

**City of Rittman,
Wayne County, Ohio**

* * * *

Report Letter

December 31, 2008



Mary Taylor, CPA
Auditor of State

City Council
City of Rittman
30 N. Main Street
Rittman, Ohio 44270

We have reviewed the *Independent Auditor's Report* of the City of Rittman, Wayne County, prepared by Rea & Associates, Inc., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 27, 2009

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CITY OF RITTMAN

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 19, 2009

To the Honorable Mayor and City Council
City of Rittman
Wayne County, Ohio

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rittman as of and for the year ended December 31, 2008, which collectively comprise the City of Rittman's basic financial statements and have issued our report thereon dated June 19, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Rittman's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Rittman's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the City of Rittman in a separate letter dated June 19, 2009.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Mayor, Members of the City Council, and management, and is not intended to be and should not be used by anyone other than those specified parties

Rea & Associates, Inc.

City of Rittman, Ohio



Recycling Chipper



Shredder Day



**Comprehensive Annual Financial Report
For the Year Ended
December 31, 2008**



CITY OF RITTMAN, OHIO

Comprehensive Annual Financial Report

Year Ended December 31, 2008

Prepared by: Department of Finance

City of Rittman, Ohio
Comprehensive Annual Financial Report
Year Ended December 31, 2008

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City of Rittman, Ohio
Comprehensive Annual Financial Report
Year Ended December 31, 2008

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INTRODUCTORY SECTION



Lucinda Mann
Finance Director



CITY OFFICES
30 North Main Street
Rittman, Ohio 44270
330/925-2064
cmann@rittman.com

June 19, 2009

Members of Rittman City Council and
Citizens of Rittman, Ohio

The Comprehensive Annual Financial Report (CAFR) of the City of Rittman (the "City") for the fiscal year ended December 31, 2008 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Reporting Entity

For financial reporting purposes, the City includes in this report all funds, agencies, boards, and commissions that are controlled by, or dependent on, the City's legislative branch. "Controlled by" or "dependent on" the City is determined on the basis of budget adoption, taxing authority, outstanding debts secured by revenues or general taxing authority of the City, and/or the City's obligation to fund any deficits that may occur.

The City of Rittman

The City of Rittman is located in the north central part of the State of Ohio, within the boundaries of Wayne and Medina Counties. The City of Rittman is a home rule municipal corporation under the laws of the State of Ohio and, as such, operates under its own charter. The current charter was adopted in 1960 and has undergone three amendments since that time. The government consists of a Mayor and six-member Council. The Mayor and all members of City Council are elected to four-year terms. All of these officials are elected on an at-large basis.

The City provides the full range of municipal services addressed in its charter. These services include police, fire, public health, recreation and parks, transportation programs, water and sewer programs, planning and zoning, and general administrative services.

2008 Initiatives

The year of 2008 seemed to bring focus to the City's recycling program. Through a grant from the Stark-Tuscarawas-Wayne Joint Solid Waste Management District, the City of Rittman was able to purchase equipment to further recycling initiatives in the city. A grant of \$62,642 was used to purchase a dump truck, a chipper, and provide educational materials to the residents. The use of the chipper has greatly increased the city's output of composting materials while also providing the city with a free source of wood chips that can be used throughout the city facilities. Part of the grant brought a shredder machine for a day to allow residents and businesses access to a commercial shredder to shred documents they would want to dispose of safely. The "shredder day" is hoped to become an annual event which also helps the city's quota for recyclable waste.

The City contracted with an engineering firm to provide services for the replacement of the Milton Road lift station. Work began in September 2008 and completed in 2009. The project will help protect the residents of the "Southfork" allotment from sanitary sewer backups during flooding conditions.

A waterline replacement project was begun for the Industrial Street and Wayne Street areas. With the help of a \$168,383 grant from the Ohio Public Works Commission (OPWC), design work for a 2500' waterline began in 2008. The section of line on Industrial Street runs from East Sunset Drive to the intersection of Brookside and Industrial. The Wayne Street section runs between Industrial and Brookside.

Development Activities

The Rittman Exempted Village Schools began planning in 2008 to replace the high school on Saurer Street. With the help of state funding, the school system continued with their plan to create a school campus area. When completed, the current high school will either be revamped or torn down to make way for a replacement middle school. Ground breaking ceremonies for the high school took place in May of 2009.

Also started in 2008, the Ark Veterinary Clinic undertook the expansion of their services by building a pet "spa" for pet boarding and care. This facility, which received a tax abatement through the City of Rittman, opened in the spring of 2009. The operation is to employ 14 new regular staff and eventually support a new veterinary.

Economic Condition and Outlook

Although 2008 may have not been the best economic year globally, the City of Rittman had some small gains occur. From improvements generated to a property on East Sunset Drive by a resident owner, a specialty storage facility called Zak's Storage opened at that location. The building had formerly been a bowling alley and has not been occupied for a number of years. The building is now being used for storage of items that need special environmental conditions.

Another small property owner on South Main Street has added and converted storage units for use by small businesses. The owner has rented to several businesses that have several employees and is constantly looking for more.

Unfortunately the City of Rittman has not been totally unaffected by the current downturn in the economy. Interest rates for investments have fallen which will cause lower than anticipated revenues in several funds for 2009. Real estate and city income taxes show lower than anticipated collections. These compounded by general inflation for goods and services are pushing the City into looking at further “belt-tightening” means. The city manager continues to look for other ways to expand the city’s tax base though, focusing on small businesses looking to relocate. Looking forward, the City will continue to do what it can to draw on its resources and weather the storm of poor economic times.

Future Projects

In order to improve the City, the following projects have been or will be completed in 2009. As mentioned, the Milton Road lift station replacement was completed at a cost of \$135,000. Due to age, the line under the tracks has narrowed causing constriction of the line. An engineer was hired in 2009 to design a replacement line to be bored under the railroad tracks. Since the Southfork allotment and areas of South Main Street, Front Street and Willow Street are serviced by this section of sewer line, it has been deemed a priority for replacement. Plans are to replace the line in 2009.

Also completed as of the date of this letter was the Industrial and Wayne Street waterline replacement project. This project finished the replacement of new waterlines in the area of East Sunset, Brookside, Wayne, Industrial, and North Seneca Streets. Since this area of waterline had been a constant problem with repairs, it will greatly improve water service to that section of Rittman.

In 2009, the City in conjunction with the Rittman Area Chamber of Commerce contracted with Poggemeyer Design Group to begin a downtown revitalization study. Work done by Poggemeyer will be the beginning of a study on how best to improve the downtown area and lead businesses and the city on what needs done first. With this initial study is the hope of further grants available for downtown revitalization.

The City is in process of applying with the United States Department of Agriculture (USDA) for grant and loan money to replace the existing police department radio console. The current console is twenty-eight years old, well exceeding its life expectancy. The new console, valued at approximately \$117,000, would be installed in 2009.

In addition to the radio console, the City is also applying for Community Development Block Grant (CDBG) funds for light-emitting diode (LED) streetlights. The goal of this project would be to improve the city’s street lighting while saving money on electric bills. This project would be completed in 2009 as well.

Slated to begin in the summer of 2009 is the road resurfacing of several main arteries coming into the City. The section of East Ohio Avenue from East Sunset to Main Street and the section of South Main Street from Ohio Avenue to the city limits south of town. OPWC funds will help defer part of the cost to the citizens.

Financial Information

Basis of Accounting. The City's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. During the year, the accounting records are maintained on a cash basis for all fund types. To prepare this report, adjusting entries are prepared for the various funds to convert the cash basis records to modified accrual for all governmental funds, and accrual for the proprietary funds. The modified accrual basis of accounting requires revenue to be recognized when measurable and available within the business cycle (within two months after year end), and expenditures are recognized when the fund liability is incurred. Accounting records for the proprietary funds are converted to the accrual basis, whereby revenues are recognized in the period in which they are earned and expenses are recorded at the time liabilities are incurred. The basis of accounting and the various funds utilized by the City are fully described in Note 1 to the basic financial statements.

Internal Accounting. In developing the City's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

Budgetary Control. The annual tax budget for the City is prepared and filed with the Wayne and Medina County Auditors no later than July 20 of each year. After a public hearing, the County Budget Commission certifies to the City the revenues the City expects to receive during the upcoming calendar year. These amounts are added to the available balances at year-end to calculate the total amounts available for appropriation by fund. In September and October, City Council holds workshops with the City Manager and Finance Director to determine the City's budget requirements for the upcoming year. These amounts are then appropriated by Council ordinance. Additional funding can be procured by a request to Council and the passage of a supplemental appropriation ordinance.

The City maintains budgetary control on a non-GAAP basis by fund, and within each department. Budgetary control is also maintained at major object levels which include personal services, contractual services, supplies and materials, capital outlay, debt service, and other uses (including transfers by fund). For management purposes, the major object level is further defined, with budgeted amounts not to exceed the aggregate appropriated by Council.

Budgetary control is maintained by an encumbrance of the purchase commitment amounts prior to the release of purchase orders to vendors. Upon approval by the department head, the purchase requisitions are submitted to the finance department for the preparation of a purchase order, certification of the availability of funds, and encumbrance against the available appropriation. At the end of the year, outstanding encumbrances are carried forward to the new year if the purchased item has not been received or the project has not been completed.

Financial Reporting

The City has prepared its financial statements in accordance with GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments". GASB Statement No. 34 creates basic financial statements for reporting on the City's financial activities as follows:

Government-wide financial statements – These statements are prepared on the accrual basis of accounting, which is similar to the basis of accounting followed by most businesses. The government-wide statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

Fund financial statements – These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary funds use the accrual basis of accounting.

Statements of budgetary comparisons – These statements present comparisons of actual information to the legally adopted budget. The budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this reporting model, management is also required to include a discussion and analysis of the City. This discussion follows the independent auditor's report, providing an assessment of the City's finances for 2008 and an objective outlook for the future. Because that discussion focuses on major funds, the financial highlights provided in this letter focus on certain nonmajor funds of the City.

Cash Management

The City's investment policy was vastly revised in 1996, with further modifications planned for future years. The Finance Director may invest, on behalf of and in the name of the City, in obligations of the United States Government and certain federal agencies, certificates of deposit, savings accounts, NOW accounts, repurchase agreements, state and local government securities, and STAROhio, a statewide investment pool. The Association of Public Treasurers of the United States & Canada recognized the City's investment policy with a national certification.

During the fiscal year ended December 31, 2008, the City's cash resources were divided into investments approximately as follows: STAROhio 4.2%, time and demand deposits 94.4%, and special assessment bonds 1.4%. The return on investment for 2008 was 3.76%. The average days to maturity as of December 31, 2008 were 203 days with an average yield to maturity of 3.01%.

Risk Management

The primary technique used for risk management is the purchase of insurance policies from commercial insurers. The types of insurance carried include: general liability, public officials liability, police professional liability, employee medical insurance, and State of Ohio Workers' Compensation. Deductibles vary on these policies depending on past experience with the type of liability covered. Should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the City.

Independent Audit

The City is not legally required to obtain an independent annual audit. The minimum requirement is for the State of Ohio to perform an audit, directly or indirectly through an independent auditing firm, at least every two years. The City, consistent with the professional manner in which it has conducted its financial affairs, has chosen to fund annual audits. The City has engaged Rea & Associates, Inc. to audit the City's financial records. The auditor's unqualified opinion is included herein.

Certification of Achievement

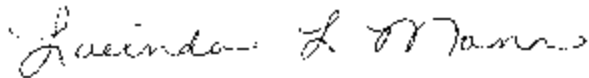
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rittman, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2007. The City has received this award since 1996, the first year that the City prepared and submitted a CAFR. The Certificate of Achievement is a prestigious national award, recognizing conformance to the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This 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. We believe that our current Comprehensive Annual Financial Report conforms to Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report could not have been accomplished without the dedicated services of the administrative staff. The staff at the Wayne County Auditor's Office was helpful as always. I would also like to express my appreciation to Larry Boggs, City Manager and to City Council for their support and commitment to responsible fiscal reporting. Special thanks to the staff at Lennon and Company for their help and commitment to serving their cliental.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Lucinda L. Mann".

Lucinda L. Mann
Finance Director

City of Rittman, Ohio

For the year ended December 31, 2008

CITY OFFICIALS

Mayor

William Robertson

Council Members

Charles Copley, President
Richard Lapehn
Lynn Beaumont

Darrell Carey
James Johnson
Glen Russell

City Manager

Larry Boggs

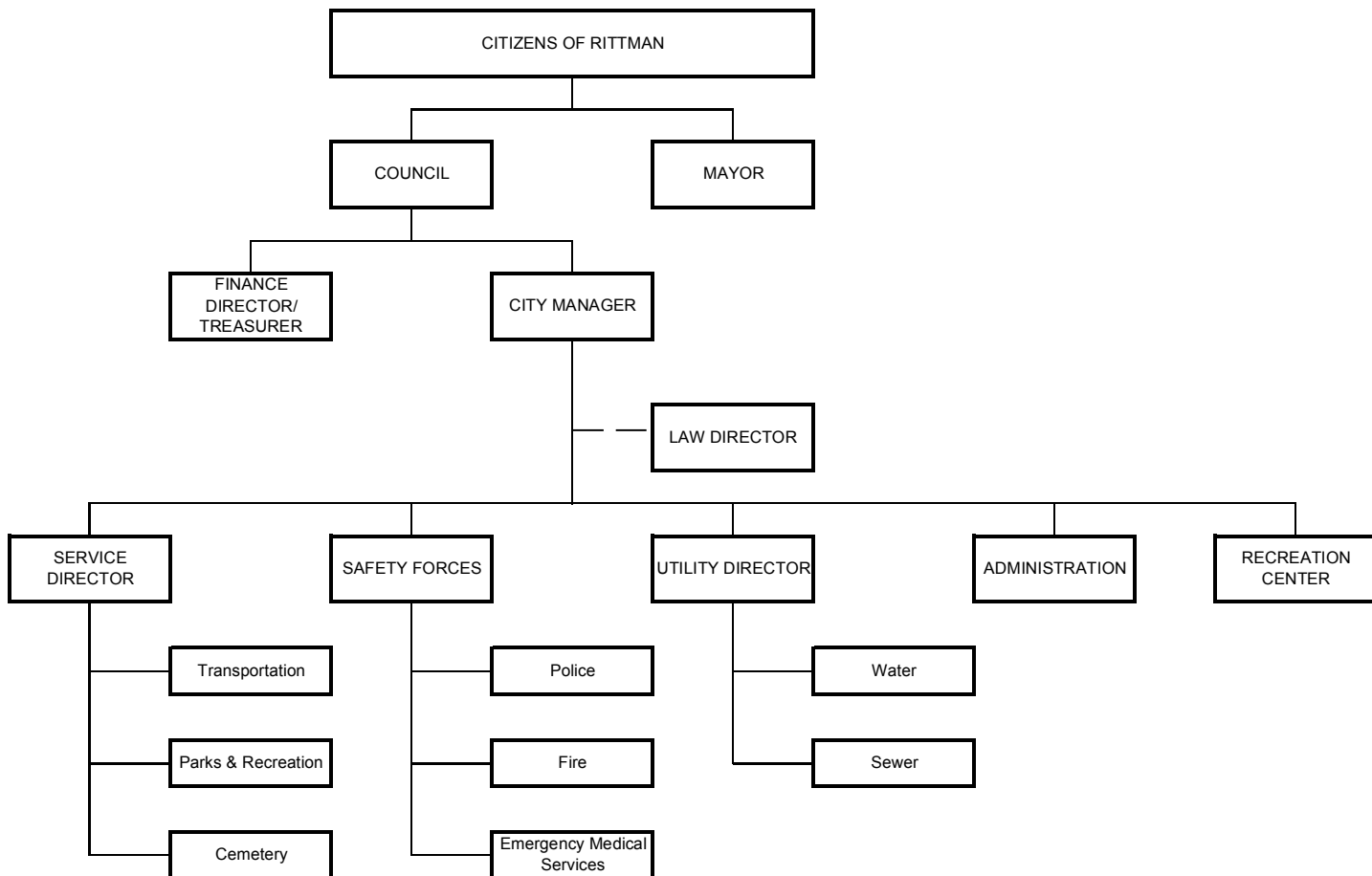
Finance Director/Treasurer

Lucinda Mann

Director of Law

G. Kevin Bower

City of Rittman, Ohio
Organizational Chart
December 31, 2008



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rittman
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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



President

Executive Director



FINANCIAL SECTION



June 19, 2009

To the Honorable Mayor and City Council
City of Rittman
Wayne County, Ohio

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rittman, Ohio, as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Rittman's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rittman, Ohio, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Emergency Medical Services and the Fire Department Levy Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2009, on our consideration of the City of Rittman's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 13 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financials statements that collectively comprise the City of Rittman, Ohio's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Hea & Associates, Inc.

City of Rittman, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2008
(Unaudited)

The discussion and analysis of the City of Rittman's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter, basic financial statements and notes to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- The total net assets of the City increased \$271,540. Net assets of governmental activities increased \$207,771, which represents a 3% increase from 2007. Net assets of business-type activities increased \$63,769 or 0.6% from year 2007.
- General revenues, for governmental activities, accounted for \$2,847,109 or 60.5% of total governmental activities revenue. Program specific revenues accounted for \$1,860,409 or 39.5% of total governmental activities revenue.
- Governmental activities net capital assets decreased \$15,711 primarily due to current year depreciation.
- The City had \$4,499,747 in expenses related to governmental activities; \$1,860,409 of these expenses was offset by program specific charges for services, grants, contributions, or interest. General revenues (primarily taxes) of \$2,847,109 were sufficient to offset these program expenses.
- The general fund, the City's largest major governmental fund, had revenues of \$2,857,978 in 2008, or 60.2% of total governmental funds. Expenditures of the general fund were \$2,870,715, or 62.4% of total governmental funds. The general fund balance decreased \$79,737, or 8.2% in 2008.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net assets and statement of activities provide summary information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor governmental funds presented in total in one column. In the case of the City, there are five major governmental funds and two major business-type funds.

City of Rittman, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2008
(Unaudited)

Reporting the City as a Whole

Statement of Net Assets and Statement of Activities

While this document contains the large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and answers the question, "How did we do financially during 2008"? These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the City's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions and other factors.

In the statement of net assets and the statement of activities, the City is divided into two distinct kinds of activities:

- **Governmental Activities** – Most of the City's programs and services are reported here including general government, safety services, public health and welfare, and transportation. These services are funded primarily by taxes and intergovernmental revenues including federal and state grants and other shared revenues.
- **Business-Type Activities** – These services are provided on a fee-for-usage basis to recover all or a significant portion of the expenses of the goods or services provided. The City's business-type activities include water and sewer services.

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. Fund financial reports provide detailed information about the activities within the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the general fund, emergency medical service and fire department levy special revenue funds, the debt retirement debt service fund, and the capital improvements capital project fund. An analysis of the City's major governmental funds begins on page 9.

City of Rittman, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2008
(Unaudited)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains a multitude of 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 major funds, which were identified earlier. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 18-24 of this report.

Proprietary Funds

Proprietary funds (water and sewer) have historically operated as *enterprise funds* and are used to report the same functions presented as business-type activities in the government-wide financial statements. Since they use the same basis of accounting as business-type activities, these fund statements will essentially match the information provided in statements for the City as a whole. The basic proprietary fund financial statements can be found on pages 25-27 of this report.

Notes to the 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. These notes to the basic financial statements can be found on pages 29-53 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules, which can be found on pages 55-82 of this report.

City of Rittman, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2008
(Unaudited)

Government-Wide Financial Analysis

The statement of net assets provides the perspective of the City as a whole.

