

City of Rittman
Wayne County, Ohio
Report Letter

December 31, 2010



Dave Yost • Auditor of State

Members of Council
City of Rittman
30 North Main Street
Rittman, Ohio 44270

We have reviewed the *Independent Auditor's Report* of the City of Rittman, Wayne County, prepared by Rea & Associates, Inc., for the audit period January 1, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 2, 2011

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CITY OF RITTMAN, OHIO

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 27, 2011

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rittman as of and for the year ended December 31, 2010, which collectively comprise the City of Rittman's basic financial statements and have issued our report thereon dated June 27, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

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

City of Rittman, Wayne County
Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based On an Audit of
Financial Statements Performed In Accordance with
Government Auditing Standards
June 27, 2011
Page 2

Compliance and Other Matters

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

We noted a matter that we reported to management of City of Rittman in a separate letter dated June 27, 2011.

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

Rea & Associates, Inc.

CITY OF RITTMAN, OHIO



**Comprehensive Annual Financial Report
For the Year Ended
December 31, 2010**

INTRODUCTORY SECTION

City of Rittman, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2010

**Issued by: Finance Department
Barbara Rissland, CPA, Finance Director**

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City of Rittman, Ohio

**Comprehensive Annual Financial Report
For the Year Ended December 31, 2010**

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City of Rittman, Ohio

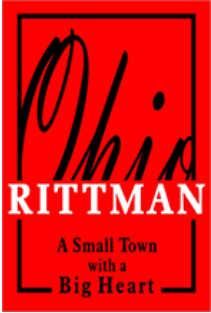
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The City of Rittman Offices

30 North Main Street
Rittman, Ohio 44270
330-925-2064
www.rittman.com

Barbara A. Rissland, CPA
Finance Director
brissland@rittman.com

June 27, 2011

Members of Rittman City Council and
Citizens of Rittman, Ohio

The Comprehensive Annual Financial Report (CAFR) of the City of Rittman (the “City”) for the fiscal year ended December 31, 2010 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management’s discussion and analysis (MD&A) immediately follows the independent accountants’ report. The MD&A provides a narrative introduction, overview and analysis of the basic financial statements and complements this letter of transmittal and should be read in conjunction with it.

The City’s Finance Department is responsible for management’s representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed its anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

In developing and revising the City’s accounting and reporting control systems, consideration is given to the adequacy of internal controls to provide reasonable but not absolute assurance regarding the safeguarding of assets from loss, theft, or misuse and reliability of financial records for preparing the City’s financial statements in conformity with GAAP and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

As management, we believe the data presented is accurate in all material aspects and that all disclosures necessary to enable the reader to acquire the maximum understanding of the City’s financial activity have been included.

The City of Rittman

The City of Rittman is located in the north central part of the State of Ohio, within the boundaries of Wayne and Medina Counties. The City of Rittman is a home rule municipal corporation under the laws of the State of Ohio and, as such, operates under its own charter. The current charter was adopted in 1960 and has undergone three amendments since that time. The government consists of a Mayor and six-member council.

The Mayor and all members of City Council are elected to four-year terms. All of these officials are elected on an at-large basis.

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

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

The annual budget serves as the foundation for the City's financial planning and control. The City complies with the requirements of the Ohio Revised Code in the adoption of the Budget. Appropriations for the operation of various City departments are established through the passage of an ordinance by City Council. Budgetary control is facilitated through the maintenance of an encumbrance system for purchase orders, and through the use of the City's automated financial system.

The appropriated budget is prepared by fund, (e.g., General Fund), department (e.g., Police) and line item (e.g., Personal Services). The City Council may pass supplemental appropriations at any time by ordinance. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The General Fund is presented in the required supplementary section, beginning on page 20. For other funds, this comparison is presented in the governmental fund subsection of this report, which starts on page 60.

2010 Initiatives

The South Main Sewer Project replaced a portion of the sewer main running under the CSX railroad tracks and was completed in 2010. Due to age, the line under the tracks had narrowed causing constriction of the sewer main serving the Southfork allotment and areas of South Main Street, Front Street, and Willow Street.

The Rufener Street Culvert Project was completed in 2010. The failure of an existing sandstone storm water structure was causing deterioration and settling of the road surface. The culvert was replaced with a 48 inch plastic culvert and the surrounding catch basins and drainage area were rebuilt.

In 2010, an engineering firm was hired to begin design of the Salt Street Water Main Project. This project will replace an existing eight inch cast iron line that is over 75 years old. The Salt Street Water Main Project is important because the main being replaced services the City's largest employer and there have been numerous water breaks over the last few years. OPWC funds will help to defer part of this improvement.

During the year, City Council adopted a sidewalk repair and replacement plan, addressing both existing sidewalks and fill-in of areas that currently have no sidewalks. This multi-year plan is phased with priority being given to the school complex area. For 2010, the program provided voluntary replacement of sidewalk, with the City furnishing free removal. The residents are required to reimburse the City for the cost of replacement, but will receive the benefit of lower prices due to the volume of concrete ordered. Beginning in 2011, the program will be expanded to include mandatory as well as voluntary replacement.

Finally, the City also received Community Development Block Grant (CDBG) funding through Wayne County for light-emitting diode (LED) streetlights. The goal of this project will be to improve the City's street lighting while saving money on electric bills.

Development Activities

The Rittman Exempted Village Schools continued construction of a replacement high school on Saurer Street. With the help of state funding, the school system is continuing with their plan to create a school campus area. When completed, the current high school will either be revamped or torn down to make way for a replacement middle school.

In 2009, the City reached an agreement to provide sewer service to the Apostolic Nursing Home, which is located outside City limits but within the City's sewer service area. The construction of a sewer line by the nursing home was completed in 2010 and provides for the possibility of an additional 20 service tie-ins. Currently, the City is working with the nursing home to provide water to the same area. Since the City has additional capacity available at both the water and the wastewater treatment facilities, projects of this type will help defray fixed costs, therefore keeping rates lower for the citizens of the City.

The City is also working with a plastics manufacturer who is relocating and expanding an existing business. The expansion was delayed due to the economic upheaval in prior years, but financing is now in place and groundbreaking should occur in 2011. This expansion will create approximately fifteen new positions.

In 2010, the City continued to work with the Wayne County Economic Development Council, the current property owner, surrounding property owners, and the State Environmental Protection Agency to attempt to facilitate the redevelopment of a vacant industrial site. This site is comprised of 100 plus usable acres, and contains rail spurs, independent water wells, and very convenient access to several highway systems. During the year, two interested developers produced business plans for the purchase, clean-up, and remarketing of this site. The City is hopeful that there may be some progress in 2011.

Finally, the City was approached by potential buyers of a nearby, previously private golf course, including a restaurant and clubhouse. The buyers are interested in renovating the facilities and annexing into the City to receive services.

Long-term Financial Planning

In an effort to be proactive instead of reactive, the City continually evaluates its revenues and expenditures, especially those under its control. To ensure ongoing sustainability and infrastructure replacement, City Council voted to implement a 35 percent water rate increase which will take effect in January of 2011. Also during the year, a committee continued to evaluate the income tax rate and the amount of credit granted to residents who work outside the City and pay taxes to other municipalities. This evaluation is planned to be completed in 2011.

In 2010, the Administration completed the development of a five-year capital improvement program to assess the City's ability to meet the needs of the community in future years. One component of the plan is long-term financial projections, which are intended to indicate the need for continued cost containment or revenue enhancement efforts. The completed plan was adopted by Council in 2010.

Economic Condition and Outlook

Due to the overall deterioration of the national and state economies, the City of Rittman also saw a decline of 7.6% in governmental revenues on a modified accrual basis. However, much of the decline was in intergovernmental grants that supported either capital projects or operationally specific projects. That fact, coupled with the fiscally conservative management of expenditures, resulted in a corresponding decline in expenditures of 8.0%.

Budget deficits on the state level will probably result in loss of state-levied, locally-shared taxes in 2011. The City's governing body, administration, and employees are committed to working together to provide quality services to the residents. The City will remain vigilant in evaluating their financial position and be proactive wherever possible by implementing revenue enhancing or cost cutting measures. Administration will continue to look for other ways to expand the City's tax base, focusing on small businesses looking to relocate or revitalization of vacant property. Looking forward, the City will continue to do what it can to draw on its resources and weather the storm of poor economic times.

Independent Audit

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

Certification of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rittman, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2009. The City has received this award since 1996, the first year that the City prepared and submitted a CAFR. The Certificate of Achievement is a prestigious national award, recognizing conformance to the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report conforms to Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

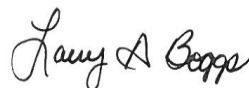
Acknowledgments

The preparation of this report could not have been accomplished without the dedicated services of the administrative staff. We wish to express our appreciation to members of other City departments who assisted and contributed to the preparation of this report. The staff at the Wayne County Auditor's Office was helpful as always. In addition, gratitude is extended to the independent auditing firm of James G. Zupka, Certified Public Accountants, Incorporated and Sujata Sulzer, Partner, for their advice and guidance. Finally, a special acknowledgment is given to City Council for their support and commitment to responsible fiscal reporting.

Respectfully Submitted,



Barbara A. Rissland, CPA
Finance Director



Larry A. Boggs
City Manager

City of Rittman, Ohio

**City Officials
For the Year Ended December 31, 2010**

Mayor

William Robertson

Council Members

Darrell Carey, President
Richard Lapehn
Lynn Beaumont

Rick Hanlon
William Workman
Glen Russell

City Manager

Larry Boggs

Finance Director/Treasurer

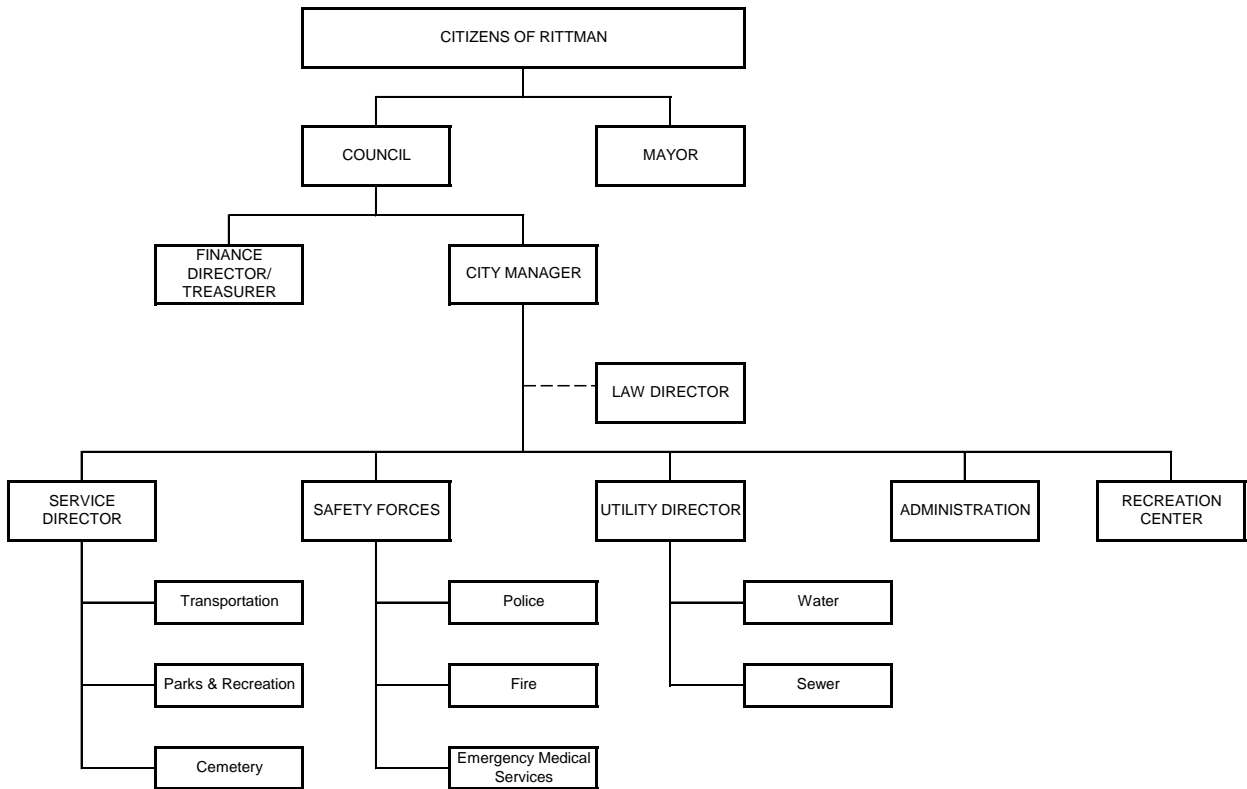
Barbara Rissland

Director of Law

G. Kevin Bower

City of Rittman, Ohio

**Organizational Chart
For the Year Ended December 31, 2010**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rittman
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President

Executive Director

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FINANCIAL SECTION





Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 27, 2011

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rittman, Ohio, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Rittman's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rittman, Ohio, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Emergency Medical Service Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2011, on our consideration of the City of Rittman's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 12 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Kea & Associates, Inc.

