



CITY OF TALLMADGE SUMMIT COUNTY DECEMBER 31, 2016

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

City of Tallmadge Summit County 46 North Avenue Tallmadge, Ohio 44278

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tallmadge, Summit County, (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 31, 2017.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

City of Tallmadge Summit County Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards Page 2

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dave Yost Auditor of State Columbus, Ohio

May 31, 2017

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

City of Tallmadge Summit County 46 North Avenue Tallmadge, Ohio 44278

To the City Council:

Report on Compliance for the Major Federal Program

We have audited the City of Tallmadge's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Tallmadge's major federal program for the year ended December 31, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

The City's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major program. However, our audit does not provide a legal determination of the City's compliance.

City of Tallmadge Summit County Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance Page 2

Opinion on the Major Federal Program

In our opinion, the City of Tallmadge complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2016.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

City of Tallmadge Summit County Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance Page 3

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Tallmadge (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated May 31, 2017. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Dave Yost Auditor of State Columbus, Ohio

May 31, 2017

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CITY OF TALLMADGE SUMMIT COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2016

FEDERAL GRANTOR Federal Grantor Agency Division State Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	_ <u>E</u>	expenditures
U.S. DEPARTMENT OF TRANSPORTATION Federal Highway Administration Passed Through Ohio Department of Transportation Highway Planning & Construction SUM SR91 North Avenue Project	93444	20.205	\$	3,333,073
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Passed Through Summit County Community Development Block Grant - Minor Home Repai	N/A	14.218		24,500
U.S. DEPARTMENT OF JUSTICE Direct Bullet Proof Vest Partnership Program		16.607		328
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$	3,357,901

The accompanying notes are an integral part of this schedule.

CITY OF TALLMADGE SUMMIT COUNTY

NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES 2 CFR 200.510(B)(6) FISCAL YEAR ENDED DECEMBER 31, 2016

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Tallmadge (the City's) under programs of the federal government for the year ended December 31, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – MATHCING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

CITY OF TALLMADGE SUMMIT COUNTY

SCHEDULE OF FINDINGS 2 CFR § 200.515 DECEMBER 31, 2016

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR §200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Highway Planning and Construction Grant (CFDA #20.205)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	No	No

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None

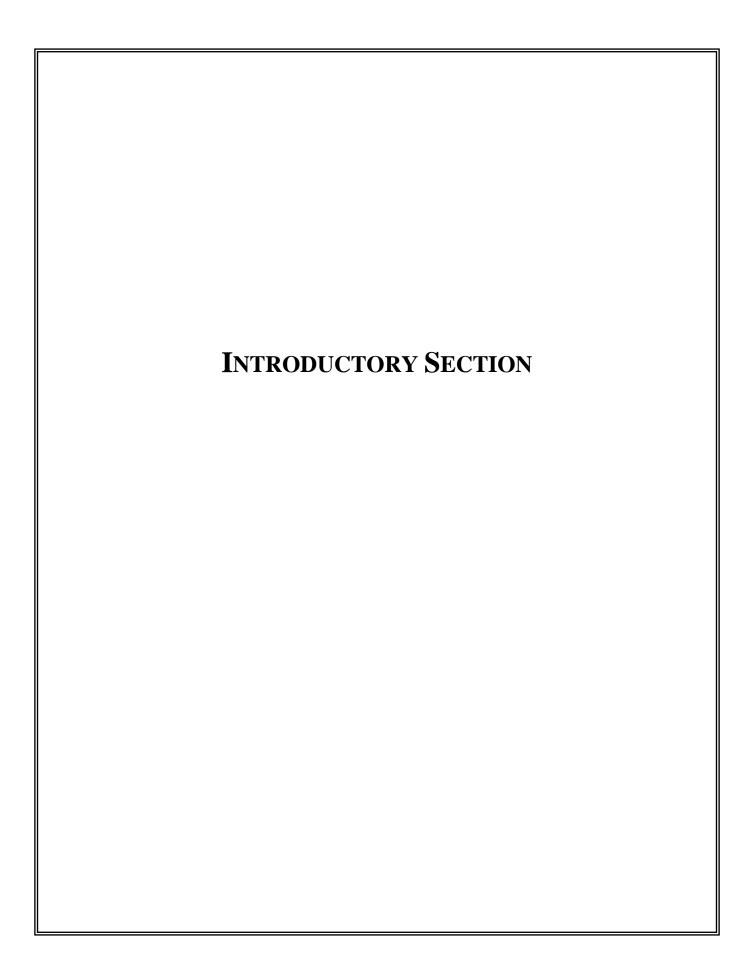
3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



COMPREHEN	F TALLMADGE, OHIO ISIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2016
	PREPARED BY THE OFFICE OF:
	MOLLIE GILBRIDE, DIRECTOR OF FINANCE
	46 NORTH AVENUE TALLMADGE, OH 44278





CITY OF TALLMADGE, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2016

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MOLLIE GILBRIDE DIRECTOR OF FINANCE

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May 31, 2016

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, Ohio (the City) is hereby presented. This CAFR represents the official report of the City of Tallmadge's operations and financial position for the year ended December 31, 2016, and has been developed to accurately detail the status of City finances to Tallmadge residents and elected officials, investment banks, underwriters and all other interested parties. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge, the data contained in this report is accurate in all material respects, and is presented in a manner designed to set forth fairly the financial position and results of operations of the City. All disclosures necessary to provide the reader with a better understanding of the City's financial activities have been included.

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

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The Auditor of State's office performed the audit for the year ended December 31, 2016. The Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2016 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

This transmittal letter is designed to provide historical information about the City, as well as complement the required Management's Discussion and Analysis (MD&A). Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The City's MD&A, which focuses on the government-wide statements, can be found immediately following the Independent Auditor's Report.

THE REPORTING ENTITY

The City has reviewed its reporting entity definition to ensure compliance and conformance with the provisions of GASB Statement No. 14, "The Financial Reporting Entity." For financial reporting definition purposes, City management has considered all agencies, departments, and organizations comprising the City of Tallmadge, the primary government.

The Tallmadge City School District has not been included in the accompanying financial statements. The City and the School District are independent of each other in terms of governing bodies, financial resources and management

The City participates in the Akron Metropolitan Area Transportation Study (AMATS), and the Brimfield Township-City of Tallmadge Joint Economic Development District and the Regional Income Tax Agency. These organizations are described in more detail in Note 17 of the Basic Financial Statements.

THE CITY OF TALLMADGE

In August 1935 Tallmadge citizens voted to incorporate the township as a village effective January 1, 1936. Tallmadge was recognized by the State of Ohio as a city in 1951. The City received its name, like many towns in the Ohio Western Reserve, after important men in their day. Such has been the case with Colonel Benjamin Tallmadge who was the lieutenant colonel in the army of the Revolutionary War, and later a business promoter, churchman, and U.S. Congressman. Colonel Tallmadge originally purchased large lots of land in the Western Reserve. In 1806 a mission worker for the Congregational Church, Reverend David Bacon, purchased the land then known as Town 2 Range 10 to found a religious colony, which later became Tallmadge.

Tallmadge has preserved its historical heritage. An excellent example of Western Reserve design is the center of Tallmadge known for its circle or rotary, still the architectural focus of the community.

The City is located in Summit and Portage Counties, with over 97% of the property located in Summit County and the remainder in Portage County. The City is approximately 13.5 square miles in size, is located approximately 35 miles south of Cleveland, Ohio and is contiguous to Akron, Ohio. The City's 2016 population of 17,512 makes it the eighth largest City in Summit County.

CITY GOVERNMENT

The City operates under and is governed by its Charter, first adopted in 1995, effective January 1, 1996. The City is a home-rule municipal corporation operating under the laws of the State of Ohio. The laws of the State of Ohio prevail when conflicts exist between the Charter and the state constitution and in matters where the charter is silent. The City's Charter can only be amended by a majority vote of the City's registered voters.

Legislative authority is vested in a seven-member Council, of whom three are elected at-large and four are elected from wards, all for four-year staggered terms.

The City's chief executive and administrative officer is the Mayor, who is elected by the voters to that office for a four-year term. The other elected officials are the Director of Finance and Director of Law, both elected to a four-year term. The Mayor also appoints members to several boards and commissions.

ECONOMIC CONDITION AND OUTLOOK

The City offers an attractive opportunity for business growth. Tallmadge has a diversified tax base with 450 plus business establishments, from its largest employer, Autosales, Inc., to small family businesses provide 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. The abatement is for property taxes on the increased values of real estate attributable to the improvements or new construction. This program will abate real estate taxes on the building from four up to ten years and from 50% up to 100%. To date 114 companies have taken advantage of the tax abatement program. In addition, in 2006 the City instituted a New Jobs Grant Program, which was last amended in 2012. This program is aimed at new business attraction and existing business growth. New businesses that locate in the City and have a payroll exceeding \$500,000 per year (\$1 million for retail) are eligible for a grant equal to the amount of 50% of payroll taxes paid in the previous calendar year for five (5) years. Existing Tallmadge businesses only need to create new job payroll of \$250,000 to qualify. Each of the City's top five for profit businesses applied for this incentive in 2012 and an additional 4 existing companies applied in 2013 substantiating the fact that our local economy is improving. In 2016, the City paid out \$211,385 to companies for new jobs created in under this program.

Net employment because of these expansions and other developments typically amounts to approximately 140 positions yearly. Most employment within the City occurs in businesses housed in 5,000 to 20,000 square foot buildings. 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 efforts to stabilize the largest source of general fund revenue, the citizens voted in 2004 to make the City 2% income tax permanent. The income tax collections at the end of fiscal year 2016 experienced an increase of 4.24% from the prior fiscal year. In December of 2009, the City joined a council of governments, the Regional Income Tax Agency (RITA) for the collection of income tax.

The City is meeting the demands of a changing population with several developments. New single family home construction is on the rise again with the completion of the 65 lot Woodridge development and the 56 lot Eastwood Glen development. However, the driving force in housing this past year was around senior housing rentals and elderly care. In 2016, a 100-bed assisted living facility named Danbury of Tallmadge opened its doors. In addition, Testa Builders continued construction on the Village at Town Center development as a part of programs sponsored by the Ohio Housing Finance Authority for affordable senior housing. Phase I of the development will include a 4-story mixed use building with retail locations on the ground level, two floors of senior housing credit apartments, and a top floor with market rate condominiums.

The City created a Joint Economic Development District (JEDD) effective January 1, 2004 that encompasses 70% of the Township of Brimfield. The JEDD has resulted in additional income tax collections for the City and will continue in the future. This income tax is distributed to both the City and the Township. The City receives 55 percent of all income taxes collected from the JEDD and is required to contribute 5 percent of all income taxes collected to the JEDD Maintenance and Capital Improvement Fund maintained by the Township. The Township is entitled to the remaining 45 percent of all income taxes collected from the JEDD. There are significant areas for development in the JEDD in addition to the already established industrial park land adjacent to the Interstate 76/Route 18 interchange. The shared collection rate is presently at 1.25%. The tax rate has scheduled increases in quarter percent increments until it reaches 2% by 2025. Income tax revenue generated in the JEDD for 2016 exceeded \$1.3 million.

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. This new industrial property, and the JEDD area coupled with the demands for development in the City, indicates a promising future for economic development.

The Cascades development is located within the JEDD totaling about 114 acres consisting of 216 apartment units, commercial and retail stores. In 2008, 600,000 square feet of retail development was completed including Wal-Mart, Applebee's Restaurant, Lowe's Home Center, Arabica Coffee Shop, Beef O' Brady's, St. Nails, and the Dollar Store - all located at the Cascades of Brimfield retail park as well as development of a large residential apartment complex located in the back of the project. In 2010, Kohl's opened its doors as one of the new anchor department stores while Marshalls opened in late 2011. Since 2011, there has been continued growth and development in the Cascades with several retail stores, commercial businesses, and restaurants opening. Presently there are 25 different businesses employing over 700 people at the Cascades.

The JEDD area was also home to one of the largest collaborative efforts ever to take place in our region in 2012. Tallmadge, Brimfield Township, Portage and Summit Counties, the Development Finance Authority, the Greater Akron Chamber, and Team NEO all came together and landed the Insight Rubbermaid project. This 815,000-square foot distribution facility built by Newell Rubbermaid, Inc. which was completed in only 8 months, created 235 new jobs in our area, and infused over \$25 million dollars of investment into the JEDD.

FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING

The City of Tallmadge has strong financial management and is aided by financial policies adopted by Council. The City established a minimum fund balance policy in 1998 with amendments and updates to the policy in 2005. The amendments in 2005 provided additional financial guidelines. The purpose of the policy is to be proactive in financial management and establish minimum levels to be maintained in the major operating funds, which include the general, fire/EMS levy, street maintenance and repair, sewer and water funds. In 2012 our Investment Policy was updated to facilitate better returns on invested funds. Also in 2015 the Debt Policy was updated to more closely follow the guidelines established by the Ohio Revised Code. As part of the Debt Policy a five-year Capital Plan was included to assist the City with planning for future financial needs.

In February of 2006 the City was assigned for the first time a bond rating of Al from Moody's Investors Service of Chicago and New York. The City in May 2010, once again, went to Moody's for a review of the bond rating and was assigned a rating of Aa2 on the global rating scale. This is a very attractive rating for the City and should result in more investors being attracted to the City, thereby lowering the rates of interest on future debt issuances. The Aa2 rating reflects the City's moderately sized suburban tax base, solid financial operations supported by sound reserves, and low debt burden with manageable levels of expected future borrowings. Moody's reaffirmed this rating for the City in May 2015.

To direct plans that promote a sound pattern of development, the City utilizes a Comprehensive Plan adopted by the administration and Council. The document, which is being updated in 2016, serves as a guide in defining community objectives, policies and goals. Further, to guide the direction of land development, this plan provides a thoroughfare map which was updated in 2012, a zoning district map and future land use map. The City is in the process of re-evaluating its Comprehensive Plan to meet the current needs of the City and with plans to finalize an update of the plan in 2017.

MAJOR INITIATIVES

Current

In 2016, the City began the construction phase of the North Avenue Improvement Project. This is a joint project between the City and the Ohio Department of Transportation (ODOT) that includes complete road replacement, storm water facility improvements and sidewalk improvements for a portion of North Avenue from the Tallmadge Circle to Heritage Drive. ODOT will provide 80 percent of the funding for the project leaving the City responsible for the remaining 20 percent which will be approximately \$1 million. The project will be wrapped up in the first half of 2017. The City issued a \$1 million note in 2016 to finance its portion of the project.

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 to place a major emphasis on economic development within the City as well as within the JEDD in Brimfield Township. There are numerous sites within the City for development including the Portage Boulevard Industrial Park and within the Circle Area. The West Avenue corridor continues to transform itself from being primarily a retail hub to one of mixed uses. The City purchased three pieces of property along its southwest border near the Tallmadge Circle in 2017 and continues to look for opportunities in that area for a possible historic redevelopment district. There are also significant areas for development in the JEDD District including the Karg Industrial Park, the Sunnybrook/Old Forge Road area and the land associated with the Interstate 76/Route 18 interchange. In 2017 Maplecrest Golf Course, which is located within the JEDD along the Interstate 76/Route 18 interchange, was sold to a developer and rezoned for commercial and industrial development.

AWARDS

GFOA Certificate of Achievement

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, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Tallmadge has received a Certificate of Achievement for the last twenty-four consecutive years (1992 - 2015). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

ACKNOWLEDGEMENTS

This comprehensive annual financial report was prepared by the Director of Finance office with the efficient and knowledgeable services of its staff. As Director of Finance, I would like to express my sincere appreciation to my Assistant and staff, who assisted in this endeavor and whose dedication and commitment made the publication of this Comprehensive Annual Financial Report a successful accomplishment. Furthermore, I would like to thank the City Administration and the Members of Council for their continued support and commitment.

Respectfully Submitted,

Mollie Gilbride, Director of Finance

Molle Stell Le



Government Finance Officers Association

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, 2015

Executive Director/CEO

CITY OF TALLMADGE, OHIO LISTING OF PRINCIPAL CITY OFFICIALS AS OF DECEMBER 31, 2016

ELECTED OFFICIALS

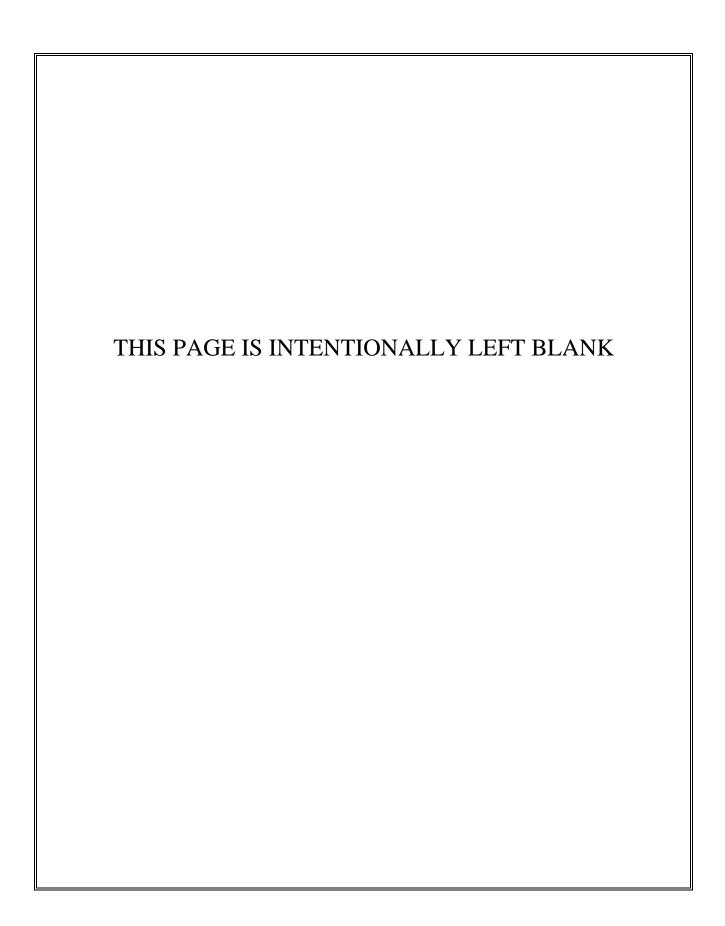
David Kline Mayor Director of Finance Mollie Gilbride Megan Raber Director of Law President of Council James Donovan Council Member Carol Kilway Council Member Kim Ray John Rensel Council Member Craig Sisak Council Member Gene Stalnaker Council Member Council Member Mary Tricaso

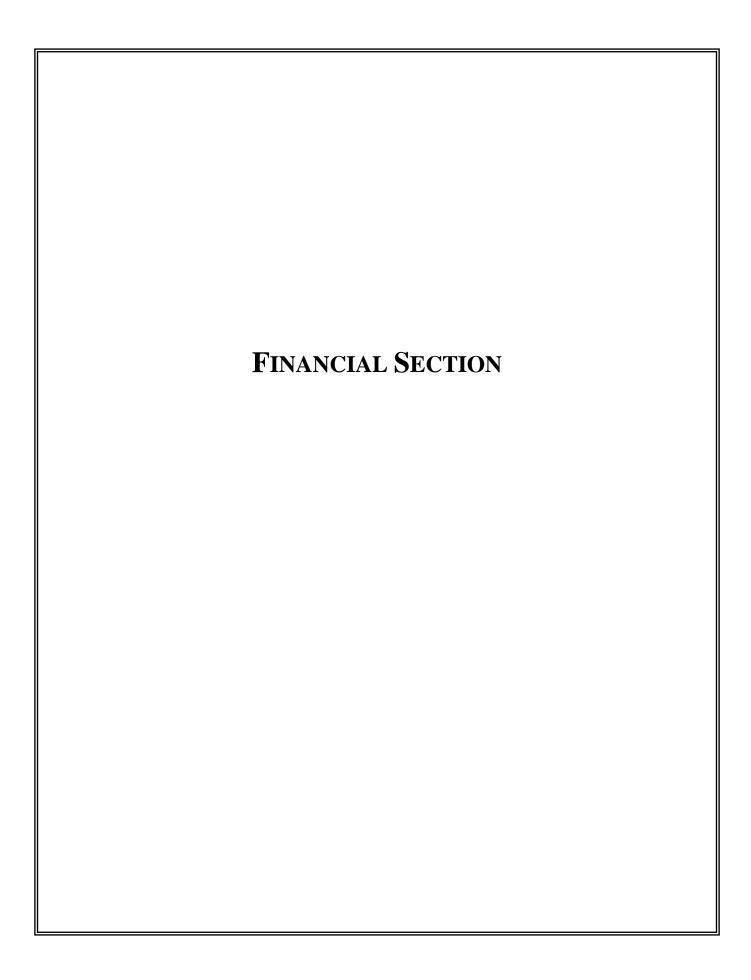
APPOINTED OFFICIALS

Director of Public Service Bryan Esler Donald Cooper Director of Administration Community Development Manager Pat Sauner Economic Development Manager Rita Weinberg Assistant Director of Law John Scavelli Assistant Director of Finance Carissa Burns Clerk of Council Susan Burton Deputy Clerk of Council Regina Conti

DEPARTMENT OFFICIALS

Police Chief Ronald Williams
Fire Chief Michael Passarelli
Road Superintendent Michael Weigand
Utilities Superintendent Josh Goodridge
Civil Service Chairman Jan Naso
Manager of Parks and Recreation Jessica Simons





INDEPENDENT AUDITOR'S REPORT

City of Tallmadge Summit County 46 North Avenue Tallmadge, Ohio 44278

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Tallmadge, Summit County, Ohio (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

City of Tallmadge Summit County Independent Auditor's Report Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Tallmadge, Summit County, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Fire/EMS Levy Fund, Street Maintenance and Repair Fund, and North Avenue Improvement Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and is not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

City of Tallmadge Summit County Independent Auditor's Report Page 3

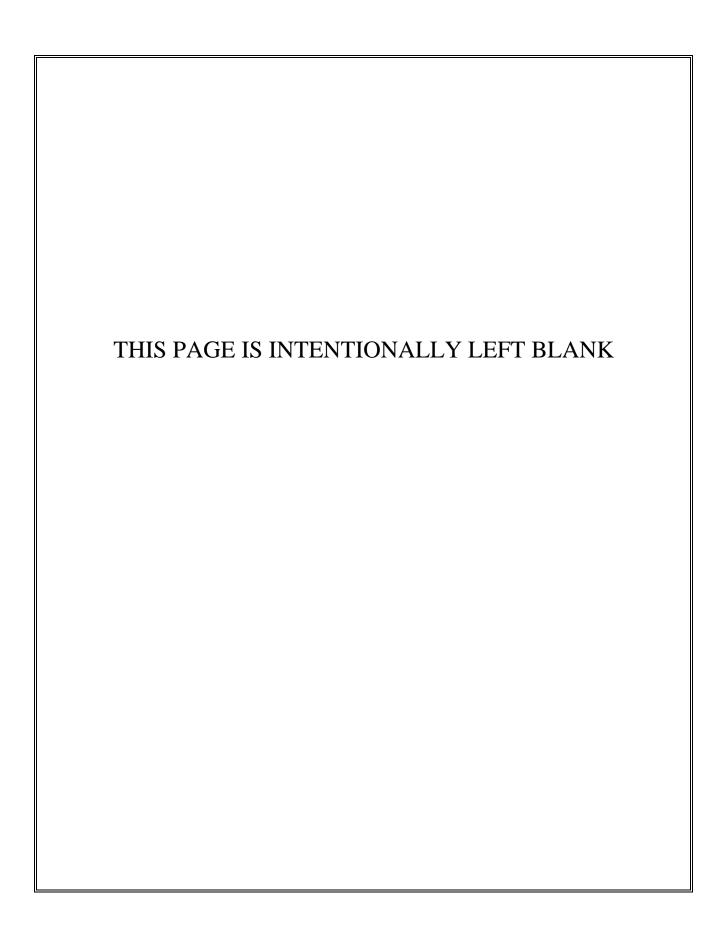
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Dave Yost Auditor of State

Columbus, Ohio

May 31, 2017



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

The management's discussion and analysis of the City of Tallmadge's (the "City") financial statements provides an overall review of the City's financial activities for the year ended December 31, 2016. The intent of this discussion and analysis is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements.

Financial Highlights

Key financial highlights for 2016 are as follows:

- ➤ The total net position of the City increased \$6,063,613 or 17.00 percent from 2015. Net position of governmental activities increased \$5,889,859 or 32.95 percent from 2015 and net position of business-type activities increased \$173,754 or 0.98 percent from 2015.
- > Total assets and deferred outflows of resources increased \$10,579,353 from 2015.
- > Total current liabilities and deferred inflows of resources increased \$4,515,740 from 2015.
- Total long-term liabilities increased \$3,483,106 during 2016.

Using this Comprehensive Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are comprised of the following: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private sector business.

The statement of net position presents information about the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Tallmadge is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

Both of the government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, security of persons and property, public health and welfare, transportation, community environment, leisure time activities, and interest and fiscal charges. The government-wide financial statements can be found on pages 17-19 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

Fund Financial Statements

Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column. The basic fund financial statements can be found on pages 20-34 of this report.

Governmental Funds

All of the City's major activities (excluding the business-type activities) are reported in the governmental funds. This report shows how monies flow into and out of these governmental funds and the balance of spendable resources available at the end of the year. The accounting method used to report this activity is the modified accrual method. This method reports cash and like-cash items that can be converted into cash. Such information is useful in evaluating a government's near-term financing requirements. The relationship between governmental activities (reported in the statement of net position and the statement of activities) and the governmental funds is reconciled in the financial statements.

The City has nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, fire/EMS levy, street maintenance and repair, and north avenue improvement funds which are all considered major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the combining statements elsewhere in this report.

Proprietary Funds

The City maintains three proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water, and storm water operations. The basic proprietary fund financial statements can be found on pages 30-32 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. A private purpose trust fund and agency fund are the City's fiduciary fund types. The basic fiduciary fund financial statements can be found on pages 33-34 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 35-82 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability and pension contributions. The required supplementary information can be found on pages 83-90 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

The nonmajor governmental funds are presented immediately following the notes to the basic financial statements and can be found beginning on page 91 of this report.

Government-Wide Financial Analysis

The statement of net position serves as a useful indicator of a government's financial position. The table below provides a summary of the City's net position for 2016 and 2015.

Net Position

	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities	Total	Total	
	2016	2016	2015	2015	2016	2015	
Assets Current and other assets	¢ 17702.425	¢ 7.270.929	¢ 12.072.040	¢ 7.252.026	¢ 22.092.262	¢ 21.227.974	
	\$ 16,702,425	\$ 7,279,838	\$ 13,873,848 6.015	\$ 7,353,026 974	\$ 23,982,263 9,777	\$ 21,226,874	
Net pension asset Capital assets, net	8,504 29,685,500	1,273 14,335,470	24,823,251	13,912,693	44,020,970	6,989 38,735,944	
Capital assets, net	29,083,300	14,555,470	24,023,231	13,912,093	44,020,970	36,733,944	
Total assets	46,396,429	21,616,581	38,703,114	21,266,693	68,013,010	59,969,807	
Deferred outflows of resources							
Unamortized deferred charges	72,451	-	83,551	_	72,451	83,551	
Pension	3,835,927	271,941	1,466,335	94,283	4,107,868	1,560,618	
Total deferred outflows of							
resources	3,908,378	271,941	1,549,886	94,283	4,180,319	1,644,169	
Liabilities							
Current and other liabilities	1,527,424	1,670,929	989,827	1,366,401	3,198,353	2,356,228	
Long-term liabilities:							
Due within one year	969,425	111,737	916,855	155,747	1,081,162	1,072,602	
Due in more than one year	8,504,137	1,417,178	8,111,348	1,507,108	9,921,315	9,618,456	
Net pension liability	13,286,276	699,633	10,289,660	524,562	13,985,909	10,814,222	
Total liabilities	24,287,262	3,899,477	20,307,690	3,553,818	28,186,739	23,861,508	
Deferred inflows of resources							
Property taxes	2,020,529	_	2,013,134	_	2,020,529	2,013,134	
Pension	233,740	17,646	58,759	9,513	251,386	68,272	
Total deferred inflows of							
resources	2,254,269	17,646	2,071,893	9,513	2,271,915	2,081,406	

- (Continued)

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

			Net Position	- (Continued)		
	Governmental Activities 2016	Business-type Activities 2016	Governmental Activities 2015	Business-type Activities 2015	Total 2016	Total 2015
Net Position Net investment in capital assets (See Note 2.V.)	\$ 21,380,493	\$ 12,827,739	\$ 17,237,094	\$ 12,275,784	\$ 33,875,568	\$ 29,025,245
Restricted Unrestricted (See Note 2.V.)	1,021,205 1,361,578	5,143,660	1,089,332 (453,009)	5,521,861	1,021,205 6,837,902	1,089,332 5,556,485
Total net position	\$ 23,763,276	\$ 17,971,399	\$ 17,873,417	\$ 17,797,645	\$ 41,734,675	\$ 35,671,062

The City has adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

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

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

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

As a result of implementing GASB 68, the City is reporting a net pension liability, net pension asset and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. At December 31, 2016, the City has reported a net pension liability of \$13,985,909, a net pension asset of \$9,777, deferred outflows of resources of \$4,107,868, and deferred inflows of resources of \$251,386 related to GASB 68.

Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources in 2016 by \$41,734,675, compared to \$35,671,062 in 2015, an increase of 17.00 percent. During 2016, the City's total assets and deferred outflows of resources increased by \$10,579,353 or 17.17 percent and total liabilities and deferred inflows of resources increased by \$4,515,740 or 17.41 percent.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

The following table shows the changes in net position for 2016 and 2015.

