss for period 12/01/2008 through 11/30/2009 up to \$1,650,000 maximum per year; and Stop Loss for period 12/01/2009 through 11/30/2010 up to \$1,650,000 maximum per year.

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 2009, the pool included the following Ohio Cities and Villages as members: Archbold, Bowling Green, Carey, Clyde, Defiance, Fayette, Hicksville, Napoleon, Oberlin, Oregon, Sandusky, 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, 2009, the pool had total reported assets of \$5,427,920.

Each pool member provides to its own employees all-available options listed in its own developed plan as covered by the pool. The 2009 premiums paid by the City of Napoleon into the employee benefits pool were a monthly cost of \$937.37 for family coverage and \$329.93 for single coverage. The life insurance monthly premium was \$5.10 for \$20,000 in coverage, and \$7.65 for \$30,000 in coverage. Coverage levels were determined by bargaining agreements or personnel code. During 2009, the City paid \$937,518 into the pool for health benefits coverage, and \$8,378 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 \$125,000 per individual for 2009 with excess coverage provided by the QBE Insurance Corporation.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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 2009, the City paid \$122,654 into the pool for total Workers Compensation premiums.

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 2009, the City paid \$1,463 to the Ohio Department of Job and Family Services for unemployment benefit claims.

NOTE 16 - CONTINGENCIES

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 17 - 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 assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP-Ohio, which acts as the joint venture's agent. During 2001, AMP-Ohio 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. 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 \$67,890 at December 31, 2009. Complete financial statements for OMEGA JV2 may be obtained from AMP-Ohio or from the State Auditor's website at www.auditor.state.oh.us.

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CITY OF NAPOLEON, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 17 - 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, 2009 are:

Municipality	Percent Ownership	Kw Entitlement	Municipality	Percent Ownership	Kw Entitlement
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, 2009***

NOTE 17 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

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-Ohio.

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 assets 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, 2009 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.

OMEGA JV5 is managed by AMP-Ohio, which acts as the joint venture's agent. During 1993 and 2001 AMP-Ohio 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 17 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

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 \$788,863 at December 31, 2009. Complete financial statements for OMEGA JV5 may be obtained from AMP-Ohio or from the State Auditor's website at www.auditor.state.oh.us.

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

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

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 17 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

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.

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, 2009 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-Ohio, Inc., which acts as the joint venture's agent. On July 30, 2004 AMP-Ohio issued \$9,861,000 adjustable rate bonds that mature on August 15, 2019. The net proceeds of the bond issues were used to construct the OMEGA JV6 Project. The City's net obligation for these bonds at December 31, 2009 was \$231,862 (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 \$348,960 at December 31, 2009. Complete financial statements for OMEGA JV6 may be obtained from AMP-Ohio or from the State Auditor's website at www.auditor.state.oh.us.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 17 - 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, 2009 are:

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

The City's liability for the bonds are disclosed below:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Service</u>
2010	\$ 41,214	\$ 1,086	\$ 42,300
2011	38,328	3,972	42,300
2012	37,484	4,816	42,300
2013	37,377	4,923	42,300
2014	38,887	3,413	42,300
2015-2016	56,072	2,155	58,227
Total Gross Liability	249,362	20,365	269,727
Less: Amounts Held in Reserve	(17,500)		
Net Obligation	\$ 231,862		

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 17 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (Continued)

D. 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 \$179,000 to the CIC during 2009. Financial information can be obtained from the CIC, 104 East Washington Street, Napoleon, Ohio 43545.

E. Maumee Valley Planning Organization (MVPO)

The City is a member of the Maumee Valley Planning Organization (MVPO) which is 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.

MVPO is governed by a Board consisting of fifteen members. The Board is made up of one County Commissioner from each member County as well as one township representative and one municipal representative for each of the five member counties. The main source of revenue is fees charged by MVPO to administer CDBG grants and a per capita amount from each county. In 2009, the City paid administrative fees of \$231,288 to MVPO.

NOTE 18 - CONDUIT DEBT OBLIGATIONS

The City issued mortgage revenue bonds to provide financial assistance to The Lutheran Orphans' and Old Folks' Home Society at Napoleon, Ohio, Inc. The City has no obligation for the debt beyond the resources provided by the mortgage revenue bonds. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2009, there were two mortgage revenue bonds outstanding with an aggregate principal amount payable of \$1,149,889.



*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund

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

State Highway Improvement Fund

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

Motor Vehicle License Tax Fund

To account for county-levied motor vehicle registration fees designate 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.

Special Events Fund

To account for revenues received from various sources to be used for special events sponsored by the City.

Economic Development Fund

To account for federal and state grants which are designated for community and environmental improvements.

Downtown Revitalization Grant Fund

To account for financial resources used for economic development activity to fund new development in the downtown district. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

(Continued)

Special Revenue Funds

Hotel/Motel Tax Fund

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

Fire Loss Claims Fund

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

Community Housing Improvement Program (CHIP) Income Fund

To account for Community Housing Improvement Program grant monies to be used for home improvements. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Community Development Block Grant (CDBG) Income Fund

To account for Community Development Block Grant 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

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.

Debt Service Fund

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

General Bond Retirement Fund

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

Capital Projects Funds

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

Stout Street Improvement Project Fund

To account for grant monies and local share monies to do major infrastructure improvements to Stout Street. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Capital Improvement Project (CIP) Funding Reserve Fund

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

CITY OF NAPOLEON, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund - CIP Funding Reserve	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 1,733,165	\$ 37,048	\$ 86,250	\$ 1,856,463
Receivables:				
Taxes	141,849	0	0	141,849
Accounts	382,818	0	0	382,818
Intergovernmental	263,178	0	0	263,178
Interest	6,374	0	0	6,374
Inventory of Supplies, at Cost	133,578	0	0	133,578
Total Assets	\$ 2,660,962	\$ 37,048	\$ 86,250	\$ 2,784,260
Liabilities:				
Accounts Payable	\$ 26,849	\$ 0	\$ 0	\$ 26,849
Accrued Wages and Benefits Payable	126,925	0	0	126,925
Deferred Revenue	651,306	0	0	651,306
Accrued Interest Payable	7,486	0	0	7,486
General Obligation Notes Payable	700,000	0	0	700,000
Total Liabilities	1,512,566	0	0	1,512,566
Fund Balances:				
Reserved for Encumbrances	33,269	0	0	33,269
Reserved for Supplies Inventory	133,578	0	0	133,578
Undesignated/Unreserved in:				
Special Revenue Funds	981,549	0	0	981,549
Debt Service Funds	0	37,048	0	37,048
Capital Projects Funds	0	0	86,250	86,250
Total Fund Balances	1,148,396	37,048	86,250	1,271,694
Total Liabilities and Fund Balances	\$ 2,660,962	\$ 37,048	\$ 86,250	\$ 2,784,260

CITY OF NAPOLEON, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ 118,716	\$ 0	\$ 0	\$ 118,716
Intergovernmental Revenues	929,410	0	0	929,410
Charges for Services	523,603	0	0	523,603
Investment Earnings	30,388	0	0	30,388
Fines and Forfeitures	107,189	0	0	107,189
All Other Revenue	121,947	27,533	0	149,480
Total Revenue	1,831,253	27,533	0	1,858,786
Expenditures:				
Current:				
Security of Persons and Property	632,145	0	0	632,145
Leisure Time Activities	783,006	0	0	783,006
Community Environment	450,153	0	0	450,153
Transportation	539,327	0	0	539,327
General Government	90,251	0	0	90,251
Debt Service:				
Principal Retirement	0	25,000	0	25,000
Interest and Fiscal Charges	19,633	27,512	2,168	49,313
Total Expenditures	2,514,515	52,512	2,168	2,569,195
Excess (Deficiency) of Revenues Over Expenditures	(683,262)	(24,979)	(2,168)	(710,409)
Other Financing Sources (Uses):				
Transfers In	716,485	52,290	91,299	860,074
Transfers Out	(76,792)	0	0	(76,792)
Total Other Financing Sources (Uses)	639,693	52,290	91,299	783,282
Net Change In Fund Balance	(43,569)	27,311	89,131	72,873
Fund Balances at Beginning of Year	1,197,668	9,737	(2,881)	1,204,524
Decrease in Inventory Reserve	(5,703)	0	0	(5,703)
Fund Balances End of Year	\$ 1,148,396	\$ 37,048	\$ 86,250	\$ 1,271,694

CITY OF NAPOLEON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009**

	Street Construction, Maintenance and Repair	State Highway Improvement	Motor Vehicle License Tax	EMS Transport Service
Assets:				
Cash and Cash Equivalents	\$ 217,407	\$ 25,190	\$ 456,575	\$ 81,399
Receivables:				
Taxes	0	0	0	0
Accounts	4,670	0	0	365,034
Intergovernmental	190,752	15,465	30,009	0
Interest	1,190	144	2,372	0
Inventory of Supplies, at Cost	119,710	0	0	0
Total Assets	<u>\$ 533,729</u>	<u>\$ 40,799</u>	<u>\$ 488,956</u>	<u>\$ 446,433</u>
Liabilities:				
Accounts Payable	\$ 942	\$ 0	\$ 0	\$ 18,434
Accrued Wages and Benefits Payable	23,841	0	0	0
Deferred Revenue	127,852	10,393	21,369	333,679
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
Total Liabilities	<u>152,635</u>	<u>10,393</u>	<u>21,369</u>	<u>352,113</u>
Fund Balances:				
Reserved for Encumbrances	9,478	0	6,400	385
Reserved for Supplies Inventory	119,710	0	0	0
Undesignated/Unreserved	251,906	30,406	461,187	93,935
Total Fund Balances	<u>381,094</u>	<u>30,406</u>	<u>467,587</u>	<u>94,320</u>
Total Liabilities and Fund Balances	<u>\$ 533,729</u>	<u>\$ 40,799</u>	<u>\$ 488,956</u>	<u>\$ 446,433</u>

CITY OF NAPOLEON, OHIO

<u>Recreation</u>	<u>Special Events</u>	<u>Economic Development</u>	<u>Hotel/Motel Tax</u>	<u>Fire Loss Claims</u>	<u>CDBG Income</u>
\$ 172,477	\$ 3,611	\$ 5,455	\$ 0	\$ 13,860	\$ 65,957
0	0	0	0	0	0
271	0	0	4,631	0	0
0	0	0	0	0	0
534	0	33	0	0	0
13,868	0	0	0	0	0
<u>\$ 187,150</u>	<u>\$ 3,611</u>	<u>\$ 5,488</u>	<u>\$ 4,631</u>	<u>\$ 13,860</u>	<u>\$ 65,957</u>
\$ 5,158	\$ 0	\$ 0	\$ 2,315	\$ 0	\$ 0
27,906	0	0	0	0	0
307	0	19	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>33,371</u>	<u>0</u>	<u>19</u>	<u>2,315</u>	<u>0</u>	<u>0</u>
6,795	0	0	0	0	0
13,868	0	0	0	0	0
<u>133,116</u>	<u>3,611</u>	<u>5,469</u>	<u>2,316</u>	<u>13,860</u>	<u>65,957</u>
<u>153,779</u>	<u>3,611</u>	<u>5,469</u>	<u>2,316</u>	<u>13,860</u>	<u>65,957</u>
<u>\$ 187,150</u>	<u>\$ 3,611</u>	<u>\$ 5,488</u>	<u>\$ 4,631</u>	<u>\$ 13,860</u>	<u>\$ 65,957</u>

(Continued)

CITY OF NAPOLEON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009**

	Indigent Drivers Alcohol Treatment	Law Enforcement and Education	Court Computerization	Law Enforcement Trust
Assets:				
Cash and Cash Equivalents	\$ 27,761	\$ 4,816	\$ 25,860	\$ 1,607
Receivables:				
Taxes	0	0	0	0
Accounts	544	55	1,514	0
Intergovernmental	0	0	0	0
Interest	167	22	167	11
Inventory of Supplies, at Cost	0	0	0	0
Total Assets	<u>\$ 28,472</u>	<u>\$ 4,893</u>	<u>\$ 27,541</u>	<u>\$ 1,618</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Deferred Revenue	96	13	96	6
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
Total Liabilities	<u>96</u>	<u>13</u>	<u>96</u>	<u>6</u>
Fund Balances:				
Reserved for Encumbrances	0	0	5,521	0
Reserved for Supplies Inventory	0	0	0	0
Undesignated/Unreserved	28,376	4,880	21,924	1,612
Total Fund Balances	<u>28,376</u>	<u>4,880</u>	<u>27,445</u>	<u>1,612</u>
Total Liabilities and Fund Balances	<u>\$ 28,472</u>	<u>\$ 4,893</u>	<u>\$ 27,541</u>	<u>\$ 1,618</u>

