



**Mary Taylor, CPA**  
Auditor of State



CITY OF TALLMADGE  
SUMMIT COUNTY

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tallmadge, Summit County, Ohio, (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 4, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

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

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

### **Compliance and Other Matters**

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

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 4, 2010.

We intend this report solely for the information and use of the audit committee, management, and City Council, and others within the City. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

June 4, 2010

**CITY OF TALLMADGE, OHIO**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2009

PREPARED BY THE OFFICE OF:

**JILL STRITCH, DIRECTOR OF FINANCE – C.P.F.A**

*46 NORTH AVENUE  
TALLMADGE, OH 44278*





# **INTRODUCTORY SECTION**



**CITY OF TALLMADGE, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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**JILL STRITCH, C.P.F.A.**  
**Director of Finance – City of Tallmadge**

June 4, 2010

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the City of Tallmadge, Ohio (the City) is hereby presented. This CAFR represents the official report of the City of Tallmadge's operations and financial position for the year ended December 31, 2009, and has been developed to accurately detail the status of City finances to Tallmadge residents and elected officials, investment banks, underwriters and all other interested parties. This report is being presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis-for State and Local Governments."

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge, the data contained in this report is accurate in all material respects, and is presented in a manner designed to set forth fairly the financial position and results of operations of the City. All disclosures necessary to provide the reader with a better understanding of the City's financial activities have been included.

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The Auditor of State's office performed the audit for the year ended December 31, 2009. The Independent Accountants' Report on the basic financial statements is included in the financial section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2009 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

**THE REPORTING ENTITY**

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

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

The City participates in the Akron Metropolitan Area Transportation Study (AMATS), the Brimfield Township-City of Tallmadge Joint Economic Development District and the Regional Income Tax Agency. These organizations are described in more detail in Note 16 of the Basic Financial Statements.

## **THE CITY OF TALLMADGE**

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

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

The City is located in Summit and Portage Counties, with over 97% of the property located in Summit County and the remainder in Portage County. The City is approximately 13.5 square miles in size, is located approximately 35 miles south of Cleveland, Ohio and is contiguous to Akron, Ohio. The City's 2009 population of 17,390 makes it the eighth largest City in Summit County.

## **CITY GOVERNMENT**

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

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

The City offers an attractive opportunity for business growth. Tallmadge has a diversified tax base with 450 plus business establishments, from its largest employer, Autosales, Inc., to small family businesses provide the opportunity and interests that keep Tallmadge a vital part of the market place.

The City operates a Community Reinvestment Area Tax Abatement Program. This program is available for commercial and industrial expansions and new construction. The abatement is for property taxes on the increased values of real estate attributable to the improvements or new construction. This program will abate real estate taxes on the building for seven years at 100%. To date 107 companies have taken advantage of the tax abatement program. In addition, in 2006 the City instituted a New Jobs Grant Program. This program is aimed at businesses occupying vacant buildings in the City. Commercial and industrial businesses that locate in these structures and have a payroll exceeding \$1,000,000 per year are eligible for a grant equal to the amount of 50% of payroll taxes paid in the previous calendar year for up to five (5) years.

Beginning in 1987, the City experienced significant economic growth, which continues today. New investment in industrial, commercial and residential development exceeded \$10 million in 1987 and has averaged \$20 million a year for the past five fiscal years.

Virtually all the major employers in the City have expanded or built new facilities during this time period. While the national and local economy has been in a downturn, there were still a significant number of expansions and relocations in the City. The latest expansions include three major companies that completed construction on new facilities on over 220,000 sq. feet of new industrial buildings; they include Reduction Engineering, DermaMed Coating, LLC, and Industrial Tube and Steel. In addition, there were expansions and development in the companies of: J and J Properties, Walco Equipment, National City Bank and Dunkin Donuts.



Net employment as a result of these expansions and other developments typically amounts to approximately 140 positions yearly. The majority of employment within the City occurs in businesses housed in 5,000 to 20,000 square foot buildings. Tallmadge's employment rate remains stable due to this large number of small businesses in the City. Unemployment rates tend to run at least one percent lower than the Akron Metropolitan Area.

In efforts to stabilize the largest source of general fund revenue, the citizens voted in 2004 to make the City 2% income permanent rather than a 5 year renewal. The income tax collections at the end of fiscal year 2009 experienced a decline of approximately 10% from the prior fiscal year. The City took proactive measures to ensure the long-term financial stability of City including retirement incentive plans for employees. Also, in December of 2009 the City joined a council of governments, The Regional Income Tax Authority (RITA) for the collection of income tax.

Residential development has closely paralleled industrial and commercial development during the same period. A total of 6 residential units were built in 2009, which consists of 6 single-family dwellings. There were 67 permits for additions and alterations in 2009.

The City is meeting the demands of a changing population with a number of condominium developments. There are a number of condominium and single family developments underway consisting of East Point Development, Fox Ridge Development, Stonegate Estates, Villas at Waterford Crossing, Green Valley Estates, Woodridge Development, and Shadyside Farms.

The City created a Joint Economic Development District (JEDD) effective January 1, 2004 that encompasses 70% of the Township of Brimfield. The JEDD has resulted in additional income tax collections for the City and will continue in the future. This income tax is distributed to both the City and the Township. The City receives 50 percent of the income tax for general operations and is required to distribute 5 percent to the Township for the JEDD Maintenance and Capital Improvement Fund. The Township receives the remaining 45 percent of the annual collections, resulting in an annual distribution to the Township of 50 percent of the income taxes collected. There are significant areas for development in the JEDD in addition to the already established industrial park land adjacent to the Interstate 76/Route 18 interchange.

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

The Cascades development is located within the JEDD totaling about 114 acres consisting of 216 apartment units, commercial and retail stores. In 2008, 600,000 square feet of retail development was completed including Wal-Mart, Applebee's Restaurant, Lowe's Home Center, Arabica Coffee Shop, Strickland's Ice Cream, Beef O' Brady's, St. Nails, and The Dollar Store – all located at the Cascades of Brimfield retail park as well as development of a large residential apartment complex located in the back of the project. In 2009, Kohl's store is under construction as well.

## **LONG-TERM FINANCIAL PLANNING**

The City of Tallmadge has strong financial management and is aided by financial policies adopted by Council. The City established a minimum fund balance policy in 1998 with amendments and updates to the policy in 2005. The amendments in 2005 provided additional financial guidelines. The purpose of the policy is to be proactive in financial management and establish minimum levels to be maintained in the major operating funds, which include the general, fire/EMS levy, street maintenance and repair, sewer and water funds. Even with the downturn of the economy, the City has adopted a budget every year meeting those minimum fund balances.

In order to direct plans that promote a sound pattern of development, the City utilizes a Comprehensive Plan adopted by the administration and Council. The document, which is currently being updated, serves as a guide in defining community objectives, policies and goals and scheduling of capital improvement projects including water lines, sanitary sewer lines, storm sewers, and transportation. Further, to guide the direction of land development, this plan provides a thoroughfare map, zoning district map and future land use map.

## **MAJOR INITIATIVES**

### **Current**

The recreation facility built in 2004 has completed its fifth full year of operation and it proves to be very successful with approximately 3,800 members at the facility, far exceeding our anticipated enrollment projections. In 2008, the facility was renovated to add indoor multi use courts for activities such as racquetball and wallyball and additional cardiovascular areas and overhead spectator seating.

The City, in efforts to embrace regionalism and be cost effective, moved their dispatching to the neighboring City of Stow. The City no longer employs telecommunicators to provide dispatching services but instead contracts with Stow to provide that necessary function to the citizens of Tallmadge at a reduced cost and with state of the art technology.

Major construction projects in 2009 included a sidewalk extension project on the south side of East Avenue connecting the high school and middle school to the Tallmadge Circle. The City instituted a storm water utility fee effective May 1, 2005. In 2009 the fee generated approximately \$310,000 for various needed projects. The user fee applies to all residential, commercial and industrial customers in the City. The rate was lowered to \$2.00 per month in 2008 and will remain at that rate. The rate for industrial and commercial customers is based on equivalent rate units measured on impervious surfaces. There is also a credit applied up to 50% if the customer retains 100% of their storm water on their premise.

In 2009, the City opened the Maca Pool, the new outdoor pool replacing the old pool and park area. The 3.2 million dollar project consists of a zero depth, 6 lane lap pool featuring 2 large water slides and a barrel water spray. There are also picnic umbrellas, kiddies' pool area, concessions, and bath house. In addition, there is a new playground with new equipment, 3 new picnic pavilions and baseball fields to provide a high quality recreational area for all ages.

In 2009, the City constructed the Northeast High Pressure District and Pump Station to upgrade the existing flow of water throughout the northeast end of the community as well as to provide adequate water pressure for future development in this quadrant of the City. This project is being paid by water fund revenue financed through the Ohio Water Development Authority (OWDA).

The City has completed the detailed engineering and right-of-way acquisition for the Northeast Avenue roundabout in anticipation of construction early in 2010.

In February of 2006 the City was assigned for the first time a bond rating of A1 from Moody's Investors Service of Chicago and New York. The City in May of 2010 once again went to Moody's for a review of their bond rating and was assigned a rating of Aa2 on the global rating scale. This is a very attractive rating for the City and should result in more investors being attracted to the City thereby lowering rates of interest on future debt issuances. The Aa2 rating reflects the City's moderately sized suburban tax base, solid financial operations supported by sound reserves, and low debt burden with manageable levels of expected future borrowings.

### **Future**

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

In 2010, the City will begin construction of the North Thomas Road Waterline. This line replaces 8,600 linear feet of existing waterline that was constructed in 1956. The estimated cost of this project is \$440,000 and will be paid from water fund revenue and possible outside funding with the stimulus package.

In April of 2010, the City commenced construction of the Northeast Avenue roundabout, a modern 6 legged roundabout. This is a 2.2 million dollar project that is primarily federally funded through CMAQ (Congestion Mitigation and Air Quality) and ARRA (American Recovery and Reinvestment Act) funds in addition to some city funds.

The City will continue to place a major emphasis on economic development within the City as well as within the JEDD in Brimfield Township. There are numerous sites within the City for development including the Portage Boulevard Industrial Park and within the Circle Redevelopment Area. There are significant areas for development in the Joint Economic Development District including the Karg Industrial Park, the Sunnybrook/Forge Road area and the land associated with the Interstate 76/Route 18 interchange.

Additional developments in the Interstate 76/Route 18 interchange of the JEDD area include the construction of Kohl's. There is also continuing development of a large residential apartment complex.

### **AWARDS**

#### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tallmadge for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Tallmadge has received a Certificate of Achievement for the last seventeen consecutive years (1992 - 2008). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

#### **ACKNOWLEDGEMENTS**

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

Respectfully Submitted,

A handwritten signature in cursive script that reads "Jill Stritch". The signature is written in black ink and is positioned above the printed name.

Jill Stritch, Director of Finance, CPFA

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Tallmadge  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

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



A stylized, handwritten signature in black ink, appearing to be "J.R. Emer".

President

A handwritten signature in black ink, reading "Jeffrey R. Emer".

Executive Director

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**CITY OF TALLMADGE, OHIO  
LISTING OF PRINCIPAL CITY OFFICIALS  
AS OF DECEMBER 31, 2009**

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**ELECTED OFFICIALS**

Mayor	Christopher Grimm
Director of Finance	Jill Stritch
Director of Law	Penny Taylor
President of Council	Jack Sarver
Council Member	Gene Stalnaker
Council Member	James Donovan
Council Member	Linda Poinar
Council Member	John Rensel
Council Member	Robert Maguire
Council Member	Kimberly Ray

**APPOINTED OFFICIALS**

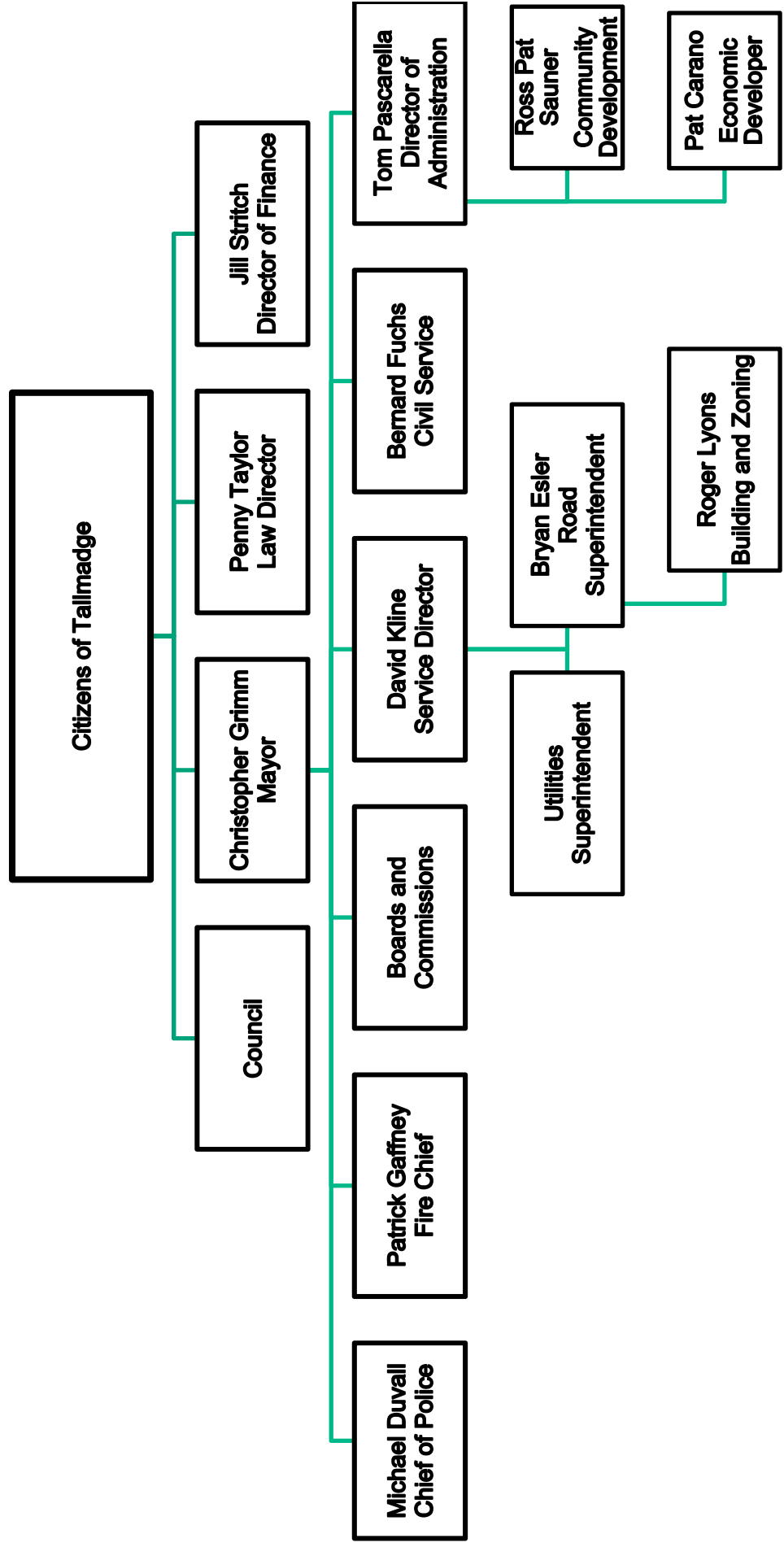
Service Director	David Kline
Director of Administration	Thomas Pascarella
Community Developer	Ross Pat Sauner
Economic Developer	Pat Carano
Assistant Director of Law	Megan Pierce-Raber
Assistant Director of Finance	Mollie Gilbride
Chief Deputy Tax Administrator	Rosemary Berdy
Clerk of Council	Susan Wilson
Deputy Clerk of Council	Dennis DiMascio

**DEPARTMENT OFFICIALS**

Chief of Police	Michael Duvall
Chief of Fire	Patrick Gaffney
Road Superintendent	Bryan Esler
Building and Zoning Inspector	Roger Lyons
Civil Service Chairman	Bernard Fuchs

# CITY OF TALLMADGE – 2009

## ORGANIZATIONAL CHART



# **FINANCIAL SECTION**







# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

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 Tallmadge, Summit County, Ohio, (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City'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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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 Tallmadge, Summit County, Ohio, as of December 31, 2009, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Fire/EMS Levy 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 4, 2010, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements, schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

June 4, 2010

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## CITY OF TALLMADGE, OHIO

### *MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009*

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The management's discussion and analysis of the City of Tallmadge's (the "City") financial statements provides an overall review of the City's financial activities for the year ended December 31, 2009. The intent of this discussion and analysis is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements.

#### **Financial Highlights**

Key financial highlights for 2009 are as follows:

- The total net assets of the City decreased \$59,413 or 0.14% from 2008. Net assets of governmental activities increased \$531,332 or 2.38% from 2008 and net assets of business-type activities decreased \$590,745 or 2.73% from 2008.
- Total assets of the City decreased \$278,879, a decrease of 0.45% from 2008.
- Total current liabilities decreased \$577,703 from 2008.
- Total long-term liabilities increased \$358,237 during 2009.

#### **Using this Comprehensive Annual Financial Report**

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

#### **Government-Wide Financial Statements**

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

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

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

Both of the government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, security of persons and property, public health and welfare, transportation, leisure time activities, community environment, and interest and fiscal charges. The government-wide financial statements can be found on pages 13-15 of this report.

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## CITY OF TALLMADGE, OHIO

### *MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009*

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#### ***Fund Financial Statements***

Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column. The basic fund financial statements can be found on pages 16-30 of this report.

#### ***Governmental Funds***

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

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

#### ***Proprietary Funds***

The City maintains three proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water, and storm water operations. The basic proprietary fund financial statements can be found on pages 25-28 of this report.

#### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. A private purpose trust fund and agency fund are the City's fiduciary fund types. The basic fiduciary fund financial statements can be found on pages 29-30 of this report.

#### ***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31-60 of this report.

The nonmajor governmental funds are presented immediately following the notes to the basic financial statements and can be found beginning on page 61 of this report.

**CITY OF TALLMADGE, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009*

**Government-Wide Financial Analysis**

The statement of net assets serves as a useful indicator of a government's financial position. The table below provides a summary of the City's net assets for 2009 and 2008:

	<b>Net Assets</b>					
	Governmental Activities <u>2009</u>	Business-type Activities <u>2009</u>	Governmental Activities <u>2008</u>	Business-type Activities <u>2008</u>	2009 Total	2008 Total
<u>Assets</u>						
Current and other assets	\$ 10,926,374	\$ 8,095,878	\$ 10,904,461	\$ 8,380,198	\$ 19,022,252	\$ 19,284,659
Nondepreciable capital assets	2,889,904	1,507,304	4,971,639	492,500	4,397,208	5,464,139
Depreciable capital assets, net	<u>25,342,567</u>	<u>13,517,201</u>	<u>23,759,238</u>	<u>14,050,071</u>	<u>38,859,768</u>	<u>37,809,309</u>
Capital assets, net	<u>28,232,471</u>	<u>15,024,505</u>	<u>28,730,877</u>	<u>14,542,571</u>	<u>43,256,976</u>	<u>43,273,448</u>
Total assets	<u>39,158,845</u>	<u>23,120,383</u>	<u>39,635,338</u>	<u>22,922,769</u>	<u>62,279,228</u>	<u>62,558,107</u>
<u>Liabilities</u>						
Current and other liabilities	3,218,161	625,340	3,785,066	636,138	3,843,501	4,421,204
Long-term liabilities:						
Due within one year	1,162,181	225,036	707,662	120,948	1,387,217	828,610
Due in more than one year	<u>11,930,293</u>	<u>1,220,167</u>	<u>12,825,732</u>	<u>525,098</u>	<u>13,150,460</u>	<u>13,350,830</u>
Total liabilities	<u>16,310,635</u>	<u>2,070,543</u>	<u>17,318,460</u>	<u>1,282,184</u>	<u>18,381,178</u>	<u>18,600,644</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt (see Note 2.T)	17,647,995	13,666,756	18,719,874	13,978,571	29,944,751	31,213,445
Restricted:						
Debt service	702,033	-	711,687	-	702,033	711,687
Capital projects	934,667	-	53,728	-	934,667	53,728
Fire/EMS levy	428,826	-	378,851	-	428,826	378,851
Street maintenance	790,738	-	684,642	-	790,738	684,642
State highway	81,809	-	56,561	-	81,809	56,561
Community environment	11,804	-	7,879	-	11,804	7,879
Law enforcement	23,470	-	9,120	-	23,470	9,120
Unrestricted (see Note 2.T)	<u>2,226,868</u>	<u>7,383,084</u>	<u>1,694,536</u>	<u>7,662,014</u>	<u>10,979,952</u>	<u>10,841,550</u>
Total net assets	<u>\$ 22,848,210</u>	<u>\$ 21,049,840</u>	<u>\$ 22,316,878</u>	<u>\$ 21,640,585</u>	<u>\$ 43,898,050</u>	<u>\$ 43,957,463</u>

Total assets exceeded total liabilities in 2009 by \$43,898,050, compared to \$43,957,463 in 2008, a decrease of 0.14% from 2008. During 2009, the City's total assets decreased by \$278,879 or 0.45% and total liabilities decreased by \$219,466 or 1.18%.

**CITY OF TALLMADGE, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009*

The following table shows the changes in net assets for 2009 and 2008.