Change in Net Position

	Governmental Activities 2016	Business-type Activities 2016	Activities Activities Activities		2016 Total	2015 Total
Revenues						
Program revenues:						
Charges for services and sales	\$ 2,654,734	\$ 6,237,528	\$ 2,593,261	\$ 6,321,545	\$ 8,892,262	\$ 8,914,806
Operating grants and contributions	1,191,375	-	1,269,128	-	1,191,375	1,269,128
Capital grants and contributions	4,682,170	1,031,476	232,040		5,713,646	232,040
Total program revenues	8,528,279	7,269,004	4,094,429	6,321,545	15,797,283	10,415,974
General revenues:						
Property and other local taxes	2,046,484	-	2,036,907	-	2,046,484	2,036,907
Municipal income taxes	10,873,754	-	9,836,002	-	10,873,754	9,836,002
Grants and entitlements	2,636,593	-	1,684,506	-	2,636,593	1,684,506
Interest	64,428	-	43,929	-	64,428	43,929
Decrease in fair value of investments	(36,756)	-	-	-	(36,756)	-
Miscellaneous	161,816	27,835	152,030	18,510	189,651	170,540
Total general revenues	15,746,319	27,835	13,753,374	18,510	15,774,154	13,771,884
Total revenues	24,274,598	7,296,839	17,847,803	6,340,055	31,571,437	24,187,858
Program Expenses:						
General government	4,189,505	-	4,013,860	-	4,189,505	4,013,860
Security of persons and property						
Police	4,470,737	-	4,100,747	-	4,470,737	4,100,747
Street lighting	34,663	-	35,335	-	34,663	35,335
Fire	3,278,321	-	3,181,762	-	3,278,321	3,181,762
Public health and welfare	78,701	-	72,192	-	78,701	72,192
Transportation	3,303,595	-	3,862,300	-	3,303,595	3,862,300
Community environment	247,564	-	126,520	-	247,564	126,520
Leisure time activity	2,474,982	-	2,315,093	-	2,474,982	2,315,093
Interest and fiscal charges	306,671	-	331,527	-	306,671	331,527
Sewer operating	-	4,461,756	-	4,007,772	4,461,756	4,007,772
Water operating	-	2,173,956	-	1,927,721	2,173,956	1,927,721
Storm water operating		487,373		406,712	487,373	406,712
Total expenses	18,384,739	7,123,085	18,039,336	6,342,205	25,507,824	24,381,541
Transfers			(260,360)	260,360		
Increase (decrease) in net position	5,889,859	173,754	(451,893)	258,210	6,063,613	(193,683)
Net position beginning of year	17,873,417	17,797,645	18,325,310	17,539,435	35,671,062	35,864,745
Net position end of year	\$ 23,763,276	\$ 17,971,399	\$ 17,873,417	\$ 17,797,645	\$ 41,734,675	\$ 35,671,062

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

Governmental Activities

The funding for governmental activities comes from several different sources, the most significant being the municipal income tax. Other prominent sources are property taxes, intergovernmental revenue, and charges for services.

Program revenues increased in total by 108.29 percent from 2015. Operating grants and contributions decreased 6.13 percent from 2015 due to a decrease in operating grants and contributions received for transportation, community environment and leisure time activity programs. Capital grants and contributions increased in 2016 from funding received from the Congestion Mitigation and Air Quality Improvement (CMAQ) Program and capital contributions from developers for the North Avenue improvement project. General revenues increased from 2015 by 14.49 percent, which is primarily the result of increased income taxes and unrestricted grants and entitlements.

The City's municipal income tax was established by Ordinance 57 in 1967 at a rate of 1 percent to be renewed every 5 years. The municipal income tax experienced several small increases in following years. In 1975 the tax rate was increased to 1.5 percent and remained at that rate until 1985 when the rate increased to 2 percent. The income tax rate remains at 2 percent; however, in February of 2004 the citizens voted to make the tax a permanent tax effective March 1, 2004. The City, by ordinance, designates the income tax for capital outlay and general governmental operations for programs within the general fund. The City also allows for a 100 percent credit of taxes paid to other municipalities.

The operations of the City's police department account for the largest security of persons and property expenses of governmental activities, representing 24.32 percent and 22.73 percent of the total governmental activities expenses during 2016 and 2015, respectively. During 2016, the City's police department consisted of 1 Chief, 1 captain, 5 sergeants, 18 patrol officers and 3 full-time office staff. The police department also employs on a part-time basis 5 records clerks, 1 school crossing guards, and 15 auxiliary police. The police department provides a full range of services including patrol, detective services, bike patrol, juvenile diversionary program, neighborhood crime watch, and residential and commercial security surveys. Security of persons and property expenses related to the police department increased 9.02 percent during 2016.

The City has operated a fire department since 1945. During 2016, the fire department employed 1 full time Chief, 1 full-time Deputy Chief, 3 full-time Battalion Chiefs, 1 full-time fire marshal, 11 full-time paramedics/firefighters, 47 part-time paramedics/firefighters, 1 full-time clerk and 1 part-time clerk. The Fire/EMS department is accounted for in a separate fund which receives tax proceeds from a 3.75 mill property tax levy. The fire expenses account for 17.83 percent and 17.64 percent of the total governmental activities expenses during 2016 and 2015, respectively. Security of persons and property expenses related to the fire department increased 3.03 percent during 2016, which is primarily the result of fire equipment purchases.

The Street Maintenance and Repair department employs 21 full-time employees who provide the City and the citizens with road maintenance, road salting, ditching, leaf pickup program, cemetery maintenance, park maintenance and many other services. The transportation expenses accounted for 17.97 and 21.41 percent of the total governmental activities expenses during 2016 and 2015, respectively. Transportation expenses decreased 14.47 percent during 2016, due primarily to less road maintenance and repair expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

Business-Type Activities

Proprietary funds account for the business-type activities of the City of Tallmadge which consist of sewer, water and storm water operating activities. The City currently has 7,330 water customers, 8,001 sewer customers, and 6,143 storm water customers. The City owns and maintains all water lines within the City. The water rates were last increased in July 2012 by 8 percent. The majority of sewer lines within the City are owned and maintained by the City. The remaining sewer lines are owned and maintained by Summit County. In 2011 the City took over the billing for sewer customers being serviced by Summit County. The storm water fee has not changed since 2008 when it dropped from \$3 to \$2 per equivalent residential unit (ERU).

The revenues and expenses for the water, sewer and storm water activities are reported under the business-type activities. The revenues are primarily from charges for services. In 2016, charges for services in the amount of \$6,237,528 accounted for 85.48 percent of the total business-type revenues compared to 99.71 percent in 2015. During 2016, business-type activities received capital contributions from developers for water lines, sewer lines and the storm water subsystem in the amount of \$1,031,476. The total expenses for the utilities were \$7,123,085, 12.31 percent more than 2015.

The City's Funds

Information about the City's governmental funds begins on page 20. These funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$22,796,905 and expenditures of \$22,232,213.

The City's chief operating fund is the general fund. During 2016, the City's general fund had total revenues of \$16,030,194 and expenditures and other financing uses of \$13,701,172, resulting in an increase in fund balance of \$2,329,022. The increase in fund balance is primarily attributable to increased income tax collections, an increase in inheritance tax intergovernmental revenue, and less transferred out to other funds for routine and non-routine transfers during 2016 as compared to 2015. Expenditures in the general fund were comparable to the prior year, with a 0.73 percent increase.

The City's major special revenue fund, the fire/EMS levy fund, had a decrease in fund balance of \$67,228. Total combined revenues and other financing sources were \$2,908,093 and expenditures were \$2,975,321. The City entered into a capital lease transaction during 2015 for the purchase of an ambulance which will be retired out of the fire/EMS levy fund. Expenditures exceeded revenues, along with transfers of \$950,000 from income tax collections.

The City's major special revenue fund, the street maintenance and repair fund had an increase in fund balance of \$202,408. Total combined revenues and other financing sources were \$3,404,126 and expenditures were \$3,201,718. The City entered into a capital lease transaction during 2016 for the purchase of equipment which will be retired out of the street maintenance and repair fund. Revenues and other financing sources exceeded expenditures with transfers of \$1,908,000 from income tax collections.

The City's major capital projects fund, the north avenue improvement fund had revenues \$3,412,212 from CMAQ funding, \$798,900 in the issuance of notes and \$1,350 in miscellaneous revenue. Expenditures totaled \$4,753,480 related to the north avenue improvements. Fund balance at year end was a negative \$252,620 as a result of accrued contracts payables related to the project.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

Information regarding the proprietary funds begins on page 30. These funds are accounted for on an accrual basis. All proprietary funds had operating revenues of \$6,265,363, which was less than operating expenses of \$7,057,766. The total depreciation expense for these business-type funds was \$707,437. The cash and cash equivalents at year end for the proprietary funds total \$5,429,708. Net position of the sewer operating fund decreased \$358,557 or 5.53 percent from 2015. During 2016, net position of the water operating fund increased 4.57 percent or \$369,714 to \$8,455,259. In the storm water fund, net position increased \$162,597 to \$3,389,829 at December 31, 2016. The overall increase in net position for all proprietary funds in 2016 was \$173,754 or 0.98 percent from 2015.

Budgeting Highlights

The City's budget is prepared according to the laws of the State of Ohio and is based on accounting for transactions on a cash basis for receipts, expenditures, and encumbrances. The most significant budgeted fund is the general fund. The legal level of control at which expenditures cannot exceed appropriations is at the personnel and operating level by program within the general fund and at the personnel and operating level for all other funds of the City. Capital items are budgeted on a program or line item basis. Management may transfer appropriations in accordance with the legislation adopted by City Council. Any budgetary modifications may only be made by ordinance adopted by City Council.

City Council adjusted the level of appropriations in various funds several times in 2016. In total the adjustments in appropriations accounted for an increase of 3.02 percent over the total general fund budget. The total actual expenditures and other financing uses at year end were \$14,370,532, which was \$1,317,603 less than the total final budget. In addition, at year end the prior year encumbrances that are determined to be unnecessary are decertified to the County on the final amended certificate and that amount is returned to the fund balance and becomes available resources.

The City places strong emphasis on monitoring the budget. The Director of Finance produces monthly appropriation, revenue, and fund reports and quarterly financial reports on a cash basis. These reports are distributed to council, administration, and appropriate department heads.

The total budgetary variance for general fund expenditures was \$1,317,603 or 8.40 percent. The major variances were in the general government, security of persons and property, leisure time activity and transfers out, which all had positive variances. In addition, positive variances also existed in all other expenditure functions. These positive variances in all departments were an effort to contain the budget and control expenditures. Management was aware that the income tax collections were slightly lower than what was expected. The total variance in general fund revenues and other financing sources was a positive variance of \$1,031,953 or 7.01 percent.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

At the end of 2016, the City had \$44,020,970 (net of accumulated depreciation) invested in land, buildings and improvements, equipment, infrastructure, right of ways, easements and construction in progress. Of this total, \$29,685,500 was reported in governmental activities and \$14,335,470 was reported in business-type activities.

The following table shows 2016 balances compared to 2015:

Capital Assets at December 31 (Net of Depreciation)

	Government	tal Activities	Business-Type Activities		To	otal
	2016	2015	2016	2015	2016	2015
Land	\$ 3,271,199	\$ 3,271,199	\$ 375,519	\$ 375,519	\$ 3,646,718	\$ 3,646,718
Right of ways/easements	80,218	80,218	260,360	260,360	340,578	340,578
Construction in progress	5,523,117	803,493	-	-	5,523,117	803,493
Buildings and improvements	10,149,232	10,525,295	854,490	916,247	11,003,722	11,441,542
Equipment	2,146,309	1,865,716	355,501	323,654	2,501,810	2,189,370
Infrastructure						
Street subsystem	8,515,425	8,277,330	-	-	8,515,425	8,277,330
Water lines	-	-	5,991,332	5,712,853	5,991,332	5,712,853
Sewer lines	-	-	3,748,783	3,761,368	3,748,783	3,761,368
Storm water subsystem			2,749,485	2,562,692	2,749,485	2,562,692
Totals	\$ 29,685,500	\$ 24,823,251	\$ 14,335,470	\$ 13,912,693	\$ 44,020,970	\$ 38,735,944

The overall increase of \$5,285,026 is a result of capital outlays of \$5,651,704 and capital contributions of \$1,993,668 exceeding depreciation expense of \$2,319,314 and a loss on disposal of \$41,032. See Note 8 in the notes to the financial statements for more information regarding the City's capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2016 and 2015:

		Governmental Activities				Business-type Activities			
	2016		2015		2016		2015		
Special assessment bonds	\$	330,000	\$	400,000	\$	_	\$	35,000	
General obligation bonds		6,850,000		7,455,000		-		-	
General obligation notes		800,000		-		-		-	
OWDA loans		-		-	1,50	7,731	1	,592,091	
Capital leases		428,474		192,217				9,818	
Total long-term obligations	\$	8,408,474	\$	8,047,217	\$ 1,50	7,731	\$ 1	,636,909	

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

The long-term outstanding debt for the City of Tallmadge as of December 31, 2016, was \$9,916,205. This balance reflects \$330,000 in special assessment bonds, \$6,850,000 in general obligation bonds, \$800,000 in general obligation notes, \$1,507,731 in OWDA loans, and \$428,474 in capital lease obligations. This is an increase in long-term debt of 2.40 percent from 2015. For more detailed information on long-term obligations refer to Note 10 of this report.

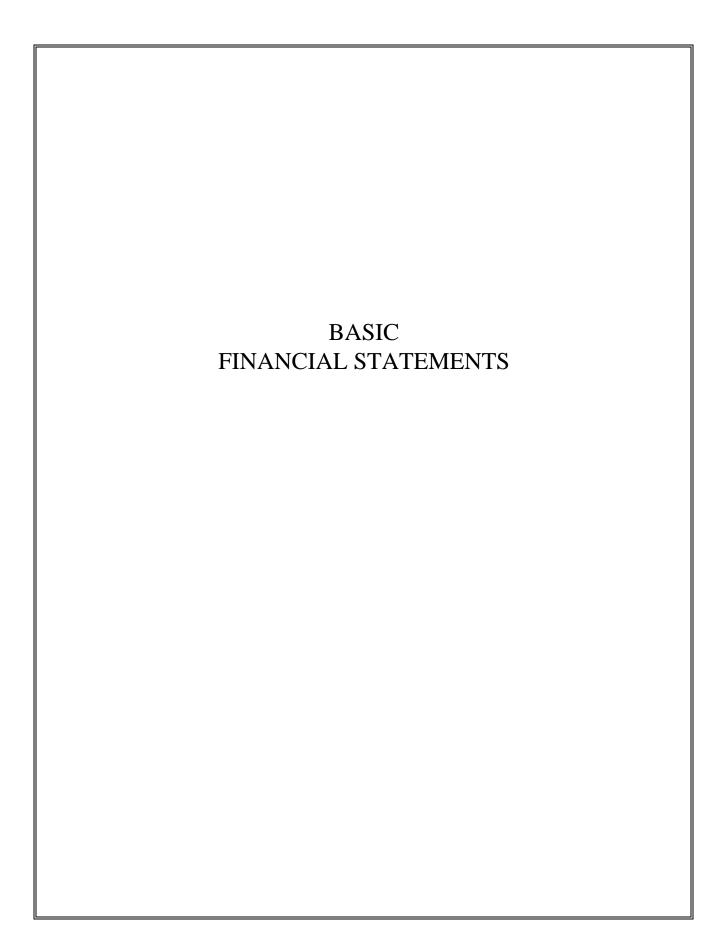
The Ohio Revised Code provides that the general obligation bonds less self-supporting debt (e.g., assessment debt) of the municipal corporation, whether voted or unvoted, shall not exceed 10.50 percent of the assessed valuation of the total property. In addition, the unvoted net debt cannot exceed 5.50 percent of total assessed value of property. The City's legal total debt limit at the 10.50 percent margin is \$34,220,288, and the total unvoted net debt limit at the 5.50 percent margin is \$21,467,194.

Economic Factors and Next Year's Budget and Rates

- The City prepared the annual budget using zero based budgeting for 2017. Most departments experienced slight growth in their departmental budgets.
- Employees received a 3% percent pay increase for 2017. Employees will continue to participate in paying a portion of hospitalization.
- In 2017, the City is analyzing its utility rates to ensure the continued viability of the City's water and sewer funds.
- The City issued bonds in the amount of \$825,000 maturing on May 1, 2021 to pay for its portion of a major road and storm water improvement project being completed in cooperation with the Ohio Department of Transportation (ODOT). The City is responsible for 20% of the project with ODOT funding the remaining 80%.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances for all those with interest in the government's finances. If you have questions about this report or need additional financial information contact the office of the Director of Finance, 46 North Avenue, Tallmadge, Ohio 44278 or at the e-mail address mgilbride@tallmadge-ohio.org.



STATEMENT OF NET POSITION DECEMBER 31, 2016

		overnmental Activities		usiness-type Activities	Total	
Assets:				11001/10105		20002
Equity in pooled cash and cash equivalents Receivables:	\$	9,741,019	\$	5,429,708	\$	15,170,727
Income taxes		2,505,392		-		2,505,392
Real and other taxes		2,088,487		-		2,088,487
Accounts		168,636		1,783,248		1,951,884
Accrued interest		31,161		-		31,161
Special assessments		342,144		3,729		345,873
Intergovernmental		1,436,694		-		1,436,694
Materials and supplies inventory		260,539		48,534		309,073
Prepayments		128,353		14,619		142,972
Net pension asset		8,504		1,273		9,777
Capital assets:						
Nondepreciable capital assets		8,874,534		635,879		9,510,413
Depreciable capital assets, net		20,810,966		13,699,591		34,510,557
Total capital assets, net		29,685,500		14,335,470		44,020,970
Total assets		46,396,429		21,616,581		68,013,010
Deferred outflows of resources:						
Unamortized deferred charges on debt refunding		72,451		-		72,451
Pension - OPERS		1,816,171		271,941		2,088,112
Pension - OP&F		2,019,756		-		2,019,756
Total deferred outflows of resources		3,908,378		271,941		4,180,319
Liabilities:						
Accounts payable		204,885		63,731		268,616
Contracts payable		495,009		03,731		495,009
Accrued wages and benefits payable		314,353		21,972		336,325
Intergovernmental payable		284,043		1,557,902		1,841,945
Accrued interest payable		29,134		27,324		56,458
Note payable		200,000		27,324		200,000
Long-term liabilities:		200,000				200,000
Due within one year		969,425		111,737		1,081,162
Due in more than one year		8,504,137		1,417,178		9,921,315
Net pension liability		13,286,276		699,633		13,985,909
Total liabilities		24,287,262		3,899,477		28,186,739
Deferred inflows of resources:		, ,		, ,		, ,
Property taxes levied for the next fiscal year		2,020,529		_		2,020,529
Pension - OPERS		117,861		17,646		135,507
Pension - OP&F		115,879		17,040		115,879
Total deferred inflows of resources	-	2,254,269		17,646		2,271,915
	-	2,23 1,209		17,010		2,271,713
Net position: Net investment in capital assets (see Note 2.V).		21,380,493		12,827,739		33,875,568
Restricted for:		21,360,493		12,027,739		33,673,308
Capital projects		202,672		-		202,672
Other purposes:		40.00				
Fire/EMS levy		4,962		-		4,962
Street maintenance		676,134		-		676,134
State highway		81,951		-		81,951
Community environment		27,951		-		27,951
Law enforcement		27,535		- - 140 cco		27,535
Unrestricted (see Note 2.V)	<u></u>	1,361,578	ф.	5,143,660	ф.	6,837,902
Total net position	\$	23,763,276	\$	17,971,399	\$	41,734,675

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2016

				Prog	ram Revenues		
	Expenses		Charges for Services and Sales		Operating Grants and Contributions		pital Grants Contributions
Governmental activities:							
General government	\$	4,189,505	\$ 324,132	\$	10,000	\$	-
Security of persons and property:							
Police		4,470,737	25,856		250		-
Street lights		34,663	-		-		-
Fire		3,278,321	404,113		101,484		-
Public health and welfare		78,701	2,565		34,585		-
Transportation		3,303,595	59,880		870,030		4,681,241
Community environment		247,564	44,575		29,050		929
Leisure time activity		2,474,982	1,793,613		145,976		-
Interest and fiscal charges		306,671	 				
Total governmental activities		18,384,739	 2,654,734		1,191,375		4,682,170
Business-type activities:							
Sewer operating		4,461,756	3,923,707		-		170,170
Water operating		2,173,956	2,008,569		-		516,780
Storm water		487,373	 305,252				344,526
Total business-type activities		7,123,085	 6,237,528				1,031,476
Total primary government	\$	25,507,824	\$ 8,892,262	\$	1,191,375	\$	5,713,646

General revenues:

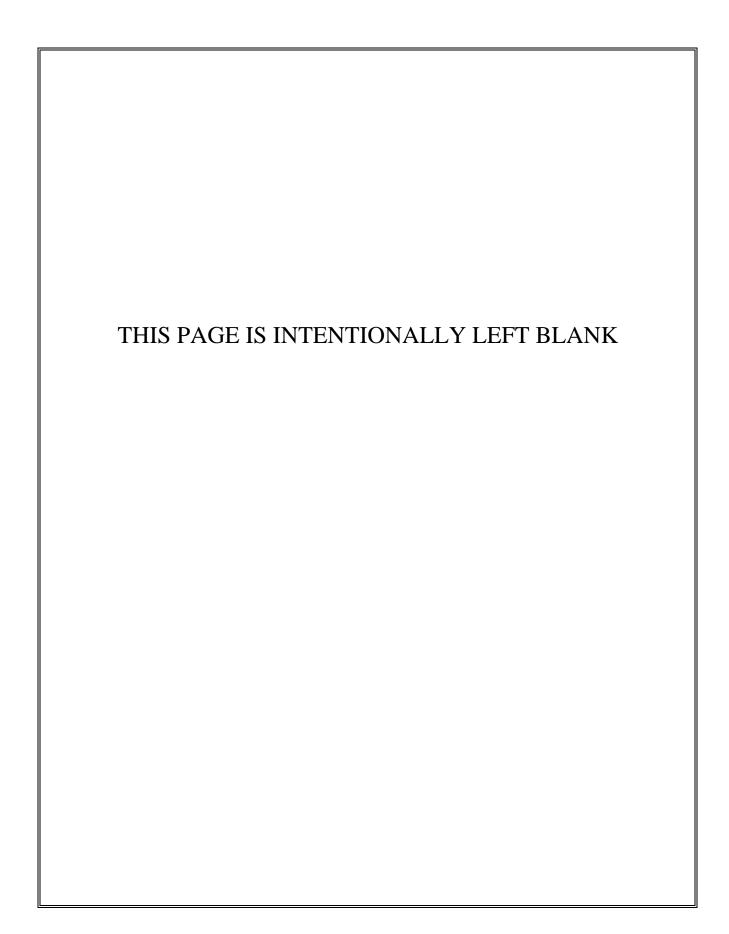
Property taxes levied for:
General purposes
Fire/EMS levy
Police pension
Municipal income taxes levied for:
General purposes
Grants and entitlements not restricted
to specific programs
Investment earnings
Decrease in fair value of investments
Miscellaneous
Total general revenues
Change in net position
Net position at beginning of year
Net position at end of year

	Net (Expense)	Revenue and Changes	in Net Position
Ge	overnmental Activities	Business-type Activities	Total
\$	(3,855,373)	\$ -	\$ (3,855,373)
	(4,444,631)	-	(4,444,631)
	(34,663)	-	(34,663)
	(2,772,724)	-	(2,772,724)
	(41,551)	-	(41,551)
	2,307,556	-	2,307,556
	(173,010)	-	(173,010)
	(535,393)	-	(535,393)
	(306,671)		(306,671)
	(9,856,460)		(9,856,460)
	_	(367,879)	(367,879)
	_	351,393	351,393
		162,405	162,405
		145,919	145,919
	(9,856,460)	145,919	(9,710,541)
	691,924	-	691,924
	1,255,967	-	1,255,967
	98,593	-	98,593
	10,873,754	-	10,873,754
	2,636,593	-	2,636,593
	64,428	-	64,428
	(36,756)	-	(36,756)
	161,816	27,835	189,651
	15,746,319	27,835	15,774,154
	5,889,859	173,754	6,063,613
	17,873,417	17,797,645	35,671,062
\$	23,763,276	\$ 17,971,399	\$ 41,734,675

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2016

	General		1	Fire/EMS Levy	Street Maintenance and Repair		North Avenue Improvement	
Assets:								
Equity in pooled cash and cash equivalents	\$	7,211,805	\$	511,411	\$	1,029,638	\$	364,609
Receivables:								
Income taxes		2,505,392		-		-		-
Real and other taxes		718,580		1,267,250		-		-
Accounts		104,305		64,331		-		-
Interfund loans		68,500		-		-		-
Accrued interest		31,161		-		-		-
Special assessments		-		-		12,144		-
Intergovernmental		484,534		96,810		407,239		384,626
Materials and supplies inventory		144,406		_		116,133		_
Prepayments		79,962		23,937		23,367		_
1		,						
Total assets	\$	11,348,645	\$	1,963,739	\$	1,588,521	\$	749,235
Liabilities:								
Accounts payable	\$	102,636	\$	11,849	\$	85,884	\$	-
Contracts payable		-		-		-		495,009
Accrued wages and benefits payable		179,236		102,041		31,752		-
Interfund loans payable		-		-		_		-
Intergovernmental payable		184,539		39,008		14,176		-
Accrued interest payable		-		-		-		1,359
Note payable		-		_		_		200,000
Total liabilities		466,411		152,898		131,812		696,368
Deferred inflows of resources:								
Property taxes levied for the next fiscal year		695,269		1,225,933		-		-
Delinquent property tax revenue not available		23,311		41,317		-		-
Accrued interest not available		24,577		_		_		-
Special assessments revenue not available		_		_		12,144		_
Income tax revenue not available		728,475		_		-		_
Intergovernmental nonexchange transactions		240,153		96,810		255,050		305,487
Total deferred inflows of resources		1,711,785		1,364,060		267,194		305,487
Fund balances (see Note 20):								
Nonspendable		224,368		23,937		139,500		-
Restricted		-		422,844		1,050,015		_
Committed		_		-		-		_
Assigned		721,654		_		_		_
Unassigned (deficit)		8,224,427						(252,620)
Total fund balances		9,170,449		446,781		1,189,515		(252,620)
Total liabilities, deferred inflows								
of resources and fund balances	\$	11,348,645	\$	1,963,739	\$	1,588,521	\$	749,235

 Go	Other vernmental Funds	Ge	Total overnmental Funds
\$	623,556	\$	9,741,019
	102,657		2,505,392 2,088,487
	-		168,636
	-		68,500 31,161
	330,000		342,144
	63,485		1,436,694
	03,463		260,539
	1,087		128,353
\$	1,120,785	\$	16,770,925
Ψ	1,120,703	Ψ_	10,770,723
\$	4,516	\$	204,885
	-		495,009
	1,324		314,353
	68,500		68,500
	46,320		284,043
	-		1,359
			200,000
	120,660		1,568,149
	99,327		2,020,529
	3,330		67,958
	220,000		24,577
	330,000		342,144 728,475
	53,164		950,664
	33,104		750,004
	485,821		4,134,347
	1,087		388,892
	275,353		1,748,212
	170,300		170,300
	87,463		809,117
	(19,899)		7,951,908
	514,304		11,068,429
\$	1,120,785	\$	16,770,925



RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES DECEMBER 31, 2016

Total governmental fund balances			\$ 11,068,429
Amounts reported for governmental activities on the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			29,685,500
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Income taxes receivable	\$	728,475	
Delinquent property taxes receivable Intergovernmental receivable		67,958 950,664	
Special assessments receivable		342,144	
Accrued interest receivable		24,577	
Total			2,113,818
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(27,775)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.			72,451
Unamortized premiums (discounts) on bond issuances are not recognized in the funds.			(101,648)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.			
Net pension asset		8,504	
Deferred outflows of resources		3,835,927	
Deferred inflows of resources		(233,740)	
Net pension liability		(13,286,276)	
Total			(9,675,585)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(963,440)	
General obligation bonds payable		(6,850,000)	
Special assessment bonds payable		(330,000)	
Note payable		(800,000)	
Capital lease payable Total	-	(428,474)	(9,371,914)
Net position of governmental activities			\$ 23,763,276

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	General	Fire/EMS Levy	Street Maintenance and Repair	North Avenue Improvement
Revenues:				
Property and other taxes	\$ 694,050	\$ 1,259,844	\$ -	\$ -
Municipal income taxes	10,628,415	-	-	-
Intergovernmental	2,387,174	193,987	945,427	3,412,212
Investment income	59,073	-	153	-
Fines, licenses and permits	340,499	-	-	-
Special assessments	4,424	-	10,489	-
Charges for services	1,791,863	404,113	74,425	-
Decrease in fair value of investments	(36,756)	-	-	-
Miscellaneous	161,452	100,149	58,811	1,350
Total revenues	16,030,194	1,958,093	1,089,305	3,413,562
Expenditures:				
Current:				
General government	3,885,397	-	-	-
Police	3,528,758	-	-	-
Street lights	34,663	-	-	-
Fire	-	2,877,699	-	-
Public health and welfare	-	-	76,385	-
Transportation	157,752	-	1,679,164	-
Community environment	141,998	-	-	-
Leisure time activity	1,750,634	-	323,812	-
Capital outlay	161,793	20,106	1,036,879	4,752,121
Debt service:				
Principal retirement	12,546	72,540	85,478	-
Interest and fiscal charges	381	4,976	-	1,359
Total expenditures	9,673,922	2,975,321	3,201,718	4,753,480
Excess (deficiency) of revenues				
over (under) expenditures	6,356,272	(1,017,228)	(2,112,413)	(1,339,918)
Other financing sources (uses):				
Note issuance	-	-	-	798,900
Capital lease transaction	-	-	406,821	-
Transfers in	-	950,000	1,908,000	-
Transfers (out)	(4,027,250)	-	-	-
Total other financing sources (uses)	(4,027,250)	950,000	2,314,821	798,900
Net change in fund balances	2,329,022	(67,228)	202,408	(541,018)
Fund balances at beginning of year	6,841,427	514,009	987,107	288,398
Fund balances (deficit) at end of year	\$ 9,170,449	\$ 446,781	\$ 1,189,515	\$ (252,620)