City of Rittman, Ohio

Management's Discussion and Analysis For the Year Ended December 31, 2010

The discussion and analysis of the City of Rittman's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter, basic financial statements, and notes to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

- The total net assets of the City decreased \$59,912. Net assets of governmental activities decreased \$75,522, which represents a 1.0 percent decrease from 2009. Net assets of business-type activities increased \$15,610 or .1 percent from 2009.
- General revenues, for governmental activities, accounted for \$2,352,718 or 56.3 percent of total governmental activities revenue. Program specific revenues accounted for \$1,822,769 or 43.7 percent of total governmental activities revenue.
- Governmental activities' capital assets, net of accumulated depreciation, decreased \$291,486, primarily due to current year depreciation exceeding capital additions.
- The City had \$4,251,009 in expenses related to governmental activities; \$1,822,769 of these expenses was offset by program specific charges for services, grants, and contributions. General revenues (primarily taxes) of \$2,352,718 were not sufficient to offset these program expenses.
- The General Fund, the City's largest major governmental fund, had revenues of \$2,724,756 in 2010, or 66.1 percent of total governmental funds. Expenditures of the General Fund were \$2,709,258, or 68.0 percent of total governmental funds. The General Fund balance decreased \$49,502, or 5.2 percent in 2010.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

City of Rittman, Ohio

Management's Discussion and Analysis (continued)
For the Year Ended December 31, 2010

Reporting the City as a Whole

Statement of Net Assets and Statement of Activities

While this document contains information about the funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and answers the question, "How did we do financially during 2010?" These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the City's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions and other factors.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two distinct kinds of activities:

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

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial reports provide detailed information about the activities within the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the General Fund, Emergency Medical Service Fund and Capital Improvements Fund. An analysis of the City's major governmental funds begins on page 9.

City of Rittman, Ohio

Management's Discussion and Analysis (continued) For the Year Ended December 31, 2010

Governmental Funds

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

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

The City maintains a multitude of individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 16-21 of this report.

Proprietary Funds

Proprietary funds (Water and Sewer) have historically operated as enterprise funds and are used to report the same functions presented as business-type activities in the government-wide financial statements. Since they use the same basis of accounting as business-type activities, these fund statements will essentially match the information provided in statements for the City as a whole. The basic proprietary fund financial statements can be found on pages 22-24 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government and are not reflected in the government-wide financial statements because resources are not available to support the City's own programs. The City has only agency funds to report within the fiduciary fund category. Agency funds are reported on a full accrual basis of accounting and only present a statement of fiduciary net assets. The basic fiduciary fund financial statement can be found on page 25 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 26-50 of this report.

City of Rittman, Ohio

Management's Discussion and Analysis (continued) For the Year Ended December 31, 2010

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules, which can be found on pages 54-80 of this report.

Government-Wide Financial Analysis

The Statement of Net Assets provides the perspective of the City as a whole.

Table 1 below provides a summary of the City's net assets for 2010 compared to 2009:

	Table 1 - Net Assets					
	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Assets						
Current and Other Assets	\$ 3,435,772	\$ 3,383,776	\$ 1,957,383	\$ 1,997,136	\$ 5,393,155	\$ 5,380,912
Capital Assets	5,930,672	6,222,158	11,941,368	12,204,583	17,872,040	18,426,741
Total Assets	9,366,444	9,605,934	13,898,751	14,201,719	23,265,195	23,807,653
Liabilities						
Other Liabilities	783,274	921,985	135,745	144,397	919,019	1,066,382
Long-term Liabilities	1,265,210	1,290,467	3,098,795	3,408,721	4,364,005	4,699,188
Total Liabilities	2,048,484	2,212,452	3,234,540	3,553,118	5,283,024	5,765,570
Net Assets						
Invested in Capital Assets, Net of Debt	4,860,879	5,058,788	8,910,120	8,840,788	13,770,999	13,899,576
Restricted	1,265,306	1,139,977	-	-	1,265,306	1,139,977
Unrestricted	1,191,775	1,194,717	1,754,091	1,807,813	2,945,866	3,002,530
Total Net Assets	\$ 7,317,960	\$ 7,393,482	\$ 10,664,211	\$ 10,648,601	\$ 17,982,171	\$ 18,042,083

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2010, the City's assets exceeded liabilities by \$17,982,171. This amounts to \$7,317,960 in governmental activities and \$10,664,211 in business-type activities. Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 76.8 percent of total governmental and business-type assets. Capital assets include land, land improvements, buildings, equipment, and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2010, were \$13,770,999. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities. As of December 31, 2010, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's net assets, \$1,265,306 or 7.0 percent, represent resources that are subject to external restrictions on how they may be used. Of the total restricted net assets, \$367,381 for capital projects,

City of Rittman, Ohio

Management's Discussion and Analysis (continued) For the Year Ended December 31, 2010

\$91,613 is for debt service, \$646,889 is for safety services and \$159,423 is for other purposes. The governmental activities unrestricted net assets of \$1,191,775 may be used to meet the City's ongoing obligations to citizens and creditors.

Table 2 below shows the changes in net assets for governmental and business-type activities for year 2010 compared to 2009:

Table 2 - Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues:						
Charges for Services	\$ 1,214,188	\$ 1,265,687	\$ 1,640,990	\$ 1,694,852	\$ 2,855,178	\$ 2,960,539
Operating Grants and Contributions	504,100	662,013	-	-	504,100	662,013
Capital Grants and Contributions	104,481	206,299	17,777	109,616	122,258	315,915
General Revenues:						
Property and Other Taxes	583,172	646,543	-	-	583,172	646,543
Income Taxes	1,083,975	1,175,280	361,162	391,755	1,445,137	1,567,035
Grants and Entitlements	608,686	566,510	-	-	608,686	566,510
Investment Earnings	46,367	57,008	8,705	24,685	55,072	81,693
Other	30,518	26,289	-	-	30,518	26,289
Total Revenues	4,175,487	4,605,629	2,028,634	2,220,908	6,204,121	6,826,537
Program Expenses						
Governmental Activities:						
General Government	664,213	746,811	-	-	664,213	746,811
Safety Services	1,666,378	1,639,165	-	-	1,666,378	1,639,165
Public Health and Welfare	115,459	133,682	-	-	115,459	133,682
Transportation	783,398	878,390	-	-	783,398	878,390
Basic Utility Services	458,957	385,421	-	-	458,957	385,421
Leisure Time Activities	510,580	608,051	-	-	510,580	608,051
Interest and Fiscal Charges	52,024	50,029	-	-	52,024	50,029
Business-type Activities:						
Water	-	-	966,965	797,104	966,965	797,104
Sewer	-	-	1,046,059	1,022,691	1,046,059	1,022,691
Total Program Expenses	4,251,009	4,441,549	2,013,024	1,819,795	6,264,033	6,261,344
Change in Net Assets	\$ (75,522)	\$ 164,080	\$ 15,610	\$ 401,113	\$ (59,912)	\$ 565,193

Governmental Activities

Governmental activities decreased the City's net assets by \$75,522 during 2010. This decrease was due mainly to a decrease in governmental revenues of \$430,142 or 9.3%, which was chiefly the result of the overall economic downturn, which impacts wages, new construction, interest rates and available discretionary money for activities like recreation programs. Management partially offset the decrease in revenues by reducing expenses \$190,540 or 4.3%. The expense reduction was for the most part achieved through a voluntary reduction in employee benefits and reduction in staffing levels through attrition. The

City of Rittman, Ohio

Management's Discussion and Analysis (continued) For the Year Ended December 31, 2010

expense reductions were partially offset by an increase in basic utility services due to an increase in the cost of trash pickup related to fuel surcharges. Management reduced the services provided late in the year, and a reduction in this expense should be evident in the future.

Governmental revenue is comprised of program revenue and general revenue. Program revenues accounted for \$1,822,769 or 43.7% of total governmental revenue and the most significant category was charges for services which totaled \$1,214,188 and reflected a decrease of \$51,499 or 4.1% as compared to 2009 due in large part to decreased participation in recreation programs. General revenues totaled \$2,352,718, and amounted to 56.3 percent of total revenues. These revenues primarily consist of property and other taxes and income tax totaling \$1,667,147, or 70.9 percent of the general revenues. The other major contributor to general revenues is grants and entitlements not restricted to specific programs, with a majority of the revenue being state and locally shared taxes. For 2010, these revenues totaled \$608,686, or 25.9 percent of the total general revenues. Grants and entitlements was the only revenue area to show a significant increase, \$42,176 or 7.4 percent over 2009.

Safety services, which primarily supports the operations of the City's police, fire and emergency medical services, accounts for \$1,666,378 of expenses, or 39.2 percent of total governmental expenses of the City. These expenses were funded by \$274,103 in charges to users of services and operating grants and contributions. Transportation expenses, which primarily include repairs and maintenance of the City's roads, totaled \$783,398 or 18.4 percent of total governmental expenses. Transportation expenses were covered by \$485,792 of direct charges to users and operating and capital grants and contributions. General government expenses, which primarily include legislative, executive and financial management, totaled \$664,213 or 15.6 percent of total governmental expenses. General government expenses were covered by \$288,638 of direct charges to users and operating and capital grants and contributions.

Business-Type Activities

The water and sewer funds represent the City's business-type activities. Business-type activities reported an increase in net assets of \$15,610, or .1 percent as compared to 2009. Charges for services account for 80.9 percent of total business-type revenues. The decrease in charges in services of \$53,862 or 3.2% is partly explained by lower demand for services. These programs had revenues of \$2,028,634 and expenses of \$2,013,024 for year 2010. Expenses in business-type activities increased by \$193,229 or 10.6%. The majority of the increase, or \$150,000, is due to the mediated settlement of a claim related to the City's wells and the surrounding water table. Management determined the settlement was the most cost-effective way to deal with the claim. Late in the year, City Council approved a 35% water rate increase which should strengthen the position of the water fund and ensure enough funds to meet capital needs.

Program Expenses

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government-wide activities, the total cost of services and the net cost of services for 2010 compared to 2009. That is, it identifies the cost of these services supported by general revenues.

City of Rittman, Ohio

Management's Discussion and Analysis (continued) For the Year Ended December 31, 2010

Table 3 - Program Expenses

	<u>2010</u>		<u>2009</u>		<u>Net Change</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
<i>Governmental Activities:</i>						
General Government	\$ 664,213	\$ (375,575)	\$ 746,811	\$ (231,980)	\$ (82,598)	\$ (143,595)
Safety Services	1,666,378	(1,392,275)	1,639,165	(1,349,109)	27,213	(43,166)
Public Health and Welfare	115,459	(73,053)	133,682	(119,676)	(18,223)	46,623
Transportation	783,398	(297,606)	878,390	(354,933)	(94,992)	57,327
Basic Utility Services	458,957	27,491	385,421	139,081	73,536	(111,590)
Leisure Time Activities	510,580	(265,198)	608,051	(340,904)	(97,471)	75,706
Interest and Fiscal Charges	52,024	(52,024)	50,029	(50,029)	1,995	(1,995)
<i>Business-type Activities:</i>						
Water	966,965	(587,610)	797,104	(286,547)	169,861	(301,063)
Sewer	1,046,059	233,353	1,022,691	271,220	23,368	(37,867)
Total Expenses	<u>\$ 6,264,033</u>	<u>\$ (2,782,497)</u>	<u>\$ 6,261,344</u>	<u>\$ (2,322,877)</u>	<u>\$ 2,689</u>	<u>\$ (459,620)</u>

The dependence upon general revenues for government-wide activities is apparent, with over 44.4 percent of expenses supported through general revenues.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The General Fund is the operating fund of the City. At the end of the year, the fund balance of the General Fund was \$911,480, a 5.2 percent decrease from the prior year. The primary reason for the decrease of the General Fund balance in 2010 was attributed to the overall reduction in revenues related to general economic conditions, as stated previously. A decrease in expenditures primarily related to voluntary reductions in employee benefits and management's close monitoring of expenditures helped to offset the revenue decreases.

The other two major funds are the Emergency Medical Service Fund and the Capital Improvements Fund. The Emergency Medical Service Fund balance increased \$63,095 or 17.9% over 2009. The revenue in this fund is comprised mostly of charges for services, followed by property and other taxes. Overall, revenue increased slightly - \$5,058 or 1.2 percent. Expenditures increased \$37,394 or 11.6 percent. The City's emergency medical service is staffed with part-time employees, and expenditures vary based upon the level of staffing in the station and the volume and timing of activity, specifically multiple calls. Fund balance in the City's Capital Improvements Fund increased \$170,940 due to the timing and level of infrastructure expenditures.

City of Rittman, Ohio

Management's Discussion and Analysis (continued) For the Year Ended December 31, 2010

Table 4 below reports year 2010 balances compared to 2009:

	Fund Balance		Increase (Decrease)	Percent Change
	December 31, 2010	December 31, 2009		
General	\$ 911,480	\$ 960,982	\$ (49,502)	-5.2%
Emergency Medical Service	414,743	351,648	63,095	17.9%
Capital Improvements	281,931	110,991	170,940	154.0%
Other Governmental Funds	341,308	383,427	(42,119)	-11.0%
	<u>\$ 1,949,462</u>	<u>\$ 1,807,048</u>	<u>\$ 142,414</u>	

Budgeting Highlights - General Fund

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations that are restricted by the amounts of anticipated revenues certified by the County Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity, then the appropriations can be adjusted accordingly. Final budgeted revenues of \$2,685,809 were \$12,842 higher than original amount mainly due higher than anticipated income tax collections and intergovernmental revenue, and lower than anticipated participation in recreation programs. The continuation of historically low interest rates also required revision of the original estimate. Actual revenues exceeded the final amount by \$45,473, primarily due to income tax receipts.

Final budgeted expenditures exceeded the original budgeted expenditures by \$125,351. The majority of this change was due to increased health insurance costs and the payment of deferred pension contributions which impacted all program areas. Actual expenditures for the year were \$195,826 less than the final budgeted amounts. These differences were caused by conservative budgeting coupled with cost containment measures. There were no individually significant events that led to these differences.