	<b>Change in Net Assets</b>					
	Governmental	Business-type	Governmental	Business-type	2009	2008
	Activities	Activities	Activities	Activities	Total	Total
	<u>2009</u>	<u>2009</u>	<u>2008</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,671,072	\$ 3,372,172	\$ 2,258,880	\$ 3,557,777	\$ 6,043,244	\$ 5,816,657
Operating grants and contributions	828,557	-	854,695	-	828,557	854,695
Capital grants and contributions	<u>500,000</u>	<u>-</u>	<u>151,646</u>	<u>-</u>	<u>500,000</u>	<u>151,646</u>
Total program revenues	<u>3,999,629</u>	<u>3,372,172</u>	<u>3,265,221</u>	<u>3,557,777</u>	<u>7,371,801</u>	<u>6,822,998</u>
General revenues:						
Property and other local taxes	2,225,056	-	2,447,935	-	2,225,056	2,447,935
Municipal income taxes	7,226,715	-	8,118,368	-	7,226,715	8,118,368
Grants and entitlements	2,223,903	-	1,968,428	-	2,223,903	1,968,428
Interest	141,630	-	210,924	139,449	141,630	350,373
Miscellaneous	<u>265,173</u>	<u>10,599</u>	<u>223,833</u>	<u>10,317</u>	<u>275,772</u>	<u>234,150</u>
Total general revenues	<u>12,082,477</u>	<u>10,599</u>	<u>12,969,488</u>	<u>149,766</u>	<u>12,093,076</u>	<u>13,119,254</u>
Total revenues	<u>16,082,106</u>	<u>3,382,771</u>	<u>16,234,709</u>	<u>3,707,543</u>	<u>19,464,877</u>	<u>19,942,252</u>
Program Expenses:						
General government	3,254,377	-	3,253,790	-	3,254,377	3,253,790
Security of persons and property						
Police	3,822,765	-	3,816,522	-	3,822,765	3,816,522
Street lighting	28,469	-	39,208	-	28,469	39,208
Fire	2,901,712	-	2,585,492	-	2,901,712	2,585,492
Public health and welfare	49,994	-	72,170	-	49,994	72,170
Transportation	2,655,392	-	3,778,324	-	2,655,392	3,778,324
Community environment	355,154	-	657,143	-	355,154	657,143
Leisure time activity	2,003,019	-	1,817,187	-	2,003,019	1,817,187
Interest and fiscal charges	479,892	-	482,825	-	479,892	482,825
Sewer operating	-	1,805,970	-	1,785,418	1,805,970	1,785,418
Water operating	-	1,700,746	-	1,890,821	1,700,746	1,890,821
Storm water operating	<u>-</u>	<u>466,800</u>	<u>-</u>	<u>243,329</u>	<u>466,800</u>	<u>243,329</u>
Total expenses	<u>15,550,774</u>	<u>3,973,516</u>	<u>16,502,661</u>	<u>3,919,568</u>	<u>19,524,290</u>	<u>20,422,229</u>
Increase (decrease) in net assets before transfers	531,332	(590,745)	(267,952)	(212,025)	(59,413)	(479,977)
Transfers	<u>-</u>	<u>-</u>	<u>48,401</u>	<u>(48,401)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	531,332	(590,745)	(219,551)	(260,426)	(59,413)	(479,977)
Net assets beginning of year	<u>22,316,878</u>	<u>21,640,585</u>	<u>22,536,429</u>	<u>21,901,011</u>	<u>43,957,463</u>	<u>44,437,440</u>
Net assets end of year	<u>\$ 22,848,210</u>	<u>\$ 21,049,840</u>	<u>\$ 22,316,878</u>	<u>\$ 21,640,585</u>	<u>\$ 43,898,050</u>	<u>\$ 43,957,463</u>

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## CITY OF TALLMADGE, OHIO

### *MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009*

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#### **Governmental Activities**

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

Program revenues increased in total by 22.49 percent from 2008. Operating grants and contributions were comparable to 2008. The most significant changes in program revenues were charges for services and capital grants and contributions. Increased sales of lots was the main reason for the increase in charges for services revenue, while the increase in capital grants and contributions is the result of grant monies received during the year related to the City's improvement project at the Tallmadge Shooting Range. General revenues decreased from 2008 by 6.84 percent, which is primarily the result of decreased income tax collections.

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

The operations of the City's police department account for the largest expenses of the governmental activities, representing 24.58 percent and 23.13 percent of the total governmental activities expenses during 2009 and 2008, respectively. During 2009, the City's police department consisted of 1 Chief, 1 Captain, 1 lieutenant, 5 sergeants, 16 patrol and 2 full time office staff. In 2008, the City entered into a cooperative with the City of Stow to provide dispatching services which had previously been housed at the City. The citizens enjoy cost savings while utilizing the state of the art equipment that the City of Stow provides in their dispatching center. The police department provides a full range of services including patrol, detective services, bike patrol, juvenile diversionary program, neighborhood crime watch, and residential and commercial security surveys. Security of persons and property expenses related to the police department increased 0.16 percent during 2009.

The City has operated a fire department since 1945. During 2009, the fire department employed 1 full time Chief, 1 full time assistant fire chief, 2 full time shift supervisors, 1 full-time fire marshal, 9 full time firefighter paramedics, 44 part time paramedics/firefighters and 1 full time clerk. The fire expenses account for 18.66 percent and 15.67 percent of the total governmental activities expenses during 2009 and 2008, respectively. The Fire/EMS department is accounted for in a separate fund which receives tax proceeds from a 3.75 mill property tax levy. Security of persons and property expenses related to the fire department increased 12.23 percent during 2009, which is primarily the result of increasing wages and benefits costs.

The Street Maintenance and Repair department employs 17 full time employees who provide the City and the citizens with road maintenance, road salting, ditching, leaf pickup program, cemetery maintenance, park maintenance and many other services. The transportation expenses accounted for 17.08 and 22.90 percent of the total governmental activities expenses during 2009 and 2008, respectively. Transportation expenses decreased 29.72 percent during 2009, due primarily to decreased road maintenance expenses.

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## CITY OF TALLMADGE, OHIO

### *MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009*

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#### **Business-Type Activities**

Proprietary funds account for the business-type activities of the City of Tallmadge which consist of sewer, water and storm water operating activities. The City currently has 7,028 water customers, 5,781 sewer customers, and 5,999 storm water customers. The City owns and maintains all water and sewer lines within the City. In striving to keep revenues in balance with expenses, effective May 1, 2002 water rates for the City have increased 1 percent every year. In 2009 there was no water rate increase. There has not been a sewer rate increase in recent years. The sewage is treated by Summit County. The storm water fee has not changed since 2008 when it dropped from \$3 to \$2 per equivalent residential unit (ERU).

The revenues and expenses for the water, sewer and storm water activities are reported under the business-type activities. The revenues are primarily from charges for services. In 2009, charges for services in the amount of \$3,372,172 accounted for 99.69 percent of the total business-type revenues compared to 95.96 percent in 2008. The total expenses for the utilities were \$3,973,516, resulting in a decrease in net assets of \$590,745.

#### **The City's Funds**

Information about the City's governmental funds begins on page 16. These funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$16,187,513 and expenditures of \$19,502,846. The deficiency of revenues under expenditures is offset by transfers, sale of notes, premium on sale of notes and a capital lease transaction.

The City's chief operating fund is the general fund. During 2009, the City's general fund had total revenues of \$11,842,631 and expenditures and other financing uses of \$11,353,321, resulting in an increase in fund balance of \$489,310.

The City's major special revenue fund, the fire/EMS levy fund, had an increase in fund balance of \$54,009. Total combined revenues and other financing sources were \$2,952,187 and expenditures were \$2,898,178. Revenues exceeded expenditures due to transfers of income tax money.

The City's major bond retirement fund had an increase in fund balance of \$23,121. During 2009, the bond retirement fund received \$78,971 in special assessments, \$22,344 in premium on the sale of notes, and \$807,165 in transfers in to provide for \$885,359 in principal and interest payments on general obligation and special assessment bonds.

The City's major capital projects fund, the Maca pool fund, accounts for the construction of a new pool for the City. Expenditures for the Maca pool project of \$641,860 and debt service expenditures of \$3,293,034 exceeded revenues and other financing sources of \$3,306,000, resulting in a decrease in fund balance of \$628,894.

Information about the proprietary funds begins on page 25. These funds are accounted for on an accrual basis. All proprietary funds had operating revenues of \$3,364,460, which were less than operating expenses of \$3,882,501. The total depreciation expense for these business-type funds was \$636,890. The cash and cash equivalents at year end for the proprietary funds total \$6,526,894. Net assets for all three of the City's business-type activities funds decreased in 2009. Net assets of the sewer fund decreased \$323,965 or 3.48% from 2008. During 2009 net assets of the water fund decreased 1.34% or \$112,890 to \$8,337,950. For the storm water fund, net assets decreased \$153,890, from \$3,889,085 at December 31, 2008 to \$3,735,195 at December 31, 2009. The overall decrease in net assets for all business-type activities in 2009 was \$590,745 or 2.73%.



**CITY OF TALLMADGE, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009*

***Budgeting Highlights***

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

City Council adjusted the level of appropriations in various funds several times in 2009. In total the increase in appropriations accounted for an increase of 1.00 percent over the total general fund budget. The total actual expenditures at year end were \$1,457,827 less than the total final budget. In addition, at year end the prior year encumbrances that are determined to be unnecessary are decertified to the County on the final amended certificate and that amount is returned to the fund balance and becomes available resources.

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

The total budgetary variance for general fund expenditures was \$1,457,827 or 10.87%. \$883,835 of this variance was due to the City transferring less money out of the general fund than anticipated. The other major variances were in the general government, security of persons and property and community environment functions, which had positive variances of \$190,354, \$140,334 and \$110,259, respectively. In addition, positive variances also existed in the transportation, leisure time activities and capital outlay functions. These positive variances in all departments were an effort to contain the budget and control expenditures as management was aware that the income tax collections were not as high as expected. The total variance in general fund revenues was a negative variance of \$1,131,148 or 8.71%. The variance was primarily the result of income tax collections, which were \$1,221,650 less than anticipated.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of 2009, the City had \$43,256,976 (net of accumulated depreciation) invested in land, buildings and improvements, machinery and equipment, infrastructure and construction in progress. Of this total, \$28,232,471 was reported in governmental activities and \$15,024,505 was reported in business-type activities. The following table shows 2009 balances compared to 2008:

	<b>Capital Assets at December 31 (Net of Depreciation)</b>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 2,626,444	\$ 2,626,444	\$ 375,519	\$ 375,519	\$ 3,001,963	\$ 3,001,963
Construction in progress	263,460	2,345,195	1,131,785	116,981	1,395,245	2,462,176
Buildings and improvements	13,072,707	10,461,662	579,561	623,856	13,652,268	11,085,518
Equipment	1,724,316	1,992,075	412,429	492,970	2,136,745	2,485,045
Infrastructure						
Street subsystem	10,545,544	11,305,501	-	-	10,545,544	11,305,501
Storm sewer subsystem	-	-	3,328,775	3,478,618	3,328,775	3,478,618
Sewer lines	-	-	4,678,146	4,758,561	4,678,146	4,758,561
Water lines	-	-	4,518,290	4,696,066	4,518,290	4,696,066
Totals	<u>\$ 28,232,471</u>	<u>\$ 28,730,877</u>	<u>\$ 15,024,505</u>	<u>\$ 14,542,571</u>	<u>\$ 43,256,976</u>	<u>\$ 43,273,448</u>

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**CITY OF TALLMADGE, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009*

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The overall decrease of \$16,472 is a result of depreciation expense of \$2,211,249 exceeding capital outlays of \$2,194,777. See Note 7 in the notes to the financial statements for more information regarding the City's capital assets.

***Debt Administration***

The City had the following long-term obligations outstanding at December 31, 2009 and 2008:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Special assessment bonds	\$ 740,000	\$ 785,000	\$ 445,000	\$ 564,000
General obligation bonds	7,100,000	7,526,000	-	-
Bond anticipation note	3,800,000	3,800,000	-	-
OWDA loans	-	-	912,749	-
Pollution remediation obligation	250,000	250,000	-	-
Capital leases	<u>231,324</u>	<u>212,261</u>	<u>-</u>	<u>-</u>
Total long-term obligations	<u>\$ 12,121,324</u>	<u>\$ 12,573,261</u>	<u>\$ 1,357,749</u>	<u>\$ 564,000</u>

The long-term outstanding debt for the City of Tallmadge as of December 31, 2009 was \$13,479,073. This balance reflects \$1,185,000 in special assessment bonds, \$7,100,000 in general obligation bonds, \$3,800,000 in bond anticipation notes, \$912,749 in OWDA loans, \$250,000 in pollution remediation obligations, and \$231,324 in capital lease obligations. This is an increase in long-term debt of 2.60 percent. For more detailed information on long-term obligations refer to Note 10 of this report.

The Ohio Revised Code provides that the general obligation bonds less self supporting debt (e.g., assessment debt) of the municipal corporation, whether voted or unvoted, shall not exceed 10.5 percent of the assessed valuation of the total property. In addition, the unvoted net debt cannot exceed 5.5 percent of total assessed value of property. The City's legal total debt limit at the 10.5 percent margin is \$35,823,015, and the total unvoted net debt limit at the 5.5 percent margin is \$22,463,632.

**Economic Factors and Next Year's Budget and Rates**

- The City prepared the annual budget using zero based budgeting for 2010. There were very modest increases, if any, in many departments.
- Employee's took a 0% pay increase for 2010 and will begin to participate in paying a portion of hospitalization.
- The City offered an early retirement incentive at the end of 2009 for cost savings measures and 6 full time employees took the retirement incentive in 2010.
- In March of 2010 the City raised the sewer rates by 20%.
- In December of 2009 the City joined a council of governments, the Regional Income Tax Agency (RITA) for the collection of income taxes.

**Contacting the City's Financial Management**

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

BASIC  
FINANCIAL STATEMENTS

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**CITY OF TALLMADGE, OHIO**

*STATEMENT OF NET ASSETS  
DECEMBER 31, 2009*

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 5,033,791	\$ 6,526,894	\$ 11,560,685
Receivables:			
Income taxes . . . . .	1,217,019	-	1,217,019
Real and other taxes . . . . .	2,318,362	-	2,318,362
Accounts . . . . .	134,599	985,727	1,120,326
Accrued interest . . . . .	19,204	-	19,204
Special assessments . . . . .	875,991	490,965	1,366,956
Intergovernmental . . . . .	1,044,548	-	1,044,548
Materials and supplies inventory . . . . .	117,436	84,288	201,724
Prepayments . . . . .	87,757	8,004	95,761
Deferred charges . . . . .	77,667	-	77,667
Capital assets:			
Land and construction in progress . . . . .	2,889,904	1,507,304	4,397,208
Depreciable capital assets, net . . . . .	25,342,567	13,517,201	38,859,768
Total capital assets . . . . .	28,232,471	15,024,505	43,256,976
Total assets . . . . .	39,158,845	23,120,383	62,279,228
<b>Liabilities:</b>			
Accounts payable . . . . .	120,038	77,129	197,167
Contracts payable . . . . .	10,489	-	10,489
Accrued wages and benefits . . . . .	223,002	25,270	248,272
Intergovernmental payable . . . . .	557,954	487,146	1,045,100
Unearned revenue . . . . .	2,230,812	-	2,230,812
Accrued interest payable . . . . .	75,866	35,795	111,661
Long-term liabilities:			
Due within one year . . . . .	1,162,181	225,036	1,387,217
Due in more than one year . . . . .	11,930,293	1,220,167	13,150,460
Total liabilities . . . . .	16,310,635	2,070,543	18,381,178
<b>Net assets:</b>			
Invested in capital assets, net of related debt (see Note 2.T) . . . . .	17,647,995	13,666,756	29,944,751
Restricted for:			
Debt service . . . . .	702,033	-	702,033
Capital projects . . . . .	934,667	-	934,667
Other purposes:			
Fire/EMS levy . . . . .	428,826	-	428,826
Street maintenance . . . . .	790,738	-	790,738
State highway . . . . .	81,809	-	81,809
Community environment . . . . .	11,804	-	11,804
Law enforcement . . . . .	23,470	-	23,470
Unrestricted (see Note 2.T) . . . . .	2,226,868	7,383,084	10,979,952
Total net assets . . . . .	\$ 22,848,210	\$ 21,049,840	\$ 43,898,050

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF TALLMADGE, OHIO**

*STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
General government . . . . .	\$ 3,254,377	\$ 310,336	\$ -	\$ -
Security of persons and property				
Police . . . . .	3,822,765	17,732	10,945	-
Street lights . . . . .	28,469	-	-	-
Fire . . . . .	2,901,712	405,050	-	-
Public health and welfare . . . . .	49,994	7,935	20,546	-
Transportation . . . . .	2,655,392	239,805	678,588	-
Community environment . . . . .	355,154	127,858	-	500,000
Leisure time activity . . . . .	2,003,019	1,562,356	118,478	-
Interest and fiscal charges . . . . .	479,892	-	-	-
Total governmental activities . . . . .	<u>15,550,774</u>	<u>2,671,072</u>	<u>828,557</u>	<u>500,000</u>
<b>Business-type activities:</b>				
Sewer operating fund . . . . .	1,805,970	1,481,699	-	-
Water operating fund . . . . .	1,700,746	1,577,632	-	-
Storm water fund . . . . .	466,800	312,841	-	-
Total business-type activities . . . . .	<u>3,973,516</u>	<u>3,372,172</u>	<u>-</u>	<u>-</u>
Total primary government . . . . .	<u>\$ 19,524,290</u>	<u>\$ 6,043,244</u>	<u>\$ 828,557</u>	<u>\$ 500,000</u>

**General revenues:**

Property taxes levied for:

- General purposes . . . . .
- Fire/EMS Levy . . . . .
- Police pension. . . . .

Municipal income taxes levied for:

- General purposes . . . . .

Grants and entitlements not restricted to specific programs . . . . .

Investment earnings . . . . .

Miscellaneous . . . . .

Total general revenues. . . . .

Change in net assets . . . . .

Net assets at beginning of year . . . . .

Net assets at end of year . . . . .

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**Net (Expense) Revenue and Changes in Net Assets**

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<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (2,944,041)	\$ -	\$ (2,944,041)
(3,794,088)	-	(3,794,088)
(28,469)	-	(28,469)
(2,496,662)	-	(2,496,662)
(21,513)	-	(21,513)
(1,736,999)	-	(1,736,999)
272,704	-	272,704
(322,185)	-	(322,185)
(479,892)	-	(479,892)
<u>(11,551,145)</u>	<u>-</u>	<u>(11,551,145)</u>
-	(324,271)	(324,271)
-	(123,114)	(123,114)
<u>-</u>	<u>(153,959)</u>	<u>(153,959)</u>
<u>-</u>	<u>(601,344)</u>	<u>(601,344)</u>
<u>(11,551,145)</u>	<u>(601,344)</u>	<u>(12,152,489)</u>
748,351	-	748,351
1,370,016	-	1,370,016
106,689	-	106,689
7,226,715	-	7,226,715
2,223,903	-	2,223,903
141,630	-	141,630
<u>265,173</u>	<u>10,599</u>	<u>275,772</u>
12,082,477	10,599	12,093,076
531,332	(590,745)	(59,413)
<u>22,316,878</u>	<u>21,640,585</u>	<u>43,957,463</u>
<u>\$ 22,848,210</u>	<u>\$ 21,049,840</u>	<u>\$ 43,898,050</u>

**CITY OF TALLMADGE, OHIO**

*BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2009*

	<u>General</u>	<u>Fire/EMS Levy</u>	<u>Bond Retirement</u>	<u>Maca Pool</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 2,790,321	\$ 509,116	\$ 37,899	\$ 33,888
Receivables:				
Income taxes . . . . .	1,217,019	-	-	-
Real and other taxes . . . . .	792,156	1,413,038	-	-
Accounts . . . . .	64,619	69,920	-	-
Interfund loans . . . . .	200,000	-	-	-
Accrued interest . . . . .	19,092	-	-	-
Special assessments . . . . .	51,747	-	740,000	-
Intergovernmental . . . . .	570,661	103,994	-	-
Materials and supplies inventory . . . . .	84,014	-	-	-
Prepayments . . . . .	55,413	14,995	-	-
<b>Total assets . . . . .</b>	<u>\$ 5,845,042</u>	<u>\$ 2,111,063</u>	<u>\$ 777,899</u>	<u>\$ 33,888</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 71,503	\$ 17,345	\$ -	\$ -
Contracts payable . . . . .	-	-	-	-
Accrued wages and benefits . . . . .	152,836	37,331	-	-
Compensated absences payable . . . . .	36,004	21,964	-	-
Interfund loan payable . . . . .	-	-	-	-
Intergovernmental payable . . . . .	306,638	124,967	-	-
Deferred revenue . . . . .	1,036,395	157,378	740,000	-
Unearned revenue . . . . .	762,261	1,359,654	-	-
<b>Total liabilities . . . . .</b>	<u>2,365,637</u>	<u>1,718,639</u>	<u>740,000</u>	<u>-</u>
<b>Fund balances:</b>				
Reserved for encumbrances . . . . .	235,292	34,064	-	-
Reserved for materials and supplies inventory . . . . .	84,014	-	-	-
Reserved for prepayments . . . . .	55,413	14,995	-	-
Unreserved, undesignated, reported in:				
General fund . . . . .	3,104,686	-	-	-
Special revenue funds . . . . .	-	343,365	-	-
Debt service fund . . . . .	-	-	37,899	-
Capital projects funds . . . . .	-	-	-	33,888
<b>Total fund balances . . . . .</b>	<u>3,479,405</u>	<u>392,424</u>	<u>37,899</u>	<u>33,888</u>
<b>Total liabilities and fund balances . . . . .</b>	<u>\$ 5,845,042</u>	<u>\$ 2,111,063</u>	<u>\$ 777,899</u>	<u>\$ 33,888</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,662,567	\$ 5,033,791
-	1,217,019
113,168	2,318,362
60	134,599
-	200,000
112	19,204
84,244	875,991
369,893	1,044,548
33,422	117,436
17,349	87,757
<u>\$ 2,280,815</u>	<u>\$ 11,048,707</u>
\$ 31,190	\$ 120,038
10,489	10,489
32,835	223,002
8,104	66,072
200,000	200,000
126,349	557,954
321,825	2,255,598
108,897	2,230,812
<u>839,689</u>	<u>5,663,965</u>
92,705	362,061
33,422	117,436
17,349	87,757
-	3,104,686
497,319	840,684
-	37,899
800,331	834,219
<u>1,441,126</u>	<u>5,384,742</u>
<u>\$ 2,280,815</u>	<u>\$ 11,048,707</u>

