



**CITY OF TALLMADGE  
SUMMIT COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2001**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



CITY OF TALLMADGE  
SUMMIT COUNTY

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Tallmadge  
Summit County  
40 North Avenue  
Tallmadge, Ohio 44278

To the City Council:

We have audited the general purpose financial statements of the City of Tallmadge, Summit County, (the City) as of and for the year ended December 31, 2001, and have issued our report thereon dated May 6, 2002, in which we noted the City adopted Governmental Accounting Standards Board Statements Nos. 33 and 36. 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.

**Compliance**

As part of obtaining reasonable assurance about whether City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

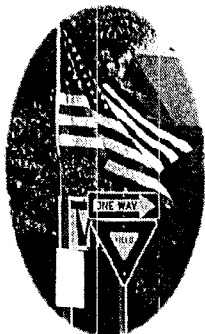
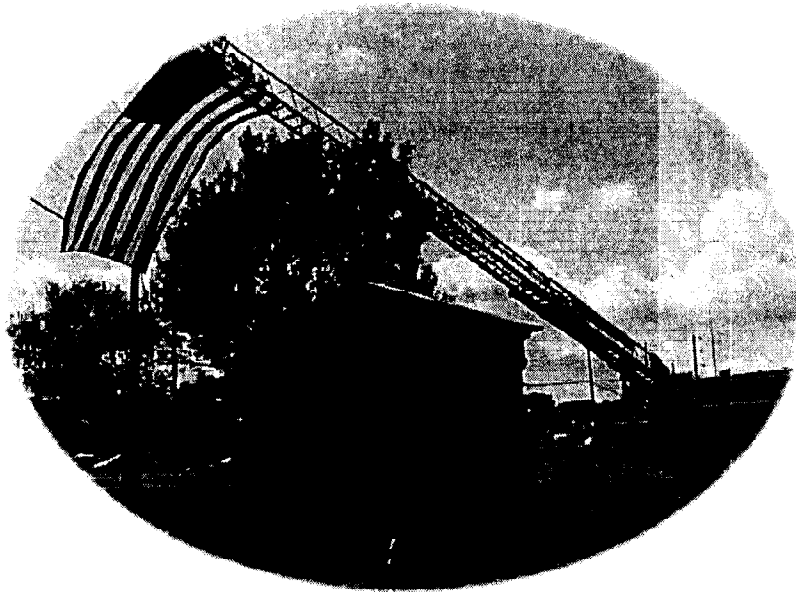
This report is intended for the information and use of the audit committee, management, and City Council and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

May 6, 2002

# *City of Tallmadge, Ohio*



*Comprehensive Annual  
Financial Report  
For Fiscal Year Ended  
December 31, 2001*



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**City of Tallmadge, Ohio**

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## **Introductory Section**





46 NORTH AVENUE

**CITY OF TALLMADGE, OHIO**  
**44278**

**JILL STRITCH**  
**DIRECTOR OF FINANCE**

**JIMELLE COLLINS**  
**ASSISTANT FINANCE DIRECTOR**

May 6, 2002

The Honorable Mayor, Members of City Council  
and Citizens of the City of Tallmadge, Ohio

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the City of Tallmadge (the City) for the fiscal year ended December 31, 2001, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation rests with the City. To the best of our knowledge, the data in this report is accurate in all material respects. It is our intention to present this report in a manner that presents fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to provide the reader with a better understanding of the City's financial activities have been included.

The CAFR is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, a listing of the principal City officials and an organizational chart. The financial section contains the Report of the Independent Accountants on the financial statements and schedules as well as the general purpose financial statements and the combining and individual fund and account group statements and schedules. The statistical section includes financial and demographic information, generally presented on a multi-year basis.

### **THE REPORTING ENTITY**

The City was established in 1936 as a village and became a city in 1951. The City is located in Summit County approximately 35 miles south of Cleveland, Ohio and is contiguous to Akron, Ohio. The City's 2000 population of 16,390 makes it the eighth largest City in Summit County.

Effective January 1, 1996, the City became a charter form of government. The charter allows the City to have home rule governing powers including an elected Mayor, Law Director, Director of Finance and Treasurer. The structure of Council changed in 1998 from an eight member council to a seven member council, each with a four year term. Four members of Council are elected from their respective wards and three members are elected at-large. The members of Council choose, by a majority vote, a member to serve as President for a two year term. The limitations for debt are as defined by state statute or local ordinance. The City is currently undergoing a charter review and any changes will be placed on the ballot in 2002.

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## City of Tallmadge, Ohio

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The City provides a full range of services to its citizens. The police protection services include a patrol, investigative, auxiliary program and a K-9 unit. In addition, the department has an established juvenile program that incorporates a drug resistance program, diversionary program, and a safety school for pre-kindergarten children. Tallmadge police also has a delegation of officers on the Summit Metro Critical Response and Rescue Team. Additional services offered by the City include fire protection and emergency medical service that provides ambulance transportation to the citizens. The fire protection services include a prevention bureau, which inspects dwellings and maintains a hazardous materials program, and promotes safety in the community and schools. Street maintenance includes additional services such as fall leaf pickup, tree chipping service, composting, waste oil disposal and recycling. Municipal functions include economic development, planning, zoning, building, cemetery, water and sanitary sewage services, a park and recreation system including a City pool.

Tallmadge is proud of its historical heritage that has been preserved. An excellent example of Western Reserve design is the center of Tallmadge known as the Circle or Rotary. This is still the central architectural focus point of the community. Tallmadge celebrated the 175<sup>th</sup> anniversary of the Church on the circle in 2000 with Heritage Day celebrations and a refurbishment of the historical church. To ensure that the architectural character remains intact, the Design Control District was created and is regulated by a Design Control Board appointed by the Mayor and Council.

The financial statements, schedules and statistical tables included herein include all funds and account groups that are controlled by or dependent upon the City, as determined on the basis of budgetary overview, obligations to fund deficits or control the use of surplus funds, taxing authority and fiscal management responsibilities. The Tallmadge City School District and the Tallmadge Public Library conduct all or a portion of their activities within the boundaries of the City. However, these organizations are not considered part of the City's reporting entity because the City is not financially accountable for their activities.

### **ECONOMIC CONDITION AND FUTURE OUTLOOK**

The City offers an attractive opportunity for business growth.

A mixed business community operating in a favorable climate is the basis of Tallmadge's stable and healthy environment. Tallmadge's 400 business establishments, from its largest employer, Auto Sales Inc., to small family businesses constitute the opportunity and interests that keep Tallmadge a vital part of the market place.

The City operates a Community Reinvestment Area Tax Abatement Program. This program is available for commercial and industrial expansions and new construction. A 100% real estate tax exemption for a maximum of ten years on buildings only is available under the abatement program.

In addition, the City is part of both the Summit County Enterprise Program and the Portage County Enterprise Program. These Programs abate tangible personal property taxes on items such as machinery, equipment and inventory up to a maximum of ten years with an average of 50% over the life of the abatement.

The City established a Link Deposit Program in 1999 to promote economic revitalization in the community. Small business development is assisted locally through the encouragement of low interest loans for the creation of new employment or to assist businesses in expansion.



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## City of Tallmadge, Ohio

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The Akron area, including Tallmadge, is the recognized world leader in polymer research and production with over 400 companies involved in this activity. Many Tallmadge firms are indirectly involved in polymer production or provide products to serve this industry.

Beginning in 1987, the City experienced significant economic growth, which continues today. New investment in industrial, commercial and residential development exceeded \$10 million in 1987 compared to a low of \$1.8 million in 1982. This trend continues with a reported valuation exceeding \$20.6 million in 2001.

Virtually all the major employers in the City have expanded or built new facilities during this time period. While the national and local economy was in a downturn during 2001, there were still a significant number of expansions in the City. The latest expansions include Waltco Truck Equipment, Carmen Development Company, J.D. Williamson, The Whole Shop, Thermal Tech, Inc., MedQuest, Inc., Shelter Care and Jordan Power and Equipment. The renovations made to West Avenue continue to benefit the City, encouraging business expansion or relocations along this commercial corridor. In addition to these expansions, there have been numerous commercial enterprises built or expanded throughout the City.

Net employment as a result of these expansions and other developments has increased by approximately 125 positions yearly. The majority of employment within the City occurs in businesses housed in 5,000 to 20,000 square foot buildings. This size of building is typically in great demand and therefore tends to lease rather quickly thereby preserving jobs in the City. Tallmadge's employment rate remains stable due to this large number of small businesses in the City. Unemployment rates tend to run at least one percent lower than the Akron metropolitan area.

In assessing the Tallmadge labor force, one must focus on the entire Akron area. There are presently over 350,000 jobs in the Akron area. The special demands of local industry have created a highly skilled and educated labor force. The Akron area ranks in the top six percent nationally in high-tech production and technical occupations. Current figures indicate that Tallmadge and the metropolitan area have more than 20,000 engineers, scientists and technicians in the labor force.

Residential development has closely paralleled industrial and commercial development during the same period. A total of 147 residential units were built in 2001, which consists of 39 single-family dwellings and 108 condominiums. This is the most residential units built in the City since 1973. Interestingly, 401 units have been built in the City during the last three years. This is approximately half as many units as constructed during the last ten years.

Not only has the City experienced an increase in new housing starts over the past ten years, it is also meeting the demands of a changing population with the development of condominiums. Since 1994 there have been six condominium projects. The most recent projects under construction consist of Eastwood Condominiums, consisting of 170 units located on 27.17 acres, Ridgewood Condominiums, and Chapel Hill Villas, which consist of 80 condominium units located on approximately 18 acres. Increased residential development is a strong indicator of future economic growth of the City.

The City has seen a strong influx of young families moving in as evidenced by an increase of approximately 23% in enrollment in the school system since it's low in 1989. This has resulted in the school district, in the fall of 1995, reopening one of the previously closed grade schools. The school system plans on expanding classrooms in the near future by using an additional grade school that had

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## City of Tallmadge, Ohio

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been leased previously for the last 15 years to tenants. Current enrollment for school year 2001-02 is 2,713 for grades K through 12.

In order to direct plans that effectuate a sound pattern of development, the City utilizes a Comprehensive Plan. The Comprehensive Plan is a policy document adopted by the administration and Council. The result is a document available to the citizens and the interested public that serves as a guide in defining community objectives, policies and goals and scheduling of capital improvement projects including water lines, sanitary sewer lines, storm sewers, and transportation. Further, to guide the direction of land development, this plan provides a thoroughfare map, zoning district map and future land use map. One of the goals of this plan is to provide central water and sewer service to the remaining areas of the City within a five-year period. The City updated this important document in 1997.

Growth of industrial, commercial and residential development demonstrates the City's willingness and desire to assist business development and promote future growth in Tallmadge. Reflected in the City's Comprehensive Plan is a willingness to promote planned growth for the future. The Comprehensive Plan details the City's guide for effective utilization of industrial, commercial, and residential areas throughout the City as well as proposed industrially zoned annexation areas.

Future growth also depends on the ability of the City to provide adequately serviced areas for growth. In 1995, the City successfully annexed 257 acres of industrial zoned property. This property, located at an interstate interchange, is the City's prime industrial area and as such is experiencing increased pressure for development. In 2001, the City worked with a developer to expand the usability of the area by installing a new roadway and utilities for further development. This new industrial property, coupled with the demands for development in the City, indicates a promising future for economic development.

### **MAJOR INITIATIVES**

During 2001, the City completed the Community Road in front of the library. This provided an "outer circle" linking Northeast Avenue and East Avenue. This project allows for much greater access to the library and City Community Center as well as for expansion of the Tallmadge Center Plaza.

The City continued the citywide park renovation program in 2001. There were tennis and basketball courts repaired and updated. The circle in the center of the city received a new electric distribution system to enhance the decorative lighting on the circle throughout the year illuminating the old Town Hall and Historic Church in addition to Christmas lights during the holidays. The major park renovation was the enhanced landscaping and retainer wall at Mac Burleson Park, which is used for baseball.

Renovations began on City Hall in 2000 and were completed in April of 2001. The renovations include a new customer service area on the first floor that allows customers to pay all their city bills in one central location. Council Chambers was also updated to take advantage of new technology and provide a larger and improved atmosphere for public meetings. New security features were also installed in the City building.

Three major street projects were completed during 2001. The South Avenue Project renovated South Avenue from the Tallmadge Circle approximately 2500 linear feet to just south of the S.D. Myers facility. The second project titled, South Avenue Eastwood Renovation was a joint project with the City of Akron and renovated both Eastwood Avenue in Akron and the commercial area along South Avenue in

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## City of Tallmadge, Ohio

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Tallmadge. Total cost of the project was approximately 3 million dollars, which will be paid for by the City of Akron and assessments levied against the property owners. The third project was the extension of Crystal Parkway from Howe Road to Progress Boulevard. The construction of this new street will open up approximately 75 acres of new industrial land for development.

During January 2001, the City entered into an agreement to lease the County sewer lines that are located within the City limits. This will enable the City to maintain those lines for the Tallmadge citizens, regulate the sewer rate, and bill those customers, as is done with all other Tallmadge citizens.

In 2001, residents approved ballot issues allowing the sale of alcohol, opening the door for development of restaurants along the major commercial corridors in the City.

### **FUTURE**

Maintaining the City's infrastructure is an ongoing commitment. The City continues with the maintenance of sanitary sewers, water improvements, storm water improvements, road paving, concrete maintenance programs and general infrastructure improvements.

The City will continue the renovation of the existing park system with improvements. There will be renovations made to Howe Road Park enabling more green space usable for baseball, or other activities needing large open areas.

The City is continuing to rehabilitate the Old Town Hall in the Tallmadge Circle as part of the historic preservation. The Old Town Hall is located in the same commons area of the restored Historic Church in the Circle.

The City anticipates constructing by the year 2004 a new community recreation facility. The facility will be a joint use facility that is designed for indoor recreational activities such as basketball, volleyball, tennis, running, walking, indoor soccer, and batting cages. The facility will be funded by private donations, and capital allocations from city income tax monies. The City may issue debt on the project but there will be no new levies passed in order to accomplish the construction of the proposed building.

### **DEPARTMENTAL FOCUS**

The City Charter provided for the creation of a Director of Public Safety as one of the administrative officials. Effective October 1, 2000, Gale Gault, the former police chief of Tallmadge was appointed to the position of Director of Public Safety. The Public Safety Director oversees all matters of public safety, including police, fire, emergency medical services, and management information systems for the City. The Director of Public Safety is at all times investigating regional cooperation in order to maximize efficiencies and cost effectiveness for Tallmadge and neighboring communities. The Safety Director was charged with evaluating and implementing EMS transportation fees.

In 2001, the City commenced the imposition of fees on residents for emergency medical services, including ambulance fees, and other life support fees. The City then awarded a contract for the EMS billing and collection to Life Force Management. This enhanced the revenue stream for the Fire/EMS fund, offsetting some of the capital and operating costs necessary for the department.

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# City of Tallmadge, Ohio

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## **FINANCIAL INFORMATION**

The City is responsible for establishing and maintaining an internal control system designed to protect its assets from loss, theft or misuse. Furthermore, the accounting system must be adequate to ensure that the financial statements are prepared in conformity with accounting principles generally accepted in the United States. The City's internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived, and that the valuation of costs and benefits requires estimates and judgments by management.

## **SUMMARY OF ACCOUNTING POLICIES AND BUDGETARY CONTROL**

The City's financial statements for the Governmental Fund Types, Expendable Trust Funds and Agency Funds have been prepared using the modified accrual basis of accounting. Under this basis, revenues are recognized in the period in which they become measurable and available to finance current operations. Expenditures are recognized in the period in which the liability is incurred, if measurable, except for interest on general long-term debt, which is recognized when it is due.

The Proprietary Fund Types and the Non-Expendable Trust Fund are accounted for using the accrual basis of accounting. Therefore, revenues are recognized when they are earned and expenses are recognized when they are incurred.

The City adopts an annual cash basis appropriation measure or budget for the period January 1 to December 31 for all funds. Amendments to the budget, whether increasing, decreasing or transferring amounts, require legislative authorization by City Council. The level of budgetary control at which expenditures cannot exceed an appropriated amount is established at the program level within the General Fund and at the fund level for all other funds of the City. Capital items such as capital equipment are budgeted on a line item basis as specified by City Council legislatively.

Budgetary control is maintained by the fully automated accounting system, which utilizes a purchase order/encumbrance system. All expenditures over \$100 must have a purchase order encumbered prior to payment, establishing that the monies are legally appropriated and available for use. All expenditures under \$100 are approved by the Director of Finance utilizing a "Then & Now" certification. The Director of Finance has prepared a Procurement Policy booklet outlining policies and procedures for all employees authorized to order goods or enter into a contract. At the close of the fiscal year, the unencumbered balance of each respective fund becomes available for future appropriations. The outstanding purchase orders or encumbrances at year-end carry forward to the succeeding fiscal year and need not be reappropriated.

The Director of Finance communicates the financial condition of the City to Council and department heads on a monthly basis by furnishing financial information by fund and account. Furthermore, the fully integrated financial accounting system allows for the immediate update of revenue and expenditure items. The immediate dissemination of information provides management and administration with the necessary data for daily decision making, monitoring and evaluation.

# City of Tallmadge, Ohio

## GENERAL GOVERNMENTAL FUNCTIONS

The schedules below compare revenues and expenditures for general governmental functions which include the General, Special Revenue, Debt Service, Capital Projects and Expendable Trust Funds. The City implemented Governmental Accounting Standards Board (GASB) Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. Therefore, fiscal year 2000 was restated applying GASB 33. A discussion of the material differences in revenues and expenditures from 2001 to 2000 follows.

Revenues	2001 Amount	as restated (Note 1) 2000 Amount	Increase (Decrease) Amount
Taxes	\$ 8,493,766	\$ 8,394,531	\$ 99,235
Intergovernmental	2,376,048	2,466,027	(89,979)
Charges for services	593,539	326,951	266,588
Fines, licenses and permits	323,608	234,493	89,115
Investment income	296,318	319,377	(23,059)
Special assessments	85,883	143,926	(58,043)
Miscellaneous	366,469	128,147	238,322
<b>Total Revenues</b>	<b>\$ 12,535,631</b>	<b>\$ 12,013,452</b>	<b>\$ 522,179</b>

The revenue category of taxes increased 1.18% from fiscal year 2000 due to slight increases in the collection of property taxes on new construction.

The revenue category of intergovernmental taxes decreased by 3.65% in 2001 primarily due to a decrease in inheritance tax.

The revenue category of charges for services increased from fiscal year 2000 to 2001 by a significant amount. This is because the City began charging and collecting ambulance fees, which created a new revenue stream.

The revenue category of fines, licenses and permits increased primarily due to the increase of all building fees commencing in 2001.

The revenue category of special assessments declined in 2001 due to having only very minor assessed projects in 2001.

The revenue category of miscellaneous increased from fiscal year 2000 to 2001 due primarily to a contribution of approximately \$190,000 from the County library to the City for their participation towards the Community Center Road.

## City of Tallmadge, Ohio

Expenditures	2001 Amount	2000 Amount	Increase (Decrease) Amount
Current			
Security of persons and property	\$ 4,546,800	\$ 4,559,866	\$ (13,066)
Public health and welfare	173,349	159,353	13,996
Leisure time activities	727,899	780,070	(52,171)
Community development	385,460	350,053	35,407
Transportation	1,403,016	1,464,656	(61,640)
General government	2,639,616	2,392,119	247,497
Capital outlay	2,845,234	3,588,325	(743,091)
Debt service			0
Principal	200,000	318,242	(118,242)
Interest	358,523	303,277	55,246
<b>Total Expenditures</b>	<b>\$ 13,279,897</b>	<b>\$ 13,915,961</b>	<b>\$ (636,064)</b>

The expenditure category of transportation decreased primarily due to the extremely mild winter, the City saved a large amount of money, as it was not necessary to purchase road salt.

The expenditure category of general government increased for several reasons as opposed to a significant event. The City added a part-time Safety Director in 2001, which increased expenditures approximately \$27,000. There was emphasis placed on the management information system for the City and additional money spent to upgrade and network the computer system in the new city hall, which increased expenditures approximately \$30,000. Also, the City acquired some open land in some allotments, which increased the property taxes for one year by \$43,000. Lastly, the remaining increase in expenditures was due to salary increases of approximately 5.5% to all non-bargaining and bargaining employees in the City.

The expenditure category of capital outlay reflected a 20.71% decrease. This substantial decrease in expenditures is due to the completion of the renovation of the City Hall Building in fiscal year 2000.

The expenditure category of principal decreased due to identifying the capital lease as a capital outlay item in the Special Revenue Fund.

The expenditure category of interest increased due to the issuance of the City Building Improvement Bonds.

**General Fund** - The General Fund accounts for all financial transactions of the City that are not accounted for in any of the other funds. The General Fund accounts for all governmental administrative functions, safety and security, community environment, recycling and leisure time activities.

**Special Revenue Funds** - Special Revenue Funds of the City account for revenues derived from special levies or a legally restricted revenue source. The major funds in this classification are the Fire/EMS Levy, State Highway and Street Maintenance and Repair Funds.

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# City of Tallmadge, Ohio

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**Capital Projects Funds** - Capital Projects Funds of the City account for all financial transactions related to major capital projects that are not reflected as Enterprise Funds. These projects are typically funded from transfers from the General Fund or from the sale of general obligation debt.

**Enterprise Funds** - Enterprise Funds of the City account for those operations of the City where the costs of providing the services are paid for by user charges. It also includes utility projects whereby the debt is paid for by special assessments and monies in the major enterprise funds. The two distinct major enterprise operations of the City are the Sanitary Sewer Operating and Water Operating Funds.

In an effort to maintain and refurbish the infrastructure of the City there are also Sanitary Sewer and Water Operating Infrastructure Funds. In accordance with City ordinances, the Infrastructure Funds receive annual revenues equal to 6% of the operating revenue from the Sanitary Sewer Operating and Water Operating Funds. The City does not operate its own water plant, rather the City purchases water from the City of Akron. The City owns and maintains the water lines and bills all the water customers within the City limits. The City also utilizes sewage treatment services provided by the City of Akron. Again, the City of Tallmadge maintains the sewer lines and bills its customers within the City limits. The water rates that the City sets for its citizens are based upon the rates charged by the City of Akron.

**Pension Trust Funds** - Employees of the City belong to one of two state operated pension plans. These are the Public Employees Retirement System (PERS) and the Ohio Police and Fire Pension Fund (OP&F). The elected officials participate in PERS on a voluntary basis. The Ohio Revised Code mandates the participation in the plans by the City and its employees.

The total payrolls for employees covered by PERS and OP&F for the year ended December 31, 2001, were \$3,462,435 and \$1,940,560, respectively. The City's 2001 employer contributions made to PERS and OP&F were \$469,160 and \$405,341, respectively. A portion of the employer's contribution for PERS and OP&F is set aside for the funding of postretirement health care which was 4.3% and 7.5%, respectively.

**Debt Administration** - The total amount of the City's debt is substantially lower than the statutory debt margins as indicated in Table 7 in the Statistical Section of this report. At December 31, 2001, the City's long-term bonds and notes payable were as follows:

Enterprise Funds Obligations	\$ 1,606,000
Other Long-Term General Obligations	\$ 6,844,000

**Cash Management** - The primary goal of the cash management program is to minimize the level of idle cash on hand to meet the daily cash requirements while simultaneously maximizing the funds available for investment. The City does not invest and has not invested in derivative products. The eligible investments under the City's investment policy are as follows:

- A. Certificates of deposit when purchased from institutions located in Tallmadge.
- B. Bonds, notes, or other direct obligations of or guaranteed by the United States or its agencies or instrumentalities or those for which the full faith and credit of the United States is pledged for payment of principal and interest issued by the United States Treasury, Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), Federal Farm Credit

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## City of Tallmadge, Ohio

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Bank (FFCB), Federal Home Loan Bank (FHLB), and Federal Home Loan Mortgage Corporation (FHLMC).