Table 1 below provides a summary of the City's net assets for 2008 compared to 2007:

Table 1
Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<u>Assets</u>						
Current and other assets	\$ 3,009,642	\$ 3,517,413	\$ 1,868,992	\$ 1,778,931	\$ 4,878,634	\$ 5,296,344
Capital assets	<u>6,407,181</u>	<u>6,422,892</u>	<u>12,222,899</u>	<u>12,505,441</u>	<u>18,630,080</u>	<u>18,928,333</u>
Total assets	<u>9,416,823</u>	<u>9,940,305</u>	<u>14,091,891</u>	<u>14,284,372</u>	<u>23,508,714</u>	<u>24,224,677</u>
<u>Liabilities</u>						
Other liabilities	843,911	1,435,160	128,562	88,575	972,473	1,523,735
Long-term liabilities outstanding	<u>1,343,510</u>	<u>1,483,514</u>	<u>3,724,850</u>	<u>4,021,087</u>	<u>5,068,360</u>	<u>5,504,601</u>
Total liabilities	<u>2,187,421</u>	<u>2,918,674</u>	<u>3,853,412</u>	<u>4,109,662</u>	<u>6,040,833</u>	<u>7,028,336</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	5,216,000	5,079,601	8,574,544	8,556,868	13,790,544	13,636,469
Restricted	968,515	947,895	-	-	968,515	947,895
Unrestricted	<u>1,044,887</u>	<u>994,135</u>	<u>1,663,935</u>	<u>1,617,842</u>	<u>2,708,822</u>	<u>2,611,977</u>
Total net assets	<u>\$ 7,229,402</u>	<u>\$ 7,021,631</u>	<u>\$ 10,238,479</u>	<u>\$ 10,174,710</u>	<u>\$ 17,467,881</u>	<u>\$ 17,196,341</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2008, the City's assets exceeded liabilities by \$17,467,881. This amounts to \$7,229,402 in governmental activities and \$10,238,479 in business-type activities. Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 79.2% of total governmental and business-type assets. Capital assets include land, land improvements, buildings, equipment, infrastructure, and construction in progress. Capital assets, net of related debt to acquire the assets at December 31, 2008, were \$13,790,544. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities. As of December 31, 2008, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

City of Rittman, Ohio

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A portion of the City's net assets, \$968,515 or 13.4%, represent resources that are subject to external restrictions on how they may be used. Of the total restricted net assets, \$171,147 for capital projects, \$130,248 for debt service, \$440,785 for safety services programs and \$226,335 for other purposes. The governmental activities unrestricted net assets of \$1,044,887 may be used to meet the government's ongoing obligations to citizens and creditors.

Table 2 below shows the changes in net assets for governmental and business-type activities for year 2008 compared to 2007:

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	Total
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues						
Program revenues:						
Charges for services	\$ 1,213,675	\$ 1,073,882	\$ 1,661,662	\$ 1,589,817	\$ 2,875,337	\$ 2,663,699
Operating grants, contributions, and interest	572,270	634,999	-	-	572,270	634,999
Capital grants and contributions	74,464	1,500	-	-	74,464	1,500
General revenues:						
Property taxes	643,335	692,368	-	-	643,335	692,368
Income taxes	899,344	1,005,133	301,724	334,774	1,201,068	1,339,907
Grants and entitlements	479,191	555,353	-	-	479,191	555,353
Investment earnings	121,197	193,290	381	656	121,578	193,946
Other	704,042	95,288	-	-	704,042	95,288
Total revenues	<u>4,707,518</u>	<u>4,251,813</u>	<u>1,963,767</u>	<u>1,925,247</u>	<u>6,671,285</u>	<u>6,177,060</u>
Program Expenses						
<i>Governmental Activities:</i>						
General government	665,378	653,436	-	-	665,378	653,436
Safety services	1,811,263	1,750,009	-	-	1,811,263	1,750,009
Public health and welfare	97,457	97,154	-	-	97,457	97,154
Transportation	823,392	811,937	-	-	823,392	811,937
Basic utility services	383,644	364,421	-	-	383,644	364,421
Leisure time activities	650,107	981,831	-	-	650,107	981,831
Interest and fiscal charges	68,506	72,342	-	-	68,506	72,342
<i>Business-Type Activities:</i>						
Water	-	-	904,624	725,560	904,624	725,560
Sewer	-	-	995,374	951,760	995,374	951,760
Total program expenses	<u>4,499,747</u>	<u>4,731,130</u>	<u>1,899,998</u>	<u>1,677,320</u>	<u>6,399,745</u>	<u>6,408,450</u>
Change in net assets	<u>\$ 207,771</u>	<u>\$ (479,317)</u>	<u>\$ 63,769</u>	<u>\$ 247,927</u>	<u>\$ 271,540</u>	<u>\$ (231,390)</u>

City of Rittman, Ohio

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Governmental Activities

Governmental activities net assets increased \$207,771 or 3% in 2008 over 2007. This increase was due mainly to increases in rental income, utility collections, recreation center memberships and managements close monitoring of expenses. The City's funding for these governmental activities come from a variety of sources, the most significant being charges for services and income tax.

Safety services, which primarily supports the operations of the City's police, fire and emergency medical services, accounts for \$1,811,263 of expenses, or 40.3% of total governmental expenses of the City. These expenses were funded by \$321,536 in charges to users of services, operating grants and capital grants and contributions. General government expenses, which primarily include legislative, executive and financial management, totaled \$665,378 or 14.8% of total governmental expenses. General government expenses were covered by \$260,037 of direct charges to users and operating grants.

General revenues totaled \$2,847,109, and amounted to 60.5% of total revenues. These revenues primarily consist of property and income tax revenue of \$1,542,679, or 54.2% of total general revenues. The other primary source of general revenues is grants and entitlements not restricted to specific programs, with a majority of the revenue being local government and local government revenue assistance. Other revenue of \$704,042 increased by \$608,754 from 2007 due to a settlement from a legal matter. For 2008, these revenues totaled \$479,191, or 16.8% of the total general revenues.

Business-Type Activities

The water and sewer funds represent the City's business-type activities. These programs had program revenues of \$1,661,662 and expenses of \$1,899,998 for year 2008. Business-type activities reported an increase in net assets of \$63,769, or 0.6% as compared to 2007.

Program Expenses

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government-wide activities, the total cost of services and the net cost of services for 2008 compared to 2007. That is, it identifies the cost of these services supported by general revenues.

City of Rittman, Ohio

Management's Discussion and Analysis
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(Unaudited)

Table 3
Program Expenses

	<u>2008</u>		<u>2007</u>		<u>Net Change</u>	
	<u>Total Cost</u> <u>of Services</u>	<u>Net Cost</u> <u>of Services</u>	<u>Total Cost</u> <u>of Services</u>	<u>Net Cost</u> <u>of Services</u>	<u>Total Cost</u> <u>of Services</u>	<u>Net Cost</u> <u>of Services</u>
<i>Governmental Activities:</i>						
General government	\$ 665,378	\$ (405,341)	\$ 653,436	\$ (403,371)	\$ 11,942	\$ (1,970)
Safety services	1,811,263	(1,489,727)	1,750,009	(1,490,325)	61,254	598
Public health and welfare	97,457	(62,543)	97,154	(70,343)	303	7,800
Transportation	823,392	(361,164)	811,937	(256,493)	11,455	(104,671)
Basic utility services	383,644	80,493	364,421	48,654	19,223	31,839
Leisure time activities	650,107	(332,550)	981,831	(776,529)	(331,724)	443,979
Interest and fiscal charges	68,506	(68,506)	72,342	(61,169)	(3,836)	(7,337)
<i>Business-Type Activities:</i>						
Water	904,624	(463,220)	725,560	(335,363)	179,064	(127,857)
Sewer	995,374	224,884	951,760	247,860	43,614	(22,976)
Total expenses	<u>\$ 6,399,745</u>	<u>\$ (2,877,674)</u>	<u>\$ 6,408,450</u>	<u>\$ (3,097,079)</u>	<u>\$ (8,705)</u>	<u>\$ 219,405</u>

The dependence upon general revenues for governmental activities is apparent, with over 58.7% of expenses supported through taxes and other general revenues.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The general fund is the operating fund of the City. At the end of the year, the fund balance of the general fund was \$893,129, a 8.2% decrease from the prior year. The primary reason for the decrease of the general fund balance in 2008 was attributed to an increase in expenditures not related to any one specific event. The fund balance of the debt retirement debt service fund decreased \$2,276, or 2.5% in 2008. In the current year, this fund received transfers which were necessary to cover debt service payments. The increased fund balance of \$422,576, in the capital improvements capital projects fund is primarily the result of an insurance settlement related to the natatorium roof. The fund balance of the fire department levy special revenue fund increased \$9,371 or 6.4% in 2008. The increase was attributed to a decrease in expenditures not related to any one specific event. Finally, the emergency medical service special revenue fund's balance decreased by \$100,538 or 28.2% over the 2007 fund balance. The decrease was attributed to an increase in expenditures for the acquisition of an ambulance.

City of Rittman, Ohio
Management's Discussion and Analysis
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Table 4 below reports year 2008 balances compared to 2007:

Table 4
Change in Fund Balance

	Fund Balance		Increase (Decrease)	Percent Change
	December 31, 2008	December 31, 2007		
General	\$ 893,129	\$ 972,866	\$ (79,737)	-8.2%
Emergency Medical Service	256,217	356,755	(100,538)	-28.2%
Fire Department Levy	155,549	146,178	9,371	6.4%
Debt Retirement	88,393	90,669	(2,276)	-2.5%
Capital Improvements	126,520	(296,056)	422,576	142.7%
Other Governmental Funds	118,570	165,934	(47,364)	-28.5%
	<u>\$ 1,638,378</u>	<u>\$ 1,436,346</u>	<u>\$ 202,032</u>	

Table 5 below assists in illustrating the changes in financial activities for the general fund for year 2008 balances compared to 2007:

Table 5
Change in Financial Activities for the General Fund

	December 31, 2008	December 31, 2007	Increase (Decrease)	Percent Change
<u>Revenues:</u>				
Income tax	\$ 667,084	\$ 670,472	\$ (3,388)	-0.5%
Property and other taxes	334,118	372,024	(37,906)	-10.2%
Charges for services	920,549	828,359	92,190	11.1%
Fines, licenses, and permits	87,810	90,096	(2,286)	-2.5%
Intergovernmental	600,130	590,410	9,720	1.6%
Investment income	120,582	193,290	(72,708)	-37.6%
Contributions and donations	4,855	1,971	2,884	146.3%
Other	122,850	28,329	94,521	333.7%
Total revenue	<u>\$ 2,857,978</u>	<u>\$ 2,774,951</u>	<u>\$ 83,027</u>	
<u>Expenditures:</u>				
Current:				
General government	633,640	621,534	12,106	1.9%
Safety services	1,066,884	1,026,978	39,906	3.9%
Public health and welfare	95,183	95,805	(622)	-0.6%
Transportation	197,071	160,637	36,434	22.7%
Basic utility services	383,644	364,421	19,223	5.3%
Leisure time activities	485,298	499,770	(14,472)	-2.9%
Capital outlay	8,995	-	8,995	100.0%
Total expenditures	<u>\$ 2,870,715</u>	<u>\$ 2,769,145</u>	<u>\$ 101,570</u>	

City of Rittman, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2008
(Unaudited)

Budgeting Highlights - General Fund

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations that are restricted by the amounts of anticipated revenues certified by the County Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity, then the appropriations can be adjusted accordingly.

Final budgeted revenues of \$2,822,775 were \$209,108 higher than original amount mainly due to intergovernmental revenues being unknown during the original budgeting process. Actual revenues exceeded the final amount by \$53,015. These differences were caused by the conservative budgeting nature of the original budgeting process.

Final budgeted expenditures exceeded the original budgeted expenditures by \$208,089. The majority of this change was reported in leisure time activities and general government. Actual expenditures for the year were \$205,671 less than the final budgeted amounts. There were no individually significant events that led to these differences.

Capital Assets and Debt Administration

Capital Assets

At the end of year 2008, the City had \$18,630,080 (net of accumulated depreciation) invested in land, land improvements, buildings, equipment, infrastructure and construction in progress. Of this total, \$6,407,181 was reported in governmental activities and \$12,222,899 was reported in business-type activities. Table 6 below reports year 2008 balances compared to 2007:

Table 6
Capital Assets, at Fiscal Year End
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$ 140,108	\$ 140,108	\$ 72,606	\$ 72,606	\$ 212,714	\$ 212,714
Land improvements	-	-	5,309	5,815	5,309	5,815
Buildings	4,091,087	4,230,297	5,628,265	5,836,065	9,719,352	10,066,362
Equipment	797,253	673,371	195,627	192,806	992,880	866,177
Infrastructure	1,378,733	1,379,116	6,242,764	6,394,486	7,621,497	7,773,602
Construction in progress	-	-	78,328	3,663	78,328	3,663
Total	<u>\$ 6,407,181</u>	<u>\$ 6,422,892</u>	<u>\$ 12,222,899</u>	<u>\$ 12,505,441</u>	<u>\$ 18,630,080</u>	<u>\$ 18,928,333</u>

City of Rittman, Ohio

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The most significant change during 2008 to the total amount of capital assets was an increase of \$123,882 to equipment for governmental activities and a decrease of \$139,210 and \$207,800 to buildings to governmental activities and business-type activities, respectively. For the governmental activities this increase in equipment was primarily due to the current year acquisitions of an ambulance, police cruiser and other equipment. For the governmental activities and business-type activities these decreases in buildings was primarily due to the current year depreciation. Governmental activities and business-type activities reported decreases of \$383 and \$151,722 in infrastructure, respectively, which was mainly due to current year depreciation See Note 5 to the basic financial statements for detail on the governmental and business-type activities capital assets.

Debt Administration

At December 31, 2008 the City had total long-term debt outstanding of \$4,892,743. Of this total, \$412,820 is due within one year and \$4,479,923 is due in more than one year. Table 7 below summarizes the bonds and loans outstanding:

Table 7
Outstanding Debt, at Fical Year End

	Governmental Activities		Business-Type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenue bonds	\$ -	\$ -	\$ 1,060,300	\$ 1,081,100	\$ 1,060,300	\$ 1,081,100
OWDA loans	-	-	1,086,256	1,296,569	1,086,256	1,296,569
General obligation bonds	1,120,000	1,310,000	1,320,000	1,380,000	2,440,000	2,690,000
Bond anticipation note	-	506,000	-	-	-	506,000
OPWC loans	-	-	212,500	225,000	212,500	225,000
Special assessment bonds	43,208	60,008	-	-	43,208	60,008
Capital lease	50,479	-	-	-	50,479	-
Total	<u>\$ 1,213,687</u>	<u>\$ 1,876,008</u>	<u>\$ 3,679,056</u>	<u>\$ 3,982,669</u>	<u>\$ 4,892,743</u>	<u>\$ 5,858,677</u>

All governmental long-term debt will be repaid by the debt retirement debt service fund. The revenues bonds and OWDA loans will be repaid by the sewer enterprise fund and the business-type special assessment and general obligation bonds will be repaid from the water enterprise fund.

At December 31, 2008 the City's overall legal debt margin was \$8,240,117, with an unvoted debt margin of \$3,196,439. The City's credit rating remained unchanged in 2008 as compared to 2007. See Note 7 to the basic financial statements for details on the City's long-term obligations.

Current Issues Affecting Financial Condition

During these volatile economic times over the last several years, efficient uses of the City's workforce and cost containment measures have resulted in no layoffs of City employees. The administration and City Council have worked diligently to maintain services at a normal level.

City of Rittman, Ohio

Management's Discussion and Analysis
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The City continues to promote itself to business owners trying to increase retail and industrial growth. The City has prime areas for development and will continue to emphasize those types of developments.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lucinda L. Mann, City of Rittman Finance Director, 30 North Main Street, Rittman, Ohio 44270, (330) 925-2063, or visit our web site at www.rittman.com.



City of Rittman, Ohio
Statement of Net Assets
December 31, 2008

	Governmental Activities	Business-Type Activities	Total
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 1,540,350	\$ 1,500,233	\$ 3,040,583
Cash and cash equivalents with fiscal agents	2,841	13,929	16,770
Receivables:			
Income tax	228,429	76,143	304,572
Property and other taxes	508,003	-	508,003
Accounts	240,335	222,810	463,145
Special assessments	46,267	-	46,267
Accrued interest	6,564	-	6,564
Due from other governments	382,087	-	382,087
Materials and supplies inventory	5,799	16,658	22,457
Prepaid items	26,461	8,518	34,979
Deferred charges	22,506	30,701	53,207
Nondepreciable capital assets	140,108	150,934	291,042
Depreciable capital assets, net	6,267,073	12,071,965	18,339,038
Total assets	<u>9,416,823</u>	<u>14,091,891</u>	<u>23,508,714</u>
<u>Liabilities:</u>			
Accounts payable	33,805	47,331	81,136
Accrued wages and benefits	83,310	20,584	103,894
Due to other governments	224,028	26,788	250,816
Deferred revenue	484,782	-	484,782
Income tax refunds payable	10,733	3,781	14,514
Matured bonds payable	2,000	10,200	12,200
Matured interest payable	841	3,774	4,615
Accrued interest payable	4,412	16,104	20,516
Long-term liabilities:			
Due within one year	151,736	332,529	484,265
Due in more than one year	1,191,774	3,392,321	4,584,095
Total liabilities	<u>2,187,421</u>	<u>3,853,412</u>	<u>6,040,833</u>
<u>Net assets:</u>			
Invested in capital assets, net of related debt	5,216,000	8,574,544	13,790,544
Restricted for:			
Capital projects	171,147	-	171,147
Debt service	130,248	-	130,248
Safety services	440,785	-	440,785
Other purposes	226,335	-	226,335
Unrestricted	1,044,887	1,663,935	2,708,822
Total net assets	<u>\$ 7,229,402</u>	<u>\$ 10,238,479</u>	<u>\$ 17,467,881</u>

See accompanying notes to the basic financial statements.

City of Rittman, Ohio
Statement of Activities
For the Year Ended December 31, 2008

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<u>Governmental Activities:</u>				
General government	\$ 665,378	\$ 257,857	\$ 2,180	\$ -
Safety services	1,811,263	272,361	39,175	10,000
Public health and welfare	97,457	34,914	-	-
Transportation	823,392	4,723	393,041	64,464
Basic utility services	383,644	381,652	82,485	-
Leisure time activities	650,107	262,168	55,389	-
Interest and fiscal charges	68,506	-	-	-
Total governmental activities	<u>4,499,747</u>	<u>1,213,675</u>	<u>572,270</u>	<u>74,464</u>
<u>Business-Type Activities:</u>				
Water	904,624	441,404	-	-
Sewer	995,374	1,220,258	-	-
Total business-type activities	<u>1,899,998</u>	<u>1,661,662</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 6,399,745</u>	<u>\$ 2,875,337</u>	<u>\$ 572,270</u>	<u>\$ 74,464</u>

General revenues:
Property taxes levied for:
 General purposes
 Safety services
Income tax levied for:
 General purposes
 Capital improvements
 Water utility services
Grants and entitlements not restricted to specific programs
Investment earnings
Other
Total general revenues

Change in net assets
Net assets, beginning of year
Net assets, end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (405,341)	\$ -	\$ (405,341)
(1,489,727)	-	(1,489,727)
(62,543)	-	(62,543)
(361,164)	-	(361,164)
80,493	-	80,493
(332,550)	-	(332,550)
(68,506)	-	(68,506)
<u>(2,639,338)</u>	<u>-</u>	<u>(2,639,338)</u>
-	(463,220)	(463,220)
-	224,884	224,884
-	(238,336)	(238,336)
<u>(2,639,338)</u>	<u>(238,336)</u>	<u>(2,877,674)</u>
324,329	-	324,329
319,006	-	319,006
600,636	-	600,636
298,708	-	298,708
-	301,724	301,724
479,191	-	479,191
121,197	381	121,578
704,042	-	704,042
<u>2,847,109</u>	<u>302,105</u>	<u>3,149,214</u>
207,771	63,769	271,540
7,021,631	10,174,710	17,196,341
<u>\$ 7,229,402</u>	<u>\$ 10,238,479</u>	<u>\$ 17,467,881</u>

City of Rittman, Ohio

Balance Sheet

Governmental Funds

December 31, 2008

	General	Emergency Medical Service	Fire Department Levy	Debt Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets:							
Equity in pooled cash and cash equivalents	\$ 795,587	\$ 273,645	\$ 185,826	\$ 88,393	\$ 98,582	\$ 98,317	\$1,540,350
With fiscal agent	-	-	-	2,841	-	-	2,841
Receivables:							
Income tax	152,286	-	-	-	76,143	-	228,429
Property and other taxes	262,899	150,024	71,692	-	-	23,388	508,003
Accounts	201,723	38,612	-	-	-	-	240,335
Special assessments	-	-	-	46,267	-	-	46,267
Accrued interest	6,479	-	-	-	-	85	6,564
Due from other governments	184,154	12,302	5,881	-	-	179,750	382,087
Materials and supplies inventory	2,721	-	-	-	-	3,078	5,799
Prepaid items	22,634	2,545	653	-	-	629	26,461
Total assets	\$1,628,483	\$ 477,128	\$ 264,052	\$ 137,501	\$ 174,725	\$ 305,247	\$2,987,136
Liabilities:							
Accounts payable	\$ 33,356	\$ 341	\$ 108	\$ -	\$ -	\$ -	\$ 33,805
Accrued wages and benefits	59,971	9,732	3,103	-	-	10,504	83,310
Due to other governments	137,906	33,802	29,029	-	-	23,291	224,028
Deferred revenue	496,966	177,036	76,263	46,267	44,627	152,882	994,041
Income tax refunds payable	7,155	-	-	-	3,578	-	10,733
Matured bonds payable	-	-	-	2,000	-	-	2,000
Matured interest payable	-	-	-	841	-	-	841
Total liabilities	735,354	220,911	108,503	49,108	48,205	186,677	1,348,758
Fund balances:							
Reserved for encumbrances	8,623	2,193	14,042	-	36,979	-	61,837
Unreserved:							
Designated:							
Cemetery improvements	96,660	-	-	-	-	-	96,660
Recreation center	133,149	-	-	-	-	-	133,149
Unreserved, undesignated,							
Reported in:							
General fund	654,697	-	-	-	-	-	654,697
Special revenue funds	-	254,024	141,507	-	-	118,570	514,101
Debt service fund	-	-	-	88,393	-	-	88,393
Capital projects fund	-	-	-	-	89,541	-	89,541
Total fund balances	893,129	256,217	155,549	88,393	126,520	118,570	1,638,378
Total liabilities and fund balances	\$1,628,483	\$ 477,128	\$ 264,052	\$ 137,501	\$ 174,725	\$ 305,247	\$2,987,136

See accompanying notes to the basic financial statements.