CITY OF NAPOLEON, OHIO

<u>Mandatory Drug Fine</u>	<u>Fire Equipment</u>	<u>Municipal Probation Service</u>	<u>Probation Officer Grant</u>	<u>Court Improvement</u>	<u>Handicap Parking Fines</u>
\$ 13,349	\$ 288,095	\$ 17,052	\$ 4,088	\$ 163,963	\$ 1,100
0	0	0	0	0	0
5	0	150	0	5,227	0
0	0	0	24,444	0	0
78	1,545	111	0	0	0
0	0	0	0	0	0
<u>\$ 13,432</u>	<u>\$ 289,640</u>	<u>\$ 17,313</u>	<u>\$ 28,532</u>	<u>\$ 169,190</u>	<u>\$ 1,100</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	3,059	0	0
45	888	64	12,122	0	0
0	0	0	0	7,486	0
0	0	0	0	700,000	0
<u>45</u>	<u>888</u>	<u>64</u>	<u>15,181</u>	<u>707,486</u>	<u>0</u>
0	3,726	364	0	600	0
0	0	0	0	0	0
<u>13,387</u>	<u>285,026</u>	<u>16,885</u>	<u>13,351</u>	<u>(538,896)</u>	<u>1,100</u>
<u>13,387</u>	<u>288,752</u>	<u>17,249</u>	<u>13,351</u>	<u>(538,296)</u>	<u>1,100</u>
<u>\$ 13,432</u>	<u>\$ 289,640</u>	<u>\$ 17,313</u>	<u>\$ 28,532</u>	<u>\$ 169,190</u>	<u>\$ 1,100</u>

(Continued)

CITY OF NAPOLEON, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009**

	Police Pension	Fire Pension	Cemetery	Law Enforcement OT Grant
Assets:				
Cash and Cash Equivalents	\$ 22,502	\$ 15,493	\$ 86,644	\$ 12,149
Receivables:				
Taxes	94,566	47,283	0	0
Accounts	0	0	0	0
Intergovernmental	1,672	836	0	0
Interest	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Total Assets	<u>\$ 118,740</u>	<u>\$ 63,612</u>	<u>\$ 86,644</u>	<u>\$ 12,149</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	44,373	27,746	0	0
Deferred Revenue	96,238	48,119	0	0
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
Total Liabilities	<u>140,611</u>	<u>75,865</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	0	0	0	0
Reserved for Supplies Inventory	0	0	0	0
Undesignated/Unreserved	(21,871)	(12,253)	86,644	12,149
Total Fund Balances	<u>(21,871)</u>	<u>(12,253)</u>	<u>86,644</u>	<u>12,149</u>
Total Liabilities and Fund Balances	<u>\$ 118,740</u>	<u>\$ 63,612</u>	<u>\$ 86,644</u>	<u>\$ 12,149</u>

CITY OF NAPOLEON, OHIO

Certified Police Training	Indigent Drivers Interlock/Alcohol	Total Nonmajor Special Revenue Funds
\$ 2,400	\$ 4,355	\$ 1,733,165
0	0	141,849
400	317	382,818
0	0	263,178
0	0	6,374
0	0	133,578
<u>\$ 2,800</u>	<u>\$ 4,672</u>	<u>\$ 2,660,962</u>
\$ 0	\$ 0	\$ 26,849
0	0	126,925
0	0	651,306
0	0	7,486
0	0	700,000
<u>0</u>	<u>0</u>	<u>1,512,566</u>
0	0	33,269
0	0	133,578
<u>2,800</u>	<u>4,672</u>	<u>981,549</u>
<u>2,800</u>	<u>4,672</u>	<u>1,148,396</u>
<u>\$ 2,800</u>	<u>\$ 4,672</u>	<u>\$ 2,660,962</u>

CITY OF NAPOLEON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009***

	Street Construction, Maintenance and Repair	State Highway Improvement	Motor Vehicle License Tax	EMS Transport Service
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	416,521	33,772	109,828	7,008
Charges for Services	9,229	0	0	263,169
Investment Earnings	4,543	1,170	12,026	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	5,664	0	0	0
Total Revenue	435,957	34,942	121,854	270,177
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	342,190
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	365,316	50,772	123,239	0
General Government	0	0	0	0
Debt Service:				
Interest & Fiscal Charges	0	0	0	0
Total Expenditures	365,316	50,772	123,239	342,190
Excess (Deficiency) of Revenues Over Expenditures	70,641	(15,830)	(1,385)	(72,013)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	(12,360)	(26,000)
Total Other Financing Sources (Uses)	0	0	(12,360)	(26,000)
Net Change In Fund Balance	70,641	(15,830)	(13,745)	(98,013)
Fund Balances (Deficit) at Beginning of Year	318,061	46,236	481,332	192,333
Increase (Decrease) in Inventory Reserve	(7,608)	0	0	0
Fund Balances (Deficit) End of Year	\$ 381,094	\$ 30,406	\$ 467,587	\$ 94,320

CITY OF NAPOLEON, OHIO

<u>Recreation</u>	<u>Special Events</u>	<u>Economic Development</u>	<u>Downtown Revitalization Grant</u>	<u>Hotel/Motel Tax</u>	<u>Fire Loss Claims</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	1,500	75,893	0
230,270	0	0	0	0	0
3,454	0	496	0	0	0
0	0	0	0	0	0
71,306	0	0	0	0	41,860
<u>305,030</u>	<u>0</u>	<u>496</u>	<u>1,500</u>	<u>75,893</u>	<u>41,860</u>
0	0	0	0	0	0
783,006	0	0	0	0	0
0	0	179,000	3,000	0	0
0	0	0	0	0	0
0	11,369	0	0	40,747	38,135
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>783,006</u>	<u>11,369</u>	<u>179,000</u>	<u>3,000</u>	<u>40,747</u>	<u>38,135</u>
(477,976)	(11,369)	(178,504)	(1,500)	35,146	3,725
552,515	12,000	79,000	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(38,432)</u>	<u>0</u>
<u>552,515</u>	<u>12,000</u>	<u>79,000</u>	<u>0</u>	<u>(38,432)</u>	<u>0</u>
74,539	631	(99,504)	(1,500)	(3,286)	3,725
77,335	2,980	104,973	1,500	5,602	10,135
1,905	0	0	0	0	0
<u>\$ 153,779</u>	<u>\$ 3,611</u>	<u>\$ 5,469</u>	<u>\$ 0</u>	<u>\$ 2,316</u>	<u>\$ 13,860</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, 2009***

	CHIP Income	CDBG Income	Indigent Drivers Alcohol Treatment	Law Enforcement and Education
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	181,250	9,844	0	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	866	117
Fines and Forfeitures	0	0	10,669	848
All Other Revenue	0	0	0	0
Total Revenue	181,250	9,844	11,535	965
Expenditures:				
Current:				
Security of Persons and Property	0	0	19,424	1,472
Leisure Time Activities	0	0	0	0
Community Environment	231,288	32,538	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Debt Service:				
Interest & Fiscal Charges	0	0	0	0
Total Expenditures	231,288	32,538	19,424	1,472
Excess (Deficiency) of Revenues Over Expenditures	(50,038)	(22,694)	(7,889)	(507)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change In Fund Balance	(50,038)	(22,694)	(7,889)	(507)
Fund Balances (Deficit) at Beginning of Year	50,038	88,651	36,265	5,387
Increase (Decrease) in Inventory Reserve	0	0	0	0
Fund Balances (Deficit) End of Year	\$ 0	\$ 65,957	\$ 28,376	\$ 4,880

CITY OF NAPOLEON, OHIO

<u>Court Computerization</u>	<u>Law Enforcement Trust</u>	<u>Mandatory Drug Fine</u>	<u>Fire Equipment</u>	<u>Municipal Probation Service</u>	<u>Probation Officer Grant</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	49,289
0	0	0	18,000	0	0
742	53	336	5,958	627	0
18,777	0	764	0	4,627	0
0	0	0	0	0	0
<u>19,519</u>	<u>53</u>	<u>1,100</u>	<u>23,958</u>	<u>5,254</u>	<u>49,289</u>
25,402	250	95	1,656	14,947	49,827
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>25,402</u>	<u>250</u>	<u>95</u>	<u>1,656</u>	<u>14,947</u>	<u>49,827</u>
(5,883)	(197)	1,005	22,302	(9,693)	(538)
0	410	0	72,000	0	0
0	0	0	0	0	0
0	410	0	72,000	0	0
(5,883)	213	1,005	94,302	(9,693)	(538)
33,328	1,399	12,382	194,450	26,942	13,889
0	0	0	0	0	0
<u>\$ 27,445</u>	<u>\$ 1,612</u>	<u>\$ 13,387</u>	<u>\$ 288,752</u>	<u>\$ 17,249</u>	<u>\$ 13,351</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, 2009**

	Court Improvement	Handicap Parking Fines	Police Pension	Fire Pension
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 79,148	\$ 39,568
Intergovernmental Revenues	0	0	24,154	16,314
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	67,149	0	0	0
All Other Revenue	0	0	0	0
Total Revenue	<u>67,149</u>	<u>0</u>	<u>103,302</u>	<u>55,882</u>
Expenditures:				
Current:				
Security of Persons and Property	17,184	0	105,351	53,893
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:				
Interest & Fiscal Charges	19,633	0	0	0
Total Expenditures	<u>36,817</u>	<u>0</u>	<u>105,351</u>	<u>53,893</u>
Excess (Deficiency) of Revenues Over Expenditures	30,332	0	(2,049)	1,989
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change In Fund Balance	30,332	0	(2,049)	1,989
Fund Balances (Deficit) at Beginning of Year	(568,628)	1,100	(19,822)	(14,242)
Increase (Decrease) in Inventory Reserve	0	0	0	0
Fund Balances (Deficit) End of Year	<u>\$ (538,296)</u>	<u>\$ 1,100</u>	<u>\$ (21,871)</u>	<u>\$ (12,253)</u>

CITY OF NAPOLEON, OHIO

<u>Cemetery</u>	<u>Law Enforcement OT Grant</u>	<u>Certified Police Training</u>	<u>Indigent Drivers Interlock/Alcohol</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 118,716
0	4,037	0	0	929,410
2,935	0	0	0	523,603
0	0	0	0	30,388
0	0	0	4,355	107,189
0	0	2,800	317	121,947
<u>2,935</u>	<u>4,037</u>	<u>2,800</u>	<u>4,672</u>	<u>1,831,253</u>
0	454	0	0	632,145
0	0	0	0	783,006
4,327	0	0	0	450,153
0	0	0	0	539,327
0	0	0	0	90,251
0	0	0	0	19,633
<u>4,327</u>	<u>454</u>	<u>0</u>	<u>0</u>	<u>2,514,515</u>
(1,392)	3,583	2,800	4,672	(683,262)
0	560	0	0	716,485
0	0	0	0	(76,792)
0	560	0	0	639,693
(1,392)	4,143	2,800	4,672	(43,569)
88,036	8,006	0	0	1,197,668
0	0	0	0	(5,703)
<u>\$ 86,644</u>	<u>\$ 12,149</u>	<u>\$ 2,800</u>	<u>\$ 4,672</u>	<u>\$ 1,148,396</u>



CITY OF NAPOLEON, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2009***

	Stout Street Improvement Project	CIP Funding Reserve	Total Nonmajor Capital Project Funds
Revenues:			
Total Revenue	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Debt Service:			
Interest & Fiscal Charges	<u>2,168</u>	<u>0</u>	<u>2,168</u>
Total Expenditures	<u>2,168</u>	<u>0</u>	<u>2,168</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,168)	0	(2,168)
Other Financing Sources (Uses):			
Transfers In	<u>62,549</u>	<u>28,750</u>	<u>91,299</u>
Total Other Financing Sources (Uses)	<u>62,549</u>	<u>28,750</u>	<u>91,299</u>
Net Change In Fund Balance	60,381	28,750	89,131
Fund Balances (Deficit) at Beginning of Year	<u>(60,381)</u>	<u>57,500</u>	<u>(2,881)</u>
Fund Balances End of Year	<u>\$ 0</u>	<u>\$ 86,250</u>	<u>\$ 86,250</u>

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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 225,770	\$ 263,810	\$ 263,815	\$ 5
Municipal Income Taxes	2,373,200	2,794,150	2,794,181	31
Intergovernmental Revenues	493,110	601,000	600,995	(5)
Charges for Services	249,960	284,460	289,070	4,610
Licenses and Permits	52,160	63,820	63,825	5
Investment Earnings	186,850	238,880	238,881	1
Special Assessments	30	0	0	0
Fines and Forfeitures	295,000	297,890	297,901	11
All Other Revenues	410,240	312,140	312,118	(22)
Total Revenues	4,286,320	4,856,150	4,860,786	4,636
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	1,412,440	1,305,070	1,305,013	57
Materials and Supplies	91,150	61,765	61,730	35
Contractual Services	147,280	97,164	97,084	80
Other Expenditures	6,200	1,870	1,861	9
Total Police	1,657,070	1,465,869	1,465,688	181
Fire:				
Personal Services	752,210	677,425	677,358	67
Materials and Supplies	59,290	31,950	31,913	37
Contractual Services	130,600	75,118	75,057	61
Total Fire	942,100	784,493	784,328	165
Total Security of Persons and Property	2,599,170	2,250,362	2,250,016	346
Public Health and Welfare Services:				
Cemetery:				
Personal Services	76,990	74,650	74,610	40
Materials and Supplies	15,850	7,480	7,457	23
Contractual Services	17,620	10,010	9,961	49
Total Public Health and Welfare Services	110,460	92,140	92,028	112