- C. Bonds or other obligations of the State of Ohio and the City of Tallmadge.
- D. Repurchase agreements with institutions that have signed a master repurchase agreement with the City.
- E. The State Treasury Asset Reserve of Ohio (STAR Ohio).
- F. All investments of interim funds must have a maturity of no longer than two years.
- G. All investments of inactive funds must have a maturity of no longer than five years.

The City's investment objectives, in order of priority, are insuring the safety of the public funds, investing those funds in accordance with all state and local laws, maintaining sufficient liquidity to meet all reasonably anticipated expenditures and receiving the highest rate of return.

The City instituted a comprehensive investment policy which was adopted by Council in 1991. In 1992, the investment policy was amended, adopted by Council and the City received certification for that policy by the Municipal Treasurers Association of the United States and Canada (MTA). The Investment Policy was revised in 1997 and is in Chapter 125.01 in the Tallmadge Codified Ordinances.

**Risk Management** - The City, through the Service Director's department, obtains proposals annually for the most competitive insurance coverage. This department administers the City's insurance coverage, which is described as follows:

- General Liability - \$2,000,000 aggregate with a \$1,000,000 occurrence
- Automobile Liability - \$1,000,000 combined single limit on all City owned, hired and non-owned automobiles with a \$250 deductible for comprehensive and \$500 collision
- Umbrella Liability - The City has \$10,000,000 coverage extending the liability on the general liability, automobile liability, police professional liability and firefighters errors and omissions
- Property and Content - \$14,295,441 blanket coverage on buildings and contents and a \$1,000 deductible
- Firefighters Errors and Omissions - \$2,000,000 aggregate with a \$1,000,000 occurrence coverage
- Public Officials - \$5,000,000 aggregate with a \$5,000,000 loss and a \$5,000 deductible
- Police Professional - \$1,000,000 aggregate with a \$1,000,000 occurrence and \$1,000,000 per person with a \$5,000 deductible

In addition, the City carries blanket bond insurance with a \$100,000 per occurrence for guaranteeing the honest and faithful performance of the City's employees.

The Director of Finance and Treasurer are bonded for \$250,000. All persons working under the direction and supervision of either the Director of Finance or Treasurer's office are bonded for \$25,000. All other officers, clerks or employees who are paid by the City are covered by a blanket bond not to exceed \$5,000.



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## City of Tallmadge, Ohio

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**Fixed Assets** - The General Fixed Assets of the City include all City owned land, buildings and improvements, equipment and vehicles that are essential for the performance of the governmental functions. The General Fixed Assets Account Group accounts for all assets of the City other than those accounted for in the Proprietary Funds. As of December 31, 2001, the General Fixed Assets of the City totaled \$19,207,735. This amount represents the historical cost of acquiring the assets.

Depreciation is not recorded on those assets in the General Fixed Assets Account Group. Infrastructure fixed assets such as streets, drains, traffic signals and signs are not capitalized by the City and are not reported as part of the General Fixed Assets Account Group.

### OTHER

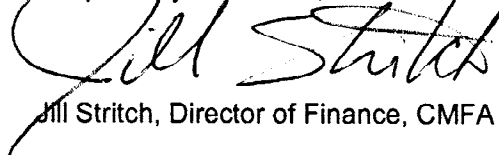
**Independent Audit** - The 2001 audit was performed by the State of Ohio Office of the Auditor. The City continues to receive an unqualified opinion. The Report of the Independent Accountants on the City's financial statements is included in the financial section of this report.

**Awards** - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tallmadge for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2000. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

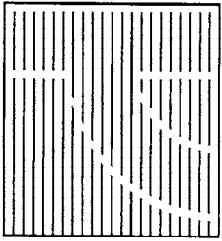
A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last nine consecutive years (fiscal years ended 1992 - 2000). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

**Acknowledgment** - I would like to express my sincere appreciation to those individuals who assisted in the preparation of this Comprehensive Annual Financial Report. Successful preparation of a report of this scope depends upon the dedicated contributions and hard work of many employees. The cooperation and dedication, particularly of those in my office, that assisted me in this endeavor made the accomplishment of this report a reality. I would also like to extend my appreciation to the Administration and City Council for their support and commitment.

Respectfully Submitted,



Jill Stritch, Director of Finance, CMFA



The Government Finance Officers Association  
of the United States and Canada

presents this

## AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Jill Stritch  
Director of Finance

City of Tallmadge, Ohio

*The Award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.*

Executive Director

Date

December 19, 2001

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Tallmadge,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2000

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.



*Imelda Greve*  
President

*Jeffrey L. Essler*  
Executive Director

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**City of Tallmadge, Ohio  
Listing of Principal City Officials  
As of December 31, 2001**

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**ELECTED OFFICIALS**

Mayor	Christopher B. Grimm
Director of Finance	Jill M. Stritch
Director of Law	Richard A. Schunk
Treasurer	Marc R. Dion, Sr.
President of Council	Jerry E. Feeman
Council Member	Linda S. Poinar
Council Member	John D. Rensel
Council Member	Jack L. Sarver
Council Member	Mickey L. Shields
Council Member	Gene Stalnaker
Council Member	Dennis P. Thompson

**APPOINTED OFFICIALS**

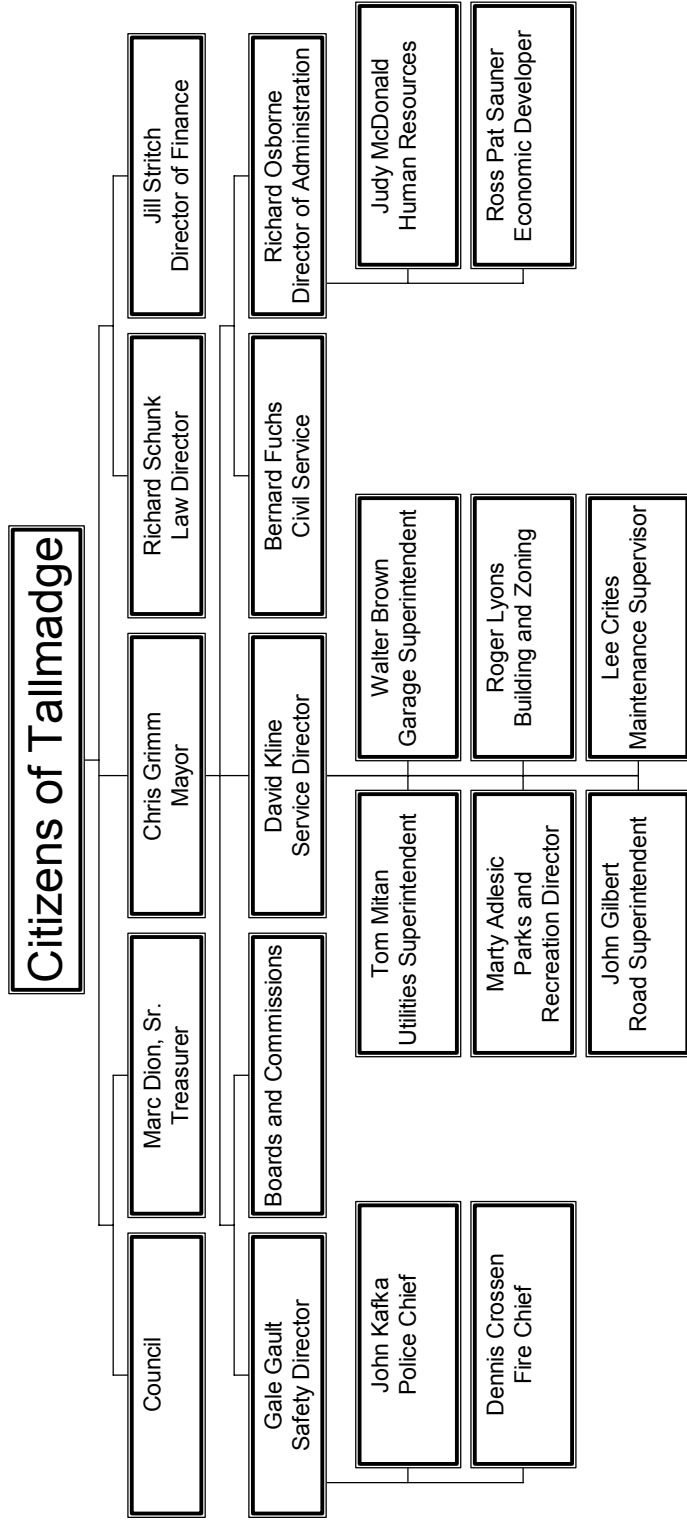
Service Director	David G. Kline
Director of Administration	Richard L. Osborne
Safety Director	Gale G. Gault
Human Resources Director	Judy McDonald
Economic Developer	Ross Sauner
Assistant Director of Law	Penny Taylor
Assistant Director of Finance	Jimelle Collins
Deputy Treasurer	Angela Myers
Chief Deputy Tax Administrator	Rosemary Berdy
Clerk of Council	Susan E. Wilson
Deputy Clerk of Council	Dennis DiMascio

**DEPARTMENT OFFICIALS**

Chief of Police	John G. Kafka
Chief of Fire	Dennis Crossen
Road Superintendent	John A. Gilbert
Utilities Superintendent	Thomas J. Mitani
Garage Superintendent	Walter J. Brown
Engineer/Building Inspector	Roger A. Lyons
Recreation Director	Martin G. Adlesic
Civil Service Chairman	Bernard J. Fuchs
Maintenance Supervisor	Lee Crites

# CITY OF TALLMADGE - 2001

## ORGANIZATIONAL CHART



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## **Financial Section**







STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW  
Fourth Floor  
Canton, Ohio 44702  
Telephone 330-438-0617  
800-443-9272  
Facsimile 330-471-0001  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

The Honorable Mayor and Members of City Council  
City of Tallmadge  
Summit County  
46 North Avenue  
Tallmadge, Ohio 44278

We have audited the accompanying general purpose financial statements of the City of Tallmadge, Summit County, (the City) as of and for the year ended December 31, 2001, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose 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 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 opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Tallmadge, Summit County, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types and non-expendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, to the general purpose financial statements, effective January 1, 2001, the City changed its method of accounting and reporting for nonexchange transactions, as required by Governmental Accounting Standards Board Statement Nos. 33 and 36.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the Table of Contents are presented for additional analysis and are not a required part of the general purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, it is fairly presented in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

May 6, 2002

**City of Tallmadge, Ohio**  
**Combined Balance Sheet - All Fund Types and Account Groups**  
**December 31, 2001**

(With Comparative Totals as of December 31, 2000)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits:</b>				
Equity in pooled cash and investments	\$ 2,148,058	\$ 530,762	\$ 51,519	\$ 519,041
Receivables	2,735,901	1,417,958	1,756,967	2,739
Inventory of supplies	-	146,154	-	-
Fixed assets (net of accumulated depreciation where applicable)	-	-	-	-
Amount available for retirement of general long-term obligations	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-
<b>Total Assets and Other Debits</b>	<b>\$ 4,883,959</b>	<b>\$ 2,094,874</b>	<b>\$ 1,808,486</b>	<b>\$ 521,780</b>
<b>Liabilities, Fund Equity and Other Credits:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 122,447	\$ 48,274	\$ -	\$ 4,014
Claims payable	-	-	-	-
Accrued wages and benefits	305,059	162,039	-	-
Other liabilities	30,515	-	-	-
Deferred revenue	1,814,839	1,259,646	1,756,967	978
General obligation notes payable	-	-	-	-
General obligation bonds payable	-	-	-	-
Special assessment debt	-	-	-	-
Capital lease payable	-	-	-	-
<b>Total Liabilities</b>	<b>2,272,860</b>	<b>1,469,959</b>	<b>1,756,967</b>	<b>4,992</b>
<b>Fund Equity and Other Credits:</b>				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings	-	-	-	-
<b>Fund balance :</b>				
Reserved for encumbrances	123,950	101,983	-	164,984
Reserved for inventory	-	146,154	-	-
Reserved for debt service	-	-	51,519	-
Reserved for endowment	-	-	-	-
Unreserved - undesignated	2,487,149	376,778	-	351,804
<b>Total Fund Equity and Other Credits</b>	<b>2,611,099</b>	<b>624,915</b>	<b>51,519</b>	<b>516,788</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$ 4,883,959</b>	<b>\$ 2,094,874</b>	<b>\$ 1,808,486</b>	<b>\$ 521,780</b>

(see notes to the combined financial statements)

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		2001 Totals	2000 Totals
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)	(Memorandum Only ) as re-stated (Note 1)
\$ 5,565,701	\$ 340,498	\$ 225,606	\$ -	\$ -	\$ 9,381,185	\$ 11,204,638
2,960,314	1,201	101,103	-	-	8,976,183	8,539,592
89,040	71,357	-	-	-	306,551	275,129
10,128,920	179,720	-	19,207,735	-	29,516,375	27,935,160
-	-	-	-	51,519	51,519	64,114
-	-	-	-	7,469,812	7,469,812	5,403,672
<u>\$ 18,743,975</u>	<u>\$ 592,776</u>	<u>\$ 326,709</u>	<u>\$ 19,207,735</u>	<u>\$ 7,521,331</u>	<u>\$ 55,701,625</u>	<u>\$ 53,422,305</u>
\$ 402,080	\$ 24,305	\$ 134,353	\$ -	\$ -	\$ 735,473	\$ 1,273,515
-	97,322	-	-	-	97,322	49,633
66,015	19,571	65,012	-	474,018	1,091,714	1,094,436
7,925	-	-	-	-	38,440	102,333
-	-	100,321	-	-	4,932,751	5,000,112
-	-	-	-	-	-	3,170,000
-	-	-	-	5,804,000	5,804,000	3,799,000
1,606,000	-	-	-	1,040,000	2,646,000	2,106,000
-	-	-	-	203,313	203,313	233,925
2,082,020	141,198	299,686	-	7,521,331	15,549,013	16,828,954
-	-	-	19,207,735	-	19,207,735	17,860,795
6,061,693	12,930	-	-	-	6,074,623	5,921,470
10,600,262	438,648	-	-	-	11,038,910	10,327,006
-	-	-	-	-	390,917	1,240,300
-	-	-	-	-	146,154	139,824
-	-	-	-	-	51,519	64,114
-	-	30,500	-	-	30,500	30,500
-	-	(3,477)	-	-	3,212,254	1,009,342
16,661,955	451,578	27,023	19,207,735	-	40,152,612	36,593,351
<u>\$ 18,743,975</u>	<u>\$ 592,776</u>	<u>\$ 326,709</u>	<u>\$ 19,207,735</u>	<u>\$ 7,521,331</u>	<u>\$ 55,701,625</u>	<u>\$ 53,422,305</u>

(see notes to the combined financial statements)

**City of Tallmadge, Ohio**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Governmental Fund Types and Expendable Trust Funds**  
**for the Year Ended December 31, 2001**  
(With Comparative Totals for the Year Ended December 31, 2000)

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	2001	as restated (Note 1) 2000
<b>Revenues</b>							
Taxes	\$ 7,359,997	\$ 1,040,579	\$ -	\$ -	\$ 93,190	\$ 8,493,766	\$ 8,394,531
Intergovernmental	1,550,247	620,062	-	195,000	10,739	2,376,048	2,466,027
Charges for services	281,461	312,078	-	-	-	593,539	326,951
Fines, licenses and permits	317,043	6,565	-	-	-	323,608	234,493
Investment income	255,509	7,277	-	33,082	450	296,318	319,377
Special assessments	-	-	85,883	-	-	85,883	143,926
Miscellaneous	151,880	17,896	12,250	182,449	1,993	366,468	128,147
<b>Total Revenues</b>	<b>9,916,137</b>	<b>2,004,457</b>	<b>98,133</b>	<b>410,531</b>	<b>106,372</b>	<b>12,535,630</b>	<b>12,013,452</b>
<b>Expenditures</b>							
Current:							
Security of persons and property	2,637,192	1,640,600	-	-	269,008	4,546,800	4,559,866
Public health and welfare	114,700	58,649	-	-	-	173,349	159,353
Leisure time activities	523,238	204,661	-	-	-	727,899	780,070
Community development	385,460	-	-	-	-	385,460	350,053
Transportation	-	1,403,016	-	-	-	1,403,016	1,464,656
General government	2,639,116	-	500	-	-	2,639,616	2,392,119
Capital outlay	135,881	1,160,105	-	1,549,248	-	2,845,234	3,588,325
Debt service:							
Principal	-	-	200,000	-	-	200,000	318,242
Interest	-	-	293,928	64,595	-	358,523	303,277
<b>Total Expenditures</b>	<b>6,435,587</b>	<b>4,467,031</b>	<b>494,428</b>	<b>1,613,843</b>	<b>269,008</b>	<b>13,279,897</b>	<b>13,915,961</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>3,480,550</b>	<b>(2,462,574)</b>	<b>(396,295)</b>	<b>(1,203,312)</b>	<b>(162,636)</b>	<b>(744,267)</b>	<b>(1,902,509)</b>
Other Financing Sources (Uses)							
Capital lease proceeds	-	101,441	-	-	-	101,441	259,957
Proceeds from debt issuance	-	-	-	2,175,000	-	2,175,000	1,070,000
Proceeds from sale of assets	-	-	-	-	-	-	25,988
Operating transfers in	-	2,587,283	383,700	432,551	180,000	3,583,534	3,830,192
Operating transfers out	(3,569,251)	(206,280)	-	-	-	(3,775,531)	(4,146,953)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,569,251)</b>	<b>2,482,444</b>	<b>383,700</b>	<b>2,607,551</b>	<b>180,000</b>	<b>2,084,444</b>	<b>1,039,184</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(88,701)</b>	<b>19,870</b>	<b>(12,595)</b>	<b>1,404,239</b>	<b>17,364</b>	<b>1,340,177</b>	<b>(863,325)</b>
Fund Balance at Beginning of Year as restated (Note 1)	2,639,800	658,715	64,114	(887,451)	(36,710)	2,438,468	3,269,916
Change in Reserve for Inventory	-	6,330	-	-	-	6,330	31,874
Residual Equity Transfers In	60,000	-	-	-	-	60,000	278,210
Residual Equity Transfers Out	-	(60,000)	-	-	-	(60,000)	(278,210)
<b>Fund Balance at End of Year</b>	<b>\$ 2,611,099</b>	<b>\$ 624,915</b>	<b>\$ 51,519</b>	<b>\$ 516,788</b>	<b>\$ (19,346)</b>	<b>\$ 3,784,975</b>	<b>\$ 2,438,465</b>

(see notes to the combined financial statements)

**City of Tallmadge, Ohio**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**All Governmental Fund Types and Expendable Trust Funds**  
**for the Year Ended December 31, 2001**

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Taxes	\$ 7,505,729	\$ 7,400,476	\$ (105,253)	\$ 984,016	\$ 992,228	\$ 8,212
Intergovernmental	1,266,243	1,547,132	280,889	587,023	656,104	69,081
Charges for services	257,700	281,461	23,761	375,000	266,827	(108,173)
Fines, licenses and permits	257,700	306,691	48,991	3,118	3,152	34
Investment income	166,000	260,760	94,760	6,881	6,913	32
Special assessments	1,700	8,573	6,873	-	-	-
Miscellaneous	167,600	188,224	20,624	14,000	25,758	11,758
Total Revenues	9,622,672	9,993,317	370,645	1,970,038	1,950,982	(19,056)
<b>Expenditures</b>						
Current:						
Security of persons and property	2,824,800	2,693,902	130,898	1,659,395	1,648,964	10,431
Public health and welfare	114,700	114,700	-	59,000	58,773	227
Leisure time activities	561,800	519,170	42,630	214,800	201,588	13,212
Community environment	365,500	361,868	3,632	-	-	-
Transportation			-	2,059,500	1,897,754	161,746
General government	2,676,050	2,540,978	135,072	-	-	-
Capital outlay	128,800	90,694	38,106	443,111	436,891	6,220
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	6,671,650	6,321,312	350,338	4,435,806	4,243,970	191,836
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	2,951,022	3,672,005	720,983	(2,465,768)	(2,292,988)	172,780
Other Financing Sources (Uses)						
Bond proceeds	-	-	-	-	-	-
Operating transfers in	-	-	-	2,639,357	2,587,282	(52,075)
Operating transfers out	(3,739,100)	(3,569,251)	169,849	(206,394)	(206,282)	112
Other financing sources (Uses) net	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(3,739,100)	(3,569,251)	169,849	2,432,963	2,381,000	(51,963)
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	(788,078)	102,754	890,832	(32,805)	88,012	120,817
Fund Balance at Beginning of Year	1,716,577	1,716,577	-	344,090	344,090	-
Decertification of prior year encumbrances	36,398	36,398	-	13,474	13,474	-
Residual Equity transfers in	60,000	60,000	-	-	-	-
Residual Equity transfers out	-	-	-	(60,000)	(60,000)	-
<b>Fund Balance at End of Year</b>	\$ 1,024,897	\$ 1,915,729	\$ 890,832	\$ 264,759	\$ 385,576	\$ 120,817

(see notes to the combined financial statements)

(continued)

**City of Tallmadge, Ohio**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**All Governmental Fund Types and Expendable Trust Funds**  
**for the Year Ended December 31, 2001**

	Debt Service Fund			Capital Project Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	377,449	377,449	-
Charges for services	-	-	-	-	-	-
Fines, licenses and permits	-	-	-	-	-	-
Investment income	-	-	-	125,005	49,488	(75,517)
Special assessments	85,883	85,883	-	-	-	-
Miscellaneous	12,250	12,250	-	-	-	-
<b>Total Revenues</b>	<b>98,133</b>	<b>98,133</b>	<b>-</b>	<b>502,454</b>	<b>426,937</b>	<b>(75,517)</b>
<b>Expenditures</b>						
Current:						
Security of persons and property	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-
Community environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
General government	-	-	-	-	-	-
Capital outlay	-	-	-	1,110,999	1,058,765	52,234
Debt service:						
Principal	200,000	200,000	-	2,300,690	2,270,000	30,690
Interest	294,000	293,928	72	106,000	106,394	(394)
<b>Total Expenditures</b>	<b>494,000</b>	<b>493,928</b>	<b>72</b>	<b>3,517,689</b>	<b>3,435,159</b>	<b>82,530</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(395,867)</b>	<b>(395,795)</b>	<b>72</b>	<b>(3,015,235)</b>	<b>(3,008,222)</b>	<b>7,013</b>
Other Financing Sources (Uses)						
Bond proceeds	-	-	-	2,175,000	2,175,000	-
Operating transfers in	383,700	383,700	-	432,551	432,551	-
Operating transfers out	-	-	-	-	-	-
Other financing sources (Uses) net	(8,000)	(3,100)	4,900	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>375,700</b>	<b>380,600</b>	<b>4,900</b>	<b>2,607,551</b>	<b>2,607,551</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(20,167)</b>	<b>(15,195)</b>	<b>4,972</b>	<b>(407,684)</b>	<b>(400,671)</b>	<b>7,013</b>
Fund Balance at Beginning of Year	66,714	66,714	-	739,203	739,203	-
Decertification of prior year encumbrances	-	-	-	11,735	11,735	-
Residual Equity transfers in	-	-	-	-	-	-
Residual Equity transfers out	-	-	-	-	-	-
<b>Fund Balance at End of Year</b>	<b>\$ 46,547</b>	<b>\$ 51,519</b>	<b>\$ 4,972</b>	<b>\$ 343,254</b>	<b>\$ 350,267</b>	<b>\$ 7,013</b>

(see notes to the combined financial statements)

**City of Tallmadge, Ohio**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**All Governmental Fund Types and Expendable Trust Funds**  
**for the Year Ended December 31, 2001**