City of Rittman, Ohio

**Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2008**

Total governmental fund balances \$ 1,638,378

*Amounts reported for governmental activities in the
statement of net assets are different because:*

Capital assets used in governmental activities are not financial
resources and therefore are not reported in funds. 6,407,181

Other long-term assets are not available to pay for current-period
expenditures and therefore are deferred in the funds:

Property and other taxes	\$ 13,068	
Income taxes	133,881	
Intergovernmental	297,017	
Special assessments	46,267	
Charges for services	19,026	
Deferred charges	22,506	
Total	<u>531,765</u>	531,765

Accrued interest payable is not due and payable in the current
period and therefore is not reported in the funds. (4,412)

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds:

General obligation bonds	\$ (1,120,000)	
Special assessment bonds	(43,208)	
Capital lease payable	(50,479)	
Compensated absences	(129,823)	
Total	<u>(1,343,510)</u>	(1,343,510)

Net assets of governmental activities \$ 7,229,402

See accompanying notes to the basic financial statements.

City of Rittman, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2008

	General	Emergency Medical Service	Fire Department Levy	Debt Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>							
Income tax	\$ 667,084	\$ -	\$ -	\$ -	\$ 336,762	\$ -	\$1,003,846
Property and other taxes	334,118	206,715	95,844	-	-	29,019	665,696
Charges for services	920,549	168,795	-	-	4,723	-	1,094,067
Fines, licenses, and permits	87,810	-	-	-	-	2,263	90,073
Intergovernmental	600,130	39,085	14,480	-	52,714	384,681	1,091,090
Special assessments	-	-	-	17,531	-	-	17,531
Investment income	120,582	-	-	-	615	1,651	122,848
Contributions and donations	4,855	-	-	-	-	-	4,855
Other	122,850	-	499	-	531,861	-	655,210
Total revenue	<u>2,857,978</u>	<u>414,595</u>	<u>110,823</u>	<u>17,531</u>	<u>926,675</u>	<u>417,614</u>	<u>4,745,216</u>
<u>Expenditures:</u>							
Current:							
General government	633,640	3,644	1,708	-	17,879	549	657,420
Safety services	1,066,884	375,819	138,244	-	4,458	32,809	1,618,214
Public health and welfare	95,183	-	-	-	-	-	95,183
Transportation	197,071	-	-	-	80,479	446,620	724,170
Basic utility services	383,644	-	-	-	-	-	383,644
Leisure time activities	485,298	-	-	-	45,847	-	531,145
Capital outlay	8,995	135,670	13,500	-	153,790	-	311,955
Debt service:							
Principal retirement	-	-	-	206,800	5,412	-	212,212
Interest and fiscal charges	-	-	-	51,330	13,802	-	65,132
Total expenditures	<u>2,870,715</u>	<u>515,133</u>	<u>153,452</u>	<u>258,130</u>	<u>321,667</u>	<u>479,978</u>	<u>4,599,075</u>
Excess of revenues over (under) expenditures	<u>(12,737)</u>	<u>(100,538)</u>	<u>(42,629)</u>	<u>(240,599)</u>	<u>605,008</u>	<u>(62,364)</u>	<u>146,141</u>
<u>Other financing sources (uses):</u>							
Inception of capital lease	-	-	-	-	55,891	-	55,891
Transfers - in	-	-	52,000	238,323	-	15,000	305,323
Transfers - out	<u>(67,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(238,323)</u>	<u>-</u>	<u>(305,323)</u>
Total other financing sources (uses)	<u>(67,000)</u>	<u>-</u>	<u>52,000</u>	<u>238,323</u>	<u>(182,432)</u>	<u>15,000</u>	<u>55,891</u>
Net change in fund balance	<u>(79,737)</u>	<u>(100,538)</u>	<u>9,371</u>	<u>(2,276)</u>	<u>422,576</u>	<u>(47,364)</u>	<u>202,032</u>
Fund balances at beginning of year	<u>972,866</u>	<u>356,755</u>	<u>146,178</u>	<u>90,669</u>	<u>(296,056)</u>	<u>165,934</u>	<u>1,436,346</u>
Fund balances at end of year	<u>\$ 893,129</u>	<u>\$ 256,217</u>	<u>\$ 155,549</u>	<u>\$ 88,393</u>	<u>\$ 126,520</u>	<u>\$ 118,570</u>	<u>\$1,638,378</u>

See accompanying notes to the basic financial statements.

City of Rittman, Ohio

**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, 2008**

Net change in fund balances - Total governmental funds \$ 202,032

*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 capital assets is allocated over their estimated useful lives as depreciation expense.

In the current period, these amounts are:

Capital asset additions	\$ 389,437	
Depreciation expense	<u>(405,148)</u>	
Excess of depreciation expense over capital asset additions		(15,711)

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

Property and other taxes	\$ (22,361)	
Income taxes	(104,502)	
Accounts	1,685	
Intergovernmental	16,342	
Special assessments	(22,590)	
Charges for services	<u>16,246</u>	
Net change in deferred revenues during the year		(115,180)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	\$ (16,317)	
Amortization of deferred charges	(4,211)	
Decrease in accrued interest	<u>837</u>	
Total additional expenses		(19,691)

Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 206,800

Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets the lease obligation is reported as a liability. (55,891)

Payment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 5,412

Change in net assets of governmental activities \$ 207,771

See accompanying notes to the basic financial statements.

City of Rittman, Ohio

**Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Income tax	\$ 720,000	\$ 720,000	\$ 682,876	\$ (37,124)
Property and other taxes	325,000	325,000	334,026	9,026
Charges for services	873,825	873,825	920,875	47,050
Fines, licenses, and permits	95,700	87,500	85,678	(1,822)
Intergovernmental	458,642	590,570	623,441	32,871
Investment income	127,000	127,000	124,962	(2,038)
Contributions and donations	-	4,180	4,855	675
Other	13,500	94,700	99,077	4,377
Total revenue	<u>2,613,667</u>	<u>2,822,775</u>	<u>2,875,790</u>	<u>53,015</u>
<u>Expenditures:</u>				
Current:				
General government	633,363	681,743	633,278	48,465
Safety services	1,059,436	1,109,776	1,057,461	52,315
Public health and welfare	129,745	131,720	103,990	27,730
Transportation	209,260	222,026	198,332	23,694
Basic utility services	384,000	398,200	384,542	13,658
Leisure time activities	449,051	529,479	489,670	39,809
Total expenditures	<u>2,864,855</u>	<u>3,072,944</u>	<u>2,867,273</u>	<u>205,671</u>
Excess of revenues over (under) expenditures	<u>(251,188)</u>	<u>(250,169)</u>	<u>8,517</u>	<u>258,686</u>
<u>Other financing uses:</u>				
Transfers - out	<u>(67,000)</u>	<u>(67,000)</u>	<u>(67,000)</u>	<u>-</u>
Net change in fund balance	(318,188)	(317,169)	(58,483)	258,686
Fund balance at beginning of year	824,080	824,080	824,080	-
Prior year encumbrances appropriated	<u>18,349</u>	<u>18,349</u>	<u>18,349</u>	<u>-</u>
Fund balance at end of year	<u>\$ 524,241</u>	<u>\$ 525,260</u>	<u>\$ 783,946</u>	<u>\$ 258,686</u>

See accompanying notes to the basic financial statements.

City of Rittman, Ohio

**Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical Service Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property and other taxes	\$ 198,100	\$ 198,100	\$ 207,457	\$ 9,357
Charges for services	118,000	128,955	175,589	46,634
Intergovernmental	33,155	34,676	39,085	4,409
Other	500	2,930	-	(2,930)
Total revenue	<u>349,755</u>	<u>364,661</u>	<u>422,131</u>	<u>57,470</u>
<u>Expenditures:</u>				
Current:				
General government	4,200	4,200	3,644	556
Safety services	<u>374,380</u>	<u>545,326</u>	<u>506,357</u>	<u>38,969</u>
Total expenditures	<u>378,580</u>	<u>549,526</u>	<u>510,001</u>	<u>39,525</u>
Net change in fund balance	(28,825)	(184,865)	(87,870)	96,995
Fund balance at beginning of year	356,693	356,693	356,693	-
Prior year encumbrances appropriated	<u>2,300</u>	<u>2,300</u>	<u>2,300</u>	<u>-</u>
Fund balance at end of year	<u>\$ 330,168</u>	<u>\$ 174,128</u>	<u>\$ 271,123</u>	<u>\$ 96,995</u>

See accompanying notes to the basic financial statements.

City of Rittman, Ohio

**Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Department Levy Fund
For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Property and other taxes	\$ 90,000	\$ 90,000	\$ 96,169	\$ 6,169
Intergovernmental	11,200	13,500	14,480	980
Other	-	-	499	499
Total revenue	<u>101,200</u>	<u>103,500</u>	<u>111,148</u>	<u>7,648</u>
<u>Expenditures:</u>				
Current:				
General government	2,000	2,000	1,708	292
Safety services	<u>172,300</u>	<u>204,300</u>	<u>170,746</u>	<u>33,554</u>
Total expenditures	<u>174,300</u>	<u>206,300</u>	<u>172,454</u>	<u>33,846</u>
Excess of revenues under expenditures	<u>(73,100)</u>	<u>(102,800)</u>	<u>(61,306)</u>	<u>41,494</u>
<u>Other financing sources:</u>				
Transfers - in	<u>52,000</u>	<u>52,000</u>	<u>52,000</u>	<u>-</u>
Net change in fund balance	(21,100)	(50,800)	(9,306)	41,494
Fund balance at beginning of year	161,385	161,385	161,385	-
Prior year encumbrances appropriated	<u>19,700</u>	<u>19,700</u>	<u>19,700</u>	<u>-</u>
Fund balance at end of year	<u>\$ 159,985</u>	<u>\$ 130,285</u>	<u>\$ 171,779</u>	<u>\$ 41,494</u>

See accompanying notes to the basic financial statements.

City of Rittman, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2008

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
<u>Assets:</u>			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 705,388	\$ 794,845	\$ 1,500,233
Cash and cash equivalents:			
With fiscal agent	13,929	-	13,929
Receivables:			
Income tax	76,143	-	76,143
Accounts	59,436	163,374	222,810
Materials and supplies inventory	15,911	747	16,658
Prepaid items	3,483	5,035	8,518
Total current assets	<u>874,290</u>	<u>964,001</u>	<u>1,838,291</u>
Non-current assets:			
Deferred charges	30,701	-	30,701
Capital assets:			
Land	31,686	40,920	72,606
Construction in progress	59,595	18,733	78,328
Depreciable capital assets, net	5,288,967	6,782,998	12,071,965
Total non-current assets	<u>5,410,949</u>	<u>6,842,651</u>	<u>12,253,600</u>
Total assets	<u>6,285,239</u>	<u>7,806,652</u>	<u>14,091,891</u>
<u>Liabilities:</u>			
Current liabilities:			
Accounts payable	43,032	4,299	47,331
Accrued wages and benefits	9,329	11,255	20,584
Compensated absences payable	7,849	9,419	17,268
Due to other governments	12,460	14,328	26,788
Income tax refunds payable	3,781	-	3,781
Matured bonds payable	10,200	-	10,200
Matured interest payable	3,774	-	3,774
Accrued interest payable	4,492	11,612	16,104
OPWC loans payable	12,500	-	12,500
OWDA loans payable	-	220,961	220,961
Mortgage revenue bonds payable	-	21,800	21,800
General obligation bonds payable	60,000	-	60,000
Total current liabilities	<u>167,417</u>	<u>293,674</u>	<u>461,091</u>
Long-term liabilities:			
Compensated absences payable	15,215	13,311	28,526
OPWC loans payable, net of current portion	200,000	-	200,000
OWDA loans payable, net of current portion	-	865,295	865,295
Mortgage revenue bonds payable, net of current portion	-	1,038,500	1,038,500
General obligation bonds payable, net of current portion	1,260,000	-	1,260,000
Total long-term liabilities	<u>1,475,215</u>	<u>1,917,106</u>	<u>3,392,321</u>
Total liabilities	<u>1,642,632</u>	<u>2,210,780</u>	<u>3,853,412</u>
<u>Net assets:</u>			
Invested in capital assets, net of related debt	3,878,449	4,696,095	8,574,544
Unrestricted	764,158	899,777	1,663,935
Total net assets	<u>\$ 4,642,607</u>	<u>\$ 5,595,872</u>	<u>\$ 10,238,479</u>

See accompanying notes to the basic financial statements.

City of Rittman, Ohio

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended December 31, 2008

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Operating revenues:</u>			
Charges for services	\$ 383,673	\$ 1,210,239	\$ 1,593,912
Other	57,731	10,019	67,750
Total operating revenue	<u>441,404</u>	<u>1,220,258</u>	<u>1,661,662</u>
<u>Operating expenses:</u>			
Personal services	267,932	319,074	587,006
Contractual services	249,584	212,413	461,997
Supplies and materials	64,589	38,231	102,820
Other operating costs	85,441	90,000	175,441
Depreciation	178,336	218,246	396,582
Total operating expenses	<u>845,882</u>	<u>877,964</u>	<u>1,723,846</u>
Operating income (loss)	<u>(404,478)</u>	<u>342,294</u>	<u>(62,184)</u>
<u>Non-operating revenues (expenses):</u>			
Non-operating revenues:			
Municipal income tax	301,724	-	301,724
Interest	381	-	381
Interest and fiscal charges	<u>(58,742)</u>	<u>(117,410)</u>	<u>(176,152)</u>
Total non-operating revenues (expenses)	<u>243,363</u>	<u>(117,410)</u>	<u>125,953</u>
Change in net assets	(161,115)	224,884	63,769
Net assets at beginning of year	<u>4,803,722</u>	<u>5,370,988</u>	<u>10,174,710</u>
Net assets at end of year	<u>\$ 4,642,607</u>	<u>\$ 5,595,872</u>	<u>\$ 10,238,479</u>

See accompanying notes to the basic financial statements.

City of Rittman, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2008

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash flows from operating activities:			
Cash received from customers	\$ 442,898	\$ 1,197,494	\$ 1,640,392
Cash payments for employee services and benefits	(261,695)	(304,910)	(566,605)
Cash payments to suppliers for goods and services	(354,895)	(346,874)	(701,769)
Net cash provided by (used for) operating activities	<u>(173,692)</u>	<u>545,710</u>	<u>372,018</u>
Cash flows from noncapital financing activities:			
Income taxes received	344,657	-	344,657
Net cash provided by noncapital financing activities	<u>344,657</u>	<u>-</u>	<u>344,657</u>
Cash flows from capital and related financing activities:			
Interest paid on debt	(55,485)	(117,638)	(173,123)
Principal payment on bonds	(72,500)	(231,113)	(303,613)
Acquisition of capital assets	(65,895)	(48,145)	(114,040)
Net cash used for for capital and related financing activities	<u>(193,880)</u>	<u>(396,896)</u>	<u>(590,776)</u>
Cash flows from investing activities:			
Investment income	389	-	389
Net cash provided by investing activities	<u>389</u>	<u>-</u>	<u>389</u>
Net increase (decrease) in cash and cash equivalents	(22,526)	148,814	126,288
Cash and cash equivalents at beginning of year	741,843	646,031	1,387,874
Cash and cash equivalents at end of year	<u>\$ 719,317</u>	<u>\$ 794,845</u>	<u>\$ 1,514,162</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (404,478)	\$ 342,294	\$ (62,184)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	178,336	218,246	396,582
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	1,494	(22,764)	(21,270)
Materials and supplies inventory	10,669	(342)	10,327
Prepaid items	2,583	2,040	4,623
Increase (decrease) in liabilities:			
Accounts payable	31,596	(7,812)	23,784
Accrued wages and benefits	29	2,192	2,221
Compensated absences	1,589	5,787	7,376
Due to other governments	4,490	6,069	10,559
Net cash provided by (used for) operating activities	<u>\$ (173,692)</u>	<u>\$ 545,710</u>	<u>\$ 372,018</u>

See accompanying notes to the financial statements.



Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Rittman (the "City") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board Statements (FASB) and Interpretations issued on or before November 30, 1989, to its business-type activities and enterprise funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to follow FASB guidance for business-type activities and enterprise funds issued after November 30, 1989. The more significant of the City's accounting policies are described below.

A. City Government and Reporting Entity

The City is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own charter. The current Charter, which provides for a Mayor-Council-Manager form of government, was adopted in 1960.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are fairly presented and complete. The primary government consists of all funds, departments, boards and commissions that are not legally separate from the City. The City provides municipal services such as police, fire fighting and prevention, street lighting and maintenance, emergency medical service, solid waste collection and recycling, parks and recreation, and a staff to provide the necessary support to these services. The City also operates certain enterprise operations such as a sewage treatment plant and a water treatment plant. The operations of all of these services are included in the reporting entity.

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 organization; 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 the 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 blended or discretely presented component units.

B. Basis of Presentation

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

City of Rittman, Ohio

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net assets 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. 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 proprietary 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.

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 two categories of funds: governmental and proprietary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use, and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

Notes to the Financial Statements

General Fund: The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the laws and regulations of the City and/or the general laws of Ohio.

Emergency Medical Service Fund: This special revenue fund is used to account for property taxes levied and other revenues for the operation of emergency medical services.

Fire Department Levy Fund: This special revenue fund is used to account for property taxes levied for the maintenance and acquisition of fire equipment.

Debt Retirement Fund: This debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term and special assessment debt principal and interest.

Capital Improvements Fund: This capital projects fund is used to account for financial resources that are used for the acquisition, construction, or improvement of the City's capital facilities.

Proprietary Funds

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon determination of changes in net assets, financial position and cash flows. The City's only proprietary funds are classified as enterprise funds. Enterprise activities are financed and operated in a manner similar to private sector business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds are:

Water Fund: The water fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City.

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

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

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 reconciliation with brief explanations to better identify the relationship between the government-wide statements and the 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 fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

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 and proprietary funds 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 revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is 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 Financial Statements

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Property Tax Note 10). 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 non-exchange 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), fines and forfeitures, interest, grants, fees and rentals.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On the governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. 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.

E. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reported in the basic financial statements:

City of Rittman, Ohio

Tax Budget: A tax budget of estimated revenue and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year. All City funds are legally required to be budgeted. The purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

Estimated Resources: The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews revenue estimates. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the Official Certificate of Estimated Resources, which states the projected revenue of each fund.

On or about January 1 the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the Finance Director determines that revenue to be collected will be greater than or less than the prior estimates and the budget commission find the revised estimates to be reasonable. The amounts set forth in the financial statements represent estimates from the final amended certificate issued for 2008.

Annual Budget: The City Manager with the assistance of the Finance Director submits to Council an annual budget in November. The annual budget contains an estimate of the revenues and expenditures of each fund and department of the City for the next fiscal year. As part of the process, Council holds public meetings throughout its review. The annual budget serves as the basis for appropriations (the appropriated budget) in each fund.

Appropriations: An appropriation ordinance (the appropriated budget), to control the level of expenditures for all funds, must be legally enacted on or about January 1. Appropriations may not exceed estimated resources as established in the Official Amended Certificate of Estimated Resources. Supplemental appropriations may be adopted by Council action. Amounts shown in the financial statements represent the appropriated budgeted amounts and all supplemental appropriations. During the year, several supplemental appropriation measures were passed.

Notes to the Financial Statements

The Appropriated Budget: For all funds, except agency funds, Council appropriations (the legal level) are made for personal services, supplies and materials, contractual and other services, and capital outlay within each department, also debt principal/interest payments, and transfers-out. Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for purposes other than those designated in the appropriation ordinance without authority from Council. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation adopted by Council. The appropriations set by Council must remain fixed unless amended by Council ordinance. The Finance Director may make more detailed appropriation allocations as long as the allocations are within Council's appropriated amount.

Lapsing of Appropriations: At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried over for the subsequent year's expenditures and is not reappropriated.

F. Deposits and Investments

Cash received by the City is deposited in a central bank account. Monies for all funds, except cash held by a trustee or fiscal agent, are maintained in the account or temporarily used to purchase investments. Individual fund integrity is maintained through City records. Each fund's interest in the pool of cash and investments is presented as "Equity in pooled cash and cash equivalents" in the basic financial statements. Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value, which is based on quoted market price.

Investments with original maturities of three months or less and investments of the cash management pool are presented on the financial statements as cash equivalents.

The City utilizes financial institutions to service bonded debt as principal and interest payments come due. These accounts' balances are presented in the accounts "Cash and cash equivalents with fiscal agents". The Water fund also has accounts with an escrow agent during the year for a construction account.

G. Inventory of Supplies

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories of governmental funds are stated at cost, while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure/expense in the governmental and proprietary funds when used under the consumption method.

City of Rittman, Ohio

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure or expense is reported in the year in which services are consumed.

I. Capital Assets and Depreciation

Governmental capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets 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 assets 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 five thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water and sewer lines. 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 capital assets is also capitalized.

All reported capital assets are depreciated except for land 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:

<u>Asset Class</u>	<u>Governmental and Business-Type Activities Estimated Useful Life</u>
Buildings	20 to 40 years
Land improvements	5 to 50 years
Equipment	5 to 30 years
Infrastructure	30 to 75 years

J. Deferred Charges

Bond issuance costs are recorded as expenditures when incurred on the governmental fund statements. Bond issuance costs are recorded as deferred charges and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest method, on the government-wide and proprietary fund financial statements.

Notes to the Financial Statements

- K. Compensated Absences** Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.
- Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments. The entire compensated absences liability is reported on the government-wide financial statements.
- 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 also reported on the proprietary fund financial statements.
- 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, capital leases and long-term loans are recognized as a liability on the fund financial statements when due.
- M. Capital Contributions** Contributions of capital in the proprietary fund financial statements arise from donations by developers, grants restricted for capital construction, and special assessments. These assets are recorded at their fair market value on the date contributed and are not subject to repayment. The proprietary funds did not have any capital contributions during 2008.
- N. Fund Balance Reserves/Designations** Reserved or designated fund balances indicate that a portion of fund equity is not available for current appropriation or use. The unreserved or undesignated portions of fund equity reflected in the governmental funds are available for use within the specified purposes of the funds.
- The City reports amounts representing encumbrances outstanding as reservations of fund balance in the governmental funds. The City reports amounts set-aside for designation of cemetery improvements and recreation center operations.
- O. Interfund Transactions** During the course of normal operations, the City has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. These amounts are eliminated in the governmental activities columns of the statement of net assets.

City of Rittman, Ohio

Transactions that constitute reimbursements for expenditures or expenses initially made from a fund that are properly allocable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures and expenses in the fund that is reimbursed.

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include amounts to provide transportation, general government, and public health and welfare services. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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 charges for services for sewer treatment and water services. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

R. Estimates

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

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenues, expenditures, and changes in fund balances - budget (Non-GAAP basis) and actual presented for the general fund and emergency medical service and fire department levy special revenue funds 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 are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

Notes to the Financial Statements

(c) Encumbrances are recorded as the equivalent of an expenditure (budget basis) in order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation as opposed to a reservation of fund (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the general fund and the emergency medical service and fire department levy special revenue funds are as follows:

	Net Change in Fund Balance		
	<u>General</u>	Emergency Medical <u>Service</u>	Fire Department <u>Levy</u>
	GAAP Basis	\$ (79,737)	\$ (100,538)
Revenue accruals	17,812	7,536	325
Expenditure accruals	15,080	7,654	(4,955)
Encumbrances (Budget Basis) outstanding at year end	<u>(11,638)</u>	<u>(2,522)</u>	<u>(14,047)</u>
Budget Basis	<u>\$ (58,483)</u>	<u>\$ (87,870)</u>	<u>\$ (9,306)</u>

NOTE 3 - DEPOSITS AND INVESTMENTS

The City's policy is to invest public funds in a manner which will provide the highest return with the maximum security while meeting daily cash flow needs and conforming to state statutes and the City Charter governing the investment of public funds. The Charter of the City of Rittman specifies that the Finance Director has responsibility for selecting depositories and investing idle funds and the authority to choose the types of deposits and investments made. The Charter allows the Finance Director to invest in government securities, direct obligations of the U.S. Treasury and federal agencies, certificates of deposit, savings accounts, NOW accounts, repurchase agreements, state and local government securities, and the State Treasurer's investment pool. The City's practice is to limit deposits and investments to insured and/or collateralized demand deposit accounts, the State Treasurer's investment pool, certificates of deposit, U.S. Treasury bills, or obligations of other U.S. Agencies for which the principal and interest is guaranteed by the U.S. Government. The City also invests in special assessment bonds issued in the name of the City. The Charter allows for ten percent of funds to be invested for a maximum maturity of three years from the date of purchase. The City does not enter into reverse repurchase agreements.

City of Rittman, Ohio

Protection of City cash and investments is provided by the various federal deposit insurance corporations as well as qualified pledged or pooled securities by the institutions holding the assets. Such collateral is held by the various institutions or their trustees including the Federal Reserve Bank.

The City has invested funds in STAROhio during 2008. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2008.

Interest earnings are distributed to the street maintenance and repair and state highway special revenue funds and the capital improvements capital projects fund based on daily cash balances and the remainder is reported in the general fund. The interest earned in the water bond escrow account is credited to the water enterprise fund. Interest revenue credited to the general fund during fiscal year 2008 amounted to \$120,582, which includes \$96,966 assigned from other City funds.

Deposits: At year-end, the carrying amount of the City's deposits and petty cash was \$2,881,545 and the bank balances totaled \$2,951,565. Of the bank balances, \$2,300,000 was exposed to custodial credit risk. This amount was uninsured and collateral is held by the pledging financial institution's trust department, and not in the City's name.

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The City's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Investments: As of December 31, 2008, the City had the following investments and maturities:

Notes to the Financial Statements

<u>Investment type</u>	<u>Investment Maturities (in Years)</u>		
	Fair <u>Value</u>	Less than <u>1</u>	<u>1 - 5</u>
STAROhio	\$ 133,050	N/A	N/A
Special assessment bonds	<u>42,758</u>	<u>-</u>	<u>42,758</u>
	<u>\$ 175,808</u>	<u>\$ -</u>	<u>\$ 42,758</u>

The City's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Interest rate risk is the possibility that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy does not address limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk is the possibility that an issuer or other counterparty to an investment will not fulfill its obligation. Standard and Poor's has assigned STAROhio an AAAM rating and the special assessment bonds are not rated. The City's investment policy requires certain credit ratings for some investments as allowed by state law.

NOTE 4 - RECEIVABLES

Receivables at year end for governmental funds consisted primarily of municipal income taxes, property and other taxes, amounts due from other governments, accounts, special assessments, and accrued interest.

Due from other governments consists primarily of entitlements to be received from the state.

<u>Revenue description</u>	<u>Amount</u>
Cents per gallon and excise tax	\$ 38,023
Homestead and rollback	43,660
Local government	160,689
Motor vehicle tax	83,471
Permissive sales tax	55,960
Miscellaneous	<u>284</u>
Total	<u>\$ 382,087</u>

City of Rittman, Ohio

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ending December 31, 2008 is as follows:

Governmental Activities: A summary of the governmental activities' capital assets as of December 31, 2008 follows:

<u>Governmental activities</u>	Balance <u>12/31/2007</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>12/31/2008</u>
Capital assets, not being depreciated:				
Land	\$ 140,108	\$ -	\$ -	\$ 140,108
Capital assets, being depreciated:				
Land improvements	133,468	-	(14,442)	119,026
Buildings	5,621,274	-	-	5,621,274
Infrastructure	1,715,389	73,195	-	1,788,584
Equipment	2,858,189	316,242	(118,727)	3,055,704
Total capital assets, being depreciated	<u>10,328,320</u>	<u>389,437</u>	<u>(133,169)</u>	<u>10,584,588</u>
Less accumulated depreciation:				
Land improvements	(133,468)	-	14,442	(119,026)
Buildings	(1,390,977)	(139,210)	-	(1,530,187)
Infrastructure	(336,273)	(73,578)	-	(409,851)
Equipment	(2,184,818)	(192,360)	118,727	(2,258,451)
Total accumulated depreciation	<u>(4,045,536)</u>	<u>(405,148)</u>	<u>133,169</u>	<u>(4,317,515)</u>
Total capital assets being depreciated, net	<u>6,282,784</u>	<u>(15,711)</u>	<u>-</u>	<u>6,267,073</u>
Governmental activities capital assets, net	<u>\$ 6,422,892</u>	<u>\$ (15,711)</u>	<u>\$ -</u>	<u>\$ 6,407,181</u>

Depreciation Expense: Depreciation expense charged to governmental functions for the year ending December 31, 2008 is as follows:

<u>Depreciation expense:</u>	
General government	\$ 7,405
Safety services	183,620
Public health	1,746
Leisure time activities	118,962
Transportation	93,415
	<u>\$ 405,148</u>

Business-type Activities: A summary of the business-type activities' capital assets as of December 31, 2008 follows:

Notes to the Financial Statements

<u>Business-type activities</u>	Balance 12/31/2007	Increases	Decreases	Balance 12/31/2008
Capital assets, not being depreciated:				
Land	\$ 72,606	\$ -	\$ -	\$ 72,606
Construction in progress	<u>3,663</u>	<u>74,665</u>	<u>-</u>	<u>78,328</u>
Total capital assets, not being depreciated	<u>76,269</u>	<u>74,665</u>	<u>-</u>	<u>150,934</u>
Capital assets, being depreciated:				
Land improvements	16,033	-	-	16,033
Buildings	8,543,649	-	-	8,543,649
Infrastructure	8,984,256	-	-	8,984,256
Equipment	<u>1,515,946</u>	<u>39,375</u>	<u>(64,865)</u>	<u>1,490,456</u>
Total capital assets, being depreciated	<u>19,059,884</u>	<u>39,375</u>	<u>(64,865)</u>	<u>19,034,394</u>
Less accumulated depreciation:				
Land improvements	(10,218)	(506)	-	(10,724)
Buildings	(2,707,584)	(207,800)	-	(2,915,384)
Infrastructure	(2,589,770)	(151,722)	-	(2,741,492)
Equipment	<u>(1,323,140)</u>	<u>(36,554)</u>	<u>64,865</u>	<u>(1,294,829)</u>
Total accumulated depreciation	<u>(6,630,712)</u>	<u>(396,582)</u>	<u>64,865</u>	<u>(6,962,429)</u>
Total capital assets being depreciated, net	<u>12,429,172</u>	<u>(357,207)</u>	<u>-</u>	<u>12,071,965</u>
Business-type activities capital assets, net	<u>\$ 12,505,441</u>	<u>\$ (282,542)</u>	<u>\$ -</u>	<u>\$ 12,222,899</u>

The amount of depreciation expense was charged to the water and sewer funds as follows.

<u>Depreciation expense:</u>	
Water	\$ 178,336
Sewer	<u>218,246</u>
	<u>\$ 396,582</u>

NOTE 6 - COMPENSATED ABSENCES

City employees earn vacation leave at varying rates based upon length of service, from two to five weeks per year. All employees are allowed to carry over one week of vacation to be used within the following year.

In the event of a termination of employment, death, or retirement, employees (or their estates) are paid for unused vacation leave.

City of Rittman, Ohio

City employees earn sick leave at the rate of 4.6 hours for every 80 hours worked. Sick leave accrual is continuous, without limit. In the case of death or retirement, employees (or the employees' estates) are paid between 480 to 600 hours of accumulated, unused sick leave.

NOTE 7 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

Governmental Activities: A summary of the governmental activities' debt and other long-term obligations as of December 31, 2008 follows:

	Balance January 1	Additions	Deletions	Amount Outstanding December 31	Amount Due in One Year
<u>Governmental activities</u>					
<u>General obligation bonds</u>					
2004 Refunding Recreation Center					
Bonds 2.00 - 4.35%	\$ 1,195,000	\$ -	\$ 75,000	\$ 1,120,000	\$ 75,000
2005 Refunding Safety Building					
Bonds 2.00 - 2.75%	115,000	-	115,000	-	-
Total general obligation bonds	<u>1,310,000</u>	<u>-</u>	<u>190,000</u>	<u>1,120,000</u>	<u>75,000</u>
<u>Special assessment bonds</u>					
2002 Rufener Street 5.50%	29,857	-	5,349	24,508	5,644
2002 Street Improvement 5.00%	4,020	-	4,020	-	-
2004 Street Improvement 5.00%	16,110	-	5,110	11,000	5,366
2006 Street Improvement 5.00%	10,021	-	2,321	7,700	2,440
Total special assessment bonds	<u>60,008</u>	<u>-</u>	<u>16,800</u>	<u>43,208</u>	<u>13,450</u>
<u>Other obligations</u>					
Capital lease	-	55,891	5,412	50,479	9,109
Compensated absences	113,506	61,077	44,760	129,823	54,177
Total governmental activities	<u>\$ 1,483,514</u>	<u>\$ 116,968</u>	<u>\$ 256,972</u>	<u>\$ 1,343,510</u>	<u>\$ 151,736</u>

Notes to the Financial Statements

Business-type Activities: A summary of the business-type activities' debt and other long-term obligations as of December 31, 2008 follows:

	Balance January 1	Additions	Deletions	Amount Outstanding December 31	Amount Due in One Year
<u>Business-type activities</u>					
<u>Revenue bonds</u>					
1993 Mortgage Revenue					
Bonds 5.25%	\$ 1,081,100	\$ -	\$ 20,800	\$ 1,060,300	\$ 21,800
<u>General obligation bonds</u>					
2004 Water Improvement					
Bonds 2.0 - 4.7%	1,380,000	-	60,000	1,320,000	60,000
Total bonds	<u>2,461,100</u>	<u>-</u>	<u>80,800</u>	<u>2,380,300</u>	<u>81,800</u>
 <u>Loans</u>					
2005 OPWC loan 0%	225,000	-	12,500	212,500	12,500
1993 OWDA loan 5.00%	1,296,569	-	210,313	1,086,256	220,961
Total loans	<u>1,521,569</u>	<u>-</u>	<u>222,813</u>	<u>1,298,756</u>	<u>233,461</u>
 <u>Other obligations</u>					
Compensated absences	38,418	19,737	12,361	45,794	17,268
Total business-type activities	<u>\$ 4,021,087</u>	<u>\$ 19,737</u>	<u>\$ 315,974</u>	<u>\$ 3,724,850</u>	<u>\$ 332,529</u>

General obligation bonds: General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from voted and unvoted general property taxes. On July 12, 2004, the City issued \$1,410,000 and \$415,000 in general obligation bonds with interest rates varying between; 2.00%-4.35%, and 2.00%-2.75%, respectively. The bond issues were used to refund \$1,361,000 of outstanding recreation center bonds with an interest rate of 5.30%, and to refund \$415,000 of outstanding safety building bonds with an average interest rate of 4.84%. As of December 31, 2008, all of the old bonds have been called and subsequently redeemed. The refunding recreation center bonds will mature on December 1, 2020.

Special assessment bonds: Special assessment bonds are payable from the proceeds of assessments levied against the specific property owners who primarily benefited from the project. Special assessment debt will be serviced by the debt retirement debt service fund from payments received from the property owners. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

City of Rittman, Ohio

Mortgage revenue bonds: Mortgage revenue bonds are to be repaid from income derived from the constructed and improved assets of the sewer fund. The sewer mortgage revenue bonds (maturing October 15, 2013) were issued for the purpose of constructing and improving the wastewater treatment facilities.

Loans: The 2005 Ohio Public Works Commission (OPWC) loan was for a new water filtration system to be used by the City. The City received \$141,647 in proceeds in 2005 with the remaining \$108,353 received in 2006. The loan ends in 2026 and is an interest-free loan.

Compensated absences: Sick leave benefits will be paid from the fund from which the person is paid. Most sick leave is paid from the general fund and the water and sewer enterprise funds.

The annual requirements to amortize all bonded debt and loans as of December 31, 2008, including interest payments of \$1,835,442, are as follows:

Year	General Obligation Bonds		Special Assessment Bonds		OPWC & OWDA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 135,000	\$ 97,003	\$ 13,450	\$ 2,227	\$ 233,461	\$ 51,585
2010	145,000	92,952	14,153	1,523	244,647	40,399
2011	145,000	88,240	8,978	784	256,399	28,646
2012	155,000	83,309	6,627	364	268,747	16,299
2013	155,000	77,729	-	-	145,502	3,271
2014-2018	885,000	294,386	-	-	62,500	-
2019-2023	715,000	107,621	-	-	62,500	-
2024-2026	105,000	4,935	-	-	25,000	-
	<u>\$ 2,440,000</u>	<u>\$ 846,175</u>	<u>\$ 43,208</u>	<u>\$ 4,898</u>	<u>\$ 1,298,756</u>	<u>\$ 140,200</u>

Year	Revenue Bonds		Total
	Principal	Interest	
2009	\$ 21,800	\$ 54,340	\$ 608,866
2010	22,900	53,223	614,797
2011	24,100	52,050	604,197
2012	25,400	50,814	606,560
2013	26,700	49,513	457,715
2014-2018	155,300	225,597	1,622,783
2019-2023	199,400	181,512	1,266,033
2024-2028	256,000	124,896	515,831
2029-2033	328,700	52,224	380,924
	<u>\$ 1,060,300</u>	<u>\$ 844,169</u>	<u>\$ 6,677,706</u>

Notes to the Financial Statements

NOTE 8 – CAPITAL LEASE – LESSEE DISCLOSURE

Capital lease payments are reflected as debt service payments in the basic financial statements for the governmental funds. These expenditures are reflected as function expenditures on a budgetary basis.

Governmental activities capital assets consisting of equipment has been capitalized in the amount of \$55,891. The capitalized amount is equal to the present value of the future minimum lease payments at the time of acquisition.

The future minimum lease payment required under the capital leases are as follows.