(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, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:				
Building Inspection:				
Personal Services	101,380	83,240	83,215	25
Materials and Supplies	2,700	890	870	20
Contractual Services	9,560	3,280	3,259	21
Other Expenditures	800	410	395	15
Total Community Environment	<u>114,440</u>	<u>87,820</u>	<u>87,739</u>	<u>81</u>
General Government:				
City Council:				
Personal Services	7,639	5,752	5,742	10
Materials and Supplies	300	200	194	6
Contractual Services	1,063	809	804	5
Other Expenditures	450	390	388	2
Total City Council	<u>9,452</u>	<u>7,151</u>	<u>7,128</u>	<u>23</u>
Mayor:				
Personal Services	3,119	2,346	2,342	4
Materials and Supplies	200	100	96	4
Contractual Services	1,400	1,160	1,147	13
Other Expenditures	100	30	25	5
Total Mayor	<u>4,819</u>	<u>3,636</u>	<u>3,610</u>	<u>26</u>
City Manager - Administration:				
Personal Services	50,456	38,296	38,247	49
Materials and Supplies	787	308	306	2
Contractual Services	755	352	345	7
Other Expenditures	100	0	0	0
Total City Manager - Administration	<u>52,098</u>	<u>38,956</u>	<u>38,898</u>	<u>58</u>
City Manager - Human Resources:				
Personal Services	83,170	81,720	81,681	39
Materials and Supplies	500	130	127	3
Contractual Services	12,280	4,740	4,715	25
Other Expenditures	200	0	0	0
Total City Manager - Human Resources	<u>96,150</u>	<u>86,590</u>	<u>86,523</u>	<u>67</u>

(Continued)

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Law Director:				
Personal Services	39,885	29,278	29,240	38
Materials and Supplies	1,765	701	699	2
Contractual Services	5,494	3,039	3,029	10
Other Expenditures	500	0	0	0
Total Law Director	47,644	33,018	32,968	50
Finance - Administration:				
Personal Services	74,433	56,245	56,170	75
Materials and Supplies	1,100	580	577	3
Contractual Services	25,726	16,925	16,897	28
Other Expenditures	930	1,581	1,578	3
Total Finance - Administration	102,189	75,331	75,222	109
Finance - Utility Billing:				
Personal Services	32,417	22,717	22,682	35
Materials and Supplies	7,228	6,205	6,197	8
Contractual Services	7,987	5,034	4,925	109
Total Finance - Utility Billing	47,632	33,956	33,804	152
Finance - Income Tax Collection:				
Personal Services	113,290	113,840	113,833	7
Materials and Supplies	6,100	6,500	6,494	6
Contractual Services	21,310	12,120	12,088	32
Capital Outlay	5,500	1,800	1,798	2
Total Finance - Income Tax Collection	146,200	134,260	134,213	47
Finance - Information Systems:				
Personal Services	76,020	73,110	73,078	32
Materials and Supplies	21,400	23,825	23,810	15
Contractual Services	51,500	55,590	55,580	10
Total Finance - Information Systems	148,920	152,525	152,468	57
City Engineer:				
Personal Services	91,532	60,768	60,689	79
Materials and Supplies	2,764	1,733	1,725	8
Contractual Services	12,947	11,814	11,795	19
Other Expenditures	4,000	4,149	4,140	9
Total City Engineer	111,243	78,464	78,349	115

(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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Municipal Court:				
Personal Services	425,750	396,390	396,350	40
Materials and Supplies	39,070	39,550	39,534	16
Contractual Services	78,700	42,900	42,831	69
Other Expenditures	230	70	70	0
Total Municipal Court	543,750	478,910	478,785	125
Service - Buildings, Property and Equipment:				
Personal Services	27,402	20,434	20,406	28
Materials and Supplies	4,075	2,199	2,193	6
Contractual Services	855	481	479	2
Other Expenditures	140	10	6	4
Total Service - Buildings, Property and Equipment	32,472	23,124	23,084	40
Miscellaneous:				
Materials and Supplies	7,506	2,794	2,788	6
Contractual Services	71,605	43,881	43,800	81
Other Expenditures	106,922	88,796	88,689	107
Total Miscellaneous	186,033	135,471	135,277	194
Total General Government	1,528,602	1,281,392	1,280,329	1,063
Total Expenditures	4,352,672	3,711,714	3,710,112	1,602
Excess (Deficiency) of Revenues Over (Under) Expenditures	(66,352)	1,144,436	1,150,674	6,238
Other Financing Sources (Uses):				
Sale of Capital Assets	0	10,940	10,941	1
Transfers In	1,805,920	1,801,328	1,801,325	(3)
Transfers Out	(2,652,170)	(2,933,405)	(2,933,393)	12
Total Other Financing Sources (Uses)	(846,250)	(1,121,137)	(1,121,127)	10
Net Change In Fund Balance	(912,602)	23,299	29,547	6,248
Fund Balance at Beginning of Year	1,188,102	1,188,102	1,188,102	0
Prior Year Encumbrances	46,236	46,236	46,236	0
Fund Balance at End of Year	\$ 321,736	\$ 1,257,637	\$ 1,263,885	\$ 6,248

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund
For the Year Ended December 31, 2009**

SPECIAL ASSESSMENT BOND RETIREMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 15,300	\$ 15,580	\$ 15,588	\$ 8
Special Assessments	114,170	116,390	116,390	0
Total Revenues	<u>129,470</u>	<u>131,970</u>	<u>131,978</u>	<u>8</u>
Expenditures:				
General Government:				
Contractual Services	3,500	3,497	3,492	5
Debt Service:				
Principal Retirement	98,650	92,351	92,351	0
Interest and Fiscal Charges	<u>31,290</u>	<u>32,522</u>	<u>32,516</u>	<u>6</u>
Total Expenditures	<u>133,440</u>	<u>128,370</u>	<u>128,359</u>	<u>11</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,970)	3,600	3,619	19
Other Financing Sources (Uses):				
OWSRC Loans Issued	6,290	340,030	340,038	8
Transfers In	<u>12,360</u>	<u>12,360</u>	<u>12,360</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>18,650</u>	<u>352,390</u>	<u>352,398</u>	<u>8</u>
Net Change In Fund Balance	14,680	355,990	356,017	27
Fund Balance at Beginning of Year	<u>490,546</u>	<u>490,546</u>	<u>490,546</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 505,226</u>	<u>\$ 846,536</u>	<u>\$ 846,563</u>	<u>\$ 27</u>

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Funds
For the Year Ended December 31, 2009**

	CAPITAL IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 96,600	\$ 1,970	\$ 1,974	\$ 4
All Other Revenues	0	190	190	0
Total Revenues	<u>96,600</u>	<u>2,160</u>	<u>2,164</u>	<u>4</u>
Expenditures:				
Capital Outlay:				
City Manager	2,680	1,270	1,264	6
Law Director	2,500	2,240	2,237	3
Finance - Administration	11,000	2,700	2,694	6
Central Information System	5,000	13,965	13,963	2
Engineering	20,000	21,076	21,072	4
Municipal Court	490	490	490	0
Police	43,000	71,232	71,225	7
Fire	123,600	97,940	97,933	7
Building Inspections	1,800	1,800	1,800	0
Parks and Recreation	21,500	56,500	56,487	13
Cemetery	8,000	7,610	7,603	7
Street Maintenance	618,000	515,524	515,501	23
Total Expenditures	<u>857,570</u>	<u>792,347</u>	<u>792,269</u>	<u>78</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(760,970)	(790,187)	(790,105)	82
Other Financing Sources (Uses):				
Transfers In	905,120	996,430	996,438	8
Transfers Out	(306,040)	(206,040)	(206,040)	0
Total Other Financing Sources (Uses)	<u>599,080</u>	<u>790,390</u>	<u>790,398</u>	<u>8</u>
Net Change In Fund Balance	(161,890)	203	293	90
Fund Balance at Beginning of Year	566,287	566,287	566,287	0
Prior Year Encumbrances	111,497	111,497	111,497	0
Fund Balance at End of Year	<u>\$ 515,894</u>	<u>\$ 677,987</u>	<u>\$ 678,077</u>	<u>\$ 90</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, 2009**

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 400,000	\$ 416,370	\$ 416,372	\$ 2
Charges for Services	5,000	5,160	5,151	(9)
Investment Earnings	5,850	4,910	4,900	(10)
All Other Revenues	5,000	5,340	5,343	3
Total Revenues	<u>415,850</u>	<u>431,780</u>	<u>431,766</u>	<u>(14)</u>
Expenditures:				
Transportation:				
Street Maintenance:				
Personal Services	275,840	228,930	228,882	48
Materials and Supplies	43,180	31,520	31,452	68
Contractual Services	61,940	34,900	34,845	55
Other Expenditures	24,300	14,650	14,645	5
Total Street Maintenance	<u>405,260</u>	<u>310,000</u>	<u>309,824</u>	<u>176</u>
Ice and Snow Removal:				
Personal Services	15,000	26,900	26,892	8
Materials and Supplies	11,600	2,960	2,943	17
Contractual Services	7,900	7,660	7,652	8
Other Expenditures	7,500	5,060	5,053	7
Total Ice and Snow Removal	<u>42,000</u>	<u>42,580</u>	<u>42,540</u>	<u>40</u>
Storm Drainage:				
Personal Services	11,000	17,130	17,125	5
Materials and Supplies	11,000	2,180	2,175	5
Contractual Services	4,100	0	0	0
Other Expenditures	3,200	240	235	5
Total Storm Drainage	<u>29,300</u>	<u>19,550</u>	<u>19,535</u>	<u>15</u>
Total Expenditures	<u>476,560</u>	<u>372,130</u>	<u>371,899</u>	<u>231</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,710)	59,650	59,867	217
Fund Balance at Beginning of Year	154,985	154,985	154,985	0
Prior Year Encumbrances	677	677	677	0
Fund Balance at End of Year	<u>\$ 94,952</u>	<u>\$ 215,312</u>	<u>\$ 215,529</u>	<u>\$ 217</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 30,400	\$ 33,760	\$ 33,760	\$ 0
Investment Earnings	1,200	1,270	1,278	8
Total Revenues	<u>31,600</u>	<u>35,030</u>	<u>35,038</u>	<u>8</u>
Expenditures:				
Transportation:				
Materials and Supplies	38,400	27,830	27,822	8
Contractual Services	<u>34,000</u>	<u>22,950</u>	<u>22,950</u>	<u>0</u>
Total Expenditures	<u>72,400</u>	<u>50,780</u>	<u>50,772</u>	<u>8</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,800)	(15,750)	(15,734)	16
Fund Balance at Beginning of Year	<u>40,924</u>	<u>40,924</u>	<u>40,924</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 124</u>	<u>\$ 25,174</u>	<u>\$ 25,190</u>	<u>\$ 16</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 107,000	\$ 110,020	\$ 110,020	\$ 0
Investment Earnings	10,850	13,150	13,165	15
Total Revenues	<u>117,850</u>	<u>123,170</u>	<u>123,185</u>	<u>15</u>
Expenditures:				
Transportation:				
Materials and Supplies	167,250	100,450	100,438	12
Contractual Services	38,500	39,110	39,100	10
Capital Outlay	15,000	0	0	0
Total Expenditures	<u>220,750</u>	<u>139,560</u>	<u>139,538</u>	<u>22</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(102,900)	(16,390)	(16,353)	37
Other Financing Sources (Uses):				
Transfers Out	<u>(12,360)</u>	<u>(12,360)</u>	<u>(12,360)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(12,360)</u>	<u>(12,360)</u>	<u>(12,360)</u>	<u>0</u>
Net Change In Fund Balance	(115,260)	(28,750)	(28,713)	37
Fund Balance at Beginning of Year	471,288	471,288	471,288	0
Fund Balance at End of Year	<u>\$ 356,028</u>	<u>\$ 442,538</u>	<u>\$ 442,575</u>	<u>\$ 37</u>

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

EMS TRANSPORT SERVICE FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 7,010	\$ 7,008	\$ (2)
Charges for Services	202,000	264,570	264,575	5
Total Revenues	<u>202,000</u>	<u>271,580</u>	<u>271,583</u>	<u>3</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	37,000	29,900	29,878	22
Contractual Services	87,400	90,240	90,225	15
Other Expenditures	200,000	200,000	200,000	0
Capital Outlay	5,500	5,826	5,825	1
Total Expenditures	<u>329,900</u>	<u>325,966</u>	<u>325,928</u>	<u>38</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(127,900)	(54,386)	(54,345)	41
Other Financing Sources (Uses):				
Transfers Out	(26,000)	(26,000)	(26,000)	0
Total Other Financing Sources (Uses)	<u>(26,000)</u>	<u>(26,000)</u>	<u>(26,000)</u>	<u>0</u>
Net Change In Fund Balance	(153,900)	(80,386)	(80,345)	41
Fund Balance at Beginning of Year	153,966	153,966	153,966	0
Prior Year Encumbrances	2,326	2,326	2,326	0
Fund Balance at End of Year	<u>\$ 2,392</u>	<u>\$ 75,906</u>	<u>\$ 75,947</u>	<u>\$ 41</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, 2009**