Other	Total
Governmenta	l Governmental
Funds	Funds
\$ 98,89	7 \$ 2,052,791
	- 10,628,415
83,50	
1:	
25,50	
85,062	
,	- 2,270,401
	- (36,756)
12,770	
305,75	
10,002	3,895,399
421,299	3,950,057
	- 34,663
1,770	2,879,469
	- 76,385
56,059	1,892,975
100,049	
	- 2,074,446
69,69	6,040,590
675,000	845,564
293,902	
1,627,772	
(1,322,02	564,692
1,100	,
	- 406,821
1,169,250	, ,
	- (4,027,250)
1,170,350	1,206,821
(151,67	1,771,513
665,97:	9,296,916
\$ 514,304	_

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2016

Net change in fund balances - total governmental funds	\$ 1,771,513
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. Capital asset additions Current year depreciation Total Sequence Answers Ans	4,903,281
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.	(41,032)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Income taxes 245,339 Real and other taxes (6,308) Intergovernmental revenues 352,861 Special assessments (81,644) Investment income 5,252	
Total	515,500
Issuances of notes and capital leases are reported as other financing sources in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.	(1,206,821)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabiliities on the statement of net position.	845,564
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due. Accrued interest payable (3,429) Amortization of deferred amounts on refunding (11,100) Amortization of bond premium 9,754 Amortization of bond discount (1,277) Total	(6,052)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	1,052,996
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities.	(1,852,512)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	 (92,578)
Change in net position of governmental activities	\$ 5,889,859

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeto	ed Amounts		Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:			-	(11811 11)
Property and other taxes	\$ 713,716	\$ 714,657	\$ 694,050	\$ (20,607)
Municipal income taxes	10,384,859	10,398,544	10,317,770	(80,774)
Intergovernmental	1,239,030	1,240,662	2,384,115	1,143,453
Investment income	34,954	35,000	53,894	18,894
Fines, licenses and permits	370,012	370,500	341,620	(28,880)
Special assessments	9,987	10,000	4,424	(5,576)
Charges for services	1,788,543	1,790,900	1,787,132	(3,768)
Miscellaneous	142,082	142,269	159,444	17,175
Total revenues	14,683,183	14,702,532	15,742,449	1,039,917
Expenditures:				
Current:				
General government	4,170,578	4,497,578	4,105,284	392,294
Security of persons and property	4,175,324	4,232,563	3,824,852	407,711
Transportation	307,119	307,119	234,798	72,321
Community environment	144,078	149,078	142,947	6,131
Leisure time activity	1,953,620	1,953,620	1,798,790	154,830
Capital outlay	173,936	173,936	168,111	5,825
Total expenditures	10,924,655	11,313,894	10,274,782	1,039,112
Excess of revenues over expenditures	3,758,528	3,388,638	5,467,667	2,079,029
Other financing sources (uses):				
Sale of capital assets	9,987	10,000	2,036	(7,964)
Advances (out) and not repaid	-	(70,000)	(68,500)	1,500
Transfers (out)	(4,304,241)	(4,304,241)	(4,027,250)	276,991
Total other financing sources (uses)	(4,294,254)	(4,364,241)	(4,093,714)	270,527
Net change in fund balances	(535,726)	(975,603)	1,373,953	2,349,556
Fund balance at beginning of year	4,887,110	4,887,110	4,887,110	-
Prior year encumbrances appropriated	534,924	534,924	534,924	-
Fund balance at end of year	\$ 4,886,308	\$ 4,446,431	\$ 6,795,987	\$ 2,349,556

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FIRE/EMS LEVY FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	Variance with Final Budget Positive (Negative)	
Revenues:	-	
Property and other taxes	6,948	
Intergovernmental	(3,513)	
Charges for services	(4,469)	
Miscellaneous	(12,846)	
Total revenues	(13,880)	
T		
Expenditures:		
Current:	1.60.722	
Security of persons and property 3,239,755 3,272,849 3,104,116	168,733	
Capital outlay	878	
Total expenditures	169,611	
Excess of expenditures over revenues	155,731	
Other financing sources:		
Transfers in	(80,000)	
Total other financing sources	(80,000)	
Net change in fund balances	75,731	
Fund balance at beginning of year 544,387 544,387 544,387	_	
Prior year encumbrances appropriated 255,523 255,523 255,523	-	
Fund balance at end of year	75,731	

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) STREET MAINTENANCE AND REPAIR FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgete Original	d Amounts Final	Actual	Variance with Final Budget Positive (Negative)	
Revenues:		<u> </u>		(, , , , , , ,	
Intergovernmental	\$ 978,000	\$ 978,000	\$ 928,499	\$ (49,501)	
Investment income	200	200	234	34	
Special assessments	12,000	12,000	10,489	(1,511)	
Charges for services	48,000	48,000	74,425	26,425	
Miscellaneous	47,500	47,500	58,811	11,311	
Total revenues	1,085,700	1,085,700	1,072,458	(13,242)	
Expenditures:					
Current:					
Public health and welfare	98,440	98,440	74,366	24,074	
Transportation	2,044,459	2,044,459	1,807,126	237,333	
Leisure time activity	336,812	336,812	313,886	22,926	
Capital outlay	1,100,736	1,100,736	812,143	288,593	
Total expenditures	3,580,447	3,580,447	3,007,521	572,926	
Excess of expenditures over revenues	(2,494,747)	(2,494,747)	(1,935,063)	559,684	
Other financing sources:					
Transfers in	2,066,000	2,066,000	1,908,000	(158,000)	
Total other financing sources	2,066,000	2,066,000	1,908,000	(158,000)	
Net change in fund balances	(428,747)	(428,747)	(27,063)	401,684	
Fund balance at beginning of year	599,827	599,827	599,827	-	
Prior year encumbrances appropriated	289,465	289,465	289,465	-	
Fund balance at end of year	\$ 460,545	\$ 460,545	\$ 862,229	\$ 401,684	

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds							
	(Sewer Operating	(Water Operating		Storm Water		Total
Assets:					-			
Current assets:								
Equity in pooled cash and cash equivalents Receivables:	\$	2,263,899	\$	2,922,810	\$	242,999	\$	5,429,708
Accounts		1,191,548		503,107		88,593		1,783,248
Special assessments		3,729		-		-		3,729
Materials and supplies inventory		24,267		24,267		-		48,534
Prepayments		5,951		5,951		2,717		14,619
Total current assets		3,489,394		3,456,135		334,309		7,279,838
Noncurrent assets:								
Net pension asset		514		524		235		1,273
Nondepreciable capital assets		94,403		152,639		388,837		635,879
Depreciable capital assets, net		4,070,809		6,870,995		2,757,787		13,699,591
Total capital assets, net		4,165,212		7,023,634		3,146,624		14,335,470
Total noncurrent assets		4,165,726		7,024,158		3,146,859		14,336,743
Total assets		7,655,120		10,480,293		3,481,168		21,616,581
Deferred outflows of resources: Pension - OPERS		109,819		111,971		50,151		271,941
Liabilities:								
Current liabilities:		45,508		13,868		4,355		63,731
Accounts payable		9,190		9,473		3,309		21,972
Intergovernmental payable		1,283,677		272,679		1,546		1,557,902
Compensated absences payable		2,961		2,961		1,540		5,922
Current portion of OWDA loans payable		2,701		105,815		_		105,815
Accrued interest payable		-		27,324		-		27,324
Total current liabilities		1,341,336		432,120		9,210		1,782,666
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Long-term liabilities: Compensated absences payable		7,631		7,631				15,262
OWDA loans payable		7,031		1,401,916		_		1,401,916
Net pension liability		282,535		288,072		129,026		699,633
Total long-term liabilities		290,166		1,697,619		129,026		2,116,811
Total liabilities		1,631,502		2,129,739		138,236		3,899,477
Deferred inflows of resources:								_
Pension - OPERS		7,126		7,266		3,254		17,646
Net position:								
Net investment in capital assets		4,165,212		5,515,903		3,146,624		12,827,739
Unrestricted		1,961,099		2,939,356		243,205		5,143,660
Total net position	\$	6,126,311	\$	8,455,259	\$	3,389,829	\$	17,971,399

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

Business-type Activities - Enterprise Funds Sewer Water Storm **Operating** Water **Operating Total Operating revenues:** Charges for services \$ 3,923,707 2.008,569 305.252 \$ 6.237.528 Other operating revenues 9,322 18,321 192 27,835 305,444 3,933,029 2,026,890 6,265,363 Total operating revenues. **Operating expenses:** Personal services 318,965 337,007 145,153 801,125 Contract services. 3,583,209 1,247,522 183,355 5,014,086 Materials and supplies. 294,699 127,626 422,325 221,773 327,138 158,526 707,437 112,793 41,037 71,417 339 4,459,683 2,110,710 487,373 7,057,766 Total operating expenses. (83,820) (181,929)(792,403) Operating loss (526,654)**Nonoperating (expenses):** (2,073)Interest and fiscal charges. (63,246)(65,319)(63,246)Total nonoperating (expenses). (2,073)(65,319)Loss before capital contributions (147,066)(181,929)(528,727)(857,722) Capital contributions 170,170 516,780 344,526 1,031,476 369,714 162,597 173,754 Change in net position (358,557)Net position at beginning of year. 6,484,868 8,085,545 3,227,232 17,797,645 Net position at end of year 6,126,311 8,455,259 3,389,829 17,971,399

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds							
	(Sewer Operating	(Water Operating		Storm Water		Total
Cash flows from operating activities: Cash received from customers	\$	3,827,785 9,322 (329,096) (3,297,169) (249,372) (41,037)	\$	2,048,017 18,321 (340,028) (1,236,475) (82,299) (71,417)	\$	310,904 192 (148,018) (179,000)	\$	6,186,706 27,835 (817,142) (4,712,644) (331,671) (112,793)
Net cash provided by (used in) operating activities .		(79,567)		336,119		(16,261)		240,291
Cash flows from capital and related financing activities: Acquisition of capital assets. Special assessments. Loan issuance. Principal retirement on special assessment bonds. Principal retirement on OWDA loans. Principal retirement on capital lease obligations Interest and fiscal charges.		(49,369) 35,835 - (35,000) - (4,909) (2,248)		(49,369) - 17,512 - (101,872) (4,909) (58,102)		- - - - -		(98,738) 35,835 17,512 (35,000) (101,872) (9,818) (60,350)
Net cash used in capital and related financing activities		(55,691) (135,258)		(196,740) 139,379		(16,261)		(252,431) (12,140)
Cash and cash equivalents at beginning of year Cash and cash equivalents at end of year	\$	2,399,157 2,263,899	\$	2,783,431 2,922,810	\$	259,260 242,999	\$	5,441,848 5,429,708
Reconciliation of operating loss to net cash provided by (used in) operating activities:								
Operating loss	\$	(526,654) 221,773	\$	(83,820) 327,138	\$	(181,929) 158,526	\$	(792,403) 707,437
Changes in assets and liabilities: (Increase) decrease in accounts receivable. Decrease in materials and supplies inventory. (Increase) in prepayments. (Increase) in net pension asset. (Increase) in deferred outflows - pension - OPERS. Increase (decrease) in accounts payable. Increase in accrued wages and benefits. Increase (decrease) in intergovernmental payable. (Decrease) in compensated absences payable. Increase in net pension liability. Increase in deferred inflows - pension - OPERS.		(95,922) 45,327 (5,951) (111) (70,797) (7,963) 1,695 292,797 (2,381) 65,431 3,189		39,448 45,327 (5,951) (127) (73,515) (13,794) 2,517 23,778 (2,381) 74,113 3,386		5,652 (2,717) (61) (33,346) 600 561 (632) - 35,527 1,558		(50,822) 90,654 (14,619) (299) (177,658) (21,157) 4,773 315,943 (4,762) 175,071 8,133
Net cash provided by (used in) operating activities	\$	(79,567)	\$	336,119	\$	(16,261)	\$	240,291

Non-Cash Transactions:

The Sewer Operating fund received \$170,170 in capital contributions from developers during 2016.

The Water Operating fund received \$516,780 in capital contributions from developers during 2016.

The Storm Water fund received \$344,526 in capital contributions from developers during 2016.

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS DECEMBER 31, 2016

	te-Purpose Trust	Agency		
Assets:				
Equity in pooled cash				
and cash equivalents	\$ 36,672	\$	393,886	
Receivables:				
Income taxes	-		130,284	
Accrued interest	 74		496	
Total assets	 36,746		524,666	
Liabilities:				
Accounts payable	-	\$	413	
Deposits held and due to others	 		524,253	
Total liabilities	 -	\$	524,666	
Net position:				
Held in trust	 36,746			
Total net position	\$ 36,746			

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	Private-Purpose Trust			
Additions:				
Investment income	\$	139		
Decrease in fair value of investments		(87)		
Total additions		52		
Deductions:				
Expense per trust agreement		1,000		
Total deductions		1,000		
Change in net position		(948)		
Net position at beginning of year		37,694		
Net position at end of year	\$	36,746		

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 - DESCRIPTION OF THE CITY

The City of Tallmadge, Ohio (the "City") was incorporated as a village in 1936 and became a city in 1951. The City is a charter municipal corporation, incorporated under the laws of the State of Ohio. The City operates under a Mayor-Council form of government. The Mayor, Council, Finance Director and Law Director are elected.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City's significant accounting policies are described below.

A. Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City, this includes police and fire protection, parks and recreation, water, sewer and storm water service, street maintenance and repairs and general administrative services.

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

The City participates in the Akron Metropolitan Area Transportation Study, the Brimfield Township-City of Tallmadge Joint Economic Development District and the Regional Income Tax Agency. These jointly governed organizations are discussed in Note 17 of the basic financial statements.

B. Basis of Presentation - Fund Accounting

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

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for services. Operating expenses for the enterprise funds include personnel and other expenses related to sewer, water and storm water operations. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The agency funds do not report a measurement focus as they do not report operations.

C. Fund Accounting

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

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

<u>General fund</u> - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

<u>Fire/EMS levy fund</u> - The fire/emergency medical service levy fund accounts for property tax collections received through a permanent tax levy. An additional source of significant revenue is charges for services. Expenditures are for the operations of the fire and emergency medical service programs, staff and capital expenditures.

<u>Street maintenance and repair fund</u> - The street maintenance and repair fund is required by Ohio Revised Code to account for the portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

<u>North Avenue improvement fund</u> - The North Avenue improvement fund accounts for financial resources that are restricted for expenditures for capital outlays for the improvement of North Avenue.

Other governmental funds of the City are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted or assigned to expenditures for principal and interest on debt.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City has no internal service funds.

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

<u>Sewer operating</u> - The sewer operating fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

<u>Water operating</u> - The water operating fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the City.

<u>Storm water</u> - The storm water fund accounts for the provision of storm drainage runoff service to the residents and commercial users located within the City.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's only trust fund is a private-purpose trust fund established 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 City's agency funds are a revolving fund used to account for refundable deposits, a fund used to account for fire repair and removal, and a fund used to account for the administering and collection of income taxes related to the Joint Economic Development District.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Measurement Focus

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

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

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

The private-purpose trust fund is reported using the economic resources measurement focus.

E. Basis of Accounting

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 6). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, interest, and grants.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, see Note 13 for deferred outflows of resources related the City's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance 2017 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, See Note 13 for deferred inflows of resources related to the City's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

F. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternative tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control at which expenditures cannot exceed appropriations is at the personnel and operating level by program within the general fund and at the personnel and operating level for all other funds of the City. Capital items such as capital equipment are budgeted on a program or line item basis as specified by City Council legislatively. Any budget modifications at these levels may only be made through an ordinance of Council. Budgetary statements presented beyond the legal level of control are for information purposes only.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources requested prior to the beginning of the year. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by Council.

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

G. Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents".

During 2016, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable and nonnegotiable certificates of deposit (CDs), a U.S. Government money market mutual fund, commercial paper, Federal Farm Credit Bank (FFCB) securities, Fannie Mae (FNMA) securities, and Federal Home Loan Mortgage Corporation (FHLMC) securities. Investments are reported at fair value, except for nonnegotiable certificates of deposit, which are reported at cost. Fair value is based on quoted market prices.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The City invested in STAR Ohio during 2016. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2016 amounted to \$59,073, which includes \$31,776 assigned from other City funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents.

An analysis of the City's investment account at year end is provided in Note 4.

H. Materials and Supplies Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed at the time of acquisition. Inventory consists of expendable supplies.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All capital assets are depreciated except for land, right of ways, easements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	25 - 80
Equipment	3 - 25
Infrastructure	25 - 60

The City's infrastructure consists of a streets subsystem, storm water subsystem, and water and sewer lines.

J. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees wage rates at year end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for non-bargaining employees at retirement age or employees with greater than twenty years of service or age fifty with ten years of service with the City. The City records a liability for accumulated unused sick leave for bargaining employees at retirement age or employees with ten years of service with the City.

K. Prepaid Items

Payments made to vendors for services that will benefit beyond December 31, 2016, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which the services are consumed.

On the fund financial statements, reported prepayments are equally offset by a nonspendable fund balance in the governmental funds.

L. Accrued Liabilities and Long-Term Obligations

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

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In general, governmental fund payables and accrued liabilities that once incurred are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and capital leases are recognized as a liability on the governmental fund financial statements when due.

M. Unamortized Bond Premiums and Discounts/Accounting Gain or Loss

Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an addition to the face amount of the bonds. Bond discounts are presented as a reduction to the face amount of the bonds.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

On the governmental fund financial statements, bond premiums, bond discounts, and deferred charges from refunding are recognized in the current period.

N. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

O. Interfund Activity

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

P. Minimum Fund Balance Policy

The City has implemented a minimum fund balance policy to take a proactive approach to financial management in the City. The minimum fund balance policy assists the City in maintaining the security of major operating funds and contributes to the financial stability of the City by maintaining adequate financial reserves. Also, the minimum fund balance policy allows administration and City Council to recognize and react to warning indicators of financial stress and set guidelines for proactive measures. City council approved the policy on April 28, 2005. The policy requires the general fund, sewer operating fund and water operating fund carry a minimum fund balance of 25 percent of operating appropriations. The policy also requires the Fire/EMS levy fund and street maintenance and repair fund carry a smaller minimum fund balance of 8.5 percent of operating appropriations.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are for sewer, water, and storm water utility programs. Operating expenses are necessary costs incurred to provide the goods and services that are the primary activity of the funds. All revenues and expenses not meeting these definitions are reported as non-operating.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. The City did not have any extraordinary or special items transactions during 2016.

S. Fund Balance

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

<u>Nonspendable</u> - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

<u>Restricted</u> - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

<u>Committed</u> - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City Council (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

<u>Assigned</u> - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by Council. In the general fund, assigned amounts represent intended uses established by City Council or ordinance or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

<u>Unassigned</u> - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

T. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction and from contributions from governmental funds. During 2016, the governmental activities, sewer operating, water operating, and storm water fund received contributions of capital in the amount of \$962,192, \$170,170, \$516,780, and \$344,526, respectively, from developers.

U. Net Position

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

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

V. Total Column

A total column is presented on the entity-wide statement of net position and statement of activities. The storm water improvement refunding bonds, net of unamortized deferred charges and bond issue premium of \$10,091 and \$2,755, respectively, have been included in net investment in capital assets in the total column on the statement of net position. The storm water improvement refunding bonds have been excluded from net investment in capital assets in the governmental activities and the business-type activities on the statement of net position.

W. Pensions

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

X. Estimates

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

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Y. Fair Value Measurements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2016, the City has implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 77, "Tax Abatement Disclosures", GASB Statement No. 78, "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans" and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants".

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the City's fiscal year 2016 financial statements (see Note 2.Y and Note 4 to the basic financial statements); however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the City.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the City.

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreement. GASB Statement No. 77 also requires disclosures related to tax abatement agreements that have been entered into by other governments that reduce the reporting government's tax revenues. These disclosures were incorporated in the City's fiscal year 2016 financial statements (see Note 7 to the basic financial statements); however, there was no effect on beginning net position/fund balance.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the City.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance and also establishes additional note disclosure requirements for governments that participate in those pools. The City participates in STAR Ohio which implemented GASB Statement No. 79 for 2016. The City incorporated the corresponding GASB 79 guidance into its 2016 financial statements; however, there was no effect on beginning net position/fund balance.

B. Deficit Fund Balances

Fund balances at December 31, 2016 included the following individual fund deficits:

	<u>Deficit</u>
Major fund North Avenue improvement	\$ 252,620
Nonmajor funds	
Abandoned gas station cleanup grant	2,868
Police pension	17,031

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

- 1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
- 2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- 4. Bonds and other obligations of the State of Ohio;
- 5. No-load money market mutual funds consisting exclusively of obligations described in items 1 or 2 above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
- 6. The State Treasurer's investment pool (STAR Ohio).

The City may also invest any monies not required to be used for a period of six months or more in the following:

- 1. Bonds and other obligations guaranteed by the United States;
- 2. Discount notes of the Federal National Mortgage Association;
- 3. Bonds of the State of Ohio; and,
- 4. 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

A. Deposits with Financial Institutions

At December 31, 2016, the carrying amount of all City deposits was \$8,587,314. As of December 31, 2016, \$3,612,531 of the City's bank balance of \$8,871,055 was exposed to custodial risk as discussed below, while \$5,258,524 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. As permitted by Ohio Revised Code, the City's deposits are collateralized by a pool of eligible securities deposited with Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

B. Investments

As of December 31, 2016, the City had the following investments and maturities:

		Investment Maturity		
Measurement/	Measurement	6 months or	Greater than	
<u>Investment type</u>	Amount	less	24 months	
Amortized cost: STAR Ohio	\$ 3,040,478	\$ 3,040,478	\$ -	
Fair value:				
U.S. Government money market	9,610	9,610	-	
Commercial paper	1,302,316	1,302,316	-	
Negotiable CDs	731,924	-	731,924	
FFCB	344,757	-	344,757	
FNMA	1,338,188	-	1,338,188	
FHLMC	246,698		246,698	
Total	\$ 7,013,971	\$ 4,352,404	\$ 2,661,567	

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The City's investments in the U.S. Government money market, commercial paper, negotiable CDs, FFCB, FNMA, and FHLMC securities are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment.

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAm money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The investment in commercial paper carries ratings of P-1 by Moodys and A-1+ and A-1 by Standard & Poor's. The investment in FFCB, FNMA, and FHLMC securities carries ratings of Aaa by Moodys and AA+ by Standard & Poor's. The U.S. government money market and negotiable CDs were not rated. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State Statute.

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of investment type held by the City at December 31, 2016:

	Me	asurement		
<u>Investment type</u>		Value % to total		
STAR Ohio	\$	3,040,478	43.35	
U.S. Government money market		9,610	0.14	
Commercial paper		1,302,316	18.57	
Negotiable CDs		731,924	10.43	
FFCB		344,757	4.91	
FNMA		1,338,188	19.08	
FHLMC		246,698	3.52	
Total	\$	7,013,971	100.00	

C. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2016:

Cash and investments per note Carrying amount of deposits	\$ 8,587,314
Investments	7,013,971
Total	\$ 15,601,285

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Cash and investments per statement of	net position	
Governmental activities	\$	9,741,019
Business type activities		5,429,708
Private-purpose trust fund		36,672
Agency funds		393,886
Total	\$	15,601,285

NOTE 5 - INTERFUND TRANSACTIONS

A. Routine general fund transfers consist of \$950,000 to the fire/EMS levy special revenue fund, \$1,908,000 to the street maintenance and repair special revenue fund, \$870,000 to the bond retirement debt service fund, \$215,000 to the police pension special revenue fund and \$60,000 to the general infrastructure reserve capital projects fund. The general fund also transferred \$24,250 to the community development special revenue to finance the projects accounted for within the fund.

Major funds	Transfer In	Transfer Out
General	\$ -	\$ 4,027,250
Fire/EMS levy	950,000	-
Street maintenance and repair	1,908,000	
Total major funds	2,858,000	4,027,250
Nonmajor governmental funds		
Community development	24,250	-
Police pension	215,000	-
Bond retirement	870,000	-
General infrastructure reserve	60,000	
Total nonmajor governmental funds	1,169,250	
Total	\$ 4,027,250	\$ 4,027,250

B. The interfund balance at December 31, 2016, as reported on the fund financial statements consist of the following interfund loan receivable/payables:

Receivable fund	Payable fund	 Amount
General	Local government innovation grant Abandoned gas station cleanup grant	\$ 43,500 25,000
	Abundoned gas station eleanup grant	 23,000
	Total	\$ 68,500

The primary purpose of the interfund loan is to cover expenditures in the local government innovation grant and abandoned gas station grant special revenue funds. The interfund balance is expected to repaid within the next year once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances between governmental funds at December 31, 2016, are reported on the statement of net position.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 6 - RECEIVABLES

Receivables at December 31, 2016, consisted primarily of municipal income taxes, property and other taxes, special assessments, accounts and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full.

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one year amount to \$255,000 in the bond retirement fund. The City had no material outstanding delinquencies at December 31, 2016.

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. 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 December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Tallmadge. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2016 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2016 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as a deferred inflow of resources.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 6 - RECEIVABLES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2016 was \$6.15 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2016 property tax receipts were based are as follows:

Real property

Residential/agricultural	\$ 301,835,220
Commercial/industrial/mineral	68,528,980
Public utility	
Personal	 5,735,590
Total assessed value	\$ 376,099,790

B. Municipal Income Taxes

The City levies a municipal income tax of 2 percent on all income earned within the City as well as on income of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent on the income earned outside of the City and paid to another municipality. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually.

Ohio law requires all City income tax rates above 1 percent to be voted by residents of the City. Additional increases in the income tax rate would require voter approval. The City, by ordinance, designates the income tax for capital outlay and general governmental operations for programs within the general fund.

In addition, the City receives income tax monies as the result of its agreement with Brimfield Township for a Joint Economic Development District (JEDD). Businesses within the JEDD currently pay a 1.25 percent income tax on all income earned within the JEDD and are required to withhold income tax on employee earnings and remit the tax to the City. The City is responsible for collection and administration of the income tax for the JEDD. The City is entitled to 55 percent of all income taxes collected from the JEDD and is required to contribute 5 percent of all income taxes collected to the JEDD Maintenance and Capital Improvement Fund maintained by the Township. The Township is entitled to the remaining 45 percent of all income taxes collected from the JEDD.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 6 - RECEIVABLES - (Continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

Governmental activities:	 Amounts
Local government	\$ 230,429
Homestead and rollback	158,301
JEDD income tax	159,236
Community development grant	24,800
Recycle grant	14,240
Congestion mitigation and air quality	
improvement funding	384,626
Miscellaneous	41,063
Permissive tax	10,662
Auto license tax	83,853
Gas tax and municipal cents per gallon tax	 329,484
Total	\$ 1,436,694

NOTE 7 - TAX ABATEMENTS

As of December 31, 2016, the County provides tax abatements through the Tallmadge Community Reinvestment Area (CRA). This program relates to the abatement of property taxes.