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**CITY OF TALLMADGE, OHIO**

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2009*

<b>Total governmental fund balances</b>		\$ 5,384,742
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		28,232,471
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Delinquent property taxes	\$ 87,550	
Special assessments	875,991	
Municipal income taxes	532,376	
Investment income	12,979	
Intergovernmental	734,070	
Other receivables	12,632	
Total		2,255,598
Long-term liabilities, including compensated absences, special assessment bonds and capital leases are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences	(821,926)	
General obligation bonds	(7,100,000)	
Special assessment bonds	(740,000)	
Long-term notes	(3,800,000)	
Capital lease obligation	(231,324)	
Pollution remediation obligation	(250,000)	
Total		(12,943,250)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(75,866)
Unamortized deferred charges on refundings are not recognized in the funds.		19,994
Unamortized premiums on bond issuance are not recognized in the funds.		(103,146)
Unamortized bond issuance costs are not recognized in the funds.		77,667
<b>Net assets of governmental activities</b>		<b>\$ 22,848,210</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF TALLMADGE, OHIO**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<b>General</b>	<b>Fire/EMS Levy</b>	<b>Bond Retirement</b>	<b>Maca Pool</b>
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 753,935	\$ 1,379,693	\$ -	\$ -
Municipal income taxes . . . . .	7,156,634	-	-	-
Intergovernmental . . . . .	1,728,863	461,116	-	-
Investment income . . . . .	140,916	-	-	-
Fines, licenses and permits . . . . .	422,853	122	-	-
Special assessments . . . . .	14,905	-	78,971	-
Charges for services . . . . .	1,526,574	404,928	-	-
Miscellaneous . . . . .	97,951	7,051	-	6,000
<b>Total revenues . . . . .</b>	<b>11,842,631</b>	<b>2,252,910</b>	<b>78,971</b>	<b>6,000</b>
<b>Expenditures:</b>				
Current:				
General government . . . . .	3,062,640	-	-	-
Security of persons and property				
Police . . . . .	3,462,056	-	-	-
Street lights . . . . .	28,469	-	-	-
Fire . . . . .	-	2,644,911	-	-
Public health and welfare . . . . .	-	-	-	-
Transportation . . . . .	226,096	-	-	-
Leisure time activity . . . . .	1,419,429	-	-	24,780
Community environment . . . . .	355,637	-	-	-
Capital outlay . . . . .	180,829	113,057	-	617,080
Debt service:				
Principal retirement . . . . .	-	125,214	471,000	3,220,000
Interest and fiscal charges . . . . .	-	14,996	414,359	73,034
<b>Total expenditures . . . . .</b>	<b>8,735,156</b>	<b>2,898,178</b>	<b>885,359</b>	<b>3,934,894</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>3,107,475</u>	<u>(645,268)</u>	<u>(806,388)</u>	<u>(3,928,894)</u>
<b>Other financing sources (uses):</b>				
Capital lease transaction . . . . .	-	144,277	-	-
Sale of notes . . . . .	-	-	-	3,220,000
Premium on sale of notes . . . . .	-	-	22,344	-
Transfers in . . . . .	-	555,000	807,165	80,000
Transfers out . . . . .	(2,618,165)	-	-	-
<b>Total other financing sources (uses) . . . . .</b>	<b>(2,618,165)</b>	<b>699,277</b>	<b>829,509</b>	<b>3,300,000</b>
Net change in fund balances . . . . .	489,310	54,009	23,121	(628,894)
<b>Fund balances at beginning of year . . . . .</b>	<b>2,990,095</b>	<b>338,415</b>	<b>14,778</b>	<b>662,782</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 3,479,405</b>	<b>\$ 392,424</b>	<b>\$ 37,899</b>	<b>\$ 33,888</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 107,486	\$ 2,241,114
-	7,156,634
1,399,396	3,589,375
643	141,559
15,070	438,045
15,537	109,413
257,330	2,188,832
211,539	322,541
<u>2,007,001</u>	<u>16,187,513</u>
-	3,062,640
346,907	3,808,963
-	28,469
-	2,644,911
48,878	48,878
1,621,433	1,847,529
281,851	1,726,060
-	355,637
157,190	1,068,156
580,000	4,396,214
13,000	515,389
<u>3,049,259</u>	<u>19,502,846</u>
<u>(1,042,258)</u>	<u>(3,315,333)</u>
-	144,277
580,000	3,800,000
-	22,344
1,176,000	2,618,165
-	(2,618,165)
<u>1,756,000</u>	<u>3,966,621</u>
713,742	651,288
727,384	4,733,454
<u>\$ 1,441,126</u>	<u>\$ 5,384,742</u>

**CITY OF TALLMADGE, 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, 2009*

<b>Net change in fund balances - total governmental funds</b>		\$ 651,288
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		
Capital asset additions	\$ 1,075,953	
Current year depreciation	<u>(1,574,359)</u>	
Total		(498,406)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	(16,058)	
Municipal income taxes	70,081	
Intergovernmental	(36,915)	
Investment income	71	
Special assessments	(65,218)	
Other revenue	<u>(57,368)</u>	
Total		(105,407)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets.		
		4,396,214
The issuance of notes and capital lease obligations are recorded as revenue in the funds; however, in the statement of activities, they are not reported as revenue as they increase liabilities on the statement of net assets.		
		(3,944,277)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		
Accrued interest	12,225	
Bond premium	17,434	
Deferred charges on refunding	(3,380)	
Bond issuance costs	<u>(13,126)</u>	
Total		13,153
Some expenses, such as compensated absences, 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.		
		<u>18,767</u>
<b>Change in net assets of governmental activities</b>		<u><u>\$ 531,332</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF TALLMADGE, OHIO**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ 8,355,985	\$ 8,355,985	\$ 7,134,335	\$ (1,221,650)
Property and other taxes . . . . .	791,587	790,145	753,935	(36,210)
Intergovernmental . . . . .	1,410,994	1,278,398	1,747,425	469,027
Investment income . . . . .	239,700	239,700	157,220	(82,480)
Fines, licenses and permits . . . . .	440,000	439,970	421,990	(17,980)
Special assessments . . . . .	14,100	14,100	14,905	805
Charges for services . . . . .	1,616,000	1,616,000	1,526,475	(89,525)
Miscellaneous . . . . .	50,000	50,000	96,865	46,865
Total revenues . . . . .	<u>12,918,366</u>	<u>12,784,298</u>	<u>11,853,150</u>	<u>(931,148)</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	3,377,129	3,412,064	3,221,710	190,354
Security of persons and property . . . . .	3,698,982	3,779,612	3,639,278	140,334
Transportation . . . . .	265,576	265,093	218,452	46,641
Community environment . . . . .	500,427	499,357	389,098	110,259
Leisure time activity . . . . .	1,533,036	1,545,887	1,485,654	60,233
Capital outlay . . . . .	207,600	207,000	180,829	26,171
Total expenditures . . . . .	<u>9,582,750</u>	<u>9,709,013</u>	<u>9,135,021</u>	<u>573,992</u>
Excess of revenues over expenditures . . . . .	<u>3,335,616</u>	<u>3,075,285</u>	<u>2,718,129</u>	<u>(357,156)</u>
<b>Other financing sources (uses):</b>				
Advances in . . . . .	-	200,000	-	(200,000)
Advances out . . . . .	-	(200,000)	(200,000)	-
Transfers out . . . . .	(3,502,000)	(3,502,000)	(2,618,165)	883,835
Total other financing sources (uses) . . . . .	<u>(3,502,000)</u>	<u>(3,502,000)</u>	<u>(2,818,165)</u>	<u>683,835</u>
Net change in fund balance . . . . .	(166,384)	(426,715)	(100,036)	326,679
<b>Fund balance at beginning of year . . . . .</b>	2,283,053	2,283,053	2,283,053	-
<b>Prior year encumbrances appropriated . . . . .</b>	328,731	328,731	328,731	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 2,445,400</u>	<u>\$ 2,185,069</u>	<u>\$ 2,511,748</u>	<u>\$ 326,679</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF TALLMADGE, OHIO**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FIRE/EMS LEVY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 1,477,740	\$ 1,383,305	\$ 1,379,693	\$ (3,612)
Intergovernmental . . . . .	324,700	439,039	461,116	22,077
Investment income . . . . .	6,000	-	-	-
Fines, licenses and permits . . . . .	-	-	122	122
Charges for services . . . . .	370,000	370,000	395,403	25,403
Miscellaneous . . . . .	10,000	10,000	8,072	(1,928)
Total revenues. . . . .	<u>2,188,440</u>	<u>2,202,344</u>	<u>2,244,406</u>	<u>42,062</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property. . . . .	2,632,583	2,727,266	2,685,944	41,322
Capital outlay. . . . .	110,500	110,500	108,990	1,510
Total expenditures . . . . .	<u>2,743,083</u>	<u>2,837,766</u>	<u>2,794,934</u>	<u>42,832</u>
Deficiency of revenues under expenditures . . . . .	<u>(554,643)</u>	<u>(635,422)</u>	<u>(550,528)</u>	<u>84,894</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	595,000	595,000	555,000	(40,000)
Total other financing sources . . . . .	<u>595,000</u>	<u>595,000</u>	<u>555,000</u>	<u>(40,000)</u>
Net change in fund balance . . . . .	40,357	(40,422)	4,472	44,894
<b>Fund balance at beginning of year. . . . .</b>	413,876	413,876	413,876	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>50,026</u>	<u>50,026</u>	<u>50,026</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 504,259</u>	<u>\$ 423,480</u>	<u>\$ 468,374</u>	<u>\$ 44,894</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**CITY OF TALLMADGE, OHIO**

*STATEMENT OF FUND NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2009*

	<b>Business-type Activities -Enterprise Funds</b>			
	<b>Sewer Operating</b>	<b>Water Operating</b>	<b>Storm Water</b>	<b>Total</b>
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and cash equivalents . . .	\$ 3,570,823	\$ 2,776,912	\$ 179,159	\$ 6,526,894
Receivables:				
Accounts . . . . .	458,069	422,667	104,991	985,727
Special assessments . . . . .	266,253	224,712	-	490,965
Materials and supplies inventory . . . . .	42,144	42,144	-	84,288
Prepayments. . . . .	4,254	3,750	-	8,004
Total current assets . . . . .	<u>4,341,543</u>	<u>3,470,185</u>	<u>284,150</u>	<u>8,095,878</u>
Noncurrent assets:				
Capital assets:				
Land and construction in progress . . . . .	94,403	1,284,424	128,477	1,507,304
Depreciable capital assets, net . . . . .	5,079,516	5,108,910	3,328,775	13,517,201
Total capital assets . . . . .	<u>5,173,919</u>	<u>6,393,334</u>	<u>3,457,252</u>	<u>15,024,505</u>
Total assets . . . . .	<u>9,515,462</u>	<u>9,863,519</u>	<u>3,741,402</u>	<u>23,120,383</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable. . . . .	3,267	73,812	50	77,129
Accrued wages and benefits . . . . .	13,183	12,087	-	25,270
Compensated absences . . . . .	50,006	1,251	-	51,257
Intergovernmental payable . . . . .	197,661	283,328	6,157	487,146
Current portion of special assessments bonds . .	41,000	88,000	-	129,000
Current portion of OWDA loans . . . . .	-	44,779	-	44,779
Accrued interest payable . . . . .	1,332	34,463	-	35,795
Total current liabilities . . . . .	<u>306,449</u>	<u>537,720</u>	<u>6,207</u>	<u>850,376</u>
Long-term liabilities:				
Compensated absences. . . . .	12,980	23,217	-	36,197
Special assessment bonds . . . . .	219,338	96,662	-	316,000
OWDA loans . . . . .	-	867,970	-	867,970
Total long-term liabilities. . . . .	<u>232,318</u>	<u>987,849</u>	<u>-</u>	<u>1,220,167</u>
Total liabilities . . . . .	<u>538,767</u>	<u>1,525,569</u>	<u>6,207</u>	<u>2,070,543</u>
<b>Net assets:</b>				
Invested in capital assets, net of related debt. .	4,913,581	5,295,923	3,457,252	13,666,756
Unrestricted . . . . .	<u>4,063,114</u>	<u>3,042,027</u>	<u>277,943</u>	<u>7,383,084</u>
Total net assets . . . . .	<u>\$ 8,976,695</u>	<u>\$ 8,337,950</u>	<u>\$ 3,735,195</u>	<u>21,049,840</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF TALLMADGE, OHIO**

*STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2009*

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer Operating</b>	<b>Water Operating</b>	<b>Storm Water</b>	<b>Total</b>
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 1,476,938	\$ 1,564,082	\$ 312,841	\$ 3,353,861
Other . . . . .	306	10,224	69	10,599
Total operating revenues . . . . .	<u>1,477,244</u>	<u>1,574,306</u>	<u>312,910</u>	<u>3,364,460</u>
<b>Operating expenses:</b>				
Personal services . . . . .	442,086	410,204	238,352	1,090,642
Contract services . . . . .	1,011,392	874,644	78,303	1,964,339
Materials and supplies . . . . .	41,011	36,804	-	77,815
Depreciation . . . . .	226,362	260,685	149,843	636,890
Other . . . . .	50,448	62,065	302	112,815
Total operating expenses . . . . .	<u>1,771,299</u>	<u>1,644,402</u>	<u>466,800</u>	<u>3,882,501</u>
Operating loss . . . . .	<u>(294,055)</u>	<u>(70,096)</u>	<u>(153,890)</u>	<u>(518,041)</u>
<b>Nonoperating revenues (expenses):</b>				
Interest expense and fiscal charges . . . . .	(18,340)	(45,398)	-	(63,738)
Special assessments . . . . .	4,761	13,550	-	18,311
Other nonoperating expenses . . . . .	(16,331)	(10,946)	-	(27,277)
Total nonoperating revenues (expenses) . . . . .	<u>(29,910)</u>	<u>(42,794)</u>	<u>-</u>	<u>(72,704)</u>
Changes in net assets . . . . .	(323,965)	(112,890)	(153,890)	(590,745)
<b>Net assets at beginning of year . . . . .</b>	<u>9,300,660</u>	<u>8,450,840</u>	<u>3,889,085</u>	<u>21,640,585</u>
<b>Net assets at end of year . . . . .</b>	<u>\$ 8,976,695</u>	<u>\$ 8,337,950</u>	<u>\$ 3,735,195</u>	<u>\$ 21,049,840</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF TALLMADGE, OHIO**

*STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2009*

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer Operating</b>	<b>Water Operating</b>	<b>Storm Water</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>				
Cash received from customers. . . . .	\$ 1,446,028	\$ 1,578,506	\$ 309,875	\$ 3,334,409
Cash received from other operations . . . . .	306	10,224	69	10,599
Cash payments for personal services . . . . .	(420,084)	(426,981)	(235,968)	(1,083,033)
Cash payments for contract services. . . . .	(1,031,407)	(908,711)	(78,253)	(2,018,371)
Cash payments for materials and supplies. . . . .	(53,108)	(48,901)	-	(102,009)
Cash payments for other expenses. . . . .	(50,448)	(62,065)	(302)	(112,815)
Net cash provided by (used in) operating activities .	(108,713)	142,072	(4,579)	28,780
<b>Cash flows from noncapital financing activities:</b>				
Cash used for nonoperating expenses. . . . .	(2,081)	(1,395)	-	(3,476)
Net cash used in noncapital financing activities . . . . .	(2,081)	(1,395)	-	(3,476)
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets . . . . .	(100,892)	(1,017,932)	-	(1,118,824)
Special assessments. . . . .	43,117	113,316	-	156,433
Principal retirement on special assessment bonds . . . . .	(41,000)	(78,000)	-	(119,000)
Loan issuance. . . . .	-	912,749	-	912,749
Interest and fiscal charges. . . . .	(18,554)	(11,929)	-	(30,483)
Net cash used in capital and related financing activities . . . . .	(117,329)	(81,796)	-	(199,125)
Net increase (decrease) in cash and cash equivalents . . . . .	(228,123)	58,881	(4,579)	(173,821)
<b>Cash and cash equivalents at beginning of year . . .</b>	<b>3,798,946</b>	<b>2,718,031</b>	<b>183,738</b>	<b>6,700,715</b>
<b>Cash and cash equivalents at end of year . . . . .</b>	<b><u>\$ 3,570,823</u></b>	<b><u>\$ 2,776,912</u></b>	<b><u>\$ 179,159</u></b>	<b><u>\$ 6,526,894</u></b>

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**CITY OF TALLMADGE, OHIO**

*STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2009*

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer Operating</b>	<b>Water Operating</b>	<b>Storm Water</b>	<b>Total</b>
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities:</b>				
Operating loss. . . . .	\$ (294,055)	\$ (70,096)	\$ (153,890)	\$ (518,041)
Adjustments:				
Depreciation . . . . .	226,362	260,685	149,843	636,890
Changes in assets and liabilities:				
(Increase) in materials and supplies inventory . . . . .	(11,984)	(11,984)	-	(23,968)
(Increase) decrease in accounts receivable . . . . .	(30,910)	14,424	(2,966)	(19,452)
(Increase) in prepayments . . . . .	(4,254)	(3,750)	-	(8,004)
Increase (decrease) in accounts payable . . . . .	(3,536)	(7,596)	50	(11,082)
Increase in accrued wages and benefits. . . . .	1,962	826	-	2,788
Increase (decrease) in intergovernmental payable. . . . .	(14,261)	(23,882)	2,384	(35,759)
Increase (decrease) in compensated absences payable . . . . .	21,963	(16,555)	-	5,408
Net cash provided by (used in) operating activities . . . . .	<u>\$ (108,713)</u>	<u>\$ 142,072</u>	<u>\$ (4,579)</u>	<u>\$ 28,780</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF TALLMADGE, OHIO**

*STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2009*

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	<u>Private Purpose Trust</u>	<u>Agency</u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 39,005	\$ 148,523
Receivables:		
Accrued interest . . . . .	65	-
Income taxes . . . . .	-	23,410
	<u>39,070</u>	<u>171,933</u>
Total assets. . . . .	<u>39,070</u>	<u>\$ 171,933</u>
<b>Liabilities:</b>		
Deposits held and due to others. . . . .	<u>-</u>	<u>\$ 171,933</u>
<b>Net assets:</b>		
Held in trust for indigents and the needy . . . . .	<u>\$ 39,070</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF TALLMADGE, OHIO**

*STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PRIVATE PURPOSE TRUST FUND  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009*

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	<u>Private Purpose Trust</u>
<b>Additions:</b>	
Interest . . . . .	\$ 453
Gifts and contributions . . . . .	<u>1,500</u>
Total additions. . . . .	<u>1,953</u>
 <b>Deductions:</b>	
Expenses per trust agreement . . . . .	<u>825</u>
Total deductions . . . . .	<u>825</u>
Changes in net assets . . . . .	1,128
Net assets at beginning of year . . . . .	<u>37,942</u>
Net assets at end of year . . . . .	<u>\$ 39,070</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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**NOTE 1 - DESCRIPTION OF THE CITY**

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements (BFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental and business-type activities and its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has the option to also apply FASB guidance issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The City has elected not to apply this FASB guidance. The City’s significant accounting policies are described below.

**A. Reporting Entity**

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

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

The City participates in the Akron Metropolitan Area Transportation Study, the Brimfield Township-City of Tallmadge Joint Economic Development District and the Regional Income Tax Agency. These jointly governed organizations are presented in Note 16 of the basic financial statements.

**B. Basis of Presentation - Fund Accounting**

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

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

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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 functions are self-financing or draw from the general revenues of the City.

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

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

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

**C. Fund Accounting**

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

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

***General fund*** - The general fund accounts 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 charter of the City of Tallmadge and/or the general laws of Ohio.



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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

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

Maca pool fund: The Maca pool fund is used to account for the construction of an outdoor swimming pool.

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

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

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

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

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

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

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

**D. Measurement Focus**

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

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net 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.

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

**E. Basis of Accounting**

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

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

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

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

*Unearned Revenue and Deferred Revenue* - Unearned revenue and deferred revenue arise 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, 2009, but which were levied to finance year 2010 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as unearned revenue. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2009, are recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have 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.

**F. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternative tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the program level for all funds. Capital items such as capital equipment are budgeted on a program or line item basis as specified by City Council legislatively. The Finance Director may transfer appropriations within each fund and within each general fund program as long as the totals are not exceeded.

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

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

**G. Cash and Investments**

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

During 2009, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio).

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on December 31, 2009.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2009 amounted to \$140,916 which includes \$108,265 assigned from other City funds.

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

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

**H. Materials and Supplies Inventory**

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

**I. Capital Assets**

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net 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.

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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

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

All 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:

Buildings and improvements	25 - 80
Equipment	3 - 25
Infrastructure	25 - 40

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

**J. Compensated Absences**

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

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

**K. Prepaid Items**

Payments made to vendors for services that will benefit beyond December 31, 2009, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which the services are consumed.

**L. Accrued Liabilities and Long-Term Obligations**

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

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, is 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, notes and capital leases are recognized as a liability on the governmental fund financial statements when due.

**M. Unamortized Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss**

On government-wide financial statements, bond issuance costs are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Unamortized bond issuance costs are recorded as an asset on the financial statements.

Bond premiums are deferred and accreted over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds.

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

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period.

**N. Interfund Balances**

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

**O. Interfund Activity**

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

**P. Fund Balance Reserves**

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditures. As a result, encumbrances, materials and supplies inventory and prepayments are recorded as a reservation of fund balance.

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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

**Q. Estimates**

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

**R. Extraordinary and Special Items**

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

**S. 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 enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**T. Total Column**

A total column is presented on the entity-wide statement of net assets and statement of activities. The storm water improvement bonds have been included in invested in capital assets, net of related debt in the total column on the statement of net assets. The storm water improvement bonds have been excluded from invested in capital assets, net of related debt in the governmental activities and the business-type activities on the statement of net assets.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For 2009, the City has implemented GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 56 "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards", and GASB Statement No. 57 "Other Postemployment Benefit (OPEB) Measurements by Agent Employers and Agent Multiple-Employers".

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the City.

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the City.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 did not have an effect on the financial statements of the City.

GASB Statement No. 57 establishes standards for the measurement and financial reporting of actuarially determined information by agent employers with individual-employer OPEB plans that have fewer than 100 total plan members and by the agent multiple-employer OPEB plans in which they participate. The implementation of GASB Statement No. 57 did not have an effect on the financial statements of the City.

**B. Deficit Fund Balance**

Fund balances at December 31, 2009 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Police pension	\$ 53,544
Northeast Avenue roundabout	100,448

These funds complied with Ohio State law, which does not permit a cash basis deficit at year end. The general fund is liable for any deficits and provides transfers when cash is required, not when accruals occur. The deficit fund balances are the result of accrued liabilities.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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



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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

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

1. Bonds and other obligations guaranteed by the United States;
2. Discount notes of the Federal National Mortgage Association;
3. Bonds of the State of Ohio; and,
4. Bonds of any municipal corporation, village, county, township, or other political subdivision of Ohio, as to which there is no default of principal, interest or coupons.

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

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

**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**A. Deposits with Financial Institutions**

At December 31, 2009, the carrying amount of all City deposits was \$11,459,775. As of December 31, 2009, \$9,587,750 of the City's bank balance of \$11,587,750 was exposed to custodial risk as discussed below, while \$2,000,000 was covered by the FDIC.

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

**B. Investments**

As of December 31, 2009, the City had the following investment and maturity:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturity 6 months or less</u>
STAR Ohio	\$ 288,438	\$ 288,438

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

*Credit Risk:* STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating.

*Concentration of Credit Risk:* The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of investment type held by the City at December 31, 2009:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 288,438	100.00

**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**C. Reconciliation of Cash and Investments to the Statement of Net Assets**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of December 31, 2009:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 11,459,775
Investments	<u>288,438</u>
Total	<u>\$ 11,748,213</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 5,033,791
Business type activities	6,526,894
Private-purpose trust fund	39,005
Agency funds	<u>148,523</u>
Total	<u>\$ 11,748,213</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

- A. The general fund transferred \$65,000 to the general infrastructure reserve fund to pay a portion of project costs. The remaining transfers consist of \$555,000 to fire/EMS levy fund, \$807,165 to the bond retirement fund, \$80,000 to the Maca pool fund, \$891,000 to the street maintenance and repair fund and \$220,000 to the police pension fund.