RECREATION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 232,910	\$ 230,075	\$ 230,099	\$ 24
Investment Earnings	5,900	3,870	3,865	(5)
All Other Revenues	39,700	71,210	71,206	(4)
Total Revenues	<u>278,510</u>	<u>305,155</u>	<u>305,170</u>	<u>15</u>
Expenditures:				
Leisure Time Activities:				
Administration:				
Personal Services	74,540	73,560	73,525	35
Materials and Supplies	21,200	20,640	20,636	4
Contractual Services	5,250	2,670	2,654	16
Other Expenditures	2,750	250	250	0
Total Administration	<u>103,740</u>	<u>97,120</u>	<u>97,065</u>	<u>55</u>
Golf Course Operations:				
Personal Services	147,080	142,950	142,910	40
Materials and Supplies	81,150	60,380	60,326	54
Contractual Services	23,500	17,410	17,355	55
Total Golf Course Operations	<u>251,730</u>	<u>220,740</u>	<u>220,591</u>	<u>149</u>
Pool Operations:				
Personal Services	63,270	48,910	48,888	22
Materials and Supplies	26,000	24,300	24,290	10
Contractual Services	28,350	24,930	24,893	37
Total Pool Operations	<u>117,620</u>	<u>98,140</u>	<u>98,071</u>	<u>69</u>
Parks and Programs:				
Personal Services	241,840	244,380	244,372	8
Materials and Supplies	94,100	76,860	76,843	17
Contractual Services	64,950	52,698	52,649	49
Total Parks and Programs	<u>400,890</u>	<u>373,938</u>	<u>373,864</u>	<u>74</u>
Total Expenditures	<u>873,980</u>	<u>789,938</u>	<u>789,591</u>	<u>347</u>

(Continued)

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009***

	RECREATION FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(595,470)	(484,783)	(484,421)	362
Other Financing Sources (Uses):				
Transfers In	514,940	552,510	552,515	5
Total Other Financing Sources (Uses)	514,940	552,510	552,515	5
Net Change In Fund Balance	(80,530)	67,727	68,094	367
Fund Balance at Beginning of Year	93,423	93,423	93,423	0
Prior Year Encumbrances	3,500	3,500	3,500	0
Fund Balance at End of Year	<u>\$ 16,393</u>	<u>\$ 164,650</u>	<u>\$ 165,017</u>	<u>\$ 367</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, 2009***

SPECIAL EVENTS FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Contractual Services	12,000	11,370	11,369	1
Total Expenditures	12,000	11,370	11,369	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,000)	(11,370)	(11,369)	1
Other Financing Sources (Uses):				
Transfers In	12,000	12,000	12,000	0
Total Other Financing Sources (Uses)	12,000	12,000	12,000	0
Net Change In Fund Balance	0	630	631	1
Fund Balance at Beginning of Year	2,980	2,980	2,980	0
Fund Balance at End of Year	<u>\$ 2,980</u>	<u>\$ 3,610</u>	<u>\$ 3,611</u>	<u>\$ 1</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009***

ECONOMIC DEVELOPMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 400	\$ 560	\$ 566	\$ 6
Total Revenues	<u>400</u>	<u>560</u>	<u>566</u>	<u>6</u>
Expenditures:				
Community Environment:				
Contractual Services	179,000	179,000	179,000	0
Total Expenditures	<u>179,000</u>	<u>179,000</u>	<u>179,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(178,600)	(178,440)	(178,434)	6
Other Financing Sources (Uses):				
Transfers In	79,000	79,000	79,000	0
Total Other Financing Sources (Uses)	<u>79,000</u>	<u>79,000</u>	<u>79,000</u>	<u>0</u>
Net Change In Fund Balance	(99,600)	(99,440)	(99,434)	6
Fund Balance at Beginning of Year	104,889	104,889	104,889	0
Fund Balance at End of Year	<u>\$ 5,289</u>	<u>\$ 5,449</u>	<u>\$ 5,455</u>	<u>\$ 6</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, 2009**

DOWNTOWN REVITALIZATION GRANT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 1,500	\$ 1,500	\$ 0
Total Revenues	<u>0</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Expenditures:				
Community Environment:				
Contractual Services	0	3,000	3,000	0
Total Expenditures	<u>0</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(1,500)	(1,500)	0
Fund Balance at Beginning of Year	1,500	1,500	1,500	0
Fund Balance at End of Year	<u>\$ 1,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009***

HOTEL/MOTEL TAX FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 76,000	\$ 76,864	\$ 76,864	\$ 0
Total Revenues	<u>76,000</u>	<u>76,864</u>	<u>76,864</u>	<u>0</u>
Expenditures:				
General Government:				
Contractual Services	38,000	38,432	38,432	0
Total Expenditures	<u>38,000</u>	<u>38,432</u>	<u>38,432</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,000	38,432	38,432	0
Other Financing Sources (Uses):				
Transfers Out	(38,000)	(38,432)	(38,432)	0
Total Other Financing Sources (Uses)	<u>(38,000)</u>	<u>(38,432)</u>	<u>(38,432)</u>	<u>0</u>
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	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

	FIRE LOSS CLAIMS FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 0	\$ 41,860	\$ 41,860	\$ 0
Total Revenues	<u>0</u>	<u>41,860</u>	<u>41,860</u>	<u>0</u>
Expenditures:				
General Government:				
Other Expenditures	0	38,140	38,135	5
Total Expenditures	<u>0</u>	<u>38,140</u>	<u>38,135</u>	<u>5</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	3,720	3,725	5
Fund Balance at Beginning of Year	10,135	10,135	10,135	0
Fund Balance at End of Year	<u>\$ 10,135</u>	<u>\$ 13,855</u>	<u>\$ 13,860</u>	<u>\$ 5</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, 2009**

	CHIP INCOME FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 267,280	\$ 218,120	\$ 218,114	\$ (6)
Total Revenues	<u>267,280</u>	<u>218,120</u>	<u>218,114</u>	<u>(6)</u>
Expenditures:				
Community Environment:				
Contractual Services	280,000	231,294	231,288	6
Total Expenditures	<u>280,000</u>	<u>231,294</u>	<u>231,288</u>	<u>6</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,720)	(13,174)	(13,174)	0
Fund Balance at Beginning of Year	13,174	13,174	13,174	0
Fund Balance at End of Year	<u>\$ 454</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

	CDBG INCOME FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 14,420	\$ 9,844	\$ (4,576)
Total Revenues	<u>0</u>	<u>14,420</u>	<u>9,844</u>	<u>(4,576)</u>
Expenditures:				
Community Environment:				
Contractual Services	60,000	32,540	32,538	2
Total Expenditures	<u>60,000</u>	<u>32,540</u>	<u>32,538</u>	<u>2</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,000)	(18,120)	(22,694)	(4,574)
Fund Balance at Beginning of Year	88,651	88,651	88,651	0
Fund Balance at End of Year	<u>\$ 28,651</u>	<u>\$ 70,531</u>	<u>\$ 65,957</u>	<u>\$ (4,574)</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 1,000	\$ 990	\$ 983	\$ (7)
Fines and Forfeitures	6,000	10,220	10,223	3
Total Revenues	<u>7,000</u>	<u>11,210</u>	<u>11,206</u>	<u>(4)</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	20,000	20,630	20,621	9
Total Expenditures	<u>20,000</u>	<u>20,630</u>	<u>20,621</u>	<u>9</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,000)	(9,420)	(9,415)	5
Fund Balance at Beginning of Year	37,176	37,176	37,176	0
Fund Balance at End of Year	<u>\$ 24,176</u>	<u>\$ 27,756</u>	<u>\$ 27,761</u>	<u>\$ 5</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, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 150	\$ 140	\$ 136	\$ (4)
Fines and Forfeitures	3,400	1,000	996	(4)
Total Revenues	<u>3,550</u>	<u>1,140</u>	<u>1,132</u>	<u>(8)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	3,000	0	0	0
Contractual Services	2,000	310	304	6
Capital Outlay	1,000	1,178	1,168	10
Total Expenditures	<u>6,000</u>	<u>1,488</u>	<u>1,472</u>	<u>16</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,450)	(348)	(340)	8
Fund Balance at Beginning of Year	4,906	4,906	4,906	0
Prior Year Encumbrances	250	250	250	0
Fund Balance at End of Year	<u>\$ 2,706</u>	<u>\$ 4,808</u>	<u>\$ 4,816</u>	<u>\$ 8</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, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 800	\$ 830	\$ 830	\$ 0
Fines and Forfeitures	15,000	18,850	18,847	(3)
Total Revenues	<u>15,800</u>	<u>19,680</u>	<u>19,677</u>	<u>(3)</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	3,500	0	0	0
Other Expenditures	10,000	9,480	9,474	6
Capital Outlay	11,780	21,450	21,449	1
Total Expenditures	<u>25,280</u>	<u>30,930</u>	<u>30,923</u>	<u>7</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,480)	(11,250)	(11,246)	4
Fund Balance at Beginning of Year	21,885	21,885	21,885	0
Prior Year Encumbrances	9,700	9,700	9,700	0
Fund Balance at End of Year	<u>\$ 22,105</u>	<u>\$ 20,335</u>	<u>\$ 20,339</u>	<u>\$ 4</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, 2009**

LAW ENFORCEMENT TRUST FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Investment Earnings	\$ 400	\$ 60	\$ 57	\$ (3)
Total Revenues	<u>400</u>	<u>60</u>	<u>57</u>	<u>(3)</u>
Expenditures:				
Security of Persons and Property:				
Other Expenditures	1,000	0	0	0
Capital Outlay	500	250	250	0
Total Expenditures	<u>1,500</u>	<u>250</u>	<u>250</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,100)	(190)	(193)	(3)
Other Financing Sources (Uses):				
Transfers In	0	410	410	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>410</u>	<u>410</u>	<u>0</u>
Net Change In Fund Balance	(1,100)	220	217	(3)
Fund Balance at Beginning of Year	1,140	1,140	1,140	0
Prior Year Encumbrances	250	250	250	0
Fund Balance at End of Year	<u>\$ 290</u>	<u>\$ 1,610</u>	<u>\$ 1,607</u>	<u>\$ (3)</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, 2009**

	MANDATORY DRUG FINE FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Investment Earnings	\$ 300	\$ 370	\$ 369	\$ (1)
Fines and Forfeitures	500	840	843	3
Total Revenues	<u>800</u>	<u>1,210</u>	<u>1,212</u>	<u>2</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	3,000	0	0	0
Other Expenditures	<u>2,000</u>	<u>100</u>	<u>95</u>	<u>5</u>
Total Expenditures	<u>5,000</u>	<u>100</u>	<u>95</u>	<u>5</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,200)	1,110	1,117	7
Fund Balance at Beginning of Year	<u>12,232</u>	<u>12,232</u>	<u>12,232</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,032</u>	<u>\$ 13,342</u>	<u>\$ 13,349</u>	<u>\$ 7</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, 2009**

FIRE EQUIPMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 18,000	\$ 18,000	\$ 18,000	\$ 0
Investment Earnings	4,650	6,220	6,220	0
Total Revenues	<u>22,650</u>	<u>24,220</u>	<u>24,220</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Capital Outlay	5,000	5,390	5,382	8
Total Expenditures	<u>5,000</u>	<u>5,390</u>	<u>5,382</u>	<u>8</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,650	18,830	18,838	8
Other Financing Sources (Uses):				
Transfers In	72,000	72,000	72,000	0
Total Other Financing Sources (Uses)	<u>72,000</u>	<u>72,000</u>	<u>72,000</u>	<u>0</u>
Net Change In Fund Balance	89,650	90,830	90,838	8
Fund Balance at Beginning of Year	192,881	192,881	192,881	0
Prior Year Encumbrances	650	650	650	0
Fund Balance at End of Year	<u>\$ 283,181</u>	<u>\$ 284,361</u>	<u>\$ 284,369</u>	<u>\$ 8</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, 2009***

MUNICIPAL PROBATION SERVICE FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 750	\$ 730	\$ 730	\$ 0
Fines and Forfeitures	4,500	5,270	5,277	7
Total Revenues	<u>5,250</u>	<u>6,000</u>	<u>6,007</u>	<u>7</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	2,390	690	681	9
Contractual Services	11,650	10,840	10,830	10
Other Expenditures	9,000	3,810	3,800	10
Capital Outlay	700	0	0	0
Total Expenditures	<u>23,740</u>	<u>15,340</u>	<u>15,311</u>	<u>29</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,490)	(9,340)	(9,304)	36
Fund Balance at Beginning of Year	25,992	25,992	25,992	0
Fund Balance at End of Year	<u>\$ 7,502</u>	<u>\$ 16,652</u>	<u>\$ 16,688</u>	<u>\$ 36</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, 2009**

PROBATION OFFICER GRANT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 49,290	\$ 49,290	\$ 49,289	\$ (1)
Total Revenues	<u>49,290</u>	<u>49,290</u>	<u>49,289</u>	<u>(1)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	48,340	49,310	49,289	21
Contractual Services	950	0	0	0
Total Expenditures	<u>49,290</u>	<u>49,310</u>	<u>49,289</u>	<u>21</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(20)	0	20
Fund Balance at Beginning of Year	4,088	4,088	4,088	0
Fund Balance at End of Year	<u>\$ 4,088</u>	<u>\$ 4,068</u>	<u>\$ 4,088</u>	<u>\$ 20</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, 2009**