Capital Assets and Debt Administration

Capital Assets

At the end of year 2010, the City had \$17,872,040 (net of accumulated depreciation) invested in land, land improvements, buildings, equipment, and infrastructure. Of this total, \$5,930,672 was reported in governmental activities and \$11,941,368 was reported in business-type activities. Table 5 below reports year 2010 balances compared to 2009:

City of Rittman, Ohio

Management's Discussion and Analysis (continued) For the Year Ended December 31, 2010

Table 5 - Capital Assets, at Year End (Net of Depreciation)

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 153,608	\$ 153,608	\$ 72,606	\$ 72,606	\$ 226,214	\$ 226,214
Land Improvements	-	-	4,298	4,803	4,298	4,803
Buildings	3,813,159	3,951,877	5,344,222	5,553,206	9,157,381	9,505,083
Equipment	688,160	815,279	197,594	196,174	885,754	1,011,453
Infrastructure	1,275,745	1,301,394	6,304,050	6,377,794	7,579,795	7,679,188
Construction in Progress	-	-	18,598	-	18,598	-
Total	<u>\$ 5,930,672</u>	<u>\$ 6,222,158</u>	<u>\$ 11,941,368</u>	<u>\$ 12,204,583</u>	<u>\$ 17,872,040</u>	<u>\$ 18,426,741</u>

Depreciation exceeding asset additions caused decreases in most of the capital asset categories. The City's investment in capital assets decreased by \$291,486 or 4.7 percent for governmental activities and decreased by \$263,215 or 2.2% for business-type activities when comparing 2010 to 2009. However, the City is committed to a long-term goal of meeting its infrastructure and facilities' needs. In 2010, management adopted a five-year capital plan that provides for building and infrastructure improvements to complement the City's current capital assets. See Note 5 to the basic financial statements for detail on the governmental and business-type activities capital assets.

Debt Administration

At December 31, 2010, the City had total long-term debt outstanding of \$4,101,041. Of this total, \$439,569 is due within one year and \$3,661,472 is due in more than one year. Table 6 below summarizes the bonds, loans and capital lease outstanding:

Table 6 - Outstanding Debt, at Year End

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenue Bonds	\$ -	\$ -	\$ 1,015,600	\$ 1,038,500	\$ 1,015,600	\$ 1,038,500
OWDA Loans	-	-	633,148	865,295	633,148	865,295
General Obligation Bonds	1,038,000	1,122,000	1,195,000	1,260,000	2,233,000	2,382,000
OPWC Loans	-	-	187,500	200,000	187,500	200,000
Capital Lease	31,793	41,370	-	-	31,793	41,370
Total	<u>\$ 1,069,793</u>	<u>\$ 1,163,370</u>	<u>\$ 3,031,248</u>	<u>\$ 3,363,795</u>	<u>\$ 4,101,041</u>	<u>\$ 4,527,165</u>

All governmental long-term debt will be repaid by the Debt Retirement Debt Service Fund. The revenues bonds and OWDA loans will be repaid by the Sewer Enterprise Fund and the business-type general obligation bonds will be repaid from the Water Enterprise Fund.

City of Rittman, Ohio

Management's Discussion and Analysis (continued) For the Year Ended December 31, 2010

At December 31, 2010, the City's overall legal debt margin was \$7,930,569, with an unvoted debt margin of \$3,101,619. The City's credit rating remained unchanged in 2010 as compared to 2009. See Note 7 to the basic financial statements for details on the City's long-term obligations.

Current Issues Affecting Financial Condition

During the volatile economic times spanning the last several years, efficient uses of the City's workforce and cost containment measures have resulted in no layoffs of City employees. However, in 2010 management decided to evaluate every position that is vacated and only fill those that are critical to operations.

Efforts to balance the budget on the state level will result in lost revenue to the City in the future. At this time, the amount of the loss is not quantifiable. Management is closely monitoring the situation and is preparing a strategy to provide the best service possible with current resources.

During 2010, the Council adopted a five-year capital improvement program to assess the City's ability to meet the needs of the community in future years. One component of the plan is long-term financial projections, which are intended to indicate the need for continued cost containment or revenue enhancement efforts. Projections in the plan accentuated the need to increase water rates, and a 35% rate increase was approved by Council late in 2010.

The City also has excess capacity at both the water and waste water treatment plants. In an effort to defray fixed costs, the City will continue to evaluate provision of utility services to areas outside the City limits, either by agreement or possible annexation. The City will also explore the possibility of shared service agreements with surrounding political subdivisions.

Finally, the City continues to promote itself to business owners and possible investors in order to increase retail and industrial growth. With prime areas for development and redevelopment available, the City will focus on facilitating those types of developments.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Barbara Rissland, City of Rittman Finance Director, 30 North Main Street, Rittman, Ohio 44270.

City of Rittman, Ohio

**Statement of Net Assets
December 31, 2010**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 1,706,382	\$ 1,481,360	\$ 3,187,742
Cash and Cash Equivalents:			
In Segregated Accounts	2,841	13,913	16,754
Assets Held for Resale	11,150	-	11,150
Materials and Supplies Inventory	6,591	11,715	18,306
Accounts Receivable	215,212	240,466	455,678
Accrued Interest Receivable	4,098	2,005	6,103
Intergovernmental Receivable	471,308	17,777	489,085
Prepaid Items	26,258	7,299	33,557
Income Taxes Receivable	363,009	121,003	484,012
Property and Other Taxes Receivable	556,381	-	556,381
Special Assessments Receivable	56,302	-	56,302
Deferred Charges	16,240	24,355	40,595
Restricted Assets:			
Customer Deposits	-	37,490	37,490
Nondepreciable Capital Assets	153,608	91,204	244,812
Depreciable Capital Assets	5,777,064	11,850,164	17,627,228
Total Assets	<u>9,366,444</u>	<u>13,898,751</u>	<u>23,265,195</u>
LIABILITIES			
Accounts Payable	107,002	37,538	144,540
Accrued Wages and Benefits	47,752	9,287	57,039
Intergovernmental Payable	85,642	18,323	103,965
Matured Interest Payable	841	3,713	4,554
Matured Bonds Payable	2,000	10,200	12,200
Accrued Interest Payable	4,529	15,289	19,818
Income Tax Refund Payable	11,226	3,905	15,131
Customer Deposits Payable	-	37,490	37,490
Unearned Revenue	524,282	-	524,282
Long-term Liabilities:			
Due within one year	218,865	380,241	599,106
Due in more than one year	1,046,345	2,718,554	3,764,899
Total Liabilities	<u>2,048,484</u>	<u>3,234,540</u>	<u>5,283,024</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	4,860,879	8,910,120	13,770,999
Restricted for:			
Debt Services	91,613	-	91,613
Capital Projects	367,381	-	367,381
Other Purposes	159,423	-	159,423
Safety Services	646,889	-	646,889
Unrestricted	1,191,775	1,754,091	2,945,866
Total Net Assets	<u>\$ 7,317,960</u>	<u>\$ 10,664,211</u>	<u>\$ 17,982,171</u>

The notes to the financial statements are an integral part of this statement.

City of Rittman, Ohio

**Statement of Activities
For the Year Ended December 31, 2010**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
Safety Services	\$ 1,666,378	\$ 220,138	\$ 53,965	\$ -
Public Health and Welfare	115,459	33,457	8,949	-
Leisure Time Activities	510,580	227,515	17,867	-
Basic Utility Services	458,957	438,698	47,750	-
Transportation	783,398	7,769	373,542	104,481
General Government	664,213	286,611	2,027	-
Interest and Fiscal Charges	52,024	-	-	-
Total Governmental Activities	<u>4,251,009</u>	<u>1,214,188</u>	<u>504,100</u>	<u>104,481</u>
Business-Type Activities:				
Water	966,965	361,578	-	17,777
Sewer	1,046,059	1,279,412	-	-
Total Business-Type Activities	<u>2,013,024</u>	<u>1,640,990</u>	<u>-</u>	<u>17,777</u>
Total Primary Government	<u>\$ 6,264,033</u>	<u>\$ 2,855,178</u>	<u>\$ 504,100</u>	<u>\$ 122,258</u>

General Revenues:

Property and Other Taxes levied for:

 General Purposes

 Safety Services

Income Taxes levied for:

 General Purposes

 Capital Outlay

 Water Utility Services

Grants & Entitlements not restricted to specific programs

Investment Income

All Other Revenues

 Total General Revenues

Change in Net Assets

Net Assets - Beginning of Year

Net Assets - End of Year

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (1,392,275)	\$ -	\$ (1,392,275)
(73,053)	-	(73,053)
(265,198)	-	(265,198)
27,491	-	27,491
(297,606)	-	(297,606)
(375,575)	-	(375,575)
(52,024)	-	(52,024)
<u>(2,428,240)</u>	<u>-</u>	<u>(2,428,240)</u>
-	(587,610)	(587,610)
-	233,353	233,353
<u>-</u>	<u>(354,257)</u>	<u>(354,257)</u>
<u>(2,428,240)</u>	<u>(354,257)</u>	<u>(2,782,497)</u>
344,960	-	344,960
238,212	-	238,212
722,650	-	722,650
361,325	-	361,325
-	361,162	361,162
608,686	-	608,686
46,367	8,705	55,072
30,518	-	30,518
<u>2,352,718</u>	<u>369,867</u>	<u>2,722,585</u>
(75,522)	15,610	(59,912)
7,393,482	10,648,601	18,042,083
<u>\$ 7,317,960</u>	<u>\$ 10,664,211</u>	<u>\$ 17,982,171</u>

City of Rittman, Ohio

**Balance Sheet
Governmental Funds
December 31, 2010**

	General Fund	Emergency Medical Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 745,165	\$ 411,084	\$ 182,210	\$ 367,923	\$ 1,706,382
Cash and Cash Equivalents:					
In Segregated Accounts	-	-	-	2,841	2,841
Assets Held for Resale	-	-	11,150	-	11,150
Materials and Supplies Inventory	2,702	-	-	3,889	6,591
Accrued Interest Receivable	4,058	-	-	40	4,098
Accounts Receivable	193,871	21,206	-	135	215,212
Interfund Receivable	-	-	49,714	-	49,714
Intergovernmental Receivable	236,436	12,852	7,404	214,616	471,308
Prepaid Items	20,673	2,763	-	2,822	26,258
Income Taxes Receivable	242,006	-	121,003	-	363,009
Property and Other Taxes Receivable	293,254	162,458	-	100,669	556,381
Special Assessments Receivable	-	-	-	56,302	56,302
Total Assets	\$ 1,738,165	\$ 610,363	\$ 371,481	\$ 749,237	\$ 3,469,246
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 95,835	\$ 3,192	\$ 358	\$ 7,617	\$ 107,002
Accrued Wages and Benefits	22,934	13,530	-	11,288	47,752
Intergovernmental Payable	61,201	8,108	-	16,333	85,642
Matured Interest Payable	-	-	-	841	841
Matured Bonds Payable	-	-	-	2,000	2,000
Accrued Interest Payable	-	-	-	825	825
Interfund Payable	-	-	-	49,714	49,714
Income Tax Refund Payable	7,484	-	3,742	-	11,226
Deferred Revenue	639,231	170,790	85,450	319,311	1,214,782
Total Liabilities	826,685	195,620	89,550	407,929	1,519,784
Fund Balances:					
Reserved for:					
Encumbrances	3,357	1,608	62	238	5,265
Inventory	2,702	-	-	3,889	6,591
Prepaid Items	20,673	2,763	-	2,822	26,258
Assets Held for Resale	-	-	11,150	-	11,150
Interfund Receivable	-	-	49,714	-	49,714
Unreserved:					
Designated for:					
Cemetery Improvements	83,036	-	-	-	83,036
Recreation Center	26,729	-	-	-	26,729
Undesignated, Reported in:					
General Fund	774,983	-	-	-	774,983
Special Revenue Funds	-	410,372	-	311,584	721,956
Debt Service Fund	-	-	-	22,775	22,775
Capital Projects Funds	-	-	221,005	-	221,005
Total Fund Balances	911,480	414,743	281,931	341,308	1,949,462
Total Liabilities and Fund Balances	\$ 1,738,165	\$ 610,363	\$ 371,481	\$ 749,237	\$ 3,469,246

The notes to the financial statements are an integral part of this statement.

City of Rittman, Ohio

**Reconciliation of Total Governmental Fund Balances
to Net Assets of Governmental Activities
December 31, 2010**

Total Governmental Fund Balances \$ 1,949,462

*Amounts reported for Governmental Activities in the Statement of Net Assets
are different because:*

Capital assets used in Governmental Activities are not financial resources
and, therefore, are not reported in the funds 5,930,672

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

Property and Other Taxes	\$ 17,303	
Income Taxes	253,029	
Special assessments	56,302	
Intergovernmental	316,253	
Charges for Services	47,613	
Total		690,500

In the Statement of Activities, interest is accrued on outstanding
bonds, whereas in Governmental funds, an interest expenditure
is reported when due. (3,704)

Bond issuance costs will be amortized over the life of the bonds on the
Statement of Net Assets. 16,240

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

General Obligation Bonds	(1,038,000)	
Capital Leases	(31,793)	
Compensated Absences	(195,417)	
Total		(1,265,210)

Net Assets of Governmental Activities \$ 7,317,960

The notes to the financial statements are an integral part of this statement.