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<u>Major funds</u>		
General	\$ -	\$2,618,165
Fire/EMS levy	555,000	-
Bond retirement	807,165	-
Maca pool	<u>80,000</u>	-
Total major funds	<u>1,442,165</u>	<u>2,618,165</u>
 <u>Nonmajor governmental funds</u>		
Street maintenance and repair	891,000	-
Police pension	220,000	-
General infrastructure reserve	<u>65,000</u>	-
Total nonmajor governmental funds	<u>1,176,000</u>	-
Total	<u>\$2,618,165</u>	<u>\$2,618,165</u>

- B. The interfund balance at December 31, 2009 as reported on the fund financial statements consist of the following interfund loan receivable/payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	\$ 200,000

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

The primary purpose of the interfund loan is to cover expenditures in the Northeast Avenue roundabout nonmajor capital projects fund. The interfund balance will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances between governmental funds at December 31, 2009 are reported on the statement of net assets.

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2009, consisted primarily of municipal income taxes, property and other taxes, special assessments, accounts and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full.

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

Special assessments expected to be collected in more than one year amount to \$690,000 in the bond retirement fund. The City had no material outstanding delinquencies at December 31, 2009.

**A. Property Taxes**

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Beginning in calendar year 2009 tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property tax collections in calendar year 2009 represent delinquent collections.

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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**NOTE 6 - RECEIVABLES - (Continued)**

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

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Tallmadge. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2009 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2009 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The full tax rate for all City operations for the year ended December 31, 2009 was \$6.15 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

<u>Real Property</u>	
Residential/Agricultural	\$ 326,985,610
Commercial/Industrial/Mineral	77,392,820
Tangible Personal Property	750,258
<u>Public Utility</u>	
Real	23,510
Personal	3,817,300
Total Assessed Value	<u>\$ 408,969,498</u>

**B. Municipal Income Taxes**

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

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

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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**NOTE 6 - RECEIVABLES - (Continued)**

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

**C. Intergovernmental Receivables**

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental activities:</u>	<u>Amounts</u>
Local government	\$ 402,492
Homestead and rollback	166,868
Inheritance tax	100,028
Public utility reimbursements	5,096
Miscellaneous	8,272
Permissive tax	3,442
Auto license tax	75,468
Gas tax and municipal cents per gallon tax	<u>282,882</u>
Total	<u>\$ 1,044,548</u>

**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2009, was as follows:

<b><u>Governmental activities:</u></b>	<u>Balance</u>			<u>Balance</u>
	<u>12/31/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/09</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,626,444	\$ -	\$ -	\$ 2,626,444
Construction in progress	<u>2,345,195</u>	<u>159,676</u>	<u>(2,241,411)</u>	<u>263,460</u>
Total capital assets, not being depreciated	<u>4,971,639</u>	<u>159,676</u>	<u>(2,241,411)</u>	<u>2,889,904</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	14,317,589	3,033,216	-	17,350,805
Equipment	7,743,760	124,472	(31,246)	7,836,986
Infrastructure - streets subsystem	<u>18,915,182</u>	<u>-</u>	<u>-</u>	<u>18,915,182</u>
Total capital assets, being depreciated	<u>40,976,531</u>	<u>3,157,688</u>	<u>(31,246)</u>	<u>44,102,973</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(3,855,927)	(422,171)	-	(4,278,098)
Equipment	(5,751,685)	(392,231)	31,246	(6,112,670)
Infrastructure - streets subsystem	<u>(7,609,681)</u>	<u>(759,957)</u>	<u>-</u>	<u>(8,369,638)</u>
Total accumulated depreciation	<u>(17,217,293)</u>	<u>(1,574,359)</u>	<u>31,246</u>	<u>(18,760,406)</u>
Total capital assets, being depreciated, net	<u>23,759,238</u>	<u>1,583,329</u>	<u>-</u>	<u>25,342,567</u>
Governmental activities capital assets, net	<u>\$ 28,730,877</u>	<u>\$ 1,743,005</u>	<u>\$ (2,241,411)</u>	<u>\$ 28,232,471</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 154,739
Security of persons and property - police	136,059
Security of persons and property - fire	135,825
Public health and welfare	1,116
Transportation	866,368
Community environment	5,020
Leisure time activity	<u>275,232</u>
Total depreciation expense	<u>\$ 1,574,359</u>

**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**NOTE 7 - CAPITAL ASSETS - (Continued)**

Capital asset activity for the year ended December 31, 2009, was as follows:

	Balance			Balance
<b><u>Business-type activities:</u></b>	<u>12/31/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/09</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 375,519	\$ -	\$ -	\$ 375,519
Construction in progress	<u>116,981</u>	<u>1,014,804</u>	<u>-</u>	<u>1,131,785</u>
Total capital assets, not being depreciated	<u>492,500</u>	<u>1,014,804</u>	<u>-</u>	<u>1,507,304</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	1,464,561	-	-	1,464,561
Equipment	1,138,028	6,128	(1,500)	1,142,656
Infrastructure				
Water lines	8,569,451	-	-	8,569,451
Sewer lines	8,726,491	97,892	-	8,824,383
Storm sewer subsystem	<u>4,495,246</u>	<u>-</u>	<u>-</u>	<u>4,495,246</u>
Total capital assets, being depreciated	<u>24,393,777</u>	<u>104,020</u>	<u>(1,500)</u>	<u>24,496,297</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(840,705)	(44,295)	-	(885,000)
Equipment	(645,058)	(86,669)	1,500	(730,227)
Infrastructure				
Water lines	(3,873,385)	(177,776)	-	(4,051,161)
Sewer lines	(3,967,930)	(178,307)	-	(4,146,237)
Storm sewer subsystem	<u>(1,016,628)</u>	<u>(149,843)</u>	<u>-</u>	<u>(1,166,471)</u>
Total accumulated depreciation	<u>(10,343,706)</u>	<u>(636,890)</u>	<u>1,500</u>	<u>(10,979,096)</u>
Total capital assets, being depreciated, net	<u>14,050,071</u>	<u>(532,870)</u>	<u>-</u>	<u>13,517,201</u>
Business-type activities capital assets, net	<u>\$ 14,542,571</u>	<u>\$ 481,934</u>	<u>\$ -</u>	<u>\$ 15,024,505</u>



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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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**NOTE 7 - CAPITAL ASSETS - (Continued)**

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

Sewer operating	\$ 226,362
Water operating	260,685
Storm water	<u>149,843</u>
Total depreciation expense	<u>\$ 636,890</u>

**NOTE 8 - CAPITAL LEASES**

In 2009, the City entered into a capital lease for an ambulance. During prior years, the City entered into capital leases for an ambulance and a fire truck. These capital leases will be paid out of the fire/EMS levy special revenue fund. The leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases." Capital assets were capitalized at the present value of the minimum lease payments at the time the leases were entered into.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Assets:	
Equipment	\$ 583,776
Less: accumulated depreciation	<u>(164,405)</u>
Total	<u>\$ 419,371</u>

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2009:

<u>Year Ended</u>	<u>Amount</u>
2010	\$ 108,990
2011	108,991
2012	<u>31,220</u>
Total	<u>249,201</u>
Less: amount representing interest	<u>(17,877)</u>
Present value of net minimum lease payments	<u>\$ 231,324</u>

**NOTE 9 - OPERATING LEASE**

During 2008, the City entered into an operating lease with Tallmadge Asphalt & Paving Co., Inc. for a tract of land. The land is used as a shooting range, and it has been determined that lead pollution currently exists on the site. As stipulated in the lease agreement, the City has assumed the responsibility of cleaning up the pollution (see Note 10 for detail).

**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**NOTE 9 - OPERATING LEASE - (Continued)**

Operating lease payments are reported as program expenditures on the financial statements. Total operating lease payments in 2009 totaled \$12,000 in the general fund. The following is a schedule of the future minimum lease payments:

<u>Year Ending</u> <u>December 31</u>	<u>Total</u>
2010	<u>\$ 5,000</u>

**NOTE 10 - LONG-TERM OBLIGATIONS**

The interest rate, original issue amount and date of maturity of each of the City's bonds and loans follows:

Special assessment bonds

1992 Southwest sanitary sewer and water	6.390%	\$ 493,000	6/1/2012
1996 Northwest quad sanitary sewer	5.862%	450,000	12/1/2016
2001 Elm/Ferguson waterline	4.725%	425,000	12/1/2011
2001 Parker/Milton waterline	4.725%	250,000	12/1/2011
2000 West avenue street improvement	6.000%	1,070,000	12/1/2020

Bond anticipation notes

2009 Recreation improvement	2.000%	3,800,000	6/2/2010
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General obligation bonds

1992 Tallmadge woods	6.390%	852,000	6/1/2012
1998 Storm water improvement	5.120%	2,400,000	12/1/2018
2001 City building improvement	4.725%	2,270,000	12/1/2021
2006 Various purpose refunding	4.124%	870,000	12/31/2015
2006 Recreation center	4.427%	3,800,000	12/31/2031

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

	<u>Balance</u> <u>12/31/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/09</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
<b>Business-type activities:</b>					
<u>Special assessment bonds</u>					
1992 Southwest sanitary sewer and water	\$ 94,000	\$ -	\$ (24,000)	\$ 70,000	\$ 24,000
1996 Northwest quad sanitary sewer	240,000	-	(25,000)	215,000	25,000
2001 Elm/Ferguson waterline	145,000	-	(45,000)	100,000	50,000
2001 Parker/Milton waterline	85,000	-	(25,000)	60,000	30,000
Total special assessment bonds	<u>564,000</u>	<u>-</u>	<u>(119,000)</u>	<u>445,000</u>	<u>129,000</u>
OWDA loan - Northeast water system	-	912,749	-	912,749	44,779
Compensated absences	82,046	7,356	(1,948)	87,454	51,257
Total business-type activities					
Long-term obligations	<u>\$ 646,046</u>	<u>\$ 920,105</u>	<u>\$ (120,948)</u>	<u>\$ 1,445,203</u>	<u>\$ 225,036</u>

**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

	Balance <u>12/31/08</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/09</u>	Amounts Due in <u>One Year</u>
<b>Governmental activities:</b>					
<u>General obligation bonds</u>					
1992 Tallmadge woods	\$ 166,000	\$ -	\$ (41,000)	\$ 125,000	\$ 41,000
1998 Storm water improvement	1,485,000	-	(115,000)	1,370,000	120,000
2001 City building improvement	1,625,000	-	(95,000)	1,530,000	95,000
2006 Various purpose refunding	630,000	-	(80,000)	550,000	80,000
2006 Recreation center	<u>3,620,000</u>	<u>-</u>	<u>(95,000)</u>	<u>3,525,000</u>	<u>100,000</u>
 Total general obligation bonds	 <u>7,526,000</u>	 <u>-</u>	 <u>(426,000)</u>	 <u>7,100,000</u>	 <u>436,000</u>
 <u>Special assessment bonds</u>					
2000 West avenue street improvement	<u>785,000</u>	<u>-</u>	<u>(45,000)</u>	<u>740,000</u>	<u>50,000</u>
 <u>Bond anticipation notes</u>					
2008 Recreation improvement	3,800,000	-	(3,800,000)	-	-
2009 Recreation improvement	<u>-</u>	<u>3,800,000</u>	<u>-</u>	<u>3,800,000</u>	<u>-</u>
 Total Bond anticipation notes	 <u>3,800,000</u>	 <u>3,800,000</u>	 <u>(3,800,000)</u>	 <u>3,800,000</u>	 <u>-</u>
 <u>Other long-term obligations</u>					
Capital lease	212,261	144,277	(125,214)	231,324	98,374
Pollution remediation	250,000	-	-	250,000	250,000
Compensated absences	<u>862,927</u>	<u>219,717</u>	<u>(194,646)</u>	<u>887,998</u>	<u>327,807</u>
 Total governmental activities Long-term obligations	 <u>\$ 13,436,188</u>	 <u>\$ 4,163,994</u>	 <u>\$ (4,590,860)</u>	 13,009,322	 <u>\$ 1,162,181</u>
 Add: Unamortized premium on bond issue				103,146	
Less: Unamortized deferred charges on refunding				<u>(19,994)</u>	
 Total reported on statement of net assets				 <u>\$ 13,092,474</u>	

*Special Assessment Bonds Payable:*

Under business-type activities Elm/Ferguson waterline and Parker/Milton waterline are petitioned waterline improvement projects. These projects are paid by assessments over a ten year period and will be paid from the water operating fund.

Southwest sanitary sewer and water is a petitioned sewer and water project which was assessed over a twenty year period. This will be paid from the water and sewer operating funds.

Northwest quad sanitary sewer is a petitioned twenty year sewer project. This project is paid by assessments over a twenty year period from the sanitary sewer operating fund.

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

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

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

*OWDA Loan:*

During 2009, the City entered into a debt financing arrangement through the Ohio Water Development Authority (OWDA) to fund improvements and upgrades to the water system in the northeast portion of the City. The amount due to the OWDA is payable solely from water revenues and is payable through 2029. The loan agreement functions similar to a line-of-credit agreement. At December 31, 2009, the city had outstanding borrowings of \$912,749. The loan agreement requires semi-annual payments based on the permissible borrowings rather than the actual amount loaned. The loan is not closed out as of December 31, 2009. Therefore, future annual debt service principal and interest requirements are not available.

*General Obligation Bonds Payable:*

Under governmental activities Tallmadge Woods, storm water improvement and city building improvement are twenty year general obligations bonds. The recreation center bonds are twenty five year bonds. These bonds are backed by the full faith and credit of the City and are paid from the bond retirement fund.

*Various Purpose Refunding Bonds Payable:*

On March 1, 2006, the City issued general obligation refunding bonds (2006 various purpose refunding bonds). These bonds refunded the \$805,000 callable portion of the 1995 concrete streets general obligation bond issue. These bonds are general obligations of the City, for which its full faith and credit is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$32,667. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

*Bond Anticipation Notes Payable:*

On June 3, 2009, the City issued a \$3,800,000 note. The note was issued in anticipation of the issuance of bonds for the purpose of paying a portion of the costs of expanding and improving the City's recreation center and constructing an outdoor swimming pool. The note bears an interest rate of 2.00% and matures on June 2, 2010.

*Capital Lease Obligations:*

Capital leases consisted of the purchase of two ambulances and a fire truck which are paid from the fire/EMS levy special revenue fund. See Note 8 to the basic financial statements for detail.

*Compensated Absences:*

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

**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

Pollution Remediation Obligation:

During 2008, the City entered into an operating lease for land that is used as a shooting range, and it has been determined that lead pollution currently exists on the site. As stipulated in the lease agreement, the City has assumed the responsibility of cleaning up the existing pollution. The estimated cost of the cleanup is \$250,000, which is derived from a construction contract that assumes no unexpected change orders. The City received a grant in 2009 from the Ohio Department of Public Safety (ODPS) which will fully cover the costs of the pollution remediation. However, since ODPS is not a potential responsible party, a liability to the City still exists.

As of December 31, 2009, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$35,823,015 and the unvoted legal debt margin was \$22,463,632. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2009 are as follows:

Year Ended	Governmental Activities					
	General Obligation Bonds			West Avenue Special Assessment		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 436,000	\$ 338,781	\$ 774,781	\$ 50,000	\$ 44,400	\$ 94,400
2011	462,000	319,676	781,676	50,000	41,400	91,400
2012	477,000	298,950	775,950	55,000	38,400	93,400
2013	460,000	276,996	736,996	60,000	35,100	95,100
2014	480,000	256,783	736,783	60,000	31,500	91,500
2015 - 2019	2,110,000	952,705	3,062,705	365,000	97,800	462,800
2020 - 2024	1,145,000	502,000	1,647,000	100,000	6,000	106,000
2025 - 2029	1,045,000	252,140	1,297,140	-	-	-
2030 - 2031	485,000	32,340	517,340	-	-	-
Total	<u>\$ 7,100,000</u>	<u>\$ 3,230,371</u>	<u>\$ 10,330,371</u>	<u>\$ 740,000</u>	<u>\$ 294,600</u>	<u>\$ 1,034,600</u>

Year Ended	Business-Type Activities Special Assessment Debt		
	Principal	Interest	Total
2010	\$ 129,000	\$ 24,470	\$ 153,470
2011	128,000	17,962	145,962
2012	53,000	11,441	64,441
2013	30,000	8,100	38,100
2014	35,000	6,300	41,300
2015 - 2016	70,000	6,300	76,300
Total	<u>\$ 445,000</u>	<u>\$ 74,573</u>	<u>\$ 519,573</u>

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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**NOTE 11 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2009, the City contracted with Selective Insurance of South Carolina for general liability, automobile, firefighters, errors and omissions, and police and professional liability for the policy period covering January 1, 2009 through December 31, 2009. Selective Insurance also covers buildings and contents and boiler and machinery. The City carries a \$2,000,000 general liability with \$1,000,000 occurrence and a \$1,000,000 automobile liability and a \$10,000,000 umbrella liability extending coverage on the general, automobile, police professional liability, firefighter's errors and omissions and public official's liability.

Selective Insurance of South Carolina insures performance bonds for all necessary officials and other employees. The City carries an individual bond for the Director of Finance in the amount of \$250,000. The Assistant Finance Director has a \$400,000 bond and the two Cash Handling managers each have a \$150,000 bond. The City carries blanket bond insurance with \$100,000 per occurrence for guaranteeing the honest and faithful performance of the City's employees.

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

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

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

**NOTE 12 - PENSION PLANS**

**A. Ohio Public Employees Retirement System**

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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**NOTE 12 - PENSION PLANS - (Continued)**

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2009, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2009 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.10%. The City's contribution rate for 2009 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.63% of covered payroll.

The City's contribution rate for pension benefits for 2009 was 7.00% from January 1 through March 31, 2009 and 8.50% from April 1 through December 31, 2009, except for those plan members in law enforcement and public safety. For those classifications, pension contributions were 10.63% from January 1 through March 31, 2009 and 12.13% from April 1 through December 31, 2009. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008 and 2007 were \$346,236, \$294,802 and \$354,723, respectively; 92.88% has been contributed for 2009, and 100% has been contributed for 2008 and 2007.

**B. Ohio Police and Fire Pension Fund**

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2009, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$219,079 and \$165,604 for the year ended December 31, 2009, \$227,421 and \$150,997 for the year ended December 31, 2008 and \$217,361 and \$138,264 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 73.42% has been contributed for police and 72.04% has been contributed for firefighters for 2009.

**NOTE 13 - POSTRETIREMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

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

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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**NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

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

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14.00% of covered payroll (17.63% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for 2009 was 7.00% from January 1 through March 31, 2009 and 5.50% from April 1 through December 31, 2009.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008 and 2007 were \$250,356, \$294,802 and \$233,628, respectively; 92.88% has been contributed for 2009, and 100% has been contributed for 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

**B. Ohio Police and Fire Pension Fund**

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



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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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**NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person.

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$115,904 and \$64,722 for the year ended December 31, 2009, \$120,317 and \$59,013 for the year ended December 31, 2008 and \$114,995 and \$54,036 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 73.42% has been contributed for police and 72.04% has been contributed for firefighters for 2009.

**NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS**

**A. Compensated Absences**

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

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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**NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS – (Continued)**

Vacation leave is earned at rates which vary depending upon length of service. Current policy credits vacation leave on January 1 of each year for all full time employees. Vacation accumulation may not exceed two weeks accrual at year end. Any unused excess is eliminated from the employee's leave balance. In case of death, termination, lay-off, or retirement, an employee (or his estate) is paid for his unused vacation to a maximum of two weeks carry-over of previous year plus any current year accrual which depends on time of year plus number of years service.

Sick leave is earned at the rate of .0575 hours per hour of service. Upon retirement, an employee with at least 7 years of service may receive up to 50 percent of their accumulated sick leave not to exceed a maximum of 150 days. Retirement and termination payments are calculated using the rate of pay at the date of separation.

**B. Life Insurance**

The City provides life insurance to its employees through MetLife.

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balances - budget and actual (non-GAAP budgetary basis) presented for the general fund and major 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 GAAP basis are as follows:

1. Revenues and other financing sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
2. Expenditures and other financing uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP);
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement;
5. Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
6. Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

**Net Change in Fund Balance**

	<u>General</u>	Fire/EMS <u>Levy</u>
Budget basis	\$ (100,036)	\$ 4,472
Net adjustment for revenue accruals	(10,519)	8,504
Net adjustment for expenditure accruals	123,800	(143,986)
Net adjustments for other financing sources (uses)	200,000	144,277
Adjustment for encumbrances	<u>276,065</u>	<u>40,742</u>
GAAP basis	<u>\$ 489,310</u>	<u>\$ 54,009</u>

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS**

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

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

Regional Income Tax Agency (RITA)

In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) under the authority of Chapter 167 of the Ohio Revised Code to administer tax collection and enforcement concerns facing the cities and villages. The purpose of the RCOG is to foster cooperation between the municipalities through sharing facilities for their common benefit. This includes the establishment of a central collection facility for the purpose of administering the income tax laws of the various municipal corporations who are members of the RCOG and for the purpose of collecting income taxes on behalf of each member municipality, doing all things allowed by law to accomplish such purpose. The first official act of the RCOG was to form RITA. Today RITA serves as the income tax collection agency for 162 municipalities throughout the State of Ohio. The City began using RITA for its income tax collection services in December 2009.

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

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**CITY OF TALLMADGE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)**

Akron Metropolitan Area Transportation Study (AMATS)

The City participates in the Akron Metropolitan Area Transportation Study. This organization is responsible for fulfilling the area's continuous, cooperative and comprehensive transportation planning process. The AMATS service area consists of Summit, Portage, and Chippewa Township of Wayne County. AMATS is led by the AMATS Transportation Policy Committee. The City is a member of the 43 member Policy Committee that is responsible for the preparation of regional transportation policies, plans and programs that meet the areas present and future needs. In 2009, the City contributed \$2,737 to the Akron Metropolitan Area Transportation Study, which represents the City's formula share.

**NOTE 17 - CONTRACTUAL COMMITMENTS**

On December 31, 2009, the City had a total of \$818,004 in contractual commitments. These included \$279,582 to Precision Directional Boring for the North Thomas Road waterline expansion project, \$480,990 to Workman Industrial, Inc. for the Booster Pump Station for the high pressure water district and \$57,432 to Don Wartko for the high pressure water main improvement project.

**NOTE 18 - CONTINGENCIES**

**A. Grants**

The City received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2009.

**B. Litigation**

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

**NOTE 19 - SIGNIFICANT SUBSEQUENT EVENT**

On May 27, 2010, the City issued general obligation bonds in the amount of \$5,320,000. The proceeds were used to retire the bond anticipation notes maturing on June 2, 2010, and to advance refund at a lower interest cost the 1998 Storm water improvement bonds. The bonds bear interest rates ranging from 2.00% to 4.25% and have a final maturity date of December 1, 2030.

COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

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**CITY OF TALLMADGE, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

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**GENERAL FUND**

The general fund accounts 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 charter of the City and/or the general laws of Ohio.