	Expendable Trust Funds			Totals (Memorandum Only)		
	Budget	Actual	Variance	Budget	Actual	Variance
			Favorable (Unfavorable)			Favorable (Unfavorable)
<b>Revenues</b>						
Taxes	\$ 95,104	\$ 93,214	\$ (1,890)	\$ 8,584,849	\$ 8,485,918	\$ (98,931)
Intergovernmental	10,429	10,740	311	2,241,144	2,591,425	350,281
Charges for services	-	-	-	632,700	548,288	(84,412)
Fines, licenses and permits	-	-	-	260,818	309,843	49,025
Investment income	-	-	-	297,886	317,161	19,275
Special assessments	-	-	-	87,583	94,456	6,873
Miscellaneous	2,500	1,994	(506)	196,350	228,226	31,876
<b>Total Revenues</b>	<b>108,033</b>	<b>105,948</b>	<b>(2,085)</b>	<b>12,301,330</b>	<b>12,575,317</b>	<b>273,987</b>
<b>Expenditures</b>						
Current:						
Security of persons and property	300,300	261,042	39,258	4,784,495	4,603,908	180,587
Public health and welfare	-	-	-	173,700	173,473	227
Leisure time activities	-	-	-	776,600	720,758	55,842
Community environment	-	-	-	365,500	361,868	3,632
Transportation	-	-	-	2,059,500	1,897,754	161,746
General government	-	-	-	2,676,050	2,540,978	135,072
Capital outlay	-	-	-	1,682,910	1,586,350	96,560
Debt service:						
Principal	-	-	-	2,500,690	2,470,000	30,690
Interest	-	-	-	400,000	400,322	(322)
<b>Total Expenditures</b>	<b>300,300</b>	<b>261,042</b>	<b>39,258</b>	<b>15,419,445</b>	<b>14,755,411</b>	<b>664,034</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(192,267)</b>	<b>(155,094)</b>	<b>37,173</b>	<b>(3,118,115)</b>	<b>(2,180,094)</b>	<b>938,021</b>
Other Financing Sources (Uses)						
Bond proceeds	-	-	-	2,175,000	2,175,000	-
Operating transfers in	210,000	180,000	(30,000)	3,665,608	3,583,533	(82,075)
Operating transfers out	-	-	-	(3,945,494)	(3,775,533)	169,961
Other financing sources (Uses) net	-	-	-	(8,000)	(3,100)	4,900
<b>Total Other Financing Sources (Uses)</b>	<b>210,000</b>	<b>180,000</b>	<b>(30,000)</b>	<b>1,887,114</b>	<b>1,979,900</b>	<b>92,786</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>17,733</b>	<b>24,906</b>	<b>7,173</b>	<b>(1,231,001)</b>	<b>(200,194)</b>	<b>1,030,807</b>
Fund Balance at Beginning of Year	19,635	19,635	-	2,886,219	2,886,219	-
Decertification of prior year encumbrances	-	-	-	61,607	61,607	-
Residual Equity transfers in	-	-	-	60,000	60,000	-
Residual Equity transfers out	-	-	-	(60,000)	(60,000)	-
<b>Fund Balance at End of Year</b>	<b>\$ 37,368</b>	<b>\$ 44,541</b>	<b>\$ 7,173</b>	<b>\$ 1,716,825</b>	<b>\$ 2,747,632</b>	<b>\$ 1,030,807</b>

(see notes to the combined financial statements)

**City of Tallmadge, Ohio**  
**Combined Statement of Revenues, Expenses and Changes in Fund Equity**  
**All Proprietary Fund Types and Non-Expendable Trust Fund**  
**for the Year Ended December 31, 2001**  
(With Comparative Totals for the Year Ended December 31, 2000)

	Proprietary Fund Types		Fiduciary	Totals	
	Enterprise	Internal Service	Fund Type	(Memorandum Only)	
			Non-Expendable Trust	2001	2000
<b>Operating Revenues</b>					
Charges for services	\$ 4,261,330	\$ 1,065,854	\$ -	\$ 5,327,184	\$ 4,256,699
Investment income	-	-	2,768	2,768	3,447
Other	408,635	10,620	-	419,255	49,182
<b>Total Operating Revenues</b>	<b>4,669,965</b>	<b>1,076,474</b>	<b>2,768</b>	<b>5,749,207</b>	<b>4,309,328</b>
<b>Operating Expenses</b>					
Personal services	397,128	281,958	-	679,086	611,816
Contractual services	2,765,015	910,573	-	3,675,588	2,515,440
Depreciation	487,874	31,298	-	519,172	506,945
Other	181,460	240,338	2,014	423,812	364,817
<b>Total Operating Expenses</b>	<b>3,831,477</b>	<b>1,464,167</b>	<b>2,014</b>	<b>5,297,658</b>	<b>3,999,018</b>
<b>Operating Income (Loss)</b>	<b>838,488</b>	<b>(387,693)</b>	<b>754</b>	<b>451,549</b>	<b>310,310</b>
Nonoperating Revenues (Expenses)					
Investment income	295,331	-	-	295,331	406,548
Interest expense	(85,998)	-	-	(85,998)	(92,626)
<b>Total Nonoperating Revenues (Expenses) - Net</b>	<b>209,333</b>	<b>-</b>	<b>-</b>	<b>209,333</b>	<b>313,922</b>
Income (Loss) Before Operating Transfers	1,047,821	(387,693)	754	660,882	624,232
Operating transfers in	234,033	352,000	-	586,033	1,854,589
Operating transfers out	(394,033)	-	-	(394,033)	(1,537,828)
<b>Net Income (Loss)</b>	<b>887,821</b>	<b>(35,693)</b>	<b>754</b>	<b>852,882</b>	<b>940,993</b>
Retained Earnings/Fund Balance at Beginning of Year	9,852,664	474,341	45,615	10,372,620	9,431,628
Residual Deficit (Equity) Transfers In/Out	(140,223)	-	-	(140,223)	-
Retained Earnings/Fund Balance at End of Year	10,600,262	438,648	46,369	11,085,279	10,372,621
Contributed Capital at Beginning of Year	5,921,470	-	-	5,921,470	5,921,470
Current Year Contributions	140,223	12,930	-	153,153	-
Contributed Capital at End of Year	6,061,693	12,930	-	6,074,623	5,921,470
<b>Fund Equity at End of Year</b>	<b>\$ 16,661,955</b>	<b>\$ 451,578</b>	<b>\$ 46,369</b>	<b>\$ 17,159,902</b>	<b>\$ 16,294,091</b>

(see notes to the combined financial statements)



**City of Tallmadge, Ohio**  
**Combined Statement of Cash Flows**  
**All Proprietary Fund Types and Non-Expendable Trust Fund**  
**for the Year Ended December 31, 2001**  
**(With Comparative Totals for the Year Ended December 31, 2000)**

	Proprietary Fund Types		Fiduciary	Totals	
	Enterprise	Internal Service	Fund Type Non-Expendable Trust	(Memorandum Only)	
				2001	2000
Cash Flows Provided by					
(Used in) Operating Activities					
Cash received from customers	\$ 3,657,302	\$ 1,119,476	\$ -	\$ 4,776,778	\$ 4,077,788
Cash payments to suppliers for goods/services	(2,947,897)	(1,103,735)	-	(4,051,632)	(2,895,510)
Cash payments to employees for services	(394,305)	(289,851)	-	(684,156)	(1,023,743)
Other operating revenues (Uses)	408,634	10,620	-	419,254	251,805
Net Cash Provided By (Used in) Operating Activities	723,734	(263,490)	-	460,244	410,340
Cash Flows Provided by (Used in) Noncapital Financing Activities					
Operating transfers in	234,033	352,000	-	586,033	1,854,537
Operating transfers out	(394,033)	-	-	(394,033)	(1,538,060)
Net Cash Provided by (Used in) Noncapital Financing Activities	(160,000)	352,000	-	192,000	316,477
Cash Flows Provided by (Used in) Capital & Related Financing Activities					
Acquisition and construction of capital assets	(739,170)	(10,935)	-	(750,105)	(1,072,334)
Contributed capital	140,223	12,930	-	153,153	-
Residual Equity Transfers Out	(140,223)	-	-	(140,223)	-
Principal paid on notes/bonds	(1,905,000)	-	-	(1,905,000)	(118,000)
Interest paid on notes/bonds	(89,340)	-	-	(89,340)	(92,626)
Proceeds from sale of notes/bonds	1,575,000	-	-	1,575,000	900,000
Proceeds from sale of fixed assets	-	-	-	-	125
Net Cash Provided by (Used in) Capital & Related Financing Activities	(1,158,510)	1,995	-	(1,156,515)	(382,835)
Cash Flows Provided by (Used in) Investing Activities					
Interest on investments	297,664	-	647	298,311	407,561
Net Cash Provided by (Used in) Investing Activities	297,664	-	647	298,311	407,561
Net Increase (Decrease) in Cash	(297,112)	90,505	647	(205,960)	751,543
Cash at Beginning of Year	5,862,813	249,993	45,615	6,158,421	5,406,482
Cash at End of Year	\$ 5,565,701	\$ 340,498	\$ 46,262	\$ 5,952,461	\$ 6,158,025

(see notes to the combined financial statements)

(continued)

**City of Tallmadge, Ohio**  
**Combined Statement of Cash Flows**  
**All Proprietary Fund Types and Non-Expendable Trust Fund**  
**for the Year Ended December 31, 2001**  
**(With Comparative Totals for the Year Ended December 31, 2000)**

	Proprietary Fund Types		Fiduciary	Totals	
	Enterprise	Internal Service	Non-Expendable Trust	(Memorandum Only)	
				2001	2000
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating Income (Loss)	\$ 838,488	\$ (387,693)	\$ 754	\$ 451,549	\$ 310,310
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	487,874	31,298	-	519,172	506,945
Gain (loss) on sale of fixed assets	-	-	-	-	(315)
Change in assets and liabilities					
Receivables	(604,027)	53,622	(559)	(550,964)	(178,827)
Inventory	(14,600)	(10,492)	-	(25,092)	(8,311)
Accounts payable	40,485	9,979	-	50,464	(253,627)
Accrued wages and benefits	1,588	(7,894)	-	(6,306)	63,435
Other	(26,074)	47,690	(195)	21,421	(29,270)
Total adjustments	(114,754)	124,203	(754)	8,695	100,030
Net cash provided by (Used in) operating activities	\$ 723,734	\$ (263,490)	\$ -	\$ 460,244	\$ 410,340
Reconciliation of Cash to Combined Balance Sheet					
Cash-Combined Statement of Cash Flows	\$ 5,565,701	\$ 340,498	\$ 46,262		
Cash and Investments -Expendable Trust and Agency Funds	-	-	179,344		
Equity in pooled cash and investments-Combined Balance Sheet	\$ 5,565,701	\$ 340,498	\$ 225,606		

(see notes to the combined financial statements)

**City of Tallmadge, Ohio  
December 31, 2001**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Tallmadge, Ohio (the "City") is incorporated as a municipal corporation under the laws of the State of Ohio. The City operates under a Mayor-Council form of government in accordance with a Charter which became effective as of January 1, 1996. This City provides the following services: security of persons and property (police and fire), public health and welfare, leisure time activities, transportation (highways and streets), public improvements, community development, water, sewers, and general governmental services.

**A. Reporting Entity**

For financial reporting purposes, the City's reporting entity includes all funds, account groups, agencies, boards and commissions for which the City is financially accountable. No component units are included in the definition of the City's reporting entity.

**B. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The financial statements of the governmental fund types, the expendable trust funds and agency funds are prepared using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available to finance current City operations. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for interest on general long-term debt which is recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current period or within 60 days thereafter): investment earnings, income taxes, fines and forfeitures, and state-levied locally shared taxes (including motor vehicle fees). Reimbursements related to federally funded community development projects are recognized as revenue at the time qualified expenditures are made.

Certain property taxes, though measurable, are not intended to finance current period obligations; therefore, property taxes receivable are recorded as deferred revenue. The revenue will be recognized in the year for which it is levied.

Levied special assessments are measurable and have therefore been recorded as a receivable. Since the amounts recognized as a receivable will not be available to be used to pay obligations of the current period, equal amounts are also recorded as deferred revenue.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

# Notes to the Combined Financial Statements

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(continued)

## City of Tallmadge, Ohio December 31, 2001

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The proprietary fund types and the non-expendable trust fund are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred. In accordance with Statement No. 20 of the Governmental Accounting Standards Board, the City has elected not to apply the provisions of the Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989. The City will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board ("GASB").

### C. Basis of Presentation-Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Amounts in the "Totals (Memorandum Only)" columns in the financial statements represent a summation of the combined financial statement line items of the fund types and account groups and are presented only for analytical purposes. The data in these columns do not present financial information in accordance with generally accepted accounting principles. The summation includes fund types and account groups that use different bases of accounting, and include interfund transactions that have not been eliminated. Consequently, amounts shown in the "Totals (Memorandum Only)" columns are not comparable to a consolidation.

The City uses the following fund types and account groups:

#### **Governmental Fund Types**

Governmental Funds are those through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds and the nonexpendable trust fund) are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position. The following are the City's Governmental Fund Types:

**General Fund** - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for revenue derived from specific taxes, grants or other restricted revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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**City of Tallmadge, Ohio  
December 31, 2001**

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**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, certain general long-term debt principal, interest and related costs.

**Capital Projects Funds** - 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 fund types and the non-expendable trust fund).

### **Proprietary Fund Types**

Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to achieve sound financial administration. The measurement focus is based upon determination of net income, financial position and cash flows. The following are the City's Proprietary Fund types:

**Enterprise Funds** - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Internal Service Funds** - Internal Service 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 governmental unit, or to other governmental units, on a cost-reimbursement basis. Currently, the City has two internal service funds. The Garage Revolving Fund accounts for the cost of the maintenance facility for all automotive equipment used by various City departments. The costs of services provided are billed to the various user departments. The other is the Self-Insurance Fund, which accounts for the payment of claims and operations of the City's medical insurance program. The cost of premiums is billed to the various user departments.

### **Fiduciary Fund Types**

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These funds include (a) expendable trust funds, (b) a non-expendable trust fund and (c) agency funds. The measurement focus of expendable trust funds is based upon determination of financial position and changes in financial position. The measurement focus of the non-expendable trust fund is based upon determination of net income, financial position and cash flows. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

## City of Tallmadge, Ohio December 31, 2001

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### Account Groups

The following account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations:

**General Fixed Assets Account Group** - This account group is established to account for fixed assets other than those accounted for in the proprietary fund types or non-expendable trust fund.

**General Long-Term Obligations Account Group** - This account group is established to account for all long-term obligations of the City that are not a specific liability of any proprietary fund type or non-expendable trust fund.

### D. Budget Requirements and Budgetary Accounting

The budgetary process is prescribed by the 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 Ordinances, all of which are prepared using a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP basis). The major difference between the budgetary basis and the GAAP basis is that financial transactions are recorded on a cash and encumbrance basis (budgetary basis) as opposed to when susceptible to accrual (GAAP). These budgetary documents are subject to amendment throughout the year, with the legal restriction that appropriations cannot exceed estimated resources as certified by the County Budget Commission. The initial level of budgetary control is established at the program level within the General Fund and at the fund level for all other funds of the City. The City maintains budgetary control by not permitting expenditures to exceed appropriations at the level of budgetary control.

#### Tax Budget

A budget of estimated cash receipts and disbursements 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.

#### Estimated Resources

The County Budget Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official Certificate of Estimated Resources which states the projected financial resources (including any carryover fund balance) of each fund for the succeeding year. The total appropriations in any budget passed for the succeeding year cannot exceed the amount stated in the Certificate of Estimated Resources.

**City of Tallmadge, Ohio  
December 31, 2001**

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**Appropriations**

A temporary appropriation measure to control expenditures must be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriation amendments were passed during the current year.

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 succeeding fiscal year and need not be reappropriated.

Council adopts appropriations at the fund level with the exception of the General Fund. The General Fund appropriations are adopted at the program level (i.e. police, recreation, etc.). Management may transfer appropriations within each fund and within each General Fund program as long as the totals are not exceeded.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the future expenditure of funds are recorded in order to reserve a portion of the applicable appropriation, is utilized during the year for budgetary control purposes. Encumbrances outstanding at year-end are reported as expenditures under the City's budgetary basis of accounting. The City honors the contracts represented by year end encumbrances. For GAAP reporting purposes, encumbrances outstanding at year-end for governmental funds are reported as reservations of fund balances since they do not constitute expenditures or liabilities. For proprietary funds, outstanding year end encumbrances, if significant, are disclosed as purchase commitments in the notes to the financial statements.

**E. Budgetary Basis of Accounting**

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types and Expendable Trust Funds is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts and disbursements. The major differences between the budgetary basis and the GAAP (generally accepted accounting principles) basis are:

# Notes to the Combined Financial Statements

(continued)

## City of Tallmadge, Ohio December 31, 2001

- A. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
- B. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
- C. Encumbrances are recorded as expenditures (budget) as opposed to a reservation of a fund balance (GAAP);
- D. Short-term note proceeds and note principal retirement are considered operating transactions (budget) as opposed to balance sheet transactions (GAAP).

A reconciliation of the results of operations for the year from the GAAP basis to the budgetary basis is shown below:

	Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses					Total
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Expendable Trust Funds	
GAAP basis	\$ (88,701)	\$ 19,870	\$ (12,595)	\$ 1,404,239	\$ 17,364	\$ 1,340,177
Increase (decrease) due to:						
Change in receivables and other assets not recognized on the budget basis - January 1 to December 31	77,180	(154,917)	0	16,406	(424)	(61,755)
Change in liabilities not recognized on the budget basis - January 1 to December 31	(66,368)	54,646	(2,600)	(2,321,642)	7,966	(2,327,998)
Net impact of encumbrances recognized as expenditures on the budget basis	180,643	168,413	0	500,326	0	849,382
Budget basis	\$ 102,754	\$ 88,012	\$ (15,195)	\$ (400,671)	\$ 24,906	\$ (200,194)



**City of Tallmadge, Ohio  
December 31, 2001**

**F. Equity in Pooled Cash and Investments**

Cash balances of all funds of the City are pooled and either held in a common group of bank accounts or invested in short-term investments. Investments are stated at fair value. Adjustments to fair market value are made to securities held at year end. The net effect of these adjustments, along with realized gains and losses from the sale of investments, are recorded as a component of Investment Income.

For purposes of statements of cash flows, cash includes investments with maturities at date of the purchase of three months or less.

**G. Fixed Assets and Depreciation**

The accounting and reporting treatment applied to the fixed assets is determined by their use. General fixed assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the Governmental Fund Types and capitalized (recorded and accounted for) in the General Fixed Assets Account Group. Infrastructure fixed assets, such as streets, traffic signals and signs, are not capitalized by the City and are not reported as part of the General Fixed Assets Account Group.

Fixed assets used in Proprietary Fund Type operations are capitalized in the fund in which they are utilized. All fixed assets are recorded at historical cost or, if donated, at fair market value at the date received.

The City has elected not to record depreciation in the General Fixed Assets Account Group. Depreciation for the proprietary funds is determined by allocating the cost of the fixed assets over their estimated useful lives by the straight-line method. The estimated useful lives are as follows:

	Years
Buildings and Improvements	25
Equipment	3 - 25
Water/Sewer/Storm Water Lines	40

**H. Grants and Other Intergovernmental Revenues**

State grants and assistance awards made on the basis of entitlement programs are recorded as intergovernmental revenues when the entitlement occurs. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

# Notes to the Combined Financial Statements

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(continued)

## City of Tallmadge, Ohio December 31, 2001

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### **I. Inventory of Supplies**

Inventories are stated at cost on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased and as an expense in the proprietary fund types when used.

Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute "available spendable resources" even though it is a component of net current assets.

### **J. Compensated Absences**

The City utilizes the vesting method as permitted by Governmental Accounting Standards Board Statement No. 16, to accrue sick leave liability.

### **K. Interfund Transactions**

During the course of its operations, the City has numerous transactions between funds, most of which are in the form of transfers of resources to provide services and construct assets. Transfers for current operations are recorded as operating transfers. The classification of amounts recorded as operating transfers, advances, or equity contributions is determined by City management.

### **L. Fund Balances (Governmental Funds)**

Fund balances are reserved for encumbrances and inventories of supplies, as previously explained. The fund balance in the Debt Service Fund is reserved for retirement of general obligation debt.

### **M. Residual Equity Transfers**

The City records the transfer of residual balances of discontinued funds to the receiving funds as residual equity transfers.

### **N. New Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments". This statement revises accounting and reporting standards for general purpose external financial reporting by governmental units. GASB Statement No. 34 is effective for the year ending December 31, 2003. The City has not completed an analysis of the impact of this statement on its reported financial condition and results of operations.

**City of Tallmadge, Ohio  
December 31, 2001**

**O. Nonexchange Transactions**

Effective January 1, 2000, the City implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions " and, Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues "(an amendment of GASB Statement No. 33). In general, GASB Statement Nos. 33 and 36 establish accounting and financial reporting standards, which address when to report the results of nonexchange transactions involving financial or capital resources. In a nonexchange transaction, an entity gives (or receives) value without directly receiving or giving equal value in return. These statements required retroactive application and, accordingly, the City's financial statements as of and for the year ending December 31, 2000 have been restated. The implementation had the following effect on fund balance and excess as of December 31, 2000, as previously reported.

	<u>General</u>	<u>Special Revenue</u>
Previously reported Fund Balance December 31, 2000	\$ 2,386,218	\$ 601,951
GASB Statement Nos. 33 and 36	<u>254,580</u>	<u>56,763</u>
Restated Fund Balance, January 2,2001	\$ <u>2,640,798</u>	\$ <u>658,714</u>
Excess(Deficiency) of Revenues Over Expenditures previously reported	\$ 3,226,000	\$ (2,519,337)
Restatement	<u>254,580</u>	<u>56,763</u>
Excess(Deficiency) of Revenues Over Expenditures	<u>\$ 3,480,580</u>	<u>\$ (2,462,574)</u>

**P. Interest Capitalization**

The City has elected not to capitalize interest on General Fixed Assets. Interest incurred on Capital Projects, Proprietary, and similar trust funds historically has not been significant and has not been capitalized.

**NOTE 2 - COMPLIANCE AND ACCOUNTABILITY**

**A. Fund Deficit**

Within the Expendable Trust Funds, the Police Pension Fund deficit of \$29,932 will be eliminated by a transfer from the General Fund.

Within the Special Revenue Funds, the Fire/EMS Levy Fund deficit of \$16,821 will be eliminated by a transfer from the General Fund.

# Notes to the Combined Financial Statements

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(continued)

## City of Tallmadge, Ohio December 31, 2001

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### B. Expenditures in Excess of Appropriations

There were no instances where expenditures exceeded appropriations at the legal level of budgetary control for the year ended December 31, 2001.

### NOTE 3 - CASH AND INVESTMENTS

#### A. Policies and Practices

Ohio law requires the classification of funds held by the City into three categories which determines the type of investments which can be made. These categories are described below.

Category 1 consists of "active" funds - those funds required to be kept in a "cash" or "cash equivalent" 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 accounts, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use for up to five (5) years as defined by the City's Investment Policy. Previously, inactive funds represented those funds not required for use within the current two-year period of designation of depositories. It includes all funds not classified as either "active" or "interim". The City's Investment Policy also placed a total cap on inactive funds as 20% of the total portfolio. Inactive funds may be deposited or invested for up to a maximum of five (5) years in any allowable security in which "active" or "interim" funds can be invested.