<u>CRA</u> - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

The City has entered into agreements to abate property taxes through this CRA program. During 2016, the City's property tax revenues were reduced by \$17,664 as a result of these agreements.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016, was as follows:

	Balance			Balance
Governmental activities:	12/31/15	Additions	Deductions	12/31/16
Capital assets, not being depreciated:				
Land	\$ 3,271,199	\$ -	\$ -	\$ 3,271,199
Right of ways	80,218	-	-	80,218
Construction in progress	803,493	4,719,624		5,523,117
Total capital assets, not being				
depreciated	4,154,910	4,719,624		8,874,534
Capital assets, being depreciated:				
Buildings and improvements	17,723,534	124,132	-	17,847,666
Equipment	8,870,755	709,210	(916,437)	8,663,528
Infrastructure - streets subsystem	20,872,328	962,192		21,834,520
Total capital assets, being depreciated	47,466,617	1,795,534	(916,437)	48,345,714
Less: accumulated depreciation:				
Buildings and improvements	(7,198,239)	(500,195)	-	(7,698,434)
Equipment	(7,005,039)	(387,585)	875,405	(6,517,219)
Infrastructure - streets subsystem	(12,594,998)	(724,097)		(13,319,095)
Total accumulated depreciation	(26,798,276)	(1,611,877)	875,405	(27,534,748)
Total capital assets, being				
depreciated, net	20,668,341	183,657	(41,032)	20,810,966
Governmental activities capital assets, net	\$ 24,823,251	\$ 4,903,281	\$ (41,032)	\$ 29,685,500

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$	172,787
Security of persons and property - police		114,255
Security of persons and property - fire		127,142
Public health and welfare		2,316
Transportation		858,278
Community environment		960
Leisure time activity	_	336,139
Total depreciation expense	<u>\$</u>	1,611,877

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NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 8 - CAPITAL ASSETS - (Continued)

Capital asset activity for the year ended December 31, 2016, was as follows:

	Balance			Balance
Business-type activities:	12/31/15	Additions	<u>Deductions</u>	12/31/16
Capital assets, not being depreciated:				
Land	\$ 375,519	\$ -	\$ -	\$ 375,519
Right of ways/easements	260,360		<u> </u>	260,360
Total capital assets, not being				
	(25.970			(25.970
depreciated	635,879			635,879
Capital assets, being depreciated:				
Buildings and improvements	2,107,625	-	-	2,107,625
Equipment	1,498,969	98,738	(62,358)	1,535,349
Infrastructure				
Water lines	11,006,858	516,780	-	11,523,638
Sewer lines	8,989,962	170,170	-	9,160,132
Storm water subsystem	4,645,787	344,526		4,990,313
Total capital assets, being depreciated	28,249,201	1,130,214	(62,358)	29,317,057
Less: accumulated depreciation:				
Buildings and improvements	(1,191,378	3) (61,757)	-	(1,253,135)
Equipment	(1,175,315	(66,891)	62,358	(1,179,848)
Infrastructure				
Water lines	(5,294,005	(238,301)	-	(5,532,306)
Sewer lines	(5,228,594	(182,755)	-	(5,411,349)
Storm water subsystem	(2,083,095	(157,733)		(2,240,828)
Total accumulated depreciation	(14,972,387	(707,437)	62,358	(15,617,466)
Total capital assets, being				
depreciated, net	13,276,814	422,777		13,699,591
Business-type activities capital assets, net	\$ 13,912,693	\$ 422,777	\$ -	\$ 14,335,470

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to business-type activities as follows:

Sewer operating	\$ 221,773
Water operating	327,138
Storm water	 158,526
Total depreciation expense	\$ 707,437

NOTE 9 - CAPITAL LEASES

In prior years, the City entered into capital leases for an ambulance and telephone equipment. During 2016, the City entered into a new capital lease for street equipment. The capital leases for the ambulances will be paid out of the fire/EMS levy special revenue fund and the capital lease for the street equipment will be paid from the street maintenance and repair special revenue fund. The capital lease for the telephone equipment was paid from the general fund, the fire/EMS levy special revenue fund, the sewer operating fund and the water operating fund. The final payments on the telephone equipment lease were made during 2016. Capital assets were capitalized at the present value of the minimum lease payments at the time the leases were entered into.

The assets acquired through capital leases are as follows:

		vernmental Activities
Assets: Equipment	\$	748,832
Less: accumulated depreciation	_	(103,819)
Total	\$	645,013

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2016:

Year	Gov	ernmental
<u>Ended</u>	A	ctivities
2017	\$	123,366
2018		123,366
2019		123,366
2020		85,478
Total		455,576
Less: amount representing interest		(27,102)
Present value of net minimum lease payments	\$	428,474

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 10 - LONG-TERM OBLIGATIONS

The interest rate, original issue amount and date of maturity of each of the City's bonds outstanding at December 31, 2016 are as follows:

	Interest	Original	Maturity
	Rate	Issue	Date
Special assessment bonds			
2000 West avenue street improvement	6.000%	\$1,070,000	12/1/2020
General obligation bonds			
2001 City building improvement	4.725%	2,270,000	12/1/2021
2010 Storm water improvement refunding	2.672%	1,405,000	12/1/2018
2010 Recreation various purpose	3.762%	3,915,000	12/1/2030
2015 Recreation center refunding	2.493%	2,925,000	12/1/2031

The changes in long-term obligations for business-type activities during the year were as follows:

Business-type activities: Special assessment bonds	Balance 12/31/15	Additions	Reductions	Balance 12/31/16	Amounts Due in One Year
1996 Northwest quad sanitary					
sewer	\$ 35,000	\$ -	\$ (35,000)	\$ -	\$ -
OWDA loans					
Northeast water system	1,108,986	-	(57,757)	1,051,229	60,474
South Avenue waterline	483,105	17,512	(44,115)	456,502	45,341
Tota OWDA loans	1,592,091	17,512	(101,872)	1,507,731	105,815
Capital lease	9,818	-	(9,818)	-	-
Net pension liability	524,562	175,071	-	699,633	-
Compensated absences	25,946	5,922	(10,684)	21,184	5,922
Total business-type activities					
long-term obligations	\$ 2,187,417	\$ 198,505	\$ (157,374)	\$ 2,228,548	\$ 111,737

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The changes in long-term obligations for governmental activities during the year were as follows:

Governmental activities:	Balance 12/31/15	Additions	Reductions	Balance 12/31/16	Amounts Due in One Year
General obligation bonds	Ф 000,000	Φ.	Φ (120,000)	Φ 750,000	ф. 127 .000
2001 City building improvement	\$ 880,000	\$ -	\$ (130,000)	\$ 750,000 340,000	\$ 135,000
2010 Storm water improvement refunding 2010 Recreation various improvement	500,000 3,150,000	-	(160,000) (165,000)	2,985,000	165,000 170,000
2015 Recreation center refunding	2,925,000	-	(150,000)	2,985,000	155,000
č					
Total general obligation bonds	7,455,000		(605,000)	6,850,000	625,000
Special assessment bonds 2000 West avenue street improvement	400,000		(70,000)	330,000	75,000
General obligation notes					
2016 North avenue improvement		800,000	<u>-</u> _	800,000	<u> </u>
Other long-term obligations Capital lease	192,217	406,821	(170,564)	428,474	111,951
Net pension liability	10,289,660	2,996,616	-	13,286,276	-
Compensated absences	870,862	249,347	(156,769)	963,440	157,474
Total governmental activities long-term obligations	\$ 19,207,739	\$ 4,452,784	\$ (1,002,333)	\$ 22,658,190	\$ 969,425
Add: Unamortized premium on bond issue				120,075	
Less: Unamortized discount on bond issue				(18,427)	
Total reported on statement of net position				\$ 22,759,838	

Special Assessment Bonds Payable:

Northwest quad sanitary sewer was a petitioned twenty year sewer project. This project was paid by assessments over a twenty year period from the sanitary sewer operating fund. The final principal and interest payments were made during 2016.

West avenue street improvement is a twenty year assessed street improvement project and is paid from the bond retirement fund.

The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event a property owner would fail to pay the assessment, payment would be made by the City.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

OWDA Loans:

The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA). The City has pledged future water revenues to repay the OWDA loans. The loans are payable solely from water fund revenues and are payable through 2029. Annual principal and interest payments on the Northeast water system loan is expected to require 65.69 percent of net revenues and 7.89 percent of total revenues. The total principal and interest remaining to be paid on the OWDA loans is \$1,880,753. Principal and interest paid for the current year was \$159,826, total net revenues were \$243,318 and total revenues were \$2,026,890.

2001 City Building Improvement Bonds Payable:

On August 1, 2001, the City issued \$2,270,000 in general obligation bonds for various permanent improvements to various City buildings. These bonds bear interest rates between 2.90 percent and 5.50 percent and mature on December 1, 2021.

2010 Storm Water Improvement Refunding Bonds Payable:

On May 27, 2010, the City issued storm water improvement general obligation refunding bonds. These bonds refunded the \$1,370,000 callable portion of the 1998 storm water improvement general obligation bond issue. These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$55,645. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next nine years by \$179,492. The unamortized deferred charges are reported as a deferred outflow of resources on the statement of net position.

2010 Recreation Various Improvement Bonds Payable:

On May 17, 2010, the City issued \$3,915,000 in general obligation bonds payable for recreation center permanent improvements. These bonds bear an interest rate of 3.762 percent and mature on December 1, 2030.

2015 Recreation Center Bonds Payable:

On June 18, 2015, the City issued general obligation bonds in the amount of \$2,925,000 to advance refund \$2,875,000 of the 2006 recreation bonds payable. These bonds bear interest rates ranging from 2.00 percent to 4.00 percent and mature on December 1, 2031. These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$68,456. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next nine years by \$286,050. The unamortized deferred charges are reported as a deferred outflow of resources on the statement of net position.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

General Obligation Long-Term Notes Payable

On April 27, 2016, the City issued long-term notes in the amount of \$800,000 for North Avenue improvement. The notes bear an annual interest rate of 1.00% and mature on April 27, 2017.

Notes that were refinanced prior to the issuance of the financial statements and have a new maturity beyond the end of the year in which the report is issued have been reported in the government-wide statements as a long-term liability. The portion of the 2016 North avenue improvement note issue that will be retired on April 27, 2017 (see Note 22 to the basic financial statements for detail) has been reported as a short-term note payable in Note 11 to the basic financial statements. The notes are backed by the full faith and credit of the City.

Capital Lease Obligations:

Capital leases outstanding at December 31, 2016 consist of the purchase of two ambulances which are paid from the fire/EMS levy special revenue fund and street equipment paid from the street maintenance and repair special revenue fund. During 2016, the capital lease for the purchase of telephone equipment was paid in full from the general fund, fire/EMS levy fund, sewer operating fund and water operating fund. See Note 9 to the basic financial statements for detail.

Net Pension Liability:

See Note 13 to the basic financial statements for details on the net pension liability.

Compensated Absences:

Compensated absences will be paid from the general fund, fire/EMS levy fund, street maintenance and repair fund, and sewer and water operating funds.

As of December 31, 2016, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$34,118,640 (net of unamortized debt) and the unvoted legal debt margin was \$21,467,194. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2016 are as follows:

	Governmental Activities										
Year	Gene	eral	Obligation	Bon	ds		West Ave	enue	Special A	Asses	sment
Ended	 Principal		Interest	_	Total	<u> F</u>	Principal_	<u>I</u>	nterest		Total
2017	\$ 625,000	\$	248,253	\$	873,253	\$	75,000	\$	19,800	\$	94,800
2018	650,000		227,678		877,678		75,000		15,300		90,300
2019	490,000		206,278		696,278		80,000		10,800		90,800
2020	510,000		189,203		699,203		100,000		6,000		106,000
2021	520,000		171,090		691,090		-		-		-
2022 - 2026	1,970,000		634,864		2,604,864		-		-		-
2027 - 2031	 2,085,000		239,190		2,324,190						
Total	\$ 6,850,000	\$	1,916,556	\$	8,766,556	\$	330,000	\$	51,900	\$	381,900

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

	Business-type Activities						
Year		OWDA Loan					
Ended	Principal	Interest	_	Total			
2017	\$ 105,815	\$ 53,740	\$	159,555			
2018	109,920	50,033		159,953			
2019	114,194	46,176		160,370			
2020	118,644	42,162		160,806			
2021	123,277	37,985		161,262			
2022 - 2026	634,862	121,451		756,313			
2027 - 2029	301,019	21,475		322,494			
Total	\$ 1,507,731	\$ 373,022	\$	1,880,753			

NOTE 11 - SHORT-TERM NOTES PAYABLE

The City's short-term general obligation note activity for the year ended December 31, 2016, was as follows:

	Balance					В	Balance
	12/31/2015	Iss	ued	Retired	_	12/	/31/2016
Governmental fund notes							
North avenue improvement - 1.00%	\$ -	\$ 20	90,000 \$		_	\$	200,000

The short-term notes outstanding at December 31, 2016 were issued on April 27, 2016 and represents the portion of the note issue that will be retired when the notes are refinanced with bonds on April 27, 2017 (see Note 22 to the basic financial statements for detail). The short-term notes were backed by the full faith and credit of the City and mature within one year. The short-term note liability is reflected in the fund which received the proceeds. The short-term notes were issued in anticipation of long-term bond financing.

NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2016, the City contracted with Selective Insurance of South Carolina for general liability, automobile, firefighters, errors and omissions, and law enforcement and public officials for the policy period covering January 1, 2016 through December 31, 2016. Travelers Insurance Company also covers buildings and contents and boiler and machinery. The City carries a \$2,000,000 general liability with \$1,000,000 occurrence and a \$1,000,000 automobile liability and a \$10,000,000 umbrella liability extending coverage on the general, automobile, police professional liability and public official's liability.

Selective Insurance of America insures dishonesty bonds for all necessary officials and other employees. The City carries an individual bond for the Director of Finance in the amount of \$250,000. In addition, the City carries \$1,000,000 employee dishonesty limit with \$50,000 faithful performance of duty.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - RISK MANAGEMENT - (Continued)

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

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

The City provides comprehensive medical and dental insurance benefits to employees through a fully insured plan.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

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

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

Group A				
Eligible to retire prior to				
January 7, 2013 or five years				
after January 7, 2013				

State and Local

Age and Service Requirements:

Age 60 with 60 months of service credit or Age 55 with 25 years of service credit

Formula:

2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30

Group B

20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013

State and Local

Age 60 with 60 months of service credit

Age and Service Requirements:

or Age 55 with 25 years of service credit

Formula:

2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30

Group C

Members not in other Groups and members hired on or after January 7, 2013

State and Local

Age and Service Requirements:

Age 57 with 25 years of service credit or Age 62 with 5 years of service credit

Formula:

2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

Ctoto

	State	
	and Loca	al
2016 Statutory Maximum Contribution Rates		
Employer	14.0	%
Employee	10.0	%
2016 Actual Contribution Rates Employer:		
Pension	12.0	%
Post-employment Health Care Benefits	2.0	%
Total Employer	14.0	%
Employee	10.0	%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$504,011 for 2016. Of this amount, \$67,344 is reported as intergovernmental payable.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

	Police		Firefighters		
2016 Statutory Maximum Contribution Rates					
Employer	19.50	%	24.00	%	
Employee	12.25	%	12.25	%	
2016 Actual Contribution Rates					
Employer:					
Pension	19.00	%	23.50	%	
Post-employment Health Care Benefits	0.50	%_	0.50	%	
Total Employer	19.50	<u>%</u>	24.00	%	
Employee	12.25	%	12.25	%	

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$614,624 for 2016. Of this amount \$79,033 is reported as intergovernmental payable.

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan and Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2015, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

	OPERS	OP&F	Total
Proportion of the net pension			
liability prior measurement date	0.03121400%	0.13607910%	
Proportion of the net pension			
liability current measurement date	0.03101500%	0.13389800%	
Change in proportionate share	- <u>0.00019900</u> %	- <u>0.00218110</u> %	
Proportion of the net pension			
asset prior measurement date	0.01815100%		
Proportion of the net pension			
asset current measurement date	<u>0.04544700</u> %		
Change in proportionate share	<u>0.02729600</u> %		
Proportionate share of the net			
pension liability	\$ 5,372,189	\$ 8,613,720	\$ 13,985,909
Proportionate share of the net			
pension asset	9,777	-	9,777
Pension expense	764,447	1,158,951	1,923,398

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NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS		OP&F		Total
Deferred outflows of resources		,			
Differences between expected and					
actual experience	\$	677	\$	-	\$ 677
Net difference between projected and					
actual earnings on pension plan investments		1,583,424		1,401,988	2,985,412
Changes in employer's proportionate percentage/					
difference between employer contributions		-		3,144	3,144
City contributions subsequent to the					
measurement date		504,011		614,624	1,118,635
Total deferred outflows of resources	\$	2,088,112	\$	2,019,756	\$ 4,107,868
				_	
Deferred inflows of resources					
Differences between expected and					
actual experience		108,218		24,187	132,405
Changes in employer's proportionate percentage/					
difference between employer contributions		27,289		91,692	118,981
Total deferred inflows of resources	\$	135,507	\$	115,879	\$ 251,386

\$1,118,635 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS OP&F		Total		
Year Ending December 31:					
2017	\$ 333,161	\$	347,903	\$	681,064
2018	358,860		347,903		706,763
2019	400,544		347,902		748,446
2020	357,864		272,116		629,980
2021	(472)		(22,327)		(22,799)
Thereafter	(1,365)		(4,244)		(5,609)
Total	\$ 1,448,592	\$	1,289,253	\$	2,737,845

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability/asset in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation
Future salary increases, including inflation
COLA or ad hoc COLA

4.25 to 10.05 percent including wage inflation
Pre 1/7/2013 retirees: 3 percent, simple
Post 1/7/2013 retirees: 3 percent, simple
through 2018, then 2.80% simple
8 percent
Individual entry age

3.75 percent

Investment rate of return Actuarial cost method

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 401 (h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.40 percent for 2015.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

		Weighted Average			
		Long-Term Expected			
	Target	Real Rate of Return			
Asset Class	Allocation	(Arithmetic)			
Fixed income	23.00 %	2.31 %			
Domestic equities	20.70	5.84			
Real estate	10.00	4.25			
Private equity	10.00	9.25			
International equities	18.30	7.40			
Other investments	18.00	4.59			
Total	100.00 %	5.27 %			

Discount Rate - The discount rate used to measure the total pension liability/asset was 8 percent for both the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

				Current		
	19	% Decrease	D	iscount Rate	1	% Increase
		(7.00%)		(8.00%)		(9.00%)
City's proportionate share						
of the net pension liability (asset):						
Traditional Pension Plan	\$	8,559,210	\$	5,372,189	\$	2,684,038
Combined Plan		(199)		(9,679)		(17,304)
Member-Directed Plan		256		(98)		(256)

Changes Between Measurement Date and Report Date - In October 2016, the OPERS Board certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation date
Actuarial cost method
Investment rate of return
Projected salary increases
Payroll increases
Inflation assumptions
Cost of living adjustments

January 1, 2015
Entry age normal
8.25 percent
4.25 percent to 11 percent
3.75 percent
3.25 percent
2.60 and 3.00 percent simple

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

The most recent experience study was completed for the five-year period ended December 31, 2011. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2012 actuarial valuation.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2015 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.47 %	7.80 %
Non-US Equity	16.00	4.47	8.00
Core Fixed Income *	20.00	1.62	5.35
Global Inflation			
Protected Securities *	20.00	1.33	4.73
High Yield	15.00	3.39	7.21
Real Estate	12.00	3.93	7.43
Private Markets	8.00	6.98	10.73
Timber	5.00	4.92	7.35
Master Limited Partnerships	8.00	7.03	10.75
Total	120.00 %		

^{*} levered 2x

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

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

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

^{**} numbers include inflation

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

	Current			
	1% Decrease	Discount Rate	1% Increase	
	(7.25%)	(8.25%)	(9.25%)	
City's proportionate share				
of the net pension liability	\$ 11,360,385	\$ 8,613,72	0 \$ 6,287,084	

NOTE 14 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension Plan and the Combined Plan. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting https://www.opers.org/financial/reports.shtml, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2016, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2016 was 2.00%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2016, 2015, and 2014 were \$88,066, \$79,032, and \$77,837, respectively; 88.63% has been contributed for 2016 and 100% has been contributed for 2015 and 2014. The remaining 2016 post-employment health care benefits liability has been reported as intergovernmental payable on the basic financial statements.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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

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

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2016 thru December 31, 2016. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$9,057 and \$5,755 for the year ended December 31, 2016, \$8,717 and \$5,392 for the year ended December 31, 2015, and \$8,653 and \$5,114, for the year ended December 31, 2014. 100% has been contributed for 2015 and 2014. 87.06% has been contributed for police and 87.93% has been contributed for firefighters for 2016. The remaining 2016 post-employment health care benefits liability has been reported as intergovernmental payable on the basic financial statements.

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS

A. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

Vacation leave is earned at rates which vary depending upon length of service. For bargaining unit employees, current policy credits vacation leave on January 1 of each year for all full time employees. Vacation accumulation may not exceed four weeks accrual at year end, two weeks of which may be designated for future use. Any unused excess is eliminated from the employee's leave balance. For non-bargaining employees, current policy provides for the accrual and credit of vacation as it is earned. Non-bargaining employees may carry an accumulated balance of 280 hours at any given time. Additional vacation will not be accrued once the balance has reached 280 hours. In case of death, termination, lay-off, or retirement, an employee (or his estate) is paid for his unused vacation balance.

Sick leave is earned at the rate of .0575 hours per hour of service. An employee may receive up to 50 percent of their accumulated sick leave, not to exceed a maximum of 150 days, upon retirement for all employees or upon termination for police and full-time firefighters with at least 7 years of service. Retirement and termination payments are calculated using the rate of pay at the date of separation.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS - (Continued)

B. Life Insurance

The City provides life insurance to its employees through MetLife.

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund, fire/EMS levy fund and street maintenance and repair fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned, committed, or restricted fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- (e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
- (f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

Net Change in Fund Balance

		Fire/EMS	Street Maintenance
	General fund	<u>Levy</u>	and Repair
Budget basis	\$ 1,373,953	\$ (302,227)	\$ (27,063)
Net adjustment for revenue accruals	287,745	8,582	16,847
Net adjustment for expenditure accruals	163,440	212,689	(361,606)
Net adjustment for other financing sources	66,464	-	406,821
Adjustment for encumbrances	437,420	13,728	167,409
GAAP basis	\$ 2,329,022	\$ (67,228)	\$ 202,408

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

Brimfield Township - City of Tallmadge Joint Economic Development District (JEDD)

The City of Tallmadge has entered into a contractual agreement effective January 1, 2004 with Brimfield Township to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State of Ohio, the Counties of Summit and Portage, the City, the Township and the JEDD. The JEDD is administered by a five member Board of Directors consisting of one member representing the City and appointed by the Mayor, one member representing the Township and appointed by the Township Trustees, one member who is a business owner in the JEDD representing the business owners in the JEDD and appointed by the Township Trustees, one member who is a person employed within the JEDD and appointed by the Mayor with confirmation of City Council and one member selected by unanimous vote of all members appointed at the time. The City nor the Township have any fixed financial obligation set aside for administrative costs and expenses of the Board. The City is responsible for basic administrative costs of the Board. The Board of Directors has entered into an agreement to administer, collect and enforce the income tax on behalf of the JEDD with the City of Tallmadge. Upon termination of the contractual agreement, any property, assets and obligations of the JEDD shall be divided equally between the parties, except that any items of infrastructure constructed by or for anybody shall be retained by that party.

Regional Income Tax Agency (RITA)

In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) under the authority of Chapter 167 of the Ohio Revised Code to administer tax collection and enforcement concerns facing the cities and villages. The purpose of the RCOG is to foster cooperation between the municipalities through sharing facilities for their common benefit. This includes the establishment of a central collection facility for the purpose of administering the income tax laws of the various municipal corporations who are members of the RCOG and for the purpose of collecting income taxes on behalf of each member municipality, doing all things allowed by law to accomplish such purpose. The first official act of the RCOG was to form RITA. Today RITA serves as the income tax collection agency for 279 municipalities throughout the State of Ohio. The City began using RITA for its income tax collection services in December 2009.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

Each member municipality appoints its own delegate to the RCOG, including electing members to the RITA Board of Trustees. Regardless of the population or tax collections of member municipalities, each member of the RCOG has an equal say in the operations of RITA.

Akron Metropolitan Area Transportation Study (AMATS)

The City participates in the Akron Metropolitan Area Transportation Study. This organization is responsible for fulfilling the area's continuous, cooperative and comprehensive transportation planning process. The AMATS service area consists of Summit, Portage, and Chippewa Township of Wayne County. AMATS is led by the AMATS Transportation Policy Committee. The City is a member of the 43 member Policy Committee that is responsible for the preparation of regional transportation policies, plans and programs that meet the areas present and future needs. In 2016, the City contributed \$3,183 to the Akron Metropolitan Area Transportation Study, which represents the City's formula share.

NOTE 18 - CONTRACTUAL COMMITMENTS

On December 31, 2016, the City had a total of \$5,463,566 in contractual commitments to the City of Stow for dispatch services covering a multi-year period.

NOTE 19 - CONTINGENCIES

A. Grants

The City received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2016.

B. Litigation

The City of Tallmadge is a party to legal proceedings. The City management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 20 - FUND BALANCE

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

		Fire/EMS	Street Maintenance	North Avenue	Nonmajor Governmental	Total Governmental	
Fund balance	General	Levy	and Repair	Improvement	Funds	Funds	
Nonspendable:							
Materials and supplies inventory	\$ 144,406	\$ -	\$ 116,133	\$ -	\$ -	\$ 260,539	
Prepayments	79,962	23,937	23,367		1,087	128,353	
Total nonspendable	224,368	23,937	139,500		1,087	388,892	
Restricted:							
Security of persons and property							
Police	-	-	-	-	27,535	27,535	
Fire	-	422,844	-	-	4,962	427,806	
Transportation							
Street maintenance and repair	-	-	1,050,015	-	-	1,050,015	
State highway	-	-	-	-	89,900	89,900	
Community environment							
Community development	-	-	-	-	3,151	3,151	
Capital outlay							
Tallmadge shooting range					149,805	149,805	
Total restricted		422,844	1,050,015		275,353	1,748,212	
Committed:							
Capital outlay							
General infrastructure					170,300	170,300	
Total committed					170,300	170,300	

- (Continued)

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 20 - FUND BALANCE - (Continued)

- (Continued) Fund balance	General		Fire/EMS Levy		Street Maintenance and Repair		North Avenue Improvement		Nonmajor Governmental Funds		Total Governmental Funds	
A aciona di												
Assigned:												
General government												
Mayor/administration	\$	11,944	\$	-	\$	-	\$	-	\$	-	\$	11,944
Finance director		40,304		-		-		-		-		40,304
Law director		17,608		-		-		-		-		17,608
General administration		202,885		-		-		-		-		202,885
Miscellaneous		22,875		-		-		-		-		22,875
Security of persons and property												
Police		55,633		-		-		-		-		55,633
Leisure time activities		34,792		-		-		-		-		34,792
Transportation		1,957		-		-		-		-		1,957
Debt service		-		-		-		-		87,463		87,463
Subsequent year appropriations		333,656		-		-		-		-		333,656
Total assigned		721,654			_	_				87,463		809,117
Unassigned		8,224,427						(252,620)		(19,899)		7,951,908
Total fund balances	\$	9,170,449	\$	446,781	\$	1,189,515	\$	(252,620)	\$	514,304	\$ 1	1,068,429

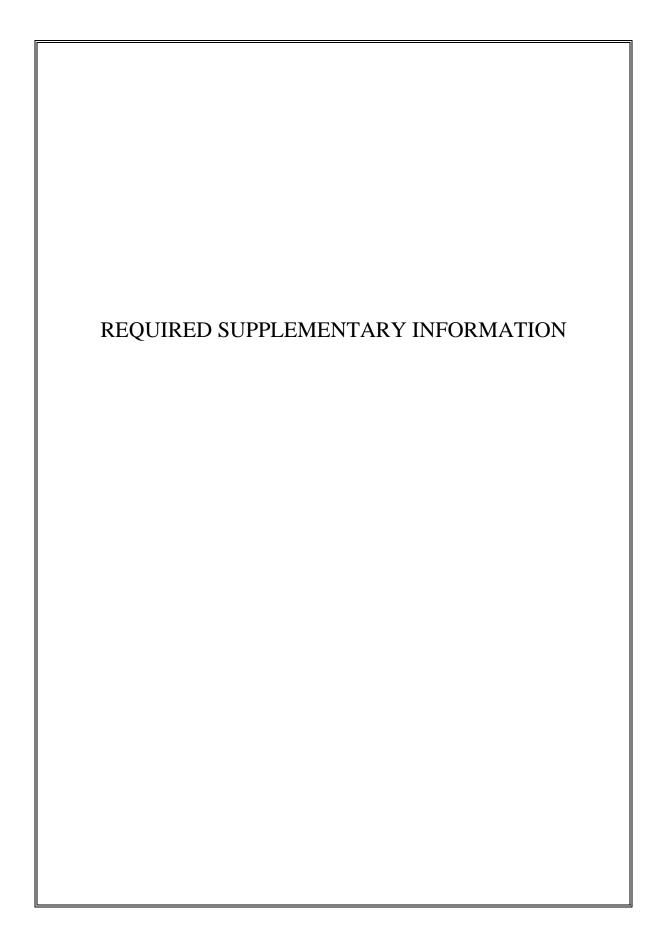
NOTE 21 - OTHER COMMITMENTS

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the City's commitments for encumbrances in the governmental funds were as follows:

	`	Year-End
<u>Fund</u>	En	<u>cumbrances</u>
General fund	\$	387,998
Fire/EMS levy fund		9,946
Street maintenance and repair fund		127,829
North avenue improvement		552,153
Other governmental		146,524
Total	\$	1,224,450

NOTE 22 - SIGNIFICANT SUBSEQUENT EVENTS

The City issued \$825,000 in general obligation bonds in April 2017, which were used to retire \$800,000 of the North avenue improvement notes that were issued on April 27, 2016. The bonds mature on May 1, 2021, and bear an annual interest rate of 1.85 percent.



SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/NET PENSION ASSET OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) LAST THREE YEARS

	2016	2015	2014
Traditional Plan:	 2010	 2015	 2014
City's proportion of the net pension liability	0.031015%	0.031214%	0.031214%
City's proportionate share of the net pension liability	\$ 5,372,189	\$ 3,764,757	\$ 3,679,724
City's covered-employee payroll	\$ 3,888,100	\$ 3,841,117	\$ 3,806,762
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	138.17%	98.01%	96.66%
Plan fiduciary net position as a percentage of the total pension liability	81.08%	86.45%	86.36%
Combined Plan:			
City's proportion of the net pension asset	0.019890%	0.018151%	0.018151%
City's proportionate share of the net pension asset	\$ 9,679	\$ 6,989	\$ 1,905
City's covered-employee payroll	\$ 63,500	\$ 66,350	\$ 49,831
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	15.24%	10.53%	3.82%
Plan fiduciary net position as a percentage of the total pension asset	116.90%	114.83%	104.56%
Member Directed Plan:			
City's proportion of the net pension asset	0.025557%	n/a	n/a
City's proportionate share of the net pension asset	\$ 98	n/a	n/a
City's covered-employee payroll	\$ 143,017	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	0.07%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	103.91%	n/a	n/a

Note: Information prior to 2014 was not available for the Traditional and Combined Plan and information prior to 2016 was not available for the Member Directed Plan. The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each year were determined as of the City's measurement date which is the prior year-end.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OHIO POLICE AND FIRE (OP&F) PENSION FUND LAST THREE YEARS

		2016	-	2015		2014
City's proportion of the net pension liability	().13389800%	(0.13607910%	(0.13607910%
City's proportionate share of the net pension liability	\$	8,613,720	\$	7,049,465	\$	6,627,479
City's covered-employee payroll	\$	2,775,815	\$	2,780,230	\$	2,627,275
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll		310.31%		253.56%		252.26%
Plan fiduciary net position as a percentage of the total pension liability		66.77%		72.20%		73.00%

Note: Information prior to 2014 was not unavailable. The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each year were determined as of the City's measurement date which is the prior year-end.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS (SEE ACCOUNTANT'S COMPILATION REPORT)

	 2016	2015	 2014	 2013
Traditional Plan:				
Contractually required contribution	\$ 485,728	\$ 466,572	\$ 460,934	\$ 494,879
Contributions in relation to the contractually required contribution	 (485,728)	 (466,572)	(460,934)	(494,879)
Contribution deficiency (excess)	\$ 	\$ 	\$ 	\$ -
City's covered-employee payroll	\$ 4,047,733	\$ 3,888,100	\$ 3,841,117	\$ 3,806,762
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
Combined Plan:				
Contractually required contribution	\$ 5,046	\$ 7,620	\$ 7,962	\$ 6,478
Contributions in relation to the contractually required contribution	 (5,046)	 (7,620)	 (7,962)	 (6,478)
Contribution deficiency (excess)	\$ 	\$ 	\$ 	\$ -
City's covered-employee payroll	\$ 42,050	\$ 63,500	\$ 66,350	\$ 49,831
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
Member Directed Plan:				
Contractually required contribution	\$ 13,237	\$ 17,162		
Contributions in relation to the contractually required contribution	 (13,237)	 (17,162)		
Contribution deficiency (excess)	\$ 	\$ -		
City's covered-employee payroll	\$ 139,337	\$ 180,653		
Contributions as a percentage of covered-employee payroll	9.50%	9.50%		

Note: Information prior to 2010 was not available for the Combined Plan and information prior to 2015 was not available for the Member Directed Plan. The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

 2012	 2011	 2010	 2009	 2008	 2007	
\$ 373,957	\$ 371,901	\$ 360,610	\$ 346,236	\$ 294,802	\$ 354,723	
 (373,957)	 (371,901)	 (360,610)	 (346,236)	(294,802)	 (354,723)	
\$ <u>-</u>	\$ 	\$ 	\$ 	\$ 	\$ 	
\$ 3,739,570	\$ 3,719,010	\$ 4,044,224	\$ 4,261,366	\$ 4,211,457	\$ 4,248,180	
10.00%	10.00%	8.92%	8.13%	7.00%	8.35%	
\$ 3,647	\$ 3,177	\$ 5,877				
 (3,647)	 (3,177)	 (5,877)				
\$ <u>-</u>	\$ <u>-</u>	\$ 				
\$ 45,874	\$ 39,962	\$ 60,671				
7.95%	7.95%	9.69%				

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS OHIO POLICE AND FIRE (OP&F) PENSION FUND LAST TEN YEARS

	 2016	 2015		2014	 2013
Police:					
Contractually required contribution	\$ 344,157	\$ 322,516	\$	332,006	\$ 262,827
Contributions in relation to the contractually required contribution	 (344,157)	 (322,516)		(332,006)	(262,827)
Contribution deficiency (excess)	\$ 	\$ 	\$		\$
City's covered-employee payroll	\$ 1,811,353	\$ 1,697,453	\$	1,747,400	\$ 1,654,735
Contributions as a percentage of covered-employee payroll	19.00%	19.00%		19.00%	15.88%
Fire:					
Contractually required contribution	\$ 270,467	\$ 253,415	\$	242,715	\$ 198,236
Contributions in relation to the contractually required contribution	 (270,467)	(253,415)		(242,715)	(198,236)
Contribution deficiency (excess)	\$ 	\$ 	\$		\$ _
City's covered-employee payroll	\$ 1,150,923	\$ 1,078,362	\$	1,032,830	\$ 972,540
Contributions as a percentage of covered-employee payroll	23.50%	23.50%		23.50%	20.38%

 2012	 2011	 2010	 2009	 2008	 2007
\$ 205,395	\$ 213,092	\$ 214,275	\$ 219,079	\$ 227,421	\$ 217,361
(205,395)	 (213,092)	 (214,275)	 (219,079)	 (227,421)	 (217,361)
\$ 	\$ 	\$ 	\$ 	\$ 	\$
\$ 1,610,941	\$ 1,671,310	\$ 1,680,588	\$ 1,718,267	\$ 1,783,694	\$ 1,704,792
12.75%	12.75%	12.75%	12.75%	12.75%	12.75%
\$ 166,385	\$ 161,837	\$ 162,917	\$ 165,604	\$ 150,997	\$ 138,264
 (166,385)	 (161,837)	 (162,917)	 (165,604)	 (150,997)	 (138,264)
\$ _	\$ 	\$ 	\$ -	\$ -	\$ -
\$ 964,551	\$ 938,186	\$ 944,446	\$ 960,023	\$ 875,345	\$ 801,530
17.25%	17.25%	17.25%	17.25%	17.25%	17.25%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

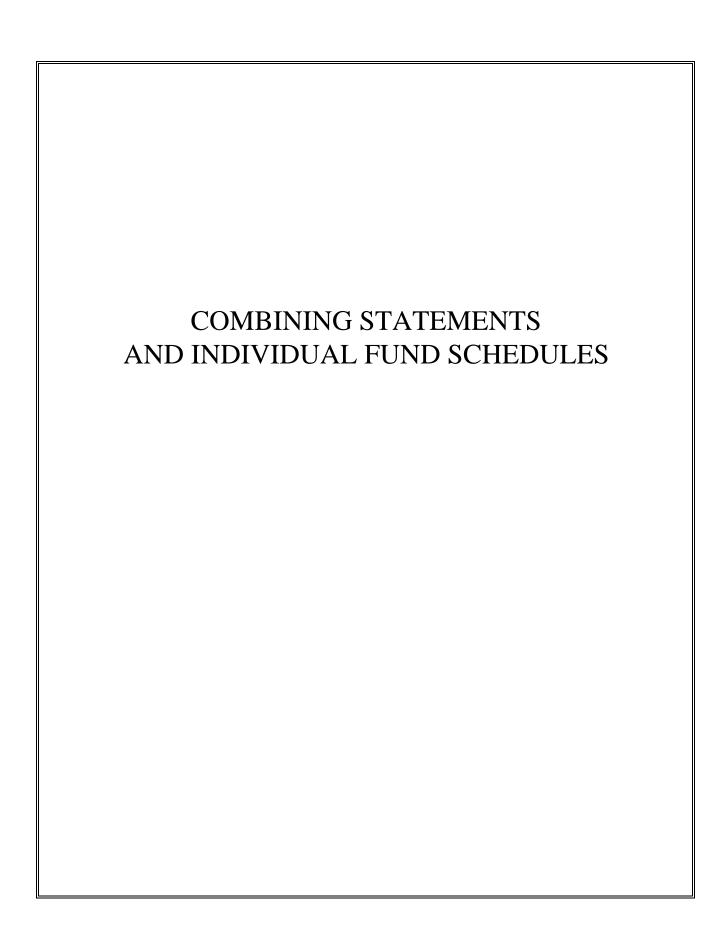
Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2016.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2016.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.



INDIVIDUAL FUND SCHEDULES FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

GENERAL FUND

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter of the City and/or the general laws of Ohio.

SPECIAL REVENUE FUNDS

The special revenue funds are used to account for all specific financial resources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following are the special revenue funds which the City operates:

Major Special Revenue Funds

Fire/EMS Levy Fund

The fire/emergency medical service levy fund accounts for property tax collections received through a permanent tax levy. An additional source of significant revenue is charges for services. Expenditures are for the operations of the fire and emegency medical service programs, staff, and for the purchase, repair and refurbishment of fire equipment.

Street Maintenance and Repair Fund

The street maintenance and repair fund is required by Ohio Revised Code to account for the portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

Nonmajor Special Revenue Funds

State Highway Fund

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

Community Development Fund

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

Local Government Innovation Grant Fund

To account for the proceeds received from the Local Government Innovation program for a study to examine cost savings from the use of alternative fuels.

Abandoned Gas Station Cleanup Grant Fund

To account for the proceeds received from the Ohio Development Services Agency's Abandoned Gas Station Cleanup Grant Program for the remediation of an abandoned gas station.

Alcohol Enforcement and Education Fund

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

Law Enforcement Trust Fund

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

INDIVIDUAL FUND SCHEDULES FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)

Nonmajor Special Revenue Funds (Continued)

Drug Law Enforcement Fund

To account for monies from mandatory fines for trafficking offenses to be used for the investigation and prosecution of drug cases.

Law Enforcement Assistance Fund

To account for monies from a State grant to reimburse the City for training expenditures for law enforcement personnel.

Emergency Medical Service Donation Fund

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

K-9 Unit Donation Fund

To account for donations received for the City's K-9 unit.

Police Pension Fund

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

Historical Preservation Fund

To account for donations from the Tallmadge Historical Society to be used for the preservation of historical structures that are owned by the City.

DEBT SERVICE FUND

Bond Retirement Fund

The bond retirement fund is used to account for monies used for the purpose of retiring principal and interest on debt.

CAPITAL PROJECTS FUNDS

The capital project funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary fund types. Following is a description of the capital project funds:

Major Capital Projects Fund

North Avenue Improvement Fund

To account for the North Avenue improvements.

Nonmajor Capital Projects Funds

Tallmadge Shooting Range Fund

To account for a grant received from the State of Ohio for the cleanup and development of a multi-jurisdictional shooting range.

General Infrastructure Fund

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted	l Amounts		Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
Revenues:				(- (- g	
Taxes					
Real estate (public utility)	\$ 713,716	\$ 714,657	\$ 694,050	\$ (20,607)	
Municipal income taxes	10,384,859	10,398,544	10,317,770	(80,774)	
Intergovernmental					
Local government	493,385	494,035	482,183	(11,852)	
Rollback	104,862	105,000	107,719	2,719	
Inheritance	-	-	995,462	995,462	
JEDD income taxes	605,929	606,727	722,092	115,365	
Miscellaneous	34,854	34,900	76,659	41,759	
Investment income	34,954	35,000	53,894	18,894	
Fines, licenses and permits	370,012	370,500	341,620	(28,880)	
Special assessments	9,987	10,000	4,424	(5,576)	
Charges for services	1,788,543	1,790,900	1,787,132	(3,768)	
Miscellaneous	142,082	142,269	159,444	17,175	
Total revenues	14,683,183	14,702,532	15,742,449	1,039,917	
Expenditures: Current: General government					
Mayor/Administration	502.250	502.250	450 740	1.12.520	
Personnel	603,368	603,368	460,748	142,620	
Operating	103,639 707,007	103,639 707,007	101,132 561,880	2,507 145,127	
Total Mayor/Administration	707,007	707,007	301,880	143,127	
Finance Director					
Personnel	490,770	490,770	427,111	63,659	
Operating	255,831	255,831	241,391	14,440	
Total Finance Director	746,601	746,601	668,502	78,099	
Law Director					
Personnel	264,994	264,994	262,186	2,808	
Operating	46,847	46,847	42,376	4,471	
Total Law Director	311,841	311,841	304,562	7,279	
Service Director					
Personnel	289,421	289,421	281,804	7,617	
Operating	75,832	75,832	58,468	17,364	
Total Service Director	365,253	365,253	340,272	24,981	
Manager of Information Service					
Personnel	158,767	160,767	159,024	1,743	
Operating	307,793	357,793	356,848	945	
Total Manager of Information Service	466,560	518,560	515,872	2,688	
Council		· · · · · ·	· · · · · ·	-	
Personnel	198,454	198,454	181,935	16,519	
Operating	14,318	14,318	13,560	758	
Total Council	212,772	212,772	195,495	17,277	
Total Council	212,172	212,772	173,773	17,277	

- Continued

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) GENERAL FUND (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted	Amounts		Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Civil Service				
Personnel	\$ 27,915	\$ 27,915	\$ 26,511	\$ 1,404
Operating	1,950 29,865	1,950 29,865	1,696 28,207	254 1,658
Custodian				
Personnel	84,983	84,983	66,926	18,057
Operating	157,501	157,501	114,387	43,114
Total Custodian	242,484	242,484	181,313	61,171
General Administration				
Operating	1,056,045	1,331,045	1,290,349	40,696
Total General Administration	1,056,045	1,331,045	1,290,349	40,696
Boards and Commissions				
Personnel	5,000 1,000	5,000	2,777	2,223
Operating	6,000	1,000 6,000	246 3,023	754 2,977
		0,000	3,023	2,511
Historical Church Personnel	14,100	14,100	10,862	3,238
Operating	12,050	12,050	4,947	7,103
Total Historical Church	26,150	26,150	15,809	10,341
Total general government	4,170,578	4,497,578	4,105,284	392,294
Security of persons and property Police				
Personnel	3,122,796	3,122,796	2,776,061	346,735
Operating	1,010,528	1,067,767	1,014,128	53,639
Total Police	4,133,324	4,190,563	3,790,189	400,374
Street lighting				
Operating	42,000	42,000	34,663	7,337
Total Street lighting	42,000	42,000	34,663	7,337
Total security of persons and property	4,175,324	4,232,563	3,824,852	407,711
Transportation				
Garage				
Personnel	203,894	203,894	186,412	17,482
Operating	103,225 307,119	103,225 307,119	48,386 234,798	54,839 72,321
Total transportation	307,117	307,117	234,776	72,321
Community environment Zoning				
Personnel	122,432	122,432	120,493	1,939
Operating	21,646	26,646	22,454	4,192
Total Zoning	144,078	149,078	142,947	6,131
Total community environment	144,078	149,078	142,947	6,131

- Continued

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) GENERAL FUND (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget	ed Amounts		Variance with Final Budget
	Original	<u>Final</u>	Actual	Positive (Negative)
Leisure time activities				
Community Center				
Personnel	\$ 18,929	\$ 18,929	\$ 11,420	\$ 7,509
Operating	60,954	60,954	46,082	14,872
Total Community Center	79,883	79,883	57,502	22,381
Recreation Center				
Personnel	965,080	965,080	916,249	48,831
Operating	663,030	663,030	591,544	71,486
Total Recreation Center	1,628,110	1,628,110	1,507,793	120,317
Maca Pool				
Personnel	134,769	134,769	128,117	6,652
Operating	110,858	110,858	105,378	5,480
Total Maca Pool	245,627	245,627	233,495	12,132
Total leisure time activities	1,953,620	1,953,620	1,798,790	154,830
Capital outlay				
Police equipment	100,000	100,000	97,555	2,445
Recreation equipment	51,871	51,871	49,713	2,158
Software purchase	22,065	22,065	20,843	1,222
Total capital outlay	173,936	173,936	168,111	5,825
Total expenditures	10,924,655	11,313,894	10,274,782	1,039,112
Excess of revenues over expenditures .	3,758,528	3,388,638	5,467,667	2,079,029
Other financing sources (uses):				
Sale of capital assets	9,987	10,000	2,036	(7,964)
Advances out Local government innovation grant	_	(45,000)	(43,500)	1,500
Abandoned gas station cleanup grant	-	(25,000)	(25,000)	-
Transfers out				
Police pension	(228,241)		(215,000)	13,241
Fire/EMS levy	(1,030,000)	* ' '	(950,000)	80,000
General infrastructure reserve	(60,000)		(60,000)	150,000
Street maintenance and repair	(2,066,000)		(1,908,000)	158,000
Community development Bond retirement	(50,000) (870,000)		(24,250) (870,000)	25,750
Total other financing (uses)	(4,294,254)		(4,093,714)	270,527
-	(4,2)4,234)			210,321
Net change in fund balance	(535,726)	(975,603)	1,373,953	2,349,556
Fund balance at beginning of year	4,887,110	4,887,110	4,887,110	-
Prior year encumbrances appropriated	534,924	534,924	534,924	
Fund balance at end of year	\$ 4,886,308	\$ 4,446,431	\$ 6,795,987	\$ 2,349,556

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COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2016

	Spec	onmajor cial Revenue Funds	Nonmajor Debt Service Fund		Nonmajor Capital Projects Funds		Total Nonmajor Governmental Funds	
Assets: Equity in pooled cash and cash equivalents	¢	215 000	¢	97 162	\$	220 105	¢	602 556
Receivables:	\$	215,988	\$	87,463	Þ	320,105	\$	623,556
Real and other taxes		102,657		_		_		102,657
Special assessments		-		330,000		_		330,000
Intergovernmental		63,485		-		_		63,485
Prepayments		1,087		-		-		1,087
Total assets	\$	383,217	\$	417,463	\$	320,105	\$	1,120,785
Liabilities:								
Accounts payable	\$	4,516	\$	-	\$	-	\$	4,516
Accrued wages and benefits payable		1,324		-		-		1,324
Interfund payable		68,500						68,500
Intergovernmental payable		46,320						46,320
Total liabilities		120,660						120,660
Deferred inflows of resources:								
Property taxes levied for the next fiscal year		99,327		_		_		99,327
Delinquent property tax revenue not available		3,330		_		_		3,330
Special assessments revenue not available		3,330		330,000				330,000
Intergovernmental nonexchange transactions		53,164						53,164
Total deferred inflows of resources		155,821		330,000				485,821
Fund Balances:								
Nonspendable		1,087		-		-		1,087
Security of persons and property:								
Police		27,535		-		_		27,535
Fire		4,962		-		_		4,962
Transportation		89,900		-		-		89,900
Community environment		3,151		-		-		3,151
Capital outlay		-		-		149,805		149,805
Committed		-		-		170,300		170,300
Assigned		-		87,463		-		87,463
Unassigned (deficit)		(19,899)		-				(19,899)
Total fund balances		106,736		87,463		320,105		514,304
Total liabilities, deferred inflows of resources and fund	\$	383,217	\$	417,463	\$	320,105	\$	1,120,785

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	Spec	onmajor ial Revenue Funds	Nonmajor Debt Service Fund		Nonmajor Capital Projects Funds		Total Nonmajor Governmental Funds	
Revenues:						_		_
Property and other taxes	\$	98,897	\$	-	\$	-	\$	98,897
Intergovernmental		83,506		-		-		83,506
Investment income		13		-		-		13
Fines, licenses and permits		25,503		-		-		25,503
Special assessments		-		85,062		-		85,062
Miscellaneous		11,477		364		929		12,770
Total revenues		219,396		85,426		929		305,751
Expenditures:								
Current:								
General government		10,002		-		-		10,002
Security of persons and property:								
Police		421,299		-		-		421,299
Fire		1,770		-		-		1,770
Transportation		56,059		-		-		56,059
Community environment		100,049		-		-		100,049
Capital outlay		_		_		69,691		69,691
Debt service:								
Principal retirement		_		675,000		_		675,000
Interest and fiscal charges				293,902				293,902
Total expenditures		589,179		968,902		69,691		1,627,772
Excess of expenditures over revenues		(369,783)		(883,476)		(68,762)		(1,322,021)
Other financing sources:								
Note issuance		-		1,100		-		1,100
Transfers in		239,250		870,000		60,000		1,169,250
Total other financing sources		239,250		871,100		60,000		1,170,350
Net change in fund balances		(130,533)		(12,376)		(8,762)		(151,671)
Fund balances at beginning of year		237,269		99,839		328,867		665,975
Fund balances at end of year	\$	106,736	\$	87,463	\$	320,105	\$	514,304

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS DECEMBER 31, 2016

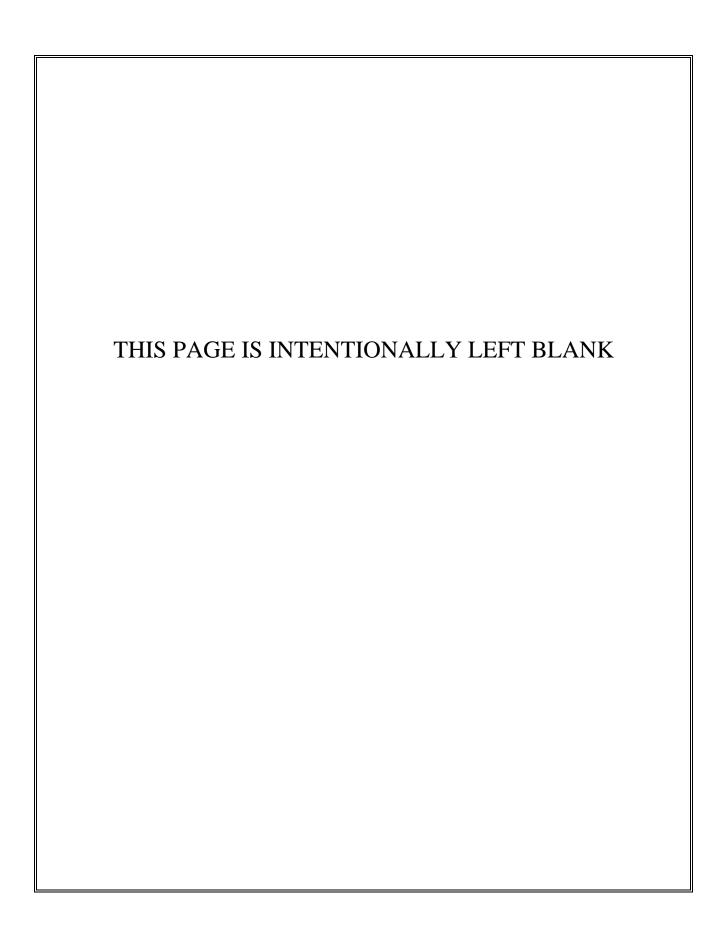
	State Highway		Community Development		Local Government Innovation Grant		Abandoned Gas Station Cleanup Grant	
Assets:								
Equity in pooled cash and cash equivalents	\$	81,529	\$	4,701	\$	43,500	\$	25,000
Real and other taxes		_		_		_		_
Intergovernmental		31,000		24,800		_		_
Prepayments		1,087						-
Total assets	\$	113,616	\$	29,501	\$	43,500	\$	25,000
Liabilities:								
Accounts payable	\$	-	\$	1,550	\$	-	\$	2,868
Accrued wages and benefits payable		1,324		-		-		-
Interfund payable		-		-		43,500		25,000
Intergovernmental payable		626						-
Total liabilities		1,950		1,550		43,500		27,868
Deferred inflows of resources:								
Property taxes levied for the next fiscal year		-		-		-		-
Delinquent property tax revenue not available		-		-		-		-
Intergovernmental nonexchange transactions		20,679		24,800				-
Total deferred inflows of resources		20,679		24,800				-
Fund Balances:								
Nonspendable		1,087		-		-		-
Security of persons and property:								
Police		-		-		-		-
Fire		-		-		-		-
Transportation		89,900		-		-		-
Community environment		-		3,151		-		- (2.0.40)
Unassigned (deficit)				-				(2,868)
Total fund balances		90,987		3,151				(2,868)
Total liabilities, deferred inflows of resources								
and fund balances	\$	113,616	\$	29,501	\$	43,500	\$	25,000

Enfo	lcohol orcement Education	Enfo	Law orcement Trust	ug Law orcement	Enfo	Law orcement sistance	Medi	ergency cal Service onation	-9 Unit onation
\$	6,202	\$	3,534	\$ 7,127	\$	5,960	\$	4,962	\$ 4,810
	-		-	-		-		-	-
	- -		<u>-</u>	 <u>-</u>		<u>-</u>		<u>-</u>	 -
\$	6,202	\$	3,534	\$ 7,127	\$	5,960	\$	4,962	\$ 4,810
\$	-	\$	-	\$ -	\$	-	\$	-	\$ 98
	- - -		-	-		-		- - -	-
	_		-	-				_	98
	- - -		- - -	- - -		- - -		- - -	- -
			-	-					 -
	-		-	-		-		-	-
	6,202		3,534	7,127		5,960		-	4,712
	-		-	-		-		4,962	-
	-		-	-		-		-	-
	6,202		3,534	7,127		5,960		4,962	4,712
\$	6,202	\$	3,534	\$ 7,127	\$	5,960	\$	4,962	\$ 4,810

Continued

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS DECEMBER 31, 2016

	Police Pension	Totals		
Assets:	 			
Equity in pooled cash				
and cash equivalents	\$ 28,663	\$	215,988	
Receivables:				
Real and other taxes	102,657		102,657	
Intergovernmental	7,685		63,485	
Prepayments	 		1,087	
Total assets	\$ 139,005	\$	383,217	
Liabilities:				
Accounts payable	\$ _	\$	4,516	
Accrued wages and benefits payable	-		1,324	
Interfund payable	-		68,500	
Intergovernmental payable	 45,694		46,320	
Total liabilities	 45,694		120,660	
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	99,327		99,327	
Delinquent property tax revenue not available	3,330		3,330	
Intergovernmental nonexchange transactions	 7,685		53,164	
Total deferred inflows of resources	 110,342		155,821	
Fund Balances:				
Nonspendable	-		1,087	
Security of persons and property:				
Police	-		27,535	
Fire	-		4,962	
Transportation	-		89,900	
Community environment	-		3,151	
Unassigned (deficit)	 (17,031)		(19,899)	
Total fund balances	 (17,031)		106,736	
Total liabilities, deferred inflows of resources				
and fund balances	\$ 139,005	\$	383,217	



COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	State Highway	Community Development	Abandoned Gas Station Cleanup Grant	Alcohol Enforcement and Education	
Revenues:					
Property and other taxes	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	63,870	4,250	-	-	
Investment income.	13	-	-	405	
Fines, licenses and permits	-	-	-	495	
Miscellaneous	67				
Total revenues	63,950	4,250		495	
Expenditures: Current: General government			_		
Security of persons and property:					
Police	-	-	-	-	
Fire	-	-	-	-	
Transportation	56,059	-	-	-	
Community environment		97,181	2,868		
Total expenditures	56,059	97,181	2,868		
Excess (deficiency) of revenues					
over (under) expenditures	7,891	(92,931)	(2,868)	495	
Other financing sources:					
Transfers in		24,250			
Total other financing sources		24,250			
Net change in fund balances	7,891	(68,681)	(2,868)	495	
Fund balances (deficit) at beginning of year	83,096	71,832		5,707	
Fund balances (deficit) at end of year	\$ 90,987	\$ 3,151	\$ (2,868)	\$ 6,202	

Ent	Law forcement Trust	Drug Law Enforcement		Law orcement sistance	Medio	ergency cal Service onation	-9 Unit onation	Police Pension
\$	-	\$ -	\$	-	\$	-	\$ -	\$ 98,897
	-	-		-		-	-	15,386
	-	25,008		-		-	-	-
		 	-		-	1,160	 250	 -
		 25,008				1,160	 250	 114,283
	-	-		-		-	-	-
	21,640	29,706		-		-	1,389	368,564
	-	-		-		1,770	-	-
	-	-		-		-	-	-
	21,640	 29,706		-		1,770	1,389	 368,564
	(21,640)	 (4,698)				(610)	 (1,139)	 (254,281)
		 				<u> </u>	 	 215,000
		 				<u>-</u>	 	 215,000
	(21,640)	(4,698)		-		(610)	(1,139)	(39,281)
	25,174	 11,825		5,960		5,572	 5,851	 22,250
\$	3,534	\$ 7,127	\$	5,960	\$	4,962	\$ 4,712	\$ (17,031)

Continued

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	Historical Preservation	Totals
Revenues:		
Property and other taxes	\$ -	\$ 98,897
Intergovernmental	-	83,506
Investment income	-	13
Fines, licenses and permits	-	25,503
Miscellaneous	10,000	11,477
Total revenues	10,000	219,396
Expenditures:		
Current:		
General government	10,002	10,002
Security of persons and property:		
Police	-	421,299
Fire	-	1,770
Transportation	-	56,059
Community environment		100,049
Total expenditures	10,002	589,179
Excess (deficiency) of revenues		
over (under) expenditures	(2)	(369,783)
Other financing sources:		
Transfers in		239,250
Total other financing sources		239,250
Net change in fund balances	(2)	(130,533)
Fund balances (deficit) at beginning of year	2	237,269
Fund balances (deficit) at end of year	\$ -	\$ 106,736

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FIRE/EMS LEVY FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts Original Final					Actual		iance with al Budget Positive (egative)
Revenues:								
Property taxes	\$ 1,22	2,974	\$	1,252,896	\$	1,259,844	\$	6,948
Intergovernmental	19	2,783		197,500		193,987		(3,513)
Charges for services	39	0,447		400,000		395,531		(4,469)
Miscellaneous	11	0,296		112,995		100,149		(12,846)
Total revenues	1,91	6,500		1,963,391		1,949,511		(13,880)
Expenditures:								
Current:								
Security of persons and property								
Fire								
Personnel	2,66	9,844		2,669,844		2,564,802		105,042
Operating	56	9,911		603,005		539,314		63,691
Total fire	3,23	9,755		3,272,849		3,104,116		168,733
Capital outlay								
Equipment	9	8,500		98,500		97,622		878
Total expenditures	3,33	8,255		3,371,349		3,201,738		169,611
Excess of expenditures over revenues	(1,42	1,755)		(1,407,958)		(1,252,227)		155,731
Other financing sources:								
Transfers in	1,03	0,000		1,030,000		950,000		(80,000)
Total other financing sources	1,03	0,000		1,030,000		950,000		(80,000)
Net change in fund balance	(39	1,755)		(377,958)		(302,227)		75,731
Fund balance at beginning of year	54	4,387		544,387		544,387		_
Prior year encumbrances appropriated	25	5,523		255,523		255,523		
Fund balance at end of year	\$ 40	8,155	\$	421,952	\$	497,683	\$	75,731