City of Rittman, Ohio

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010**

	General Fund	Emergency Medical Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property and Other Taxes	\$ 345,764	\$ 155,572	\$ -	\$ 84,979	\$ 586,315
Income Taxes	733,144	-	366,572	-	1,099,716
Intergovernmental	565,967	81,279	17,658	409,678	1,074,582
Investment Income	45,946	-	-	421	46,367
Fines, Licenses, and Permits	26,537	-	-	2,227	28,764
Charges for Services	981,357	177,238	-	-	1,158,595
Contributions and Donations	19,412	510	10,000	-	29,922
Special Assessments	-	-	66,765	16,355	83,120
All Other Revenues	6,629	9,511	500	80	16,720
Total Revenues	<u>2,724,756</u>	<u>424,110</u>	<u>461,495</u>	<u>513,740</u>	<u>4,124,101</u>
EXPENDITURES					
Safety Services	949,363	350,984	4,141	160,546	1,465,034
Public Health and Welfare	102,673	-	-	8,949	111,622
Leisure Time Activities	428,441	-	31,765	-	460,206
Basic Utility Services	459,797	-	-	-	459,797
Transportation	160,525	-	73,784	354,538	588,847
General Government	608,459	2,900	27,622	1,875	640,856
Capital Outlay	-	7,131	53,243	52,343	112,717
Debt Service:					
Principal Retirement	-	-	-	93,577	93,577
Interest and Fiscal Charges	-	-	-	49,031	49,031
Total Expenditures	<u>2,709,258</u>	<u>361,015</u>	<u>190,555</u>	<u>720,859</u>	<u>3,981,687</u>
Excess of Revenues Over (Under) Expenditures	<u>15,498</u>	<u>63,095</u>	<u>270,940</u>	<u>(207,119)</u>	<u>142,414</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	-	-	-	165,000	165,000
Transfer Out	(65,000)	-	(100,000)	-	(165,000)
Total Other Financing Sources (Uses)	<u>(65,000)</u>	<u>-</u>	<u>(100,000)</u>	<u>165,000</u>	<u>-</u>
Net Change in Fund Balances	(49,502)	63,095	170,940	(42,119)	142,414
Fund Balances - Beginning of Year	960,982	351,648	110,991	383,427	1,807,048
Fund Balances - End of Year	<u>\$ 911,480</u>	<u>\$ 414,743</u>	<u>\$ 281,931</u>	<u>\$ 341,308</u>	<u>\$ 1,949,462</u>

The notes to the financial statements are an integral part of this statement.

City of Rittman, Ohio

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2010**

Net Change in Fund Balances-Total Governmental Funds \$ 142,414

*Amounts reported for Governmental Activities in the Statement of Activities
are different because:*

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Outlay	\$ 112,718	
Depreciation Additions	(404,204)	
Total		(291,486)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property and Other Taxes	(3,243)	
Income Taxes	(15,741)	
Special Assessments	7,769	
Intergovernmental	33,022	
Charges for Services	29,479	
Total		51,286

Repayment of bond principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 93,577

Some expenses 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.

Compensated Absences	(68,320)	
Accrued Interest on Bonds	31	
Amortization of Deferred Charges	(3,024)	
Total		(71,313)

Change in Net Assets of Governmental Activities \$ (75,522)

The notes to the financial statements are an integral part of this statement.

City of Rittman, Ohio

**Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Property and Other Taxes	\$ 353,300	\$ 359,200	\$ 360,774	\$ 1,574
Income Taxes	690,000	720,000	734,289	14,289
Intergovernmental	448,927	541,427	554,074	12,647
Investment Income	104,000	31,000	31,582	582
Fines, Licenses and Permits	18,500	18,500	27,540	9,040
Charges for Services	1,038,540	983,540	981,732	(1,808)
Contributions and Donations	2,200	14,642	19,412	4,770
Other	17,500	17,500	21,879	4,379
Total Revenues	<u>2,672,967</u>	<u>2,685,809</u>	<u>2,731,282</u>	<u>45,473</u>
EXPENDITURES				
Current:				
Safety Services	953,265	975,765	961,739	14,026
Public Health and Welfare	98,310	135,046	107,731	27,315
Leisure Time Activities	461,208	495,387	441,487	53,900
Basic Utility Services	451,120	451,120	428,768	22,352
Transportation	194,146	194,146	162,785	31,361
General Government	634,007	665,943	619,071	46,872
Total Expenditures	<u>2,792,056</u>	<u>2,917,407</u>	<u>2,721,581</u>	<u>195,826</u>
Excess of Revenues Over (Under) Expenditures	(119,089)	(231,598)	9,701	241,299
OTHER FINANCING SOURCES (USES)				
Transfers Out	(65,000)	(65,000)	(65,000)	-
Total Other Financing Sources (Uses)	<u>(65,000)</u>	<u>(65,000)</u>	<u>(65,000)</u>	<u>-</u>
Net Change in Fund Balance	(184,089)	(296,598)	(55,299)	241,299
Fund Balance - Beginning of Year	704,728	704,728	704,728	-
Prior Year Encumbrances Appropriated	23,857	23,857	23,857	-
Fund Balance - End of Year	<u>\$ 544,496</u>	<u>\$ 431,987</u>	<u>\$ 673,286</u>	<u>\$ 241,299</u>

The notes to the financial statements are an integral part of this statement.

City of Rittman, Ohio

**Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual
Emergency Medical Service Fund
For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Property and Other Taxes	\$149,500	\$147,500	\$ 156,313	\$ 8,813
Intergovernmental	43,550	84,550	82,765	(1,785)
Charges for Services	150,000	161,000	173,138	12,138
Contributions and Donations	-	-	510	510
Other	500	500	9,446	8,946
Total Revenues	<u>343,550</u>	<u>393,550</u>	<u>422,172</u>	<u>28,622</u>
Expenditures:				
Current:				
Safety Services	367,739	381,739	367,711	14,028
General Government	4,500	4,500	2,900	1,600
Total Expenditures	<u>372,239</u>	<u>386,239</u>	<u>370,611</u>	<u>15,628</u>
Net Change in Fund Balance	(28,689)	7,311	51,561	44,250
Fund Balance - Beginning of Year	351,870	351,870	351,870	-
Prior Year Encumbrances Appropriated	2,853	2,853	2,853	-
Fund Balance - End of Year	<u>\$326,034</u>	<u>\$362,034</u>	<u>\$ 406,284</u>	<u>\$ 44,250</u>

The notes to the financial statements are an integral part of this statement.

City of Rittman, Ohio

**Statement of Fund Net Assets
Proprietary Funds
December 31, 2010**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
ASSETS			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 445,565	\$ 1,035,795	\$ 1,481,360
Cash and Cash Equivalents:			
In Segregated Accounts	13,913	-	13,913
Materials and Supplies Inventory	6,148	5,567	11,715
Accrued Interest Receivable	-	2,005	2,005
Accounts Receivable	55,373	185,093	240,466
Intergovernmental Receivable	17,777	-	17,777
Prepaid Items	3,748	3,551	7,299
Restricted Assets:			
Customer Deposits	37,490	-	37,490
Income Taxes Receivable	121,003	-	121,003
Total Current Assets	701,017	1,232,011	1,933,028
Noncurrent Assets:			
Deferred Charges	24,355	-	24,355
Capital Assets:			
Land	31,686	40,920	72,606
Construction in Progress	18,598	-	18,598
Depreciable Capital Assets, Net of Depreciation	5,258,610	6,591,554	11,850,164
Total Noncurrent Assets	5,333,249	6,632,474	11,965,723
Total Assets	6,034,266	7,864,485	13,898,751
LIABILITIES			
Current Liabilities:			
Accounts Payable	12,338	25,200	37,538
Accrued Wages	4,221	5,066	9,287
Customer Deposits Payable	37,490	-	37,490
Intergovernmental Payable	8,506	9,817	18,323
Matured Bonds Payable	10,200	-	10,200
Matured Interest Payable	3,713	-	3,713
Accrued Interest Payable	4,166	11,123	15,289
Income Tax Refund Payable	3,905	-	3,905
Compensated Absences Payable	17,678	17,064	34,742
General Obligation Bonds Payable	65,000	-	65,000
Revenue Bonds Payable	-	24,100	24,100
OWDA Loans Payable	-	243,899	243,899
OPWC Loans Payable	12,500	-	12,500
Total Current Liabilities	179,717	336,269	515,986
Noncurrent Liabilities:			
Compensated Absences Payable	17,530	15,275	32,805
General Obligation Bonds Payable	1,130,000	-	1,130,000
Revenue Bonds Payable	-	991,500	991,500
OWDA Loans Payable	-	389,249	389,249
OPWC Loans Payable	175,000	-	175,000
Total Noncurrent Liabilities	1,322,530	1,396,024	2,718,554
Total Liabilities	1,502,247	1,732,293	3,234,540
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	3,926,394	4,983,726	8,910,120
Unrestricted	605,625	1,148,466	1,754,091
Total Net Assets	\$ 4,532,019	\$ 6,132,192	\$ 10,664,211

The notes to the financial statements are an integral part of this statement.

City of Rittman, Ohio

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For The Year Ended December 31, 2010**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
OPERATING REVENUES			
Charges for Services	\$ 352,285	\$ 1,279,407	\$ 1,631,692
Miscellaneous	9,293	5	9,298
Total Operating Revenues	<u>361,578</u>	<u>1,279,412</u>	<u>1,640,990</u>
OPERATING EXPENSES			
Salaries	304,421	355,115	659,536
Materials and Supplies	74,040	39,582	113,622
Contractual Services	118,701	250,679	369,380
Depreciation	178,201	217,312	395,513
Claims and Judgments	150,000	-	150,000
Other	85,000	90,000	175,000
Total Operating Expense	<u>910,363</u>	<u>952,688</u>	<u>1,863,051</u>
Operating Income (Loss)	<u>(548,785)</u>	<u>326,724</u>	<u>(222,061)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income	15	8,690	8,705
Interest and Fiscal Charges	(56,602)	(93,371)	(149,973)
Income Taxes	361,162	-	361,162
Total Nonoperating Revenues (Expenses)	<u>304,575</u>	<u>(84,681)</u>	<u>219,894</u>
Capital Contributions	<u>17,777</u>	<u>-</u>	<u>17,777</u>
Change in Net Assets	(226,433)	242,043	15,610
Net Assets - Beginning of Year	<u>4,758,452</u>	<u>5,890,149</u>	<u>10,648,601</u>
Net Assets - End of Year	<u>\$ 4,532,019</u>	<u>\$ 6,132,192</u>	<u>\$ 10,664,211</u>

The notes to the financial statements are an integral part of this statement.

City of Rittman, Ohio

**Statement of Cash Flows
Proprietary Funds
For The Year Ended December 31, 2010**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 383,345	\$ 1,297,621	\$ 1,680,966
Cash Payments to Employees for Services	(298,015)	(349,252)	(647,267)
Cash Payments for Goods and Services	(267,499)	(354,677)	(622,176)
Cash Payments for Claims	(150,000)	-	(150,000)
Net Cash Provided by (Used in) Operating Activities	(332,169)	593,692	261,523
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Income Taxes Received	367,145	-	367,145
Net Cash Provided by (Used in) Noncapital Financing Activities	367,145	-	367,145
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Bonds and Loans	(77,500)	(255,047)	(332,547)
Interest Paid on Bonds	(52,105)	(93,622)	(145,727)
Payments for Capital Acquisitions	(47,047)	(85,251)	(132,298)
Net Cash (Used in) Capital and Related Financing Activities	(176,652)	(433,920)	(610,572)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	15	9,022	9,037
Net Cash Provided by Investing Activities	15	9,022	9,037
Net Increase (Decrease) in Cash and Cash Equivalents	(141,661)	168,794	27,133
Cash and Cash Equivalents - Beginning of Year	638,629	867,001	1,505,630
Cash and Cash Equivalents - End of Year	\$ 496,968	\$ 1,035,795	\$ 1,532,763
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (548,785)	\$ 326,724	\$ (222,061)
Adjustments:			
Depreciation	178,201	217,312	395,513
(Increase) Decrease in Assets:			
Accounts Receivable	21,286	44,890	66,176
Prepaid Items	(562)	1,060	498
Materials and Supplies Inventory	9,430	(287)	9,143
Increase (Decrease) in Liabilities:			
Accounts Payable	1,173	(2,093)	(920)
Accrued Wages	538	675	1,213
Compensated Absences Payable	11,399	11,222	22,621
Intergovernmental Payable	(5,330)	(5,811)	(11,141)
Customer Deposits Payable	481	-	481
Net Cash Provided by (Used in) Operating Activities	\$ (332,169)	\$ 593,692	\$ 261,523

The notes to the financial statements are an integral part of this statement.

City of Rittman, Ohio

**Statement of Fiduciary Net Assets
Agency Funds
December 31, 2010**

Assets

Equity in Pooled Cash and Cash Equivalents

\$ 25,568

Liabilities

Deposits Held and Due to Others

\$ 25,568

The notes to the financial statements are an integral part of this statement.

City of Rittman, Ohio

Notes to the Basic Financial Statements For The Year Ended December 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. City Government and Reporting Entity

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

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt or the levying of taxes. The City has no blended or discretely presented component units.

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

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

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

Fund Financial Statements

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

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.

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) **For The Year Ended December 31, 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Governmental Funds

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

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

Emergency Medical Service This Special Revenue Fund is to account for property taxes levied and other revenues for the operations of emergency medical services.

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

Proprietary Funds

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

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

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

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 does not have trust funds. The Agency Funds account for unclaimed funds and returnable bonds. The City's Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

Fund Financial Statements

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

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

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

Revenues - Exchange and Non-exchange Transactions

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

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Property Tax Note 9). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred/Unearned Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as deferred/unearned revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred/unearned revenue.

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

Expenses/Expenditures

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

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting

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

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

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

On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the Finance Director determines that revenue to be collected will be greater than or less than the prior estimates and the Budget Commission finds the revised estimates to be reasonable. The amounts set forth in the financial statements represent estimates from the final amended certificate issued for 2010.