	COURT IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 52,000	\$ 67,400	\$ 67,400	\$ 0
Total Revenues	<u>52,000</u>	<u>67,400</u>	<u>67,400</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	4,500	1,760	1,756	4
Capital Outlay	179,940	16,028	16,028	0
Debt Service:				
Principal Retirement	840,000	840,000	840,000	0
Interest and Fiscal Charges	21,310	21,310	21,310	0
Total Expenditures	<u>1,045,750</u>	<u>879,098</u>	<u>879,094</u>	<u>4</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(993,750)	(811,698)	(811,694)	4
Other Financing Sources (Uses):				
General Obligation Notes Issued	840,000	700,000	700,000	0
Total Other Financing Sources (Uses)	<u>840,000</u>	<u>700,000</u>	<u>700,000</u>	<u>0</u>
Net Change In Fund Balance	(153,750)	(111,698)	(111,694)	4
Fund Balance at Beginning of Year	255,047	255,047	255,047	0
Prior Year Encumbrances	20,010	20,010	20,010	0
Fund Balance at End of Year	<u>\$ 121,307</u>	<u>\$ 163,359</u>	<u>\$ 163,363</u>	<u>\$ 4</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, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
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

***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, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 72,250	\$ 79,140	\$ 79,148	\$ 8
Intergovernmental Revenues	18,050	24,160	24,154	(6)
Total Revenues	<u>90,300</u>	<u>103,300</u>	<u>103,302</u>	<u>2</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	<u>108,250</u>	<u>108,250</u>	<u>108,250</u>	<u>0</u>
Total Expenditures	<u>108,250</u>	<u>108,250</u>	<u>108,250</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,950)	(4,950)	(4,948)	2
Fund Balance at Beginning of Year	<u>27,450</u>	<u>27,450</u>	<u>27,450</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,500</u>	<u>\$ 22,500</u>	<u>\$ 22,502</u>	<u>\$ 2</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, 2009**

	FIRE PENSION FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 35,210	\$ 39,560	\$ 39,568	\$ 8
Intergovernmental Revenues	9,940	16,290	16,314	24
Total Revenues	<u>45,150</u>	<u>55,850</u>	<u>55,882</u>	<u>32</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	55,930	55,930	55,930	0
Total Expenditures	<u>55,930</u>	<u>55,930</u>	<u>55,930</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,780)	(80)	(48)	32
Fund Balance at Beginning of Year	15,541	15,541	15,541	0
Fund Balance at End of Year	<u>\$ 4,761</u>	<u>\$ 15,461</u>	<u>\$ 15,493</u>	<u>\$ 32</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, 2009**

	CEMETERY FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 2,500	\$ 2,935	\$ 2,935	\$ 0
Total Revenues	<u>2,500</u>	<u>2,935</u>	<u>2,935</u>	<u>0</u>
Expenditures:				
Community Environment:				
Materials and Supplies	<u>6,000</u>	<u>4,330</u>	<u>4,327</u>	<u>3</u>
Total Expenditures	<u>6,000</u>	<u>4,330</u>	<u>4,327</u>	<u>3</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,500)	(1,395)	(1,392)	3
Fund Balance at Beginning of Year	<u>88,036</u>	<u>88,036</u>	<u>88,036</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 84,536</u>	<u>\$ 86,641</u>	<u>\$ 86,644</u>	<u>\$ 3</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, 2009**

LAW ENFORCEMENT OT GRANT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 5,000	\$ 4,040	\$ 4,037	\$ (3)
Total Revenues	<u>5,000</u>	<u>4,040</u>	<u>4,037</u>	<u>(3)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	5,560	460	454	6
Contractual Services	480	0	0	0
Total Expenditures	<u>6,040</u>	<u>460</u>	<u>454</u>	<u>6</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,040)	3,580	3,583	3
Other Financing Sources (Uses):				
Transfers In	560	560	560	0
Total Other Financing Sources (Uses)	<u>560</u>	<u>560</u>	<u>560</u>	<u>0</u>
Net Change In Fund Balance	(480)	4,140	4,143	3
Fund Balance at Beginning of Year	8,006	8,006	8,006	0
Fund Balance at End of Year	<u>\$ 7,526</u>	<u>\$ 12,146</u>	<u>\$ 12,149</u>	<u>\$ 3</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, 2009***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 3,520	\$ 0	\$ 0	\$ 0
All Other Revenues	0	2,400	2,400	0
Total Revenues	<u>3,520</u>	<u>2,400</u>	<u>2,400</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	<u>3,520</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>3,520</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	2,400	2,400	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>\$ 2,400</u>	<u>\$ 2,400</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

INDIGENT DRIVERS INTERLOCK/ ALCOHOL FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 500	\$ 4,350	\$ 4,355	\$ 5
Total Revenues	<u>500</u>	<u>4,350</u>	<u>4,355</u>	<u>5</u>
Expenditures				
Security of Persons and Property:				
Contractual Services	500	0	0	0
Total Expenditures	<u>500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	4,350	4,355	5
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 4,350</u>	<u>\$ 4,355</u>	<u>\$ 5</u>

CITY OF NAPOLEON, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Year Ended December 31, 2009***

GENERAL BOND RETIREMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 0	\$ 27,530	\$ 27,533	\$ 3
Total Revenues	<u>0</u>	<u>27,530</u>	<u>27,533</u>	<u>3</u>
Expenditures:				
Debt Service:				
Principal Retirement	25,000	25,000	25,000	0
Interest and Fiscal Charges	<u>27,520</u>	<u>27,520</u>	<u>27,512</u>	<u>8</u>
Total Expenditures	<u>52,520</u>	<u>52,520</u>	<u>52,512</u>	<u>8</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(52,520)	(24,990)	(24,979)	11
Other Financing Sources (Uses):				
Transfers In	<u>52,290</u>	<u>52,290</u>	<u>52,290</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>52,290</u>	<u>52,290</u>	<u>52,290</u>	<u>0</u>
Net Change In Fund Balance	(230)	27,300	27,311	11
Fund Balance at Beginning of Year	9,737	9,737	9,737	0
Fund Balance at End of Year	<u>\$ 9,507</u>	<u>\$ 37,037</u>	<u>\$ 37,048</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 Capital Project Fund
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 74,000	\$ 0	\$ 0	\$ 0
Total Revenues	<u>74,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:				
Capital Outlay:				
Street Maintenance	600	0	0	0
Debt Service:				
Principal Retirement	150,000	150,000	150,000	0
Interest and Fiscal Charges	3,810	3,804	3,804	0
Total Expenditures	<u>154,410</u>	<u>153,804</u>	<u>153,804</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(80,410)	(153,804)	(153,804)	0
Other Financing Sources (Uses):				
Transfers In	0	62,549	62,549	0
Transfers Out	(9,850)	0	0	0
Total Other Financing Sources (Uses)	<u>(9,850)</u>	<u>62,549</u>	<u>62,549</u>	<u>0</u>
Net Change In Fund Balance	(90,260)	(91,255)	(91,255)	0
Fund Balance at Beginning of Year	91,255	91,255	91,255	0
Fund Balance at End of Year	<u>\$ 995</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF NAPOLEON, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Project Fund
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Other Financing Sources (Uses):				
Transfers In	28,750	28,750	28,750	0
Total Other Financing Sources (Uses)	28,750	28,750	28,750	0
Net Change In Fund Balance	28,750	28,750	28,750	0
Fund Balance at Beginning of Year	57,500	57,500	57,500	0
Fund Balance at End of Year	\$ 86,250	\$ 86,250	\$ 86,250	\$ 0

Fiduciary Funds

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

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.

***Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2009***

	Balance December 31, 2008	Additions	Deductions	Balance December 31, 2009
Municipal Court				
Assets:				
Cash and Cash Equivalents	\$8,292	\$1,636,074	(\$1,636,489)	\$7,877
Total Assets	<u>\$8,292</u>	<u>\$1,636,074</u>	<u>(\$1,636,489)</u>	<u>\$7,877</u>
Liabilities:				
Due to Others	\$8,292	\$1,636,074	(\$1,636,489)	\$7,877
Total Liabilities	<u>\$8,292</u>	<u>\$1,636,074</u>	<u>(\$1,636,489)</u>	<u>\$7,877</u>
Law Library				
Assets:				
Cash and Cash Equivalents	\$0	\$47,083	(\$47,083)	\$0
Total Assets	<u>\$0</u>	<u>\$47,083</u>	<u>(\$47,083)</u>	<u>\$0</u>
Liabilities:				
Due to Others	\$0	\$47,083	(\$47,083)	\$0
Total Liabilities	<u>\$0</u>	<u>\$47,083</u>	<u>(\$47,083)</u>	<u>\$0</u>
Payroll Withholding				
Assets:				
Cash and Cash Equivalents	\$9,827	\$25,392	(\$25,836)	\$9,383
Total Assets	<u>\$9,827</u>	<u>\$25,392</u>	<u>(\$25,836)</u>	<u>\$9,383</u>
Liabilities:				
Due to Others	\$9,827	\$25,392	(\$25,836)	\$9,383
Total Liabilities	<u>\$9,827</u>	<u>\$25,392</u>	<u>(\$25,836)</u>	<u>\$9,383</u>
Totals - Agency Funds				
Assets:				
Cash and Cash Equivalents	\$18,119	\$1,708,549	(\$1,709,408)	\$17,260
Total Assets	<u>\$18,119</u>	<u>\$1,708,549</u>	<u>(\$1,709,408)</u>	<u>\$17,260</u>
Liabilities:				
Due to Others	\$18,119	\$1,708,549	(\$1,709,408)	\$17,260
Total Liabilities	<u>\$18,119</u>	<u>\$1,708,549</u>	<u>(\$1,709,408)</u>	<u>\$17,260</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2009***

Capital Assets:

Land	\$11,598,507
Construction in Progress	191,382
Buildings	3,552,459
Improvements	1,816,556
Machinery and Equipment	5,526,758
Infrastructure	<u>25,933,338</u>
Total Capital Assets	<u><u>\$48,619,000</u></u>

Investment in Capital Assets:

General Fund	\$922,261
Special Revenue Funds	2,558,384
Capital Projects Funds	43,979,080
Enterprise Funds	39,265
Internal Service Fund	731,751
Donated	<u>388,259</u>
Total Investment in Capital Assets	<u><u>\$48,619,000</u></u>

CITY OF NAPOLEON, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2009***

Function and Activity	Land	Construction In Progress	Buildings	Improvements
General Government:				
City Manager	\$0	\$0	\$0	\$0
Law Director	0	0	0	0
Finance	0	0	179,304	0
Tax	0	0	0	0
MIS	0	0	0	24,165
Engineering	0	10,721	1,978	8,128
Municipal Court	0	0	1,121,473	0
General Administration	1,016,482	0	0	0
Total	1,016,482	10,721	1,302,755	32,293
Security of Persons and Property:				
Police	32,729	180,661	112,500	6,390
Fire	6,514	0	398,474	86,239
Total	39,243	180,661	510,974	92,629
Transportation:				
Street	6,535,154	0	654,534	832,884
Maintenance	0	0	0	0
Total	6,535,154	0	654,534	832,884
Leisure Time Activities:				
Parks and Recreation	1,072,860	0	1,078,396	819,983
Community Environment:				
Inspection	0	0	0	0
Economic Development	2,695,066	0	0	0
Total	2,695,066	0	0	0
Public Health and Welfare:				
Cemetery	239,702	0	5,800	2,058
Governmental IS:				
City Garage	0	0	0	0
Total Capital Assets	\$11,598,507	\$191,382	\$3,552,459	\$1,779,847

CITY OF NAPOLEON, OHIO

Machinery and Equipment	Infrastructure	Total
\$116,516	\$0	\$116,516
38,543	0	38,543
209,908	0	389,212
42,693	0	42,693
99,058	0	123,223
172,370	0	193,197
134,997	0	1,256,470
17,143	0	1,033,625
831,228	0	3,193,479
495,080	0	827,360
2,129,487	0	2,620,714
2,624,567	0	3,448,074
1,214,189	25,970,047	35,206,808
8,821	0	8,821
1,223,010	25,970,047	35,215,629
676,085	0	3,647,324
34,311	0	34,311
0	0	2,695,066
34,311	0	2,729,377
94,174	0	341,734
43,383	0	43,383
\$5,526,758	\$25,970,047	\$48,619,000

CITY OF NAPOLEON, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For Year Ended December 31, 2009***

<u>Function and Activity</u>	<u>December 31, 2008</u>	<u>Transfers</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2009</u>
<u>General Government:</u>					
City Manager	\$138,190	(\$21,674)	\$0	\$0	\$116,516
Law Director	35,085	1,300	2,158	0	38,543
Finance	389,212	0	0	0	389,212
Tax	41,323	0	1,370	0	42,693
MIS	98,011	(1,300)	28,526	(2,014)	123,223
Engineering	163,601	21,220	16,762	(8,386)	193,197
Municipal Court	1,233,353	0	24,325	(1,208)	1,256,470
General Administration	1,033,625	0	0	0	1,033,625
Total	<u>3,132,400</u>	<u>(454)</u>	<u>73,141</u>	<u>(11,608)</u>	<u>3,193,479</u>
<u>Security of Persons and Property:</u>					
Police	758,139	(29,052)	190,594	(92,321)	827,360
Fire	2,598,414	7,700	14,600	0	2,620,714
Total	<u>3,356,553</u>	<u>(21,352)</u>	<u>205,194</u>	<u>(92,321)</u>	<u>3,448,074</u>
<u>Transportation:</u>					
Street	33,665,828	1,172,700	799,632	(431,352)	35,206,808
Maintenance	10,911	0	0	(2,090)	8,821
Total	<u>33,676,739</u>	<u>1,172,700</u>	<u>799,632</u>	<u>(433,442)</u>	<u>35,215,629</u>
<u>Leisure Time Activities:</u>					
Parks and Recreation	<u>3,546,234</u>	<u>(1,099)</u>	<u>471,347</u>	<u>(369,158)</u>	<u>3,647,324</u>
<u>Community Environment:</u>					
Inspection	34,311	0	0	0	34,311
Economic Development	2,695,066	0	2,291,026	(2,291,026)	2,695,066
Total	<u>2,729,377</u>	<u>0</u>	<u>2,291,026</u>	<u>(2,291,026)</u>	<u>2,729,377</u>
<u>Public Health and Welfare:</u>					
Cemetery	<u>345,412</u>	<u>(11,281)</u>	<u>9,661</u>	<u>(2,058)</u>	<u>341,734</u>
<u>Governmental IS:</u>					
City Garage	<u>43,383</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>43,383</u>
Total Capital Assets	<u>\$46,830,098</u>	<u>\$1,138,514</u>	<u>\$3,850,001</u>	<u>(\$3,199,613)</u>	<u>\$48,619,000</u>

STATISTICAL SECTION

City of Napoleon Wastewater Treatment Plant Equalization Basin

Equalization Basin Generator



Electric Control Center



STATISTICAL TABLES

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

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the city's financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the city's ability to generate its most significant local revenue source, the income tax.	
Debt Capacity	S 18 – S 27
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
Economic and Demographic Information	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the city's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 32 – S 37
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.	