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) STREET MAINTENANCE AND REPAIR FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	_	Budgeted	Amou	nts	Actual		Variance with Final Budget Positive	
		Original		Final				Negative)
Revenues:	Φ.	070 000	Ф	070 000	Ф	020 400	¢.	(40.501)
Intergovernmental	\$	978,000	\$	978,000 200	\$	928,499 234	\$	(49,501)
Investment income		200 12,000		12,000		10,489		34 (1,511)
Special assessments		48,000		48,000		74,425		26,425
Miscellaneous		47,500		47,500		58,811		11,311
Total revenues.		1,085,700		1,085,700		1,072,458		(13,242)
Expenditures:								
Current:								
Public health and welfare								
Personnel		53,171		53,171		45,720		7,451
Operating		45,269		45,269		28,646		16,623
Total public health and welfare		98,440		98,440		74,366		24,074
Transportation								
Personnel		1,067,254		1,067,254		983,810		83,444
Operating		977,205		977,205		823,316		153,889
Total transportation		2,044,459		2,044,459		1,807,126		237,333
Leisure time activities								
Personnel		212,681		212,681		199,486		13,195
Operating		124,131		124,131		114,400		9,731
Total leisure time activities		336,812		336,812		313,886		22,926
Capital outlay								
Road program		1,100,736		1,100,736		812,143		288,593
Capital outlay		1,100,736		1,100,736		812,143		288,593
Total expenditures		3,580,447		3,580,447		3,007,521		572,926
Excess of expenditures over revenues		(2,494,747)		(2,494,747)		(1,935,063)		559,684
Other financing sources:								
Transfers in		2,066,000		2,066,000		1,908,000		(158,000)
Total other financing sources		2,066,000		2,066,000		1,908,000		(158,000)
Net change in fund balance		(428,747)		(428,747)		(27,063)		401,684
Fund balance at beginning of year		599,827		599,827		599,827		_
Prior year encumbrances appropriated		289,465		289,465		289,465		-
Fund balance at end of year	\$	460,545	\$	460,545	\$	862,229	\$	401,684

$SCHEDULE\ OF\ REVENUES,\ EXPENDITURES\ AND\ CHANGES\ IN$ $FUND\ BALANCE\ -\ BUDGET\ AND\ ACTUAL\ (NON\text{-}GAAP\ BUDGETARY\ BASIS)$ $\textbf{STATE\ HIGHWAY\ FUND}$

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts						Variance with Final Budget Positive	
	Original		Final		Actual		(Negative)	
Revenues:								
Intergovernmental	\$	60,000	\$	60,000	\$	63,573	\$	3,573
Investment income		100		100		19		(81)
Miscellaneous		200		200		67		(133)
Total revenues		60,300		60,300		63,659		3,359
Expenditures: Current: Transportation Personnel		61,987		61,987		55,074		6,913
Operating		2,050		2,050		2,050		-
Total expenditures		64,037		64,037		57,124		6,913
Net change in fund balance		(3,737)		(3,737)		6,535		10,272
Fund balance at beginning of year		74,994		74,994		74,994		
Fund balance at end of year	\$	71,257	\$	71,257	\$	81,529	\$	10,272

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) COMMUNITY DEVELOPMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

		Budgeted	nts			Fin	iance with al Budget	
	Original		Final		Actual		Positive (Negative)	
Revenues:	Original		- I mui		Actual		(Treguerre)	
Intergovernmental	\$	50,000	\$	50,000	\$	4,250	\$	(45,750)
Total revenues		50,000		50,000		4,250		(45,750)
Expenditures:								
Current:								
Community environment								
Operating		140,000		140,000		120,031		19,969
Total expenditures		140,000		140,000		120,031		19,969
Excess of expenditures over revenues		(90,000)		(90,000)		(115,781)		(25,781)
Other financing sources:								
Transfers in		50,000		50,000		24,250		(25,750)
Total other financing sources		50,000		50,000		24,250		(25,750)
Net change in fund balance		(40,000)		(40,000)		(91,531)		(51,531)
Fund balance at beginning of year		31,832		31,832		31,832		-
Prior year encumbrances appropriated		40,000		40,000		40,000		-
Fund balance (deficit) at end of year	\$	31,832	\$	31,832	\$	(19,699)	\$	(51,531)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) LOCAL GOVERNMENT INNOVATION GRANT FUND FOR THE YEAR ENDED DECEMBER 31, 2016

		Budgeted	ts			Fin	iance with al Budget	
	Original		Final		Actual		Positive (Negative)	
Revenues:	<u>, </u>							
Intergovernmental	\$		\$	45,000	\$		\$	(45,000)
Total revenues	-			45,000				(45,000)
Expenditures:								
Current:								
General government								
Operating		<u> </u>		45,000		43,500		1,500
Total expenditures				45,000		43,500		1,500
Excess of expenditures over revenues						(43,500)		(43,500)
Other financing sources (uses):								
Advance in		-		45,000		43,500		(1,500)
Advance (out)		-		(45,000)		-		45,000
Total other financing sources		-		-		43,500		43,500
Net change in fund balance		-		-		-		-
Fund balance at beginning of year						-		
Fund balance at end of year	\$	<u>-</u>	\$		\$		\$	

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) ABANDONED GAS STATION CLEANUP GRANT FUND FOR THE YEAR ENDED DECEMBER 31, 2016

Budgeted Amounts Original Final					Actual	Variance with Final Budget Positive (Negative)	
	<u> </u>		_		_		
\$		\$	25,000	\$	25,000	\$	
			25,000		25,000		
-			(25,000)		(25,000)		
	_		25,000		25,000		_
-				-		-	
-			23,000		23,000		
	_		-		-		_
\$	_	\$	<u>-</u>	\$	<u>-</u>	\$	_
	Orig	Budgeted	Original	Original Final \$ - \$ 25,000	Original Final A \$ - \$ 25,000 \$ - 25,000 - (25,000) - 25,000 - - (25,000)	Original Final Actual \$ - \$ 25,000 \$ 25,000 - 25,000 25,000 - (25,000) (25,000) - 25,000 25,000	Budgeted Amounts Final Bu Positi (Negation of Negation of Nega

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) ALCOHOL ENFORCEMENT AND EDUCATION FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	 Budgeted	Amount	A	ctual	Variance with Final Budget Positive (Negative)		
Revenues:	 8						5
Fines, licenses and permits	\$ -	\$	-	\$	495	\$	495
Total revenues	 -		-		495		495
Net change in fund balance	-		-		495		495
Fund balance at beginning of year	 5,707		5,707		5,707		
Fund balance at end of year	\$ 5,707	\$	5,707	\$	6,202	\$	495

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) LAW ENFORCEMENT TRUST FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts Original Final					Actual	Variance with Final Budget Positive (Negative)	
Revenues:								
Fines, licenses and permits	\$	2,500	\$	2,500	\$	_	\$	(2,500)
Total revenues		2,500		2,500				(2,500)
Expenditures:								
Current:								
Security of persons and property								
Operating		21,640		21,640		21,640		
Total expenditures		21,640		21,640	-	21,640		
Net change in fund balance		(19,140)		(19,140)		(21,640)		(2,500)
Fund balance at beginning of year		23,534		23,534		23,534		_
Prior year encumbrances appropriated		1,640		1,640		1,640		
Fund balance at end of year	\$	6,034	\$	6,034	\$	3,534	\$	(2,500)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) DRUG LAW ENFORCEMENT FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts Original Final				1	Actual	Variance with Final Budget Positive (Negative)	
Revenues:			-	_		_		<u> </u>
Fines, licenses and permits	\$	5,000	\$	25,000	\$	25,008	\$	8
Total revenues	-	5,000		25,000		25,008		8
Expenditures:								
Current:								
Security of persons and property								
Operating		10,000		30,000		29,706		294
Total expenditures		10,000		30,000		29,706		294
Net change in fund balance		(5,000)		(5,000)		(4,698)		302
Fund balance at beginning of year		6,825		6,825		6,825		-
Prior year encumbrances appropriated		5,000		5,000		5,000		
Fund balance at end of year	\$	6,825	\$	6,825	\$	7,127	\$	302

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) LAW ENFORCEMENT ASSISTANCE FUND FOR THE YEAR ENDED DECEMBER 31, 2016

		Budgeted	Amount	s			Final I	ce with Budget
	0	riginal	Final		Actual		Posi (Nega	ative)
Fund balance at beginning of year	\$	5,960	\$	5,960	\$	5,960	\$	
Fund balance at end of year	\$	5,960	\$	5,960	\$	5,960	\$	

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) EMERGENCY MEDICAL SERVICE DONATION FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	 Budgeted	Amount	A	actual	Variance with Final Budget Positive (Negative)		
Revenues:							
Miscellaneous	\$ 500	\$	500	\$	1,160	\$	660
Total revenues	 500		500		1,160		660
Expenditures:							
Current:							
Security of persons and property							
Operating	2,000		2,000		1,770		230
Total expenditures	 2,000		2,000		1,770		230
Net change in fund balance	(1,500)		(1,500)		(610)		890
Net change in fund balance	(1,500)		(1,500)		(010)		690
Fund balance at beginning of year	 5,572		5,572		5,572		-
Fund balance at end of year	\$ 4,072	\$	4,072	\$	4,962	\$	890

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) **K-9 UNIT DONATION FUND**

FOR THE YEAR ENDED DECEMBER 31, 2016

Budgeted Amounts Original Final					actual	Variance with Final Budget Positive (Negative)	
Ф	500	¢.	500	¢.	250	¢	(250)
\$		\$		\$		\$	(250)
	500		500		250		(250)
	2,300		2,300		1,291		1,009
	2,300		2,300		1,291		1,009
	(1,800)		(1,800)		(1,041)		759
	£ 0£1		£ 0£1		£ 0£1		
	5,851		5,851	-	5,851	-	
\$	4,051	\$	4,051	\$	4,810	\$	759
	\$ \$	Original \$ 500 500 2,300 (1,800) 5,851	Original 1 \$ 500	Original Final \$ 500 \$ 500 500 500 2,300 2,300 2,300 2,300 (1,800) (1,800) 5,851 5,851	Original Final A \$ 500 \$ 500 \$ 500 500 \$ 2,300 2,300 2,300 (1,800) (1,800) (1,800) 5,851 5,851 5,851	Original Final Actual \$ 500 \$ 500 \$ 250 500 500 250 2,300 2,300 1,291 2,300 2,300 1,291 (1,800) (1,800) (1,041) 5,851 5,851 5,851	Budgeted Amounts Final Pool (New York) Original Final Actual Final Pool (New York) \$ 500 \$ 500 \$ 250 \$ \$ 500 \$ 500 \$ 250 \$ 2,300 2,300 1,291 \$ (1,800) (1,800) (1,041) \$ 5,851 5,851 5,851 \$

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) POLICE PENSION FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted	Amounts		Variance with Final Budget Positive	
	Original	Final	Actual	(Negative)	
Revenues:					
Property taxes	\$ 101,944	\$ 102,766	\$ 98,897	\$ (3,869)	
Intergovernmental	14,880	15,000	15,386	386	
Total revenues	116,824	117,766	114,283	(3,483)	
Expenditures:					
Current:					
Security of persons and property					
Personnel	345,241	345,241	344,813	428	
Operating	2,600	2,600	2,057	543	
Total expenditures	347,841	347,841	346,870	971	
Excess of expenditures over revenues	(231,017)	(230,075)	(232,587)	(2,512)	
Other financing sources:					
Transfers in	226,417	228,241	215,000	(13,241)	
Total other financing sources	226,417	228,241	215,000	(13,241)	
Net change in fund balance	(4,600)	(1,834)	(17,587)	(15,753)	
Fund balance at beginning of year	46,250	46,250	46,250		
Fund balance at end of year	\$ 41,650	\$ 44,416	\$ 28,663	\$ (15,753)	

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) HISTORICAL PRESERVATION FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts Original Final				1	Actual	Variance with Final Budget Positive (Negative)	
Revenues:								
Miscellaneous	\$	30,000	\$	30,000	\$	10,000	\$	(20,000)
Total revenues		30,000		30,000		10,000		(20,000)
Expenditures: Current:								
General government								
Operating		30,000		30,000		10,002		19,998
Total expenditures		30,000		30,000		10,002	-	19,998
Total experiances.	-	30,000	-	30,000	-	10,002		17,770
Net change in fund balance		-		-		(2)		(2)
Fund balance at beginning of year		2		2		2		
Fund balance at end of year	\$	2	\$	2	\$		\$	(2)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) BOND RETIREMENT FUND FOR THE WIND BOND BEFORE AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2016

		Budgeted	Amoui	nts			Variance with Final Budget	
	Original		Final		Actual		Positive (Negative)	
Revenues:		8						-g
Special assessments	\$	90,000	\$	90,000	\$	86,076	\$	(3,924)
Miscellaneous		-		-		364		364
Total revenues		90,000		90,000		86,440		(3,560)
Expenditures:								
Current:								
Debt service:								
Principal retirement		675,000		675,000		675,000		-
Interest and fiscal charges		303,400		303,400		294,652		8,748
Total expenditures		978,400		978,400		969,652		8,748
Excess of expenditures over revenues		(888,400)		(888,400)		(883,212)		5,188
Other financing sources:								
Note issuance		-		-		1,100		1,100
Transfers in		870,000		870,000		870,000		-
Total other financing sources		870,000		870,000		871,100		1,100
Net change in fund balance		(18,400)		(18,400)		(12,112)		6,288
Fund balance at beginning of year		99,575		99,575		99,575		-
Fund balance at end of year	\$	81,175	\$	81,175	\$	87,463	\$	6,288

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS DECEMBER 31, 2016

Assets:	Tallmadge Shooting Range		General castructure	Totals	
Equity in pooled cash					
and cash equivalents	\$	149,805	\$ 170,300	\$	320,105
Total assets	\$	149,805	\$ 170,300	\$	320,105
Fund Balances: Restricted for:					
Capital outlay		149,805	-		149,805
Capital outlay			 170,300		170,300
Total fund balances		149,805	 170,300		320,105
Total liabilities and fund balances	\$	149,805	\$ 170,300	\$	320,105

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	allmadge oting Range	General rastructure	Totals		
Revenues:					
Miscellaneous	\$ <u>-</u>	\$ 929	\$	929	
Total revenues	 <u>-</u>	 929		929	
Expenditures:					
Capital outlay	 	 69,691		69,691	
Total expenditures	 	 69,691		69,691	
Excess of expenditures over revenues	 	 (68,762)		(68,762)	
Other financing sources:					
Transfers in	 	 60,000		60,000	
Total other financing sources	 	 60,000		60,000	
Net change in fund balances	-	(8,762)		(8,762)	
Fund balances at beginning of year	 149,805	 179,062		328,867	
Fund balances at end of year	\$ 149,805	\$ 170,300	\$	320,105	

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) NORTH AVENUE IMPROVEMENT FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted	Amounts		Variance with Final Budget Positive	
	Original	Final	Actual	(Negative)	
Revenues:					
Intergovernmental	\$ 4,498,240	\$ 4,498,240	\$ 3,333,073	\$ (1,165,167)	
Miscellaneous			1,350	1,350	
Total revenues	4,498,240	4,498,240	3,334,423	(1,163,817)	
Expenditures:					
Capital outlay	5,716,240	5,716,240	5,316,760	399,480	
Total expenditures	5,716,240	5,716,240	5,316,760	399,480	
Excess of expenditures over revenues	(1,218,000)	(1,218,000)	(1,982,337)	(764,337)	
Other financing sources:					
Note issuance	1,000,000	1,000,000	998,900	1,100	
Total other financing sources	1,000,000	1,000,000	998,900	1,100	
Net change in fund balance	(218,000)	(218,000)	(983,437)	(765,437)	
Fund balance at beginning of year	207,884	207,884	207,884	-	
Prior year encumbrances appropriated	93,000	93,000	93,000		
Fund balance (deficit) at end of year	\$ 82,884	\$ 82,884	\$ (682,553)	\$ (765,437)	

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) TALLMADGE SHOOTING RANGE FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	 Budgeted Original	Amour	nts Final	Actual	Variance with Final Budget Positive (Negative)	
Expenditures:						
Capital outlay	\$ 149,805	\$	149,805	\$ -	\$	149,805
Total expenditures	 149,805		149,805	 <u>-</u>		149,805
Net change in fund balance	(149,805)		(149,805)	-		149,805
Fund balance at beginning of year	-		-	-		-
Prior year encumbrances appropriated	 149,805		149,805	 149,805		
Fund balance at end of year	\$ <u> </u>	\$	<u>-</u>	\$ 149,805	\$	149,805

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) GENERAL INFRASTRUCTURE FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgete	d Amounts		Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 929	\$ 929
Total revenues			929	929
Expenditures:				
Capital outlay	169,650	169,650	126,183	43,467
Total expenditures	169,650	169,650	126,183	43,467
Excess of expenditures over revenues	(169,650)	(169,650)	(125,254)	44,396
Other financing sources:				
Transfers in	60,000	60,000	60,000	
Total other financing sources	60,000	60,000	60,000	
Net change in fund balance	(109,650)	(109,650)	(65,254)	44,396
Fund balance at beginning of year	178,812	178,812	178,812	-
Prior year encumbrances appropriated	250	250	250	
Fund balance at end of year	\$ 69,412	\$ 69,412	\$ 113,808	\$ 44,396

INDIVIDUAL FUND SCHEDULES FUND DESCRIPTIONS - PROPRIETARY FUNDS

MAJOR ENTERPRISE FUNDS

The enterprise funds are used to account for the City's sewer, water, and storm water operations. These operations are financed and operated in a manner similar to that of a private business enterprise. The intent of the City is that the costs (expenses including depreciation) of providing goods and services on a continuing basis be recovered primarily through user charges. Following is a description of the City's major enterprise funds:

Sewer Operating Fund

The sewer operating fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Water Operating Fund

The water operating fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the City.

Storm Water Fund

The storm water fund accounts for the provison of storm water drainage runoff service to the residents and commercial users located within the City.

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) SEWER OPERATING FUND

FOR THE YEAR ENDED D	DECEMBER 31, 2016
----------------------	-------------------

	Budgeted	Amounts		Variance with Final Budget Positive	
	Original	Final	Actual	(Negative)	
Revenues:					
Charges for services	\$ 4.750,000	\$ 4,750,750	\$ 3.827.785	\$ (922,965)	
Special assessments	30,000	30,000	31,654	1,654	
Miscellaneous	7.000	7,000	9,322	2,322	
Total revenues	4,787,000	4,787,750	3,868,761	(918,989)	
Expenses:					
Personal services	382,408	382,408	329,324	53,084	
Materials and supplies	63,104	63,104	48,189	14,915	
Contractual services	4,690,565	4,690,565	4,004,436	686,129	
Other	50,394	50,394	37,309	13,085	
Capital outlay					
Hydro vactruck	55,000	55,000	-	55,000	
Dump truck	60,000	60,000	47,619	12,381	
Sewer rehabilitation	162,282	162,282	55,945	106,337	
Sewer cleaning & televising	131,000	131,000	80,640	50,360	
Water meter replacement	18,007	18,007	15,308	2,699	
Cues sewer camera	28,000	28,000	33,422	(5,422)	
Debt service:					
Principal retirement	35,000	35,000	35,000	-	
Interest and fiscal charges	5,000	5,000	2,100	2,900	
Total expenses	5,680,760	5,680,760	4,689,292	991,468	
Net change in fund equity	(893,760)	(893,010)	(820,531)	72,479	
Fund equity at beginning of year	1,751,509	1,751,509	1,751,509	-	
Prior year encumbrances appropriated	647,648	647,648	647,648		
Fund equity at end of year	\$ 1,505,397	\$ 1,506,147	\$ 1,578,626	\$ 72,479	

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) WATER OPERATING FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amo			nts Final	Actual		Variance with Final Budget Positive (Negative)	
D.								
Revenues:	Ф	2 107 000	Φ.	2 107 000	Ф	2.040.017	Φ.	(50,000)
Charges for services	\$	2,107,000	\$	2,107,000	\$	2,048,017	\$	(58,983)
Loans		-		17,512		17,512		- 0.221
Miscellaneous		9,000		9,000		18,321		9,321
Total revenues		2,116,000		2,133,512		2,083,850		(49,662)
Expenses:								
Personal services		382,408		382,408		340,256		42,152
Materials and supplies		75,904		75,904		49,707		26,197
Contractual services		1,494,070		1,518,297		1,281,539		236,758
Other		85,708		85,708		71,915		13,793
Capital outlay								
Water meter replacement		18,007		18,007		12,625		5,382
Dump truck		60,000		60,000		47,620		12,380
South Avenue water line replacement		19,826		19,826		17,511		2,315
Knollwood water line replacement		120,000		120,000		34,800		85,200
Debt service:								
Principal retirement		101,872		101,872		101,872		-
Interest and fiscal charges		87,128		87,128		57,954		29,174
Total expenses		2,444,923		2,469,150		2,015,799		453,351
Net change in fund equity		(328,923)		(335,638)		68,051		403,689
Fund equity at beginning of year		2,668,848		2,668,848		2,668,848		-
Prior year encumbrances appropriated		114,583		114,583		114,583		
Fund equity at end of year	\$	2,454,508	\$	2,447,793	\$	2,851,482	\$	403,689

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) STORM WATER FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	 Budgeted	Amou	nts		Fina	iance with al Budget Positive
	 Original		Final	 Actual		egative)
Revenues:						
Charges for services	\$ 320,000	\$	320,000	\$ 310,904	\$	(9,096)
Miscellaneous	-		-	192		192
Total revenues	320,000		320,000	311,096		(8,904)
Expenses:						
Personal services	154,965		154,965	148,018		6,947
Materials and supplies	5,000		5,000	-		5,000
Contractual services	213,261		213,261	197,824		15,437
Other	1,000		1,000	339		661
Capital outlay						
Ditching work	60,000		60,000	23,300		36,700
Total expenses	 434,226		434,226	369,481		64,745
Net change in fund equity	(114,226)		(114,226)	(58,385)		55,841
Fund equity at beginning of year	245,999		245,999	245,999		-
Prior year encumbrances appropriated	 13,261		13,261	 13,261		
Fund equity at end of year	\$ 145,034	\$	145,034	\$ 200,875	\$	55,841

INDIVIDUAL FUND SCHEDULES FUND DESCRIPTIONS - AGENCY FUNDS

AGENCY FUNDS

Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following are the City's agency funds:

Revolving Fund

To account for monies put on deposit with the City in accordance with various City ordinances.

Joint Economic Development District Fund

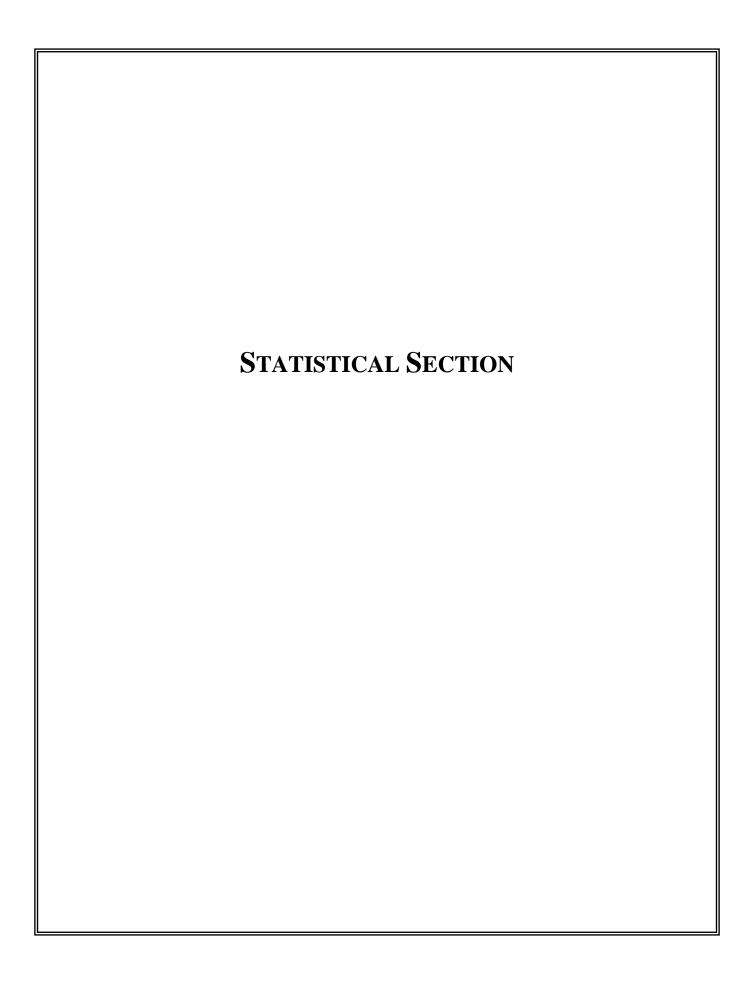
To account for monies associated with the administering and collection of the income taxes of the Joint Economic Development District.

Fire Repair/Removal Fund

To account for monies put on deposit with the City to cover damages caused by fire.

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

Revolving Assets:	Beginning Balance 12/31/2015		Additions		Reductions		Ending Balance 12/30/2016	
Assets: Equity in pooled cash								
and cash equivalents	\$	55,368	\$	168,441	\$	111,889	\$	111,920
Total assets	\$	55,368	\$	168,441	\$	111,889	\$	111,920
Liabilities:								
Accounts payable	\$	18,105	\$	413	\$	18,105	\$	413
Deposits held and due to others		37,263		168,028		93,784		111,507
Total liabilities		55,368	\$	168,441	\$	111,889	\$	111,920
Joint Economic Development District Assets:								
Equity in pooled cash	¢	266 276	¢	500 572	\$	590 179	¢	267 671
and cash equivalents	\$	266,276 104,792	\$	590,573 130,284	\$	589,178 104,792	\$	267,671 130,284
Accrued interest receivable		104,792		496		104,792		496
Total assets.	\$	371,068	\$	721,353	\$	693,970	\$	398,451
10111 455015	Ψ	371,000	Ψ	721,333	Ψ	0,3,,,,,	<u> </u>	370,131
Liabilities:								
Deposits held and due to others	\$	371,068	\$	721,353	\$	693,970	\$	398,451
Total liabilities	\$	371,068	\$	721,353	\$	693,970	\$	398,451
Fire Repair/Removal Assets: Equity in pooled cash	¢	10.122	¢		¢	4 927	¢	14 205
and cash equivalents	<u>\$</u> \$	19,122 19,122	\$	<u>-</u> _	\$	4,827 4,827	<u>\$</u> \$	14,295 14,295
10ttl ussets	Ψ	17,122	Ψ		Ψ	7,027	<u> </u>	14,275
Liabilities:								
Deposits held and due to others	\$	19,122	\$		\$	4,827	\$	14,295
Total liabilities	\$	19,122	\$		\$	4,827	\$	14,295
Total Agency Funds Assets: Equity in pooled cash								
and cash equivalents	\$	340,766	\$	759,014	\$	705,894	\$	393,886
Income taxes receivable	Ψ	104,792	Ψ	130,284	Ψ	104,792	Ψ	130,284
Accrued interest receivable		, -		496		, -		496
Total assets	\$	445,558	\$	889,794	\$	810,686	\$	524,666
Liabilities:								
Accounts payable	\$	18,105	\$	413	\$	18,105	\$	413
Deposits held and due to others	_	427,453	_	889,381		792,581		524,253
Total liabilities	\$	445,558	\$	889,794	\$	810,686	\$	524,666
	-		-				-	



STATISTICAL SECTION

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

<u>Contents</u>	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	134
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the income tax and property tax.	145
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	152
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	156
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	158

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

NET POSITION BY COMPONENT LAST TEN YEARS (ACCRUAL BASIS OF ACCOUNTING)

	 Year Ended									
	2007		2008		2009		2010			
Governmental activities	 			-						
Net investment in capital assets	\$ 19,397,236	\$	18,719,874	\$	17,647,995	\$	18,369,056			
Restricted	1,643,839		1,902,468		2,973,347		1,683,821			
Unrestricted	 1,495,354		1,694,536		2,226,868		4,290,037			
Total governmental activities net position	\$ 22,536,429	\$	22,316,878	\$	22,848,210	\$	24,342,914			
Business-type activities										
Net investment in capital assets	\$ 13,900,274	\$	13,978,571	\$	13,666,756	\$	13,520,720			
Unrestricted	8,000,737		7,662,014		7,383,084		7,276,621			
Total business-type activities net position	\$ 21,901,011	\$	21,640,585	\$	21,049,840	\$	20,797,341			
Primary government										
Net investment in capital assets	\$ 31,702,510	\$	31,213,445	\$	29,944,751	\$	30,677,297			
Restricted	1,643,839		1,902,468		2,973,347		1,683,821			
Unrestricted	11,091,091		10,841,550		10,979,952		12,779,137			
Total primary government net position	\$ 44,437,440	\$	43,957,463	\$	43,898,050	\$	45,140,255			

Note: Governmental activities net position for 2011 has been restated in accordance with the implementation of GASB Statement No. 65.

Note: Governmental activities net position for 2014 has been restated in accordance with the implementation of GASB Statement No. 68.