<u>Year</u>	<u>Payment</u>
2009	\$ 11,706
2010	11,706
2011	11,706
2012	11,706
2013	<u>11,706</u>
Less interest	<u>(8,051)</u>
Future minimum lease	<u>\$ 50,479</u>

NOTE 9 – SHORT - TERM OBLIGATIONS

During 2008 the bond anticipation note (BAN's) were retired. The BAN's were for \$506,000 to finance the repairs for the natatorium roof. The BAN's dated July 18, 2007 bears an interest rate of 4.76% and matured on July 18, 2008. Debt service payments for the BAN's were made from a settlement of a lawsuit against the original contractor of the roof project; which was retired from resources of the capital improvement fund.

NOTE 10 - PROPERTY TAX

Property taxes include amounts levied against all real and public utility property, and tangible personal (used in business) property located in the City. Real property taxes were levied after October 1, on the assessed value as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was in 2008 for both Wayne and Medina Counties. Public utility property taxes were levied after October 1, on the assessed value as of the prior December 31, and are collected with real property taxes. Public utility property taxes are assessed on tangible personal property at 100% of true value and on real property at 35% of assessed valuation. Tangible personal property taxes are levied on January 1 of the current year on the value listed as of December 31, of the prior year. Tangible personal property assessments are 25% of true value. The tangible personal property tax is being phased

City of Rittman, Ohio

out, the assessment percentage for all property including inventory is 6.25% for 2008 and zero for 2009.

The full-tax rate for all City operations applied to taxable property for the year ended December 31, 2008 was \$7.1 and \$5.8 per \$1,000 of assessed valuation in Wayne and Medina Counties, respectively. For 2008, only 2.9% of the total valuations were attributed to property in Medina County.

The assessed values upon which the 2008 taxes were collected are as follows:

<u>Property Category</u>	<u>Assessed Value</u>	<u>Percent</u>
<u>Real Property</u>		
Residential and agricultural	\$ 79,896,630	79.20
Commercial and industrial	12,787,680	12.68
Public utilities	19,310	0.02
<u>Tangible Personal Property</u>		
General	6,552,905	6.50
Public utilities	<u>1,617,040</u>	<u>1.60</u>
Total	<u>\$ 100,873,565</u>	<u>100.00</u>

Real and public utility property taxes are payable annually or semi-annually. If paid annually, payment is due March 1. If paid semi-annually, the first payment is due March 1 with the remainder payable by July 15. Under certain circumstances, state statute permits earlier or later payment dates to be established. Due dates are normally extended an additional thirty days.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due May 10; if paid semi-annually, the first payment is due May 10, with the remainder payable by September 20. Tangible personal property assessments are 23% of true value for inventories and 25% of true value for capital assets. The tangible personal property tax is being phased out, the assessment percentage for all property including inventory is 12.5%. This will be reduced to zero for 2009.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility, and tangible personal property taxes which became measurable as of December 31, 2008. However, since these tax collections will not be received during the available period nor are they intended to finance 2008 operations, the receivable is offset by a credit to deferred revenue.

Notes to the Financial Statements

NOTE 11 - INCOME TAX

The City levies and collects an income tax of 1.5% on all income earned within the city as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality, not to exceed the amount owed. 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 also required to pay their estimated taxes at least quarterly and to file a final return annually. Income tax revenues are distributed between the general fund (50%), the water enterprise fund (25%), and the capital improvements capital projects fund (25%).

NOTE 12 - CONTINGENCIES

A few claims and lawsuits are pending against the City. It is management's opinion that the ultimate liability will be covered by insurance, and/or will not have a material effect on the financial statements.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, City management believes such disallowance, if any, will be immaterial.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

All full-time employees of the City, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: The Traditional Pension Plan (TP), a cost sharing, multiple-employer defined benefit pension plan and the Member-Directed Plan (MD), which is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The third plan is the Combined Plan (CO), cost-sharing, multiple-employer defined benefit pension plan. Under the CO Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP benefit. Member contributions, the investment which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan. All full-time uniformed City police participate in the Ohio Police and Fire Pension Fund (OP&F), also a cost-sharing, multiple-employer defined benefit pension plan.

City of Rittman, Ohio

All members of these pension plans except those of the Member-Directed Plan are provided basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. Authority to establish and amend benefits for OPERS and OP&F is provided by the Ohio State Legislature and are codified in the Ohio Revised Code, Chapters 145 and 742 respectively.

Each retirement system prepares a stand-alone financial report that includes financial information and required supplementary information for the plans. These reports can be obtained by writing to OPERS at 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800)222-7377 and OP&F at 140 East Town Street, Columbus, Ohio 43215-5164.

OPERS: The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans (TP, MD and CO). Separate divisions for law enforcement and public safety exist only within the Traditional Plan. The 2008 member contribution rates were 10% for members in classifications other than law enforcement and public safety. Members in the law enforcement classification, which consists generally of sheriffs and township police, contributed at a rate of 10.1%. Public safety division contributed at 10.1%. For 2008, the employer pension contribution rate for the City was 14% of covered payroll, with 7% to fund pension obligations. The 2008 employer contribution rate for both the law enforcement and public safety divisions was 17.4% of covered payroll. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ending December 31, 2008, 2007 and 2006 were \$174,918, \$161,196 and \$164,431, respectively.

The full amount has been contributed for 2007 and 2006. Approximately 48.9% had been contributed for 2008 with the remainder being reported as a liability within the respective funds.

OP&F: Plan members are required to contribute 10% of their covered salary to fund pension obligations, while employers are required to contribute 19.5% and 24% respectively for police officers and firefighters. The portion used to fund pension obligations were 12.75% and 17.25% respectively for police officers and firefighters. Contributions are authorized by state statute. The City's required contributions to OP&F for the years ending December 31, 2008, 2007 and 2006 were \$57,387, \$51,648 and \$49,257, respectively. The full amount has been contributed for 2007 and 2006. Approximately 66.2% has been contributed for 2008 with the remainder being reported as a liability within the respective funds.

Notes to the Financial Statements

NOTE 14 - POSTEMPLOYMENT BENEFITS

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans, the Traditional Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO), all of which are described in Note 13. OPERS provide retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the TP and MD Plans; however, health care benefits are not statutorily guaranteed. Members of the MD Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age and service retirees must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Post-employment Benefit (OPEB). A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2007 employer contribution rate for local government employers was 14.0% of covered payroll. For both the public safety and law enforcement divisions the 2007 employer rate was 17.4%. The portion of employer contributions, for all employers, allocated to health care was 7.0% in 2008.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS. The City's contribution actually made to fund post employment benefits was \$69,967.

OPEB are advanced-funded on an actuarially determined basis. An entry-age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability. All investments are carried at market value. For actual valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted to reflect 25.0% of unrealized market appreciation or depreciation on investment assets annually. The investment assumption rate for 2007 (latest information available) was 6.50%. An annual increase of 4.0%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually.

City of Rittman, Ohio

At year-end 2008, the number of active contributing participants in the TP and CO Plans totaled 363,503. As of December 31, 2007, the actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.8 billion and \$17 billion, respectively. The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2007 (latest information available) was \$12.8 billion.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which will allow additional funds to be allocated to the health care plan.

The Ohio Police and Fire Pension Fund (OP&F) provides post retirement health care coverage, also referred to as OPEB, to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3-time basis.

The health care coverage provided by the OP&F is considered an OPEB as described in GASB Statement No.12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that the health care costs are paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go-basis. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24.0% of covered payroll, of which 6.75% of covered payroll was applied to the post-employment health care program in 2008 and 6.75% in 2007. In addition, since July 1, 1992, most retirees and survivors were required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2008 that were used to fund post-employment benefits were \$30,381. The OP&F total health care expense for the year ended December 31, 2007, the last actuarial valuation available, was \$93,205,319, which was net of member contributions of \$56,031,875. The number of OP&F participants eligible to receive health care benefits as of December 31, 2007, was 14,295 for police and 10,583 for firefighters.

Notes to the Financial Statements

NOTE 15 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

These risks are covered by commercial insurance policies purchased from independent third parties. The City purchases extended coverage insurance on all buildings and contents to \$19,191,403. Coverage is purchased on City vehicles for a combined single limit liability of \$1,000,000. The City purchases general liability insurance coverage with a \$1,000,000 limit per occurrence and \$2,000,000 aggregate. Other policies held by the City include law enforcement, public officials, boiler & machinery, inland marine, and commercial crime. An umbrella policy held by the City provides an additional \$5,000,000 of coverage over the policies listed above. There were no settled claims from these risks that have exceeded commercial insurance coverage for the past three years.

Workers Compensation coverage is provided by the State of Ohio and is based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in the past three years.

NOTE 16 – INTERFUND TRANSFERS

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. During the year the capital improvements fund transferred \$238,323 to the debt service fund and the general fund transferred \$52,000 and \$15,000 to the fire department levy and street maintenance and repair funds, respectively, for these purposes.

Combining Statements

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Special revenue funds are used to account for types of resources for which specific uses are mandated by City ordinances or Federal and State statutes. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

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

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

PERMISSIVE TAX – Required by the Ohio Revised Code to account for that portion of motor vehicle registration fees allocated to assist in maintaining those city streets designated as contributing to the effective and efficient flow of traffic through and within the county.

PERMISSIVE TAX II – To account for the City’s share of motor vehicle registration fees levied by the City for maintaining city streets.

POLICE PENSION – To accumulate property taxes levied for the partial payment of the current liability for police disability and pension.

LAW ENFORCEMENT AND EDUCATION – To account for funds from the municipal court designated to enforce drunk driving laws and related educational programs.

LAW ENFORCEMENT – To account for funds from the municipal court designated for law enforcement programs.

LAW ENFORCEMENT ASSISTANCE GRANT – To account for funds to be used for law enforcement and public safety programs.

EDUCATION AND RECREATION ASSISTANCE – To account for monies received and expended for the Parks and Recreation Department programs and activities.

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) GRANT – To account for revenues received from the federal government and used to offset costs related to flood damage.

City of Rittman, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008

	Street Maintenance and Repair Fund	State Highway Fund	Permissive Tax Fund	Permissive Tax II Fund	Police Pension Fund	Law Enforcement and Education Fund
<u>Assets:</u>						
Equity in pooled cash						
and cash equivalents	\$ 42,489	\$ 14,578	\$ -	\$ 16,158	\$ 14,351	\$ 741
Property and other taxes	-	-	-	-	23,388	-
Accrued interest	52	33	-	-	-	-
Due from other governments	112,382	9,112	34,738	21,222	2,012	50
Materials and supplies inventory	2,155	923	-	-	-	-
Prepaid items	629	-	-	-	-	-
Total assets	<u>\$ 157,707</u>	<u>\$ 24,646</u>	<u>\$ 34,738</u>	<u>\$ 37,380</u>	<u>\$ 39,751</u>	<u>\$ 791</u>
<u>Liabilities:</u>						
Accrued wages and benefits	\$ 10,504	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	13,291	-	-	-	10,000	-
Deferred revenue	71,643	5,809	34,738	15,729	24,963	-
Total liabilities	<u>95,438</u>	<u>5,809</u>	<u>34,738</u>	<u>15,729</u>	<u>34,963</u>	<u>-</u>
<u>Fund balances:</u>						
Unreserved, undesignated, Reported in:						
Special revenue funds	62,269	18,837	-	21,651	4,788	791
Total fund balances	<u>62,269</u>	<u>18,837</u>	<u>-</u>	<u>21,651</u>	<u>4,788</u>	<u>791</u>
Total liabilities and fund balances	<u>\$ 157,707</u>	<u>\$ 24,646</u>	<u>\$ 34,738</u>	<u>\$ 37,380</u>	<u>\$ 39,751</u>	<u>\$ 791</u>

<u>Law Enforcement Fund</u>	<u>Law Enforcement Assistance Grant Fund</u>	<u>Education and Recreation Assistance Fund</u>	<u>FEMA Grant Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 2,982	\$ 211	\$ 6,807	\$ -	\$ 98,317
-	-	-	-	23,388
-	-	-	-	85
234	-	-	-	179,750
-	-	-	-	3,078
-	-	-	-	629
<u>\$ 3,216</u>	<u>\$ 211</u>	<u>\$ 6,807</u>	<u>\$ -</u>	<u>\$ 305,247</u>
\$ -	\$ -	\$ -	\$ -	\$ 10,504
-	-	-	-	23,291
-	-	-	-	152,882
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,677</u>
<u>3,216</u>	<u>211</u>	<u>6,807</u>	<u>-</u>	<u>118,570</u>
<u>3,216</u>	<u>211</u>	<u>6,807</u>	<u>-</u>	<u>118,570</u>
<u>\$ 3,216</u>	<u>\$ 211</u>	<u>\$ 6,807</u>	<u>\$ -</u>	<u>\$ 305,247</u>

City of Rittman, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2008

	Street Maintenance and Repair Fund	State Highway Fund	Permissive Tax Fund	Permissive Tax II Fund	Police Pension Fund	Law Enforcement and Education Fund
<u>Revenues:</u>						
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ 29,019	\$ -
Fines, licenses, and permits	-	-	-	-	-	367
Intergovernmental	275,453	22,320	62,000	19,662	4,226	-
Investment income	1,141	510	-	-	-	-
Total revenue	<u>276,594</u>	<u>22,830</u>	<u>62,000</u>	<u>19,662</u>	<u>33,245</u>	<u>367</u>
<u>Expenditures:</u>						
Current:						
General government	-	-	-	-	549	-
Safety services	-	-	-	-	29,000	1,500
Transportation	<u>322,024</u>	<u>22,596</u>	<u>62,000</u>	<u>40,000</u>	-	-
Total expenditures	<u>322,024</u>	<u>22,596</u>	<u>62,000</u>	<u>40,000</u>	<u>29,549</u>	<u>1,500</u>
Excess of revenues over (under) expenditures	<u>(45,430)</u>	<u>234</u>	<u>-</u>	<u>(20,338)</u>	<u>3,696</u>	<u>(1,133)</u>
<u>Other financing sources:</u>						
Transfers - in	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(30,430)</u>	<u>234</u>	<u>-</u>	<u>(20,338)</u>	<u>3,696</u>	<u>(1,133)</u>
Fund balances at beginning of year	<u>92,699</u>	<u>18,603</u>	<u>-</u>	<u>41,989</u>	<u>1,092</u>	<u>1,924</u>
Fund balances at end of year	<u>\$ 62,269</u>	<u>\$ 18,837</u>	<u>\$ -</u>	<u>\$ 21,651</u>	<u>\$ 4,788</u>	<u>\$ 791</u>

Law Enforcement Fund	Law Enforcement Assistance Grant Fund	Education and Recreation Assistance Fund	FEMA Grant Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 29,019
1,896	-	-	-	2,263
-	1,020	-	-	384,681
-	-	-	-	1,651
<u>1,896</u>	<u>1,020</u>	<u>-</u>	<u>-</u>	<u>417,614</u>
-	-	-	-	549
1,500	809	-	-	32,809
-	-	-	-	446,620
<u>1,500</u>	<u>809</u>	<u>-</u>	<u>-</u>	<u>479,978</u>
<u>396</u>	<u>211</u>	<u>-</u>	<u>-</u>	<u>(62,364)</u>
-	-	-	-	15,000
<u>396</u>	<u>211</u>	<u>-</u>	<u>-</u>	<u>(47,364)</u>
<u>2,820</u>	<u>-</u>	<u>6,807</u>	<u>-</u>	<u>165,934</u>
<u>\$ 3,216</u>	<u>\$ 211</u>	<u>\$ 6,807</u>	<u>\$ -</u>	<u>\$ 118,570</u>

Individual Fund Schedules of Revenues, Expenditures and
Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Income tax	\$ 720,000	\$ 720,000	\$ 682,876	\$ (37,124)
Property and other taxes	325,000	325,000	334,026	9,026
Charges for services	873,825	873,825	920,875	47,050
Fines, licenses, and permits	95,700	87,500	85,678	(1,822)
Intergovernmental	458,642	590,570	623,441	32,871
Investment income	127,000	127,000	124,962	(2,038)
Contributions and donations	-	4,180	4,855	675
Other	13,500	94,700	99,077	4,377
Total revenue	<u>2,613,667</u>	<u>2,822,775</u>	<u>2,875,790</u>	<u>53,015</u>
<u>Expenditures:</u>				
Current:				
General government				
Office of city council				
Personal services	34,795	34,795	34,141	654
Contractual services	7,000	8,200	8,200	-
Total office of city council	<u>41,795</u>	<u>42,995</u>	<u>42,341</u>	<u>654</u>
Department of mayor and administration				
Personal services	240,865	247,865	229,090	18,775
Contractual services	115,200	123,432	107,911	15,521
Supplies and materials	14,700	14,700	14,327	373
Total department of mayor and administration	<u>370,765</u>	<u>385,997</u>	<u>351,328</u>	<u>34,669</u>
Department of finance and tax				
Personal services	139,435	139,435	139,252	183
Contractual services	200	200	-	200
Other operating costs	6,000	6,000	5,822	178
Total department of finance and tax	<u>145,635</u>	<u>145,635</u>	<u>145,074</u>	<u>561</u>
Division of lands and buildings				
Personal services	14,868	14,868	14,430	438
Contractual services	4,000	4,000	1,323	2,677
Supplies and materials	6,000	6,000	5,031	969
Total division of lands and buildings	<u>24,868</u>	<u>24,868</u>	<u>20,784</u>	<u>4,084</u>
Department of law				
Personal services	25,500	25,500	25,154	346
Contractual services	5,000	20,748	19,361	1,387
Total department of law	<u>30,500</u>	<u>46,248</u>	<u>44,515</u>	<u>1,733</u>

(continued)

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Miscellaneous				
Personal services	\$ -	\$ 8,700	\$ 8,439	\$ 261
Contractual services	19,800	27,300	20,797	6,503
Total miscellaneous	19,800	36,000	29,236	6,764
Total general government	633,363	681,743	633,278	48,465
Safety services				
Division of police				
Personal services	910,496	958,256	920,783	37,473
Contractual services	70,690	64,590	59,513	5,077
Supplies and materials	49,450	58,130	52,433	5,697
Other operating costs	300	300	-	300
Total division of police	1,030,936	1,081,276	1,032,729	48,547
Division of communications				
Personal services	2,500	2,500	-	2,500
Division of street lighting				
Contractual services	24,500	24,500	23,232	1,268
Supplies and materials	1,500	1,500	1,500	-
Total division of street lighting	26,000	26,000	24,732	1,268
Total safety services	1,059,436	1,109,776	1,057,461	52,315
Public health and welfare				
Cemetery board				
Personal services	57,970	57,970	53,234	4,736
Contractual services	4,100	4,100	1,051	3,049
Supplies and materials	4,200	4,200	1,985	2,215
Capital outlay	20,000	21,200	12,649	8,551
Total cemetery board	86,270	87,470	68,919	18,551
Board of health				
Contractual services	24,000	24,775	24,772	3

(continued)

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Division of pest and animal control				
Personal services	\$ 3,475	\$ 1,475	\$ 1,335	\$ 140
Contractual services	7,000	7,000	4,916	2,084
Supplies and materials	9,000	11,000	4,048	6,952
Total division of pest and animal control	19,475	19,475	10,299	9,176
Total public health and welfare	129,745	131,720	103,990	27,730
Transportation				
Division of street maintenance				
Personal services	87,760	87,760	87,614	146
Contractual services	52,100	52,100	45,749	6,351
Supplies and materials	40,900	53,323	40,272	13,051
Total division of street maintenance	180,760	193,183	173,635	19,548
Division of vehicle maintenance				
Contractual services	3,500	3,500	1,282	2,218
Supplies and materials	25,000	25,343	23,415	1,928
Total division of vehicle maintenance	28,500	28,843	24,697	4,146
Total transportation	209,260	222,026	198,332	23,694
Basic utility services				
Division of waste management				
Contractual services	384,000	398,200	384,542	13,658
Leisure time activities				
Division of parks				
Personal services	71,728	71,728	67,728	4,000
Contractual services	9,800	9,800	4,669	5,131
Supplies and materials	7,000	7,000	2,110	4,890
Total division of parks	88,528	88,528	74,507	14,021
Recreation center				
Personal services	193,873	225,258	223,638	1,620
Contractual services	120,050	156,021	145,243	10,778
Supplies and materials	45,900	56,172	45,439	10,733
Other operating costs	500	500	93	407
Total recreation center	360,323	437,951	414,413	23,538

(continued)