City of Napoleon, Ohio

*Net Assets by Component
Last Seven Years
(accrual basis of accounting)*

	2003	2004	2005	2006
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$21,317,327	\$21,021,667	\$22,705,762	\$24,314,801
Restricted	5,495,123	5,375,253	7,056,410	6,878,481
Unrestricted	1,855,778	2,934,897	2,246,227	2,235,629
Total Governmental Activities Net Assets	<u>\$28,668,228</u>	<u>\$29,331,817</u>	<u>\$32,008,399</u>	<u>\$33,428,911</u>
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$9,404,424	\$9,405,924	\$12,190,666	\$11,264,160
Unrestricted	16,854,748	17,309,137	16,110,442	17,996,725
Total Business-type Activities Net Assets	<u>\$26,259,172</u>	<u>\$26,715,061</u>	<u>\$28,301,108</u>	<u>\$29,260,885</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$30,721,751	\$30,427,591	\$34,896,428	\$35,578,961
Restricted	5,495,123	5,375,253	7,056,410	6,878,481
Unrestricted	18,710,526	20,244,034	18,356,669	20,232,354
Total Primary Government Net Assets	<u>\$54,927,400</u>	<u>\$56,046,878</u>	<u>\$60,309,507</u>	<u>\$62,689,796</u>

Source: Finance Director's Office

City of Napoleon, Ohio

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$24,814,158	\$28,323,805	\$29,555,216
5,668,640	3,625,081	4,298,992
3,267,539	2,815,897	1,948,134
<u>\$33,750,337</u>	<u>\$34,764,783</u>	<u>\$35,802,342</u>
\$13,254,500	\$15,258,691	\$16,271,445
17,723,570	16,121,443	16,531,170
<u>\$30,978,070</u>	<u>\$31,380,134</u>	<u>\$32,802,615</u>
\$38,068,658	\$43,582,496	\$45,826,661
5,668,640	3,625,081	4,298,992
20,991,109	18,937,340	18,479,304
<u>\$64,728,407</u>	<u>\$66,144,917</u>	<u>\$68,604,957</u>

City of Napoleon, Ohio

*Changes in Net Assets
Last Seven Years
(accrual basis of accounting)*

	2003	2004	2005	2006
Expenses				
Governmental Activities:				
Security of Persons and Property	\$2,680,032	\$3,083,153	\$3,509,589	\$2,790,209
Public Health and Welfare Services	85,401	100,118	100,116	96,450
Leisure Time Activities	818,891	821,192	840,601	849,041
Community Environment	1,080,975	222,063	717,906	446,673
Transportation	1,459,500	1,813,717	1,292,990	1,031,319
General Government	903,636	885,066	779,647	1,021,880
Interest and Fiscal Charges	81,409	81,851	86,114	83,755
<i>Total Governmental Activities Expenses</i>	<u>7,109,844</u>	<u>7,007,160</u>	<u>7,326,963</u>	<u>6,319,327</u>
Business-type Activities:				
Electric	11,387,550	13,137,325	14,680,376	13,153,590
Water	1,536,309	2,066,067	1,831,263	1,769,784
Sewer	1,843,617	2,177,445	1,883,991	1,808,683
Sanitation	519,287	577,992	641,812	620,867
<i>Total Business-type Activities Expenses</i>	<u>15,286,763</u>	<u>17,958,829</u>	<u>19,037,442</u>	<u>17,352,924</u>
<i>Total Primary Government Expenses</i>	<u><u>\$22,396,607</u></u>	<u><u>\$24,965,989</u></u>	<u><u>\$26,364,405</u></u>	<u><u>\$23,672,251</u></u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$705,157	\$636,713	\$796,718	\$970,374
Public Health and Welfare Services	21,905	22,613	19,733	13,385
Leisure Time Activities	222,335	240,534	258,863	246,881
Community Environment	5,435	4,083	2,808	5,100
Transportation	802	7,657	3,950	8,336
General Government	35,210	73,338	50,873	83,485
Operating Grants and Contributions	668,714	2,198,081	885,954	1,045,250
Capital Grants and Contributions	83,160	94,553	3,361,224	357,291
<i>Total Governmental Activities Program Revenues</i>	<u>1,742,718</u>	<u>3,277,572</u>	<u>5,380,123</u>	<u>2,730,102</u>

City of Napoleon, Ohio

2007	2008	2009
\$3,424,326	\$3,979,748	\$3,099,089
137,358	106,214	103,153
885,586	933,722	899,442
725,183	486,196	757,040
1,364,559	872,400	1,702,924
1,067,981	678,405	991,969
100,392	121,860	77,480
7,705,385	7,178,545	7,631,097
12,864,738	12,489,602	13,852,433
2,043,701	2,175,036	2,543,426
2,247,335	2,648,013	3,235,829
661,575	677,146	626,167
17,817,349	17,989,797	20,257,855
\$25,522,734	\$25,168,342	\$27,888,952

\$1,066,435	\$1,027,828	\$1,028,246
23,600	18,463	14,660
244,598	255,949	301,100
6,895	3,758	2,935
6,581	9,985	10,083
144,827	126,883	148,898
1,067,046	634,910	618,192
258,787	797	154,816
2,818,769	2,078,573	2,278,930

(continued)

City of Napoleon, Ohio

Changes in Net Assets Last Seven Years (accrual basis of accounting)

	2003	2004	2005	2006
Business-type Activities:				
Charges for Services				
Electric	11,318,729	13,307,816	14,548,024	13,199,524
Water	1,721,654	1,826,371	2,124,645	2,090,647
Sewer	1,883,250	1,959,987	2,346,604	2,298,509
Sanitation	523,869	549,848	616,127	630,019
Capital Grants and Contributions	75,000	0	672,235	0
<i>Total Business-type Activities Program Revenues</i>	<u>15,522,502</u>	<u>17,644,022</u>	<u>20,307,635</u>	<u>18,218,699</u>
<i>Total Primary Government Program Revenues</i>	<u>17,265,220</u>	<u>20,921,594</u>	<u>25,687,758</u>	<u>20,948,801</u>
Net (Expense)/Revenue				
Governmental Activities	(5,367,126)	(3,729,588)	(1,946,840)	(3,589,225)
Business-type Activities	235,739	(314,807)	1,270,193	865,775
<i>Total Primary Government Net (Expense)/Revenue</i>	<u><u>(\$5,131,387)</u></u>	<u><u>(\$4,044,395)</u></u>	<u><u>(\$676,647)</u></u>	<u><u>(\$2,723,450)</u></u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property Taxes	\$389,763	\$405,565	\$403,855	\$481,259
Municipal Income Taxes	2,134,591	2,308,225	2,520,569	2,455,843
Other Local Taxes (kWh Tax)	540,096	558,804	585,033	586,070
Grants and Entitlements not Restricted to Specific Programs	1,028,057	602,094	369,573	710,157
Investment Earnings	153,241	195,858	239,399	334,547
Miscellaneous	318,967	322,631	540,580	324,313
Transfers	0	0	(31,000)	231,000
<i>Total Governmental Activities</i>	<u>4,564,715</u>	<u>4,393,177</u>	<u>4,628,009</u>	<u>5,123,189</u>
Business-type Activities:				
Investment Earnings	230,404	214,275	284,854	427,411
Transfers	0	0	31,000	(231,000)
<i>Total Business-type Activities</i>	<u>230,404</u>	<u>214,275</u>	<u>315,854</u>	<u>196,411</u>
<i>Total Primary Government</i>	<u><u>\$4,795,119</u></u>	<u><u>\$4,607,452</u></u>	<u><u>\$4,943,863</u></u>	<u><u>\$5,319,600</u></u>
Change in Net Assets				
Governmental Activities	(\$802,411)	\$663,589	\$2,681,169	\$1,533,964
Business-type Activities	466,143	(100,532)	1,586,047	1,062,186
<i>Total Primary Government Change in Net Assets</i>	<u><u>(\$336,268)</u></u>	<u><u>\$563,057</u></u>	<u><u>\$4,267,216</u></u>	<u><u>\$2,596,150</u></u>

Source: Finance Director's Office

City of Napoleon, Ohio

2007	2008	2009
12,876,770	13,330,787	14,499,715
2,301,840	2,438,644	2,448,655
3,059,283	3,427,831	3,349,175
629,809	638,020	861,016
276,363	311,544	2,150,584
<u>19,144,065</u>	<u>20,146,826</u>	<u>23,309,145</u>
<u>21,962,834</u>	<u>22,225,399</u>	<u>25,588,075</u>
(4,886,616)	(5,099,972)	(5,352,167)
1,326,716	2,157,029	3,051,290
<u>(\$3,559,900)</u>	<u>(\$2,942,943)</u>	<u>(\$2,300,877)</u>
\$662,906	\$494,106	\$146,252
2,503,814	2,255,314	2,361,108
555,353	536,676	493,053
208,113	5,953	788,511
598,440	403,619	202,278
459,416	202,010	485,517
220,000	2,260,946	1,913,007
<u>5,208,042</u>	<u>6,158,624</u>	<u>6,389,726</u>
610,469	461,775	284,198
(220,000)	(2,260,946)	(1,913,007)
<u>390,469</u>	<u>(1,799,171)</u>	<u>(1,628,809)</u>
<u>\$5,598,511</u>	<u>\$4,359,453</u>	<u>\$4,760,917</u>
\$321,426	\$1,058,652	\$1,037,559
1,717,185	357,858	1,422,481
<u>\$2,038,611</u>	<u>\$1,416,510</u>	<u>\$2,460,040</u>

City of Napoleon, Ohio

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund					
Reserved	\$62,531	\$36,611	\$15,083	\$59,976	\$160,550
Unreserved	<u>2,894,632</u>	<u>2,907,754</u>	<u>2,573,339</u>	<u>2,166,503</u>	<u>1,889,815</u>
<i>Total General Fund</i>	<u>2,957,163</u>	<u>2,944,365</u>	<u>2,588,422</u>	<u>2,226,479</u>	<u>2,050,365</u>
All Other Governmental Funds					
Reserved	620,117	1,775,561	1,707,883	900,349	857,300
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	1,550,267	1,377,200	1,460,408	1,730,554	1,678,474
Debt Service Funds	0	0	0	423,721	441,272
Capital Projects Funds	<u>565,871</u>	<u>193,624</u>	<u>289,238</u>	<u>307,041</u>	<u>773,460</u>
Total All Other Governmental Funds	<u>2,736,255</u>	<u>3,346,385</u>	<u>3,457,529</u>	<u>3,361,665</u>	<u>3,750,506</u>
<i>Total Governmental Funds</i>	<u><u>\$5,693,418</u></u>	<u><u>\$6,290,750</u></u>	<u><u>\$6,045,951</u></u>	<u><u>\$5,588,144</u></u>	<u><u>\$5,800,871</u></u>

Source: Finance Director's Office

City of Napoleon, Ohio

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$74,393	\$54,611	\$22,238	\$45,413	\$36,369
<u>2,317,704</u>	<u>2,059,287</u>	<u>2,230,909</u>	<u>1,888,658</u>	<u>1,950,630</u>
<u>2,392,097</u>	<u>2,113,898</u>	<u>2,253,147</u>	<u>1,934,071</u>	<u>1,986,999</u>
759,549	724,245	818,971	287,883	251,799
2,038,888	2,410,223	1,689,219	1,021,024	981,549
448,463	470,238	516,266	502,806	884,855
<u>312,492</u>	<u>390,741</u>	<u>106,351</u>	<u>545,746</u>	<u>764,329</u>
<u>3,559,392</u>	<u>3,995,447</u>	<u>3,130,807</u>	<u>2,357,459</u>	<u>2,882,532</u>
<u>\$5,951,489</u>	<u>\$6,109,345</u>	<u>\$5,383,954</u>	<u>\$4,291,530</u>	<u>\$4,869,531</u>