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

- Bonds, notes or other direct obligations of or guaranteed by the United States or its agencies or instrumentalities or those for which the full faith and credit of the United States is pledged for payment of principal and interest including but not limited to: obligations issued by the United States Treasury, Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), and Federal Home Loan Mortgage Corporation (FHLMC);
- Bonds, notes, debentures or other obligations or securities issued by any federal government agency or the Export-Import Bank of Washington;

**City of Tallmadge, Ohio  
December 31, 2001**

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- Repurchase agreements in the securities enumerated above;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio; and
- The State Treasury Asset Reserve (STAR Ohio).

Notwithstanding the foregoing requirements, the City may invest any monies not required to be used for a period of six months in the following classes of investments:

- Bonds, notes or other obligations guaranteed by the United States, or those for which the full faith of the United States is pledged for payment of principal and interest;
- Discount notes of the Federal National Mortgage Association;
- Bonds of the State of Ohio; and
- Bonds of any municipal corporation, village, county, township or other political subdivision of Ohio, as to which there is no default of principal, interest or coupons.

Ohio law requires that deposits be placed in eligible banks or domestic building and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities having an aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral may be pledged as a pool for all public deposits held by an individual financial institution in amounts equal to at least 110% of the carrying value of all public deposits held by the institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation or other authority.

**B. Deposits**

At December 31, 2001, the carrying amount of the City's deposits was \$4,336,408 and the bank balance was \$4,684,933. Of the bank balance, \$2,288 was covered by federal depository insurance and the remainder of \$4,682,645 was uncollateralized as defined by the GASB. The uncollateralized deposits were, however, covered by a pledged collateral pool not held in the City's name, as permitted under Ohio law.

# Notes to the Combined Financial Statements

(continued)

## City of Tallmadge, Ohio December 31, 2001

### C. Investments

As required by GASB Statement No. 3, the City's investments at December 31, 2001 are categorized below to give an indication of the level of custodial credit risk assumed by the City at year-end. The categories are described as follows:

- Category 1 Insured or registered, or for which the securities are held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

	Risk Category			Carrying Amount (Fair Value)
	1	2	3	
Categorized Investments:				
Repurchase Agreements	\$ 0	\$ 0	\$ 425,000	\$ 425,000
U.S. Government Securities	502,655	0	0	502,655
<b>Total Categorized Investments</b>	<b>\$ 502,655</b>	<b>\$ 0</b>	<b>\$ 425,000</b>	<b>927,655</b>
Non-Categorized Investment				
STAR Ohio				4,117,122
<b>Total Investments</b>				<b>\$ 5,044,777</b>

STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form. STAR Ohio is an investment pool created pursuant to Ohio statutes and managed by the Treasurer of the State of Ohio. STAR Ohio is not registered with the Securities and Exchange Commission 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 redeemed for on December 31, 2001.

**City of Tallmadge, Ohio  
December 31, 2001**

**NOTE 4 - RECEIVABLES**

The City's receivables by fund type consist of the following:

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency
Property Taxes	\$ 1,076,273	\$ 1,031,025	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,262
City Income Taxes	1,355,677	0	0	0	0	0	0
Utility Billings	0	0	0	0	941,563	0	0
Special Assessments	12,429	0	1,756,967	0	1,999,901	0	0
Interest	14,483	535	0	2,739	18,570	0	166
Intergovernmental	257,695	304,795	0	0	0	0	0
Other	19,344	81,603	0	0	280	1,201	675
<b>Total</b>	<b>\$ 2,735,901</b>	<b>\$ 1,417,958</b>	<b>\$ 1,756,967</b>	<b>\$ 2,739</b>	<b>\$ 2,960,314</b>	<b>\$ 1,201</b>	<b>\$ 101,103</b>

**NOTE 5 - FIXED ASSETS**

**A. General Fixed Assets**

A summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2001 follows:

	Balance January 1	Additions	Deletions	Balance December 31
Land	\$ 2,377,168	\$ 216,633	\$ 0	\$ 2,593,801
Buildings and Improvements	4,940,317	2,840,884	(3,900)	7,777,301
Equipment/Storm Waterlines	8,567,220	556,984	(287,571)	8,836,633
Construction in Progress	1,976,090	0	(1,976,090)	0
<b>Total</b>	<b>\$ 17,860,795</b>	<b>\$ 3,614,501</b>	<b>\$ (2,267,561)</b>	<b>\$ 19,207,735</b>

# Notes to the Combined Financial Statements

(continued)

## City of Tallmadge, Ohio December 31, 2001

### B. Proprietary Fund Type Fixed Assets

A summary of proprietary fund type property, plant and equipment at December 31, 2001 follows:

	Enterprise	Internal Service	Total
Land	\$ 176,049	\$ 0	\$ 176,049
Buildings and Improvements	1,404,561	0	1,404,561
Equipment	855,523	348,257	1,203,780
Water/Sewer Storm Water Lines	14,478,519	0	14,478,519
Construction in Progress	13,080	0	13,080
<b>Total</b>	<b>16,927,732</b>	<b>348,257</b>	<b>17,275,989</b>
Less Accumulated Depreciation	(6,798,812)	(168,537)	(6,967,349)
<b>Net</b>	<b>\$ 10,128,920</b>	<b>\$ 179,720</b>	<b>\$ 10,308,640</b>

### NOTE 6 - CAPITAL LEASES

During 2001, the City entered into a lease agreement as a lessee for financing the acquisition of a Street Sweeper. This lease qualifies as a capital lease for accounting purposes and was recorded in the General Fixed Assets Account Group and General Long-Term Obligations Account Group at \$101,441, representing the present value of the payments required under the lease. The capital lease was also recorded as a capital outlay expenditure and other financing source in the Street Maintenance and Repair and Special Revenue Fund.

The future minimum lease payments and the net present value of the minimum lease payments under capital leases as of December 31, 2001 were as follows:

Year Ending December 31	General Long-Term Obligations
2002	\$ 98,333
2003	98,332
2004	27,910
	<u>\$ 224,575</u>
Less: amount representing interest	<u>(21,262)</u>
Present value of minimum lease payments	<u>\$ 203,313</u>



**City of Tallmadge, Ohio  
December 31, 2001**

**NOTE 7 - LONG-TERM OBLIGATIONS AND NOTES PAYABLE**

**A. LONG-TERM OBLIGATIONS**

A summary of the changes in the City's long-term obligations for the year ended December 31, 2001 is as follows:

	Balance January 1	Additions	Reductions	Balance December 31
Enterprise Funds Obligations:				
Special Assessment Debt:				
4.41% 1993 Northeast/Martindale Water	\$ 120,000	\$ 0	\$ 40,000	\$ 80,000
3.70% 1992 Southwest Sanitary Sewer and Water	291,000	0	25,000	266,000
5.862% 1996 N.W. Quad Sanitary Sewer	390,000	0	15,000	375,000
4.560% 1998 Ernest Waterline	235,000	0	25,000	210,000
4.725% 2001 Elm/Ferguson Waterline	0	425,000	0	425,000
4.725% 2001 Parker/Milton Waterline	0	250,000	0	250,000
	<u>1,036,000</u>	<u>675,000</u>	<u>105,000</u>	<u>1,606,000</u>
Total	\$ 1,036,000	\$ 675,000	\$ 105,000	\$ 1,606,000
General Long-Term Obligations Account Group:				
General Obligation Bonds:				
3.70% 1992 Tallmadge Woods	\$ 494,000	\$ 0	\$ 45,000	\$ 449,000
6.54% 1995 Concrete Streets	1,060,000	0	45,000	1,015,000
5.120% 1998 Storm Water Improvement	2,245,000	0	80,000	2,165,000
4.725% 2001 City Building Improvement	0	2,175,000	0	2,175,000
	<u>3,799,000</u>	<u>2,175,000</u>	<u>170,000</u>	<u>5,804,000</u>
Special Assessment Bonds:				
West Ave. Street Improvement	1,070,000	0	30,000	1,040,000
	<u>1,070,000</u>	<u>0</u>	<u>30,000</u>	<u>1,040,000</u>
Other Obligations:				
Accrued wages and benefits-compensated absences	364,861	109,157	0	474,018
Capital Leases (Note 6)	233,925	101,441	132,053	203,313
	<u>598,786</u>	<u>210,598</u>	<u>132,053</u>	<u>677,331</u>
Total	\$ 5,467,786	\$ 2,385,598	\$ 332,053	\$ 7,521,331

# Notes to the Combined Financial Statements

(continued)

## City of Tallmadge, Ohio December 31, 2001

The City's debt service requirements subsequent to December 31, 2001 for its bonded debt are:

	Enterprise Funds Special Assessment Debt		General Long-Term Obligations Account Group General Obligation & Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2002	\$ 155,000	\$ 86,646	\$ 255,000	\$ 401,197
2003	165,000	71,462	285,000	355,256
2004	140,000	64,275	300,000	341,605
2005	140,000	58,107	310,000	326,738
2006	139,000	51,712	326,000	311,223
Thereafter	867,000	188,346	5,368,000	2,236,954
Total	<u>\$ 1,606,000</u>	<u>\$ 520,548</u>	<u>\$ 6,844,000</u>	<u>\$ 3,972,973</u>

### B. NOTES PAYABLE

The following is a summary of notes payable transactions for the year ended December 31, 2001:

	Balance January 1	Issued	Retired	Balance December 31
Enterprise Fund Obligation:				
4.75% Elm/Ferguson/Parker Milton Water Imp.due 2001	\$ 900,000	\$ 900,000	\$ 1,800,000	\$ 0
Total	<u>\$ 900,000</u>	<u>\$ 900,000</u>	<u>\$ 1,800,000</u>	<u>\$ 0</u>
Capital Project Fund Obligation:				
4.70% City Building Renovation Imp.due 2001	\$ 2,270,000	\$ 0	\$ 2,270,000	\$ 0
Total	<u>\$ 2,270,000</u>	<u>\$ 0</u>	<u>\$ 2,270,000</u>	<u>\$ 0</u>

### C. DEBT CAPACITY AND SECURITY

At December 31, 2001, the City had the ability to issue approximately \$13.6 million of additional, unvoted, general obligation debt.

**City of Tallmadge, Ohio  
December 31, 2001**

All bond and note obligations are backed by the full faith and credit of the City. In addition, the special assessment bonds are secured by special assessments levied against certain property owners. Although the obligations of the enterprise funds are general obligations of the City, the practice has been to have the debt serviced by special assessments received by the enterprise funds.

**NOTE 8 - LOCAL TAX REVENUES**

**A. Income Taxes**

An income tax of 2% is levied on substantially all income earned within the City. In addition, residents of the City are required to pay City income taxes on income earned outside the City; however, credit is allowed for income taxes paid to other municipalities up to 100% of the City's current tax rate. The City renewed the 2% income tax at the primary election held on September 7, 1999 for the period commencing March 1, 2001 through February 28, 2005.

Employers within the City are required to withhold income tax on employee compensation and remit this tax to the City at least quarterly. Corporations and self-employed individual taxpayers are required to pay estimated taxes quarterly and file a declaration annually with the City.

Total income tax revenue for the year ended December 31, 2001 was \$6,724,384. This amount was recognized in the General Fund in the accompanying combined financial statements.

**B. Property Taxes**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years with a triennial update. Real property taxes to be received by the City in 2001 were based upon property values which were updated in 1999. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due January 20, with the remainder payable June 20. In certain circumstances, state statute permits earlier or later payment dates to be established.

Tangible personal property taxes (for tangible property other than public utility property) are levied in the preceding calendar year and attach as a lien on January 1 of the current calendar year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25% of its true value as determined as of the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20.

# Notes to the Combined Financial Statements

(continued)

## City of Tallmadge, Ohio December 31, 2001

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values as of December 31 of the second year preceding the tax collection year, the lien date. The majority of public utility tangible personal property currently is assessed at 88% of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the City its portion of the taxes collected with final settlement in June and December for taxes payable in the first and second halves of the year, respectively.

The City records property taxes receivable and deferred revenue as of the levy date as the amounts are not intended to finance the operations of the current period.

The assessed values of real and tangible personal property upon which 2001 property tax receipts were based are shown as follows:

Real Property - 2000 Tax Valuation	\$ 300,698,850
Public Utility Property - 2000 Tax Valuation	8,180,270
Tangible Personal Property - 2000 Tax Valuation	<u>46,447,044</u>
Total	<u>\$ 355,326,164</u>

Total property tax revenue recognized by fund type for the year ended December 31, 2001 is as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 676,092
Special Revenue	992,228
Expendable Trust	<u>93,214</u>
Total	<u>\$ 1,761,534</u>

**City of Tallmadge, Ohio  
December 31, 2001**

**NOTE 9 - PENSIONS**

**A. Employees and Plans**

Full-time, permanent employees of the City and certain part-time employees belong to one of two state operated, cost-sharing, multiple-employer pension plans. Non-uniformed employees are members of the Public Employees Retirement System of Ohio (PERS). Full-time police and fire personnel are members of the Ohio Police and Fire Pension Fund (OP&F). The Ohio Revised Code requires participation for the above mentioned employees. Elected officials participate in PERS on a voluntary basis.

**B. Public Employees Retirement System of Ohio (PERS)**

All employees of the City are required to be members of the PERS, a cost-sharing, multiple-employer pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report that includes financial statements and required supplementary information. The financial report may be obtained by making a written request to the Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

Benefits fully vest upon reaching five years of service and are established by state statute. Employees may retire at any age with 30 years of service, at age 60 with a minimum of five years of credited service and at age 55 with a minimum of 25 years of service. Those individuals retiring with less than 30 years of service or prior to age 65 receive reduced retirement benefits. Eligible employees are entitled to an annual retirement benefit, payable monthly for life, equal to 2.2% of their final average salary for each year of credited service up to 30 years. Employees are entitled to 2.5% of their final average salary for each year of service over 30 years. Final average salary is the employee's average salary over the highest three years of earnings. PERS also provides survivor, disability and health care benefits.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees other than law enforcement personnel are required to contribute 8.5% of their covered payroll to PERS. For local government employer units the rate was 13.55% of covered payroll; 4.3% was the portion used to fund health care for the year 2001. The City's total contributions to PERS for pension benefits for the years ended December 31, 2001, 2000 and 1999 were \$469,160, \$359,480 and \$429,526, respectively, equal to the required contributions for each year.

# Notes to the Combined Financial Statements

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(continued)

## City of Tallmadge, Ohio December 31, 2001

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### C. Ohio Police and Fire Pension Fund (OP&F)

The City contributes to the 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. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Members of the OP&F become partially vested after 15 years of service and fully vested after 25 years of service. Members are eligible for normal retirement benefits at age 48 with 25 years of service credit or at age 62 with 15 years of service credit. The normal retirement benefit is equal to 2.5% of annual earnings for each of the first 20 years of service, 2.0% for each of the next five years of service, and 1.5% for each year of service thereafter; however, this normal retirement benefit is not to exceed 72% of the member's average annual salary for the three years during which total earnings were the greatest. Early retirement with reduced benefits is available to members with 15 years of service credit who have attained age 48 or 25 years from the date the member became a qualified employee. The reduced benefit is equal to 1.5% of the average annual salary multiplied by the number of complete years of service.

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. The City's contributions to OP&F for the years ended December 31, 2001, 2000 and 1999 were \$405,341, \$409,602 and \$395,929, respectively, equal to the required contributions for each year.

### D. Health Care

Public Employees Retirement System of Ohio provides postretirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS. For local government employer units, the employer contribution rate was 13.55% of covered payroll; 4.3% was the portion that was used to fund health care for the year 2001. During 2001 and 2000, \$148,864 and \$142,598, respectively, of the City's total contribution to PERS was used for postretirement benefits.

**City of Tallmadge, Ohio  
December 31, 2001**

The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14.4 billion and \$2.6 billion, respectively.

OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

PERS expenditures for OPEB during 2001 were \$524 million. As of December 31, 2001, the unaudited estimated net assets available for future OPEB payments were \$11.7 billion. The number of active contributing participants was 411,076.

OP&F provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or an individual under the age of 22 if attending full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No.12. The Ohio Revised Code provides that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. The Ohio Revised Code also provides the statutory authority allowing the OP&F Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. Currently, 7.50% of covered payroll, the board-defined allocation, is used to pay retiree health care expenses. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

Total statewide participants eligible to receive health care benefits as of December 31, 2000 (latest information available) were 12,853 police and 10,037 firefighters. The City's 2001 contributions actually made to pay postretirement health care benefits for police were \$100,757 and \$44,958 for firefighters. The Fund's total health care costs for the year ended December 31, 2000 (latest information available) were \$106 million. Expenditures for postretirement health care benefits cannot reasonably be estimated.

**NOTE 10 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The City maintains enterprise funds which provide water and sewer services. Segment information as of December 31, 2001 and for the year then ended for the enterprise funds is summarized as follows:

# Notes to the Combined Financial Statements

(continued)

## City of Tallmadge, Ohio December 31, 2001

	Sanitary Sewer Services	Water Services	Total
Operating Revenues	\$ 2,171,616	\$ 2,498,349	\$ 4,669,965
Operating Expenses:			
Depreciation	200,158	287,716	487,874
Other	1,960,796	1,382,807	3,343,603
Operating Income	10,662	827,826	838,488
Operating Transfers In	121,535	112,498	234,033
Operating Transfers Out	(181,535)	(212,498)	(394,033)
Net Income	145,312	742,509	887,821
Fixed Assets Additions	737,203	34,682	771,885
Net Working Capital	5,215,417	2,620,436	7,835,853
Total Assets	9,833,240	8,910,735	18,743,975
Bonds and Other Long-Term Liabilities Outstanding	552,338	1,053,662	1,606,000
Total Equity	9,115,731	7,546,224	16,661,955
Encumbrances at December 31, 2001	\$ 314,648	\$ 24,386	\$ 339,034

### NOTE 11 - COMPENSATED ABSENCES

Vacation leave is accumulated based upon length of service and is credited to employees after 1 year of service. In the case of death, termination or retirement, an employee (or his or her estate) is paid any earned but unused vacation leave for the current year and, in addition, is compensated for any unused vacation leave accrued to his or her credit for the immediately preceding year up to a maximum of 10 days; 12 days for firefighters.

In general, City employees accumulate sick leave at a rate of .0575 hours per hour of service. Upon termination, an employee with at least 7 years of service may receive accumulated sick leave not to exceed a maximum of 150 days. Teamsters are paid upon retirement 100% of banked sick leave and one half of their accrued balance not to exceed 120 days. Banked sick leave is sick leave accrued



**City of Tallmadge, Ohio  
December 31, 2001**

before 1984. Termination payments are calculated using the rate of pay at the date of termination. The City accrues vacation and sick pay benefits as earned by its employees. For Governmental Fund Types, the liability not expected to be liquidated with expendable, available financial resources is recorded in the General Long-Term Obligations Account Group.

**NOTE 12 - CONTINGENT LIABILITIES**

There is certain pending and threatened litigation against the City. The City's management, after consultation with the City's Law Director, is of the opinion that the ultimate outcome of the pending and threatened litigation will not materially affect the City's financial position.

**NOTE 13 - INSURANCE COVERAGE**

The City is exposed to various risks of loss during the normal course of its operations including, but not limited to, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The City generally purchases commercial insurance to reduce its exposure to risk of loss.

The City carries Insurance for General Liability, Auto Liability and Law Enforcement Liability with limits of \$11,000,000 per occurrence. The City also carries \$5,000,000 of Public Officials Liability coverage. The City also purchases insurance for the buildings and contents of all City locations and physical damage to vehicles with various deductibles. The City is insured through the State of Ohio for workers' compensation and provides employee health care benefits through a commercial insurance carrier.

Settled claims have not exceeded the City's insurance coverage in any of the past three years. There has not been a significant change in coverage from the past year.

The City has elected to provide employee comprehensive medical benefits through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risk of loss in this program. This plan provides a comprehensive medical plan with no deductibles. The plan also provides dental care. In some instances, there may be co-pay amount or an 80/20 split in liability. A third-party administrator, Klais and Company located in Akron, Ohio reviews and pays all claims. Stop-loss coverage is based on actual claims paid, not incurred, during the contract year. The City pays the required monthly premium into the Self-Insurance Fund with employee participation of 5% of such premium withheld as a payroll deduction from each covered employee up to a specified amount by ordinance or contract. This amount is deposited into the Self-Insurance fund.

In accordance with GASB Statement No.10, unpaid claims cost, including estimates of cost relating to incurred but not reported claims are included in the estimated claims liability. The changes in the estimated claims liability for the years ended December 31, 2000 and 2001 are as follows:

# Notes to the Combined Financial Statements

(continued)

## City of Tallmadge, Ohio December 31, 2001

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		Claims Payable Beginning of Year		Current Claims		Claims Payment		Claims Payable End of Year
		<u>                    </u>		<u>                    </u>		<u>                    </u>		<u>                    </u>
2000	\$	50,409	\$	786,396	\$	787,172	\$	49,633
2001	\$	49,633	\$	657,736	\$	610,047	\$	97,322

### NOTE 14 - SUBSEQUENT EVENT

The City has announced plans to construct a community recreation center in 2003. The facility will be a 90,000 square foot building situated on the corner of Munroe Road and East Avenue. The multi-purpose facility will be for all ages and include such indoor activities as basketball, volleyball, batting cages, soccer, track, fitness, aerobics, children's play area, concession area, meeting rooms, and an observation deck with bleachers on the mezzanine level.

The City will budget approximately \$3.5 million for the facility. It will be funded through corporate and individual contributions of at least \$1 million and the remainder will be funded by the City.