**SPECIAL REVENUE FUNDS**

The special revenue funds are used to account for all specific financial resources (other than major capital projects) that are legally restricted for specified expenditure purposes. The following are the special revenue funds which the City operates:

**Major Special Revenue Fund**

***Fire/EMS Levy Fund***

The fire/emergency medical service levy fund accounts for property tax collections received through a (5) year tax levy. An additional source of significant revenue is charges for services. Expenditures are for the operations of the fire and emergency medical service programs, staff, and for the purchase, repair and refurbishment of fire equipment.

**Nonmajor Special Revenue Funds**

***State Highway Fund***

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

***Street Maintenance and Repair Fund***

The street maintenance and repair fund is required by 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.

***Community Development Fund***

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

***Alcohol Enforcement and Education Fund***

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

***Federal Equitable Sharing***

To account for monies received by the City's Police Department from the federal government for assistance in federal cases in which monies are seized.

***Law Enforcement Trust Fund***

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

***Drug Law Enforcement Trust Fund***

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

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**CITY OF TALLMADGE, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS (CONTINUED)*

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**Nonmajor Special Revenue Funds (Continued)**

***Law Enforcement Assistance Fund***

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

***Emergency Medical Service Donation Fund***

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

***Police Pension Fund***

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

**MAJOR DEBT SERVICE FUND**

***Bond Retirement Fund***

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

**CAPITAL PROJECTS FUNDS**

The capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary fund types. Following is a description of the capital project funds:

**Major Capital Projects Fund**

***Maca Pool Fund***

To account for the construction of the Maca outdoor swimming pool.

**Nonmajor Capital Projects Funds**

***Tallmadge Shooting Range Fund***

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

***General Infrastructure Reserve Fund***

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

***Northeast Avenue Roundabout Fund***

To account for the Northeast Avenue Roundabout road improvements.

**CITY OF TALLMADGE, OHIO**

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

**GENERAL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes				
Personal property . . . . .	\$ 22,348	\$ 22,348	\$ 4,965	\$ (17,383)
Real estate (public utility) . . . . .	769,239	767,797	748,970	(18,827)
Municipal income taxes . . . . .	8,355,985	8,355,985	7,134,335	(1,221,650)
Intergovernmental				
Local government . . . . .	956,816	813,108	929,344	116,236
Rollback . . . . .	112,162	112,162	113,439	1,277
Inheritance . . . . .	253,380	253,380	589,283	335,903
Personal property tax reimbursement . . . . .	50,136	50,136	77,187	27,051
Miscellaneous . . . . .	38,500	49,612	38,172	(11,440)
Investment income . . . . .	239,700	239,700	157,220	(82,480)
Fines, licenses and permits . . . . .	440,000	439,970	421,990	(17,980)
Special assessments . . . . .	14,100	14,100	14,905	805
Charges for services . . . . .	1,616,000	1,616,000	1,526,475	(89,525)
Miscellaneous . . . . .	50,000	50,000	96,865	46,865
Total revenues . . . . .	<u>12,918,366</u>	<u>12,784,298</u>	<u>11,853,150</u>	<u>(931,148)</u>
<b>Expenditures:</b>				
Current:				
General government				
Mayor/Administration . . . . .	610,171	618,121	597,040	21,081
Finance Director . . . . .	870,396	868,395	851,600	16,795
Law Director . . . . .	351,044	349,732	338,730	11,002
Service Director . . . . .	282,092	280,560	197,670	82,890
Manager of Information Service . . . . .	194,667	194,573	191,355	3,218
Council . . . . .	183,176	193,107	189,666	3,441
Civil Service . . . . .	26,066	26,054	22,513	3,541
Custodian . . . . .	268,498	267,993	230,013	37,980
General administration . . . . .	566,457	583,969	583,174	795
Boards and commissions . . . . .	6,002	6,000	3,649	2,351
Historical church . . . . .	18,560	23,560	16,300	7,260
Total general government . . . . .	<u>3,377,129</u>	<u>3,412,064</u>	<u>3,221,710</u>	<u>190,354</u>
Security of persons and property				
Police . . . . .	3,680,369	3,744,999	3,608,281	136,718
Street lighting . . . . .	18,613	34,613	30,997	3,616
Total security of persons and property . . . . .	<u>3,698,982</u>	<u>3,779,612</u>	<u>3,639,278</u>	<u>140,334</u>
Transportation				
Garage . . . . .	265,576	265,093	218,452	46,641
Total transportation . . . . .	<u>265,576</u>	<u>265,093</u>	<u>218,452</u>	<u>46,641</u>



**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community environment				
Building . . . . .	\$ 280,307	\$ 279,760	\$ 226,375	\$ 53,385
Zoning . . . . .	220,120	219,597	162,723	56,874
Total community environment . . . . .	<u>500,427</u>	<u>499,357</u>	<u>389,098</u>	<u>110,259</u>
Leisure time activities				
Community center . . . . .	82,401	79,191	67,797	11,394
Recreation center . . . . .	1,291,372	1,271,433	1,223,684	47,749
Maca pool . . . . .	159,263	195,263	194,173	1,090
Total leisure time activities . . . . .	<u>1,533,036</u>	<u>1,545,887</u>	<u>1,485,654</u>	<u>60,233</u>
Capital outlay				
Police equipment . . . . .	107,000	107,000	80,982	26,018
Recreation equipment . . . . .	100,600	100,000	99,847	153
Total capital outlay . . . . .	<u>207,600</u>	<u>207,000</u>	<u>180,829</u>	<u>26,171</u>
Total expenditures . . . . .	<u>9,582,750</u>	<u>9,709,013</u>	<u>9,135,021</u>	<u>573,992</u>
Excess of revenues over expenditures . . . . .	<u>3,335,616</u>	<u>3,075,285</u>	<u>2,718,129</u>	<u>(357,156)</u>
<b>Other financing sources (uses):</b>				
Advances in				
Northeast avenue roundabout . . . . .	-	200,000	-	(200,000)
Advances out				
Northeast avenue roundabout . . . . .	-	(200,000)	(200,000)	-
Transfers out				
Police pension . . . . .	(220,000)	(220,000)	(220,000)	-
Fire/EMS levy . . . . .	(595,000)	(595,000)	(555,000)	40,000
General infrastructure reserve . . . . .	(125,000)	(125,000)	(65,000)	60,000
Street maintenance and repair . . . . .	(1,587,000)	(1,587,000)	(891,000)	696,000
Maca pool . . . . .	(85,000)	(85,000)	(80,000)	5,000
Bond retirement . . . . .	(890,000)	(890,000)	(807,165)	82,835
Total other financing sources (uses) . . . . .	<u>(3,502,000)</u>	<u>(3,502,000)</u>	<u>(2,818,165)</u>	<u>683,835</u>
Net change in fund balance . . . . .	(166,384)	(426,715)	(100,036)	326,679
<b>Fund balance at beginning of year . . . . .</b>	<b>2,283,053</b>	<b>2,283,053</b>	<b>2,283,053</b>	<b>-</b>
<b>Prior year encumbrances appropriated. . . . .</b>	<b>328,731</b>	<b>328,731</b>	<b>328,731</b>	<b>-</b>
<b>Fund balance at end of year. . . . .</b>	<b><u>\$ 2,445,400</u></b>	<b><u>\$ 2,185,069</u></b>	<b><u>\$ 2,511,748</u></b>	<b><u>\$ 326,679</u></b>

**CITY OF TALLMADGE, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 651,747	\$ 1,010,820	\$ 1,662,567
Receivables (net of allowances of uncollectibles):			
Real and other taxes . . . . .	113,168	-	113,168
Accounts . . . . .	60	-	60
Accrued interest. . . . .	112	-	112
Special assessments. . . . .	84,244	-	84,244
Intergovernmental . . . . .	369,893	-	369,893
Materials and supplies inventory . . . . .	33,422	-	33,422
Prepayments . . . . .	17,349	-	17,349
Total assets . . . . .	<u>\$ 1,269,995</u>	<u>\$ 1,010,820</u>	<u>\$ 2,280,815</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 31,190	\$ -	\$ 31,190
Contracts payable . . . . .	-	10,489	10,489
Accrued wages and benefits . . . . .	32,835	-	32,835
Compensated absences payable . . . . .	8,104	-	8,104
Interfund loan payable . . . . .	-	200,000	200,000
Intergovernmental payable. . . . .	126,349	-	126,349
Deferred revenue. . . . .	321,825	-	321,825
Unearned revenue . . . . .	108,897	-	108,897
Total liabilities . . . . .	<u>629,200</u>	<u>210,489</u>	<u>839,689</u>
<b>Fund Balances:</b>			
Fund balances:			
Reserved for encumbrances . . . . .	92,705	-	92,705
Reserved for materials and supplies inventory . . . . .	33,422	-	33,422
Reserved for prepayments. . . . .	17,349	-	17,349
Unreserved, undesignated, reported in:			
Special revenue funds . . . . .	497,319	-	497,319
Capital projects funds . . . . .	-	800,331	800,331
Total fund balances . . . . .	<u>640,795</u>	<u>800,331</u>	<u>1,441,126</u>
Total liabilities and fund balances. . . . .	<u>\$ 1,269,995</u>	<u>\$ 1,010,820</u>	<u>\$ 2,280,815</u>

**CITY OF TALLMADGE, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>			
Property and other taxes . . . . .	\$ 107,486	\$ -	\$ 107,486
Intergovernmental . . . . .	899,396	500,000	1,399,396
Investment income . . . . .	643	-	643
Fines, licenses and permits . . . . .	15,070	-	15,070
Special assessments . . . . .	15,537	-	15,537
Charges for services . . . . .	257,330	-	257,330
Miscellaneous . . . . .	7,368	204,171	211,539
	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	1,302,830	704,171	2,007,001
<b>Expenditures:</b>			
Current:			
Security of persons and property. . . . .	346,907	-	346,907
Public health and welfare. . . . .	48,878	-	48,878
Transportation . . . . .	1,509,660	111,773	1,621,433
Leisure time activity . . . . .	281,851	-	281,851
Capital outlay. . . . .	88,901	68,289	157,190
Debt service:			
Principal retirement. . . . .	-	580,000	580,000
Interest and fiscal charges . . . . .	-	13,000	13,000
	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	2,276,197	773,062	3,049,259
Deficiency of revenues under expenditures . . . . .	(973,367)	(68,891)	(1,042,258)
<b>Other financing sources:</b>			
Sale of notes . . . . .	-	580,000	580,000
Transfers in . . . . .	1,111,000	65,000	1,176,000
	<hr/>	<hr/>	<hr/>
Total other financing sources . . . . .	1,111,000	645,000	1,756,000
Net change in fund balances. . . . .	137,633	576,109	713,742
<b>Fund balances at beginning of year . . . . .</b>	<hr/>	<hr/>	<hr/>
	503,162	224,222	727,384
<b>Fund balances at end of year . . . . .</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 640,795	\$ 800,331	\$ 1,441,126

**CITY OF TALLMADGE, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2009*

	<b>State Highway</b>	<b>Street Maintenance and Repair</b>	<b>Community Development</b>	<b>Alcohol Enforcement and Education</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 55,704	\$ 525,762	\$ 7,027	\$ 1,112
Receivables:				
Real and other taxes. . . . .	-	-	-	-
Accounts . . . . .	-	-	-	60
Accrued interest. . . . .	9	103	-	-
Special assessments. . . . .	-	84,244	-	-
Intergovernmental. . . . .	26,876	334,916	-	-
Materials and supplies inventory . . . . .	-	33,422	-	-
Prepayments . . . . .	-	17,349	-	-
<b>Total assets . . . . .</b>	<b>\$ 82,589</b>	<b>\$ 995,796</b>	<b>\$ 7,027</b>	<b>\$ 1,172</b>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ -	\$ 31,190	\$ -	\$ -
Accrued wages and benefits . . . . .	-	32,835	-	-
Compensated absences payable. . . . .	-	8,104	-	-
Intergovernmental payable . . . . .	780	36,958	-	-
Deferred revenue . . . . .	16,891	292,562	-	-
Unearned revenue . . . . .	-	-	-	-
<b>Total liabilities. . . . .</b>	<b>17,671</b>	<b>401,649</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Reserved for encumbrances . . . . .	53	79,667	-	-
Reserved for materials and supplies inventory . . . . .	-	33,422	-	-
Reserved for prepayments. . . . .	-	17,349	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds . . . . .	64,865	463,709	7,027	1,172
<b>Total fund balances (deficit). . . . .</b>	<b>64,918</b>	<b>594,147</b>	<b>7,027</b>	<b>1,172</b>
<b>Total liabilities and fund balances . . . . .</b>	<b>\$ 82,589</b>	<b>\$ 995,796</b>	<b>\$ 7,027</b>	<b>\$ 1,172</b>

<b>Law Enforcement Trust</b>	<b>Drug Law Enforcement</b>	<b>Law Enforcement Assistance</b>	<b>Emergency Medical Service Donation</b>	<b>Police Pension</b>	<b>Totals</b>
\$ 16,663	\$ 2,515	\$ 3,120	\$ 4,777	\$ 35,067	\$ 651,747
-	-	-	-	113,168	113,168
-	-	-	-	-	60
-	-	-	-	-	112
-	-	-	-	-	84,244
-	-	-	-	8,101	369,893
-	-	-	-	-	33,422
-	-	-	-	-	17,349
<u>\$ 16,663</u>	<u>\$ 2,515</u>	<u>\$ 3,120</u>	<u>\$ 4,777</u>	<u>\$ 156,336</u>	<u>\$ 1,269,995</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,190
-	-	-	-	-	32,835
-	-	-	-	-	8,104
-	-	-	-	88,611	126,349
-	-	-	-	12,372	321,825
-	-	-	-	108,897	108,897
-	-	-	-	209,880	629,200
12,587	398	-	-	-	92,705
-	-	-	-	-	33,422
-	-	-	-	-	17,349
<u>4,076</u>	<u>2,117</u>	<u>3,120</u>	<u>4,777</u>	<u>(53,544)</u>	<u>497,319</u>
<u>16,663</u>	<u>2,515</u>	<u>3,120</u>	<u>4,777</u>	<u>(53,544)</u>	<u>640,795</u>
<u>\$ 16,663</u>	<u>\$ 2,515</u>	<u>\$ 3,120</u>	<u>\$ 4,777</u>	<u>\$ 156,336</u>	<u>\$ 1,269,995</u>

**CITY OF TALLMADGE, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<b>State Highway</b>	<b>Street Maintenance and Repair</b>	<b>Community Development</b>	<b>Alcohol Enforcement and Education</b>
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Intergovernmental . . . . .	61,442	799,845	-	-
Investment income . . . . .	48	595	-	-
Fines, licenses and permits . . . . .	-	-	-	1,034
Special assessments . . . . .	-	15,537	-	-
Charges for services . . . . .	-	257,330	-	-
Miscellaneous . . . . .	73	3,370	-	-
<b>Total revenues . . . . .</b>	<b>61,563</b>	<b>1,076,677</b>	<b>-</b>	<b>1,034</b>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	-	-	-	-
Public health and welfare . . . . .	-	48,878	-	-
Transportation . . . . .	32,541	1,477,119	-	-
Leisure time activity . . . . .	-	281,851	-	-
Capital outlay . . . . .	-	88,901	-	-
<b>Total expenditures . . . . .</b>	<b>32,541</b>	<b>1,896,749</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	29,022	(820,072)	-	1,034
<b>Other financing sources:</b>				
Transfers in . . . . .	-	891,000	-	-
<b>Total other financing sources . . . . .</b>	<b>-</b>	<b>891,000</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances . . . . .</b>	<b>29,022</b>	<b>70,928</b>	<b>-</b>	<b>1,034</b>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<b>35,896</b>	<b>523,219</b>	<b>7,027</b>	<b>138</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ 64,918</b>	<b>\$ 594,147</b>	<b>\$ 7,027</b>	<b>\$ 1,172</b>

<b>Federal Equitable Sharing</b>	<b>Law Enforcement Trust</b>	<b>Drug Law Enforcement</b>	<b>Law Enforcement Assistance</b>	<b>Emergency Medical Service Donation</b>	<b>Police Pension</b>	<b>Totals</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,486	\$ 107,486
7,825	-	-	3,120	-	27,164	899,396
-	-	-	-	-	-	643
-	12,636	1,400	-	-	-	15,070
-	-	-	-	-	-	15,537
-	-	-	-	-	-	257,330
-	-	-	-	3,925	-	7,368
<u>7,825</u>	<u>12,636</u>	<u>1,400</u>	<u>3,120</u>	<u>3,925</u>	<u>134,650</u>	<u>1,302,830</u>
7,825	13	1,602	2,225	-	335,242	346,907
-	-	-	-	-	-	48,878
-	-	-	-	-	-	1,509,660
-	-	-	-	-	-	281,851
-	-	-	-	-	-	88,901
<u>7,825</u>	<u>13</u>	<u>1,602</u>	<u>2,225</u>	<u>-</u>	<u>335,242</u>	<u>2,276,197</u>
-	12,623	(202)	895	3,925	(200,592)	(973,367)
-	-	-	-	-	220,000	1,111,000
-	-	-	-	-	220,000	1,111,000
-	12,623	(202)	895	3,925	19,408	137,633
-	4,040	2,717	2,225	852	(72,952)	503,162
<u>\$ -</u>	<u>\$ 16,663</u>	<u>\$ 2,515</u>	<u>\$ 3,120</u>	<u>\$ 4,777</u>	<u>\$ (53,544)</u>	<u>\$ 640,795</u>

**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**FIRE/EMS LEVY FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes . . . . .	\$ 1,477,740	\$ 1,383,305	\$ 1,379,693	\$ (3,612)
Intergovernmental . . . . .	324,700	439,039	461,116	22,077
Investment income . . . . .	6,000	-	-	-
Fines, licenses and permits . . . . .	-	-	122	122
Charges for services . . . . .	370,000	370,000	395,403	25,403
Miscellaneous. . . . .	10,000	10,000	8,072	(1,928)
Total revenues . . . . .	<u>2,188,440</u>	<u>2,202,344</u>	<u>2,244,406</u>	<u>42,062</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Fire . . . . .	2,632,583	2,727,266	2,685,944	41,322
Capital outlay				
Equipment . . . . .	110,500	110,500	108,990	1,510
Total expenditures . . . . .	<u>2,743,083</u>	<u>2,837,766</u>	<u>2,794,934</u>	<u>42,832</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(554,643)</u>	<u>(635,422)</u>	<u>(550,528)</u>	<u>84,894</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	595,000	595,000	555,000	(40,000)
Total other financing sources . . . . .	<u>595,000</u>	<u>595,000</u>	<u>555,000</u>	<u>(40,000)</u>
Net change in fund balance. . . . .	40,357	(40,422)	4,472	44,894
<b>Fund balance at beginning of year . . . . .</b>	413,876	413,876	413,876	-
<b>Prior year encumbrances appropriated . .</b>	<u>50,026</u>	<u>50,026</u>	<u>50,026</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 504,259</u>	<u>\$ 423,480</u>	<u>\$ 468,374</u>	<u>\$ 44,894</u>



**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STREET MAINTENANCE AND REPAIR FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 824,000	\$ 824,000	\$ 798,466	\$ (25,534)
Investment income . . . . .	3,000	3,000	851	(2,149)
Special assessments. . . . .	10,000	10,000	15,537	5,537
Charges for services. . . . .	80,000	80,000	257,330	177,330
Miscellaneous. . . . .	-	-	3,370	3,370
Total revenues. . . . .	<u>917,000</u>	<u>917,000</u>	<u>1,075,554</u>	<u>158,554</u>
<b>Expenditures:</b>				
Current:				
Public health and welfare. . . . .	82,685	82,685	48,873	33,812
Transportation . . . . .	1,595,919	1,573,267	1,477,432	95,835
Leisure time activities. . . . .	340,518	340,293	283,820	56,473
Capital outlay				
Road program. . . . .	640,639	190,000	88,901	101,099
Total expenditures. . . . .	<u>2,659,761</u>	<u>2,186,245</u>	<u>1,899,026</u>	<u>287,219</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(1,742,761)</u>	<u>(1,269,245)</u>	<u>(823,472)</u>	<u>445,773</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	<u>1,587,000</u>	<u>1,587,000</u>	<u>891,000</u>	<u>(696,000)</u>
Total other financing sources. . . . .	<u>1,587,000</u>	<u>1,587,000</u>	<u>891,000</u>	<u>(696,000)</u>
Net change in fund balance. . . . .	(155,761)	317,755	67,528	(250,227)
<b>Fund balance at beginning of year . . . . .</b>	312,742	312,742	312,742	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>45,258</u>	<u>45,258</u>	<u>45,258</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 202,239</u>	<u>\$ 675,755</u>	<u>\$ 425,528</u>	<u>\$ (250,227)</u>

**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STATE HIGHWAY FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 71,655	\$ 71,655	\$ 61,077	\$ (10,578)
Investment income . . . . .	250	250	69	(181)
Miscellaneous. . . . .	-	-	73	73
Total revenues. . . . .	<u>71,905</u>	<u>71,905</u>	<u>61,219</u>	<u>(10,686)</u>
<b>Expenditures:</b>				
Current:				
Transportation . . . . .	<u>91,755</u>	<u>91,724</u>	<u>39,068</u>	<u>52,656</u>
Total expenditures. . . . .	<u>91,755</u>	<u>91,724</u>	<u>39,068</u>	<u>52,656</u>
Net change in fund balance . . . . .	(19,850)	(19,819)	22,151	41,970
<b>Fund balance at beginning of year. . . . .</b>	33,468	33,468	33,468	-
<b>Prior year encumbrances appropriated . . .</b>	<u>31</u>	<u>31</u>	<u>31</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 13,649</u>	<u>\$ 13,680</u>	<u>\$ 55,650</u>	<u>\$ 41,970</u>

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**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COMMUNITY DEVELOPMENT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2009*

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	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Fund balance at beginning of year . . . . .</b>	\$ 7,027	\$ 7,027	\$ 7,027	\$ -
<b>Fund balance at end of year. . . . .</b>	<u>\$ 7,027</u>	<u>\$ 7,027</u>	<u>\$ 7,027</u>	<u>\$ -</u>

**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**ALCOHOL ENFORCEMENT AND EDUCATION FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines, licenses and permits . . . . .	\$ 500	\$ 500	\$ 974	\$ 474
Total revenues . . . . .	<u>500</u>	<u>500</u>	<u>974</u>	<u>474</u>
Net change in fund balance. . . . .	500	500	974	474
<b>Fund balance at beginning of year . . . . .</b>	<u>138</u>	<u>138</u>	<u>138</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 638</u>	<u>\$ 638</u>	<u>\$ 1,112</u>	<u>\$ 474</u>