City of Napoleon, Ohio

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

	2000	2001	2002	2003
Revenues:				
Taxes	\$2,991,556	\$2,851,943	\$3,337,819	\$3,057,298
Intergovernmental Revenues	1,584,727	1,265,699	1,277,546	1,842,915
Charges for Services	588,945	618,783	686,624	597,894
Licenses and Permits	52,682	52,815	66,533	121,639
Investment Earnings	488,251	480,730	317,932	189,435
Special Assessments	363,206	339,160	205,720	279,314
Fines and Forfeitures	293,545	410,473	480,217	380,875
All Other Revenue	147,795	183,442	270,778	218,791
Total Revenue	6,510,707	6,203,045	6,643,169	6,688,161
Expenditures:				
Current:				
Security of Persons and Property	2,451,923	2,132,567	2,334,971	2,475,239
Public Health and Welfare Services	66,118	79,675	80,577	87,882
Leisure Time Activities	710,193	786,130	770,783	756,745
Community Environment	653,905	180,763	599,187	1,071,531
Transportation	519,657	584,706	645,695	617,653
General Government	793,592	1,061,697	977,419	833,966
Capital Outlay	1,154,609	1,316,150	1,003,002	1,107,011
Debt Service:				
Principal Retirement	230,350	187,156	159,156	169,156
Interest and Fiscal Charges	125,942	99,019	87,631	83,845
Total Expenditures	6,706,289	6,427,863	6,658,421	7,203,028
Excess (Deficiency) of Revenues Over Expenditures	(195,582)	(224,818)	(15,252)	(514,867)

City of Napoleon, Ohio

2004	2005	2006	2007	2008	2009
\$3,253,269	\$3,481,493	\$3,530,340	\$3,518,822	\$3,245,315	\$3,220,684
1,728,312	3,246,136	2,156,790	2,187,335	1,891,032	1,605,562
627,492	659,064	768,875	660,349	732,494	803,479
114,276	89,952	70,448	64,289	64,957	63,825
188,501	233,988	270,293	646,848	421,070	185,858
246,059	224,108	223,796	113,080	105,288	106,700
299,738	342,082	382,767	363,862	381,139	407,561
247,579	302,543	312,405	440,028	388,066	797,505
<u>6,705,226</u>	<u>8,579,366</u>	<u>7,715,714</u>	<u>7,994,613</u>	<u>7,229,361</u>	<u>7,191,174</u>
2,821,246	3,269,915	2,616,306	3,163,034	3,946,531	2,900,346
89,627	88,465	90,918	102,920	98,955	92,695
755,563	764,355	783,864	845,965	875,791	783,006
229,297	716,342	797,857	796,478	483,116	538,556
727,926	585,866	526,918	673,933	604,199	539,327
857,184	696,044	887,028	1,023,651	1,114,009	847,258
1,386,011	2,175,773	1,826,376	2,075,703	901,518	688,609
180,357	890,357	215,357	111,357	111,550	112,550
77,153	93,633	86,526	101,500	122,968	76,940
<u>7,124,364</u>	<u>9,280,750</u>	<u>7,831,150</u>	<u>8,894,541</u>	<u>8,258,637</u>	<u>6,579,287</u>
(419,138)	(701,384)	(115,436)	(899,928)	(1,029,276)	611,887

(Continued)

City of Napoleon, Ohio

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	80,038	0
General Obligation Notes Issued	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
Special Assessment Bonds Issued	29,000	0	0	0
Ohio Public Works Commission Loan	0	0	0	0
Transfers In	2,584,928	2,410,322	1,906,222	1,948,930
Transfers Out	(2,466,006)	(1,673,019)	(2,214,433)	(1,993,930)
Total Other Financing Sources (Uses)	<u>147,922</u>	<u>737,303</u>	<u>(228,173)</u>	<u>(45,000)</u>
Net Change in Fund Balance	<u>(\$47,660)</u>	<u>\$512,485</u>	<u>(\$243,425)</u>	<u>(\$559,867)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 6.15%	 5.13%	 3.90%	 4.14%

Source: Finance Director's Office

City of Napoleon, Ohio

2004	2005	2006	2007	2008	2009
28,500	288,567	127,000	21,991	202	10,941
690,000	0	0	0	0	0
0	690,000	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,791,249	2,184,086	2,730,521	2,357,900	2,210,781	1,907,304
(1,880,199)	(2,310,086)	(2,587,521)	(2,245,900)	(2,258,101)	(1,946,385)
629,550	852,567	270,000	133,991	(47,118)	(28,140)
<u>\$210,412</u>	<u>\$151,183</u>	<u>\$154,564</u>	<u>(\$765,937)</u>	<u>(\$1,076,394)</u>	<u>\$583,747</u>
4.29%	15.37%	5.83%	3.41%	3.86%	3.31%

City of Napoleon, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Income Tax Rate	1.20%	1.20%	1.20%	1.20%
Estimated Personal Income	\$227,638,740	\$233,537,034	\$232,726,368	\$247,150,632
Total Tax Collected	\$2,653,856	\$2,449,401	\$2,677,590	\$2,475,787
Income Tax Receipts				
Withholding	1,824,276	1,824,550	1,933,705	1,930,447
Percentage	68.74%	74.49%	72.22%	77.97%
Corporate	460,934	237,499	365,599	185,927
Percentage	17.37%	9.70%	13.65%	7.51%
Individuals	368,646	387,352	378,286	359,413
Percentage	13.89%	15.81%	14.13%	14.52%

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

2004	2005	2006	2007	2008	2009
					(1)
1.20%	1.20%	1.20%	1.20%	1.20%	1.50%
\$253,412,328	\$262,320,336	\$274,526,916	\$283,360,380	\$283,360,380	\$283,360,380
\$2,675,075	\$2,846,956	\$2,977,788	\$2,917,159	\$2,808,030	\$2,905,178
1,982,186	2,119,461	2,140,405	2,138,258	2,140,997	2,212,313
74.10%	74.45%	71.88%	73.30%	76.25%	76.15%
320,101	322,555	409,001	326,668	269,755	263,809
11.97%	11.33%	13.74%	11.20%	9.61%	9.08%
372,788	404,940	428,382	452,233	397,278	429,056
13.94%	14.22%	14.39%	15.50%	14.15%	14.77%



City of Napoleon, Ohio

Income Tax Collections Current Year and Nine Years Ago

Calendar Year 2009				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,830	53.58%	\$17,918,049	11.00%
20,000 - 49,999	1,339	25.35%	43,846,405	26.92%
50,000 - 74,999	578	10.94%	35,212,772	21.62%
75,000 - 99,999	274	5.19%	23,744,910	14.58%
Over 100,000	261	4.94%	42,179,443	25.88%
Total	5,282	100.00%	\$162,901,579	100.00%

Calendar Year 2000				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,211	48.29%	\$16,046,908	11.68%
20,000 - 49,999	1,442	31.49%	47,401,093	34.51%
50,000 - 74,999	577	12.60%	34,838,001	25.37%
75,000 - 99,999	224	4.89%	19,091,318	13.90%
Over 100,000	125	2.73%	19,970,464	14.54%
Total	4,579	100.00%	\$137,347,784	100.00%

Source: Finance Director's Office

City of Napoleon, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2000	2001	2002
Governmental Activities ⁽¹⁾			
General Obligation Bonds Payable	\$0	\$0	\$0
Special Assessment Bonds Payable	1,610,000	1,435,194	1,288,388
Long-Term Notes Payable	0	0	0
Ohio Public Works Commission Loan Payable	209,962	197,612	185,262
Business-type Activities ⁽¹⁾			
Ohio Water Development Authority Loans Payable	\$3,455,930	\$3,202,104	\$2,974,633
Ohio Public Works Commission Loans Payable	70,002	66,318	62,634
Ohio Water and Sewer Rotary Commission Loans Payable	88,341	88,341	88,341
Water Pollution Control Loan Fund Loans Payable	0	0	0
Long-Term Notes Payable	0	0	0
General Obligation Bonds Payable	1,655,000	1,590,000	1,525,000
Special Assessment Bond Payable	115,000	111,806	108,612
Mortgage Revenue Bonds Payable	6,280,000	6,045,000	5,800,000
Total Primary Government	<u>\$13,484,235</u>	<u>\$12,736,375</u>	<u>\$12,032,870</u>
Population ⁽²⁾			
City of Napoleon	9,318	9,318	9,318
Outstanding Debt Per Capita	\$1,447	\$1,367	\$1,291
Income ⁽³⁾			
Personal (in thousands)	227,639	233,537	232,726
Percentage of Personal Income	5.92%	5.45%	5.17%

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

2003	2004	2005	2006	2007	2008	2009
\$0	\$0	\$680,000	\$655,000	\$630,000	\$605,000	\$580,000
1,131,582	963,575	785,568	607,561	533,553	459,353	384,153
0	690,000	0	0	0	0	0
172,912	160,562	148,212	135,862	123,512	111,162	98,812
\$2,776,311	\$2,562,451	\$4,019,916	\$3,715,575	\$3,389,225	\$3,039,222	\$2,663,802
58,950	55,266	51,582	47,898	44,214	540,530	511,846
88,341	88,341	666,070	666,070	666,070	666,070	666,070
0	0	0	0	0	587,200	5,204,566
0	0	0	0	0	0	4,000,000
1,460,000	2,385,000	2,350,000	2,240,000	2,115,000	1,995,000	1,870,000
105,418	101,425	97,432	93,439	89,446	84,646	79,846
5,550,000	5,280,000	5,000,000	4,710,000	4,410,000	7,600,000	7,150,000
<u>\$11,343,514</u>	<u>\$12,286,620</u>	<u>\$13,798,780</u>	<u>\$12,871,405</u>	<u>\$12,001,020</u>	<u>\$15,688,183</u>	<u>\$23,209,095</u>
9,318	9,318	9,318	9,318	9,318	9,318	9,318
\$1,217	\$1,319	\$1,481	\$1,381	\$1,288	\$1,684	\$2,491
247,151	253,412	262,320	274,527	283,360	283,360	283,360
4.59%	4.85%	5.26%	4.69%	4.24%	5.54%	8.19%

City of Napoleon, Ohio

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2000	2001	2002	2003
Population (1)	9,318	9,318	9,318	9,318
Assessed Value (2)	\$138,828,427	\$141,252,773	\$148,399,344	\$150,797,521
General Bonded Debt (3)				
General Obligation Bonds	\$1,655,000	\$1,590,000	\$1,525,000	\$1,460,000
Resources Available to Pay Principal (4)	\$0	\$0	\$0	\$0
Net General Bonded Debt	\$1,655,000	\$1,590,000	\$1,525,000	\$1,460,000
Ratio of Net Bonded Debt to Assessed Value	1.19%	1.13%	1.03%	0.97%
Net Bonded Debt per Capita	\$177.61	\$170.64	\$163.66	\$156.69

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

2004	2005	2006	2007	2008	2009
9,318	9,318	9,318	9,318	9,318	9,318
\$153,282,264	\$162,145,824	\$157,767,430	\$150,513,440	\$152,128,200	\$150,647,060
\$2,385,000	\$3,030,000	\$2,895,000	\$2,745,000	\$2,600,000	\$2,450,000
\$0	\$19,791	\$26,227	\$43,211	\$9,737	\$37,048
\$2,385,000	\$3,010,209	\$2,868,773	\$2,701,789	\$2,590,263	\$2,412,952
1.56%	1.86%	1.82%	1.80%	1.70%	1.60%
\$255.96	\$323.05	\$307.87	\$289.95	\$277.98	\$258.96



City of Napoleon, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2009*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Napoleon</u>	<u>Amount Applicable to the City of Napoleon</u>
Direct:			
City of Napoleon	\$580,000	100.00%	\$580,000
Overlapping:			
Napoleon City School District	2,422,400	53.73%	1,301,556
Liberty Center School District	1,559,998	4.00%	62,400
Henry County	1,142,000	28.29%	323,072
		Subtotal	1,687,028
		Total	\$2,267,028

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	2000	2001	2002	2003
Total Debt				
Net Assessed Valuation	\$138,828,427	\$141,252,773	\$148,399,344	\$150,797,521
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	14,576,985	14,831,541	15,581,931	15,833,740
City Debt Outstanding (2)	0	0	0	0
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	0	0	0	0
Overall Legal Debt Margin	<u>\$14,576,985</u>	<u>\$14,831,541</u>	<u>\$15,581,931</u>	<u>\$15,833,740</u>
Unvoted Debt				
Net Assessed Valuation	\$138,828,427	\$141,252,773	\$148,399,344	\$150,797,521
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	7,635,563	7,768,903	8,161,964	8,293,864
City Debt Outstanding (2)	0	0	0	0
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	0	0	0	0
Overall Legal Debt Margin	<u>\$7,635,563</u>	<u>\$7,768,903</u>	<u>\$8,161,964</u>	<u>\$8,293,864</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