**Combining, Individual Fund and Account Group  
Statements and Schedules**

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**City of Tallmadge, Ohio**

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**GENERAL FUND**

**THE GENERAL FUND ACCOUNTS FOR ALL FINANCIAL RESOURCES EXCEPT THOSE  
REQUIRED TO BE ACCOUNTED FOR IN A SEPARATE FUND.**

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**City of Tallmadge, Ohio**  
**Balance Sheet - General Fund**  
**December 31, 2001**

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	<u>General</u>
Assets	
Equity in pooled cash and investments	\$ 2,148,058
Receivables	<u>2,735,901</u>
Total Assets	<u>\$ 4,883,959</u>
Liabilities	
Accounts payable	\$ 122,447
Accrued wages and benefits	305,059
Other liabilities	30,515
Deferred revenue	<u>1,814,839</u>
Total Liabilities	<u>2,272,860</u>
Reserved for encumbrances	123,950
Unreserved - undesignated	<u>2,487,149</u>
Total Fund Equity	<u>2,611,099</u>
Total Liabilities and Fund Equity	<u>\$ 4,883,959</u>

**City of Tallmadge, Ohio**  
**Statement of Revenues, Expenditures and Change in Fund Balance**  
**General Fund**  
**for the Year Ended December 31, 2001**

	General
Revenues	
Taxes	\$ 7,359,997
Intergovernmental	1,550,247
Charges for services	281,461
Fines, licenses and permits	317,043
Investment income	255,509
Special assessments	-
Miscellaneous	151,880
Total Revenues	9,916,137
Expenditures	
Current:	
Security of persons and property	2,637,192
Public health and welfare	114,700
Leisure time activities	523,238
Community development	385,460
General government	2,639,116
Capital outlay	135,881
Total Expenditures	6,435,587
Excess (Deficiency) of Revenues Over Expenditures	3,480,550
Other Financing Sources (Uses)	
Proceeds from sale of assets	-
Operating transfers in	-
Operating transfers out	(3,569,251)
Total Other Financing Sources (Uses)	(3,569,251)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(88,701)
Fund Balance at Beginning of Year as restated (Note 1)	2,639,800
Residual Equity Transfer In	60,000
Fund Balance at End of Year	\$ 2,611,099

**City of Tallmadge, Ohio**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis) - General Fund**  
**for the Year Ended December 31, 2001**

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes			
Personal property	\$ 92,242	\$ 113,757	\$ 21,515
Real estate (public utility)	573,487	562,335	(11,152)
Income tax	6,840,000	6,724,384	(115,616)
Intergovernmental	1,033,239	1,216,179	182,940
Rollback	73,004	76,861	3,857
Inheritance	160,000	254,092	94,092
Charges for services	257,700	281,461	23,761
Fines, licenses and permits	257,700	306,691	48,991
Investment income	166,000	260,760	94,760
Special assessments	1,700	8,573	6,873
Miscellaneous	167,600	188,224	20,624
<b>Total Revenues</b>	<b>9,622,672</b>	<b>9,993,317</b>	<b>370,645</b>
<b>Expenditures</b>			
Current:			
Security of persons and property			
Police	2,824,800	2,693,902	130,898
Capital outlay	81,800	64,071	17,729
Public health and welfare	114,700	114,700	-
Leisure time activities			
Recreation	561,800	519,170	42,630
Capital outlay	35,000	19,127	15,873
Community environment			
Building	213,100	211,506	1,594
Zoning	152,400	150,362	2,038
General government			
Mayor	159,050	157,031	2,019
Director of Administration	331,950	304,002	27,948
Finance Director	409,650	402,579	7,071
Law Director	282,850	260,266	22,584
Service Director	287,250	271,026	16,224
Safety Director	56,800	44,258	12,542
Manager of Information Service	84,500	84,399	101
Council	164,450	144,920	19,530
Treasurer	280,950	280,233	717
Civil Service	47,200	35,307	11,893
Custodian	245,500	238,984	6,516
Library	1,600	9	1,591
General administration	312,800	310,609	2,191
Boards and commissions	11,500	7,355	4,145
Capital outlay	12,000	7,496	4,504
<b>Total Expenditures</b>	<b>6,671,650</b>	<b>6,321,312</b>	<b>350,338</b>



**City of Tallmadge, Ohio**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis) - General Fund**  
**for the Year Ended December 31, 2001**

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	2,951,022	3,672,005	720,983
Other Financing Uses			
Operating transfers out			
Police pension	(200,000)	(180,000)	20,000
Street maintenance & repair	(2,190,400)	(2,081,000)	109,400
Fire and EMS	(390,000)	(390,000)	-
Community Center road	(200,000)	(182,551)	17,449
Debt service	(383,700)	(383,700)	-
Garage revolving	(375,000)	(352,000)	23,000
Total Other Financing Sources (Uses)	(3,739,100)	(3,569,251)	169,849
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	(788,078)	102,754	890,832
Fund Balance at Beginning of Year	1,716,577	1,716,577	-
Decertification of prior year encumbrances	36,398	36,398	-
Residual Equity transfers in	60,000	60,000	-
<b>Fund Balance at End of Year</b>	<b>\$ 1,024,897</b>	<b>\$ 1,915,729</b>	<b>\$ 890,832</b>

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## City of Tallmadge, Ohio

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### SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS ARE USED TO ACCOUNT FOR TYPES OF RESOURCES (OTHER THAN EXPENDABLE TRUSTS OR FOR MAJOR CAPITAL PROJECTS) FOR WHICH SPECIFIC USES ARE MANDATED BY CITY ORDINANCES OR FEDERAL AND STATE STATUTES. THE TITLE OF EACH SPECIAL REVENUE FUND IS DESCRIPTIVE OF THE ACTIVITIES ACCOUNTED FOR THEREIN. THE SPECIAL REVENUE FUNDS ARE:

#### **FIRE/EMS LEVY**

To account for property tax collections received through a (5) five year tax levy. Additional sources of revenue include interest earnings. Expenditures are for the operations of the fire and emergency medical service programs and staff.

#### **FIRE/EMS CAPITAL**

To accumulate a portion of the fire and EMS property tax collections to be used exclusively for renovation and acquisition of capital equipment (assets).

#### **STATE HIGHWAY**

Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of the state highways within the City.

#### **STREET MAINTENANCE AND REPAIR**

Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

#### **LOCAL LAW ENFORCEMENT BLOCK GRANT**

To account for money awarded from the federal government for crime interdiction to aggressively pursue high crime areas of Tallmadge.

#### **ALCOHOL ENFORCEMENT AND EDUCATION**

Required by the Ohio Revised Code Section 4511.99 to account for fines received from offenders. Used in educating the public of laws governing the operation of a motor vehicle and the dangers of the operation of a motor vehicle while under the influence of alcohol.

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## City of Tallmadge, Ohio

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### **DRUG LAW ENFORCEMENT**

To account for fines received by the City that are restricted under the Ohio Revised Code to subsidizing law enforcement efforts that pertain to drug offenses.

### **LAW ENFORCEMENT TRUST**

To account for proceeds from the sale of contraband that are restricted to subsidizing law enforcement efforts.

### **COMMUNITY DEVELOPMENT**

To account for monies received from the Community Development Block Grant Project.

**City of Tallmadge, Ohio  
Combining Balance Sheet  
All Special Revenue Funds  
December 31, 2001**

	Fire/EMS Levy	Fire/EMS Capital	State Highway	Street Maintenance and Repair
<b>Assets</b>				
Equity in pooled cash and investments	\$ 13,090	\$ 11,718	\$ 35,760	\$ 447,551
Receivables	1,101,345	79	21,330	291,224
Inventory of supplies	-	-	-	146,154
<b>Total Assets</b>	<b>\$ 1,114,435</b>	<b>\$ 11,797</b>	<b>\$ 57,090</b>	<b>\$ 884,929</b>
<b>Liabilities</b>				
Accounts payable	\$ 5,578	\$ -	\$ -	\$ 41,384
Accrued wages and benefits	94,555	-	70	67,414
Deferred revenue	1,031,123	28	6,881	221,602
<b>Total Liabilities</b>	<b>1,131,256</b>	<b>28</b>	<b>6,951</b>	<b>330,400</b>
<b>Fund Balance</b>				
Reserved for encumbrances	4,598	-	-	97,385
Reserved for inventory	-	-	-	146,154
Unreserved - undesignated	(21,419)	11,769	50,139	310,990
<b>Total Fund Balance</b>	<b>(16,821)</b>	<b>11,769</b>	<b>50,139</b>	<b>554,529</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,114,435</b>	<b>\$ 11,797</b>	<b>\$ 57,090</b>	<b>\$ 884,929</b>

Local Law Enforcement Block Grant	Alcohol Enforcement and Education	Drug Law Enforcement	Law Enforcement Trust	Community Development	Total
\$ 1,905 32 -	\$ 1,430 85 -	\$ 10,120 3,863 -	\$ 2,470 - -	\$ 6,718 - -	\$ 530,762 1,417,958 146,154
<u>\$ 1,937</u>	<u>\$ 1,515</u>	<u>\$ 13,983</u>	<u>\$ 2,470</u>	<u>\$ 6,718</u>	<u>\$ 2,094,874</u>
\$ - - 12	\$ - - -	\$ 1,312 - -	\$ - - -	\$ - - -	\$ 48,274 162,039 1,259,646
<u>12</u>	<u>-</u>	<u>1,312</u>	<u>-</u>	<u>-</u>	<u>1,469,959</u>
- - 1,925	- - 1,515	- - 12,671	- - 2,470	- - 6,718	101,983 146,154 376,778
<u>1,925</u>	<u>1,515</u>	<u>12,671</u>	<u>2,470</u>	<u>6,718</u>	<u>624,915</u>
<u>\$ 1,937</u>	<u>\$ 1,515</u>	<u>\$ 13,983</u>	<u>\$ 2,470</u>	<u>\$ 6,718</u>	<u>\$ 2,094,874</u>

**City of Tallmadge, Ohio**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Special Revenue Funds**  
**for the Year Ended December 31, 2001**

	Fire/EMS Levy	Fire/EMS Capital	State Highway	Street Maintenance and Repair
<b>Revenues</b>				
Taxes	\$ 1,000,635	\$ -	\$ 39,944	\$ -
Intergovernmental revenues	106,514	-	8,918	504,630
Charges for services	263,463	-	-	48,615
Fines, licenses and permits	59	-	-	-
Investment income	4,503	1,082	158	258
Miscellaneous	17,167	-	40	689
<b>Total Revenues</b>	<b>1,392,341</b>	<b>1,082</b>	<b>49,060</b>	<b>554,192</b>
<b>Expenditures</b>				
Current:				
Security of persons & property	1,619,730	-	-	-
Public health and welfare	-	-	-	58,649
Leisure time activities	-	-	-	204,661
Transportation	-	-	46,483	1,356,533
Capital outlay	-	144,296	-	1,015,809
<b>Total Expenditures</b>	<b>1,619,730</b>	<b>144,296</b>	<b>46,483</b>	<b>2,635,652</b>
Excess (Deficiency) of Revenues Over Expenditures	(227,389)	(143,214)	2,577	(2,081,460)
<b>Other Financing Sources (Uses)</b>				
Capital lease proceeds	-	-	-	101,441
Operating transfers in	390,000	116,283	-	2,081,000
Operating transfers out	(116,280)	-	-	(90,000)
<b>Total Other Financing Sources (Uses)</b>	<b>273,720</b>	<b>116,283</b>	<b>-</b>	<b>2,092,441</b>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	46,331	(26,931)	2,577	10,981
Fund Balance at Beginning of Year as restated (Note 1)	(63,150)	38,701	47,562	537,216
Increase (Decrease) in Reserve for Inventory	-	-	-	6,330
Residual equity transfers out	-	-	-	-
<b>Fund Balance at End of Year</b>	<b>\$ (16,819)</b>	<b>\$ 11,770</b>	<b>\$ 50,139</b>	<b>\$ 554,527</b>

Local Law Enforcement Block Grant	Alcohol Enforcement and Education	Drug Law Enforcement	Law Enforcement Trust	Community Development	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,040,579
-	-	-	-	-	620,062
-	-	-	-	-	312,078
-	1,343	5,163	-	-	6,565
684	148	148	148	148	7,277
-	-	-	-	-	17,896
<u>684</u>	<u>1,491</u>	<u>5,311</u>	<u>148</u>	<u>148</u>	<u>2,004,457</u>
11,000	5,700	3,404	766	-	1,640,600
-	-	-	-	-	58,649
-	-	-	-	-	204,661
-	-	-	-	-	1,403,016
-	-	-	-	-	1,160,105
<u>11,000</u>	<u>5,700</u>	<u>3,404</u>	<u>766</u>	<u>-</u>	<u>4,467,031</u>
(10,316)	(4,209)	1,907	(618)	148	(2,462,574)
-	-	-	-	-	101,441
-	-	-	-	-	2,587,283
-	-	-	-	-	(206,280)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,482,444</u>
(10,316)	(4,209)	1,907	(618)	148	19,870
12,240	5,724	10,764	3,088	66,570	658,715
-	-	-	-	-	6,330
-	-	-	-	(60,000)	(60,000)
<u>\$ 1,924</u>	<u>\$ 1,515</u>	<u>\$ 12,671</u>	<u>\$ 2,470</u>	<u>\$ 6,718</u>	<u>\$ 624,915</u>

**City of Tallmadge, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds**  
**for the Year Ended December 31, 2001**

	<u>Fire/EMS Levy</u>			<u>Fire/EMS Capital</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>						
Taxes	\$ 984,016	\$ 992,228	\$ 8,212	\$ -	\$ -	\$ -
Intergovernmental	103,023	106,514	3,491	-	-	-
Charges for services	325,000	218,212	(106,788)	-	-	-
Fines, licenses and permits	-	59	59	-	-	-
Investment income	4,920	4,920	-	1,419	1,419	-
Miscellaneous	14,000	17,167	3,167	-	-	-
<b>Total Revenues</b>	<u>1,430,959</u>	<u>1,339,100</u>	<u>(91,859)</u>	<u>1,419</u>	<u>1,419</u>	<u>-</u>
<b>Expenditures</b>						
Current:						
Security of persons and property	1,628,895	1,628,895	-	-	-	-
Public health and welfare	-	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Capital outlay	-	-	-	147,611	144,296	3,315
<b>Total Expenditures</b>	<u>1,628,895</u>	<u>1,628,895</u>	<u>-</u>	<u>147,611</u>	<u>144,296</u>	<u>3,315</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(197,936)</u>	<u>(289,795)</u>	<u>(91,859)</u>	<u>(146,192)</u>	<u>(142,877)</u>	<u>3,315</u>
Other Financing Sources (Uses)						
Operating transfers in	322,376	390,000	67,624	126,581	116,282	(10,299)
Operating transfers out	(116,394)	(116,282)	112	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>205,982</u>	<u>273,718</u>	<u>67,736</u>	<u>126,581</u>	<u>116,282</u>	<u>(10,299)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	8,046	(16,077)	(24,123)	(19,611)	(26,595)	(6,984)
Fund Balance at Beginning of Year	15,854	15,854	-	36,958	36,958	-
Decertification of prior year encumbrances	5,108	5,108	-	1,196	1,196	-
Residual Equity transfers out	-	-	-	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ 29,008</u>	<u>\$ 4,885</u>	<u>\$ (24,123)</u>	<u>\$ 18,543</u>	<u>\$ 11,559</u>	<u>\$ (6,984)</u>



**City of Tallmadge, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds**  
**for the Year Ended December 31, 2001**

	<u>State Highway</u>			<u>Street Maintenance and Repair</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	39,000	40,330	1,330	445,000	509,260	64,260
Charges for services	-	-	-	50,000	48,615	(1,385)
Fines, licenses and permits	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous	-	-	-	-	8,591	8,591
<b>Total Revenues</b>	<u>39,000</u>	<u>40,330</u>	<u>1,330</u>	<u>495,000</u>	<u>566,466</u>	<u>71,466</u>
<b>Expenditures</b>						
Current:						
Security of persons and property	-	-	-	-	-	-
Public health and welfare	-	-	-	59,000	58,773	227
Leisure time activities	-	-	-	214,800	201,588	13,212
Transportation	54,200	46,871	7,329	2,005,300	1,850,883	154,417
Capital outlay	-	-	-	295,500	292,595	2,905
<b>Total Expenditures</b>	<u>54,200</u>	<u>46,871</u>	<u>7,329</u>	<u>2,574,600</u>	<u>2,403,839</u>	<u>170,761</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(15,200)</u>	<u>(6,541)</u>	<u>8,659</u>	<u>(2,079,600)</u>	<u>(1,837,373)</u>	<u>242,227</u>
Other Financing Sources (Uses)						
Operating transfers in	-	-	-	2,190,400	2,081,000	(109,400)
Operating transfers out	-	-	-	(90,000)	(90,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,100,400</u>	<u>1,991,000</u>	<u>(109,400)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(15,200)</u>	<u>(6,541)</u>	<u>8,659</u>	<u>20,800</u>	<u>153,627</u>	<u>132,827</u>
Fund Balance at Beginning of Year	42,152	42,152	-	152,195	152,195	-
Decertification of prior year encumbrances	-	-	-	7,102	7,102	-
Residual Equity transfers out	-	-	-	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ 26,952</u>	<u>\$ 35,611</u>	<u>\$ 8,659</u>	<u>\$ 180,097</u>	<u>\$ 312,924</u>	<u>\$ 132,827</u>

(continued)

**City of Tallmadge, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds**  
**for the Year Ended December 31, 2001**

	<u>Local Law Enforcement Block Grant</u>			<u>Alcohol Enforcement and Education</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines, licenses and permits	-	-	-	1,618	1,793	175
Investment income	542	574	32	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total Revenues</b>	<u>542</u>	<u>574</u>	<u>32</u>	<u>1,618</u>	<u>1,793</u>	<u>175</u>
<b>Expenditures</b>						
Current:						
Security of persons and property	11,000	11,000	-	6,000	5,700	300
Public health and welfare	-	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>6,000</u>	<u>5,700</u>	<u>300</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(10,458)</u>	<u>(10,426)</u>	<u>32</u>	<u>(4,382)</u>	<u>(3,907)</u>	<u>475</u>
Other Financing Sources (Uses)						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(10,458)</u>	<u>(10,426)</u>	<u>32</u>	<u>(4,382)</u>	<u>(3,907)</u>	<u>475</u>
Fund Balance at Beginning of Year	12,179	12,179	-	5,189	5,189	-
Decertification of prior year encumbrances	-	-	-	-	-	-
Residual Equity transfers out	-	-	-	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ 1,721</u>	<u>\$ 1,753</u>	<u>\$ 32</u>	<u>\$ 807</u>	<u>\$ 1,282</u>	<u>\$ 475</u>

**City of Tallmadge, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds**  
**for the Year Ended December 31, 2001**

	Drug Law Enforcement			Law Enforcement Trust		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines, licenses and permits	1,500	1,300	(200)	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total Revenues</b>	1,500	1,300	(200)	-	-	-
<b>Expenditures</b>						
Current:						
Security of persons and property	11,500	3,369	8,131	2,000	-	2,000
Public health and welfare	-	-	-	-	-	-
Leisure time activities	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	11,500	3,369	8,131	2,000	-	2,000
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(10,000)	(2,069)	7,931	(2,000)	-	2,000
Other Financing Sources (Uses)						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-	-	-
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	(10,000)	(2,069)	7,931	(2,000)	-	2,000
Fund Balance at Beginning of Year	10,671	10,671	-	2,322	2,322	-
Decertification of prior year encumbrances	68	68	-	-	-	-
Residual Equity transfers out	-	-	-	-	-	-
<b>Fund Balance at End of Year</b>	\$ 739	\$ 8,670	\$ 7,931	\$ 322	\$ 2,322	\$ 2,000

**City of Tallmadge, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Special Revenue Funds**  
**for the Year Ended December 31, 2001**

	Community Development			Total All Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ 984,016	\$ 992,228	\$ 8,212
Intergovernmental	-	-	-	587,023	656,104	69,081
Charges for services	-	-	-	375,000	266,827	(108,173)
Fines, licenses and permits	-	-	-	3,118	3,152	34
Investment income	-	-	-	6,881	6,913	32
Miscellaneous	-	-	-	14,000	25,758	11,758
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,970,038</b>	<b>1,950,982</b>	<b>(19,056)</b>
<b>Expenditures</b>						
Current:						
Security of persons and property	-	-	-	1,659,395	1,648,964	10,431
Public health and welfare	-	-	-	59,000	58,773	227
Leisure time activities	-	-	-	214,800	201,588	13,212
Transportation	-	-	-	2,059,500	1,897,754	161,746
Capital outlay	-	-	-	443,111	436,891	6,220
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,435,806</b>	<b>4,243,970</b>	<b>191,836</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,465,768)</b>	<b>(2,292,988)</b>	<b>172,780</b>
Other Financing Sources (Uses)						
Operating transfers in	-	-	-	2,639,357	2,587,282	(52,075)
Operating transfers out	-	-	-	(206,394)	(206,282)	112
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,432,963</b>	<b>2,381,000</b>	<b>(51,963)</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32,805)</b>	<b>88,012</b>	<b>120,817</b>
Fund Balance at Beginning of Year	66,570	66,570	-	344,090	344,090	-
Decertification of prior year encumbrances	-	-	-	13,474	13,474	-
Residual Equity transfers out	(60,000)	(60,000)	-	(60,000)	(60,000)	-
<b>Fund Balance at End of Year</b>	<b>\$ 6,570</b>	<b>\$ 6,570</b>	<b>\$ -</b>	<b>\$ 264,759</b>	<b>\$ 385,576</b>	<b>\$ 120,817</b>

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## City of Tallmadge, Ohio

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### CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUNDS ARE ESTABLISHED TO ACCOUNT FOR FINANCIAL RESOURCES TO BE USED FOR THE ACQUISITION OR CONSTRUCTION OF MAJOR CAPITAL FACILITIES (OTHER THAN THOSE FINANCED BY PROPRIETARY FUNDS AND TRUST FUNDS). THE CAPITAL PROJECTS FUNDS ARE:

**GENERAL INFRASTRUCTURE RESERVE**

To account for a percentage of revenue from the General Fund, in accordance with local ordinances, to maintain the general infrastructure of the City.

**COMMUNITY CENTER ROAD**

To account for expenses related to construction of Community Center Road and all improvements.

**SOUTH AVENUE IMPROVEMENT**

To account for improvements and widening of South Avenue.

**HISTORIC DISTRICT IMPROVEMENT**

To account for major repairs to the Historic District (formerly Old Town Hall Improvement).

**EASTWOOD/SOUTH AVENUE IMPROVEMENT**

To account for improvement and construction expenses related to the City's joint Issue II project with the City of Akron.