**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**FEDERAL EQUITABLE SHARING FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 7,825	\$ 7,825	-
Total revenues . . . . .	-	7,825	7,825	-
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	-	7,825	7,825	-
Total expenditures . . . . .	-	7,825	7,825	-
Net change in fund balance. . . . .	-	-	-	-
<b>Fund balance at beginning of year . . . . .</b>	-	-	-	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**LAW ENFORCEMENT TRUST FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines, licenses and permits . . . . .	\$ 500	\$ 12,600	\$ 12,759	\$ 159
Total revenues . . . . .	500	12,600	12,759	159
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	1,000	12,600	12,600	-
Total expenditures . . . . .	1,000	12,600	12,600	-
Net change in fund balance. . . . .	(500)	-	159	159
<b>Fund balance at beginning of year . . . . .</b>	3,917	3,917	3,917	-
<b>Fund balance at end of year. . . . .</b>	\$ 3,417	\$ 3,917	\$ 4,076	\$ 159

**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**DRUG LAW ENFORCEMENT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines, licenses and permits . . . . .	\$ 2,000	\$ 2,000	\$ 1,550	\$ (450)
Total revenues . . . . .	<u>2,000</u>	<u>2,000</u>	<u>1,550</u>	<u>(450)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total expenditures . . . . .	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Net change in fund balance. . . . .	-	-	(450)	(450)
<b>Fund balance at beginning of year . . . . .</b>	<u>2,567</u>	<u>2,567</u>	<u>2,567</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 2,567</u>	<u>\$ 2,567</u>	<u>\$ 2,117</u>	<u>\$ (450)</u>

**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**LAW ENFORCEMENT ASSISTANCE FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 4,000	\$ 4,000	\$ 3,120	\$ (880)
Total revenues . . . . .	<u>4,000</u>	<u>4,000</u>	<u>3,120</u>	<u>(880)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	<u>4,000</u>	<u>4,000</u>	<u>2,225</u>	<u>1,775</u>
Total expenditures . . . . .	<u>4,000</u>	<u>4,000</u>	<u>2,225</u>	<u>1,775</u>
Net change in fund balance. . . . .	-	-	895	895
<b>Fund balance at beginning of year . . . . .</b>	<u>2,225</u>	<u>2,225</u>	<u>2,225</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 2,225</u>	<u>\$ 2,225</u>	<u>\$ 3,120</u>	<u>\$ 895</u>



**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**EMERGENCY MEDICAL SERVICE DONATION FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Miscellaneous . . . . .	\$ 300	\$ 300	\$ 3,925	\$ 3,625
Total revenues . . . . .	<u>300</u>	<u>300</u>	<u>3,925</u>	<u>3,625</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	<u>5,500</u>	<u>5,075</u>	<u>5,075</u>	<u>-</u>
Total expenditures . . . . .	<u>5,500</u>	<u>5,075</u>	<u>5,075</u>	<u>-</u>
Net change in fund balance. . . . .	(5,200)	(4,775)	(1,150)	3,625
<b>Fund balance at beginning of year . . . . .</b>	427	427	427	-
<b>Prior year encumbrances appropriated . .</b>	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 727</u>	<u>\$ 1,152</u>	<u>\$ 4,777</u>	<u>\$ 3,625</u>

**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**POLICE PENSION FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes . . . . .	\$ 114,000	\$ 113,794	\$ 107,486	\$ (6,308)
Intergovernmental . . . . .	21,848	21,848	27,164	5,316
Total revenues . . . . .	<u>135,848</u>	<u>135,642</u>	<u>134,650</u>	<u>(992)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	<u>356,116</u>	<u>356,116</u>	<u>339,862</u>	<u>16,254</u>
Total expenditures . . . . .	<u>356,116</u>	<u>356,116</u>	<u>339,862</u>	<u>16,254</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(220,268)</u>	<u>(220,474)</u>	<u>(205,212)</u>	<u>15,262</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	<u>225,552</u>	<u>225,552</u>	<u>220,000</u>	<u>(5,552)</u>
Total other financing sources. . . . .	<u>225,552</u>	<u>225,552</u>	<u>220,000</u>	<u>(5,552)</u>
Net change in fund balance. . . . .	5,284	5,078	14,788	9,710
<b>Fund balance at beginning of year . . . . .</b>	<u>20,279</u>	<u>20,279</u>	<u>20,279</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 25,563</u>	<u>\$ 25,357</u>	<u>\$ 35,067</u>	<u>\$ 9,710</u>

**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**BOND RETIREMENT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Special assessments. . . . .	\$ -	\$ -	\$ 78,971	\$ 78,971
Total revenues. . . . .	-	-	78,971	78,971
<b>Expenditures:</b>				
Debt service:				
Principal retirement. . . . .	471,000	471,000	471,000	-
Interest and fiscal charges. . . . .	425,302	425,302	414,359	10,943
Total expenditures. . . . .	896,302	896,302	885,359	10,943
Excess (deficiency) of revenues over (under) expenditures . . . . .	(896,302)	(896,302)	(806,388)	89,914
<b>Other financing sources:</b>				
Transfers in. . . . .	890,000	890,000	807,165	(82,835)
Premium on sale of notes. . . . .	-	-	22,344	22,344
Total other financing sources . . . . .	890,000	890,000	829,509	(60,491)
Net change in fund balance. . . . .	(6,302)	(6,302)	23,121	29,423
<b>Fund balance at beginning of year . . . . .</b>	<u>14,778</u>	<u>14,778</u>	<u>14,778</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 8,476</u>	<u>\$ 8,476</u>	<u>\$ 37,899</u>	<u>\$ 29,423</u>

**CITY OF TALLMADGE, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2009*

	<u>Tallmadge Shooting Range</u>	<u>General Infrastructure</u>	<u>Northeast Avenue Roundabout</u>	<u>Totals</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 500,000	\$ 400,779	\$ 110,041	\$ 1,010,820
Total assets . . . . .	<u>\$ 500,000</u>	<u>\$ 400,779</u>	<u>\$ 110,041</u>	<u>\$ 1,010,820</u>
<b>Liabilities:</b>				
Contracts payable. . . . .	\$ -	\$ -	\$ 10,489	\$ 10,489
Interfund loan payable . . . . .	-	-	200,000	200,000
Total liabilities . . . . .	<u>-</u>	<u>-</u>	<u>210,489</u>	<u>210,489</u>
<b>Fund Balances:</b>				
Unreserved, undesignated (deficit), reported in:				
Capital projects funds . . . . .	500,000	400,779	(100,448)	800,331
Total fund balances (deficit) . . . . .	<u>500,000</u>	<u>400,779</u>	<u>(100,448)</u>	<u>800,331</u>
Total liabilities and fund balances . . . . .	<u>\$ 500,000</u>	<u>\$ 400,779</u>	<u>\$ 110,041</u>	<u>\$ 1,010,820</u>

**CITY OF TALLMADGE, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<b>Tallmadge Shooting Range</b>	<b>General Infrastructure</b>	<b>Northeast Avenue Roundabout</b>	<b>Totals</b>
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 500,000	\$ -	\$ -	\$ 500,000
Miscellaneous . . . . .	-	204,171	-	204,171
Total revenues . . . . .	<u>500,000</u>	<u>204,171</u>	<u>-</u>	<u>704,171</u>
<b>Expenditures:</b>				
Current:				
Transportation . . . . .	-	-	111,773	111,773
Capital outlay . . . . .	-	9,897	58,392	68,289
Debt service:				
Principal retirement . . . . .	-	580,000	-	580,000
Interest and fiscal charges . . . . .	-	13,000	-	13,000
Total expenditures . . . . .	<u>-</u>	<u>602,897</u>	<u>170,165</u>	<u>773,062</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>500,000</u>	<u>(398,726)</u>	<u>(170,165)</u>	<u>(68,891)</u>
<b>Other financing sources:</b>				
Sale of notes . . . . .	-	580,000	-	580,000
Transfers in . . . . .	-	65,000	-	65,000
Total other financing sources . . . . .	<u>-</u>	<u>645,000</u>	<u>-</u>	<u>645,000</u>
Net change in fund balances . . . . .	500,000	246,274	(170,165)	576,109
<b>Fund balances at beginning of year . . .</b>	<u>-</u>	<u>154,505</u>	<u>69,717</u>	<u>224,222</u>
<b>Fund balances (deficit) at end of year . .</b>	<u>\$ 500,000</u>	<u>\$ 400,779</u>	<u>\$ (100,448)</u>	<u>\$ 800,331</u>

**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**TALLMADGE SHOOTING RANGE FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 500,000	\$ 500,000	\$ -
Total revenues. . . . .	-	500,000	500,000	-
<b>Expenditures:</b>				
Capital outlay . . . . .	-	500,000	-	500,000
Total expenditures . . . . .	-	500,000	-	500,000
Net change in fund balance . . . . .	-	-	500,000	500,000
<b>Fund balance at beginning of year . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MACA POOL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Miscellaneous. . . . .	\$ -	\$ -	\$ 6,000	\$ 6,000
Total revenues. . . . .	-	-	6,000	6,000
<b>Expenditures:</b>				
Current:				
Leisure time activities. . . . .	25,758	24,957	24,780	177
Capital outlay. . . . .	859,094	844,503	830,207	14,296
Debt service:				
Principal retirement. . . . .	3,220,000	3,220,000	3,220,000	-
Interest and fiscal charges . . . . .	73,298	73,298	73,034	264
Total expenditures. . . . .	4,178,150	4,162,758	4,148,021	14,737
Excess (deficiency) of revenues over (under) expenditures . . . . .	(4,178,150)	(4,162,758)	(4,142,021)	20,737
<b>Other financing sources:</b>				
Sale of note . . . . .	3,220,000	3,220,000	3,220,000	-
Transfers in . . . . .	85,000	85,000	80,000	(5,000)
Total other financing sources . . . . .	3,305,000	3,305,000	3,300,000	(5,000)
Net change in fund balance . . . . .	(873,150)	(857,758)	(842,021)	15,737
<b>Fund balance at beginning of year . . . . .</b>	6,057	6,057	6,057	-
<b>Prior year encumbrances appropriated. . .</b>	869,852	869,852	869,852	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 2,759</u>	<u>\$ 18,151</u>	<u>\$ 33,888</u>	<u>\$ 15,737</u>

**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL INFRASTRUCTURE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Investment income . . . . .	\$ 4,000	\$ -	\$ -	\$ -
Miscellaneous. . . . .	-	-	205,002	205,002
Total revenues. . . . .	<u>4,000</u>	<u>-</u>	<u>205,002</u>	<u>205,002</u>
<b>Expenditures:</b>				
Capital outlay . . . . .	224,479	234,479	235,893	(1,414)
Debt service:				
Principal retirement . . . . .	580,000	580,000	580,000	-
Interest and fiscal charges . . . . .	<u>16,000</u>	<u>16,000</u>	<u>13,000</u>	<u>3,000</u>
Total expenditures . . . . .	<u>820,479</u>	<u>830,479</u>	<u>828,893</u>	<u>1,586</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(816,479)</u>	<u>(830,479)</u>	<u>(623,891)</u>	<u>206,588</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	125,000	125,000	65,000	(60,000)
Sale of note . . . . .	<u>380,000</u>	<u>380,000</u>	<u>580,000</u>	<u>200,000</u>
Total other financing sources . . . . .	<u>505,000</u>	<u>505,000</u>	<u>645,000</u>	<u>140,000</u>
Net change in fund balance . . . . .	(311,479)	(325,479)	21,109	346,588
<b>Fund balance at beginning of year . . . . .</b>	155,191	155,191	155,191	-
<b>Prior year encumbrances appropriated. . .</b>	<u>224,479</u>	<u>224,479</u>	<u>224,479</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 68,191</u>	<u>\$ 54,191</u>	<u>\$ 400,779</u>	<u>\$ 346,588</u>



**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
NORTHEAST AVENUE ROUNDABOUT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 260,000	\$ 260,000	\$ -	\$ (260,000)
Total revenues. . . . .	260,000	260,000	-	(260,000)
<b>Expenditures:</b>				
Current:				
Transportation. . . . .	25,000	25,000	113,273	(88,273)
Capital outlay. . . . .	248,071	247,703	54,753	192,950
Total expenditures. . . . .	273,071	272,703	168,026	104,677
Excess (deficiency) of revenues over (under) expenditures . . . . .	(13,071)	(12,703)	(168,026)	(155,323)
<b>Other financing sources (uses):</b>				
Advances in . . . . .	-	200,000	200,000	-
Advances out . . . . .	-	(200,000)	-	200,000
Total other financing sources (uses) . . . . .	-	-	200,000	200,000
Net change in fund balance . . . . .	(13,071)	(12,703)	31,974	44,677
<b>Fund balance at beginning of year. . . . .</b>	51,646	51,646	51,646	-
<b>Prior year encumbrances appropriated . . .</b>	18,071	18,071	18,071	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 56,646</u>	<u>\$ 57,014</u>	<u>\$ 101,691</u>	<u>\$ 44,677</u>

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**CITY OF TALLMADGE, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - PROPRIETARY FUNDS*

---

**MAJOR ENTERPRISE FUNDS**

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

***Sewer Operating Fund***

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

***Water Operating Fund***

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

***Storm Water Fund***

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

**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SEWER OPERATING FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 1,576,960	\$ 1,576,960	\$ 1,446,028	\$ (130,932)
Special assessments . . . . .	48,000	48,000	43,117	(4,883)
Miscellaneous . . . . .	101,500	-	306	306
Total revenues. . . . .	<u>1,726,460</u>	<u>1,624,960</u>	<u>1,489,451</u>	<u>(135,509)</u>
<b>Expenses:</b>				
Personal services. . . . .	409,008	433,795	420,482	13,313
Materials and supplies . . . . .	65,776	65,367	62,633	2,734
Contractual services . . . . .	1,162,107	1,155,918	1,040,363	115,555
Other . . . . .	60,292	34,121	51,153	(17,032)
Capital outlay				
Potamac/Swank sewer. . . . .	100,000	100,000	-	100,000
Sewer rehabilitation . . . . .	160,000	160,000	81,500	78,500
Water meter replacement . . . . .	12,500	12,500	12,270	230
Debt service:				
Principal retirement . . . . .	41,000	41,000	41,000	-
Interest and fiscal charges. . . . .	22,500	22,500	18,554	3,946
Total expenses . . . . .	<u>2,033,183</u>	<u>2,025,201</u>	<u>1,727,955</u>	<u>297,246</u>
Net change in fund equity . . . . .	(306,723)	(400,241)	(238,504)	161,737
<b>Fund equity at beginning of year. . . . .</b>	3,681,954	3,681,954	3,681,954	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>114,911</u>	<u>114,911</u>	<u>114,911</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 3,490,142</u>	<u>\$ 3,396,624</u>	<u>\$ 3,558,361</u>	<u>\$ 161,737</u>

**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**WATER OPERATING FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment income . . . . .	\$ 65,500	\$ -	\$ -	\$ -
Charges for services . . . . .	1,682,660	1,682,660	1,578,506	(104,154)
Loan proceeds . . . . .	1,600,000	1,600,000	912,749	(687,251)
Special assessments . . . . .	136,000	136,000	113,316	(22,684)
Capital grants . . . . .	-	100,000	-	(100,000)
Miscellaneous . . . . .	-	-	10,224	10,224
<b>Total revenues.</b> . . . .	<u>3,484,160</u>	<u>3,518,660</u>	<u>2,614,795</u>	<u>(903,865)</u>
<b>Expenses:</b>				
Personal services . . . . .	409,051	438,795	427,295	11,500
Materials and supplies . . . . .	69,386	68,978	58,926	10,052
Contractual services . . . . .	1,207,830	1,177,568	920,907	256,661
Other . . . . .	44,298	44,263	64,967	(20,704)
Capital outlay				
Booster station . . . . .	110,720	110,720	110,720	-
North Thomas Road waterline . . . . .	-	392,000	286,082	105,918
Water meter replacement . . . . .	12,500	12,500	12,270	230
Northeast high pressure water . . . . .	1,600,000	1,600,000	1,457,176	142,824
Debt service:				
Principal retirement . . . . .	78,000	78,000	78,000	-
Interest and fiscal charges . . . . .	12,400	12,400	11,929	471
<b>Total expenses</b> . . . . .	<u>3,544,185</u>	<u>3,935,224</u>	<u>3,428,272</u>	<u>506,952</u>
Net change in fund equity . . . . .	(60,025)	(416,564)	(813,477)	(396,913)
<b>Fund equity at beginning of year.</b> . . . .	2,589,741	2,589,741	2,589,741	-
<b>Prior year encumbrances appropriated</b> . . .	<u>126,895</u>	<u>126,895</u>	<u>126,895</u>	<u>-</u>
<b>Fund equity at end of year</b> . . . . .	<u>\$ 2,656,611</u>	<u>\$ 2,300,072</u>	<u>\$ 1,903,159</u>	<u>\$ (396,913)</u>

**CITY OF TALLMADGE, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STORM WATER FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 370,000	\$ 370,000	\$ 309,875	\$ (60,125)
Miscellaneous . . . . .	-	-	69	69
Total revenues. . . . .	<u>370,000</u>	<u>370,000</u>	<u>309,944</u>	<u>(60,056)</u>
<b>Expenses:</b>				
Personal services. . . . .	237,040	237,000	236,018	982
Materials and supplies . . . . .	5,000	5,000	-	5,000
Contractual services . . . . .	115,225	104,425	75,753	28,672
Other . . . . .	-	-	312	(312)
Capital outlay				
Northeast Avenue improvement. . . . .	75,000	75,000	-	75,000
Enclose Southeast Avenue ditches . . . . .	3,302	2,500	2,500	-
Maca ditch . . . . .	30,000	30,000	-	30,000
Mapping projects . . . . .	30,000	30,000	-	30,000
Total expenses . . . . .	<u>495,567</u>	<u>483,925</u>	<u>314,583</u>	<u>169,342</u>
Net change in fund equity . . . . .	(125,567)	(113,925)	(4,639)	109,286
<b>Fund equity at beginning of year. . . . .</b>	165,171	165,171	165,171	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>18,567</u>	<u>18,567</u>	<u>18,567</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 58,171</u>	<u>\$ 69,813</u>	<u>\$ 179,099</u>	<u>\$ 109,286</u>

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**CITY OF TALLMADGE, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - AGENCY FUNDS*

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**AGENCY FUNDS**

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

***Revolving Trust Fund***

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

***Joint Economic Development District Fund***

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

**CITY OF TALLMADGE, OHIO**

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009*

	<b>Beginning Balance 12/31/2008</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 12/31/2009</b>
<b>Revolving Trust</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 59,803	\$ 42,185	\$ 70,995	\$ 30,993
Total assets. . . . .	<u>\$ 59,803</u>	<u>\$ 42,185</u>	<u>\$ 70,995</u>	<u>\$ 30,993</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 59,803	\$ 42,185	\$ 70,995	\$ 30,993
Total liabilities . . . . .	<u>\$ 59,803</u>	<u>\$ 42,185</u>	<u>\$ 70,995</u>	<u>\$ 30,993</u>
<b>Joint Economic Development District</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 96,756	\$ 236,152	\$ 215,378	\$ 117,530
Income taxes receivable . . . . .	26,153	23,410	26,153	23,410
Total assets. . . . .	<u>\$ 122,909</u>	<u>\$ 259,562</u>	<u>\$ 241,531</u>	<u>\$ 140,940</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 122,909	\$ 259,562	\$ 241,531	\$ 140,940
Total liabilities . . . . .	<u>\$ 122,909</u>	<u>\$ 259,562</u>	<u>\$ 241,531</u>	<u>\$ 140,940</u>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 156,559	\$ 278,337	\$ 286,373	\$ 148,523
Income taxes receivable . . . . .	26,153	23,410	26,153	23,410
Total assets. . . . .	<u>\$ 182,712</u>	<u>\$ 301,747</u>	<u>\$ 312,526</u>	<u>\$ 171,933</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 182,712	\$ 301,747	\$ 312,526	\$ 171,933
Total liabilities . . . . .	<u>\$ 182,712</u>	<u>\$ 301,747</u>	<u>\$ 312,526</u>	<u>\$ 171,933</u>

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# **STATISTICAL SECTION**



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**CITY OF TALLMADGE, OHIO**

*STATISTICAL SECTION*

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>98</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources, the income tax and property tax.	<b>109</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>118</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>122</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	<b>124</b>

**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 2003; schedules presenting government-wide information include information beginning in that year.

TABLE 1

## CITY OF TALLMADGE, OHIO

NET ASSETS BY COMPONENT  
 LAST SEVEN YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)

	Year Ended			
	2003	2004	2005	2006
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ 17,737,954	\$ 18,399,103	\$ 17,653,191	\$ 19,283,070
Restricted	1,674,816	1,529,570	1,649,621	1,553,853
Unrestricted	3,503,641	2,949,555	3,096,621	1,037,951
Total governmental activities net assets	<u>\$ 22,916,411</u>	<u>\$ 22,878,228</u>	<u>\$ 22,399,433</u>	<u>\$ 21,874,874</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ 9,615,868	\$ 9,745,354	\$ 11,597,918	\$ 13,115,962
Unrestricted	7,410,786	7,030,332	7,999,516	7,916,486
Total business-type activities net assets	<u>\$ 17,026,654</u>	<u>\$ 16,775,686</u>	<u>\$ 19,597,434</u>	<u>\$ 21,032,448</u>
<b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 27,353,822	\$ 28,144,457	\$ 29,251,109	\$ 32,399,032
Restricted	1,674,816	1,529,570	1,649,621	1,553,853
Unrestricted	10,914,427	9,979,887	11,096,137	8,954,437
Total primary government net assets	<u>\$ 39,943,065</u>	<u>\$ 39,653,914</u>	<u>\$ 41,996,867</u>	<u>\$ 42,907,322</u>

Note: 2003 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available.