2004	2005	2006	2007	2008	2009
\$153,282,264	\$162,145,824	\$157,767,430	\$150,513,440	\$152,128,200	\$150,647,060
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
16,094,638	17,025,312	16,565,580	15,803,911	15,973,461	15,817,941
0	680,000	655,000	630,000	605,000	580,000
0	(19,791)	(26,227)	(43,211)	(9,737)	(37,048)
0	660,209	628,773	586,789	595,263	542,952
<u>\$16,094,638</u>	<u>\$16,365,103</u>	<u>\$15,936,807</u>	<u>\$15,217,122</u>	<u>\$15,378,198</u>	<u>\$15,274,989</u>
\$153,282,264	\$162,145,824	\$157,767,430	\$150,513,440	\$152,128,200	\$150,647,060
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
8,430,525	8,918,020	8,677,209	8,278,239	8,367,051	8,285,588
0	680,000	655,000	630,000	605,000	580,000
0	(19,791)	(26,227)	(43,211)	(9,737)	(37,048)
0	660,209	628,773	586,789	595,263	542,952
<u>\$8,430,525</u>	<u>\$8,257,811</u>	<u>\$8,048,436</u>	<u>\$7,691,450</u>	<u>\$7,771,788</u>	<u>\$7,742,636</u>

City of Napoleon, Ohio

Pledged Revenue Coverage Last Ten Years

	2000	2001	2002	2003
Sewer System Bonds (1 a)				
Gross Revenues (2)	\$1,761,805	\$2,028,949	\$1,905,831	\$1,950,287
Direct Operating Expenses (3)	708,254	802,347	1,123,268	921,891
Net Revenue Available for Debt Service	1,053,551	1,226,602	782,563	1,028,396
Annual Debt Service Requirement (4)	272,265	272,608	272,667	272,437
Coverage	3.87	4.50	2.87	3.77
Electric System Bonds (1 b)				
Gross Revenues (2)	\$11,208,088	\$11,873,698	\$11,379,589	\$11,271,553
Direct Operating Expenses (3)	9,396,161	10,214,482	11,350,288	10,865,183
Net Revenue Available for Debt Service	1,811,927	1,659,216	29,301	406,370
Annual Debt Service Requirement (4)	256,710	257,255	257,120	252,500
Coverage	7.06	6.45	0.11	1.61
Electric System Amp-Ohio (1 b)				
Gross Revenues (5)	N/A	\$11,541,607	\$11,244,419	\$11,158,614
Direct Operating Expenses (3)	N/A	9,458,129	10,593,975	10,101,397
Net Revenue Available for Debt Service	N/A	2,083,478	650,444	1,057,217
Annual Debt Service Requirement (4)	N/A	756,313	756,313	763,786
Coverage	N/A	2.75	0.86	1.38
Water System Bonds (1 c)				
Gross Revenues (5)	N/A	N/A	N/A	N/A
Direct Operating Expenses (3)	N/A	N/A	N/A	N/A
Net Revenue Available for Debt Service	N/A	N/A	N/A	N/A
Annual Debt Service Requirement (4)	N/A	N/A	N/A	N/A
Coverage	N/A	N/A	N/A	N/A

(1) The Mortgage Revenue Bonds were issued as follows:

(a) The Sewer system Mortgage Revenue Bonds were issued in 1998, in the amount of \$3,480,000.

(b) The Electric system Mortgage Revenue Bonds were issued in 1998, in the amount of \$3,245,000.

(b) The Water system Mortgage Revenue Bonds were issued in 2008, in the amount of \$3,505,000.

(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

2004	2005	2006	2007	2008	2009
\$2,026,358	\$2,436,476	\$2,414,785	\$3,250,149	\$3,589,269	\$3,463,044
1,459,737	1,153,972	1,109,623	1,545,755	1,929,369	2,440,970
566,621	1,282,504	1,305,162	1,704,394	1,659,900	1,022,074
276,913	275,892	273,244	272,985	276,088	273,663
2.05	4.65	4.78	6.24	6.01	3.73
\$12,842,711	\$14,878,004	\$13,175,363	\$13,138,486	\$13,400,514	\$14,398,829
12,524,754	14,055,686	12,544,217	12,220,066	11,858,934	13,225,462
317,957	822,318	631,146	918,420	1,541,580	1,173,367
257,400	256,810	254,512	254,777	253,325	256,575
1.24	3.20	2.48	3.60	6.09	4.57
\$12,739,632	\$14,744,866	\$12,996,003	\$12,872,163	\$13,182,141	\$14,283,334
11,724,425	13,235,112	11,768,899	11,444,835	11,082,996	12,434,280
1,015,207	1,509,754	1,227,104	1,427,328	2,099,145	1,849,054
800,329	820,574	775,318	775,231	775,938	791,182
1.27	1.84	1.58	1.84	2.71	2.34
N/A	N/A	N/A	N/A	N/A	\$2,489,814
N/A	N/A	N/A	N/A	N/A	1,999,194
N/A	N/A	N/A	N/A	N/A	490,620
N/A	N/A	N/A	N/A	N/A	263,819
N/A	N/A	N/A	N/A	N/A	1.86

City of Napoleon, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2000	2001	2002	2003	2004
Population (1)					
City of Napoleon	9,318	9,318	9,318	9,318	9,318
Henry County	29,210	29,310	29,310	29,310	29,310
Income (2) (a)					
Total Personal (in thousands)	227,639	233,537	232,726	247,151	253,412
Per Capita	24,430	25,063	24,976	26,524	27,196
Unemployment Rate (3)					
Federal	4.2%	3.8%	4.8%	5.8%	6.0%
State	4.3%	3.7%	4.3%	5.7%	6.1%
Henry County	4.8%	5.1%	5.3%	5.8%	6.4%
Civilian Work Force Estimates (3)					
State	5,900,400	5,857,000	5,828,000	5,915,000	5,875,300
Henry County	15,200	15,200	15,400	15,900	16,100

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2008 for the presentation of 2009 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

2005	2006	2007	2008	2009
9,318	9,318	9,318	9,318	9,318
29,310	29,310	29,310	29,310	29,310
262,320	274,527	283,360	283,360	283,360
28,152	29,462	30,410	30,410	30,410
5.5%	5.0%	4.6%	5.8%	9.3%
6.0%	5.9%	5.6%	6.6%	10.2%
6.2%	5.9%	6.3%	8.0%	13.3%
5,900,400	5,971,500	5,976,500	5,986,400	5,970,000
16,100	16,100	15,900	15,900	15,900



City of Napoleon, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2009		
		Number of Employees	Rank	Percentage of Total Employment
Napoleon City School District	Education	471	1	4.34%
Campbell Soup Co *	Soup Manufacturer	398	2	3.67%
Henry County	County Government	386	3	3.56%
Wal-Mart Stores	Retail	341	4	3.14%
Henry County Hospital	Health Care	273	5	2.52%
The Lutheran Home	Long-term Health Care	241	6	2.22%
City of Napoleon	Local Government	224	7	2.07%
Tenneco Automotive (Pullman Company)	Automobile Parts Manufacturer	210	8	1.94%
Cloverleaf Cold Storage	Food Storage	154	9	1.42%
Automatic Feed Company	Steel Handling Equipment	66	10	0.61%
Total		<u>2,764</u>		
Total Employment within the City		<u>10,845</u>		
		2000		
Employer	Nature of Business	Number of Employees	Rank	Percentage of Total Employment
Henry County	County Government	480	1	4.17%
Tenneco Automotive (Pullman Company)	Automobile Parts Manufacturer	426	2	3.70%
Napoleon City School District	Education	257	3	2.24%
Plastech Engineered Products	Manufacturing	203	4	1.77%
City of Napoleon	Local Government	180	5	1.57%
Wal-Mart Stores	Retail	160	6	1.39%
Automatic Feed Company	Steel Handling Equipment	126	7	1.10%
The Lutheran Home	Long-term Health Care	126	8	1.10%
Carson Industries	Manufacturing	102	9	0.89%
Golden Living Center - Northcrest	Health Care and Rehabilitation	102	10	0.89%
Total		<u>2,162</u>		
Total Employment within the City		<u>11,498</u>		

Sources: City of Napoleon Income Tax Department

(Total Employment # based on W2's received from employers)

* Employer is located outside city limits. The number reported reflects resident information only.

City of Napoleon

Full Time Equivalent Employees by Function Last Ten Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Governmental Activities					
General Government					
Finance	10.00	10.00	10.00	10.00	10.00
Legal/Court	7.00	7.00	8.00	10.00	9.00
Administration	9.00	8.00	8.00	8.00	9.00
Maintenance	4.00	4.00	4.00	4.00	4.00
Security of Persons and Property					
Police	23.00	22.00	21.00	21.00	25.00
Fire	7.00	7.00	8.00	8.00	15.00
Transportation					
Street	8.00	8.00	8.00	7.00	7.00
Leisure Time Activities					
Recreation/Seniors	6.00	6.00	6.00	6.00	6.00
Community Environment					
Service - Cemetery	1.00	1.00	1.00	1.00	1.00
Business-Type Activities					
Utilities - Electric	15.00	15.00	15.00	17.00	16.00
Water	10.00	10.00	10.00	10.00	10.00
Sewer	4.00	4.00	5.00	6.00	6.00
Solid Waste	3.00	3.00	3.00	3.00	3.00
<i>Total Employees</i>	<u>107.00</u>	<u>105.00</u>	<u>107.00</u>	<u>111.00</u>	<u>121.00</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

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
12.00	10.00	10.00	9.00	11.00
9.00	9.00	9.00	9.00	9.00
8.00	8.00	10.00	10.00	11.00
4.00	4.00	4.00	4.00	3.00
24.00	22.00	21.00	22.00	22.00
14.00	8.00	8.00	8.00	8.00
6.00	6.00	7.00	7.00	6.00
5.00	5.00	5.00	5.00	4.00
1.00	1.00	1.00	1.00	1.00
15.00	14.00	15.00	15.00	14.00
10.00	10.00	10.00	10.00	9.00
6.00	6.00	6.00	6.00	7.00
3.00	3.00	3.00	3.00	3.00
<u>117.00</u>	<u>106.00</u>	<u>109.00</u>	<u>109.00</u>	<u>108.00</u>

City of Napoleon

Operating Indicators by Function Last Ten Years

	2000	2001	2002	2003
Governmental Activities				
General Government				
Licenses and Permits				
Number of Building Permits	464	515	509	626
Number of Commercial Permits	106	113	134	81
Security of Persons and Property				
Police				
Number of Traffic Citations Issued	860	879	863	800
Number of Parking Tickets	103	208	186	104
Number of Law Violations:				
Criminal/Juvenile Citations	2,759	2,843	2,431	2,359
Fire				
Number of Fire Calls Answered	174	110	163	125
Number of EMS Runs	799	802	860	769
Number of Inspections	200	10	10	10
Transportation				
Street				
Facilities and Services: Miles of Streets	72	72	72	72
Business-Type Activities				
Water				
Number of Service Connections	3,500	3,500	3,500	3,500
Daily Average Consumption (gallons)	1.5M	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	3,500	3,500	3,500	3,500
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	2.5M

Source: Finance Director's Office

City of Napoleon

2004	2005	2006	2007	2008	2009
517	540	379	382	387	302
116	93	85	67	28	21
867	1,200	1,122	990	927	878
226	134	108	97	184	191
1,631	1,193	1,225	1,129	1,022	1,644
232	190	131	233	173	144
870	950	898	903	866	919
43	43	28	12	66	30
72	72	72	72	72	72
3,500	3,634	3,634	3,679	3,679	4,114
1.3M	1.3M	1.3M	1.3M	1.3M	1.3M
4.5M	4.5M	4.5M	4.5M	4.5M	4.5M
3,500	3,493	3,493	3,679	3,679	3,593
1.8M	1.8M	1.8M	1.8M	1.8M	1.8M
2.5M	2.5M	2.5M	2.5M	2.5M	4.5M

City of Napoleon

Capital Asset Statistics by Function Last Ten Years

	2000	2001	2002	2003	2004
Governmental Activities					
General Government					
Area (square miles)	6	6	7	7	7
Security of Persons and Property					
Police					
Stations	1	1	1	1	2
Vehicles	6	7	7	7	8
Fire					
Stations	1	1	1	1	2
Vehicles	8	8	8	8	9
Transportation					
Street					
Vehicles	8	8	8	8	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	5	5	5	5	7
Golf Courses	1	1	1	1	1
Business-Type Activities					
Utilities					
Water					
Waterlines (Miles)	58	58	58	58	58
Number of Purification Plants	1	1	1	1	1
Number of Hydrants	327	327	327	327	599
Number of Water Towers	1	1	1	1	1
Sewer					
Sewerlines (Miles)	45	45	45	45	45
Number of Treatment Plants	1	1	1	1	1
Storm Water Drainage					
Miles of Storm Sewers	30	30	30	30	30

Source: Finance Director's Office

City of Napoleon

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
7	7	7	7	7
2	1	1	1	1
8	9	9	9	8
2	1	1	1	1
10	10	10	10	11
9	9	9	9	9
225	225	225	225	225
9	9	9	9	9
1	1	1	1	1
2	2	2	2	2
7	7	7	7	7
1	1	1	1	1
58	58	58	58	58
1	1	1	1	2
599	599	599	599	599
1	2	2	2	2
45	45	45	45	47
1	1	1	1	1
30	30	30	30	37





Mary Taylor, CPA
Auditor of State

CITY OF NAPOLEON

HENRY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 22, 2010