 2011	 2012	2013		2014		2015		 2016
\$ 18,529,391	\$ 17,813,396	\$	17,423,842	\$	17,400,202	\$	17,237,094	\$ 21,380,493
1,514,275	2,257,902		1,741,398		938,818		1,089,332	1,021,205
5,878,178	6,688,846		8,651,613		(13,710)		(453,009)	1,361,578
\$ 25,921,844	\$ 26,760,144	\$	27,816,853	\$	18,325,310	\$	17,873,417	\$ 23,763,276
\$ 13,039,068	\$ 12,947,885	\$	13,040,099	\$	12,480,844	\$	12,275,784	\$ 12,827,739
7,246,755	6,008,069		5,547,959		5,058,591		5,521,861	5,143,660
\$ 20,285,823	\$ 18,955,954	\$	18,588,058	\$	17,539,435	\$	17,797,645	\$ 17,971,399
\$ 30,495,949	\$ 29,828,740	\$	29,676,369	\$	29,881,046	\$	29,025,245	\$ 33,875,568
1,514,275	2,257,902		1,741,398		938,818		1,089,332	1,021,205
14,197,443	13,629,456		14,987,144		5,044,881		5,556,485	6,837,902
\$ 46,207,667	\$ 45,716,098	\$	46,404,911	\$	35,864,745	\$	35,671,062	\$ 41,734,675

CHANGES IN NET POSITION LAST TEN YEARS (ACCRUAL BASIS OF ACCOUNTING)

	Year Ended							
		2007		2008		2009		2010
Expenses								
Governmental activities:								
General government	\$	3,477,962	\$	3,253,790	\$	3,254,377	\$	3,075,749
Security of persons and property	Ψ	3,477,702	Ψ	3,233,770	Ψ	3,234,377	Ψ	3,073,747
Police		3,859,300		3,816,522		3,822,765		3,707,305
Street lights		15,210		39,208		28,469		33,874
Fire		2,339,952		2,585,492		2,901,712		2,633,358
Public health and welfare		73,136		72,170		49,994		67,526
Transportation		3,284,385		3,778,324		2,655,392		3,132,926
Community environment		396,525		657,143		355,154		313,757
Leisure time activity		1,878,053		1,817,187		2,003,019		2,066,476
Interest and fiscal charges		462,321		482,825		479,892		455,252
	-					15,550,774		
Total governmental activities expenses		15,786,844		16,502,661		13,330,774		15,486,223
Business-type activities:								
Sewer operating		1,666,463		1,785,418		1,805,970		1,822,095
Water operating		1,634,790		1,890,821		1,700,746		1,808,067
Storm water		239,807		243,329		466,800		508,817
Total business-type activities expenses		3,541,060		3,919,568		3,973,516		4,138,979
Total primary government expenses	\$	19,327,904	\$	20,422,229	\$	19,524,290	\$	19,625,202
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$	174,923	\$	193,794	\$	310,336	\$	441,489
Security of persons and property	Ψ	17.,520	Ψ	1,0,7,7	Ψ	010,000	Ψ	,,
Police		82,646		3,067		17,732		9,438
Fire		351,813		321,641		405,050		358,781
Public health and welfare		78,865		1,346		7,935		2,790
Transportation		210,545		30,254		239,805		50,195
Community environment		205,682		251,070		127,858		151,381
Leisure time activity		1,572,305		1,457,708		1,562,356		1,614,573
Operating grants and contributions		949,361		854,695		828,557		932,825
Capital grants and contributions		786,581		151,646		500,000		1,465,130
	-					3,999,629		
Total governmental program revenues		4,412,721		3,265,221		3,999,029		5,026,602
Business-type activities:								
Charges for services:								
Sewer operating		1,493,098		1,518,955		1,481,699		1,739,256
Water operating		1,816,538		1,721,534		1,577,632		1,726,179
Storm water		451,756		317,288		312,841		309,293
Capital grants and contributions		251,858		-				100,000
Total business-type activities program revenues		4,013,250		3,557,777		3,372,172		3,874,728
Total primary government program revenue	\$	8,425,971	\$	6,822,998	\$	7,371,801	\$	8,901,330
Net (Expense)/Revenue								
Governmental activities	\$	(11,374,123)	\$	(13,237,440)	\$	(11,551,145)	\$	(10,459,621)
Business-type activities		472,190		(361,791)		(601,344)		(264,251)
Total primary government net expense	\$	(10,901,933)	\$	(13,599,231)	\$	(12,152,489)	\$	(10,723,872)

									2016	
3,182,528	\$	3,266,514	\$	3,564,772	\$	3,796,832	\$	4,013,860	\$	4,189,50
3,814,646		3,537,529		3,717,588		3,834,635		4,100,747		4,470,73
38,378		148,496		30,364		27,287		35,335		34,66
2,619,214		2,511,315		2,671,188		2,934,683		3,181,762		3,278,32
65,616		59,265		70,758		73,335		72,192		78,70
2,496,576		3,763,869		3,483,558		4,172,815		3,862,300		3,303,59
235,743		148,111		161,310		147,887		126,520		247,5
2,046,925		2,141,666		2,142,722		2,174,630		2,315,093		2,474,9
482,500		438,561		415,825		390,861		331,527		306,6
14,982,126		16,015,326		16,258,085		17,552,965		18,039,336		18,384,7
3 408 512		4 110 699		3 847 032		3 884 775		4 007 772		4,461,75
		, ,								2,173,9
		, ,								487,3
										7,123,0
20,778,489	\$	22,535,339	\$	22,454,313	\$	24,225,691	\$	24,381,541	\$	25,507,82
19,112		11,083		5,665		25,948		4,272		25,85
,						,				404,1
,		,								2,5
										59,8
										44,5
1,750,273		1,743,332		1,752,221		1,655,897		1,675,577		1,793,6
954,482		1,510,826		1,096,602		1,456,971		1,269,128		1,191,3
426,352		10,000		10,513		18,673		232,040		4,682,1
4,051,116		4,149,144		3,756,020		4,031,014		4,094,429		8,528,2
3,032,289		2,920,769		3,495,275		3,742,246		3,806,251		3,923,7
1,922,162		1,926,826		1,998,973		1,972,805		2,192,281		2,008,5
324,368		298,770		311,614		327,676		323,013		305,2
		28,660								1,031,4
5,278,819		5,175,025		5,805,862	_	6,042,727		6,321,545		7,269,0
9,329,935	\$	9,324,169	\$	9,561,882	\$	10,073,741	\$	10,415,974	\$	15,797,2
10.931.010)	\$	(11.866 182)	\$	(12,502,065)	\$	(13.521.951)	\$	(13.944 907)	\$	(9,856,4
	Ψ		Ψ		Ψ		Ψ		Ψ	145,9
11,448,554)	\$	(13,211,170)	\$	(12,892,431)	\$	(14,151,950)	\$	(13,965,567)	\$	(9,710,5
	65,616 2,496,576 235,743 2,046,925 482,500 14,982,126 3,408,512 1,880,466 507,385 5,796,363 20,778,489 407,928 19,112 396,854 2,538 46,256 47,321 1,750,273 954,482 426,352 4,051,116 3,032,289 1,922,162 324,368 5,278,819 9,329,935	65,616 2,496,576 235,743 2,046,925 482,500 14,982,126 3,408,512 1,880,466 507,385 5,796,363 20,778,489 \$ 407,928 \$ 19,112 396,854 2,538 46,256 47,321 1,750,273 954,482 426,352 4,051,116 3,032,289 1,922,162 324,368 5,278,819 9,329,935 \$ 10,931,010) (517,544)	65,616 59,265 2,496,576 3,763,869 235,743 148,111 2,046,925 2,141,666 482,500 438,561 14,982,126 16,015,326 3,408,512 4,110,699 1,880,466 2,044,350 507,385 364,964 5,796,363 6,520,013 20,778,489 \$ 22,535,339 407,928 \$ 407,030 19,112 11,083 396,854 371,784 2,538 1,824 46,256 57,466 47,321 35,799 1,750,273 1,743,332 954,482 1,510,826 426,352 10,000 4,051,116 4,149,144 3,032,289 2,920,769 1,922,162 324,368 298,770 28,660 5,278,819 5,175,025 9,329,935 \$ 9,324,169 10,931,010) \$ (11,866,182) (517,544) (1,344,988)	65,616 59,265 2,496,576 3,763,869 235,743 148,111 2,046,925 2,141,666 482,500 438,561 14,982,126 16,015,326 3,408,512 4,110,699 1,880,466 2,044,350 507,385 364,964 5,796,363 6,520,013 20,778,489 \$ 22,535,339 \$ 407,928 407,928 \$ 407,030 \$ \$ 19,112 \$ 11,083 \$ 396,854 \$ 371,784 \$ 2,538 \$ 1,824 46,256 57,466 47,321 35,799 1,750,273 1,743,332 954,482 1,510,826 426,352 10,000 4,051,116 4,149,144 3,032,289 2,920,769 1,922,162 1,926,826 324,368 298,770 - 28,660 5,278,819 5,175,025 9,329,935 \$ 9,324,169 <t< td=""><td>65,616 59,265 70,758 2,496,576 3,763,869 3,483,558 235,743 148,111 161,310 2,046,925 2,141,666 2,142,722 482,500 438,561 415,825 14,982,126 16,015,326 16,258,085 3,408,512 4,110,699 3,847,032 1,880,466 2,044,350 1,903,383 507,385 364,964 445,813 5,796,363 6,520,013 6,196,228 20,778,489 \$22,535,339 \$22,454,313 407,928 \$407,030 \$398,855 19,112 11,083 5,665 396,854 371,784 404,330 2,538 1,824 3,821 46,256 57,466 54,232 47,321 35,799 29,781 1,750,273 1,743,332 1,752,221 954,482 1,510,826 1,096,602 426,352 10,000 10,513 4,051,116 4,149,144 3,756,020 3,</td><td>65,616 59,265 70,758 2,496,576 3,763,869 3,483,558 235,743 148,111 161,310 2,046,925 2,141,666 2,142,722 482,500 438,561 415,825 14,982,126 16,015,326 16,258,085 3,408,512 4,110,699 3,847,032 1,880,466 2,044,350 1,903,383 507,385 364,964 445,813 5,796,363 6,520,013 6,196,228 20,778,489 \$ 22,535,339 \$ 22,454,313 \$ \$ 407,030 \$ 398,855 \$ \$ 407,030 \$ 398,855 \$ \$ 19,112 \$ 11,083 \$ 396,854 371,784 404,330 \$ 2,538 \$ 1,824 3,821 \$ 46,256 57,466 54,232 \$ 47,321 35,799 29,781 \$ 1,750,273 \$ 1,743,332 \$ 1,752,221 \$ 954,482 \$ 1,510,826 \$ 1,096,602 \$ 4,051,116 \$ 4,149,144 3,756,020</td><td>65,616 59,265 70,758 73,335 2,496,576 3,763,869 3,483,558 4,172,815 235,743 148,111 161,310 147,887 2,046,925 2,141,666 2,142,722 2,174,630 482,500 438,561 415,825 390,861 14,982,126 16,015,326 16,258,085 17,552,965 3,408,512 4,110,699 3,847,032 3,884,775 1,880,466 2,044,350 1,903,383 2,409,488 507,385 364,964 445,813 378,463 5,796,363 6,520,013 6,196,228 6,672,726 20,778,489 \$ 22,535,339 \$ 22,454,313 \$ 24,225,691 407,928 \$ 407,030 \$ 398,855 \$ 380,786 19,112 11,083 5,665 25,948 396,854 371,784 404,330 405,140 2,538 1,824 3,821 2,163 46,256 57,466 54,232 45,612 47,321 35,799 29,781</td><td>65,616 59,265 70,758 73,335 2,496,576 3,763,869 3,483,558 4,172,815 235,743 148,111 161,310 147,887 2,046,925 2,141,666 2,142,722 2,174,630 482,500 438,561 415,825 390,861 14,982,126 16,015,326 16,258,085 17,552,965 3,408,512 4,110,699 3,847,032 3,884,775 1,880,466 2,044,350 1,903,383 2,409,488 507,385 364,964 445,813 378,463 5,796,363 6,520,013 6,196,228 6,672,726 20,778,489 \$ 22,535,339 \$ 22,454,313 \$ 24,225,691 \$ 407,928 \$ 407,030 \$ 398,855 \$ 380,786 \$ 19,112 11,083 5,665 25,948 396,854 371,784 404,330 405,140 2,538 1,824 3,821 2,163 46,256 57,466 54,232 45,612 47,321 35</td><td>65,616 59,265 70,758 73,335 72,192 2,496,576 3,763,869 3,483,558 4,172,815 3,862,300 235,743 148,111 161,310 147,887 126,520 2,046,925 2,141,666 2,142,722 2,174,630 2,315,093 482,500 438,561 415,825 390,861 331,527 14,982,126 16,015,326 16,258,085 17,552,965 18,039,336 3,408,512 4,110,699 3,847,032 3,884,775 4,007,772 1,880,466 2,044,350 1,903,383 2,409,488 1,927,721 507,385 364,964 445,813 378,463 406,712 5,796,363 6,520,013 6,196,228 6,672,726 6,342,205 20,778,489 \$ 22,535,339 \$ 22,454,313 \$ 24,225,691 \$ 24,381,541 407,928 \$ 407,030 \$ 398,855 \$ 380,786 \$ 356,067 19,112 11,083 5,665 25,948 4,272 396,854 371,784 404,330</td><td>65,616 59,265 70,758 73,335 72,192 2,496,576 3,763,869 3,483,558 4,172,815 3,862,300 235,743 148,111 161,310 147,887 126,520 2,046,925 2,141,666 2,142,722 2,174,630 2,315,093 482,500 438,561 415,825 390,861 331,527 14,982,126 16,015,326 16,258,085 17,552,965 18,039,336 3,408,512 4,110,699 3,847,032 3,884,775 4,007,772 1,880,466 2,044,350 1,903,383 2,409,488 1,927,721 5,796,363 6,520,013 6,196,228 6,672,726 6,342,205 20,778,489 \$ 22,535,339 \$ 22,454,313 \$ 24,225,691 \$ 24,381,541 \$ 407,928 \$ 407,030 \$ 398,855 \$ 380,786 \$ 356,067 \$ 19,112 11,083 5,665 25,948 4,272 396,854 371,784 404,330 405,140 458,369 2,538 1,824<</td></t<>	65,616 59,265 70,758 2,496,576 3,763,869 3,483,558 235,743 148,111 161,310 2,046,925 2,141,666 2,142,722 482,500 438,561 415,825 14,982,126 16,015,326 16,258,085 3,408,512 4,110,699 3,847,032 1,880,466 2,044,350 1,903,383 507,385 364,964 445,813 5,796,363 6,520,013 6,196,228 20,778,489 \$22,535,339 \$22,454,313 407,928 \$407,030 \$398,855 19,112 11,083 5,665 396,854 371,784 404,330 2,538 1,824 3,821 46,256 57,466 54,232 47,321 35,799 29,781 1,750,273 1,743,332 1,752,221 954,482 1,510,826 1,096,602 426,352 10,000 10,513 4,051,116 4,149,144 3,756,020 3,	65,616 59,265 70,758 2,496,576 3,763,869 3,483,558 235,743 148,111 161,310 2,046,925 2,141,666 2,142,722 482,500 438,561 415,825 14,982,126 16,015,326 16,258,085 3,408,512 4,110,699 3,847,032 1,880,466 2,044,350 1,903,383 507,385 364,964 445,813 5,796,363 6,520,013 6,196,228 20,778,489 \$ 22,535,339 \$ 22,454,313 \$ \$ 407,030 \$ 398,855 \$ \$ 407,030 \$ 398,855 \$ \$ 19,112 \$ 11,083 \$ 396,854 371,784 404,330 \$ 2,538 \$ 1,824 3,821 \$ 46,256 57,466 54,232 \$ 47,321 35,799 29,781 \$ 1,750,273 \$ 1,743,332 \$ 1,752,221 \$ 954,482 \$ 1,510,826 \$ 1,096,602 \$ 4,051,116 \$ 4,149,144 3,756,020	65,616 59,265 70,758 73,335 2,496,576 3,763,869 3,483,558 4,172,815 235,743 148,111 161,310 147,887 2,046,925 2,141,666 2,142,722 2,174,630 482,500 438,561 415,825 390,861 14,982,126 16,015,326 16,258,085 17,552,965 3,408,512 4,110,699 3,847,032 3,884,775 1,880,466 2,044,350 1,903,383 2,409,488 507,385 364,964 445,813 378,463 5,796,363 6,520,013 6,196,228 6,672,726 20,778,489 \$ 22,535,339 \$ 22,454,313 \$ 24,225,691 407,928 \$ 407,030 \$ 398,855 \$ 380,786 19,112 11,083 5,665 25,948 396,854 371,784 404,330 405,140 2,538 1,824 3,821 2,163 46,256 57,466 54,232 45,612 47,321 35,799 29,781	65,616 59,265 70,758 73,335 2,496,576 3,763,869 3,483,558 4,172,815 235,743 148,111 161,310 147,887 2,046,925 2,141,666 2,142,722 2,174,630 482,500 438,561 415,825 390,861 14,982,126 16,015,326 16,258,085 17,552,965 3,408,512 4,110,699 3,847,032 3,884,775 1,880,466 2,044,350 1,903,383 2,409,488 507,385 364,964 445,813 378,463 5,796,363 6,520,013 6,196,228 6,672,726 20,778,489 \$ 22,535,339 \$ 22,454,313 \$ 24,225,691 \$ 407,928 \$ 407,030 \$ 398,855 \$ 380,786 \$ 19,112 11,083 5,665 25,948 396,854 371,784 404,330 405,140 2,538 1,824 3,821 2,163 46,256 57,466 54,232 45,612 47,321 35	65,616 59,265 70,758 73,335 72,192 2,496,576 3,763,869 3,483,558 4,172,815 3,862,300 235,743 148,111 161,310 147,887 126,520 2,046,925 2,141,666 2,142,722 2,174,630 2,315,093 482,500 438,561 415,825 390,861 331,527 14,982,126 16,015,326 16,258,085 17,552,965 18,039,336 3,408,512 4,110,699 3,847,032 3,884,775 4,007,772 1,880,466 2,044,350 1,903,383 2,409,488 1,927,721 507,385 364,964 445,813 378,463 406,712 5,796,363 6,520,013 6,196,228 6,672,726 6,342,205 20,778,489 \$ 22,535,339 \$ 22,454,313 \$ 24,225,691 \$ 24,381,541 407,928 \$ 407,030 \$ 398,855 \$ 380,786 \$ 356,067 19,112 11,083 5,665 25,948 4,272 396,854 371,784 404,330	65,616 59,265 70,758 73,335 72,192 2,496,576 3,763,869 3,483,558 4,172,815 3,862,300 235,743 148,111 161,310 147,887 126,520 2,046,925 2,141,666 2,142,722 2,174,630 2,315,093 482,500 438,561 415,825 390,861 331,527 14,982,126 16,015,326 16,258,085 17,552,965 18,039,336 3,408,512 4,110,699 3,847,032 3,884,775 4,007,772 1,880,466 2,044,350 1,903,383 2,409,488 1,927,721 5,796,363 6,520,013 6,196,228 6,672,726 6,342,205 20,778,489 \$ 22,535,339 \$ 22,454,313 \$ 24,225,691 \$ 24,381,541 \$ 407,928 \$ 407,030 \$ 398,855 \$ 380,786 \$ 356,067 \$ 19,112 11,083 5,665 25,948 4,272 396,854 371,784 404,330 405,140 458,369 2,538 1,824<

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CHANGES IN NET POSITION (CONTINUED) LAST TEN YEARS (ACCRUAL BASIS OF ACCOUNTING)

2007		2008		2009		2010
			2009			2010
2,129,530	\$	2,447,935	\$	2,225,056	\$	2,258,920
7,864,634		8,118,368		7,226,715		7,455,553
1,789,961		1,968,428		2,223,903		2,148,650
286,805		210,924		141,630		43,871
136,321		223,833		265,173		47,331
(171,573)		48,401		-		-
-		-		_		-
12,035,678		13,017,889		12,082,477		11,954,325
218,346		139,449		-		-
6,454		10,317		10,599		11,752
171,573		(48,401)		-		-
396,373		101,365		10,599		11,752
12,432,051	\$	13,119,254	\$	12,093,076	\$	11,966,077
661,555	\$	(219,551)	\$	531,332	\$	1,494,704
,						(252,499)
	\$		\$		\$	1,242,205
	7,864,634 1,789,961 286,805 136,321 (171,573) 12,035,678 218,346 6,454 171,573 396,373 12,432,051	7,864,634 1,789,961 286,805 136,321 (171,573) 12,035,678 218,346 6,454 171,573 396,373 12,432,051 \$ 661,555 868,563	7,864,634 8,118,368 1,789,961 1,968,428 286,805 210,924 136,321 223,833 (171,573) 48,401 12,035,678 13,017,889 218,346 139,449 6,454 10,317 171,573 (48,401) 396,373 101,365 12,432,051 \$ 13,119,254 661,555 \$ (219,551) 868,563 (260,426)	7,864,634 8,118,368 1,789,961 1,968,428 286,805 210,924 136,321 223,833 (171,573) 48,401 - - 12,035,678 13,017,889 218,346 139,449 6,454 10,317 171,573 (48,401) 396,373 101,365 12,432,051 \$ 13,119,254 \$ 661,555 868,563 (260,426)	7,864,634 8,118,368 7,226,715 1,789,961 1,968,428 2,223,903 286,805 210,924 141,630 136,321 223,833 265,173 (171,573) 48,401 - - - - 12,035,678 13,017,889 12,082,477 218,346 139,449 - 6,454 10,317 10,599 171,573 (48,401) - 396,373 101,365 10,599 12,432,051 \$ 13,119,254 \$ 12,093,076 661,555 \$ (219,551) \$ 531,332 868,563 (260,426) (590,745)	7,864,634 8,118,368 7,226,715 1,789,961 1,968,428 2,223,903 286,805 210,924 141,630 136,321 223,833 265,173 (171,573) 48,401 - - - - 12,035,678 13,017,889 12,082,477 218,346 139,449 - 6,454 10,317 10,599 171,573 (48,401) - 396,373 101,365 10,599 12,432,051 \$ 13,119,254 \$ 12,093,076 \$ 661,555 \$ (219,551) \$ 531,332 \$ 868,563 (260,426) (590,745)

2011	2012	2013	 2014	2015	 2016
\$ 2,264,267	\$ 2,030,192	\$ 2,077,781	\$ 2,051,246	\$ 2,036,907	\$ 2,046,484
7,957,003	8,685,855	9,423,158	9,166,550	9,836,002	10,873,754
2,317,116	1,854,900	1,810,363	1,426,170	1,684,506	2,636,593
32,582	39,407	34,549	34,733	43,929	64,428
96,496	94,128	212,923	166,274	152,030	161,816
-	-	-	, -	(260,360)	-
-	-	-	-	-	(36,756)
 12,667,464	 12,704,482	 13,558,774	 12,844,973	 13,493,014	 15,746,319
 _	 	 _	 _		
-	-	-	-	-	-
6,026	15,119	22,470	28,492	18,510	27,835
 	 	 	 	260,360	 -
 6,026	 15,119	 22,470	 28,492	 278,870	 27,835
\$ 12,673,490	\$ 12,719,601	\$ 13,581,244	\$ 12,873,465	\$ 13,771,884	\$ 15,774,154
\$ 1,736,454	\$ 838,300	\$ 1,056,709	\$ (676,978)	\$ (451,893)	\$ 5,889,859
(511,518)	(1,329,869)	(367,896)	(601,507)	258,210	173,754
\$ 1,224,936	\$ (491,569)	\$ 688,813	\$ (1,278,485)	\$ (193,683)	\$ 6,063,613

TABLE 3

CITY OF TALLMADGE, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	 2007	 2008	2009		 2010
General Fund					
Nonspendable	\$ -	\$ -	\$	-	\$ -
Assigned	-	-		-	-
Unassigned	-	-		-	-
Reserved	346,588	318,914		374,719	166,229
Unreserved	2,514,736	2,671,181		3,104,686	4,629,330
Total general fund	\$ 2,861,324	\$ 2,990,095	\$	3,479,405	\$ 4,795,559
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$	-	\$ -
Restricted	-	-		-	-
Assigned	-	-		-	-
Committed	-	-		-	-
Unassigned (deficit)	-	-		-	-
Reserved	218,875	887,039		192,535	444,792
Unreserved (deficit), reported in:					
Special revenue funds	190,731	629,334		840,684	910,367
Debt service funds	14,757	14,778		37,899	50,880
Capital projects funds	63,474	212,208		834,219	(175,793)
Total all other governmental funds	\$ 487,837	\$ 1,743,359	\$	1,905,337	\$ 1,230,246

Note: Beginning in 2011, the presentation of fund balances for governmental funds was formatted to conform with GASB Statement No. 54.

 2011	 2012	 2013	2014		 2015	2016	
\$ 95,421 235,992 5,359,392	\$ 103,426 206,371 5,985,065	\$ 109,310 1,985,047 6,113,312	\$	111,300 1,605,527 5,297,977	\$ 71,993 332,881 6,436,553	\$	224,368 721,654 8,224,427
\$ 5,690,805	\$ 6,294,862	\$ 8,207,669	\$	7,014,804	\$ 6,841,427	\$	9,170,449
\$ 82,573 1,199,294 68,361 - (142,958)	\$ 59,759 1,953,464 47,224 - (29,818)	\$ 59,476 1,462,666 69,696	\$	54,022 1,899,015 76,219 407,000	\$ 69,664 1,997,588 99,839 288,398	\$	164,524 1,748,212 87,463 170,300 (272,519)
-	-	-		-	-		-
\$ 1,207,270	\$ 2,030,629	\$ 1,591,349	\$	2,436,256	\$ 2,455,489	\$	1,897,980

TABLE 4

$GOVERNMENTAL\ FUND\ REVENUES\ BY\ SOURCE\ AND\ EXPENDITURES\ BY\ FUNCTION\ (1)$ $LAST\ TEN\ YEARS$

	2007	2008	2009	2010
Revenues	2007	2000	2007	2010
Property and other taxes	\$ 2,141,540	\$ 2,453,020	\$ 2,241,114	\$ 2,228,915
Municipal income taxes	7,753,824	7,873,334	7,156,634	7,657,243
Intergovernmental	3,199,101	3,132,224	3,589,375	4,563,381
Investment income	291,716	209,745	141,559	49,542
Fines, licenses, and permits	434,971	372,776	438,045	548,635
Special assessments	206,524	115,781	109,413	115,095
Charges for services	1,982,851	1,837,708	2,188,832	2,036,244
Decrease in fair value of investments	-	-	-	-
Miscellaneous	167,176	149,833	322,541	49,131
Total revenues	16,177,703	16,144,421	16,187,513	17,248,186
Expenditures				
Current:				
General government	2,876,213	3,092,863	3,062,640	2,995,338
Security of persons and property	2.744.600	2.025.200	2.000.062	2 (47 272
Police	3,744,689	3,835,309	3,808,963	3,647,373
Street lighting	15,210	39,208	28,469	33,874
Fire Public health and welfare	2,187,089	2,304,753	2,644,911	2,490,438
Transportation	72,133 1,941,612	69,512 1,943,729	48,878 1,847,529	66,410
Community environment	391,535	744,291	355,637	1,534,582 307,770
Leisure time activity	1,577,690	1,234,503	1,726,060	1,732,010
Capital outlay	2,390,010	4,334,123	1,068,156	2,658,464
Debt service	2,390,010	4,334,123	1,000,130	2,030,404
Principal retirement	516,201	534,792	4,396,214	619,374
Interest and fiscal charges	464,858	439,747	515,389	485,365
Bond issue costs			515,507	118,828
Total expenditures	16,177,240	18,572,830	19,502,846	16,689,826
Excess of revenues over (under) expenditures	463	(2,428,409)	(3,315,333)	558,360
Other financing sources (uses)				
Capital lease transaction	-	-	144,277	-
Sale of bonds	-	-	-	5,320,000
Sale of notes	-	3,800,000	3,800,000	-
Premium on bond/note issuances	-	8,702	22,344	15,190
Discount on bond issuance	-	-	-	(26,842)
Refunding of notes	-	-	-	(3,800,000)
Payment to refunded bond escrow agent Sale of assets	2 (21	4 000	-	(1,425,645)
Transfers in	3,631 4,005,034	4,000 3,751,926	2,618,165	2 977 000
				2,877,000
Transfers (out)	(3,881,322)	(3,751,926)	(2,618,165)	(2,877,000)
Total other financing sources (uses)	127,343	3,812,702	3,966,621	82,703
Net change in fund balances	\$ 127,806	\$ 1,384,293	\$ 651,288	\$ 641,063
Capital expenditures	2,010,525	3,348,476	964,180	1,880,986
Debt service as a percentage of noncapital				
expenditures (2)	6.93%	6.40%	26.49%	7.46%

⁽¹⁾ Includes General, Special Revenue, Debt Service and Capital Projects funds.

⁽²⁾ The calculation of debt service as a percentage of noncapital expenditures excludes bond issuance costs.