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

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

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting (Continued)

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

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

F. Deposits and Investments

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

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

The City utilizes financial institutions to service bonded debt as principal and interest payments come due. These accounts balances are presented as "Cash and Cash Equivalents in Segregated Accounts". The Water Fund also has accounts with an escrow agent during the year for a construction account.

G. Inventory of Supplies

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

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure or expense is reported in the year in which services are consumed.

I. Capital Assets and Depreciation

Governmental capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

J. Deferred Charges

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

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments. The entire compensated absences liability is reported on the government-wide financial statements.

L. Accrued Liabilities and Long-term Obligations

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

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

M. Capital Contributions

Contributions of capital in the proprietary fund financial statements arise from donations by developers, grants restricted for capital construction, and special assessments. These assets are recorded at their fair market value on the date contributed and are not subject to repayment. The Water fund reported a receivable of \$17,777 in capital contributions during 2010.

N. Fund Balance Reserves/Designations

Reserved or designated fund balances indicate that a portion of fund balance is not available for current appropriation or use. The unreserved or undesignated portions of fund balance reflected in the governmental funds are available for use within the specified purposes of the funds.

The City reports amounts representing encumbrances outstanding, prepaid items, inventory, assets held for resale, and interfund receivable as reservations of fund balance in the governmental funds. The City reports amounts set-aside for designation of cemetery improvements and recreation center operations.

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. These amounts are eliminated in the governmental activities columns of the statement of net assets.

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

P. Net Assets

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

Q. Operating Revenues and Expenses

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

R. Estimates

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

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Interfund Balances

On fund financial statements, interfund loans are classified as “Interfund Receivable/Payable” on the balance sheet and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources. 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.

T. Implementation of New Accounting Policies

For 2010, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

GASB Statement No. 51 establishes accounting and financial reporting of such assets to reduce inconsistencies, thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the City’s financial statements.

GASB Statement No. 53 establishes accounting and financial reporting requirements for derivative instruments entered into by state and local governments.

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code.

The implementation of GASB Statement No. 51, 53 and 58 did not affect the presentation of the financial statements to the City.

NOTE 2: BUDGETARY BASIS OF ACCOUNTING

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

The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual presented for the General Fund and Emergency Medical Service Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

NOTE 2: BUDGETARY BASIS OF ACCOUNTING (Continued)

- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) Encumbrances are recorded as the equivalent of an expenditure (budget basis) in order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation as opposed to a reservation of fund (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General Fund is as follows:

	<u>General</u>	<u>Emergency Medical Service</u>
GAAP Basis	\$ (49,502)	\$ 63,095
Revenue Accruals	6,526	(1,938)
Expenditure Accruals	48,342	(4,796)
Encumbrances (Budget Basis) outstanding at year end	<u>(60,665)</u>	<u>(4,800)</u>
Budget Basis	<u>\$ (55,299)</u>	<u>\$ 51,561</u>

NOTE 3: DEPOSITS AND INVESTMENTS

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

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

The City invested funds in STAROhio during 2010. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2010.

Interest earnings are distributed to the Sewer Enterprise fund, Street Maintenance and Repair and the State Highway Special Revenue funds based on daily cash balances, and the remainder is reported in the General Fund. The interest earned in the Water Bond Escrow account is credited to the Water Enterprise Fund. Interest revenue credited to the General Fund during fiscal year 2010 amounted to \$45,946, which includes \$25,732 assigned from other City funds.

Deposits: At year-end, the carrying amount of the City's deposits and petty cash was \$3,108,650 and the bank balances totaled \$3,378,012. Of the bank balances, \$2,154,172 was exposed to custodial credit risk. This amount was uninsured and collateral is held by the pledging financial institution's trust department, and not in the City's name.

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

Investments: As of December 31, 2010, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>
STAROhio	\$ 158,904	\$ 158,904
	<u>\$ 158,904</u>	<u>\$ 158,904</u>

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

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

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

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

NOTE 4: RECEIVABLES

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

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

Revenue Description	Amount
Cents per gallon and excise tax	\$ 120,671
Homestead and Rollback	45,995
Local Government	177,698
Motor Vehicle Tax	23,870
Permissive Sales Tax	60,937
Miscellaneous	42,137
Total Intergovernmental Receivable	\$ 471,308

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ending December 31, 2010 is as follows:

Governmental Activities: A summary of the governmental activities' capital assets as of December 31, 2010 follows:

	Balance 12/31/09	Additions	Deletions	Balance 12/31/10
<u>Governmental Activities</u>				
Capital Assets, not being depreciated:				
Land	\$ 153,608	\$ -	\$ -	\$ 153,608
Capital Assets, being depreciated:				
Land Improvements	119,026	-	-	119,026
Buildings	5,621,274	-	-	5,621,274
Infrastructure	1,788,584	52,344	-	1,840,928
Equipment	3,212,851	60,374	-	3,273,225
Total Capital Assets, being depreciated	10,741,735	112,718	-	10,854,453
Less Accumulated depreciation:				
Land Improvements	(119,026)	-	-	(119,026)
Buildings	(1,669,397)	(138,718)	-	(1,808,115)
Infrastructure	(487,190)	(77,993)	-	(565,183)
Equipment	(2,397,572)	(187,493)	-	(2,585,065)
Total Accumulated depreciation	(4,673,185)	(404,204)	-	(5,077,389)
Total Capital Assets being depreciated, net	6,068,550	(291,486)	-	5,777,064
Governmental Activities Capital Assets, net	\$ 6,222,158	\$ (291,486)	\$ -	\$ 5,930,672

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

NOTE 5: CAPITAL ASSETS (Continued)

The amount of depreciation expense that was charged to governmental functions for the year ended December 31, 2010 is as follows:

<u>Depreciation Expense:</u>	
General Government	\$ 9,396
Safety Services	181,815
Public Health	1,475
Leisure Time Activities	113,878
Transportation	97,640
	<u>\$ 404,204</u>

Business-type Activities: A summary of the business-type activities' capital assets as of December 31, 2010 follows:

	Balance 12/31/09	Additions	Deletions	Balance 12/31/10
<u>Business-type Activities</u>				
Capital Assets, not being depreciated:				
Land	\$ 72,606	\$ -	\$ -	\$ 72,606
Construction in Progress	-	18,598		18,598
Total Capital Assets not being depreciated	72,606	18,598	-	91,204
Capital Assets, being depreciated:				
Land Improvements	16,033	-	-	16,033
Buildings	8,643,089	-	-	8,643,089
Infrastructure	9,273,905	84,349	-	9,358,254
Equipment	1,517,653	29,351	(21,078)	1,525,926
Total Capital Assets, being depreciated	19,450,680	113,700	(21,078)	19,543,302
Less Accumulated depreciation:				
Land Improvements	(11,230)	(505)	-	(11,735)
Buildings	(3,089,883)	(208,984)	-	(3,298,867)
Infrastructure	(2,896,111)	(158,093)	-	(3,054,204)
Equipment	(1,321,479)	(27,931)	21,078	(1,328,332)
Total Accumulated depreciation	(7,318,703)	(395,513)	21,078	(7,693,138)
Total Capital Assets being depreciated, net	12,131,977	(281,813)	-	11,850,164
Business-type Activities Capital Assets, net	\$ 12,204,583	\$ (263,215)	\$ -	\$ 11,941,368

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

NOTE 5: CAPITAL ASSETS (Continued)

The amount of depreciation expense that was charged to the Water and Sewer funds for the year ended December 31, 2010 is as follows:

<u>Depreciation Expense:</u>	
Water	\$ 178,201
Sewer	217,312
	<u>\$ 395,513</u>

NOTE 6: COMPENSATED ABSENCES

City employees earn vacation leave at varying rates based upon length of service, from two to five weeks per year. During 2010, the City changed the method of accruing vacation from once a year with no proration, to biweekly. The City felt this change would give both the City and the employees more flexibility in scheduling. All employees are allowed accrue up to two times their annual vacation rate.

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

City employees earn sick leave at the rate of 4.6 hours for every 80 hours worked. Sick leave accrual is continuous, without limit. In the case of death or retirement, employees (or the employees. estates) are paid between 600 to 650 hours of accumulated, unused sick leave.

NOTE 7: BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

Governmental Activities: A summary of the governmental activities' debt and other long-term obligations as of December 31, 2010 follows:

	Balance January 1	Additions	Deletions	Amount Outstanding December 31	Amount Due in One Year
<u>Governmental Activities</u>					
<u>General Obligation Bonds</u>					
2004 Refunding Recreation					
Center Bonds 2.00 - 4.35%	\$ 1,045,000	\$ -	\$ 80,000	\$ 965,000	\$ 80,000
2009 Emergency Dispatch					
Communications Bonds 4.25%	77,000	-	4,000	73,000	4,000
Total General Obligation Bonds	1,122,000	-	84,000	1,038,000	84,000
 <u>Other Obligations</u>					
Capital Lease	41,370	-	9,577	31,793	10,070
Compensated Absences	127,097	123,612	55,292	195,417	124,795
Total Other Obligations	168,467	123,612	64,869	227,210	134,865
Total Governmental Activities	\$ 1,290,467	\$ 123,612	\$ 148,869	\$ 1,265,210	\$ 218,865

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

NOTE 7: BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

Business-type Activities: A summary of the business-type activities' debt and other long-term obligations as of December 31, 2010 follows:

	Balance January 1	Additions	Deletions	Amount Outstanding December 31	Amount Due in One Year
<u>Business-type Activities</u>					
<u>Revenue Bonds</u>					
1993 Mortgage Revenue Bonds 5.2%	\$ 1,038,500	\$ -	\$ 22,900	\$ 1,015,600	\$ 24,100
<u>General Obligation Bonds</u>					
2004 Water Improvement Bonds 2.0-4.7%	1,260,000	-	65,000	1,195,000	65,000
Total Bonds	<u>2,298,500</u>	<u>-</u>	<u>87,900</u>	<u>2,210,600</u>	<u>89,100</u>
<u>Loans</u>					
2005 OPWC Loan 0%	200,000	-	12,500	187,500	12,500
1993 OWDA Loan 5.00%	865,295	-	232,147	633,148	243,899
Total Loans	<u>1,065,295</u>	<u>-</u>	<u>244,647</u>	<u>820,648</u>	<u>256,399</u>
<u>Other Obligations</u>					
Compensated Absences	44,926	36,430	13,809	67,547	34,742
Total Business-type Activities	<u>\$ 3,408,721</u>	<u>\$ 36,430</u>	<u>\$ 346,356</u>	<u>\$ 3,098,795</u>	<u>\$ 380,241</u>

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds will be retired from the Debt Service Fund using general property taxes. On July 12, 2004, the City issued \$1,410,000 and \$415,000 in general obligation bonds with interest rates varying between; 2.00-4.35 percent, and 2.00-2.75 percent, respectively. The bond issues were used to refund \$1,361,000 of outstanding recreation center bonds with an interest rate of 5.30 percent, and to refund \$415,000 of outstanding safety building bonds with an average interest rate of 4.84 percent. As of December 31, 2010, all of the old bonds have been called and subsequently redeemed. The refunding recreation center bonds will mature on December 1, 2020. In 2009, the City issued \$77,000 in bonds with an interest rate of 4.25 percent and will mature in 2024. These bonds were issued to replace and improve the City's 911 emergency dispatch communication system.

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

The City has pledged future revenues to repay OPWC loans in the Water Fund. The debt is payable solely from revenues and is payable through 2025. In 2010, the annual principal payment on the loan required 3.5 percent of operating revenues and 1.7 percent of total revenues. The total principal remaining to be paid on the loan is \$187,500. Principal paid in the current year was \$12,500, total operating revenues were \$361,578 and total revenues were \$722,755.

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

The City has pledged future revenues to repay revenue bonds and OWDA loans in the sewer fund. The debt is payable solely from operating revenues and is payable through 2033. In 2010, the annual principal and interest payments on the bonds and loans required 27.25 percent of operating revenues and 27.1 percent of total revenues. The total principal and interest remaining to be paid on the bonds and loans is \$2,433,567. Principal and interest paid in the current year was \$348,669, total operating revenues were \$1,279,412 and total revenues were \$1,288,102.

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

The 1993 Ohio Water Development Authority (OWDA) loan was for the construction, maintenance and operation of wastewater treatment facilities. This loan ends in 2013 and has a 5.0% interest rate.

Compensated Absences: Sick leave benefits will be paid from the fund from which the person is paid. Most sick leave is paid from the General Fund and the Water and Sewer Enterprise funds.

The annual requirements to amortize all bonded debt and loans as of December 31, 2010, including interest payments of \$5,535,702, are as follows:

<u>Year</u>	General			
	Obligation Bonds		OPWC & OWDA Loans	
	Principal	Interest	Principal	Interest
2011	\$ 149,000	\$ 91,343	\$ 256,399	\$ 28,646
2012	159,000	86,242	268,747	16,299
2013	159,000	80,493	145,502	3,271
2014	164,000	74,587	12,500	-
2015	175,000	68,338	12,500	-
2016-2020	992,000	229,868	62,500	-
2021-2025	435,000	50,764	62,500	-
	\$ 2,233,000	\$ 681,635	\$ 820,648	\$ 48,216

<u>Year</u>	Revenue Bonds		
	Principal	Interest	Total
2011	\$ 24,100	\$ 52,050	\$ 601,538
2012	25,400	50,814	606,502
2013	26,700	49,513	464,479
2014	28,000	48,144	327,231
2015	29,500	46,709	332,047
2016-2020	171,600	209,269	1,665,237
2021-2025	220,400	160,551	929,215
2026-2030	282,900	97,982	380,882
2031-2033	207,000	21,571	228,571
	\$ 1,015,600	\$ 736,603	\$ 5,535,702

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

NOTE 8: CAPITAL LEASE – LESSEE DISCLOSURE

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

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

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

<u>Year</u>	<u>Payment</u>
2011	\$ 11,706
2012	11,706
2013	<u>11,706</u>
	35,118
Less Interest	<u>(3,325)</u>
Future Minimum Lease	<u><u>\$ 31,793</u></u>

NOTE 9: PROPERTY TAX

Property taxes include amounts levied against all real and public utility property, and tangible personal property located in the City. Real property taxes were levied after October 1, on the assessed value as of the prior January 1, the lien date. Assessed values are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was in 2008 for both Wayne and Medina counties.