City of Rittman, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other leisure time activities				
Other operating costs	\$ 200	\$ 3,000	\$ 750	\$ 2,250
Total leisure time activities	<u>449,051</u>	<u>529,479</u>	<u>489,670</u>	<u>39,809</u>
Total expenditures	<u>2,864,855</u>	<u>3,072,944</u>	<u>2,867,273</u>	<u>205,671</u>
Excess of revenues over (under) expenditures	<u>(251,188)</u>	<u>(250,169)</u>	<u>8,517</u>	<u>258,686</u>
<u>Other financing uses:</u>				
Transfers - out	<u>(67,000)</u>	<u>(67,000)</u>	<u>(67,000)</u>	<u>-</u>
Net change in fund balance	(318,188)	(317,169)	(58,483)	258,686
Fund balance at beginning of year	824,080	824,080	824,080	-
Prior year encumbrances appropriated	<u>18,349</u>	<u>18,349</u>	<u>18,349</u>	<u>-</u>
Fund balance at end of year	<u>\$ 524,241</u>	<u>\$ 525,260</u>	<u>\$ 783,946</u>	<u>\$ 258,686</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Medical Service Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property and other taxes	\$ 198,100	\$ 198,100	\$ 207,457	\$ 9,357
Charges for services	118,000	128,955	175,589	46,634
Intergovernmental	33,155	34,676	39,085	4,409
Other	500	2,930	-	(2,930)
Total revenue	<u>349,755</u>	<u>364,661</u>	<u>422,131</u>	<u>57,470</u>
<u>Expenditures:</u>				
Current:				
General government				
Miscellaneous				
Other operating costs	<u>4,200</u>	<u>4,200</u>	<u>3,644</u>	<u>556</u>
Safety services				
Division of emergency services				
Personal services	271,430	276,906	265,549	11,357
Contractual services	37,750	38,000	24,475	13,525
Supplies and materials	27,500	35,815	31,433	4,382
Other operating costs	20,200	20,200	20,000	200
Capital outlay	<u>17,500</u>	<u>174,405</u>	<u>164,900</u>	<u>9,505</u>
Total safety services	<u>374,380</u>	<u>545,326</u>	<u>506,357</u>	<u>38,969</u>
Total expenditures	<u>378,580</u>	<u>549,526</u>	<u>510,001</u>	<u>39,525</u>
Net change in fund balance	(28,825)	(184,865)	(87,870)	96,995
Fund balance at beginning of year	356,693	356,693	356,693	-
Prior year encumbrances appropriated	<u>2,300</u>	<u>2,300</u>	<u>2,300</u>	<u>-</u>
Fund balance at end of year	<u>\$ 330,168</u>	<u>\$ 174,128</u>	<u>\$ 271,123</u>	<u>\$ 96,995</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Department Levy Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property and other taxes	\$ 90,000	\$ 90,000	\$ 96,169	\$ 6,169
Intergovernmental	11,200	13,500	14,480	980
Other	-	-	499	499
Total revenue	<u>101,200</u>	<u>103,500</u>	<u>111,148</u>	<u>7,648</u>
<u>Expenditures:</u>				
Current:				
General government				
Other operating costs	<u>2,000</u>	<u>2,000</u>	<u>1,708</u>	<u>292</u>
Safety services				
Division of fire				
Personal services	105,700	114,000	101,876	12,124
Contractual services	25,700	28,800	27,374	1,426
Supplies and materials	40,900	23,000	19,852	3,148
Capital outlay	-	38,500	21,644	16,856
Total safety services	<u>172,300</u>	<u>204,300</u>	<u>170,746</u>	<u>33,554</u>
Total expenditures	<u>174,300</u>	<u>206,300</u>	<u>172,454</u>	<u>33,846</u>
Excess of revenues under expenditures	<u>(73,100)</u>	<u>(102,800)</u>	<u>(61,306)</u>	<u>41,494</u>
<u>Other financing sources:</u>				
Transfers - in	<u>52,000</u>	<u>52,000</u>	<u>52,000</u>	<u>-</u>
Net change in fund balance	(21,100)	(50,800)	(9,306)	41,494
Fund balance at beginning of year	161,385	161,385	161,385	-
Prior year encumbrances appropriated	<u>19,700</u>	<u>19,700</u>	<u>19,700</u>	<u>-</u>
Fund balance at end of year	<u>\$ 159,985</u>	<u>\$ 130,285</u>	<u>\$ 171,779</u>	<u>\$ 41,494</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Retirement Fund
For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Special assessments	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 17,531</u>	<u>\$ (2,469)</u>
<u>Expenditures:</u>				
Current:				
Miscellaneous				
Other operating costs	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service:				
Principal retirement	<u>705,500</u>	<u>712,800</u>	<u>712,800</u>	<u>-</u>
Interest and fiscal charges	<u>84,160</u>	<u>76,860</u>	<u>75,818</u>	<u>1,042</u>
Total debt service	<u>789,660</u>	<u>789,660</u>	<u>788,618</u>	<u>1,042</u>
Total expenditures	<u>789,910</u>	<u>789,660</u>	<u>788,618</u>	<u>1,042</u>
Excess of revenues under expenditures	<u>(769,910)</u>	<u>(769,660)</u>	<u>(771,087)</u>	<u>(1,427)</u>
<u>Other financing sources:</u>				
Proceeds of bonds	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Transfers - in	<u>789,550</u>	<u>789,550</u>	<u>768,810</u>	<u>(20,740)</u>
Total other financing sources	<u>804,550</u>	<u>804,550</u>	<u>768,810</u>	<u>(35,740)</u>
Net change in fund balance	<u>34,640</u>	<u>34,890</u>	<u>(2,277)</u>	<u>(37,167)</u>
Fund balance at beginning of year	<u>90,670</u>	<u>90,670</u>	<u>90,670</u>	<u>-</u>
Fund balance at end of year	<u>\$ 125,310</u>	<u>\$ 125,560</u>	<u>\$ 88,393</u>	<u>\$ (37,167)</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Income tax	\$ 360,000	\$ 360,000	\$ 344,658	\$ (15,342)
Charges for services	15,000	15,000	4,723	(10,277)
Intergovernmental	-	52,714	52,714	-
Investment income	-	-	615	615
Other	537,000	537,000	531,861	(5,139)
Total revenue	<u>912,000</u>	<u>964,714</u>	<u>934,571</u>	<u>(30,143)</u>
<u>Expenditures:</u>				
Current:				
General government				
Miscellaneous				
Other operating costs	35,000	35,000	18,911	16,089
Capital outlay	<u>3,000</u>	<u>12,700</u>	<u>12,668</u>	<u>32</u>
Total miscellaneous	<u>38,000</u>	<u>47,700</u>	<u>31,579</u>	<u>16,121</u>
Safety services				
Division of police				
Capital outlay	<u>26,000</u>	<u>27,435</u>	<u>27,434</u>	<u>1</u>
Transportation				
Division of street construction				
Capital outlay	<u>40,000</u>	<u>101,100</u>	<u>92,092</u>	<u>9,008</u>
Total division of street construction	<u>40,000</u>	<u>101,100</u>	<u>92,092</u>	<u>9,008</u>
Leisure time activities				
Division of parks				
Capital outlay	<u>34,500</u>	<u>123,893</u>	<u>105,157</u>	<u>18,736</u>
Total expenditures	<u>138,500</u>	<u>300,128</u>	<u>256,262</u>	<u>43,866</u>
Excess of revenues over expenditures	<u>773,500</u>	<u>664,586</u>	<u>678,309</u>	<u>13,723</u>
<u>Other financing uses:</u>				
Transfers - out	<u>(772,418)</u>	<u>(772,418)</u>	<u>(768,810)</u>	<u>3,608</u>
Net change in fund balance	1,082	(107,832)	(90,501)	17,331
Fund balance at beginning of year	152,104	152,104	152,104	-
Prior year encumbrances appropriated	<u>36,979</u>	<u>36,979</u>	<u>36,979</u>	<u>-</u>
Fund balance at end of year	<u>\$ 190,165</u>	<u>\$ 81,251</u>	<u>\$ 98,582</u>	<u>\$ 17,331</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Intergovernmental	\$ 286,000	\$ 286,000	\$ 278,249	\$ (7,751)
Investment income	600	600	1,229	629
Total revenue	<u>286,600</u>	<u>286,600</u>	<u>279,478</u>	<u>(7,122)</u>
<u>Expenditures:</u>				
Current:				
General government				
Division of street maintenance				
Personal services	254,525	264,925	264,701	224
Contractual services	28,700	27,200	11,354	15,846
Supplies and materials	<u>36,500</u>	<u>42,300</u>	<u>35,652</u>	<u>6,648</u>
Total expenditures	<u>319,725</u>	<u>334,425</u>	<u>311,707</u>	<u>22,718</u>
Excess of revenues under expenditures	<u>(33,125)</u>	<u>(47,825)</u>	<u>(32,229)</u>	<u>15,596</u>
<u>Other financing sources:</u>				
Transfers - in	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance	(18,125)	(32,825)	(17,229)	15,596
Fund balance at beginning of year	<u>59,718</u>	<u>59,718</u>	<u>59,718</u>	<u>-</u>
Fund balance at end of year	<u>\$ 41,593</u>	<u>\$ 26,893</u>	<u>\$ 42,489</u>	<u>\$ 15,596</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$ 23,000	\$ 23,000	\$ 22,546	\$ (454)
Investment income	600	600	523	(77)
Total revenue	<u>23,600</u>	<u>23,600</u>	<u>23,069</u>	<u>(531)</u>
<u>Expenditures:</u>				
Current:				
Transportation				
Division of street maintenance				
Personal services	6,100	6,100	6,099	1
Supplies and materials	<u>15,950</u>	<u>15,950</u>	<u>14,133</u>	<u>1,817</u>
Total expenditures	<u>22,050</u>	<u>22,050</u>	<u>20,232</u>	<u>1,818</u>
Net change in fund balance	1,550	1,550	2,837	1,287
Fund balance at beginning of year	<u>11,741</u>	<u>11,741</u>	<u>11,741</u>	<u>-</u>
Fund balance at end of year	<u>\$ 13,291</u>	<u>\$ 13,291</u>	<u>\$ 14,578</u>	<u>\$ 1,287</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Tax Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 70,000	\$ 62,000	\$ (8,000)
<u>Expenditures:</u>				
Current:				
Transportation				
Division of street repair and maintenance				
Capital outlay	-	70,000	62,000	8,000
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Tax II Fund
For the Year Ended December 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	<u>\$ 17,500</u>	<u>\$ 17,500</u>	<u>\$ 16,833</u>	<u>\$ (667)</u>
<u>Expenditures:</u>				
Current:				
Transportation				
Division of street repair and maintenance				
Capital outlay	<u>10,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net change in fund balance	7,500	(22,500)	(23,167)	(667)
Fund balance at beginning of year	<u>39,325</u>	<u>39,325</u>	<u>39,325</u>	<u>-</u>
Fund balance at end of year	<u>\$ 46,825</u>	<u>\$ 16,825</u>	<u>\$ 16,158</u>	<u>\$ (667)</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property and other taxes	\$ 29,000	\$ 29,000	\$ 29,093	\$ 93
Intergovernmental	3,000	3,000	4,226	1,226
Total revenue	<u>32,000</u>	<u>32,000</u>	<u>33,319</u>	<u>1,319</u>
<u>Expenditures:</u>				
Current:				
Miscellaneous				
Other operating costs	700	700	549	151
Safety services				
Division of police				
Personal services	29,000	29,000	29,000	-
Total expenditures	<u>29,700</u>	<u>29,700</u>	<u>29,549</u>	<u>151</u>
Net change in fund balance	2,300	2,300	3,770	1,470
Fund balance at beginning of year	10,581	10,581	10,581	-
Fund balance at end of year	<u>\$ 12,881</u>	<u>\$ 12,881</u>	<u>\$ 14,351</u>	<u>\$ 1,470</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement and Education Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines, licenses, and permits	\$ 700	\$ 700	\$ 401	\$ (299)
<u>Expenditures:</u>				
Current:				
Safety services				
Division of police				
Capital outlay	700	1,500	1,500	-
Net change in fund balance	-	(800)	(1,099)	(299)
Fund balance at beginning of year	1,840	1,840	1,840	-
Fund balance at end of year	\$ 1,840	\$ 1,040	\$ 741	\$ (299)

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Fines, licenses, and permits	\$ 1,000	\$ 1,000	\$ 1,701	\$ 701
<u>Expenditures:</u>				
Current:				
Safety services				
Division of police				
Capital outlay	700	1,500	1,500	-
Net change in fund balance	300	(500)	201	701
Fund balance at beginning of year	2,781	2,781	2,781	-
Fund balance at end of year	\$ 3,081	\$ 2,281	\$ 2,982	\$ 701

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Assistance Grant Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Total revenue	\$ 1,020	\$ 1,020	\$ 1,020	\$ -
<u>Expenditures:</u>				
Current:				
Safety services				
Division of police				
Personal services	1,020	1,020	809	211
Net change in fund balance	-	-	211	211
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 211	\$ 211

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Education and Recreation Assistance Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Contributions and donations	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
<u>Expenditures:</u>				
Current:				
Public health and welfare				
Board of health				
Contractual services	1,000	1,000	-	1,000
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	6,807	6,807	6,807	-
Fund balance at end of year	\$ 6,807	\$ 6,807	\$ 6,807	\$ -

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Grant Fund
For the Year Ended December 31, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$ 8,654	\$ 8,654	\$ -	\$ (8,654)
<u>Expenditures:</u>				
Current:				
Transportation				
Personal services	4,454	4,454	-	4,454
Supplies and materials	1,270	1,270	-	1,270
Total expenditures	5,724	5,724	-	5,724
Excess of revenues over expenditures	2,930	2,930	-	(2,930)
<u>Other financing uses:</u>				
Transfers - out	(2,930)	(2,930)	-	2,930
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

Individual Fund Schedules of Revenues, Expenses and Changes in
Fund Equity – Budget (Non-GAAP Basis) and Actual

City of Rittman, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Municipal income tax	\$ 360,000	\$ 360,000	\$ 344,657	\$ (15,343)
Charges for services	384,000	552,383	385,167	(167,216)
Investment income	500	500	389	(111)
Other	51,500	51,500	57,731	6,231
Total revenue	<u>796,000</u>	<u>964,383</u>	<u>787,944</u>	<u>(176,439)</u>
<u>Expenses:</u>				
Basic utility services				
Division of water supply				
Personal services	49,750	49,750	48,722	1,028
Contractual services	15,500	56,726	42,551	14,175
Supplies and materials	29,000	29,000	17,815	11,185
Capital outlay	5,000	5,000	4,175	825
Total division of water supply	<u>99,250</u>	<u>140,476</u>	<u>113,263</u>	<u>27,213</u>
Division of water distribution				
Personal services	59,190	59,190	57,027	2,163
Contractual services	5,000	22,600	21,234	1,366
Supplies and materials	16,000	23,400	20,573	2,827
Capital outlay	-	401,145	250,706	150,439
Total division of water distribution	<u>80,190</u>	<u>506,335</u>	<u>349,540</u>	<u>156,795</u>
Office of superintendent				
Personal services	173,782	173,782	156,027	17,755
Contractual services	202,954	209,570	176,034	33,536
Supplies and materials	26,350	28,350	15,674	12,676
Other operating costs	90,500	90,500	89,512	988
Total office of superintendent	<u>493,586</u>	<u>502,202</u>	<u>437,247</u>	<u>64,955</u>
Total basic utility services	<u>673,026</u>	<u>1,149,013</u>	<u>900,050</u>	<u>248,963</u>
Debt service:				
Principal retirement	72,500	72,500	72,500	-
Interest and fiscal charges	55,555	55,555	55,485	70
Total debt service	<u>128,055</u>	<u>128,055</u>	<u>127,985</u>	<u>70</u>
Total expenses	<u>801,081</u>	<u>1,277,068</u>	<u>1,028,035</u>	<u>249,033</u>
Net change in fund equity	(5,081)	(312,685)	(240,091)	72,594
Fund equity at beginning of year	689,913	689,913	689,913	-
Prior year encumbrances appropriated	41,342	41,342	41,342	-
Fund equity at end of year	<u>\$ 726,174</u>	<u>\$ 418,570</u>	<u>\$ 491,164</u>	<u>\$ 72,594</u>

City of Rittman, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Charges for services	\$ 992,300	\$ 992,300	\$ 1,187,475	\$ 195,175
Other	500	500	10,019	9,519
Total revenue	992,800	992,800	1,197,494	204,694
<u>Expenses:</u>				
Basic utility services				
Division of water treatment				
Contractual services	-	47,704	9,705	37,999
Capital outlay	-	243,300	159,234	84,066
Total division of water treatment	-	291,004	168,939	122,065
Office of superintendent				
Personal services	183,137	183,467	169,512	13,955
Contractual services	194,000	194,000	187,905	6,095
Supplies and materials	20,800	20,800	10,886	9,914
Other operating costs	90,000	90,000	90,000	-
Total office of superintendent	487,937	488,267	458,303	29,964
Division of sewer maintenance				
Personal services	56,000	56,000	53,995	2,005
Contractual services	20,000	12,000	5,329	6,671
Supplies and materials	90,000	10,000	7,309	2,691
Total division of sewer maintenance	166,000	78,000	66,633	11,367
Division of wastewater treatment				
Personal services	82,725	82,725	81,651	1,074
Contractual services	43,200	45,800	24,590	21,210
Supplies and materials	25,000	25,284	20,511	4,773
Total division of wastewater treatment	150,925	153,809	126,752	27,057
Total basic utility services	804,862	1,011,080	820,627	190,453
Debt service:				
Principal retirement	231,115	231,115	231,113	2
Interest and fiscal charges	117,750	117,750	117,638	112
Total debt service	348,865	348,865	348,751	114
Total expenses	1,153,727	1,359,945	1,169,378	190,567
Excess of revenues over (under) expenses	(160,927)	(367,145)	28,116	395,261

(continued)

City of Rittman, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final budget Positive (Negative)
	Original	Final	Actual	
<u>Other financing sources (uses):</u>				
Transfers - in	\$ 418,756	\$ 570,756	\$ 500,752	\$ (70,004)
Transfers - out	(418,770)	(570,770)	(500,752)	70,018
Total other financing sources (uses)	(14)	(14)	-	14
Net change in fund equity	(160,941)	(367,159)	28,116	395,275
Fund equity at beginning of year	633,114	633,114	633,114	-
Prior year encumbrances appropriated	12,918	12,918	12,918	-
Fund equity at end of year	<u>\$ 485,091</u>	<u>\$ 278,873</u>	<u>\$ 674,148</u>	<u>\$ 395,275</u>

STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	S2 - S7
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue source(s), the property tax (and the income tax).	S8 - S13
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.	S14 - S19
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	S20 - S22
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.	S23 - S25

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that fiscal year.

City of Rittman, Ohio

Net Assets by Component (1)
Last Seven Years (\$000 omitted)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>Governmental Activities</u>							
Invested in capital assets, net of related debt	\$ 5,216	\$ 5,079	\$ 5,123	\$ 5,149	\$ 5,005	\$ 4,701	\$ 4,765
Restricted	968	948	1,090	1,134	1,241	1,056	997
Unrestricted	<u>1,045</u>	<u>994</u>	<u>1,288</u>	<u>1,143</u>	<u>1,066</u>	<u>1,043</u>	<u>1,137</u>
Total governmental activities net assets	<u>\$ 7,229</u>	<u>\$ 7,021</u>	<u>\$ 7,501</u>	<u>\$ 7,426</u>	<u>\$ 7,312</u>	<u>\$ 6,800</u>	<u>\$ 6,899</u>
<u>Business-Type Activities</u>							
Invested in capital assets, net of related debt	\$ 8,575	\$ 8,557	\$ 8,199	\$ 8,118	\$ 8,280	\$ 8,003	\$ 7,595
Unrestricted	<u>1,664</u>	<u>1,618</u>	<u>1,728</u>	<u>1,537</u>	<u>1,044</u>	<u>1,080</u>	<u>1,427</u>
Total business-type activities net assets	<u>\$ 10,239</u>	<u>\$ 10,175</u>	<u>\$ 9,927</u>	<u>\$ 9,655</u>	<u>\$ 9,324</u>	<u>\$ 9,083</u>	<u>\$ 9,022</u>
<u>Primary Government</u>							
Invested in capital assets, net of related debt	\$ 13,791	\$ 13,636	\$ 13,322	\$ 13,267	\$ 13,285	\$ 12,704	\$ 12,360
Restricted	968	948	1,090	1,134	1,241	1,056	997
Unrestricted	<u>2,709</u>	<u>2,612</u>	<u>3,016</u>	<u>2,680</u>	<u>2,110</u>	<u>2,123</u>	<u>2,564</u>
Total primary government net assets	<u>\$ 17,468</u>	<u>\$ 17,196</u>	<u>\$ 17,428</u>	<u>\$ 17,081</u>	<u>\$ 16,636</u>	<u>\$ 15,883</u>	<u>\$ 15,921</u>

(1) accrual basis of accounting.