**City of Tallmadge, Ohio  
Combining Balance Sheet  
All Capital Projects Funds  
December 31, 2001**

	General Infrastructure Reserve	Community Center Road	South Avenue Improvement	Historic District Improvement	Eastwood/ South Avenue Improvement	Total
<b>Assets</b>						
Equity in pooled cash and investments	\$ 307,367	\$ 93,382	\$ -	\$ 12,692	\$ 105,600	\$ 519,041
Receivables	2,739	-	-	-	-	2,739
<b>Total Assets</b>	<b>\$ 310,106</b>	<b>\$ 93,382</b>	<b>\$ -</b>	<b>\$ 12,692</b>	<b>\$ 105,600</b>	<b>\$ 521,780</b>
<b>Liabilities</b>						
Accounts payable	\$ 1,893	\$ 2,121	\$ -	\$ -	\$ -	\$ 4,014
Accrued liabilities	-	-	-	-	-	-
Deferred revenues	978	-	-	-	-	978
General obligation note payable	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>2,871</b>	<b>2,121</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,992</b>
<b>Fund balance (Deficit)</b>						
Reserved for encumbrances	-	63,985	-	-	100,999	164,984
Unreserved - undesignated	307,235	27,276	-	12,692	4,601	351,804
<b>Total Fund balance</b>	<b>307,235</b>	<b>91,261</b>	<b>-</b>	<b>12,692</b>	<b>105,600</b>	<b>516,788</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 310,106</b>	<b>\$ 93,382</b>	<b>\$ -</b>	<b>\$ 12,692</b>	<b>\$ 105,600</b>	<b>\$ 521,780</b>

**City of Tallmadge, Ohio**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Capital Projects Funds**  
**for the Year Ended December 31, 2001**

	General Infrastructure Reserve	Community Center Road	South Avenue Improvement	Historic District Improvement	Eastwood/ South Avenue Improvement	Total
<b>Revenues</b>						
Intergovernmental	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ 195,000
Investment income	33,082	-	-	-	-	33,082
Special assessments	-	-	-	-	-	-
Other	-	182,449	-	-	-	182,449
<b>Total Revenues</b>	<b>33,082</b>	<b>377,449</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>410,531</b>
<b>Expenditures</b>						
Capital outlay	818,772	718,739	11,737	-	-	1,549,248
Debt service-interest	64,595	-	-	-	-	64,595
Miscellaneous	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>883,367</b>	<b>718,739</b>	<b>11,737</b>	<b>-</b>	<b>-</b>	<b>1,613,843</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(850,285)</b>	<b>(341,290)</b>	<b>(11,737)</b>	<b>-</b>	<b>-</b>	<b>(1,203,312)</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from debt issuance	2,175,000	-	-	-	-	2,175,000
Operating transfers in	-	432,551	-	-	-	432,551
<b>Total Other Financing Sources (Uses)</b>	<b>2,175,000</b>	<b>432,551</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,607,551</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures &amp; Other Uses</b>	<b>1,324,715</b>	<b>91,261</b>	<b>(11,737)</b>	<b>-</b>	<b>-</b>	<b>1,404,239</b>
<b>Fund Balance (Deficit) at Beginning of Year</b>	<b>(1,017,480)</b>	<b>-</b>	<b>11,737</b>	<b>12,692</b>	<b>105,600</b>	<b>(887,451)</b>
<b>Fund Balance at End of Year</b>	<b>\$ 307,235</b>	<b>\$ 91,261</b>	<b>\$ -</b>	<b>\$ 12,692</b>	<b>\$ 105,600</b>	<b>\$ 516,788</b>

**City of Tallmadge, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Capital Projects Funds**  
**for the Year Ended December 31, 2001**

	General Infrastructure Reserve			Community Center Road		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 377,449	\$ 377,449	\$ -
Investment income	125,005	49,488	(75,517)	-	-	-
<b>Total Revenues</b>	<b>125,005</b>	<b>49,488</b>	<b>(75,517)</b>	<b>377,449</b>	<b>377,449</b>	<b>-</b>
<b>Expenditures</b>						
Capital outlay:						
City Hall renovation	200,000	175,041	24,959	-	-	-
Other	-	-	-	810,000	782,725	27,275
Debt service:						
Principal	2,300,690	2,270,000	30,690	-	-	-
Interest	106,000	106,394	(394)	-	-	-
<b>Total Expenditures</b>	<b>2,606,690</b>	<b>2,551,435</b>	<b>55,255</b>	<b>810,000</b>	<b>782,725</b>	<b>27,275</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,481,685)</b>	<b>(2,501,947)</b>	<b>(20,262)</b>	<b>(432,551)</b>	<b>(405,276)</b>	<b>27,275</b>
Other Financing Sources (Uses)						
Bond proceeds	2,175,000	2,175,000	-	-	-	-
Operating transfers in	-	-	-	432,551	432,551	-
<b>Total Other Financing Sources (Uses)</b>	<b>2,175,000</b>	<b>2,175,000</b>	<b>-</b>	<b>432,551</b>	<b>432,551</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(306,685)</b>	<b>(326,947)</b>	<b>(20,262)</b>	<b>-</b>	<b>27,275</b>	<b>27,275</b>
Fund Balance at Beginning of Year	625,512	625,512	-	-	-	-
Decertification of prior year encumbrances	7,134	7,134	-	-	-	-
<b>Fund Balance at End of Year</b>	<b>\$ 325,961</b>	<b>\$ 305,699</b>	<b>\$ (20,262)</b>	<b>\$ -</b>	<b>\$ 27,275</b>	<b>\$ 27,275</b>



**City of Tallmadge, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Capital Projects Funds**  
**for the Year Ended December 31, 2001**

	South Avenue Improvement			Historic District Improvement		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>						
Capital outlay:						
City Hall renovation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)						
Bond proceeds	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at Beginning of Year	-	-	-	12,692	12,692	-
Decertification of prior year encumbrances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,692</u></u>	<u><u>\$ 12,692</u></u>	<u><u>\$ -</u></u>

(continued)

**City of Tallmadge, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Capital Projects Funds**  
**for the Year Ended December 31, 2001**

	Eastwood/South Avenue			Total All Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 377,449	\$ 377,449	\$ -
Investment income	-	-	-	125,005	49,488	(75,517)
Total Revenues	-	-	-	502,454	426,937	(75,517)
<b>Expenditures</b>						
Capital outlay:						
City Hall renovation	-	-	-	200,000	175,041	24,959
Other	100,999	100,999	-	910,999	883,724	27,275
Debt service:						
Principal	-	-	-	2,300,690	2,270,000	30,690
Interest	-	-	-	106,000	106,394	(394)
Total Expenditures	100,999	100,999	-	3,517,689	3,435,159	82,530
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(100,999)</b>	<b>(100,999)</b>	<b>-</b>	<b>(3,015,235)</b>	<b>(3,008,222)</b>	<b>7,013</b>
Other Financing Sources (Uses)						
Bond proceeds	-	-	-	2,175,000	2,175,000	-
Operating transfers in	-	-	-	432,551	432,551	-
Total Other Financing Sources (Uses)	-	-	-	2,607,551	2,607,551	-
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(100,999)</b>	<b>(100,999)</b>	<b>-</b>	<b>(407,684)</b>	<b>(400,671)</b>	<b>7,013</b>
Fund Balance at Beginning of Year	100,999	100,999	-	739,203	739,203	-
Decertification of prior year encumbrances	4,601	4,601	-	11,735	11,735	-
<b>Fund Balance at End of Year</b>	<b>\$ 4,601</b>	<b>\$ 4,601</b>	<b>\$ -</b>	<b>\$ 343,254</b>	<b>\$ 350,267</b>	<b>\$ 7,013</b>

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## City of Tallmadge, Ohio

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### **ENTERPRISE FUNDS**

ENTERPRISE FUNDS ARE USED TO ACCOUNT FOR OPERATIONS (A) THAT ARE FINANCED AND OPERATED IN A MANNER SIMILAR TO PRIVATE BUSINESS ENTERPRISES WHERE THE INTENT IS THAT THE COSTS OF PROVIDING GOODS OR SERVICES TO THE GENERAL PUBLIC ON A CONTINUING BASIS BE FINANCED OR RECOVERED PRIMARILY THROUGH USER CHARGES OR (B) WHERE IT HAS BEEN DECIDED THAT PERIODIC DETERMINATION OF REVENUES EARNED, EXPENSES INCURRED AND/OR NET INCOME IS APPROPRIATE FOR EITHER CAPITAL MAINTENANCE, PUBLIC POLICY, MANAGEMENT CONTROL, ACCOUNTABILITY OR OTHER PURPOSES. THE ENTERPRISE FUNDS ARE:

#### **FERGUSON DRIVE/ELM DRIVE WATERLINE**

To account for construction of a waterline funded primarily by special assessments levied against the property owners.

#### **SANITARY SEWER INFRASTRUCTURE RESERVE**

To account for a percentage of revenue from the Sanitary Sewer Fund in accordance with local ordinance to maintain the existing sanitary sewer infrastructure of the City.

#### **WATER OPERATING INFRASTRUCTURE RESERVE**

To account for a percentage of revenue from the Water Operating Fund in accordance with local ordinance to maintain the existing water infrastructure of the City.

#### **SANITARY SEWER LEVY**

This fund was established in the 1950's. There has been no activity in recent years.

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## City of Tallmadge, Ohio

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### **PARKER/MILTON WATERLINE**

To account for the construction of a waterline funded primarily by special assessments levied against the property owners.

### **SANITARY SEWER OPERATING**

To account for sanitary sewer service provided to residential and commercial users within the City.

### **WATER OPERATING**

To account for the provision of water treatment and distribution through the City of Akron to residential and commercial users within the City.

**City of Tallmadge, Ohio**  
**Combining Balance Sheet**  
**All Enterprise Funds**  
**December 31, 2001**

	Ferguson Dr./ Elm Dr. Waterline	Sanitary Sewer Infrastructure Reserve	Water Operating Infrastructure Reserve	Sanitary Sewer Levy
<b>Assets</b>				
Equity in pooled cash and investments	\$ -	\$ 546,485	\$ 176,348	\$ 114,624
Receivables	-	1,908	554	-
Inventory of supplies	-	-	-	-
Fixed assets (net of accumulated depreciation)	-	81,135	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 629,528</b>	<b>\$ 176,902</b>	<b>\$ 114,624</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 10,228	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Other liabilities	-	-	-	-
Notes payable	-	-	-	-
Special assessment debt	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>10,228</b>	<b>-</b>	<b>-</b>
<b>Fund Equity (Deficit)</b>				
Contributed Capital	-	370,840	-	-
Retained earnings (Deficit)	-	248,460	176,902	114,624
<b>Total Fund Equity (Deficit)</b>	<b>-</b>	<b>619,300</b>	<b>176,902</b>	<b>114,624</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ -</b>	<b>\$ 629,528</b>	<b>\$ 176,902</b>	<b>\$ 114,624</b>

Parker/ Milton Waterline	Sanitary Sewer Operating	Water Operating	Totals
\$ -	\$ 3,364,989	\$ 1,363,255	\$ 5,565,701
-	1,308,062	1,649,790	2,960,314
-	44,520	44,520	89,040
-	<u>4,371,517</u>	<u>5,676,268</u>	<u>10,128,920</u>
<u>\$ -</u>	<u>\$ 9,089,088</u>	<u>\$ 8,733,833</u>	<u>\$ 18,743,975</u>
\$ -	\$ 116,102	\$ 275,750	\$ 402,080
-	36,022	29,993	66,015
-	2,819	5,106	7,925
-	-	-	-
-	<u>552,338</u>	<u>1,053,662</u>	<u>1,606,000</u>
-	<u>707,281</u>	<u>1,364,511</u>	<u>2,082,020</u>
-	2,250,946	3,439,907	6,061,693
-	<u>6,130,861</u>	<u>3,929,415</u>	<u>10,600,262</u>
-	<u>8,381,807</u>	<u>7,369,322</u>	<u>16,661,955</u>
<u>\$ -</u>	<u>\$ 9,089,088</u>	<u>\$ 8,733,833</u>	<u>\$ 18,743,975</u>

**City of Tallmadge, Ohio**  
**Combining Statement of Revenues, Expenses and Changes in Fund Equity**  
**All Enterprise Funds**  
**for the Year Ended December 31, 2001**

	Ferguson Dr./ Elm Dr. Waterline	Sanitary Sewer Infrastructure Reserve	Water Operating Infrastructure Reserve	Sanitary Sewer Levy
Operating Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Other	139,044	-	-	-
Total Operating Revenues	139,044	-	-	-
Operating Expenses				
Personal services	-	-	-	-
Contractual services	30,774	-	9,500	-
Depreciation	-	-	-	-
Other	-	-	-	-
Total Operating Expenses	30,774	-	9,500	-
Operating Income (Loss)	108,270	-	(9,500)	-
Nonoperating Revenues (Expenses)				
Investment Income	-	49,655	7,855	-
Interest expense	(31,494)	-	-	-
Total Nonoperating Revenues (Expenses) - Net	(31,494)	49,655	7,855	-
Income (Loss) Before Operating Transfers	76,776	49,655	(1,645)	-
Other Financing Sources (Uses)	-	-		
Operating transfers in	-	121,535	112,498	-
Operating transfers out	-	(60,000)	(100,000)	-
Net Income (Loss)	76,776	111,190	10,853	-
Retained Earnings at Beginning of Year	(427,273)	137,269	166,049	114,624
Residual Deficit (Equity) Transfers In/Out	350,497	-	-	-
Retained Earnings at End of Year	-	248,459	176,902	114,624
Contributed Capital at Beginning of Year	-	370,840	-	-
Current Year Contributions	-	-	-	-
Contributed Capital at End of Year	-	370,840	-	-
Fund Equity at End of Year	\$ -	\$ 619,299	\$ 176,902	\$ 114,624



<u>Parker/ Milton Waterline</u>	<u>Sanitary Sewer Operating</u>	<u>Water Operating</u>	<u>Totals</u>
\$ -	\$ 2,119,757	\$ 2,141,573	\$ 4,261,330
102,010	51,859	115,722	408,635
<u>102,010</u>	<u>2,171,616</u>	<u>2,257,295</u>	<u>4,669,965</u>
-	178,918	218,210	397,128
9,772	1,715,726	999,243	2,765,015
-	200,158	287,716	487,874
-	66,152	115,308	181,460
<u>9,772</u>	<u>2,160,954</u>	<u>1,620,477</u>	<u>3,831,477</u>
<u>92,238</u>	<u>10,662</u>	<u>636,818</u>	<u>838,488</u>
-	180,281	57,540	295,331
(22,560)	(35,286)	3,342	(85,998)
<u>(22,560)</u>	<u>144,995</u>	<u>60,882</u>	<u>209,333</u>
69,678	155,657	697,700	1,047,821
-	-	-	-
-	(121,535)	(112,498)	234,033
<u>-</u>	<u>(121,535)</u>	<u>(112,498)</u>	<u>(394,033)</u>
69,678	34,122	585,202	887,821
(253,958)	6,096,739	4,019,214	9,852,664
<u>184,280</u>	<u>-</u>	<u>(675,000)</u>	<u>(140,223)</u>
-	6,130,861	3,929,416	10,600,262
-	2,250,946	3,299,684	5,921,470
<u>-</u>	<u>-</u>	<u>140,223</u>	<u>140,223</u>
-	2,250,946	3,439,907	6,061,693
<u>\$ -</u>	<u>\$ 8,381,807</u>	<u>\$ 7,369,323</u>	<u>\$ 16,661,955</u>

**City of Tallmadge, Ohio**  
**Combining Statement of Cash Flows**  
**All Enterprise Funds**  
**for the Year Ended December 31, 2001**

	Ferguson Dr./ Elm Dr. Waterline	Sanitary Sewer Infrastructure Reserve	Water Operating Infrastructure Reserve	Sanitary Sewer Levy
Cash Flows Provided by (Used in) Operating Activities				
Cash received from customers	\$ -	\$ 5,917	\$ -	\$ -
Cash payments to suppliers for goods/services	(30,774)	5,716	(9,500)	-
Cash payments to employees for services	-	-	-	-
Other operating revenues (Uses)	139,044	-	-	-
Net Cash Provided By (Used in) Operating Activities	108,270	11,633	(9,500)	-
Cash Flows Provided by (Used In) Noncapital Financing Activities				
Operating transfers in	-	121,535	112,498	-
Operating transfers out	-	(60,000)	(100,000)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	-	61,535	12,498	-
Cash Flows Provided by (Used in) Capital and Related Financing Activities				
Acquisition and construction of capital assets	-	(81,133)	-	-
Contributed capital	-	-	-	-
Residual Equity Transfers Out	(74,503)	-	-	-
Principal paid on notes/bonds	(1,050,000)	-	-	-
Interest paid on notes/bonds	(31,494)	-	-	-
Proceeds from sale of notes/bonds	950,000	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	(205,997)	(81,133)	-	-
Cash Provided by (Used in) Investing activities				
Interest on investments	-	49,655	10,186	-
Net Cash Provided by (Used in) Investing Activities	-	49,655	10,186	-
Net Increase (Decrease) in Cash	(97,727)	41,690	13,184	-
Cash at Beginning of Year	97,727	504,795	163,164	114,624
Cash at End of Year	\$ -	\$ 546,485	\$ 176,348	\$ 114,624

Parker/ Milton Waterline	Sanitary Sewer Operating	Water Operating	Total
\$ -	\$ 2,088,987	\$ 1,562,398	\$ 3,657,302
(12,242)	(1,793,825)	(1,107,272)	(2,947,897)
1,235	(171,965)	(223,575)	(394,305)
102,010	51,859	115,721	408,634
91,003	175,056	347,272	723,734
-	-	-	234,033
-	(121,535)	(112,498)	(394,033)
-	(121,535)	(112,498)	(160,000)
-	(613,616)	(44,421)	(739,170)
-	-	140,223	140,223
(65,720)	-	-	(140,223)
(750,000)	(32,000)	(73,000)	(1,905,000)
(22,560)	(35,286)	-	(89,340)
625,000	-	-	1,575,000
-	-	-	-
(213,280)	(680,902)	22,802	(1,158,510)
-	180,282	57,541	297,664
-	180,282	57,541	297,664
(122,277)	(447,099)	315,117	(297,112)
122,277	3,812,088	1,048,138	5,862,813
\$ -	\$ 3,364,989	\$ 1,363,255	\$ 5,565,701

(continued)

**City of Tallmadge, Ohio**  
**Combining Statement of Cash Flows**  
**All Enterprise Funds**  
**for the Year Ended December 31, 2001**

	<u>Ferguson Dr./ Elm Dr. Waterline</u>	<u>Sanitary Sewer Infrastructure Reserve</u>	<u>Water Operating Infrastructure Reserve</u>	<u>Sanitary Sewer Levy</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 108,270	\$ -	\$ (9,500)	\$ -
Adjustments to reconcile operating income (Loss) to net cash provided by (Used in) operating activities				
Depreciation and amortization	-	-	-	-
(Gain)/loss on sale of fixed assets	-	-	-	-
Change in assets and liabilities				
Receivables	-	5,918	-	-
Inventory	-	-	-	-
Accounts payable	-	5,715	-	-
Accrued wages and benefits	-	-	-	-
Other liabilities	-	-	-	-
Total Adjustments	<u>-</u>	<u>11,633</u>	<u>-</u>	<u>-</u>
Net Cash Provided By (Used in) Operating Activities	<u>\$ 108,270</u>	<u>\$ 11,633</u>	<u>\$ (9,500)</u>	<u>\$ -</u>

<u>Parker/ Milton Waterline</u>	<u>Sanitary Sewer Operating</u>	<u>Water Operating</u>	<u>Total</u>
\$ 92,238	\$ 10,662	\$ 636,818	\$ 838,488
-	200,158	287,716	487,874
-	-	-	-
-	(30,770)	(579,175)	(604,027)
-	(7,300)	(7,300)	(14,600)
(1,235)	(4,505)	40,510	40,485
-	6,953	(5,365)	1,588
-	(142)	(25,932)	(26,074)
<u>(1,235)</u>	<u>164,394</u>	<u>(289,546)</u>	<u>(114,754)</u>
<u>\$ 91,003</u>	<u>\$ 175,056</u>	<u>\$ 347,272</u>	<u>\$ 723,734</u>

**City of Tallmadge, Ohio**  
**Combining Schedule of Revenues, Expenses and Changes in Fund Equity**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Enterprise Funds**  
**for the Year Ended December 31, 2001**

	Ferguson Dr./Elm Dr. Waterline			Sanitary Sewer Infrastructure Reserve		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	35,000	34,493	(507)
Special assessments	139,044	139,044	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total Revenues</b>	<b>139,044</b>	<b>139,044</b>	<b>-</b>	<b>35,000</b>	<b>34,493</b>	<b>(507)</b>
<b>Expenses</b>						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-
Capital outlay	3,974	3,974	-	174,000	78,436	95,564
Other	-	-	-	-	-	-
Debt service:						
Principal	1,050,000	1,050,000	-	-	-	-
Interest	31,494	31,494	-	-	-	-
<b>Total Expenses</b>	<b>1,085,468</b>	<b>1,085,468</b>	<b>-</b>	<b>174,000</b>	<b>78,436</b>	<b>95,564</b>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<b>(946,424)</b>	<b>(946,424)</b>	<b>-</b>	<b>(139,000)</b>	<b>(43,943)</b>	<b>95,057</b>
<b>Other Financing Sources (Uses)</b>						
Note proceeds	525,000	525,000	-	-	-	-
Bond proceeds	425,000	425,000	-	-	-	-
Operating transfers in	-	-	-	108,029	121,535	13,506
Operating transfers out	-	-	-	(60,000)	(60,000)	-
<b>Total Other Financing Sources(Uses)</b>	<b>950,000</b>	<b>950,000</b>	<b>-</b>	<b>48,029</b>	<b>61,535</b>	<b>13,506</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenses and Other Uses</b>	<b>3,576</b>	<b>3,576</b>	<b>-</b>	<b>(90,971)</b>	<b>17,592</b>	<b>108,563</b>
Fund Equity at Beginning of Year	29,032	29,032	-	499,380	499,380	-
Decertification of prior year encumbrances	41,895	41,895	-	-	-	-
Residual Equity transfers in	-	-	-	-	-	-
Residual Equity transfers out	(74,503)	(74,503)	-	-	-	-
<b>Fund Equity at End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 408,409</b>	<b>\$ 516,972</b>	<b>\$ 108,563</b>

**City of Tallmadge, Ohio**  
**Combining Schedule of Revenues, Expenses and Changes in Fund Equity**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Enterprise Funds**  
**for the Year Ended December 31, 2001**

	Water Operating Infrastructure Reserve			Sanitary Sewer Levy		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	10,007	10,007	-	-	-
Special assessments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	10,007	10,007	-	-	-
<b>Expenses</b>						
Personal services	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-
<b>Excess (Deficiency) of Revenues Over Expenses</b>	-	10,007	10,007	-	-	-
Other Financing Sources (Uses)						
Note proceeds	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-
Operating transfers in	110,111	112,498	2,387	-	-	-
Operating transfers out	(100,000)	(100,000)	-	-	-	-
Total Other Financing Sources(Uses)	10,111	12,498	2,387	-	-	-
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenses and Other Uses</b>	10,111	22,505	12,394	-	-	-
Fund Equity at Beginning of Year	148,546	148,546	-	114,624	114,624	-
Decertification of prior year encumbrances	4,781	4,781	-	-	-	-
Residual Equity transfers in	-	-	-	-	-	-
Residual Equity transfers out	-	-	-	-	-	-
<b>Fund Equity at End of Year</b>	\$ 163,438	\$ 175,832	\$ 12,394	\$ 114,624	\$ 114,624	\$ -

(continued)

**City of Tallmadge, Ohio**  
**Combining Schedule of Revenues, Expenses and Changes in Fund Equity**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Enterprise Funds**  
**for the Year Ended December 31, 2001**

	Parker/Milton Waterline			Sanitary Sewer Operating		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Charges for services	\$ -	\$ -	\$ -	\$ 1,797,002	\$ 2,041,912	\$ 244,910
Investment income	-	-	-	250,000	222,739	(27,261)
Special assessments	102,011	102,011	-	55,000	52,135	(2,865)
Miscellaneous	-	-	-	1,200	1,164	(36)
<b>Total Revenues</b>	<b>102,011</b>	<b>102,011</b>	<b>-</b>	<b>2,103,202</b>	<b>2,317,950</b>	<b>214,748</b>
<b>Expenses</b>						
Personal services	-	-	-	193,100	185,287	7,813
Materials and supplies	-	-	-	108,500	73,419	35,081
Contractual services	-	-	-	1,749,536	1,532,852	216,684
Capital outlay	2,701	2,701	-	184,500	143,387	41,113
Other	-	-	-	48,000	19,651	28,349
Debt service:						
Principal	750,000	750,000	-	32,000	32,000	-
Interest	22,561	22,561	-	35,400	35,428	(28)
<b>Total Expenses</b>	<b>775,262</b>	<b>775,262</b>	<b>-</b>	<b>2,351,036</b>	<b>2,022,024</b>	<b>329,012</b>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<b>(673,251)</b>	<b>(673,251)</b>	<b>-</b>	<b>(247,834)</b>	<b>295,926</b>	<b>543,760</b>
<b>Other Financing Sources (Uses)</b>						
Note proceeds	375,000	375,000	-	-	-	-
Bond proceeds	250,000	250,000	-	-	-	-
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	(73,100)	(121,535)	(48,435)
<b>Total Other Financing Sources(Uses)</b>	<b>625,000</b>	<b>625,000</b>	<b>-</b>	<b>(73,100)</b>	<b>(121,535)</b>	<b>(48,435)</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenses and Other Uses</b>	<b>(48,251)</b>	<b>(48,251)</b>	<b>-</b>	<b>(320,934)</b>	<b>174,391</b>	<b>495,325</b>
Fund Equity at Beginning of Year	104,882	104,882	-	2,886,528	2,886,528	-
Decertification of prior year encumbrances	9,089	9,089	-	6,936	6,936	-
Residual Equity transfers in	-	-	-	-	-	-
Residual Equity transfers out	(65,720)	(65,720)	-	-	-	-
<b>Fund Equity at End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,572,530</b>	<b>\$ 3,067,855</b>	<b>\$ 495,325</b>



**City of Tallmadge, Ohio**  
**Combining Schedule of Revenues, Expenses and Changes in Fund Equity**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Enterprise Funds**  
**for the Year Ended December 31, 2001**

	Water Operating			Total All Enterprise Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Charges for services	\$ 1,673,100	\$ 1,547,290	\$ (125,810)	\$ 3,470,102	\$ 3,589,202	\$ 119,100
Investment income	109,400	68,523	(40,877)	394,400	335,762	(58,638)
Special assessments	16,000	105,484	89,484	312,055	398,674	86,619
Miscellaneous	2,000	12,394	10,394	3,200	13,558	10,358
<b>Total Revenues</b>	<b>1,800,500</b>	<b>1,733,691</b>	<b>(66,809)</b>	<b>4,179,757</b>	<b>4,337,196</b>	<b>157,439</b>
<b>Expenses</b>						
Personal services	193,100	224,579	(31,479)	386,200	409,866	(23,666)
Materials and supplies	115,000	55,210	59,790	223,500	128,629	94,871
Contractual services	990,000	968,229	21,771	2,739,536	2,501,081	238,455
Capital outlay	58,000	26,188	31,812	423,175	254,686	168,489
Other	55,700	50,786	4,914	103,700	70,437	33,263
Debt service:						
Principal	73,000	73,000	-	1,905,000	1,905,000	-
Interest	22,500	22,589	(89)	111,955	112,072	(117)
<b>Total Expenses</b>	<b>1,507,300</b>	<b>1,420,581</b>	<b>86,719</b>	<b>5,893,066</b>	<b>5,381,771</b>	<b>511,295</b>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<b>293,200</b>	<b>313,110</b>	<b>19,910</b>	<b>(1,713,309)</b>	<b>(1,044,575)</b>	<b>668,734</b>
<b>Other Financing Sources (Uses)</b>						
Note proceeds	-	-	-	900,000	900,000	-
Bond proceeds	-	-	-	675,000	675,000	-
Operating transfers in	-	-	-	218,140	234,033	15,893
Operating transfers out	(112,600)	(112,498)	102	(345,700)	(394,033)	(48,333)
<b>Total Other Financing Sources(Uses)</b>	<b>(112,600)</b>	<b>(112,498)</b>	<b>102</b>	<b>1,447,440</b>	<b>1,415,000</b>	<b>(32,440)</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenses and Other Uses</b>	<b>180,600</b>	<b>200,612</b>	<b>20,012</b>	<b>(265,869)</b>	<b>370,425</b>	<b>636,294</b>
Fund Equity at Beginning of Year	982,496	982,496	-	4,765,488	4,765,488	-
Decertification of prior year encumbrances	11,614	11,614	-	74,315	74,315	-
Residual Equity transfers in	28,300	140,223	111,923	28,300	140,223	111,923
Residual Equity transfers out	-	-	-	(140,223)	(140,223)	-
<b>Fund Equity at End of Year</b>	<b>\$ 1,203,010</b>	<b>\$ 1,334,945</b>	<b>\$ 131,935</b>	<b>\$ 4,462,011</b>	<b>\$ 5,210,228</b>	<b>\$ 748,217</b>

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## City of Tallmadge, Ohio

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### INTERNAL SERVICE FUNDS

**INTERNAL SERVICE 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 GOVERNMENT AND TO OTHER GOVERNMENT UNITS, ON A COST REIMBURSEMENT BASIS.**

#### **GARAGE REVOLVING**

To account for the cost of the maintenance facility for all automotive equipment used by various City departments. The costs of services provided are billed to the various user departments.