Public utility property taxes were levied after October 1 on the assessed value as of the prior December 31 and are collected with real property taxes. Public utility property taxes are assessed on tangible personal property at 100 percent of true value and on real property at 35 percent of assessed valuation.

Tangible personal property taxes are levied on January 1 of the current year on the value listed as of December 31 of the prior year. Tangible personal property tax revenues received during 2010 (other than public utility property tax) represent the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected.

The full-tax rate for all City operations applied to taxable property for the year ended December 31, 2010 was \$7.1 and \$5.8 per \$1,000 of assessed valuation in Wayne and Medina counties, respectively. For 2010, only 2.4 percent of the total valuations were attributed to property in Medina County.

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

NOTE 9: PROPERTY TAX (Continued)

The assessed values upon which the 2010 taxes were collected are as follows:

<u>Property Category</u>	<u>Assessed Value</u>	<u>Percent</u>
<u>Real Property</u>		
Residential and agricultural	\$82,547,380	85.47
Commercial and industrial	12,138,700	12.57
<u>Tangible Personal Property</u>		
General	104,498	0.11
Public utilities	1,788,410	1.85
Total	<u>\$96,578,988</u>	<u>100.00</u>

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

Tangible personal property taxes received from telephone companies in 2010 were levied after October 1, 2009, on the value as of December 21, 2009. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due May 10; if paid semi-annually, the first payment is due May 10, with the remainder payable by September 20.

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility, and tangible personal property taxes which became measurable as of December 31, 2010. However, since these tax collections will not be received during the available period nor are they intended to finance 2010 operations, the receivable is offset by a credit to deferred/unearned revenue.

NOTE 10: INCOME TAX

The City levies and collects an income tax of 1.5 percent on all income earned within the City, as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated taxes at least quarterly and to file a final return annually. Income tax revenues are distributed between the General Fund (50 percent), the Water Enterprise Fund (25 percent), and the Capital Improvements Capital Projects Fund (25 percent).

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

NOTE 11: CONTINGENCIES

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

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

NOTE 12: DEFINED BENEFIT PENSION PLANS

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

OPERS provides basic retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits for OPERS and OP&F is provided by the Ohio State Legislature and are codified in the Ohio Revised Code, Chapters 145 and 742 respectively.

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

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2010

NOTE 12: DEFINED BENEFIT PENSION PLANS (Continued)

OPERS: The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and employer 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 2010 member contribution rates were 10 percent for members in state and local classifications. Public safety and law enforcement members contributed 10.5 percent and 11.1 percent, respectively. For 2010, the employer pension contribution rate for the City was 14 percent of covered payroll, with 5.5 percent to fund pension obligations from January 1 through February 28, 2010 and 5.0 percent from March 1 through December 31, 2010. The 2010 employer contribution rate for both the law enforcement and public safety divisions was 17.87 percent of covered payroll. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ending December 31, 2010, 2009, and 2008 were \$224,573, \$211,493, and \$174,918 respectively. The full amount has been contributed for 2009 and 2008. Approximately 92.2 percent had been contributed for 2010 with the remainder being reported as a liability within the respective funds.

OP&F: Plan members are required to contribute 10 percent of their covered salary to fund pension obligations, while employers are required to contribute 19.5 percent and 24 percent respectively for police officers and firefighters. The portion used to fund pension obligations were 12.75 percent and 17.25 percent respectively for police officers and firefighters. Contributions are authorized by state statute. The City's required contributions to OP&F for the years ending December 31, 2010, 2009, and 2008 were \$55,854, \$57,068, and \$57,387, respectively. The full amount has been contributed for 2009 and 2008. Approximately 69.75 percent has been contributed for 2010 with the remainder being reported as a liability within the respective funds.

NOTE 13: POST-EMPLOYMENT BENEFITS

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans, the Traditional Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO), all of which are described in Note 12. 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 MD Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The health care coverage provided by the Retirement System is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 45. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2010 employer contribution rate for local government employers was 14.0 percent of covered payroll. For both the public safety and law enforcement divisions the 2010 employer rate was 17.87 percent.

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2010

NOTE 13: POST-EMPLOYMENT BENEFITS (Continued)

OPERS Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care was 5.5 percent from January 1 through February 28, 2010 and 5.00 percent from March 1 through December 31, 2010. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's contributions for the years ending 2010, 2009, and 2008 that were used to fund post-employment benefits were \$154,370, \$151,305, and \$69,697, respectively. For 2010, 92.22 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008. Rates for law and public safety employers increase over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allow additional funds to be allocated to the health care plan.

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

OP&F provides access to post-employment health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by OP&F meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 45.

OP&F maintains funds for health care in two separate accounts. One account is for health care benefits under IRS Code Section 115 trust and one account is for Medicare Part B reimbursements administered 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 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.

City of Rittman, Ohio

Notes to the Basic Financial Statements (Continued) For The Year Ended December 31, 2010

NOTE 13: POST-EMPLOYMENT BENEFITS (Continued)

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 percent and 24.00 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50 percent of covered payroll for police employer units and 24.00 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB plan.

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

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

The City's contributions for the years ending 2010, 2009, and 2008 that were used to fund post-employment benefits were \$27,718, \$30,212, and \$30,381, respectively. For 2010, 69.75 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

NOTE 14: RISK MANAGEMENT

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

These risks are covered by commercial insurance policies purchased from independent third parties. The City purchases extended coverage insurance on all buildings and contents to \$23,346,204. Coverage is purchased on City vehicles for a combined single limit liability of \$1,000,000. The City purchases general liability insurance coverage with a \$1,000,000 limit per occurrence and \$2,000,000 aggregate. Other policies held by the City include law enforcement, public officials, boiler & machinery, inland marine, and commercial crime. An umbrella policy held by the City provides an additional \$5,000,000 of coverage over the policies listed above. There were no settled claims from these risks that have exceeded commercial insurance coverage nor has insurance coverage been significantly reduced in the past three years.

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

Changes in the eminent domain statutes enabled a lawsuit alleging the water wells that supply the City's water utility had impacted numerous wells in and around the well field area to be filed as an eminent domain case. Eminent domain was excluded under the City's insurance coverage. Rather than going to court and

City of Rittman, Ohio

Notes to the Basic Financial Statements
(Continued)
For The Year Ended December 31, 2010

NOTE 14: RISK MANAGEMENT (Continued)

paying the cost of defense, the City agreed to participate in arbitration. The arbitration resulted in a settlement agreement of \$150,000, which the City paid in 2010.

NOTE 15: INTERFUND TRANSFERS

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. During the year, the Capital Improvements Fund transferred \$100,000 to the Debt Service Fund and the General Fund transferred \$25,000 and \$40,000 to the Fire Department Levy and Street Maintenance and Repair funds, respectively, for these purposes.

NOTE 16: INTERFUND RECEIVABLES AND PAYABLES

Internal borrowing consists of internal bonds issued by the City to finance projects internally rather than through outside parties. For reporting purposes, these internal bonds were reflected as an interfund receivable in the Capital Improvements Fund and an interfund payable in the Other Governmental Funds.

Following is a detail of the Interfund Receivable/Payable, by debt issue, as of December 31, 2010:

	<u>Balance</u> <u>1/1/2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2010</u>
<u>Governmental Activities</u>				
2002 Rufener Street				
Issued 2002, Maturity 2012, Rate 5.50%	\$ 18,864	\$ -	\$ 5,954	\$ 12,910
2004 Street Improvement				
Issued 2004, Maturity 2010, Rate 5.00%	5,634	-	5,634	-
2006 Street Improvement				
Issued 2006, Maturity 2011, Rate 5.00%	5,260	-	2,566	2,694
2009 Street Improvement				
Issued 2009, Maturity 2014, Rate 5.00%	13,000	-	2,353	10,647
2010 Street Improvement				
Issued 2010, Maturity 2015, Rate 5.00%	-	23,463	-	23,463
	<u>-</u>	<u>23,463</u>	<u>-</u>	<u>23,463</u>
Total Governmental Activities	<u>\$ 42,758</u>	<u>\$ 23,463</u>	<u>\$ 16,507</u>	<u>\$ 49,714</u>

Of the \$49,714 balance, \$15,692 will be repaid in more than one year.

Combining Statements

City of Rittman, Ohio

Combining Statements Fund Descriptions December 31, 2010

Non-Major Special Revenue Funds

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

Street Maintenance and Repair

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

State Highway

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

Federal Emergency Management Agency (FEMA) Grant

To account for revenues received from the federal government and used to offset costs related to flood damage.

Permissive Tax

Required by the Ohio Revised Code to account for that portion of motor vehicle registration fees allocated to assist in maintaining those city streets designated as contributing to the effective and efficient flow of traffic through and within the county. No budgetary or cash activity in 2010.

Permissive Tax II

To account for the City's share of motor vehicle registration fees levied by the City for maintaining city streets.

Police Pension

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

Law Enforcement and Education

To account for funds from the municipal court restricted to enforce drunk driving laws and related educational programs.

Law Enforcement

To account for funds from the municipal court restricted for law enforcement programs.

Law Enforcement Assistance Grant

To account for funds to be used for law enforcement and public safety programs.

Education and Recreation Assistance

To account for monies received and expended for the Parks and Recreation Department programs and activities.

City of Rittman, Ohio

Combining Statements Fund Descriptions December 31, 2010

Fire Department Levy

To account for property taxes levied for the maintenance and acquisition of fire equipment.

Non-Major Debt Service Funds

The Debt Service Fund is established to account for the accumulation of resources for, and the payment of, long term debt principal and interest.

Debt Retirement

To account for the resources that are used for payment of principal and interest and fiscal charges on debt.

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. Agency funds are purely custodial (assets equals liabilities) and thus do not involve measurement of results of operations.

Agency Funds

Unclaimed Funds

To account for stale dated checks issued by the City for various expenses. These dollars are held in this fund until a legal claim is made.

Returnable Bonds

To hold deposits for various aspects of construction such as inspections, street openings, grade settings, and building deposits and to hold as agent monies received for insurance which are to be remitted as required.

City of Rittman, Ohio

Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Retirement Fund	Total Nonmajor Governmental Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 294,609	\$ 73,314	\$ 367,923
Cash and Cash Equivalents:			
In Segregated Accounts	-	2,841	2,841
Materials and Supplies Inventory	3,889	-	3,889
Accrued Interest Receivable	40	-	40
Accounts Receivable	135	-	135
Intergovernmental Receivable	214,616	-	214,616
Prepaid Items	2,822	-	2,822
Property Taxes Receivable	100,669	-	100,669
Special Assessments Receivable	-	56,302	56,302
Total Assets	\$ 616,780	\$ 132,457	\$ 749,237
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 7,617	\$ -	\$ 7,617
Accrued Wages and Benefits	11,288	-	11,288
Intergovernmental Payable	16,333	-	16,333
Matured Interest Payable	-	841	841
Matured Bonds Payable	-	2,000	2,000
Accrued Interest Payable	-	825	825
Interfund Payable	-	49,714	49,714
Deferred Revenue	263,009	56,302	319,311
Total Liabilities	298,247	109,682	407,929
Fund Balances:			
Reserved for:			
Encumbrances	238	-	238
Inventory	3,889	-	3,889
Prepaid Items	2,822	-	2,822
Undesignated, Reported in:			
Special Revenue Funds	311,584	-	311,584
Debt Service Fund	-	22,775	22,775
Total Fund Balances	318,533	22,775	341,308
Total Liabilities and Fund Balances	\$ 616,780	\$ 132,457	\$ 749,237

City of Rittman, Ohio

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For The Year Ended December 31, 2010**

	Nonmajor Special Revenue Funds	Nonmajor Debt Retirement Fund	Total Nonmajor Governmental Funds
REVENUES			
Property and Other Taxes	\$ 84,979	\$ -	\$ 84,979
Intergovernmental	409,678	-	409,678
Interest	421	-	421
Fines, Licenses, and Permits	2,227	-	2,227
Special Assessments	-	16,355	16,355
All Other Revenues	80	-	80
Total Revenues	<u>497,385</u>	<u>16,355</u>	<u>513,740</u>
EXPENDITURES			
Safety Services	160,546	-	160,546
Public Health and Welfare	8,949	-	8,949
Transportation	354,538	-	354,538
General Government	1,839	36	1,875
Capital Outlay	52,343	-	52,343
Debt Service:			
Principal Retirement	-	93,577	93,577
Interest and Fiscal Charges	-	49,031	49,031
Total Expenditures	<u>578,215</u>	<u>142,644</u>	<u>720,859</u>
Excess of Revenues Over (Under) Expenditures	<u>(80,830)</u>	<u>(126,289)</u>	<u>(207,119)</u>
OTHER FINANCING SOURCES			
Transfer In	65,000	100,000	165,000
Total Other Financing Sources	<u>65,000</u>	<u>100,000</u>	<u>165,000</u>
Net Change in Fund Balances	(15,830)	(26,289)	(42,119)
Fund Balances - Beginning of Year	334,363	49,064	383,427
Fund Balances - End of Year	<u>\$ 318,533</u>	<u>\$ 22,775</u>	<u>\$ 341,308</u>