City of Rittman, Ohio

Changes in Net Assets (1)

Last Seven Years (\$000 omitted)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Expenses							
Governmental Activities:							
General government	\$ 665	\$ 653	\$ 622	\$ 650	\$ 588	\$ 624	\$ 614
Safety services	1,812	1,750	1,634	1,569	1,638	1,489	1,463
Public health and welfare	97	97	93	91	95	100	88
Transportation	823	812	675	914	605	785	758
Basic utility services	384	364	351	231	223	215	208
Leisure time activities	650	982	548	556	541	538	511
Interest and fiscal charges	69	73	66	74	109	108	125
Total governmental activities expenses	<u>4,500</u>	<u>4,731</u>	<u>3,989</u>	<u>4,085</u>	<u>3,799</u>	<u>3,859</u>	<u>3,767</u>
Business-Type Activities:							
Water	905	726	785	721	758	655	606
Sewer	995	952	974	994	1,018	1,095	1,131
Total business-type activities	<u>1,900</u>	<u>1,678</u>	<u>1,759</u>	<u>1,715</u>	<u>1,776</u>	<u>1,750</u>	<u>1,737</u>
Total primary government expenses	<u>\$ 6,400</u>	<u>\$ 6,409</u>	<u>\$ 5,748</u>	<u>\$ 5,800</u>	<u>\$ 5,575</u>	<u>\$ 5,609</u>	<u>\$ 5,504</u>
Program Revenues							
Governmental Activities:							
Charges for services							
General government	\$ 258	\$ 248	\$ 286	\$ 288	\$ 257	\$ 235	\$ 231
Safety services	272	230	183	184	225	148	133
Public health and welfare	35	22	21	33	39	39	35
Transportation	5	-	41	34	-	42	93
Basic utility services	382	375	374	246	235	230	224
Leisure time activities	262	199	232	231	264	221	191
Operating grants, contributions and interest	572	635	416	622	411	420	327
Capital grants and contributions	74	1	16	125	534	140	209
Total governmental activities program revenues	<u>1,860</u>	<u>1,710</u>	<u>1,569</u>	<u>1,763</u>	<u>1,965</u>	<u>1,475</u>	<u>1,443</u>
Business-Type Activities:							
Charges for services							
Water	441	390	384	644	425	479	435
Sewer	1,220	1,200	1,166	1,019	1,052	913	965
Capital grants and contributions	-	-	-	-	190	50	-
Total business-type activities program revenues	<u>1,661</u>	<u>1,590</u>	<u>1,550</u>	<u>1,663</u>	<u>1,667</u>	<u>1,442</u>	<u>1,400</u>
Total primary government program revenues	<u>\$ 3,521</u>	<u>\$ 3,300</u>	<u>\$ 3,119</u>	<u>\$ 3,426</u>	<u>\$ 3,632</u>	<u>\$ 2,917</u>	<u>\$ 2,843</u>
Net (expense)/revenue							
Governmental activities	\$ 2,640	\$ 3,021	\$ 2,420	\$ 2,322	\$ 1,834	\$ 2,384	\$ 2,324
Business-type activities	239	88	209	52	109	308	337
Total primary government net expense	<u>\$ 2,879</u>	<u>\$ 3,109</u>	<u>\$ 2,629</u>	<u>\$ 2,374</u>	<u>\$ 1,943</u>	<u>\$ 2,692</u>	<u>\$ 2,661</u>

(Continued)

City of Rittman, Ohio

Changes in Net Assets (1)

Last Seven Years (\$000 omitted)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Revenues and Other Changes in Net Assets							
Governmental Activities:							
Property taxes levied for:							
General purposes	\$ 324	\$ 359	\$ 304	\$ 317	\$ 364	\$ 249	\$ 344
Safety services	319	333	329	315	371	244	338
Income tax levied for:							
General purposes	601	671	745	732	645	777	723
Capital improvements	299	335	373	366	323	388	361
Grants and entitlements not restricted to specific programs	479	555	506	467	448	457	540
Investment earnings	121	193	147	151	91	54	136
Capital contributions	-	-	-	-	-	-	342
Other	704	95	91	88	105	117	219
Total governmental activities	<u>2,847</u>	<u>2,541</u>	<u>2,495</u>	<u>2,436</u>	<u>2,347</u>	<u>2,286</u>	<u>3,003</u>
Business-Type Activities:							
Income tax levied for:							
Water utility services	302	335	373	366	350	369	420
Other	-	1	108	17	-	-	-
Capital contributions	-	-	-	-	-	-	98
Total business-type activities	<u>302</u>	<u>336</u>	<u>481</u>	<u>383</u>	<u>350</u>	<u>369</u>	<u>518</u>
Total primary government	<u>\$ 3,149</u>	<u>\$ 2,877</u>	<u>\$ 2,976</u>	<u>\$ 2,819</u>	<u>\$ 2,697</u>	<u>\$ 2,655</u>	<u>\$ 3,521</u>
Change in net assets							
Governmental activities	\$ 208	\$ (479)	\$ 75	\$ 114	\$ 513	\$ (99)	\$ 679
Business-type activities	64	248	272	330	242	61	182
Total primary government	<u>\$ 272</u>	<u>\$ (231)</u>	<u>\$ 347</u>	<u>\$ 444</u>	<u>\$ 755</u>	<u>\$ (38)</u>	<u>\$ 861</u>

(1) accrual basis of accounting.

City of Rittman, Ohio

Fund Balances, Governmental Funds (1)

Last Seven Years (\$000 omitted)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund							
Reserved	\$ 9	\$ 14	\$ 13	\$ 25	\$ 18	\$ -	\$ 14
Unreserved, designated	230	273	335	385	438	474	515
Unreserved	<u>655</u>	<u>686</u>	<u>684</u>	<u>533</u>	<u>408</u>	<u>304</u>	<u>469</u>
Total general fund	<u>\$ 894</u>	<u>\$ 973</u>	<u>\$ 1,032</u>	<u>\$ 943</u>	<u>\$ 864</u>	<u>\$ 778</u>	<u>\$ 998</u>
All Other Governmental Funds							
Reserved	\$ -	\$ 43	\$ 9	\$ 3	\$ 88	\$ 1	\$ 30
Unreserved, reported in:							
Special revenue funds	514	663	508	560	557	532	627
Capital projects funds	90	(333)	176	246	203	115	74
Debt service fund	<u>88</u>	<u>91</u>	<u>88</u>	<u>78</u>	<u>53</u>	<u>152</u>	<u>135</u>
Total all other governmental funds	<u>\$ 692</u>	<u>\$ 464</u>	<u>\$ 781</u>	<u>\$ 887</u>	<u>\$ 901</u>	<u>\$ 800</u>	<u>\$ 866</u>

(1) modified accrual basis of accounting.

City of Rittman, Ohio

Changes in Fund Balance, Governmental Funds (1)
Last Two Years (\$000 omitted)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
REVENUES										
Taxes	\$ 1,689	\$ 1,724	\$ 1,682	\$ 1,749	\$ 1,743	\$ 1,563	\$ 1,775	\$ 1,643	\$ 1,498	\$ 1,529
Charges for services:	1,064	1,027	1,076	942	975	871	877	975	472	510
Tuition, fees and permits	80	86	94	86	88	85	78	138	68	73
Intergovernmental revenues	1,081	1,159	913	1,171	881	811	983	932	1,007	1,000
Special assessments:	18	17	20	16	17	15	19	20	34	25
Investment income	123	196	149	151	92	55	141	367	416	247
Contributions and donations	5	20	6	6	3	6	-	-	-	-
Other	655	60	39	26	11	67	208	-11	9	87
Total revenues	4,745	4,805	4,002	4,157	3,858	3,473	3,084	3,633	3,509	3,456
EXPENDITURES										
General government	657	648	642	633	583	615	608	569	624	539
Safety services:	1,619	1,580	1,489	1,421	1,484	1,507	1,313	1,258	1,170	1,121
Public health and welfare	95	96	92	100	90	97	83	81	71	72
Transportation	724	705	592	521	529	713	709	497	411	450
Public utility services	381	364	351	331	224	215	268	201	244	198
Leisure time activities	531	468	428	432	394	398	374	223	195	93
Capital outlay	312	167	199	78	167	141	301	3,040	880	636
Debt service:										
Principal retirement	212	266	262	335	130	140	136	128	81	75
Interest and fiscal charges	65	68	61	67	115	110	126	117	82	46
Bond issuance costs	-	-	-	-	57	-	-	-	-	-
Total expenditures	3,599	4,687	4,118	4,118	3,767	4,399	3,873	5,114	4,068	3,241
Excess of revenues over (under) expenditures	146	(377)	(75)	39	81	(564)	271	(1,479)	(359)	121
OTHER FINANCIAL RESOURCES (USES)										
Bonds issued	-	-	17	26	-	18	-	-	1,505	-
Proceeds of notes	-	-	-	-	-	-	53	-	-	-
Proceeds of loans	-	-	-	-	-	-	48	-	-	-
Repayment of capital lease	56	-	-	-	-	241	-	-	-	-
Repayment of refunding bonds	-	-	-	-	1,830	-	-	-	-	-
Sale of capital assets	-	-	-	-	30	-	-	-	-	-
Payment of refunded bond amounts	-	-	-	-	(1,784)	-	-	-	-	-
Transfers in	305	313	308	250	-	235	239	251	1,559	129
Transfers out	(305)	(313)	(308)	(250)	-	(235)	(239)	(251)	(1,559)	(129)
Total other financing sources (uses)	56	(377)	12	26	86	(279)	101	(279)	1,505	(279)
Net change in fund balance	\$ 292	\$ (377)	\$ (116)	\$ (64)	\$ (187)	\$ (283)	\$ (373)	\$ (2,791)	\$ (946)	\$ (379)
Debt service as a percentage of municipal expenditures	6.5%	6.1%	6.9%	10.0%	4.8%	7.0%	7.4%	8.1%	5.1%	4.7%

(1) Includes general, special revenue, debt service, and capital projects funds for fiscal years 2002 - 2005. Fiscal years 1987 - 2001 includes general, special revenue, debt service, capital projects and expendable trust funds. Modified accrual basis of accounting.

City of Rittman, Ohio

Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property						Weighted Average Tax Rate
	Assessed Value		Estimated Actual Value	Public Utility		General Business		Total All Classes		
	Residential/Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2008	\$ 79,896,630	\$ 12,806,990	\$ 264,867,486	\$ 1,617,040	\$ 1,837,545	\$ 6,552,905	\$ 104,846,480	\$ 100,873,565	\$ 371,551,511	26.84%
2007	79,113,160	12,140,590	260,725,000	1,999,340	2,271,977	11,528,225	92,225,800	104,781,315	355,222,777	26.17%
2006	75,426,750	11,373,170	247,999,771	1,735,490	1,972,148	16,911,260	90,193,387	105,446,670	340,165,306	30.63%
2005	68,994,860	12,206,920	232,005,086	3,002,120	3,411,500	17,135,184	68,540,736	101,339,084	303,957,322	32.63%
2004	67,081,670	10,931,910	222,895,943	2,466,630	2,802,989	15,243,491	60,973,964	95,723,701	286,672,895	32.78%
2003	65,302,140	12,138,110	221,257,857	2,348,170	2,668,375	17,570,580	70,282,320	97,359,000	294,208,552	32.52%
2002	58,518,950	10,105,950	196,071,143	2,087,540	2,372,205	17,821,512	71,286,048	88,533,952	269,729,395	32.27%
2001	56,744,600	9,970,230	190,613,800	3,009,410	3,419,784	18,441,215	73,764,860	88,165,455	267,798,444	32.12%
2000	56,247,710	10,451,050	190,567,886	2,942,680	3,343,955	20,345,022	81,380,088	89,986,462	275,291,928	31.92%
1999	56,230,150	10,451,050	190,517,714	2,953,850	3,356,648	20,339,952	81,359,808	89,975,002	275,234,170	31.92%

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2008 both types of general business tangible personal property were assessed to be 6.25 percent and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Medina and Wayne County Auditor

City of Rittman, Ohio

Schedules of Principal Taxpayers - Real Property
2008 and 2003

	2008			2003 (1)		
	Taxable Assessed	Rank	Percentage of Total City Taxable	Taxable Assessed	Rank	Percentage of Total City Taxable
	Value		Assessed Value	Value		Assessed Value
<u>Taxpayer</u>						
Morton International, Inc.	\$ 1,391,310	1	1.50%	\$ 984,460	2	1.06%
Caraustar Mill Group, Inc.	1,224,700	2	1.32%	1,224,700	1	1.32%
Board of Education Rittman School	1,117,750	3	1.21%	-		0.00%
Northern Health Facilities	-		0.00%	638,770	3	0.69%
Rittman Nursing Property	638,770	4	0.69%	-		0.00%
Rittman Market Square	452,270	5	0.49%	-		0.00%
Rittman Acres Ltd.	349,240	6	0.38%	-		0.00%
Thompson Services, Inc.	323,930	7	0.35%	406,030	6	0.44%
KIPFER Properties LLC	321,540	8	0.35%	-	9	0.00%
Villas Limited	317,590	9	0.34%	317,590	7	0.34%
Laria Management, Ltd.	286,870	10	0.31%	279,890	8	0.30%
Oscar & Christine Gross	-		0.00%	489,140	4	0.53%
Rittman Associates, Ltd.	-		0.00%	452,300	5	0.49%
Total of above	<u>\$ 6,423,970</u>		<u>6.93%</u>	<u>\$ 4,792,880</u>		<u>7.34%</u>
Total City	<u>\$92,703,620</u>			<u>\$ 65,302,140</u>		

Source: Wayne County Auditor

(1) Information prior to 2003 not available.

City of Rittman, Ohio

Schedules of Principal Taxpayers - Personal Property
2008 and 2003

	2008			2003 (1)		
	Taxable Assessed	Rank	Percentage of Total City Taxable	Taxable Assessed	Rank	Percentage of Total City Taxable
	Value		Assessed Value	Value		Assessed Value
Taxpayer						
Caraustar Mill Group, Inc.	\$ 563,470	2	8.60%	\$ 5,692,590	2	32.40%
Morton International, Inc.	965,520	1	14.73%	6,404,060	1	36.45%
Laria Chevrolet Buick	291,430	3	4.45%	988,770	3	5.63%
Unilock Ohio, Inc.	196,690	5	3.00%	776,180	4	4.42%
Imperial Plastics, Inc.	101,130	7	1.54%	446,290	5	2.54%
J & O Plastics, Inc.	74,480	8	1.14%	316,510	7	1.80%
Sprint Communications Co.	49,070	10	0.75%	-		0.00%
Swiss Woodcraft	59,610	9	0.91%	245,110	8	1.40%
Premier Pontiac GMC	225,260	4	3.44%	415,790	6	2.37%
Rite Aid	-		0.00%	127,250	9	0.72%
BLA Investments, Inc.	-		0.00%	122,680	10	0.70%
United Telephone	146,420	6	2.23%	-		0.00%
Total of above	<u>\$ 2,673,080</u>		<u>40.79%</u>	<u>\$ 15,535,230</u>		<u>88.42%</u>
Total City	<u>6,552,905</u>			<u>\$ 17,570,580</u>		

Source: Wayne County Auditor

(1) Information prior to 2003 not available.

City of Rittman, Ohio

Schedules of Principal Taxpayers - Public Utility
2008 and 2003

	2008			2003 (1)		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<u>Taxpayer</u>						
Ohio Edison	\$ 910,540	1	56.31%	\$ 779,310	1	33.19%
Columbia Gas	268,590	2	16.61%	251,730	3	10.72%
United Telephone	7,140	3	0.44%	449,950	2	19.16%
Northeast Ohio Natural Gas Corp	950	4	0.06%	-		0.00%
East Ohio Gas	880	5	0.05%	-		0.00%
Total of above	<u>\$ 1,188,100</u>		<u>73.47%</u>	<u>\$ 1,480,990</u>		<u>63.07%</u>
Total City	<u><u>\$1,617,040</u></u>			<u><u>\$ 2,348,170</u></u>		

Source: Wayne County Auditor

(1) Information prior to 2003 not available.

City of Rittman, Ohio
Income Tax Rates and Collections
Last Ten Years

<u>Tax Year (1)</u>	<u>Tax Rate (2)</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2008	1.50%	\$ 1,372,190	\$ 879,694	64.11%	\$ 111,710	8.14%	\$ 380,786	27.75%
2007	1.50	1,343,468	892,875	66.46	87,519	6.51	363,074	27.03
2006	1.50	1,506,935	1,016,445	67.22	99,167	6.56	396,405	26.22
2005	1.50	1,475,958	978,148	66.27	92,210	6.25	405,599	27.48
2004	1.50	1,372,388	908,415	66.19	67,131	4.89	396,841	28.92
2003	1.50	1,465,986	982,375	67.01	78,102	5.33	405,508	27.66
2002	1.50	1,391,738	985,279	70.79	60,924	4.38	345,535	24.83
2001	1.50	1,373,050	963,893	70.20	65,976	4.81	343,181	24.99
2000	1.50	1,352,149	958,255	70.87	64,104	4.74	329,790	24.39
1999	1.50	1,239,249	856,537	69.12	76,839	6.20	305,873	24.68

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.

City of Rittman, Ohio

Property Tax Levies And Collections
Last Ten Years

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2008	659,419	654,378	99.24%	29,887	684,265	103.77%	12,723	1.93%
2007	618,998	615,750	99.48%	25,667	641,417	103.62%	5,313	0.86%
2006	607,628	572,976	94.30%	14,168	587,144	96.63%	19,990	3.29%
2005	593,000	561,000	94.60%	24,707	585,707	98.77%	6,057	1.02%
2004	495,777	464,229	93.64%	23,154	487,383	98.31%	8,073	1.63%
2003	494,827	461,991	93.36%	16,890	478,881	96.78%	16,395	3.31%
2002	490,000	459,000	93.67%	11,048	470,048	95.93%	13,408	2.74%
2001	413,000	406,000	98.31%	12,591	418,591	101.35%	16,224	3.93%
2000	382,000	375,000	98.17%	7,475	382,475	100.12%	8,300	2.17%
1999	362,000	355,000	98.07%	15,495	370,495	102.35%	13,670	3.78%

Source: Wayne and Medina County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

Note: The County does not identify delinquent collections by the year for which the tax was levied.

City of Rittman, Ohio

Ratios of Outstanding Debt by Type
Last Ten Years (\$000 omitted)

Fiscal Year	Governmental Activities (1)				Business-Type Activities (1)					Total Primary Government
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases	Revenue Bonds	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	OWDA Loans	
2008	1,120	43	-	-	1,060	1,320	-	212	1,086	4,841
2007	1,816	60	-	-	1,081	1,380	-	225	1,297	5,859
2006	1,495	76	5	-	1,101	1,440	-	238	1,497	5,852
2005	1,670	81	15	-	1,120	1,495	8	142	1,687	6,218
2004	1,850	69	24	132	1,138	1,550	15	-	1,869	6,647
2003	1,776	81	34	261	1,155	-	22	-	2,041	5,370
2002	1,895	75	44	-	1,171	-	-	-	2,206	5,391
2001	2,006	42	-	-	1,186	-	-	-	2,384	5,618
2000	2,115	60	-	-	1,201	114	-	-	2,554	6,044
1999	675	77	-	-	1,215	222	-	-	2,716	4,905

(1) Details regarding the City's outstanding debt can be found in Note 7 in the basic financial statements.