#### **SELF-INSURANCE**

To account for the payment of claims and operations of the City's self-insurance program. The costs of the premiums are billed to the various user departments.

**City of Tallmadge, Ohio  
Combining Balance Sheet  
All Internal Service Funds  
December 31, 2001**

	<u>Garage Revolving</u>	<u>Self- Insurance</u>	<u>Totals</u>
<b>Assets</b>			
Equity in pooled cash and investments	\$ 99,965	\$ 240,533	\$ 340,498
Receivables	1,201	-	1,201
Inventory of supplies	71,357	-	71,357
Fixed assets (net of accumulated depreciation)	<u>179,720</u>	<u>-</u>	<u>179,720</u>
<b>Total Assets</b>	<u><u>\$ 352,243</u></u>	<u><u>\$ 240,533</u></u>	<u><u>\$ 592,776</u></u>
<b>Liabilities</b>			
Accounts payable	\$ 8,836	\$ 15,469	\$ 24,305
Claims payable	-	97,322	97,322
Accrued wages and benefits	<u>19,571</u>	<u>-</u>	<u>19,571</u>
<b>Total Liabilities</b>	<u>28,407</u>	<u>112,791</u>	<u>141,198</u>
<b>Fund Equity</b>			
Retained Earnings	310,906	127,742	438,648
Contributed Capital	<u>12,930</u>	<u>-</u>	<u>12,930</u>
<b>Total Fund Equity</b>	<u>323,836</u>	<u>127,742</u>	<u>451,578</u>
<b>Total Liabilities and Fund Equity</b>	<u><u>\$ 352,243</u></u>	<u><u>\$ 240,533</u></u>	<u><u>\$ 592,776</u></u>

**City of Tallmadge, Ohio**  
**Combining Statement of Revenues, Expenses and Changes in Fund Equity**  
**All Internal Service Funds**  
**for the Year Ended December 31, 2001**

	<u>Garage Revolving</u>	<u>Self- Insurance</u>	<u>Totals</u>
Operating Revenues			
Charges for services	\$ 224,310	\$ 841,544	\$ 1,065,854
Other	3,320	7,300	10,620
Total Operating Revenues	<u>227,630</u>	<u>848,844</u>	<u>1,076,474</u>
Operating Expenses			
Personal services	266,489	15,469	281,958
Contractual services	29,309	881,264	910,573
Depreciation	31,298	-	31,298
Other	240,338	-	240,338
Total Operating Expenses	<u>567,434</u>	<u>896,733</u>	<u>1,464,167</u>
Operating Income ( Loss)	<u>(339,804)</u>	<u>(47,889)</u>	<u>(387,693)</u>
Income (Loss) Before Operating Transfers	(339,804)	(47,889)	(387,693)
Operating transfers in	352,000	-	352,000
Operating transfers out	-	-	-
Net Income (Loss)	12,196	(47,889)	(35,693)
Retained Earnings at Beginning of Year	<u>298,710</u>	<u>175,631</u>	<u>474,341</u>
Retained Earnings at End of Year	<u>310,906</u>	<u>127,742</u>	<u>438,648</u>
Contributed Capital at Beginning of Year	-	-	-
Current Year Contributions	<u>12,930</u>	<u>-</u>	<u>12,930</u>
Contributed Capital at End of Year	<u>12,930</u>	<u>-</u>	<u>12,930</u>
Fund Equity at End of Year	<u>\$ 323,836</u>	<u>\$ 127,742</u>	<u>\$ 451,578</u>

**City of Tallmadge, Ohio**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**for the Year Ended December 31, 2001**

	Garage Revolving	Self- Insurance	Total
Cash Flows Provided by (Used in) Operating Activities			
Cash received from customers	\$ 227,734	\$ 891,742	\$ 1,119,476
Cash payments to suppliers for goods/services	(285,629)	(818,106)	(1,103,735)
Cash payments to employees for services	(274,382)	(15,469)	(289,851)
Other operating revenues (uses)	3,320	7,300	10,620
Net Cash Provided By (Used in) Operating Activities	<u>(328,957)</u>	<u>65,467</u>	<u>(263,490)</u>
Cash Flows Provided by (Used In) Noncapital Financing Activities			
Operating transfers in	352,000	-	352,000
Operating transfers out	-	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>352,000</u>	<u>-</u>	<u>352,000</u>
Cash Flows Provided by (Used in) Capital and Related Financing Activities			
Acquisition and construction of capital assets	(10,935)	-	(10,935)
Addition to retained earnings	12,930	-	12,930
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>1,995</u>	<u>-</u>	<u>1,995</u>
Net Increase in Cash	<u>27,033</u>	<u>65,467</u>	<u>92,500</u>
Cash at Beginning of Year	<u>74,927</u>	<u>175,066</u>	<u>249,993</u>
Cash at End of Year	<u>\$ 101,960</u>	<u>\$ 240,533</u>	<u>\$ 342,493</u>

(continued)

**City of Tallmadge, Ohio**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**for the Year Ended December 31, 2001**

	<u>Garage Revolving</u>	<u>Self- Insurance</u>	<u>Total</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	\$ (339,804)	\$ (47,889)	\$ (387,693)
Adjustments to reconcile operating income (Loss) to net cash provided by (Used in) operating activities			
Depreciation and amortization	31,298	-	31,298
Change in assets and liabilities			
Receivables	3,424	50,198	53,622
Inventory	(10,492)	-	(10,492)
Accounts payable	(5,490)	15,469	9,979
Accrued wages and benefits	(7,894)	-	(7,894)
Other liabilities	-	47,690	47,690
Total adjustments	<u>10,846</u>	<u>113,357</u>	<u>124,203</u>
Net Cash Provided By (Used in) Operating Activities	<u>\$ (328,958)</u>	<u>\$ 65,468</u>	<u>\$ (263,490)</u>

**City of Tallmadge, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Internal Service Funds**  
**for the Year Ended December 31, 2001**

	<u>Garage Revolving</u>			<u>Self-Insurance</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>						
Charges for services	\$ 180,000	\$ 225,579	\$ 45,579	\$ 884,000	\$ 841,544	\$ (42,456)
Other	-	5,244	5,244	-	56,895	56,895
Total Revenues	<u>180,000</u>	<u>230,823</u>	<u>50,823</u>	<u>884,000</u>	<u>898,439</u>	<u>14,439</u>
<b>Expenditures</b>						
Personal services	273,300	275,214	(1,914)	-	-	-
Materials and supplies	235,600	232,099	3,501	-	-	-
Contractual services	66,600	50,358	16,242	951,640	833,575	118,065
Capital outlay	-	-	-	-	-	-
Other	17,850	13,976	3,874	-	-	-
Total Expenditures	<u>593,350</u>	<u>571,647</u>	<u>21,703</u>	<u>951,640</u>	<u>833,575</u>	<u>118,065</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(413,350)</u>	<u>(340,824)</u>	<u>72,526</u>	<u>(67,640)</u>	<u>64,864</u>	<u>132,504</u>
Other Financing Sources (Uses)						
Operating transfers in	400,000	352,000	(48,000)	-	-	-
Total Other Financing Sources (Uses)	<u>400,000</u>	<u>352,000</u>	<u>(48,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(13,350)</u>	<u>11,176</u>	<u>24,526</u>	<u>(67,640)</u>	<u>64,864</u>	<u>132,504</u>
Fund Balance at Beginning of Year	39,370	39,370	-	175,066	175,066	-
Decertification of prior year encumbrances	6,653	6,653	-	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ 32,673</u>	<u>\$ 57,199</u>	<u>\$ 24,526</u>	<u>\$ 107,426</u>	<u>\$ 239,930</u>	<u>\$ 132,504</u>

(continued)

**City of Tallmadge, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Internal Service Funds**  
**for the Year Ended December 31, 2001**

	<u>Total All Internal Service Funds</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Charges for services	\$ 1,064,000	\$ 1,067,123	\$ 3,123
Other	-	62,139	62,139
Total Revenues	<u>1,064,000</u>	<u>1,129,262</u>	<u>65,262</u>
<b>Expenditures</b>			
Personal services	273,300	275,214	(1,914)
Materials and supplies	235,600	232,099	3,501
Contractual services	1,018,240	883,933	134,307
Capital outlay	-	-	-
Other	17,850	13,976	3,874
Total Expenditures	<u>1,544,990</u>	<u>1,405,222</u>	<u>139,768</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(480,990)</u>	<u>(275,960)</u>	<u>205,030</u>
Other Financing Sources (Uses)			
Operating transfers in	400,000	352,000	(48,000)
Total Other Financing Sources(Uses)	<u>400,000</u>	<u>352,000</u>	<u>(48,000)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	(80,990)	76,040	157,030
Fund Balance at Beginning of Year	214,436	214,436	-
Decertification of prior year encumbrances	6,653	6,653	-
<b>Fund Balance at End of Year</b>	<u>\$ 140,099</u>	<u>\$ 297,129</u>	<u>\$ 157,030</u>



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## City of Tallmadge, Ohio

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### TRUST AND AGENCY FUNDS

TRUST AND AGENCY FUNDS ARE USED TO ACCOUNT FOR ASSETS HELD BY THE CITY IN A TRUSTEE CAPACITY AND/OR AS AN AGENT FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, OTHER GOVERNMENTAL UNITS AND/OR OTHER FUNDS. THESE INCLUDE (A) EXPENDABLE TRUST FUNDS (B) A NON-EXPENDABLE TRUST FUND, AND (C) AGENCY FUNDS.

#### EXPENDABLE TRUST FUNDS

##### EMERGENCY MEDICAL SERVICE AND FIRE DONATION

To account for donations received for the City's emergency medical service program and fire programs.

##### POLICE PENSION

To accumulate property taxes and a subsidy from the General Fund for the payment of the current and accrued liability for police disability and pension benefits.

#### NON-EXPENDABLE TRUST FUND

##### RICHARDSON TRUST

To account for monies to benefit indigent and needy citizens of Tallmadge. The portion representing the principal amount of the trust fund is non-expendable. The interest received on those monies is used to aid the needy.

#### AGENCY FUNDS

##### REVOLVING TRUST

To account for refundable deposits.

**City of Tallmadge, Ohio  
Combining Balance Sheet  
All Fiduciary Funds  
December 31, 2001**

	<u>Expendable Trust Funds</u>		<u>Non-Expendable Trust Fund</u>	<u>Agency Funds</u>	<u>Total-All Fiduciary Funds</u>
	<u>Emergency Medical Service and Fire Donation</u>	<u>Police Pension</u>	<u>Richardson Trust</u>	<u>Revolving Trust</u>	
<b>Assets</b>					
Equity in pooled cash and investments	\$ 10,586	\$ 34,405	\$ 46,262	\$ 134,353	\$ 225,606
Receivables	-	100,937	166	-	101,103
<b>Total Assets</b>	<b><u>\$ 10,586</u></b>	<b><u>\$ 135,342</u></b>	<b><u>\$ 46,428</u></b>	<b><u>\$ 134,353</u></b>	<b><u>\$ 326,709</u></b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 134,353	\$ 134,353
Accrued wages and benefits	-	65,012	-	-	65,012
Deferred revenue	-	100,262	59	-	100,321
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>165,274</u></b>	<b><u>59</u></b>	<b><u>134,353</u></b>	<b><u>299,686</u></b>
<b>Fund Balance</b>					
Reserve for endowment	-	-	30,500	-	30,500
Unreserved - undesignated	10,586	(29,932)	15,869	-	(3,477)
<b>Total Fund Balance</b>	<b><u>10,586</u></b>	<b><u>(29,932)</u></b>	<b><u>46,369</u></b>	<b><u>-</u></b>	<b><u>27,023</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 10,586</u></b>	<b><u>\$ 135,342</u></b>	<b><u>\$ 46,428</u></b>	<b><u>\$ 134,353</u></b>	<b><u>\$ 326,709</u></b>

**City of Tallmadge, Ohio**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Expendable Trust Funds**  
**for the Year Ended December 31, 2001**

	Emergency Medical Service and Fire Donation	Police Pension	Total
Revenues			
Taxes	\$ -	\$ 93,190	\$ 93,190
Intergovernmental	-	10,739	10,739
Investment income	64	386	450
Miscellaneous	1,993	-	1,993
Total Revenues	<u>2,057</u>	<u>104,315</u>	<u>106,372</u>
Expenditures			
Current			
Security of persons and property	<u>5,249</u>	<u>263,759</u>	<u>269,008</u>
Total Expenditures	<u>5,249</u>	<u>263,759</u>	<u>269,008</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,192)</u>	<u>(159,444)</u>	<u>(162,636)</u>
Other Financing Sources (Uses)			
Operating transfers in	<u>-</u>	<u>180,000</u>	<u>180,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>180,000</u>	<u>180,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(3,192)	20,556	17,364
Fund Balance (Deficit) at Beginning of Year	<u>13,778</u>	<u>(50,488)</u>	<u>(36,710)</u>
Fund Balance (Deficit) at End of Year	<u>\$ 10,586</u>	<u>\$ (29,932)</u>	<u>\$ (19,346)</u>

**City of Tallmadge, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Expendable Trust Funds**  
**for the Year Ended December 31, 2001**

	<u>Emergency Medical Service and Fire Donation</u>			<u>Police Pension</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ 95,104	\$ 93,214	\$ (1,890)
Intergovernmental	-	-	-	10,429	10,740	311
Miscellaneous	2,500	1,994	(506)	-	-	-
Total Revenues	2,500	1,994	(506)	105,533	103,954	(1,579)
<b>Expenditures</b>						
Current:						
Security of persons and property	6,100	-	6,100	294,200	261,042	33,158
Total Expenditures	6,100	-	6,100	294,200	261,042	33,158
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(3,600)</u>	<u>1,994</u>	<u>5,594</u>	<u>(188,667)</u>	<u>(157,088)</u>	<u>31,579</u>
Other Financing Sources (Uses)						
Operating transfers in	-	-	-	210,000	180,000	(30,000)
Total Other Financing Sources (Uses)	-	-	-	210,000	180,000	(30,000)
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(3,600)</u>	<u>1,994</u>	<u>5,594</u>	<u>21,333</u>	<u>22,912</u>	<u>1,579</u>
Fund Balance at Beginning of Year	8,528	8,528	-	11,107	11,107	-
<b>Fund Balance at End of Year</b>	<u>\$ 4,928</u>	<u>\$ 10,522</u>	<u>\$ 5,594</u>	<u>\$ 32,440</u>	<u>\$ 34,019</u>	<u>\$ 1,579</u>

**City of Tallmadge, Ohio**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Budgetary Basis) - All Expendable Trust Funds**  
**for the Year Ended December 31, 2001**

	<b>Total All Expendable Trust Funds</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Taxes	\$ 95,104	\$ 93,214	\$ (1,890)
Intergovernmental	10,429	10,740	311
Miscellaneous	2,500	1,994	(506)
Total Revenues	<u>108,033</u>	<u>105,948</u>	<u>(2,085)</u>
<b>Expenditures</b>			
Current:			
Security of persons and property	<u>300,300</u>	<u>261,042</u>	<u>39,258</u>
Total Expenditures	<u>300,300</u>	<u>261,042</u>	<u>39,258</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(192,267)</u>	<u>(155,094)</u>	<u>37,173</u>
Other Financing Sources (Uses)			
Operating transfers in	<u>210,000</u>	<u>180,000</u>	<u>(30,000)</u>
Total Other Financing Sources (Uses)	<u>210,000</u>	<u>180,000</u>	<u>(30,000)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	17,733	24,906	7,173
Fund Balance at Beginning of Year	<u>19,635</u>	<u>19,635</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 37,368</u></u>	<u><u>\$ 44,541</u></u>	<u><u>\$ 7,173</u></u>

**City of Tallmadge, Ohio**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**for the Year Ended December 31, 2001**

	<u>January 1,</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31,</u>
<b>Revolving Trust</b>				
Assets				
Equity in pooled cash and investments	\$ 121,131	\$ 148,859	\$ (135,637)	\$ 134,353
Total Assets	<u>\$ 121,131</u>	<u>\$ 148,859</u>	<u>\$ (135,637)</u>	<u>\$ 134,353</u>
Liabilities				
Accounts payable	\$ 121,131	\$ 148,859	(135,637)	\$ 134,353
Total Liabilities	<u>\$ 121,131</u>	<u>\$ 148,859</u>	<u>\$ (135,637)</u>	<u>\$ 134,353</u>

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**City of Tallmadge, Ohio**

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**GENERAL FIXED ASSETS ACCOUNT GROUP**

**TO ACCOUNT FOR THE GENERAL FIXED ASSETS OF THE CITY OTHER THAN THOSE  
ACCOUNTED FOR IN THE PROPRIETARY FUNDS.**

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**City of Tallmadge, Ohio**  
**Schedule of General Fixed Assets by Source**  
**as of December 31, 2001**

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General Fixed Assets

Land	\$ 2,593,801
Buildings and Improvements	7,777,300
Equipment/Storm Waterlines	<u>8,836,634</u>
Total General Fixed Assets	<u><u>\$ 19,207,735</u></u>

Investment in General Fixed Assets from:

Capital Projects Funds:

General obligation bonds/notes	\$ 6,095,762
Federal grants	440,817
Fire & EMS levy	2,218,629
General Fund Revenues	10,280,851
Gifts	167,838
Other	<u>3,838</u>
Total Investment in General Fixed Assets	<u><u>\$ 19,207,735</u></u>



**City of Tallmadge, Ohio**  
**Schedule of General Fixed Assets by Function and Activity**  
**as of December 31, 2001**

	Land	Buildings and Improvements	Equipment/ Storm Waterlines	Total
Security of Persons and Property				
Fire safety & EMS	\$ 28,095	\$ 298,765	\$ 1,900,353	\$ 2,227,213
Police protection	-	-	527,686	527,686
Safety communications	-	-	168,511	168,511
Police administration	9,750	1,388,487	290,058	1,688,295
Total Security of Persons and Property	<u>37,845</u>	<u>1,687,252</u>	<u>2,886,608</u>	<u>4,611,705</u>
Public Health and Welfare				
Cemetery	64,931	8,159	9,650	82,740
Leisure Time Activities				
Parks and recreation	981,317	503,297	354,160	1,838,774
Pool	464,574	283,022	111,159	858,755
Total Leisure Time Activities	<u>1,445,891</u>	<u>786,319</u>	<u>465,319</u>	<u>2,697,529</u>
Community Environment				
Community and economic development	-	-	38,949	38,949
Transportation				
Street construction, maintenance, and repair	14,830	387,069	2,529,830	2,931,729
General Government				
Mayor's office	-	-	18,258	18,258
Director of Administration	-	-	139,715	139,715
Finance administration	-	8,207	125,836	134,043
Legal administration	-	-	31,449	31,449
Service administration	1,030,304	4,900,294	2,542,498	8,473,096
Legislative	-	-	35,196	35,196
Other administration	-	-	13,326	13,326
Total General Government	<u>1,030,304</u>	<u>4,908,501</u>	<u>2,906,278</u>	<u>8,845,083</u>
Total General Fixed Assets	<u>\$ 2,593,801</u>	<u>\$ 7,777,300</u>	<u>\$ 8,836,634</u>	<u>\$ 19,207,735 *</u>

\*Excludes amounts capitalized as construction-in-progress.

**City of Tallmadge, Ohio**  
**Schedule of Changes in General Fixed Assets by**  
**Function and Activity**  
**for the Year Ended December 31, 2001**

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
Security of Persons and Property				
Fire safety & EMS	\$ 2,222,193	\$ 33,075	\$ (28,055)	\$ 2,227,213
Police protection	463,006	103,524	(38,844)	527,686
Safety communications	168,511	-	-	168,511
Police administration	1,688,294	-	-	1,688,294
Total Security of Persons and Property	<u>4,542,004</u>	<u>136,599</u>	<u>(66,899)</u>	<u>4,611,704</u>
Public Health and Welfare				
Cemetery	82,740	-	-	82,740
Leisure Time Activities				
Parks and recreation	1,821,530	25,677	(8,433)	1,838,774
Pool	858,755	-	-	858,755
Total Leisure Time Activities	<u>2,680,285</u>	<u>25,677</u>	<u>(8,433)</u>	<u>2,697,529</u>
Community Environment				
Community and economic development	46,352	-	(7,403)	38,949
Transportation				
Street construction, maintenance and repair	2,647,056	426,330	(141,657)	2,931,729
General Government				
Mayor's office	20,340	-	(2,082)	18,258
Director of Administration	113,169	26,546	-	139,715
Finance administration	162,830	29,119	(57,906)	134,043
Legal administration	43,971	7,569	(20,091)	31,449
Service administration	5,493,005	2,989,592	(9,500)	8,473,097
Legislative	39,627	-	(4,431)	35,196
Other administration	13,326	-	-	13,326
Total General Government	<u>5,886,268</u>	<u>3,052,826</u>	<u>(94,010)</u>	<u>8,845,084</u>
Total General Fixed Assets	<u>\$ 15,884,705</u>	<u>\$ 3,641,432</u>	<u>\$ (318,402)</u>	<u>\$ 19,207,735</u>

\*Excludes amounts capitalized as construction-in-progress.