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<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 19,397,236	\$ 18,719,874	\$ 17,647,995
1,643,839	1,902,468	2,973,347
1,495,354	1,694,536	2,226,868
<u>\$ 22,536,429</u>	<u>\$ 22,316,878</u>	<u>\$ 22,848,210</u>
\$ 13,900,274	\$ 13,978,571	\$ 13,666,756
8,000,737	7,662,014	7,383,084
<u>\$ 21,901,011</u>	<u>\$ 21,640,585</u>	<u>\$ 21,049,840</u>
\$ 31,702,510	\$ 31,213,445	\$ 29,944,751
1,643,839	1,902,468	2,973,347
11,091,091	10,841,550	10,979,952
<u>\$ 44,437,440</u>	<u>\$ 43,957,463</u>	<u>\$ 43,898,050</u>

TABLE 2

## CITY OF TALLMADGE, OHIO

CHANGES IN NET ASSETS  
LAST SEVEN YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Year Ended			
	2003	2004	2005	2006
<b>Expenses</b>				
Governmental activities:				
General government	\$ 2,751,310	\$ 2,813,020	\$ 2,909,459	\$ 3,083,058
Security of persons and property				
Police	3,247,632	3,587,033	3,602,372	3,897,751
Street lights	20,798	18,986	12,834	6,989
Fire	1,947,126	1,885,594	1,983,204	2,248,274
Public health and welfare	150,404	209,709	67,088	61,698
Transportation	2,981,215	2,168,223	2,843,072	3,366,399
Community environment	409,640	387,578	390,832	425,437
Leisure time activity	731,878	1,342,519	1,723,848	1,843,327
Interest and fiscal charges	407,820	383,820	453,538	442,733
Total governmental activities expenses	<u>12,647,823</u>	<u>12,796,482</u>	<u>13,986,247</u>	<u>15,375,666</u>
Business-type activities:				
Sewer	2,329,878	2,485,670	2,185,614	1,631,888
Water	1,758,751	1,708,243	1,640,657	1,653,398
Storm Water	-	-	126,335	193,978
Total business-type activities expenses	<u>4,088,629</u>	<u>4,193,913</u>	<u>3,952,606</u>	<u>3,479,264</u>
Total primary government expenses	<u>\$ 16,736,452</u>	<u>\$ 16,990,395</u>	<u>\$ 17,938,853</u>	<u>\$ 18,854,930</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 203,117	\$ 104,361	\$ 133,617	\$ 157,812
Security of persons and property				
Police	19,465	8,070	10,313	16,567
Fire	317,028	320,636	357,757	357,459
Public health and welfare	78,931	63,360	70,254	81,450
Transportation	-	-	-	-
Community environment	302,380	305,058	203,636	264,462
Leisure time activity	136,947	887,084	1,282,008	1,498,857
Operating grants and contributions	633,414	764,100	993,310	894,485
Capital grants and contributions	370,041	106,961	386,216	1,283,034
Total governmental program revenues	<u>2,061,323</u>	<u>2,559,630</u>	<u>3,437,111</u>	<u>4,554,126</u>
Business-type activities:				
Charges for services:				
Sewer	2,207,559	2,196,419	2,233,693	1,523,778
Water	1,544,119	1,652,053	1,869,017	1,706,887
Storm Water	-	-	388,021	459,861
Capital grants and contributions	289,989	-	-	-
Total business-type activities program revenues	<u>4,041,667</u>	<u>3,848,472</u>	<u>4,490,731</u>	<u>3,690,526</u>
Total primary government program revenue	<u>\$ 6,102,990</u>	<u>\$ 6,408,102</u>	<u>\$ 7,927,842</u>	<u>\$ 8,244,652</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (10,586,500)	\$ (10,236,852)	\$ (10,549,136)	\$ (10,821,540)
Business-type activities	(46,962)	(345,441)	538,125	211,262
Total primary government net expense	<u>\$ (10,633,462)</u>	<u>\$ (10,582,293)</u>	<u>\$ (10,011,011)</u>	<u>\$ (10,610,278)</u>

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 3,477,962	\$ 3,253,790	\$ 3,254,377
3,859,300	3,816,522	3,822,765
15,210	39,208	28,469
2,339,952	2,585,492	2,901,712
73,136	72,170	49,994
3,284,385	3,778,324	2,655,392
396,525	657,143	355,154
1,878,053	1,817,187	2,003,019
462,321	482,825	479,892
<u>15,786,844</u>	<u>16,502,661</u>	<u>15,550,774</u>
1,666,463	1,785,418	1,805,970
1,634,790	1,890,821	1,700,746
239,807	243,329	466,800
<u>3,541,060</u>	<u>3,919,568</u>	<u>3,973,516</u>
<u>\$ 19,327,904</u>	<u>\$ 20,422,229</u>	<u>\$ 19,524,290</u>
\$ 174,923	\$ 193,794	\$ 310,336
82,646	3,067	17,732
351,813	321,641	405,050
78,865	1,346	7,935
210,545	30,254	239,805
205,682	251,070	127,858
1,572,305	1,457,708	1,562,356
949,361	854,695	828,557
786,581	151,646	500,000
<u>4,412,721</u>	<u>3,265,221</u>	<u>3,999,629</u>
1,493,098	1,518,955	1,481,699
1,816,538	1,721,534	1,577,632
451,756	317,288	312,841
251,858	-	-
<u>4,013,250</u>	<u>3,557,777</u>	<u>3,372,172</u>
<u>\$ 8,425,971</u>	<u>\$ 6,822,998</u>	<u>\$ 7,371,801</u>
\$ (11,374,123)	\$ (13,237,440)	\$ (11,551,145)
472,190	(361,791)	(601,344)
<u>\$ (10,901,933)</u>	<u>\$ (13,599,231)</u>	<u>\$ (12,152,489)</u>

- Continued

TABLE 2

## CITY OF TALLMADGE, OHIO

CHANGES IN NET ASSETS (CONTINUED)  
 LAST SEVEN YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)

	Year Ended			
	2003	2004	2005	2006
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 1,730,744	\$ 1,979,761	\$ 2,089,647	\$ 2,159,769
Income taxes	6,896,029	6,686,817	7,291,435	7,037,324
Unrestricted grants and contributions	1,449,803	1,445,510	1,665,173	1,716,295
Investment earnings	160,018	61,788	165,066	293,692
Miscellaneous	103,835	38,535	40,897	89,481
Transfers	-	(13,742)	(2,158,885)	(999,580)
Total governmental activities	<u>10,340,429</u>	<u>10,198,669</u>	<u>9,093,333</u>	<u>10,296,981</u>
Business-type activities:				
Investment earnings	64,954	47,643	120,508	215,710
Miscellaneous	11,979	33,088	4,230	8,462
Transfers	-	13,742	2,158,885	999,580
Total business-type activities	<u>76,933</u>	<u>94,473</u>	<u>2,283,623</u>	<u>1,223,752</u>
Total primary government	<u>\$ 10,417,362</u>	<u>\$ 10,293,142</u>	<u>\$ 11,376,956</u>	<u>\$ 11,520,733</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ (246,071)	\$ (38,183)	\$ (1,455,803)	\$ (524,559)
Business-type activities	29,971	(250,968)	2,821,748	1,435,014
Total primary government	<u>\$ (216,100)</u>	<u>\$ (289,151)</u>	<u>\$ 1,365,945</u>	<u>\$ 910,455</u>

Note: 2003 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available.



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<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 2,129,530	\$ 2,447,935	\$ 2,225,056
7,864,634	8,118,368	7,226,715
1,789,961	1,968,428	2,223,903
286,805	210,924	141,630
136,321	223,833	265,173
(171,573)	48,401	-
<u>12,035,678</u>	<u>13,017,889</u>	<u>12,082,477</u>
218,346	139,449	-
6,454	10,317	10,599
171,573	(48,401)	-
<u>396,373</u>	<u>101,365</u>	<u>10,599</u>
<u>\$ 12,432,051</u>	<u>\$ 13,119,254</u>	<u>\$ 12,093,076</u>
\$ 661,555	\$ (219,551)	\$ 531,332
868,563	(260,426)	(590,745)
<u>\$ 1,530,118</u>	<u>\$ (479,977)</u>	<u>\$ (59,413)</u>

TABLE 3

## CITY OF TALLMADGE, OHIO

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund				
Reserved	\$ 304,593	\$ 123,950	\$ 181,078	\$ 65,682
Unreserved	<u>2,080,625</u>	<u>2,487,149</u>	<u>2,622,779</u>	<u>2,647,039</u>
Total general fund	<u>\$ 2,385,218</u>	<u>\$ 2,611,099</u>	<u>\$ 2,803,857</u>	<u>\$ 2,712,721</u>
All Other Governmental Funds				
Reserved	\$ 1,139,645	\$ 464,640	\$ 600,930	\$ 1,222,263
Unreserved, reported in:				
Special revenue funds	155,020	357,432	825,375	355,423
Debt service funds	-	-	-	24,123
Capital projects funds	<u>(1,552,761)</u>	<u>351,804</u>	<u>160,882</u>	<u>(504,608)</u>
Total all other governmental funds	<u>\$ (258,096)</u>	<u>\$ 1,173,876</u>	<u>\$ 1,587,187</u>	<u>\$ 1,097,201</u>

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 141,361	\$ 119,505	\$ 215,920	\$ 346,588	\$ 318,914	\$ 374,719
1,924,934	2,275,772	2,550,408	2,514,736	2,671,181	3,104,686
<u>\$ 2,066,295</u>	<u>\$ 2,395,277</u>	<u>\$ 2,766,328</u>	<u>\$ 2,861,324</u>	<u>\$ 2,990,095</u>	<u>\$ 3,479,405</u>
\$ 105,120	\$ 255,652	\$ 1,252,535	\$ 218,875	\$ 887,039	\$ 192,535
426,887	411,964	170,674	190,731	629,334	840,684
36,601	19,751	21,558	14,757	14,778	37,899
(140,627)	(32,187)	(989,740)	63,474	212,208	834,219
<u>\$ 427,981</u>	<u>\$ 655,180</u>	<u>\$ 455,027</u>	<u>\$ 487,837</u>	<u>\$ 1,743,359</u>	<u>\$ 1,905,337</u>

TABLE 4

## CITY OF TALLMADGE, OHIO

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

	2000	2001	2002
<b>Revenues</b>			
Property and other taxes	\$ 1,618,751	\$ 2,010,802	\$ 1,944,979
Municipal income taxes	6,775,780	6,739,909	6,617,777
Intergovernmental	2,466,027	2,119,103	2,223,887
Investment income	319,377	296,318	145,717
Fines, licenses, and permits	234,493	323,608	414,832
Special assessments	143,926	85,883	105,829
Charges for services	326,951	593,539	700,941
Miscellaneous	128,147	366,468	124,480
Total revenues	<u>\$ 12,013,452</u>	<u>\$ 12,535,630</u>	<u>\$ 12,278,442</u>
<b>Expenditures</b>			
Current:			
General government	\$ 2,392,119	\$ 2,639,616	\$ 2,580,493
Security of persons and property (2)	4,559,866	4,546,800	4,554,729
Police	N/A	N/A	N/A
Street lighting	N/A	N/A	N/A
Fire	N/A	N/A	N/A
Public health and welfare	159,353	173,349	178,764
Transportation	1,464,656	1,403,016	1,410,876
Leisure time activities	780,070	727,899	695,650
Community environment	350,053	385,460	382,185
Capital outlay	3,588,325	2,845,234	1,512,013
Debt service			
Principal retirement	318,242	200,000	255,000
Interest and fiscal charges	303,277	358,523	401,197
Bond issue costs	-	-	-
Total expenditures	<u>13,915,961</u>	<u>13,279,897</u>	<u>11,970,907</u>
Excess of revenues over (under) expenditures	<u>(1,902,509)</u>	<u>(744,267)</u>	<u>307,535</u>
<b>Other Financing Sources (Uses)</b>			
Capital lease transaction	259,957	101,441	-
Sale of bonds	1,070,000	2,175,000	-
Sale of notes	-	-	-
Bond and note premium	-	-	-
Payment to refunded bond escrow agent	-	-	-
Sale of assets	25,988	-	-
Transfers in	3,830,192	3,583,534	3,706,381
Transfers out	(4,146,953)	(3,775,531)	(3,697,688)
Total other financing sources (uses)	<u>1,039,184</u>	<u>2,084,444</u>	<u>8,693</u>
Change in reserve for inventory	<u>31,874</u>	<u>6,330</u>	<u>56,158</u>
Net change in fund balances	<u>\$ (831,451)</u>	<u>\$ 1,346,507</u>	<u>\$ 372,386</u>
Capital expenditures	3,588,325	2,845,234	1,512,013
Debt service as a percentage of noncapital expenditures	6.02%	5.35%	6.27%

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

(2) 2003 was the first year subcategories were identified for security of persons and property.

	2003	2004	2005	2006	2007	2008	2009
\$	1,708,242	\$ 1,980,804	\$ 2,058,105	\$ 2,158,881	\$ 2,141,540	\$ 2,453,020	\$ 2,241,114
	6,914,659	6,860,554	7,191,712	7,582,166	7,753,824	7,873,334	7,156,634
	2,256,760	2,259,133	2,970,383	3,789,555	3,199,101	3,132,224	3,589,375
	160,018	61,788	162,809	279,309	291,716	209,745	141,559
	351,338	339,752	316,559	382,257	434,971	372,776	438,045
	35,606	103,835	96,587	110,518	206,524	115,781	109,413
	706,530	1,270,980	1,709,942	1,934,540	1,982,851	1,837,708	2,188,832
	103,835	145,496	109,857	156,581	167,176	149,833	322,541
\$	<u>12,236,988</u>	<u>13,022,342</u>	<u>14,615,954</u>	<u>16,393,807</u>	<u>16,177,703</u>	<u>16,144,421</u>	<u>16,187,513</u>
\$	2,667,992	\$ 2,573,741	\$ 2,738,094	\$ 2,909,319	\$ 2,876,213	\$ 3,092,863	\$ 3,062,640
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	3,204,202	3,296,195	3,446,848	3,654,771	3,744,689	3,835,309	3,808,963
	20,798	18,986	12,834	6,989	15,210	39,208	28,469
	1,929,459	1,932,466	1,892,249	2,061,974	2,187,089	2,304,753	2,644,911
	164,022	208,182	65,978	61,006	72,133	69,512	48,878
	1,988,834	1,767,576	2,092,159	1,934,062	1,941,612	1,943,729	1,847,529
	649,449	1,211,521	1,536,463	1,634,509	1,577,690	1,234,503	1,726,060
	408,898	382,994	394,293	413,599	391,535	744,291	355,637
	5,270,018	1,797,036	1,053,137	2,961,006	2,390,010	4,334,123	1,068,156
	363,906	4,513,067	4,210,000	4,224,245	516,201	534,792	4,396,214
	367,969	422,365	416,172	534,116	464,858	439,747	515,389
	-	-	-	126,892	-	-	-
	<u>17,035,547</u>	<u>18,124,129</u>	<u>17,858,227</u>	<u>20,522,488</u>	<u>16,177,240</u>	<u>18,572,830</u>	<u>19,502,846</u>
	<u>(4,798,559)</u>	<u>(5,101,787)</u>	<u>(3,242,273)</u>	<u>(4,128,681)</u>	<u>463</u>	<u>(2,428,409)</u>	<u>(3,315,333)</u>
	-	-	41,684	397,815	-	-	144,277
	-	-	-	4,670,000	-	-	-
	4,200,000	3,900,000	3,800,000	-	-	3,800,000	3,800,000
	17,437	25,074	16,770	168,521	-	8,702	22,344
	-	-	-	(837,667)	-	-	-
	-	-	-	910	3,631	4,000	-
	3,066,651	3,458,795	3,111,900	3,525,813	4,005,034	3,751,926	2,618,165
	<u>(3,066,651)</u>	<u>(3,472,537)</u>	<u>(3,171,900)</u>	<u>(3,625,813)</u>	<u>(3,881,322)</u>	<u>(3,751,926)</u>	<u>(2,618,165)</u>
	<u>4,217,437</u>	<u>3,911,332</u>	<u>3,798,454</u>	<u>4,299,579</u>	<u>127,343</u>	<u>3,812,702</u>	<u>3,966,621</u>
	-	-	-	-	-	-	-
\$	<u>(581,122)</u>	<u>(1,190,455)</u>	<u>556,181</u>	<u>170,898</u>	<u>127,806</u>	<u>1,384,293</u>	<u>651,288</u>
	5,349,174	2,207,738	1,124,509	1,818,506	2,010,525	3,348,476	964,180
	6.26%	31.01%	27.65%	26.12%	6.93%	6.40%	26.49%

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TABLE 5

## CITY OF TALLMADGE, OHIO

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

Year	Net Tax Levy (Current Billed Portion)	Current Collections	Percent of Current Collections to Net Levy	Delinquent Collections	Total Collections	Percent of Total Collections to Levy	Current Delinquent Amount
2000	\$ 1,594,350	\$ 1,576,485	98.88%	\$ 43,833	\$ 1,620,318	101.63%	\$ 17,865
2001	1,631,483	1,568,764	96.16%	51,773	1,620,537	99.33%	62,719
2002	1,660,530	1,593,716	95.98%	46,620	1,640,336	98.78%	66,814
2003	1,789,863	1,700,547	95.01%	67,051	1,767,598	98.76%	89,316
2004	1,824,148	1,764,078	96.71%	83,855	1,847,933	101.30%	60,707
2005	1,882,841	1,819,123	96.62%	43,881	1,863,004	98.95%	63,718
2006	1,967,591	1,906,144	96.88%	69,070	1,975,214	100.39%	61,446
2007	2,001,596	1,920,043	95.93%	55,619	1,975,662	98.70%	81,553
2008	2,507,495	2,423,088	96.63%	81,032	2,504,120	99.87%	84,407
2009	2,510,557	2,428,896	96.75%	69,123	2,498,019	99.50%	81,661

Source: Summit County, Ohio; County Fiscal Officer

TABLE 6

## CITY OF TALLMADGE, OHIO

TANGIBLE PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

Year	Net Tax Levy (Current Billed Portion)	Current Collections	Percent of Current Collections to Net Levy	Delinquent Collections	Total Collections	Percent of Total Collections to Levy	Current Delinquent Amount
2000	\$ 255,877	\$ 233,492	91.25%	\$ 4,092	\$ 237,584	92.85%	\$ 22,385
2001	264,479	256,127	96.84%	9,048	265,175	100.26%	8,352
2002	263,718	253,179	96.00%	9,199	262,378	99.49%	10,539
2003	254,955	252,476	99.03%	8,416	260,892	102.33%	2,479
2004	243,161	226,035	92.96%	9,025	235,060	96.67%	17,126
2005	263,235	245,108	93.11%	27,437	272,545	103.54%	18,128
2006	189,649	183,596	96.81%	19,468	203,064	107.07%	6,053
2007	119,725	116,450	97.26%	30,432	146,882	122.68%	3,275
2008	60,655	55,454	91.43%	8,290	63,744	105.09%	5,021
2009	4,580	4,567	99.72%	9,963	14,530	317.25%	12

Source: Summit County, Ohio; County Fiscal Officer

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

**TABLE 7****CITY OF TALLMADGE, OHIO***ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS*

<b>Year</b>	<b>Real Property</b>		<b>Public Utility Property</b>	
	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>
2000	\$ 816,517,314	\$ 285,781,060	\$ 26,022,429	\$ 9,107,850
2001	859,139,571	300,698,850	23,372,200	8,180,270
2002	886,031,029	310,110,860	20,721,286	7,252,450
2003	999,731,057	349,905,870	21,472,543	7,515,390
2004*	994,362,914	348,027,020	21,155,829	7,404,540
2005*	1,187,532,747	360,024,610	21,559,086	7,545,680
2006*	1,113,123,171	389,593,110	19,050,886	6,667,810
2007*	1,223,779,088	398,010,000	17,387,400	6,085,590
2008*	1,200,996,389	405,268,120	10,447,371	3,656,580
2009*	1,162,772,988	404,401,940	10,906,571	3,817,300

Note: The current assessed valuation is computed at approximately the following percentages of estimated true value; real property - 35% public utilities - 100%. The assessed value of Tangible Personal Property has declined as a result of State law from 35% in 1984 to 25% for capital assets and 23% for inventory.

\* Summit County valuations only - Portage County not included.

Source: Summit County, Ohio; County Fiscal Officer



<b>Tangible Personal Property</b>		<b>Total</b>		<b>Total Direct Tax Rate</b>	<b>Assessed Value as a Percentage of Actual Value</b>
<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>		
\$ 166,424,376	\$ 41,606,094	\$ 1,008,964,119	\$ 336,495,004	6.15	33.35%
185,788,176	46,447,044	1,068,299,947	355,326,164	6.15	33.26%
184,328,148	46,082,037	1,091,080,463	363,445,347	6.15	33.31%
168,715,748	42,178,937	1,189,919,348	399,600,197	6.15	33.58%
157,341,724	39,335,431	1,172,860,467	394,766,991	6.15	33.66%
150,316,368	37,579,092	1,359,408,201	405,149,382	6.15	29.80%
122,531,132	30,632,783	1,254,705,189	426,893,703	6.15	34.02%
79,692,216	19,923,054	1,320,858,704	424,018,644	6.15	32.10%
38,932,272	9,733,068	1,250,376,032	418,657,768	6.15	33.48%
3,001,032	750,258	1,176,680,591	408,969,498	6.15	34.76%

**TABLE 8**

**CITY OF TALLMADGE, OHIO**

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

	<u>Collection Year</u>	<u>County Levy</u>	<u>School Levy</u>	<u>Akron/Summit Library</u>	<u>Tallmadge City</u>	<u>Total Levy</u>	<u>Debt Service</u>
1	2000	12.27	53.68	1.39	6.15	73.49	0.86
2	2000	12.27	46.44		6.15	64.86	2.16
1	2001	13.07	53.68	1.39	6.15	74.29	0.86
2	2001	13.07	46.44		6.15	65.66	2.86
1	2002	13.07	59.73	1.35	6.15	80.30	0.82
2	2002	13.07	45.74		6.15	64.96	1.94
1	2003	13.07	59.73	1.59	6.15	80.54	1.22
2	2003	13.07	48.32		6.15	67.54	1.87
1	2004	13.07	59.73	0.78	6.15	79.73	1.47
2	2004	13.07	47.93		6.15	67.15	2.09
1	2005	13.07	64.42	2.14	6.15	85.78	6.10
2	2005	13.07	47.88		6.15	67.10	2.07
1	2006	13.07	64.42	2.04	6.15	85.68	6.10
2	2006	13.07	46.73	1.00	6.15	66.95	2.07
1	2007	14.57	64.07	2.03	6.15	86.82	5.82
2	2007	14.57	45.62	1.00	6.15	67.34	0.86
1	2008	14.26	64.46	2.07	6.15	86.94	5.82
2	2008	14.26	45.93	1.00	6.15	67.34	0.86
1	2009	14.16	64.63	2.08	6.15	87.02	5.99
2	2009	14.16	45.25	1.00	6.15	66.56	0.41

Source: Summit County, Ohio; County Fiscal Officer

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

**TABLE 9**

**CITY OF TALLMADGE, OHIO**

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

	<u>Collection Year</u>	<u>Inside Operating</u>	<u>Outside Operating</u>	<u>Police Pension</u>	<u>Fire/Ambulance</u>	<u>Total Tax Rate</u>
	2000	2.10	N/A	0.30	3.75	6.15
	2001	2.10	N/A	0.30	3.75	6.15
	2002	2.10	N/A	0.30	3.75	6.15
	2003	2.10	N/A	0.30	3.75	6.15
	2004	2.10	N/A	0.30	3.75	6.15
	2005	2.10	N/A	0.30	3.75	6.15
	2006	2.10	N/A	0.30	3.75	6.15
	2007	2.10	N/A	0.30	3.75	6.15
	2008	2.10	N/A	0.30	3.75	6.15
	2009	2.10	N/A	0.30	3.75	6.15