City of Rittman, Ohio

**Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2010**

	Street Maintenance and Repair	State Highway	Permissive Tax	Permissive Tax II	Police Pension	Law Enforcement and Education	Law Enforcement	Law Enforcement Assistance Grant	Education and Recreation Assistance	Fire Department Levy	Nonmajor Special Revenue Funds
ASSETS											
Equity in Pooled Cash and Cash Equivalents	\$ 11,840	\$ 14,162	\$ -	\$ 27,963	\$ 17,756	\$ 1,921	\$ 6,343	\$ 75	\$ 5,612	\$ 208,937	\$ 294,609
Materials and Supplies Inventory	831	3,058	-	-	-	-	-	-	-	-	3,889
Accrued Interest Receivable	11	29	-	-	-	-	-	-	-	-	40
Accounts Receivable	-	-	-	-	-	75	60	-	-	-	135
Intergovernmental Receivable	133,670	10,871	57,419	3,518	2,090	-	-	80	-	6,968	214,616
Prepaid Items	1,554	-	-	-	-	-	-	-	-	1,268	2,822
Property Taxes Receivable	-	-	-	-	25,450	-	-	-	-	75,219	100,669
Total Assets	\$ 147,906	\$ 28,120	\$ 57,419	\$ 31,481	\$ 45,296	\$ 1,996	\$ 6,403	\$ 155	\$ 5,612	\$ 292,392	\$ 616,780
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts Payable	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,617	\$ 7,617
Accrued Wages and Benefits	5,102	-	-	-	-	-	-	-	-	6,186	11,288
Intergovernmental Payable	7,980	-	-	-	-	-	-	-	-	8,353	16,333
Deferred Revenue	89,868	7,320	57,419	3,518	26,413	-	-	-	-	78,471	263,009
Total Liabilities	103,950	7,320	57,419	3,518	26,413	-	-	-	-	99,627	298,247
Fund Balances:											
Reserved for:											
Encumbrances	182	-	-	-	-	-	-	-	-	56	238
Inventory	831	3,058	-	-	-	-	-	-	-	-	3,889
Prepaid Items	1,554	-	-	-	-	-	-	-	-	1,268	2,822
Undesignated, Reported in:											
Special Revenue Funds	41,389	17,742	-	27,963	18,883	1,996	6,403	155	5,612	191,441	311,584
Total Fund Balances	43,956	20,800	-	27,963	18,883	1,996	6,403	155	5,612	192,765	318,533
Total Liabilities and Fund Balances	\$ 147,906	\$ 28,120	\$ 57,419	\$ 31,481	\$ 45,296	\$ 1,996	\$ 6,403	\$ 155	\$ 5,612	\$ 292,392	\$ 616,780

City of Rittman, Ohio

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For The Year Ended December 31, 2010**

	<u>Street Maintenance and Repair</u>	<u>State Highway</u>	<u>FEMA Grant</u>	<u>Permissive Tax II</u>	<u>Police Pension</u>	<u>Law Enforcement and Education</u>	<u>Law Enforcement</u>	<u>Law Enforcement Assistance Grant</u>	<u>Education and Recreation Assistance</u>	<u>Fire Department Levy</u>	<u>Nonmajor Special Revenue Funds</u>
REVENUES											
Property and Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ 23,265	\$ -	\$ -	\$ -	\$ -	\$ 61,714	\$ 84,979
Intergovernmental	267,224	21,667	8,949	45,389	9,561	-	-	420	-	56,468	409,678
Interest	199	222	-	-	-	-	-	-	-	-	421
Fines, Licenses, and Permits	-	-	-	-	-	720	1,507	-	-	-	2,227
All Other Revenues	80	-	-	-	-	-	-	-	-	-	80
Total Revenues	<u>267,503</u>	<u>21,889</u>	<u>8,949</u>	<u>45,389</u>	<u>32,826</u>	<u>720</u>	<u>1,507</u>	<u>420</u>	<u>-</u>	<u>118,182</u>	<u>497,385</u>
EXPENDITURES											
Safety Service	-	-	-	-	33,000	-	-	265	-	127,281	160,546
Public Health and Welfare	-	-	8,949	-	-	-	-	-	-	-	8,949
Transportation	327,638	26,899	-	1	-	-	-	-	-	-	354,538
General Government	-	-	-	-	462	-	-	-	-	1,377	1,839
Capital Outlay	-	-	-	52,343	-	-	-	-	-	-	52,343
Total Expenditures	<u>327,638</u>	<u>26,899</u>	<u>8,949</u>	<u>52,344</u>	<u>33,462</u>	<u>-</u>	<u>-</u>	<u>265</u>	<u>-</u>	<u>128,658</u>	<u>578,215</u>
Excess of Revenues Over (Under) Expenditures	<u>(60,135)</u>	<u>(5,010)</u>	<u>-</u>	<u>(6,955)</u>	<u>(636)</u>	<u>720</u>	<u>1,507</u>	<u>155</u>	<u>-</u>	<u>(10,476)</u>	<u>(80,830)</u>
OTHER FINANCING SOURCES											
Transfer In	40,000	-	-	-	-	-	-	-	-	25,000	65,000
Total Other Financing Sources	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>65,000</u>
Net Change in Fund Balances	<u>(20,135)</u>	<u>(5,010)</u>	<u>-</u>	<u>(6,955)</u>	<u>(636)</u>	<u>720</u>	<u>1,507</u>	<u>155</u>	<u>-</u>	<u>14,524</u>	<u>(15,830)</u>
Fund Balances - Beginning of Year	64,091	25,810	-	34,918	19,519	1,276	4,896	-	5,612	178,241	334,363
Fund Balances - End of Year	<u>\$ 43,956</u>	<u>\$ 20,800</u>	<u>\$ -</u>	<u>\$ 27,963</u>	<u>\$ 18,883</u>	<u>\$ 1,996</u>	<u>\$ 6,403</u>	<u>\$ 155</u>	<u>\$ 5,612</u>	<u>\$ 192,765</u>	<u>\$ 318,533</u>

City of Rittman, Ohio

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2010**

	<u>Balance 12/31/2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2010</u>
Unclaimed Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 908	\$ -	\$ -	\$ 908
Liabilities				
Deposits Held and Due to Others	\$ 908	\$ -	\$ -	\$ 908
Returnable Bonds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 19,900	\$ 30,210	\$ 25,450	\$ 24,660
Liabilities				
Deposits Held and Due to Others	\$ 19,900	\$ 30,210	\$ 25,450	\$ 24,660
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 20,808	\$ 30,210	\$ 25,450	\$ 25,568
Liabilities				
Deposits Held and Due to Others	\$ 20,808	\$ 30,210	\$ 25,450	\$ 25,568

**Individual Fund
Schedules of Revenues, Expenditures/Expenses and
Changes in Fund Balances/Equities -
Budget (Non – GAAP Budgetary Basis) and Actual**

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Property and Other Taxes	\$ 353,300	\$ 359,200	\$ 360,774	\$ 1,574
Income Taxes	690,000	720,000	734,289	14,289
Intergovernmental	448,927	541,427	554,074	12,647
Investment Income	104,000	31,000	31,582	582
Fines, Licenses, and Permits	18,500	18,500	27,540	9,040
Charges for Services	1,038,540	983,540	981,732	(1,808)
Contributions and Donations	2,200	14,642	19,412	4,770
Other	17,500	17,500	21,879	4,379
Total Revenues	<u>2,672,967</u>	<u>2,685,809</u>	<u>2,731,282</u>	<u>45,473</u>
Expenditures:				
Current:				
Safety Services				
Division of Police				
Personal Services	825,471	847,971	843,566	4,405
Other than Personal Services	100,385	100,385	95,878	4,507
Total Division of Police	<u>925,856</u>	<u>948,356</u>	<u>939,444</u>	<u>8,912</u>
Division of Communications				
Other than Personal Services	500	500	-	500
Total Division of Communications	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Division of Street Lighting				
Other than Personal Services	26,909	26,909	22,295	4,614
Total Division of Street Lighting	<u>26,909</u>	<u>26,909</u>	<u>22,295</u>	<u>4,614</u>
Total Safety Services	<u>953,265</u>	<u>975,765</u>	<u>961,739</u>	<u>14,026</u>
Public Health & Welfare				
Cemetery Board				
Personal Services	53,552	64,788	64,091	697
Other than Personal Services	4,133	4,133	2,527	1,606
Capital Outlay	2,000	24,000	6,835	17,165
Total Cemetery Board	<u>59,685</u>	<u>92,921</u>	<u>73,453</u>	<u>19,468</u>

(Continued)

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (continued)
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Board of Health				
Other than Personal Services	25,000	24,500	24,147	353
Total Board of Health	25,000	24,500	24,147	353
Division of Pest and Animal Control				
Personal Services	3,025	3,025	1,919	1,106
Other than Personal Services	10,600	14,600	8,212	6,388
Total Division of Pest and Animal Control	13,625	17,625	10,131	7,494
Total Public Health and Welfare	98,310	135,046	107,731	27,315
Leisure Time Activities				
Division of Parks				
Personal Services	52,715	61,951	51,778	10,173
Other than Personal Services	9,425	9,425	7,686	1,739
Total Division of Parks	62,140	71,376	59,464	11,912
Recreation Center				
Personal Services	229,171	224,172	201,283	22,889
Other Expenses	169,897	199,839	180,740	19,099
Total Recreation Center	399,068	424,011	382,023	41,988
Total Leisure Time Activities	461,208	495,387	441,487	53,900
Basic Utility Services				
Division of Waste Management				
Other than Personal Services	451,120	451,120	428,768	22,352
Total Division of Waste management	451,120	451,120	428,768	22,352
Total Basic Utility Services	451,120	451,120	428,768	22,352
Transportation				
Division of Street Maintenance				
Personal Services	89,760	89,760	89,607	153
Other than Personal Services	81,652	81,652	52,314	29,338
Total Division of Street Maintenance	171,412	171,412	141,921	29,491

(Continued)

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (continued)
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Division of Vehicle Maintenance				
Other than Personal Services	22,734	22,734	20,864	1,870
Total Division of Vehicle Maintenance	22,734	22,734	20,864	1,870
Total Transportation	194,146	194,146	162,785	31,361
General Government				
Office of City Council				
Personal Services	35,730	35,730	34,432	1,298
Other than Personal Services	7,000	9,500	8,895	605
Total Office of City Council	42,730	45,230	43,327	1,903
Department of Mayor and Administration				
Personal Services	204,060	214,060	205,996	8,064
Other than Personal Services	133,873	140,109	125,359	14,750
Total Department of Mayor and Administration	337,933	354,169	331,355	22,814
Department of Finance and Tax				
Personal Services	151,545	152,745	148,408	4,337
Other than Personal Services	6,200	6,200	-	6,200
Total Department of Finance and Tax	157,745	158,945	148,408	10,537
Division of Lands and Buildings				
Personal Services	17,170	17,170	16,629	541
Other than Personal Services	9,943	11,943	11,277	666
Total Division of Lands and Buildings	27,113	29,113	27,906	1,207
Department of Law				
Personal Services	27,600	28,100	27,943	157
Other than Personal Services	5,407	10,407	5,317	5,090
Total Department of Law	33,007	38,507	33,260	5,247

(Continued)