## **Statistical Section**



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## City of Tallmadge, Ohio

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**City of Tallmadge, Ohio**  
**Governmental and Expendable Trust Fund Revenues by Source**  
**and Expenditures by Function**  
**Last Ten Years**

	1992	1993	1994	1995
<b>REVENUES</b>				
Property taxes	\$ 1,511,900	\$ 1,476,851	\$ 1,635,779	\$ 1,681,721
Municipal income taxes	4,313,205	4,499,209	4,773,202	5,242,082
Other local taxes	-	6,142	-	-
Intergovernmental	1,383,618	1,353,528	2,018,556	1,733,291
Charges for services	203,079	229,483	233,706	250,837
Fines, licenses, and permits	187,514	181,882	217,657	175,690
Investment income	142,515	145,546	217,496	370,467
Special assessments	80,092	54,520	87,829	120,105
All other revenues	111,596	115,199	112,613	108,014
<b>TOTAL REVENUES</b>	<b>\$ 7,933,519</b>	<b>\$ 8,062,360</b>	<b>\$ 9,296,838</b>	<b>\$ 9,682,207</b>
<b>EXPENDITURES</b>				
Current				
Security of persons and property	\$ 2,694,926	\$ 2,777,828	\$ 3,073,723	\$ 3,229,820
Public health and welfare	122,296	122,767	146,460	174,445
Leisure time activities	551,499	502,450	685,258	672,889
Community development	321,942	316,434	359,789	426,769
Transportation	1,113,615	1,334,554	3,313,918	1,457,225
General government	1,480,241	1,493,494	1,659,641	1,922,921
Capital outlay	907,656	724,410	986,335	1,426,781
Debt Service				
Principal	1,678,080	57,000	57,000	1,445,441
Interest	157,235	68,130	71,287	135,977
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,027,490</b>	<b>\$ 7,397,067</b>	<b>\$ 10,353,411</b>	<b>\$ 10,892,268</b>

Note 1:

Amounts were determined in accordance with generally accepted accounting principles  
The provisions of statement No. 33 of the Governmental Accounting Standards Board were implemented in 2000.

**Table 1**

1996	1997	1998	1999	2000 as restated Note 1	2001
\$ 1,736,644	\$ 1,849,843	\$ 1,604,135	\$ 1,582,460	\$ 1,618,751	\$ 2,010,802
5,645,812	6,099,877	6,354,273	6,589,765	6,775,780	6,739,909
-	-	-	-	-	-
1,524,570	1,997,967	2,772,376	2,221,884	2,466,027	2,119,103
279,715	280,488	289,438	311,443	326,951	593,539
212,118	240,615	258,358	243,252	234,493	323,608
239,633	271,019	291,124	183,937	319,377	296,318
24,401	7,611	1,687	1,695	143,926	85,883
193,223	200,747	254,767	95,461	128,147	366,469
<u>\$ 9,856,116</u>	<u>\$ 10,948,167</u>	<u>\$ 11,826,158</u>	<u>\$ 11,229,897</u>	<u>\$ 12,013,452</u>	<u>\$ 12,535,631</u>
\$ 3,561,634	\$ 3,686,799	\$ 4,119,655	\$ 4,534,246	\$ 4,559,866	\$ 4,546,804
153,653	148,372	166,522	156,997	159,353	173,349
754,280	685,236	608,091	682,367	780,070	727,899
337,328	296,608	250,321	320,732	350,053	385,460
1,068,229	1,111,354	1,221,798	1,272,087	1,464,656	1,403,016
1,960,428	2,158,319	2,114,131	2,221,779	2,392,119	2,639,616
3,071,452	4,312,045	2,781,815	2,930,553	3,588,325	2,845,234
224,176	616,767	367,747	797,434	318,242	200,000
156,209	207,766	284,151	333,460	303,277	358,523
<u>\$ 11,287,389</u>	<u>\$ 13,223,266</u>	<u>\$ 11,914,231</u>	<u>\$ 13,249,655</u>	<u>\$ 13,915,961</u>	<u>\$ 13,279,901</u>

**Table 2**

**City of Tallmadge, Ohio  
Property Tax Levies and Collections  
Real and Public Utility Property Only  
Last Ten Years**

Year	Net Tax Levy (Current Billed Portion)	Current Collection	Percentage of Current Collections to Net Levy	Delinquent Collections	Total Collections	Percentage Collections to Net Levy	Current Delinquent Amount
1992	\$ 1,254,818	\$ 1,210,181	96.44 %	\$ 60,073	\$ 1,270,254	101.23 %	\$ 44,637
1993	1,264,303	1,239,126	98.01	31,316	1,270,442	100.49	25,177
1994	1,366,571	1,334,455	97.65	29,225	1,363,680	99.79	32,116
1995	1,406,820	1,375,506	97.77	30,930	1,406,436	99.97	31,314
1996	1,435,646	1,391,736	96.94	28,357	1,420,093	98.92	43,910
1997	1,639,879	1,591,741	97.06	41,325	1,633,066	99.58	48,138
1998	1,490,904	1,457,910	97.79	26,591	1,484,501	99.57	32,994
1999	1,515,291	1,469,755	96.99	15,961	1,485,716	98.05	45,536
2000	1,594,350	1,576,485	98.88	43,833	1,620,318	101.63	17,865
2001	1,631,483	1,568,764	96.16	51,773	1,620,537	99.33	62,719

Source: Summit County, Ohio; County Auditor

**Table 3**

**City of Tallmadge, Ohio  
Property Tax Levies and Collections  
Tangible Personal Property Only  
Last Ten Years**

Year	Net Tax Levy (Current Billed Portion)	Current Collection	Percentage of Current Collections to Net Levy	Delinquent Collections	Total Collections	Percentage Collections to Net Levy	Current Delinquent Amount
1992	\$ 223,375	\$ 221,763	99.28 %	\$ 13,889	\$ 235,652	105.50 %	\$ 1,612
1993	229,420	227,499	99.16	3,839	231,338	100.84	1,921
1994	250,195	248,471	99.31	3,764	252,235	100.82	1,724
1995	264,086	261,228	98.92	7,016	268,244	101.57	2,858
1996	305,976	301,613	98.57	13,092	314,705	102.85	4,363
1997	304,878	301,282	98.82	7,244	308,526	101.20	3,596
1998	247,895	239,125	96.46	8,367	247,492	99.84	8,770
1999	241,711	238,398	98.63	8,195	246,593	102.02	3,313
2000	255,877	233,492	91.25	4,092	237,584	92.85	22,385
2001	264,479	256,127	96.84	9,048	265,175	100.26	8,352

Source: Summit County, Ohio; County Auditor



**Table 4**

**City of Tallmadge, Ohio**  
**City - Wide Property Tax Rates**  
**(Per \$1,000 of Assessed Valuation)**  
**Last Ten Years**

Collection Year	Inside Operating	Outside Operating	Police Pension	Fire/Ambulance	Total Tax Rate
1992	\$ 2.10	\$ 1.51	\$ 0.30	\$ 3.75	\$ 7.66
1993	2.10	1.51	0.30	3.75	7.66
1994	2.10	1.51	0.30	3.75	7.66
1995	2.10	1.51	0.30	3.75	7.66
1996	2.10	1.51	0.30	3.75	7.66
1997	2.10	N/A	0.30	3.75	6.15
1998	2.10	N/A	0.30	3.75	6.15
1999	2.10	N/A	0.30	3.75	6.15
2000	2.10	N/A	0.30	3.75	6.15
2001	2.10	N/A	0.30	3.75	6.15

Source: Summit County, Ohio; County Auditor

**Table 5**

**City of Tallmadge, Ohio**  
**Assessed and Estimated Actual Value**  
**of Taxable Property**  
**Last Ten Years**

Collection Year	Real Property		Public Utility Property	Tangible Personal Property	Total Assessed Value
	Estimated Value	Assessed Value	Assessed Value	Assessed Value	
1992	\$ 482,613,171	\$ 168,914,610	\$ 9,843,140	\$ 29,064,310	\$ 207,822,060
1993	491,224,286	171,928,500	10,079,210	29,924,249	211,931,959
1994	572,571,971	200,400,190	10,700,870	32,604,440	243,705,500
1995	587,045,257	205,465,840	10,899,080	34,409,038	250,773,958
1996	610,533,286	213,686,650	9,458,810	39,887,638	263,033,098
1997	712,889,971	249,511,490	9,118,060	39,758,581	298,388,131
1998	731,460,714	256,011,250	8,841,500	40,252,026	305,104,776
1999	738,369,000	258,429,150	8,984,160	39,269,410	306,682,720
2000	816,517,314	285,781,060	9,107,850	41,606,094	336,495,004
2001	859,139,571	300,698,850	8,180,270	46,447,044	355,326,164

Note: The current assessed valuation is computed at approximately the following percentages of estimated true value; real property - 35% public utilities - 100%. The assessed value of Tangible Personal Property has declined as a result of State law from 35% in 1984 to 25% in 1994.

Source: Summit County, Ohio; County Auditor

**Table 6**

**City of Tallmadge, Ohio**  
**Property Tax Rates - Direct and Overlapping Governments**  
**(Per \$1,000 of Assessed Valuation)**  
**Last Ten Years**

Tax Year	Collection Year	County Levy	School Levy	Akron/Summit Library	City Levy	Total Levy	Debt Service	
1992	1	1993	12.59	54.53	0.89	7.66	75.67	0.69
	2	1993	12.59	45.84		7.66	66.09	3.79
1993	1	1994	12.31	54.33	0.89	7.66	75.19	0.67
	2	1994	12.31	44.14		7.66	64.11	3.17
1994	1	1995	14.16	54.23	0.89	7.66	76.94	0.90
	2	1995	14.16	52.34		7.66	74.16	3.30
1995	1	1996	13.99	54.03	0.89	7.66	76.57	0.60
	2	1996	13.99	52.41		7.66	74.06	3.87
1996	1	1997	11.39	53.83	0.89	7.66	73.77	0.49
	2	1997	11.39	49.34		7.66	68.39	3.09
1997	1	1998	11.65	53.83	1.87	6.15	73.50	1.32
	2	1998	11.65	47.74		6.15	65.54	2.25
1998	1	1999	12.27	53.83	1.79	6.15	74.04	1.35
	2	1999	12.27	47.64		6.15	66.06	2.55
1999	1	2000	12.27	53.68	1.39	6.15	73.49	0.86
	2	2000	12.27	46.44		6.15	64.86	2.16
2000	1	2001	13.07	53.68	1.39	6.15	74.29	0.86
	2	2001	13.07	46.44		6.15	65.66	2.86
2001	1	2002	13.07	59.73	1.35	6.15	80.30	0.82
	2	2002	13.07	45.74		6.15	64.96	1.94

Source: Summit County, Ohio; County Auditor

Note: Taxes are levied at the same rate in both the 1st and 2nd half; however, there are two sets of rates because both Tallmadge CSD (1) and Stow/Munroe Falls CSD (2) overlap Tallmadge City.

**Table 7**

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**City of Tallmadge, Ohio  
Computation of Legal Debt Margin  
December 31, 2001**

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Total of all City Debt Outstanding	\$ 8,642,642
Debt exempt from calculation:	
Self-supporting as defined in O.R.C. 133.10	
Special assessment bonds and bond anticipation notes issued in anticipation of the collection of special assessments	\$ 2,646,000
Unvoted self-supporting bonds and bond anticipation notes	<u>0</u>
Total exempt debt	<u>(2,646,000)</u>
Net indebtedness (voted and unvoted) subject to debt limitation	5,996,642
Less applicable Debt Service Fund - budget basis	<u>(51,519)</u>
Net indebtedness subject to debt limitation	<u>\$ 5,945,123</u>
Assessed valuation of City	<u>\$ 355,326,164</u>
<u>Legal 10.5% Debt Margin</u>	
10.5% of valuation (maximum voted and unvoted general obligation debt limitation)	\$ 37,309,247
Net indebtedness outstanding subject to 10.5% debt limitation	<u>5,945,123</u>
Legal 10.5% Margin	<u>\$ 31,364,124</u>
<u>Legal 5.5% Debt Margin</u>	
5.5% of valuation (maximum unvoted general obligation debt allowed)	\$ 19,542,939
Net indebtedness outstanding subject to 5.5% debt limitation	<u>5,945,123</u>
Legal 5.5% Margin	<u>\$ 13,597,816</u>

Note: Calculation of Legal Debt Margin is based on Section 133, the Uniform Bond Act of the Ohio Revised Code.

**Table 8**

**City of Tallmadge, Ohio**  
**Special Assessment Billings and Collections**  
**Last Ten Years**

Year	Current Billed	Delinquent Billed	Current % Collected	Total Collected	Total % Collected	Current Delinquent
1992	\$ 94,558	\$ 12,437	94.88 %	\$ 102,028	107.90 %	\$ 4,846
1993	81,433	5,111	93.91	80,811	99.24	4,958
1994	117,582	6,245	86.30	106,064	90.20	16,112
1995	114,122	22,535	88.12	121,905	106.82	13,562
1996	105,826	16,461	89.14	107,486	101.57	11,492
1997	126,142	15,479	92.86	125,321	99.35	9,005
1998	130,516	17,605	85.25	125,040	95.80	19,250
1999	152,712	23,220	94.05	165,384	108.30	9,088
2000	170,497	11,794	73.42	134,740	79.03	45,321
2001	253,383	18,555	95.26	254,666	100.51	19,256

Source: Summit County, Ohio; County Auditor

**Table 9**

**City of Tallmadge, Ohio**  
**Ratio of Net General Bonded Debt to Assessed**  
**Value and Net Bonded Debt Per Capita**  
**Last Ten Years**

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
1992	\$ 891,000	\$ 207,822,060	14,920	0.43	\$ 60
1993	834,000	211,931,959	15,370	0.39	54
1994	770,000	243,705,500	15,470	0.32	50
1995	2,264,417	250,773,958	15,220	0.90	149
1996	3,145,221	263,006,098	15,300	1.20	206
1997	4,175,070	298,517,188	15,400	1.40	271
1998	4,875,416	305,104,776	15,400	1.60	317
1999	5,246,211	306,682,720	15,600	1.71	336
2000	5,102,925	336,495,004	16,000	1.52	319
2001	5,996,642	355,326,164	16,500	1.69	363

Notes: (1) Only general obligation bonds, notes and capital leases are included in this amount. Issues supported by enterprise activities or special assessments are excluded.

(2) Source: Summit County, Ohio; County Auditor

(3) Estimated by City of Tallmadge, Planning Department, per the U.S. Census in 2000.

**Table 10**

**City of Tallmadge, Ohio**  
**Ratio of Annual Debt Service Expenditures for General Bonded Debt to**  
**Total General Governmental and Expendable Trust Fund Type Expenditures**  
**Last Ten Years**

Collection Year	Principal	Interest	Debt Service on General Obligations (1)	Total Expenditures	Ratio
1992	\$ 1,673,000	\$ 157,235	\$ 1,830,235	\$ 9,027,490	20.27
1993	57,000	68,130	125,130	7,397,067	1.69
1994	57,000	71,287	128,287	10,353,411	1.24
1995	1,445,441	135,977	1,581,418	10,892,268	14.52
1996	224,176	156,209	380,385	11,287,389	3.37
1997	616,767	207,766	824,533	13,223,266	6.24
1998	367,747	248,151	615,898	11,914,231	5.17
1999	797,434	330,460	1,127,894	13,249,655	8.51
2000	318,242	221,924	540,166	13,915,961	3.88
2001	2,582,724	333,641	2,916,365	13,279,897	21.96

Notes: (1) Includes all general obligation debt except for debt intended to be paid from enterprise fund revenues and special assessments.

**Table 11**

**City of Tallmadge, Ohio**  
**Computation of Direct and Overlapping Debt**  
**December 31, 2001**

	General Tax Bonded Debt	Percent Overlapping	Amount Applicable to City of Tallmadge
City of Tallmadge	\$ 8,600,000	100.00 %	\$ 8,600,000
Overlapping Debt:			
Summit County	124,487,183	3.29	4,099,819
MRTA (Metro Regional Transit Authority)	1,765,000	3.29	58,128
Tallmadge City School District	356,022	99.38	353,808
Stow/Munroe Falls City School District	2,325,000	0.18	4,199
Metro Parks	0	3.56	0
Akron/Summit Library	35,565,000	4.90	1,741,486
Total Overlapping Debt	164,498,205		6,257,440
Total	\$ 173,098,205		\$ 14,857,440

Source: Summit County, Ohio; County Auditor

Note: The percentage of debt outstanding applicable to the City was determined by dividing each jurisdiction's assessed valuation within the City by the jurisdiction's total assessed valuation.

**Table 12**

**City of Tallmadge, Ohio  
Demographic Statistics  
1980 - 2000**

**SELECTED POPULATION CHARACTERISTICS**

Age distribution	2000		1990		1980	
	Number	%	Number	%	Number	%
Under 5 years	879	5	825	6	807	6
5 to 9 years	1,114	7	950	6	129	1
10 to 19 years	2,340	14	1,967	13	3,058	21
20 to 29 years	1,444	9	1,889	13	2,296	16
30 to 39 years	2,129	13	2,286	15	2,000	14
40 to 49 years	2,613	16	2,006	13	2,033	14
50 to 59 years	2,097	13	1,836	12	2,146	15
60 to 69 years	1,634	10	1,806	12	1,111	8
70 to 79 years	1,343	8	855	6	577	4
80 and older	797	5	450	4	215	1
Total population	<u>16,390</u>	<u>100</u>	<u>14,870</u>	<u>100</u>	<u>14,372</u>	<u>100</u>
<b>Gender Statistics</b>	2000		1990		1980	
Males	7,901	48.2%	7,138	48%	7,488	49%
Females	8,489	51.8%	7,732	52%	7,781	51%
Median Age	41.4		37.9		32.3	
<b>Owner Occupied Housing</b>	79.8%		77%		78%	
Percent Occupied	79.8%		77%		78%	
Persons per Owner	2.69		2.84		2.97	
<b>Education Attainment</b>	not/avail		83%		78%	
Percent High School	not/avail		83%		78%	
Percent Bachelor's	not/avail		21%		17%	
<b>Income</b>	not/avail		\$41,315		\$25,939	
Median family income	not/avail		\$41,315		\$25,939	
Per capita income	not/avail		\$15,576		\$8,289	

Source: U. S. Bureau of the Census

**Table 13**

**City of Tallmadge, Ohio  
Bank Deposits, Property Values and Construction Activity  
Last Ten Years**

Year	Financial Institution Deposits	Financial Institution Value	Building Permits Issued
1992	\$ 3,737,694,000	\$ 604,242,119	\$ 16,626,307
1993	3,792,255,000	621,000,492	14,650,293
1994	4,199,905,000	713,690,601	19,780,607
1995	4,267,009,000	735,580,489	18,703,936
1996	4,342,660,000	779,542,648	19,771,078
1997	4,421,560,000	881,042,355	18,582,451
1998	4,486,230,000	901,310,318	25,243,549
1999	4,629,280,000	904,430,800	18,475,644
2000	4,789,398,000	960,842,632	22,503,399
2001	4,792,529,000	982,702,804	20,629,902

Source: Building Permits - City of Tallmadge, Building Department  
Financial Institution Deposits within Summit County - Akron Clearing House  
Estimated Property Value - Summit County, Ohio; County Auditor

**Table 14**

**City of Tallmadge, Ohio  
New Housing Starts  
Last Ten Years**

Tallmadge New Housing Starts

Year	New Housing Starts
1992	87
1993	100
1994	129
1995	94
1996	97
1997	92
1998	96
1999	110
2000	159
2001	153

Source: Building Department; City of Tallmadge

**Table 15**

**City of Tallmadge, Ohio  
Principal Property Taxpayers  
December 31, 2001**

Name of Taxpayer	Nature of Business	Valuation	Assessed Valuation
<b>Real Property (2001 Collection Year)</b>			
Tallmadge Associates	Retail Property Management	\$ 2,577,820	0.74%
Tallmadge Oaks II	Apartment Complex	2,045,580	0.59%
Saxon Village Ltd.	Apartment Complex	1,916,130	0.55%
Colonial Gardens	Nursing Home	1,628,200	0.47%
Myers Family Limited Partnership Limited	Light Manufacturing	1,314,660	0.38%
Eastwood Sqare Associates LTD	Retail Store	1,225,740	0.35%
David J Schipper	Industrial Property Management	1,153,360	0.33%
Wolar Tallmadge & Associates	Property Management	1,114,940	0.32%
Graines Stuart J. Trustee	Rental/Office Space	1,096,080	0.31%
Tallmadge Acres	Senior Apartment Complex	<u>1,020,530</u>	<u>0.29%</u>
<b>Total</b>		<u>\$ 15,093,040</u>	<u>4.33%</u>
<b>Total Assessed Valuation - Real</b>		<u>\$ 301,466,510</u>	<u>86.41%</u>
<b>Tangible Personal Property (other than Public Utilities)(2000 Collection Year)</b>			
Auto Sales, Inc.	Auto Parts Distribution	\$ 3,921,900	1.12%
Owens Corning	Insulation: Sheet and Foam	3,222,140	0.92%
Steere Enterprises	Custom Plastics & Vinyl	2,100,670	0.60%
Waltco Truck Co	Electro-Hydraulic Tailgate Lifts	2,053,930	0.59%
Mark-Glen Inc.	Auto Sales	1,759,890	0.50%
Star Chevrolet Inc.	Auto Sales	1,567,240	0.45%
Leppo, Inc.	Machinery Sales	1,552,880	0.45%
Hunt Machine & Mfg Co. Inc.	Manufacturing	1,348,820	0.39%
Martin Wheel Co. Inc.	Warehouse	1,083,980	0.31%
S.D. Myers, Inc.	Light Manufacturing	<u>1,078,540</u>	<u>0.33%</u>
<b>Total</b>		<u>\$ 19,689,990</u>	<u>5.66%</u>
<b>Total Assessed Valuation - Tangible Personal</b>		<u>\$ 39,269,410</u>	<u>11.26%</u>
<b>Public Utility (tangible personal property)(2000 Collection Year)</b>			
Ohio Edison Co.	Utilities	3,219,930	0.92%
Ohio Bell Telephone	Telephone Service	\$ 2,526,200	0.72%
East Ohio Gas Co.	Utilities	1,272,940	0.36%
Ohio Telephone & Telegraph	Telephone Services	<u>323,860</u>	<u>0.09%</u>
<b>Total</b>		<u>\$ 7,342,930</u>	<u>2.09%</u>
<b>Total Assessed Valuation - Public Utilities</b>		<u>\$ 8,158,560</u>	<u>2.34%</u>
<b>Total Assessed Valuation - All Categories</b>		<u>\$ 348,892,480</u>	<u>100.00%</u>

Source: Summit County, Ohio ; County Auditor



**Table 16**

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**City of Talmadge, Ohio  
Miscellaneous Statistics  
December 31, 2001**

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Founded	1806	
Incorporated as Village	1936	
Incorporated as City	1951	
Town Hall erected	1859	
Form of government	Charter	
Population	16,500	
	6,552	Dwelling units
Area	13.5	Square miles
	8,915	Acres
Streets & highways	89	Miles of paved streets
Police protection		
Stations	2	
Number of police officers	25	
Fire protection		
Stations	2	
Number of full-time firefighters	11	
Number of part-time firefighters	39	
Municipal utilities	6226	Water
	7169	Sewer
Recreation:		
Number of parks	8	(103 acres)
Swimming pools	1	
Wading pools	1	
Tennis courts	9	(includes 3 at the High School)
Baseball/Softball diamonds	7	
Soccer fields	6	(4 regulation, 2 youth)
Education:		
Elementary schools	3	K-1, 2-3, 4-5
Middle schools	1	6-8
High schools	1	9-12
Libraries	1	(30,000 volumes)
Churches	28	



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
Facsimile 614-466-4490

**CITY OF TALLMADGE**

**SUMMIT 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 2, 2002**