Source: Summit County, Ohio; County Fiscal Officer

TABLE 10

## CITY OF TALLMADGE, OHIO

REAL PROPERTY PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

		<b>December 31, 2009</b>	
<b>Name of Taxpayer</b>	<b>Nature of Business</b>	<b>Valuation</b>	<b>Percent of Total</b>
Eastwood Square Associates LTD	Retail Property Management	\$ 2,432,490	0.60%
Big Zilla Development LLC	Retail Property Management	2,423,280	0.60%
Tallmadge Oaks LTD	Apartment Complex	2,264,260	0.56%
Saxon Village Limited	Apartment Complex	2,015,290	0.50%
Heather Knoll Rental Properties LLC	Apartment Complex	1,629,370	0.40%
Myers Family Limited Partnership	Light Manufacturing	1,554,990	0.38%
Colonial Gardens LLC	Nursing Home	1,536,210	0.38%
DWEK Ohio LLC	Retail Property Management	1,369,180	0.34%
Tallmadge Senior Housing LTD	Apartment Complex	1,260,760	0.31%
RE Ohio LTD	Retail Property Management	1,068,740	0.26%
Total		<u>\$ 17,554,570</u>	<u>4.34%</u>
Total Assessed Valuation - Real Property		<u>\$ 404,401,940</u>	
		<b>December 31, 2000</b>	
<b>Name of Taxpayer</b>	<b>Nature of Business</b>	<b>Valuation</b>	<b>Percent of Total</b>
Tallmadge Associates	Retail Property Management	\$ 2,685,020	0.94%
Tallmadge Oaks	Apartment Complex	2,045,580	0.72%
Saxon Village LTD	Apartment Complex	1,916,130	0.67%
Colonial Gardens	Nursing Home	1,628,200	0.57%
David J. Schipper	Industrial Property Management	1,153,360	0.40%
Wolar Tallmadge & Associates	Property Management	1,114,940	0.39%
Tell Schipper Prop. Inc.	Rental/Office Space	1,082,390	0.38%
Tallmadge Acres	Senior Apartment Complex	1,020,530	0.36%
Venture Akron LTD	Industrial Property Management	1,016,760	0.36%
Carmen Development	Property Management	885,270	0.31%
Total		<u>\$ 14,548,180</u>	<u>5.09%</u>
Total Assessed Valuation - Real Property		<u>\$ 285,781,060</u>	

Source: Summit County, Ohio; County Fiscal Officer

TABLE 11

## CITY OF TALLMADGE, OHIO

TANGIBLE AND PUBLIC UTILITY PERSONAL PROPERTY PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

		<b>December 31, 2009</b>	
<b>Name of Taxpayer</b>	<b>Nature of Business</b>	<b>Valuation</b>	<b>Percent of Total</b>
Ohio Edison	Utilities	\$ 2,875,260	62.95%
East Ohio Gas	Utilities	505,850	11.07%
Ohio Bell Telephone Company	Telephone Services	455,070	9.96%
American Transmission	Utilities	421,410	9.23%
New Par	Communications	60,620	1.33%
Alltel Ohio Limited	Communications	38,250	0.84%
Ohio Telephone & Telegraph Co.	Telephone Services	37,230	0.82%
Sprintcom Inc.	Communications	21,910	0.48%
T-Mobile Central LLC	Communications	20,230	0.44%
Qwest Communications Corp.	Communications	19,910	0.44%
Total		<u>\$ 4,455,740</u>	<u>97.55%</u>
Total Assessed Valuation - Tangible and Public Utility Personal Property		<u>\$ 4,567,558</u>	
		<b>December 31, 2000</b>	
<b>Name of Taxpayer</b>	<b>Nature of Business</b>	<b>Valuation</b>	<b>Percent of Total</b>
Auto Sales, Inc.	Auto Parts Distribution	\$ 3,931,500	7.75%
Owens Corning	Insulation: Sheet and Foam	3,408,570	6.72%
Ohio Edison Co.	Utilities	3,264,220	6.44%
Ohio Bell Telephone	Telephone Services	2,526,230	4.98%
Steere Enterprises	Custom Plastics & Vinyl	2,033,740	4.01%
Walco Truck Co	Electro-Hydraulic Tailgate Lifts	1,935,970	3.82%
Star Chevrolet Inc.	Auto Sales	1,386,420	2.73%
Leppo Inc.	Machinery Sales	1,316,630	2.60%
East Ohio Gas Co.	Utilities	1,280,280	2.52%
Mark-Glen Inc.	Auto Sales	1,219,010	2.40%
Total		<u>\$ 22,302,570</u>	<u>43.98%</u>
Total Assessed Valuation - Tangible and Public Utility Personal Property		<u>\$ 50,713,944</u>	

Source: Summit County, Ohio; County Fiscal Officer

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TABLE 12

## CITY OF TALLMADGE

INCOME TAX REVENUE BASE AND COLLECTIONS  
LAST TEN YEARS

Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits
2000	2.00%	6,775,781	5,004,743	73.86%	920,206	13.58%
2001	2.00%	6,724,384	4,945,590	73.55%	771,159	11.47%
2002	2.00%	6,617,577	4,873,435	73.64%	740,076	11.18%
2003	2.00%	6,866,532	4,931,204	71.82%	912,822	13.29%
2004	2.00%	6,688,843	4,860,149	72.66%	821,027	12.27%
2005	2.00%	7,211,176	5,289,862	73.36%	895,984	12.42%
2006	2.00%	7,438,498	5,519,329	74.20%	960,195	12.91%
2007	2.00%	7,882,554	5,683,401	72.10%	1,273,276	16.15%
2008	2.00%	8,081,858	5,860,462	72.51%	1,134,774	14.04%
2009	2.00%	7,108,195	5,260,829	74.01%	877,343	12.34%

Source: City of Tallmadge Income Tax Department.

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

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<b>Taxes from Individuals</b>	<b>Percentage of Taxes from Individuals</b>	<b>Tax from Utilities</b>	<b>Percentage of Tax from Utilities</b>
850,832	12.56%	-	0.00%
1,007,635	14.98%	-	0.00%
1,004,066	15.17%	-	0.00%
975,582	14.21%	46,924	0.68%
959,188	14.34%	48,479	0.72%
947,627	13.14%	77,703	1.08%
936,441	12.59%	22,533	0.30%
890,414	11.30%	35,463	0.45%
1,016,927	12.58%	69,695	0.86%
916,959	12.90%	54,064	0.76%

**TABLE 13**

**CITY OF TALLMADGE, OHIO**

*RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS*

Year	Governmental Activities				Business-Type Activities			
	General Obligation Bonds	Special Assessment Bonds	Notes	Capital Leases	Special Assessment Bonds	OWDA Loans	Notes	Capital Leases
2000	\$ 3,799,000	\$ 1,070,000	\$ 2,270,000	\$ 233,925	\$ 1,036,000	\$ -	\$ 900,000	\$ -
2001	5,804,000	1,040,000	-	203,313	1,606,000	-	-	-
2002	5,579,000	1,010,000	-	91,973	1,451,000	-	-	25,306
2003	5,324,000	980,000	500,000	13,067	1,286,000	-	-	13,068
2004	5,059,000	945,000	4,200,000	-	1,146,000	-	-	-
2005	4,784,000	910,000	3,900,000	41,684	1,006,000	-	-	-
2006	8,338,000	870,000	-	366,254	867,000	-	-	-
2007	7,937,000	830,000	-	291,053	718,000	-	-	-
2008	7,526,000	785,000	3,800,000	212,261	564,000	-	-	-
2009	7,100,000	740,000	3,800,000	231,324	445,000	912,749	-	-

Sources:

- (a) See notes to the financial statements regarding the City's debt information.
- (b) See Table 18 Demographic and Economic Statistics - Last Ten Years for personal income and population.



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<b>(a) Total Primary Government</b>	<b>(b) Total Personal Income</b>	<b>Percentage of Personal Income</b>	<b>(b) Population</b>	<b>Per Capita</b>
\$ 9,308,925	\$ 447,922,310	2.08%	16,390	\$ 568
8,653,313	447,922,310	1.93%	16,390	528
8,157,279	447,922,310	1.82%	16,390	498
8,116,135	447,922,310	1.81%	16,390	495
11,350,000	447,922,310	2.53%	16,390	692
10,641,684	475,743,232	2.24%	17,408	611
10,441,254	475,743,232	2.19%	17,408	600
9,776,053	474,704,730	2.06%	17,370	563
12,887,261	472,682,384	2.73%	17,296	745
13,229,073	475,251,310	2.78%	17,390	761

TABLE 14

## CITY OF TALLMADGE, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN YEARS

Year	General Obligation Bonds	(a) Estimated Actual Property Value	Percentage of Actual Taxable Value of Property	(b) Population	Per Capita
2000	\$ 3,799,000	\$ 1,008,964,119	0.38%	16,390	\$ 232
2001	5,804,000	1,068,299,947	0.54%	16,390	354
2002	5,579,000	1,091,080,463	0.51%	16,390	340
2003	5,324,000	1,189,919,348	0.45%	16,390	325
2004	5,059,000	1,172,860,467	0.43%	16,390	309
2005	4,784,000	1,359,408,201	0.35%	17,408	275
2006	8,338,000	1,254,705,189	0.66%	17,408	479
2007	7,937,000	1,320,858,704	0.60%	17,370	457
2008	7,526,000	1,250,376,032	0.60%	17,296	435
2009	7,100,000	1,176,680,591	0.60%	17,390	408

Sources:

(a) Summit County, Ohio; County Fiscal Officer

(b) See Table 18 Demographic and Economic Statistics - Last Ten Years for personal income and population.

TABLE 15

## CITY OF TALLMADGE, OHIO

SPECIAL ASSESSMENT TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

Year	Current Billed	Delinquent Billed	Current % Collected	Total Collected	Total % Collected	Current Delinquent
2000	\$ 170,497	\$ 11,794	73.42%	\$ 134,740	79.03%	\$ 45,321
2001	253,383	18,555	95.26%	254,666	100.51%	19,256
2002	337,626	32,005	90.85%	338,236	100.18%	30,882
2003	334,470	30,984	93.08%	342,579	102.42%	23,146
2004	320,793	22,047	86.70%	310,487	96.79%	32,353
2005	324,158	23,846	44.06%	160,920	49.64%	181,334
2006	307,396	32,620	93.32%	318,301	103.55%	20,529
2007	304,976	22,574	92.45%	302,317	99.13%	23,016
2008	311,602	49,946	92.30%	312,351	100.24%	23,983
2009	292,208	27,465	91.39%	283,472	97.01%	25,167

Source: Summit County, Ohio; County Fiscal Officer

**TABLE 16**

**CITY OF TALLMADGE, OHIO**

*COMPUTATION OF DIRECT AND OVERLAPPING  
GENERAL OBLIGATION BONDED DEBT  
DECEMBER 31, 2009*

<b>Jurisdiction</b>	<b>General Tax Bonded Debt</b>	<b>Percentage Overlapping</b>	<b>Applicable to the City</b>
Direct:			
City of Tallmadge	\$ 7,100,000	100.00%	\$ 7,100,000
Overlapping Debt:			
Summit County	34,090,000	3.27%	1,114,743
Portage County	18,087,066	0.36%	65,113
MRTA (Metro Regional Transit Authority)	485,000	3.27%	15,860
Tallmadge City School District	27,040,000	99.81%	26,988,624
Field Local School District	24,010,000	1.58%	379,358
Akron/Summit Library	47,440,000	4.90%	2,324,560
Total Overlapping Debt	151,152,066		30,888,258
Total Direct and Overlapping Debt	\$ 158,252,066		\$ 37,988,258

Sources: Summit County, Ohio; County Fiscal Officer

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

**TABLE 17**

**CITY OF TALLMADGE, OHIO**

*COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN YEARS*

<b>Year</b>	<b>Debt Limit - Voted</b>	<b>Debt Limit - Unvoted</b>	<b>Net Debt Applicable to Limit</b>	<b>Debt Service Available Balance</b>	<b>Legal Debt Margin - Voted</b>	<b>Legal Debt Margin - Unvoted</b>	<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>
2000	\$ 35,331,975	\$ 18,507,225	\$ 3,799,000	\$ 64,114	\$ 31,597,089	\$ 18,507,225	10.75%
2001	37,309,247	19,542,939	5,804,000	51,519	31,556,766	19,542,939	15.56%
2002	38,161,761	19,989,494	5,579,000	21,151	32,603,912	19,989,494	14.62%
2003	41,958,021	21,978,011	5,324,000	24,123	36,658,144	21,978,011	12.69%
2004	41,450,534	21,712,185	5,059,000	36,601	36,428,135	21,712,185	12.20%
2005	42,540,685	22,283,216	4,784,000	19,751	37,776,436	22,283,216	11.25%
2006	44,823,839	23,479,154	8,338,000	21,558	36,507,397	23,479,154	18.60%
2007	42,173,749	22,091,011	7,937,000	14,757	34,251,506	22,091,011	18.82%
2008	42,954,132	22,499,783	7,526,000	14,778	35,442,910	22,499,783	17.52%
2009	42,885,116	22,463,632	7,100,000	37,899	35,823,015	22,463,632	16.56%

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

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

TABLE 18

## CITY OF TALLMADGE, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS

Year	Population (a)	Personal Income (c)	Per Capita Personal Income (a)	Unemployment Rates (b)		
				Summit County	Ohio	United States
2000	16,390	\$ 447,922,310	\$ 27,329	4.1%	4.0%	4.0%
2001	16,390	447,922,310	27,329	4.6%	4.4%	4.7%
2002	16,390	447,922,310	27,329	6.0%	5.7%	5.8%
2003	16,390	447,922,310	27,329	6.0%	6.2%	6.0%
2004	16,390	447,922,310	27,329	6.1%	6.2%	5.5%
2005	17,408	475,743,232	27,329	5.8%	5.9%	5.1%
2006	17,408	475,743,232	27,329	4.9%	5.1%	4.3%
2007	17,370	474,704,730	27,329	5.4%	5.6%	4.6%
2008	17,296	472,682,384	27,329	6.1%	6.5%	5.8%
2009	17,390	475,251,310	27,329	9.8%	10.2%	9.3%

## Sources:

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

TABLE 19

## CITY OF TALLMADGE, OHIO

NEW HOUSING STARTS  
LAST TEN YEARS

Year	New Housing Starts	
	Single Family	Condominium
2000	159	*
2001	153	*
2002	123	*
2003	104	64
2004	104	54
2005	54	14
2006	78	13
2007	30	25
2008	31	10
2009	6	-

\* New condominium statistics were not available prior to 2003.

Source: City of Tallmadge Building Department.

**TABLE 20**

**CITY OF TALLMADGE, OHIO**

*PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO*

	2009			2000		
	Employees**	Rank	Percentage of Total City Employment	Employees**	Rank	Percentage of Total City Employment
Autosales, Inc.	*	1	*	*	2	*
Tallmadge City Schools	285	2	4.1%	200	3	2.9%
S. D. Myers Inc	180	3	2.6%	440	1	6.4%
Waltco Truck Equipment Company	171	4	2.5%	-		-
Steere Enterprises Inc	135	5	2.0%	185	4	2.7%
Giant Eagle	130	6	1.9%	170	5	2.5%
Acme	110	7	1.6%	-		-
Owens Corning	100	8	1.4%	110	7	1.6%
City of Tallmadge	89	9	1.3%	107	8	1.6%
East End Welding	85	10	1.2%	-		-
The Martin Wheel Co., Inc	-		-	89	10	1.3%
Norton Company Inc.	-		-	120	6	1.8%
Hunt Machine Inc.	-		-	90	9	1.3%
<b>Total</b>	<b>1,285</b>		<b>18.6%</b>	<b>1,511</b>		<b>22.1%</b>

Source: City of Tallmadge Economic Development Department

\* Employer would not disclose the total number of employees.

\*\* Full-time, permanent employees only.

**TABLE 21**

**CITY OF TALLMADGE, OHIO**

*MISCELLANEOUS STATISTICS  
DECEMBER 31, 2009*

Founded	1806	
Incorporated as Village	1936	
Incorporated as City	1951	
Town Hall erected	1859	
Form of government	Charter	
Population	17,390	
	6,946	Dwelling units
Area	13.5	Square miles
	8,915	Acres
Education:		
Elementary schools	3	K-1, 2-3, 4-5
Middle schools	1	6-8
High schools	1	9-12
Libraries	1	(30,000 volumes)
Churches	28	

Source: Various Departments of the City of Tallmadge

TABLE 22

## CITY OF TALLMADGE, OHIO

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN YEARS

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Government</b>										
Council	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Mayor	7.0	7.0	6.5	6.5	6.5	5.5	5.5	5.5	6.0	6.0
Finance	6.5	6.0	6.0	6.5	6.0	6.0	11.0	9.5	9.5	10.0
Treasurer *	4.5	4.5	5.0	4.5	4.5	5.0	-	-	-	-
Law	3.0	3.0	3.5	3.5	3.5	3.0	3.5	3.0	3.0	3.0
Service	7.0	7.5	5.5	8.5	6.5	5.5	5.0	5.0	5.5	3.0
Information Systems	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Civil Service	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Maintenance	1.0	0.5	1.5	1.5	2.0	2.5	1.0	1.0	1.0	1.0
Boards and Commissions	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
<b>Security of Persons and Property</b>										
Police	55.5	53.5	52.5	55.5	51.5	52.0	51.5	51.0	42.0	48.5
Fire	32.0	34.5	33.0	35.5	35.5	36.5	36.5	37.0	39.0	38.0
<b>Leisure Time Activities</b>										
MACA Pool	19.0	17.5	24.0	26.5	18.0	18.5	17.5	7.0	-	15.0
Aquatics Center	-	-	-	-	-	9.5	-	-	-	-
Recreation Center	-	-	-	-	24.5	56.0	62.5	67.0	63.0	65.5
<b>Community Environment</b>										
Building & Zoning	8.0	8.5	9.0	7.5	8.0	7.5	9.0	9.5	8.5	9.5
<b>Transportation</b>										
Garage	4.5	4.5	5.0	5.0	6.0	4.5	4.5	4.5	4.5	4.5
Street	22.0	21.0	22.0	22.0	21.5	22.0	22.0	25.0	20.5	20.0
<b>Utilities</b>										
Utilities Services	9.0	8.0	9.5	9.0	11.0	9.0	8.5	8.5	8.5	8.5
<b>Total</b>	<b>187.5</b>	<b>183.5</b>	<b>191.5</b>	<b>200.5</b>	<b>213.5</b>	<b>251.5</b>	<b>246.5</b>	<b>242.0</b>	<b>219.5</b>	<b>241.0</b>

Source: City of Tallmadge Finance Department

\*The Treasurer's Office was combined with the Finance Office in 2006.

TABLE 23

## CITY OF TALLMADGE, OHIO

OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Security of Persons and Property</b>										
<b>Police</b>										
Physical Arrests	658	816	702	654	711	793	718	544	752	850
Parking Violations	186	122	96	94	62	61	23	17	12	26
Traffic Violations	2,283	2,495	1,742	1,799	1,307	1,544	1,082	1,452	1,257	995
<b>Fire</b>										
Emergency Response Calls	N/A	1,748	1,878	2,004	2,073	2,261	2,283	2,165	2,266	2,268
Fires Extinguished	N/A	47	28	40	27	42	34	28	35	32
Inspections Conducted	N/A	188	153	256	603	638	605	622	626	1,024
<b>Transportation</b>										
Street resurfacing miles	8.30	6.96	6.56	7.38	4.71	7.03	6.02	9.20	3.12	-
<b>Leisure Time Activities</b>										
Trees Planted	33	14	97	10	-	8	36	68	30	-
Recreation Center Memberships**										
Annual	N/A	N/A	N/A	N/A	N/A	N/A	1,238	1,124	1,319	1,305
Monthly	N/A	N/A	N/A	N/A	N/A	N/A	2,902	2,925	2,866	2,767
Swimming Pool Memberships***										
Family	207	183	200	153	170	145	166	N/A	N/A	N/A
Adult	N/A	N/A	N/A	N/A	N/A	N/A	N/A	352	N/A	833
Child	N/A	N/A	N/A	N/A	N/A	N/A	N/A	297	N/A	433
<b>Water</b>										
Customers Served	6,025	6,226	6,342	6,514	6,629	6,723	7,088	6,913	7,309	7,028
New Connections	252	120	108	150	131	127	150	34	77	13
Water Main Breaks	22	20	18	14	21	16	10	17	17	16
Avg. Daily Consumption (gpd) million gallons per day	1.41	1.37	1.59	1.51	1.42	1.55	1.31	1.35	1.30	1.20
Peek Daily Consumption (gpd) million gallons per day	1.78	1.83	2.05	1.97	1.82	1.95	1.61	1.73	1.70	1.80
<b>Sewer</b>										
Customers Served	6,997	7,169	7,261	7,367	7,519	7,571	5,318	5,464	5,751	5,781
<b>Storm Water</b>										
Customers Served*	N/A	N/A	N/A	N/A	N/A	5,918	6,006	5,906	5,919	5,999

Note: Information for 10 years prior was not available for all functions/programs.

\*The City did not begin billing for storm water until 2005.

\*\*The Recreation Center opened February 14, 2004. Information regarding memberships was not available until 2006.

\*\*\*The City began tracking memberships for the Swimming Pool in a different format during 2007. The Pool was closed for construction in 2008 and re-opened in June 2009.

Source: Various City of Tallmadge Department Records

TABLE 24

## CITY OF TALLMADGE, OHIO

CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN YEARS

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Security of Persons and Property</b>										
Police:										
Stations	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Patrol Units	10.0	12.0	14.0	15.0	16.0	19.0	22.0	23.0	21.0	23.0
Fire Stations	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Public Health and Welfare</b>										
Cemeteries	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Leisure Time Activities</b>										
Park Acreage	103.0	103.0	103.0	103.0	161.7	161.7	161.7	161.7	161.7	161.7
Parks	8.0	8.0	8.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0
Swimming Pools	1.0	1.0	1.0	1.0	1.0	2.0	2.0	1.0	-	1.0
Tennis Courts	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Baseball/Softball Fields	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Soccer Fields	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Recreation Center	-	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0
<b>Transportation</b>										
Streets (paved miles)	88.5	89.0	89.0	89.0	91.7	91.7	108.5	96.3	96.3	96.3
Traffic Signals	186.0	186.0	186.0	186.0	186.0	186.0	187.0	188.0	188.0	188.0
<b>Water</b>										
Water Mains (miles)	77.7	78.1	78.1	78.1	80.5	80.5	84.5	84.5	84.5	84.5
<b>Sewer</b>										
Sanitary Sewers (miles)	55.8	56.1	56.1	56.1	57.8	57.8	60.7	60.7	60.7	60.7

Source: City of Tallmadge Records





**Mary Taylor, CPA**  
Auditor of State

**CITY OF TALLMADGE**

**SUMMIT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 1, 2010**