	2011		2012		2013		2014		2015		2016
\$	2,252,159	\$	2,023,704	\$	2,109,423	\$	2,059,317	\$	2,059,080	\$	2,052,791
Ф	7,893,880	φ	8,359,821	Ф	9,256,758	φ	9,560,660	Ф	9,844,999	φ	10,628,415
	3,385,703		3,537,553		2,957,933		2,729,999		3,086,741		7,022,306
	33,536		29,455		33,485		33,822		42,885		59,239
	425,414		413,255		370,469		391,916		356,831		366,002
	115,692		108,045		134,432		110,603		107,432		99,975
	2,201,320		2,185,009		2,227,877		2,123,555		2,165,699		2,270,401
	2,201,320		2,103,007		2,227,077		2,123,333		2,103,055		(36,756)
	99,492		206,861		361,207		333,527		271,263		334,532
	16,407,196		16,863,703		17,451,584		17,343,399		17,934,930		22,796,905
	3,051,404		3,054,651		3,414,974		3,632,420		3,682,315		3,895,399
	3,675,245		3,424,600		3,566,511		3,737,673		3,941,589		3,950,057
	38,378		32,020		30,364		27,287		35,335		34,663
	2,474,408		2,521,518		2,551,371		2,746,929		2,921,254		2,879,469
	64,500		58,149		69,642		71,619		69,876		76,385
	1,480,892		2,105,228		1,254,060		1,812,826		1,964,913		1,892,975
	277,805		141,516		163,581		145,941		126,047		242,047
	1,691,805		1,799,907		1,802,674		1,865,931		1,978,136		2,074,446
	1,639,318		1,237,448		1,967,917		2,500,947		2,382,717		6,040,590
	781,055		775,851		731,542		749,212		819,943		845,564
	470,975		448,306		425,421		400,572		346,052		300,618
					-				110,335		
	15,645,785		15,599,194		15,978,057		17,691,357		18,378,512		22,232,213
	761,411		1,264,509		1,473,527		(347,958)		(443,582)		564,692
	110,859		162,907		-		-		179,104		406,821
	, -		-		_		-		2,925,000		· -
	-		-		-		-		-		800,000
	-		-		-		-		128,790		-
	-		-		-		-		-		-
	-		-		-		-		(2,943,456)		-
	2 106 000		4 225 205		2 654 275		-		4 010 200		4 027 250
	3,196,000		4,335,205		3,654,275		5,588,777		4,819,200		4,027,250
	(3,196,000)		(4,335,205)		(3,654,275)		(5,588,777)		(4,819,200)		(4,027,250)
	110,859		162,907						289,438		1,206,821
\$	872,270	\$	1,427,416	\$	1,473,527	\$	(347,958)	\$	(154,144)	\$	1,771,513
	1,219,682		393,428		581,540		928,737		1,048,247		6,515,158
	8.68%		8.05%		7.51%		6.86%		6.73%		7.29%

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TABLE 5

REAL AND PUBLIC UTILITY PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

<u>Year</u>	Net Tax Levy (Current Billed Portion)		Tax Levy (Current		Tax Levy (Current		Tax Levy (Current		Current ollections	Percent of Current Collections to Net Levy	inquent llections	 Total Collections	Percent of Total Collections to Levy	De	Current linquent Amount
2007	\$	2,001,596	\$ 1,920,043	95.93%	\$ 55,619	\$ 1,975,662	98.70%	\$	81,553						
2008		2,507,495	2,423,088	96.63%	81,032	2,504,120	99.87%		84,407						
2009		2,510,557	2,428,896	96.75%	69,123	2,498,019	99.50%		81,661						
2010		2,523,496	2,443,297	96.82%	55,510	2,498,807	99.02%		80,199						
2011		2,542,622	2,435,036	95.77%	81,141	2,516,177	98.96%		107,585						
2012		2,294,001	2,212,443	96.44%	67,918	2,280,361	99.41%		81,558						
2013		2,293,350	2,245,271	97.90%	125,476	2,370,747	103.37%		48,079						
2014		2,314,571	2,246,437	97.06%	75,229	2,321,666	100.31%		68,135						
2015		2,292,469	2,239,447	97.69%	74,475	2,313,922	100.94%		53,022						
2016		2,298,861	2,252,662	97.99%	38,860	2,291,522	99.68%		46,199						

Source: Summit County, Ohio; County Fiscal Officer

TABLE 6

CITY OF TALLMADGE, OHIO

TANGIBLE PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

<u>Y</u> ear	Net Tax Levy (Current Year Billed Portion)		Current ollections	Percent of Current Collections to Net Levy	Delinquent Collections		Total Collections		Percent of Total Collections to Levy	Current Delinquent Amount	
2007	\$	119,725	\$ 116,450	97.26%	\$	30,432	\$	146,882	122.68%	\$	3,275
2008		60,655	55,454	91.43%		8,290		63,744	105.09%		5,021
2009		4,580	4,567	99.72%		9,963		14,530	317.25%		12
2010		2,036	2,036	100.00%		1,052		3,088	151.67%		-
2011 (1)		-	-	N/A		318		318	N/A		-
2012		-	-	N/A		144		144	N/A		-
2013		-	-	N/A		-		-	N/A		-
2014		-	-	N/A		-		-	N/A		-
2015		-	-	N/A		-		-	N/A		-
2016		-	-	N/A		-		-	N/A		_

Source: Summit County, Ohio; County Fiscal Officer

Note: Delinquent collections include penalties and interest since Ohio law requires them to become part of taxes. Delinquent taxes are presented by collection year rather than by levy year since the County does not maintain information on deliquencies by levy year.

(1) Tangible personal property tax levies and collections were phased out from 2008 through 2011.

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS

		Real P	roperty	7	Public Utility Property					
Year	Estimated Actual Value (A)		Assessed Value			mated Actual Value (B)	Assessed Value			
2007*	\$	1,223,779,088	\$	398,010,000	\$	6,915,443	\$	6,085,590		
2008*		1,200,996,389		405,268,120		4,155,205		3,656,580		
2009*		1,162,772,988		404,401,940		4,337,841		3,817,300		
2010*		1,166,894,558		406,296,800		4,557,318		4,010,440		
2011*		1,174,132,314		409,291,820		4,727,114		4,159,860		
2012*		1,058,243,087		368,653,730		4,946,716		4,353,110		
2013*		1,057,273,219		368,131,590		5,419,909		4,769,520		
2014*		1,068,253,993		371,766,430		6,064,193		5,336,490		
2015*		1,061,273,964	369,219,410		6,361,364			5,598,000		
2016*	1,064,701,144			370,364,200		6,517,716		5,735,590		

Note:

- (A) Real property is assessed at 35% of actual value.
- (B) Public utility is assessed at 88% of actual value.
- (C) For 2007, tangible personal is assessed at 12.50% of property value, including inventory.

For 2008, tangible personal is assessed at 6.25% of property value, including inventory.

For 2009 through 2011, tangible personal personal property tax is assessed at 0.00% of property value, including inventory, except for telephone tangible personal property which is assessed at 10% of property value, including inventory.

Source: Summit County, Ohio; County Fiscal Officer

^{*} Summit County valuations only - Portage County not included.

	Tangible Personal Property				Total				Assessed	
Es	Estimated Actual Value (C)		Assessed Value		Estimated Actual Value		Assessed Value	Total Direct Tax Rate	Value as a Percentage of Actual Value	
\$	159,384,432	\$	19,923,054	\$	1,390,078,963	\$	424,018,644	6.15	30.50%	
	155,729,088		9,733,068		1,360,880,682		418,657,768	6.15	30.76%	
	7,502,580		750,258		1,174,613,409		408,969,498	6.15	34.82%	
	3,723,100		372,310		1,175,174,976		410,679,550	6.15	34.95%	
	-		-		1,178,859,428		413,451,680	6.15	35.07%	
	-		-		1,063,189,803		373,006,840	6.15	35.08%	
	-		-		1,062,693,128		372,901,110	6.15	35.09%	
	-		-		1,074,318,186		377,102,920	6.15	35.10%	
	-		-		1,067,635,328		374,817,410	6.15	35.11%	
	-		-		1,071,218,860		376,099,790	6.15	35.11%	

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF ASSESSED VALUATION) LAST TEN YEARS

	Collection	County	School	Akron/Summit	Tallmadge	Total	Debt
	Year	Levy	Levy	Library	City	Levy	Service
1 2	2007	14.57	64.07	2.03	6.15	86.82	5.82
	2007	14.57	45.62	1.00	6.15	67.34	0.86
1 2	2008	14.26	64.46	2.07	6.15	86.94	5.82
	2008	14.26	45.93	1.00	6.15	67.34	0.86
1 2	2009	14.16	64.63	2.08	6.15	87.02	5.99
	2009	14.16	45.25	1.00	6.15	66.56	0.41
1 2	2010	14.16	71.57	2.10	6.15	93.98	5.88
	2010	14.16	45.15	1.00	6.15	66.46	0.48
1 2	2011	14.16	71.56	2.10	6.15	93.97	6.09
	2011	14.16	45.05	2.00	6.15	67.36	0.59
1 2	2012	14.16	72.80	2.10	6.15	95.21	6.59
	2012	14.16	53.24	2.00	6.15	75.55	0.59
1 2	2013	14.16	71.56	2.10	6.15	93.97	6.09
	2013	14.16	45.05	2.00	6.15	67.36	0.59
1 2	2014	14.16	72.41	2.10	6.15	94.82	6.23
	2014	14.16	53.66	2.00	6.15	75.97	0.59
1 2	2015	14.16	72.27	2.62	6.15	95.20	6.23
	2015	14.16	53.58	2.00	6.15	75.89	0.68
1 2	2016	14.16	77.03	2.60	6.15	99.94	11.02
	2016	14.16	55.34	2.00	6.15	77.65	0.68

Source: Summit County, Ohio; County Fiscal Officer

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 9

CITY OF TALLMADGE, OHIO

CITY - WIDE PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALULATION) LAST TEN YEARS

Collection Year	Inside Operating	Outside Operating	Police Pension	Fire/ Ambulance	Total Tax Rate
2007	2.10	N/A	0.30	3.75	6.15
2008	2.10	N/A	0.30	3.75	6.15
2009	2.10	N/A	0.30	3.75	6.15
2010	2.10	N/A	0.30	3.75	6.15
2011	2.10	N/A	0.30	3.75	6.15
2012	2.10	N/A	0.30	3.75	6.15
2013	2.10	N/A	0.30	3.75	6.15
2014	2.10	N/A	0.30	3.75	6.15
2015	2.10	N/A	0.30	3.75	6.15
2016	2.10	N/A	0.30	3.75	6.15

Source: Summit County, Ohio; County Fiscal Officer

REAL PROPERTY PRINCIPAL TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

			December 31, 2016				
Name of Taxpayer	Nature of Business		Percent of Total				
Big Zilla Development LLC	Retail Property Management	\$	3,658,630	0.99%			
Eastwood Square Associates LTD	Retail Property Management		2,225,900	0.60%			
Tallmadge Oaks LTD	Apartment Complex		2,038,980	0.55%			
Saxon Village Limited	Apartment Complex		1,645,870	0.44%			
MK Menlo Property Owner LLC	Retail Property Management		1,546,950	0.42%			
Tallmadge Associates	Retail Property Management		1,506,910	0.41%			
Mindale Farms Co.	Agriculture		1,485,930	0.40%			
Heather Knoll Rental Properties LLC	Apartment Complex		1,337,730	0.36%			
GE Tallmadge Portfolio LP	Grocery		1,312,910	0.35%			
Tallmadge Senior Housing LTD	Apartment Complex		1,263,170	0.34%			
Total		\$	18,022,980	4.86%			
Total Assessed Valuation - Real Property		\$	370,364,200				

Name of Taxpayer	Nature of Business		Valuation	Percent of Total	
Eastwood Square Associates LTD	Retail Property Management	\$	2,516,820	0.63%	
Big Zilla Development LLC	Retail Property Management		2,423,270	0.61%	
Tallmadge Oaks II	Apartment Complex		2,317,100	0.58%	
Heather Knoll Rental Properties LLC	Apartment Complex		1,809,510	0.45%	
Saxon Village Limited	Apartment Complex		1,770,780	0.45%	
OHI Asset Essex OH LLC	Nursing home		1,615,550	0.41%	
Myers Family Limited Partnership	Light Manufacturing		1,589,950	0.40%	
GE Tallmadge Portfolio LP	Grocery		1,409,730	0.35%	
DWEK Ohio LLC	Retail Property Management		1,326,540	0.33%	
Tallmadge Acres Apartments Inc.	Apartment Complex		1,261,690	0.32%	
Total		\$	18,040,940	4.53%	
Total Assessed Valuation - Real Property		\$	398,010,000		

December 31, 2007

Source: Summit County, Ohio; County Fiscal Officer

TABLE 11

$\begin{tabular}{l} INCOME\ TAX\ REVENUE\ BASE\ AND\ COLLECTIONS\\ LAST\ TEN\ YEARS \end{tabular}$

<u>Year</u>	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits
2007	2.00%	\$ 7,882,554	\$ 5,683,401	72.10%	\$ 1,273,276	16.15%
2008	2.00%	8,081,858	5,860,462	72.51%	1,134,774	14.04%
2009	2.00%	7,108,195	5,260,829	74.01%	877,343	12.34%
2010	2.00%	7,371,493	5,590,479	75.84%	852,121	11.56%
2011	2.00%	7,812,169	5,690,592	72.84%	1,190,873	15.24%
2012	2.00%	8,299,566	6,041,802	72.80%	1,220,616	14.71%
2013	2.00%	9,190,631	6,457,114	70.26%	1,691,232	18.40%
2014	2.00%	9,493,963	6,679,215	70.35%	1,636,547	17.24%
2015	2.00%	10,527,612	7,599,180	72.18%	1,768,558	16.80%
2016	2.00%	10,973,929	7,996,704	72.87%	1,623,956	14.80%

Sources: City of Tallmadge Income Tax Department (2007-2009)

Regional Income Tax Agency (RITA) (2009-Present)

Note: State law prohibits disclosure of income tax information by individual taxpayer.

I	Taxes from ndividuals	Percentage of Taxes from Individuals	Tax from Utilities	Percentage of Tax from Utilities
\$	890,414	11.30%	\$ 35,463	0.45%
	1,016,927	12.58%	69,695	0.86%
	916,959	12.90%	54,064	0.76%
	888,177	12.05%	40,716	0.55%
	903,595	11.57%	27,109	0.35%
	1,031,165	12.42%	5,983	0.07%
	1,037,692	11.29%	4,593	0.05%
	1,168,799	12.31%	9,402	0.10%
	1,156,523	10.99%	3,351	0.03%
	1,329,950	12.12%	23,319	0.21%

TABLE 12

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN YEARS

		Governmenta	al Activities		Business-Type Activities				
Year	General Obligation Bonds	Special Assessment Bonds	Notes	Capital Leases	Special Assessment Bonds	OWDA Loans	Capital Leases		
2007	\$ 7,937,000	\$ 830,000	\$ -	\$ 291,053	\$ 718,000	\$ -	\$ -		
2008	7,526,000	785,000	3,800,000	212,261	564,000	-	-		
2009	7,100,000	740,000	3,800,000	231,324	445,000	912,749	-		
2010	10,652,705	690,000	-	132,950	316,000	1,359,638	-		
2011	10,012,661	640,000	-	134,754	188,000	1,315,204	58,928		
2012	9,357,617	585,000	-	213,810	135,000	1,267,148	48,078		
2013	8,719,573	525,000	-	162,268	105,000	1,216,832	36,326		
2014	8,066,529	465,000	-	108,056	70,000	1,164,147	23,600		
2015	7,565,124	400,000	-	192,217	35,000	1,592,091	9,818		
2016	6,951,648	330,000	1,000,000	428,474	-	1,507,731	-		

Sources:

⁽a) See notes to the financial statements regarding the City's debt information.

⁽b) See Table 17 Demographic and Economic Statistics - Last Ten Years for personal income and population.

(a) Total Primary Government	(b) Total Personal Income		Total Percentage Personal of Personal		(b) Population	 Per Capita
\$ 9,776,053	\$	474,704,730	2.06%	17,370	\$ 563	
12,887,261		472,682,384	2.73%	17,296	745	
13,229,073		475,251,310	2.78%	17,390	761	
13,151,293		479,268,673	2.74%	17,537	750	
12,349,547		483,299,542	2.56%	17,257	716	
11,606,653		500,409,247	2.32%	17,473	664	
10,764,999		483,484,060	2.23%	17,515	615	
9,897,332		492,270,592	2.01%	17,536	564	
9,794,250		486,128,872	2.01%	17,527	559	
10,217,853		491,001,456	2.08%	17,512	583	

TABLE 13

CITY OF TALLMADGE, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST TEN YEARS

Year	General Obligation Bonds	(a) Estimated Actual Property Value	Percentage of Actual Taxable Value of Property	(b) Population	Per Capita
2007	\$ 7,937,000	\$ 1,390,078,963	0.57%	17,370	\$ 457
2008	7,526,000	1,360,880,682	0.55%	17,296	435
2009	7,100,000	1,174,613,409	0.60%	17,390	408
2010	10,652,705	1,175,174,976	0.91%	17,537	607
2011	10,012,661	1,178,859,428	0.85%	17,257	580
2012	9,357,617	1,063,189,803	0.88%	17,473	536
2013	8,719,573	1,062,693,128	0.82%	17,515	498
2014	8,066,529	1,074,318,186	0.75%	17,536	460
2015	7,565,124	1,067,635,328	0.71%	17,527	432
2016	6,951,648	1,071,218,860	0.65%	17,512	397

Sources:

- (a) Summit County, Ohio; County Fiscal Officer
- (b) See Table 17 Demographic and Economic Statistics Last Ten Years for population.

TABLE 14

CITY OF TALLMADGE, OHIO

$SPECIAL\ ASSESSMENT\ TAX\ LEVIES\ AND\ COLLECTIONS\\ LAST\ TEN\ YEARS$

Year	Current Billed		Delinquent Billed*		Current % Collected	(Total Collected	Total % Collected	Current Delinquent	
2007	\$	304,976	\$	22,574	92.45%	\$	302,317	99.13%	\$	23,016
2008		311,602		49,946	92.30%		312,351	100.24%		23,983
2009		292,208		27,465	91.39%		283,472	97.01%		25,167
2010		277,137		44,477	89.69%		275,412	99.38%		28,576
2011		273,936		53,176	88.13%		262,549	95.84%		32,511
2012		238,180		48,252	88.38%		228,895	96.10%		27,667
2013		230,276		93,295	92.72%		245,768	106.73%		16,757
2014		227,105		n/a	n/a		213,595	94.05%		13,510
2015		220,719		n/a	n/a		223,919	101.45%		-
2016		211,265		n/a	n/a		204,649	96.87%		6,617

Source: Summit County, Ohio; County Fiscal Officer

^{*} The delinquent billed amount was not available for 2014 - 2016.

COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT DECEMBER 31, 2016

Jurisdiction		Governmental Activities Debt		Applicable to the City	
Direct:					
City of Tallmadge	\$ 8,710,1	22	100.00%	\$	8,710,122
Overlapping Debt:					
Summit County	61,905,0	000	3.27%		2,024,294
Portage County	15,846,8	313	0.42%		66,557
Stow/Munroe Falls City School District	3,548,1	07	0.01%		355
Tallmadge City School District	31,819,4	180	99.83%		31,765,387
Field Local School District	21,169,9	99	2.08%		440,336
Akron/Summit Library	19,200,0	000	4.94%		948,480
Total Overlapping Debt	153,489,3	399			35,245,408
Total Direct and Overlapping Debt	\$ 162,199,5	521		\$	43,955,530

Source: Debt outstanding for overlapping government - Ohio Municipal Advisory Council

as of January 1, 2017

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 16

CITY OF TALLMADGE, OHIO

COMPUTATION OF LEGAL DEBT MARGIN LAST TEN YEARS

Year	Debt Limit - Voted	Debt Limit - Unvoted	Net Debt Applicable to Limit	A	t Service vailable alance	Legal Debt rgin - Voted*	Legal Debt gin - Unvoted*	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2007	\$ 42,173,749	\$ 22,091,011	\$ 7,937,000	\$	14,757	\$ 34,251,506	\$ 22,091,011	18.82%
2008	42,954,132	22,499,783	7,526,000		14,778	35,442,910	22,499,783	17.52%
2009	42,885,116	22,463,632	7,100,000		37,899	35,823,015	22,463,632	16.56%
2010	43,082,260	22,566,898	10,652,705		50,880	32,480,435	22,566,898	24.73%
2011	43,412,426	22,739,842	10,012,661		68,361	33,468,126	22,739,842	23.06%
2012	39,165,718	20,515,376	9,357,617		47,224	29,855,325	20,515,376	23.89%
2013	39,154,617	20,509,561	8,719,573		69,696	30,504,740	20,509,561	22.27%
2014	39,595,807	20,740,661	8,066,529		76,219	31,605,497	20,740,661	20.37%
2015	39,355,828	20,614,958	7,565,124		99,839	31,890,543	20,614,958	19.22%
2016	40,982,825	21,467,194	6,951,648		87,463	34,118,640	21,467,194	16.96%

Source: Summit County, Ohio; County Fiscal Officer

Note: Ohio Bond Law sets a limit of 10.5% for voted debt and 5.5% for unvoted debt.

Note: Beginning in 2007 the amount of assessed valuation for railroad and telephone personal property has been excluded from the debt margin calculation.

^{*} Legal debt margin includes unamortized debt.

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS

					Unem	ployment Ra	yment Rates (b)		
Year	Population (a)	Personal Income (c)			Summit County	Ohio	United States		
2007	17,370	\$ 474,704,730	\$	27,329	5.4%	5.6%	4.6%		
2008	17,296	472,682,384		27,329	6.1%	6.5%	5.8%		
2009	17,390	475,251,310		27,329	9.8%	10.2%	9.3%		
2010	17,537	479,268,673		27,329	9.9%	10.1%	9.6%		
2011	17,257	483,299,542		28,006	8.5%	8.9%	9.0%		
2012	17,473	500,409,247		28,639	6.8%	7.2%	8.1%		
2013	17,515	483,484,060		27,604	6.5%	7.0%	7.0%		
2014	17,536	492,270,592		28,072	5.7%	5.6%	5.8%		
2015	17,527	486,128,872		27,736	5.6%	5.4%	5.1%		
2016	17,512	491,001,456		28,038	5.0%	4.9%	4.7%		

Sources:

- (a) Information obtained from the U.S. Census Bureau
- (b) Information obtained from the Ohio Department of Job and Family Services
- (c) Population times per capita personal income

TABLE 18

CITY OF TALLMADGE, OHIO

NEW HOUSING STARTS LAST TEN YEARS

New Housing Starts

	Single	
Year	Family	Condominium
2007	30	25
2008	31	10
2009	6	-
2010	23	-
2011	24	-
2012	12	-
2013	19	-
2014	12	-
2015	20	-
2016	50	12

Sources: City of Tallmadge Building Department (2007-2010)

Summit County Department of Building Standards (2012-2016)

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

		2016			2007		
	Employees** Rank		Percentage of Total City Employment	Employees**	Rank	Percentage of Total City Employment	
Auto Sales, Inc.	*	1	*	*	1	*	
Tallmadge City Schools	285	2	3.5%	360	2	5.3%	
Steere Enterprises Inc	265	3	3.3%	257	4	3.8%	
S. D. Myers Inc	219	4	2.7%	111	7	1.6%	
Waltco Truck Equipment Company	172	5	2.1%	297	3	4.3%	
East End Welding	112	6	1.4%	110	9	1.6%	
Acme	112	7	1.4%	-		-	
City of Tallmadge	97	8	1.2%	110	8	1.6%	
Ward Jet	92	9	1.1%	-		-	
S and A Industry	91	10	1.1%	-		-	
The Martin Wheel Co., Inc	-		-	92	10	1.3%	
Giant Eagle	-		-	130	5	1.9%	
Owens Corning				120	6	1.8%	
Total	1,445		17.8%	1,587		23.2%	

Source: City of Tallmadge Economic Development Department

TABLE 20

CITY OF TALLMADGE, OHIO

MISCELLANEOUS STATISTICS DECEMBER 31, 2016

Founded Incorporated as Village Incorporated as City Town Hall erected Form of government	1806 1936 1951 1859 Charter					
Population	17,537					
1 opulation	7.413	Dwelling units				
Area	13.5	U				
Theu	8,915	~ 4				
Education:						
Elementary schools	2 K-2, 3	3-5				
Middle schools	1 6-8					
High schools	1 9-12					
Libraries	1 (30,00	00 volumes)				
Churches	28					

Source: Various Departments of the City of Tallmadge

^{*} Employer would not disclose the total number of employees.

^{**} Full-time, permanent employees only.

CITY OF TALLMADGE, OHIO

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Function/Program 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 **General Government** Council 5.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0 Mayor 5.5 6.0 6.0 5.5 4.5 5.0 5.0 4.5 4.5 5.0 Finance 9.5 9.5 10.0 6.0 6.5 6.5 6.5 6.5 6.0 6.0 Law 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0 5.0 2.0 3.0 Service 5.5 3.0 3.0 3.0 3.0 3.0 3.5 Information Systems 1.0 1.0 1.0 1.0 1.0 1.0 1.5 1.5 2.0 2.0 Civil Service 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2.0 Maintenance 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 **Boards and Commissions** 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 **Security of Persons and Property** Police 51.0 42.0 48.5 34.0 34.0 32.0 34.5 37.5 34.5 40.5 Fire 37.0 39.0 38.0 39.0 39.5 38.0 38.5 41.5 40.5 39.5 **Leisure Time Activities** 7.0 15.0 17.5 MACA Pool 15.5 14.5 16.0 16.5 16.0 15.5 Recreation Center 67.0 63.0 65.5 61.5 62.5 63.0 62.5 65.0 64.5 60.0

8.5

4.5

17.0

8.0

214.5

2.0

4.5

6.0

207.5

18.0

2.0

4.5

18.0

7.0

209.0

2.0

4.5

19.0

6.0

210.5

2.0

4.5

6.5

220.0

20.0

2.0

4.5

18.5

6.5

214.0

2.5

4.5

19.0

7.0

216.5

LAST TEN YEARS

Source: City of Tallmadge Finance Department

9.5

4.5

25.0

8.5

242.0

8.5

4.5

8.5

219.5

20.5

9.5

4.5

8.5

241.0

20.0

Community Environment Building & Zoning

Transportation

Utilities Services

Garage Street

Utilities

Total

TABLE 21

OPERATING INDICATORS BY FUNCTION LAST TEN YEARS

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Security of Persons and Property										
Police										
Physical Arrests	544	752	850	819	730	671	593	582	556	795
Parking Violations	17	12	26	22	14	7	16	17	20	22
Traffic Violations	1,452	1,257	995	1,091	1,526	1,219	995	859	733	673
Fire										
Emergency Response Calls	2,165	2,266	2,268	2,260	2,371	2,337	2,544	2,456	2,680	2,889
Fires Extinguished	28	35	32	26	22	65	27	22	27	28
Inspections Conducted	622	626	1,024	921	822	748	753	881	658	570
Transportation										
Street resurfacing miles	9.20	3.12	-	3.14	1.82	6.75	5.23	5.60	6.70	3.00
Leisure Time Activities										
Trees Planted	68	30	-	-	2	-	-	-	-	-
Recreation Center										
Memberships*										
Annual	1,124	1,319	1,305	1,935	1,579	3,250	3,694	4,285	4,844	5,323
Monthly	2,925	2,866	2,767	2,665	2,590	2,100	1,908	1,402	1,545	1,231
Swimming Pool Memberships**										
Adult	352	N/A	833	1,139	1,110	1,081	975	996	970	971
Child	297	N/A	433	751	740	792	709	776	823	783
Water										
Customers Served	6,913	7,309	7,028	7,207	7,063	7,126	7,091	7,302	7,208	7,330
New Connections	34	77	13	18	14	20	25	29	130	62
Water Main Breaks	17	17	16	21	12	13	18	14	13	28
Avg. Daily Consumption (gpd)										
million gallons per day	1.35	1.30	1.20	1.30	1.30	1.30	1.20	1.10	1.10	1.20
Peek Daily Consumption (gpd)										
million gallons per day	1.73	1.70	1.80	1.60	1.60	2.00	1.70	2.00	1.70	1.50
Sewer										
Customers Served	5,464	5,751	5,781	5,779	7,990	7,991	7,981	7,981	7,888	8,001
Storm Water										
Customers Served	5,906	5,919	5,999	5,866	5,932	5,948	6,039	6,059	6,095	6,143

^{*}The City began participating in the Silver Sneakers Program in 2011 resulting in a significant increase in annual membership in 2012.

**The Pool was closed for construction in 20085 and re-opened in June 2009.

Source: Various City of Tallmadge Department Records

TABLE 23

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN YEARS

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Security of Persons and Property											
Police:											
Stations	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Patrol Units	23.0	21.0	23.0	21.0	19.0	21.0	19.0	21.0	20.0	20.0	
Fire Stations	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	
Public Health and Welfare											
Cemeteries	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Leisure Time Activities											
Park Acreage	161.7	161.7	161.7	161.7	161.7	161.7	161.7	161.7	161.7	161.7	
Parks	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
Swimming Pools	1.0	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Tennis Courts	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	
Baseball/Softball											
Fields	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	
Soccer Fields	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	
Recreation Center	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Transportation											
Streets (paved miles)	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.1	96.1	99.1	
Traffic Signals	188.0	188.0	188.0	188.0	187.0	187.0	187.0	187.0	187.0	186.0	
Water											
Water Mains (miles)	84.5	84.5	84.5	86.1	86.1	86.1	87.0	87.0	87.0	88.1	
Sewer											
Sanitary Sewers (miles)	60.7	60.7	60.7	60.7	60.7	60.7	60.7	60.7	60.7	61.1	

Source: City of Tallmadge Records



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.

CLERK OF THE BUREAU

Susan Babbitt

CERTIFIED JUNE 22, 2017