City of Rittman, Ohio

Ratios of General Bonded Debt Outstanding
Last Ten Years (\$000 omitted, except per capita)

<u>General Bonded Debt Outstanding (1)</u>						
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>	<u>Outstanding Debt to Personal Income</u>
2008	2,440	1,060	3,500	3.32%	567.17	3.46%
2007	3,196	1,081	4,277	4.06%	693.08	4.23%
2006	2,935	1,101	4,036	3.83%	654.03	4.08%
2005	3,165	1,120	4,285	4.23%	678.65	4.23%
2004	3,400	1,138	4,538	4.74%	718.72	4.48%
2003	1,776	1,155	2,931	3.01%	464.21	2.89%
2002	1,895	1,171	3,066	3.46%	485.59	3.03%
2001	2,006	1,186	3,192	3.62%	505.54	3.15%
2000	2,229	1,201	3,430	3.81%	543.24	3.38%
1999	897	1,215	2,112	2.35%	343.81	n/a

Source: The City of Rittman, Wayne and Medina County Auditor

(1) Details regarding the City's outstanding debt can be found in Note 7 in the basic financial statements.

City of Rittman, Ohio

Legal Debt Margin
Last Ten Years

	2008	2007	2006	2005	2004
Total Assessed Property Value	<u>\$100,873,565</u>	<u>\$104,781,315</u>	<u>\$105,446,670</u>	<u>\$101,339,084</u>	<u>\$95,723,701</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>10,591,724</u>	<u>11,002,038</u>	<u>11,071,900</u>	<u>10,640,604</u>	<u>10,050,989</u>
Debt Outstanding:					
General Obligation Bonds	\$2,440,000	\$3,196,000	\$2,935,000	\$3,165,000	\$3,400,000
Revenue Bonds	1,060,300	1,081,100	1,100,900	1,119,700	1,137,600
Special Assessment Bonds	43,208	60,007	75,982	89,025	84,084
OPWC Loans	212,500	225,000	242,350	156,197	24,250
OWDA Loans	<u>1,086,256</u>	<u>1,296,569</u>	<u>1,496,748</u>	<u>1,687,282</u>	<u>1,868,635</u>
Total Gross Indebtedness	4,842,264	5,858,676	5,850,980	6,217,204	6,514,569
Less:					
Sewer revenue bonds	(1,060,300)	(1,081,100)	(1,100,900)	(1,119,700)	(1,137,600)
Special Assessment Bonds	(43,208)	(60,007)	(75,982)	(89,025)	(84,084)
OPWC Loans	(212,500)	(225,000)	(242,350)	(156,197)	(24,250)
OWDA Loans	(1,086,256)	(1,296,569)	(1,496,748)	(1,687,282)	(1,868,635)
General Obligation Bond Retirement Fund Balance	<u>(88,393)</u>	<u>(90,669)</u>	<u>(105,388)</u>	<u>(77,774)</u>	<u>(52,767)</u>
Total Net Debt Applicable to Debt Limit	<u>2,351,607</u>	<u>3,105,331</u>	<u>2,829,612</u>	<u>3,087,226</u>	<u>3,347,233</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$8,240,117</u>	<u>\$7,896,707</u>	<u>\$8,242,288</u>	<u>\$7,553,378</u>	<u>\$6,703,756</u>
Legal Debt Margin as a Percentage of the Debt Limit	77.80%	71.77%	74.44%	70.99%	66.70%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$5,548,046</u>	<u>\$5,762,972</u>	<u>\$5,799,567</u>	<u>\$5,573,650</u>	<u>\$5,264,804</u>
Total Gross Indebtedness	4,842,264	5,858,676	5,850,980	6,217,204	6,514,569
Less:					
Sewer revenue bonds	(1,060,300)	(1,081,100)	(1,100,900)	(1,119,700)	(1,137,600)
Special Assessment Bonds	(43,208)	(60,007)	(75,982)	(89,025)	(84,084)
OPWC Loans	(212,500)	(225,000)	(242,350)	(156,197)	(24,250)
OWDA Loans	(1,086,256)	(1,296,569)	(1,496,748)	(1,687,282)	(1,868,635)
General Obligation Bond Retirement Fund Balance	<u>(88,393)</u>	<u>(90,669)</u>	<u>(105,388)</u>	<u>(77,774)</u>	<u>(52,767)</u>
Net Debt Within 5 ½ % Limitations	<u>2,351,607</u>	<u>3,105,331</u>	<u>2,829,612</u>	<u>3,087,226</u>	<u>3,347,233</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$3,196,439</u>	<u>\$2,657,641</u>	<u>\$2,969,955</u>	<u>\$2,486,424</u>	<u>\$1,917,571</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	57.61%	46.12%	51.21%	44.61%	36.42%

Source: City Financial Records

2003	2002	2001	2000	1999
<u>\$97,359,000</u>	<u>\$88,534,562</u>	<u>\$88,165,455</u>	<u>\$89,986,462</u>	<u>\$89,975,502</u>
<u>10,222,695</u>	<u>9,296,129</u>	<u>9,257,373</u>	<u>9,448,579</u>	<u>9,447,428</u>
\$1,776,000	\$1,895,000	\$2,006,000	\$2,228,984	\$896,997
1,154,600	1,170,800	1,186,200	1,200,800	1,214,700
103,754	74,665	41,798	60,477	76,572
33,950	43,650	-	-	-
<u>2,041,249</u>	<u>2,205,546</u>	<u>2,384,186</u>	<u>2,554,021</u>	<u>2,715,637</u>
5,109,553	5,389,661	5,618,184	6,044,282	4,903,906
(1,154,600)	(1,170,800)	(1,186,200)	(1,200,800)	(1,214,700)
(103,754)	(74,665)	(41,798)	(60,477)	(76,572)
(33,950)	(43,650)	-	-	-
(2,041,249)	(2,205,546)	(2,384,186)	(2,554,021)	(2,715,637)
<u>(152,337)</u>	<u>(135,363)</u>	<u>(83,901)</u>	<u>(85,430)</u>	<u>(82,030)</u>
<u>1,623,663</u>	<u>1,759,637</u>	<u>1,922,099</u>	<u>2,143,554</u>	<u>814,967</u>
<u>\$8,599,032</u>	<u>\$7,536,492</u>	<u>\$7,335,274</u>	<u>\$7,305,025</u>	<u>\$8,632,461</u>
84.12%	81.07%	79.24%	77.31%	91.37%
<u>\$5,354,745</u>	<u>\$4,869,401</u>	<u>\$4,849,100</u>	<u>\$4,949,255</u>	<u>\$4,948,653</u>
5,109,553	5,389,661	5,618,184	6,044,282	4,903,906
(1,154,600)	(1,170,800)	(1,186,200)	(1,200,800)	(1,214,700)
(103,754)	(74,665)	(41,798)	(60,477)	(76,572)
(33,950)	(43,650)	-	-	-
(2,041,249)	(2,205,546)	(2,384,186)	(2,554,021)	(2,715,637)
<u>(152,337)</u>	<u>(135,363)</u>	<u>(83,901)</u>	<u>(85,430)</u>	<u>(82,030)</u>
<u>1,623,663</u>	<u>1,759,637</u>	<u>1,922,099</u>	<u>2,143,554</u>	<u>814,967</u>
<u>\$3,731,082</u>	<u>\$3,109,764</u>	<u>\$2,927,001</u>	<u>\$2,805,701</u>	<u>\$4,133,686</u>
69.68%	63.86%	60.36%	56.69%	83.53%

City of Rittman, Ohio

Direct and Overlapping Governmental Activities Debt (\$000 omitted)
December 31, 2008

Governmental Unit	Debt Outstanding	Percentage applicable to City (1)	Amount applicable to City
Rittman Exempted Village School District	\$ 8,025	94.34%	7,571
Wayne County, Ohio	9,589	4.89%	690
Subtotal, overlapping debt			8,261
City of Rittman governmental activities direct debt			<u>1,163</u>
Total direct and overlapping debt			<u>\$ 9,424</u>

(1) Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

City of Rittman, Ohio

Schedules of Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures and Revenue Bond Coverage
Last Ten Years (\$000 omitted)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
<u>GENERAL BONDED DEBT</u>										
Debt service	207	206	202	203	22	140	135	245	162	120
General governmental expenditures	4,599	4,682	4,031	4,118	3,767	4,039	3,863	6,114	4,068	3,246
Ratio of debt service to general governmental expenditures	4.50	4.40	5.01	4.93	0.58	3.47	3.49	4.01	3.98	3.70
<u>REVENUE BOND COVERAGE</u>										
Sewer:										
Direct revenue	1,221	1,200	1,257	1,021	1,052	913	965	921	909	882
Operating expense (1)	660	608	622	630	644	693	673	681	652	476
Net available	561	592	635	391	408	220	292	240	257	406
Principal	21	20	19	18	17	16	15	14	-	13
Interest	55	56	57	58	59	60	61	62	62	63
Total debt service	76	76	76	76	76	76	76	76	62	76
Coverage	7.38	7.79	8.36	5.14	5.37	2.89	3.84	3.16	4.15	5.34

Note: All years presented are reported on a GAAP basis.

(1) excludes depreciation

City of Rittman, Ohio

Schedules of Principal Employers
2008 and 2003

	2008			2003 (1)		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
<u>Employer</u>						
<u>Industry</u>						
Morton International, Inc.	298	1	9.90%	293	1	9.73%
Rittman Local School District	197	3	6.54%	238	3	7.90%
City of Rittman	183	2	6.08%	197	5	6.54%
Northern Health Facilities	130	4	4.32%	198	4	6.58%
Caraustar Mill Group, Inc.	-		0.00%	240	2	7.97%
Imperial Plastics, Inc.	95	5	3.16%	105	6	3.49%
Unilock Ohio, Inc.	44	10	1.46%	53	8	1.76%
Laria Chevrolet Buick	55	8	1.83%	62	7	2.06%
Promotional Fixtures	-		0.00%	41	9	1.36%
Mull Iron	61	6	2.03%	-		0.00%
Premier Pontiac	56	7	1.86%	-		0.00%
Swiss Woodcraft, Inc.	44	9	1.46%	36	10	1.20%
Total	<u>1,163</u>			<u>1,463</u>		
Total employment within the City	<u>3011</u>	(2)		<u>3011</u>	(2)	

Source: The City of Rittman

(1) Information before 2003 is not available.

(2) Labor statistics only available for 2002.

City of Rittman, Ohio

Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Personal Income (1)	Per Capita Income (1)	Median Family Income (1)	School Enrollment (2)	Unemployment Rate (3)			City Square Miles (4)
						Wayne County	Medina County	State of Ohio	
2008	6,314	101,333	16,049	41,643	1,097	5.6%	5.8%	6.5%	6.1
2007	6,314	101,333	16,049	41,643	1,063	5.0%	5.8%	5.8%	6.1
2006	6,314	101,333	16,049	41,643	1,121	4.6%	4.7%	5.5%	6.1
2005	6,314	101,333	16,049	41,643	1,153	4.9%	4.7%	5.9%	6.1
2004	6,314	101,333	16,049	41,643	1,162	5.3%	4.9%	5.9%	6.1
2003	6,314	101,333	16,049	41,643	1,216	5.1%	5.0%	6.1%	6.1
2002	6,314	101,333	16,049	41,643	1,239	4.9%	4.5%	5.7%	6.1
2001	6,314	101,333	16,049	41,643	1,209	3.9%	3.7%	4.2%	6.1
2000	6,314	101,333	16,049	41,643	1,273	3.1%	3.2%	4.1%	6.1
1999	6,143	n/a	n/a	n/a	1,307	3.5%	3.4%	4.3%	6.1

(1) U.S. Census Bureau 2000

(2) School District Records

(3) Ohio Bureau of Employment Services; Department of Labor, Bureau of Labor Statistics

(4) City Records

City of Rittman, Ohio

Full-Time Equivalent City Government Employees by Function/Program
Last Seven Years (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002
General Government							
Council	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Mayor	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Finance	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Tax	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Law	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Security of Persons and Property							
Police	11.00	11.00	11.00	11.00	11.50	12.00	12.50
Police - School Guards	5.00	5.00	5.00	6.50	6.50	5.50	5.00
Police - Dispatchers	5.00	5.00	5.00	6.00	5.00	5.00	4.50
Police - Animal Wardens	1.00	1.00	1.00	1.00	1.00	0.00	0.00
Fire	14.50	14.50	14.50	16.50	16.00	16.00	14.00
Public Health Services							
Emergency Medical Services	15.50	15.50	15.50	15.50	15.50	14.00	13.00
Cemetery	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Leisure Time Activities							
Recreation	12.00	12.00	12.00	12.00	13.00	11.50	12.00
Parks	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Transportation							
Service	2.50	2.50	2.50	2.50	2.50	3.50	3.50
Street M&R	7.00	7.00	7.00	5.00	6.00	6.00	6.00
Basic Utility Services							
Water	5.00	5.00	5.00	4.00	5.00	5.00	5.00
Wastewater	4.00	4.00	4.00	4.00	4.00	5.00	5.00
Totals:	95.05	95.05	95.05	96.55	98.55	96.05	93.05

Source: City Payroll Department Attendance Cards at Year End

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

(1) Information prior to 2002 is not available

City of Rittman, Ohio

Operating Indicators by Function/Program

Last Seven Years (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002
General Government							
<i>Council and Clerk</i>							
Number of ordinances passed	37	28	30	36	47	35	31
Number of resolutions passed	19	10	14	18	19	4	10
Number of planning commission docket items	2	1	5	6	11	4	4
Zoning Board of Appeals docket items	4	7	9	9	11	11	9
<i>Finance Department</i>							
Number of checks/ vouchers issued	2,424	2,497	2,483	2,436	3,877	2,618	2,606
Amount of checks written	\$ 6,698,892	6,500,835	5,927,649	6,947,390	7,260,449	6,173,985	610,750
Number of payroll checks issued	3,415	3,351	3,346	3,410	3,397	3,467	3,492
Interest earnings for fiscal year (cash basis)	\$ 127,981	202,302	157,201	133,639	89,796	77,257	138,156
Number of receipts issued	1,990	1,980	1,972	1,997	1,842	1,902	n/a
General fund receipts (cash basis)	\$ 2,908,884	2,832,218	2,828,136	2,678,059	2,596,735	2,522,852	2,487,356
General fund expenditures (cash basis)	\$ 2,909,987	2,798,914	2,706,074	2,432,279	2,376,547	2,426,831	2,350,826
General fund cash balances (in thousands)	\$ 554,138	549,732	520,281	382,840	273,493	178,457	215,277
<i>Income Tax Department</i>							
Number of individual returns	3,523	3,485	4,460	3,971	4,077	4,805	4,365
Number of business returns	426	465	473	380	407	399	397
Number of business withholding accounts	243	308	2,880	2,797	2,664	2,625	2,568
Amount of penalties and interest collected	\$ 22,498	24,710	44,694	21,829	17,185	28,923	16,951
<i>Civil Service</i>							
Number of police entry tests administered	n/a	13	n/a	n/a	n/a	36	n/a
Number of dispatcher entry tests administered	n/a	n/a	n/a	12	n/a	n/a	17
Number of hires of Police Officers from certified lists	n/a	2	n/a	n/a	n/a	1	n/a
Number of hires of Dispatchers from certified lists	n/a	n/a	n/a	1	n/a	n/a	n/a

(continued)

City of Rittman, Ohio

Operating Indicators by Function/Program (continued)
Last Seven Years (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002
Building Department Indicators							
No. of zoning permits issued	46	68	140	145	165	195	198
No. of new housing permits issued	6	10	14	20	38	29	51
Estimated value of construction	\$ 910,574	7,667,346	2,712,612	12,030,811	2,468,000	5,003,102	7,457,223
Amount of revenue generated from permits	\$ 2,190	4,418	5,246	11,850	10,982	8,416	6,162
Security of Persons & Property							
Police							
Total calls for services	9,932	7,829	7,773	n/a	4,787	3,830	5,493
Number of traffic citations issued	414	443	419	n/a	391	428	421
Number of parking citations issued	294	267	493	n/a	435	702	161
Number of criminal arrests	543	475	454	n/a	426	346	435
Number of accident reports completed	122	132	130	n/a	121	120	144
Injury accidents	8	15	15	n/a	13	13	18
Stolen vehicles	9	14	15	n/a	16	8	15
Incident reports	599	721	611	n/a	506	484	595
DUI arrests	25	47	26	n/a	31	28	48
Burglary	52	49	32	n/a	19	19	40
Thefts	221	107	93	n/a	97	73	96
Robberies	6	4	1	n/a	1	1	n/a
Homicides	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gasoline costs of fleet	\$ 30,536	26,487	22,000	18,460	14,358	13,164	11,428
Total calls handled through communication center	13,582	18,998	16,845	n/a	13,269	12,487	11,199
Fire/EMS							
EMS total runs	817	872	787	735	784	684	670
EMS transports	557	636	579	450	568	516	n/a
Ambulance billing collections (net)	\$168,748	171,068	111,701	114,413	109,333	74,955	71,905
Fire calls	194	192	n/a	n/a	n/a	n/a	n/a
Fires with loss	8	4	n/a	n/a	n/a	n/a	n/a
Fires with losses exceeding \$10K	n/a	1	n/a	n/a	n/a	n/a	n/a
Fire losses \$	\$13,000	18,000	n/a	n/a	n/a	n/a	n/a
Fire safety inspections	28	20	n/a	n/a	n/a	n/a	n/a
Number of times mutual aid received for fire and EMS	35	46	n/a	n/a	n/a	n/a	n/a
Public Health and Welfare							
Cemetery burials	32	30	34	45	38	45	43
Cemetery cremations	8	13	4	9	6	3	5
Cemetery sale of lots	34	15	26	41	44	40	34
Cemetery receipts	\$ 35,314	21,811	25,847	38,065	35,438	38,258	30,946

(continued)

City of Rittman, Ohio

Operating Indicators by Function/Program (continued)

Last Seven Years (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002
Leisure Time Activities							
<i>Recreation</i>							
Recreation Center membership receipts	\$ 171,172	128,679	156,885	159,191	168,244	156,825	135,461
Recreation Center rental receipts	15,160	8,376	15,598	18,024	17,139	17,814	13,063
Recreation Center program receipts	60,110	47,353	50,426	46,357	41,288	40,974	34,034
Recreation Center miscellaneous receipts	27,153	25,643	20,476	20,409	13,972	15,378	53,973
Total Recreation Department receipts	\$ 273,595	210,050	243,384	243,981	240,643	230,990	236,531
Transportation							
Crackseal Coating Program - Annual Cost	\$ 11,456	14,850	17,000	16,632	15,348	17,653	18,844
Paint Striping - Annual Cost	12,545	n/a	10,000	9,288	6,888	8,706	5,965
Leaf collection - disposal costs	4,701	1,540	3,489	3,565	2,445	2,288	2,712
Cost of salt purchased	\$ 23,206	26,889	22,732	39,020	32,436	34,723	14,278
Water Department							
Water rates per 1st 300 Cu ft of water used	7.40	7.40	7.40	7.40	7.40	7.40	7.40
Annual total of utility accounts billed	\$ 33,780	29,715	29,791	29,695	29,333	28,967	28,503
Annual total Water Collections Billed	\$ 349,999	358,757	375,263	363,723	366,846	361,024	363,477
Avg. water billed monthly (Gallons)	12,181	12,905	15,186	13,006	15,329	19,209	19,383
Total water collections annually (Including P&I)	\$ 361,428	359,042	364,517	371,453	366,800	374,095	368,149
Wastewater Department							
Wastewater rates per 1st 300 Cu ft of water used	\$ 25.78	24.33	22.96	21.66	21.66	20.43	20.43
Annual total sewer collections billed	\$ 1,048,802	1,028,074	1,229,844	969,035	918,648	852,413	853,283
Total sewer collections annually	\$ 1,149,011	1,154,935	1,110,995	983,697	917,436	881,995	865,304

Source: The City of Rittman

(1) Information prior to 2002 is not available

n/a Information not available, ten year of information will be shown when available.



Mary Taylor, CPA
Auditor of State

CITY OF RITTMAN

WAYNE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 6, 2009**