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (continued)
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Miscellaneous				
Personal Services	12,000	12,000	11,092	908
Other than Personal Services	23,479	27,979	23,723	4,256
Total Miscellaneous	<u>35,479</u>	<u>39,979</u>	<u>34,815</u>	<u>5,164</u>
Total General Government	<u>634,007</u>	<u>665,943</u>	<u>619,071</u>	<u>46,872</u>
Total Expenditures	<u><u>2,792,056</u></u>	<u><u>2,917,407</u></u>	<u><u>2,721,581</u></u>	<u><u>195,826</u></u>
Excess of Revenues Over (Under) Expenditures	(119,089)	(231,598)	9,701	241,299
Other Financing Sources (Uses)				
Transfers Out	<u>(65,000)</u>	<u>(65,000)</u>	<u>(65,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u><u>(65,000)</u></u>	<u><u>(65,000)</u></u>	<u><u>(65,000)</u></u>	<u><u>-</u></u>
Net Change in Fund Balance	(184,089)	(296,598)	(55,299)	241,299
Fund Balance - Beginning of Year	704,728	704,728	704,728	-
Prior Year Encumbrances Appropriated	<u>23,857</u>	<u>23,857</u>	<u>23,857</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 544,496</u></u>	<u><u>\$ 431,987</u></u>	<u><u>\$ 673,286</u></u>	<u><u>\$ 241,299</u></u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Emergency Medical Service Fund
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Property and Other Taxes	\$149,500	\$147,500	\$ 156,313	\$ 8,813
Intergovernmental	43,550	84,550	82,765	(1,785)
Charges for Services	150,000	161,000	173,138	12,138
Contributions and Donations	-	-	510	510
Other	500	500	9,446	8,946
Total Revenues	<u>343,550</u>	<u>393,550</u>	<u>422,172</u>	<u>28,622</u>
Expenditures:				
Current:				
Safety Services				
Division of Emergency Services				
Personal Services	256,740	274,740	271,809	2,931
Capital Outlay	20,600	20,600	19,261	1,339
Other Than Personal Services	90,399	86,399	76,641	9,758
Total Security of Persons & Property	<u>367,739</u>	<u>381,739</u>	<u>367,711</u>	<u>14,028</u>
General Government				
Other Than Personal Services	4,500	4,500	2,900	1,600
General Government	4,500	4,500	2,900	1,600
Total Expenditures	<u>372,239</u>	<u>386,239</u>	<u>370,611</u>	<u>15,628</u>
Net Change in Fund Balance	(28,689)	7,311	51,561	44,250
Fund Balance - Beginning of Year	351,870	351,870	351,870	-
Prior Year Encumbrances Appropriated	2,853	2,853	2,853	-
Fund Balance - End of Year	<u>\$326,034</u>	<u>\$362,034</u>	<u>\$ 406,284</u>	<u>\$ 44,250</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Capital Improvements Fund
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income Taxes	\$345,000	\$360,000	\$367,145	\$ 7,145
Intergovernmental	-	7,000	11,361	4,361
Contributions and Donations	-	10,000	10,000	-
Special Assessments	20,000	67,000	66,765	(235)
Other	-	-	500	500
Total Revenues	<u>365,000</u>	<u>444,000</u>	<u>455,771</u>	<u>11,771</u>
Expenditures:				
Current:				
Safety Services				
Division of Police				
Capital Outlay	<u>125,938</u>	<u>155,938</u>	<u>90,175</u>	<u>65,763</u>
Leisure Time Activities				
Division of Parks				
Capital Outlay	<u>40,000</u>	<u>50,000</u>	<u>44,347</u>	<u>5,653</u>
Transportation				
Division of Street Construction				
Capital Outlay	<u>6,000</u>	<u>154,500</u>	<u>145,081</u>	<u>9,419</u>
General Government				
Other Than Personal Services				
Capital Outlay	<u>23,000</u>	<u>23,000</u>	<u>20,000</u>	<u>3,000</u>
Capital Outlay	<u>27,000</u>	<u>27,000</u>	<u>24,383</u>	<u>2,617</u>
Total General Government	<u>50,000</u>	<u>50,000</u>	<u>44,383</u>	<u>5,617</u>
Total Expenditures	<u>221,938</u>	<u>410,438</u>	<u>323,986</u>	<u>86,452</u>
Excess of Revenues Over (Under) Expenditures	<u>143,062</u>	<u>33,562</u>	<u>131,785</u>	<u>98,223</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(133,760)</u>	<u>(140,815)</u>	<u>(100,000)</u>	<u>40,815</u>
Total Other Financing Sources (Uses)	<u>(133,760)</u>	<u>(140,815)</u>	<u>(100,000)</u>	<u>40,815</u>
Net Change in Fund Balance	9,302	(107,253)	31,785	139,038
Fund Balance - Beginning of Year	81,781	81,781	81,781	-
Prior Year Encumbrances Appropriated	<u>117,938</u>	<u>117,938</u>	<u>117,938</u>	<u>-</u>
Fund Balance - End of Year	<u>\$209,021</u>	<u>\$ 92,466</u>	<u>\$231,504</u>	<u>\$ 139,038</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Street Maintenance and Repair Fund
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental	\$285,000	\$270,000	\$268,149	\$ (1,851)
Investment Income	800	800	179	(621)
Other	-	-	267	267
Total Revenues	<u>285,800</u>	<u>270,800</u>	<u>268,595</u>	<u>(2,205)</u>
Expenditures:				
Current:				
Transportation				
Division of Street Maintenance				
Personal Services	264,450	274,450	274,248	202
Other Than Personal Services	60,150	69,150	61,641	7,509
Total Expenditures	<u>324,600</u>	<u>343,600</u>	<u>335,889</u>	<u>7,711</u>
Excess of Revenues Over (Under) Expenditures	<u>(38,800)</u>	<u>(72,800)</u>	<u>(67,294)</u>	<u>5,506</u>
Other Financing Sources (Uses)				
Transfers In	40,000	40,000	40,000	-
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net Change in Fund Balance	1,200	(32,800)	(27,294)	5,506
Fund Balance - Beginning of Year	34,843	34,843	34,843	-
Prior Year Encumbrances	3,100	3,100	3,100	-
Fund Balance - End of Year	<u>\$ 39,143</u>	<u>\$ 5,143</u>	<u>\$ 10,649</u>	<u>\$ 5,506</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
State Highway Fund
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$22,900	\$20,900	\$ 21,742	\$ 842
Investment Income	500	500	182	(318)
Total Revenues	<u>23,400</u>	<u>21,400</u>	<u>21,924</u>	<u>524</u>
Expenditures:				
Current:				
Transportation				
Division of Street Maintenance				
Personal Services	7,000	9,236	9,064	172
Other Than Personal Services	24,244	24,244	22,437	1,807
Total Expenditures	<u>31,244</u>	<u>33,480</u>	<u>31,501</u>	<u>1,979</u>
Net Change in Fund Balance	(7,844)	(12,080)	(9,577)	2,503
Fund Balance - Beginning of Year	14,684	14,684	14,684	-
Prior Year Encumbrances	9,044	9,044	9,044	-
Fund Balance - End of Year	<u>\$15,884</u>	<u>\$11,648</u>	<u>\$ 14,151</u>	<u>\$ 2,503</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
FEMA Grant Fund
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 8,949	\$ 8,949	\$ -
Total Revenues	<u>-</u>	<u>8,949</u>	<u>8,949</u>	<u>-</u>
Expenditures:				
Current:				
Public Health and Welfare:				
Board of Health				
Personal Services	-	4,437	4,437	-
Other Than Personal Services	-	4,512	4,512	-
Total Expenditures	<u>-</u>	<u>8,949</u>	<u>8,949</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Permissive Tax II Fund
For The Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$26,000	\$48,000	\$49,075	\$ 1,075
Total Revenues	<u>26,000</u>	<u>48,000</u>	<u>49,075</u>	<u>1,075</u>
Expenditures:				
Current:				
Transportation				
Division of Street Maintenance				
Capital Outlay	-	69,000	52,344	16,656
Total Expenditures	<u>-</u>	<u>69,000</u>	<u>52,344</u>	<u>16,656</u>
Net Change in Fund Balance	26,000	(21,000)	(3,269)	17,731
Fund Balance - Beginning of Year	<u>31,231</u>	<u>31,231</u>	<u>31,231</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$57,231</u></u>	<u><u>\$10,231</u></u>	<u><u>\$27,962</u></u>	<u><u>\$ 17,731</u></u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Police Pension Fund
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$27,500	\$24,060	\$ 24,777	\$ 717
Intergovernmental	1,100	9,100	9,561	461
Total Revenues	<u>28,600</u>	<u>33,160</u>	<u>34,338</u>	<u>1,178</u>
Expenditures:				
Current:				
Safety Services				
Division of Police				
Personal Services	33,000	33,000	33,000	-
Total Safety Services	<u>33,000</u>	<u>33,000</u>	<u>33,000</u>	<u>-</u>
General Government				
Other Than Personal Services	750	750	462	288
Total General Government	<u>750</u>	<u>750</u>	<u>462</u>	<u>288</u>
Total Expenditures	<u>33,750</u>	<u>33,750</u>	<u>33,462</u>	<u>288</u>
Net Change in Fund Balance	(5,150)	(590)	876	1,466
Fund Balance - Beginning of Year	16,880	16,880	16,880	-
Fund Balance - End of Year	<u>\$11,730</u>	<u>\$16,290</u>	<u>\$17,756</u>	<u>\$ 1,466</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Law Enforcement and Education Fund
For The Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines, Licenses, and Permits	\$ 700	\$ 700	\$ 705	\$ 5
Total Revenues	<u>700</u>	<u>700</u>	<u>705</u>	<u>5</u>
Expenditures:				
Current:				
Safety Services				
Division of Police				
Capital Outlay	700	700	-	700
Total Expenditures	<u>700</u>	<u>700</u>	<u>-</u>	<u>700</u>
Net Change in Fund Balance	-	-	705	705
Fund Balance - Beginning of Year	1,216	1,216	1,216	-
Fund Balance - End of Year	<u>\$ 1,216</u>	<u>\$ 1,216</u>	<u>\$ 1,921</u>	<u>\$ 705</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Law Enforcement Fund
For The Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Fines, Licenses, and Permits	\$ 1,500	\$ 1,200	\$ 1,497	\$ 297
Total Revenues	<u>1,500</u>	<u>1,200</u>	<u>1,497</u>	<u>297</u>
Expenditures:				
Current:				
Safety Services				
Division of Police				
Capital Outlay	1,000	1,000	-	1,000
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net Change in Fund Balance	500	200	1,497	1,297
Fund Balance - Beginning of Year	4,846	4,846	4,846	-
Fund Balance - End of Year	<u>\$ 5,346</u>	<u>\$ 5,046</u>	<u>\$ 6,343</u>	<u>\$ 1,297</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Law Enforcement Assistance Grant Fund
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 300	\$ 340	\$ 40
Total Revenues	<u>-</u>	<u>300</u>	<u>340</u>	<u>40</u>
Expenditures:				
Current:				
Safety Services				
Division of Police				
Personal Services	-	300	265	35
Total Expenditures	<u>-</u>	<u>300</u>	<u>265</u>	<u>35</u>
Net Change in Fund Balance	-	-	75	75
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 75</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Education and Recreation Assistance Fund
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Public Health and Welfare:				
Board of Health				
Other Than Personal Services	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Total Expenditures	1,000	1,000	-	1,000
 Net Change in Fund Balance	(1,000)	(1,000)	-	1,000
 Fund Balance - Beginning of Year	5,612	5,612	5,612	-
Fund Balance - End of Year	\$ 4,612	\$ 4,612	\$ 5,612	\$ 1,000

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Fire Department Levy Fund
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 71,400	\$ 70,450	\$ 74,129	\$ 3,679
Intergovernmental	14,300	56,654	56,468	(186)
Other	50	-	-	-
Total Revenues	85,750	127,104	130,597	3,493
Expenditures:				
Current:				
Safety Services				
Division of Emergency Service				
Personal Services	98,225	98,225	92,542	5,683
Other than Personal Services	43,823	55,823	46,535	9,288
Capital Outlay	25,000	25,000	2,396	22,604
Total Safety Services	167,048	179,048	141,473	37,575
General Government				
Other Than Personal Services	2,000	2,000	1,377	623
Total General Government	2,000	2,000	1,377	623
Total Expenditures	169,048	181,048	142,850	38,198
Excess of Revenues Over (Under) Expenditures	(83,298)	(53,944)	(12,253)	41,691
Other Financing Sources (Uses)				
Transfers In	50,000	25,000	25,000	-
Total Other Financing Sources (Uses)	50,000	25,000	25,000	-
Net Change in Fund Balance	(33,298)	(28,944)	12,747	41,691
Fund Balance - Beginning of Year	182,128	182,128	182,128	-
Prior Year Encumbrances Appropriated	7,548	7,548	7,548	-
Fund Balance - End of Year	\$ 156,378	\$ 160,732	\$ 202,423	\$ 41,691

City of Rittman, Ohio

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Debt Retirement Fund
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 17,200	\$ 17,200	\$ 16,355	\$ (845)
Total Revenues	<u>17,200</u>	<u>17,200</u>	<u>16,355</u>	<u>(845)</u>
Expenditures:				
Current:				
General Government				
Other Than Personal Services	270	270	36	234
Total General Government	<u>270</u>	<u>270</u>	<u>36</u>	<u>234</u>
Debt Service				
Principal	104,600	110,100	110,083	17
Interest & Fiscal Charges	45,000	48,255	48,207	48
Total Debt Service	<u>149,600</u>	<u>158,355</u>	<u>158,290</u>	<u>65</u>
Total Expenditures	<u>149,870</u>	<u>158,625</u>	<u>158,326</u>	<u>299</u>
Excess of Revenues Over (Under) Expenditures	<u>(132,670)</u>	<u>(141,425)</u>	<u>(141,971)</u>	<u>(546)</u>
Other Financing Sources (Uses)				
Sale of Manuscript Bonds	50,000	36,000	36,463	463
Transfers In	133,760	100,000	100,000	-
Total Other Financing Sources (Uses)	<u>183,760</u>	<u>136,000</u>	<u>136,463</u>	<u>463</u>
Net Change in Fund Balance	51,090	(5,425)	(5,508)	(83)
Fund Balance - Beginning of Year	78,822	78,822	78,822	-
Fund Balance - End of Year	<u>\$129,912</u>	<u>\$ 73,397</u>	<u>\$ 73,314</u>	<u>\$ (83)</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget (Non-GAAP Budgetary Basis) and Actual
Water Fund
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Income Taxes	\$ 345,000	\$ 360,000	\$ 367,145	\$ 7,145
Charges for Services	376,500	376,946	380,057	3,111
Investment Income	400	400	15	(385)
Other	13,000	13,000	9,293	(3,707)
Total Revenues	<u>734,900</u>	<u>750,346</u>	<u>756,510</u>	<u>6,164</u>
Expenses:				
Current:				
Basic Utility Services				
Office of Superintendent				
Personal Services	201,668	201,668	190,687	10,981
Other Than Personal Services	291,867	287,715	220,498	67,217
Capital Outlay	2,500	2,500	2,164	336
Total Office of Superintendent	<u>496,035</u>	<u>491,883</u>	<u>413,349</u>	<u>78,534</u>
Division of Water Treatment				
Personal Services	55,000	55,000	51,536	3,464
Other Than Personal Services	50,841	54,841	37,943	16,898
Capital Outlay	5,000	5,000	4,747	253
Total Division of Water Treatment	<u>110,841</u>	<u>114,841</u>	<u>94,226</u>	<u>20,615</u>
Division of Water Distribution				
Personal Services	65,100	65,100	56,182	8,918
Other Than Personal Services	30,667	21,967	17,753	4,214
Capital Outlay	-	67,870	66,849	1,021
Total Division of Water Distribution	<u>95,767</u>	<u>154,937</u>	<u>140,784</u>	<u>14,153</u>
Total Basic Utility Services	<u>702,643</u>	<u>761,661</u>	<u>648,359</u>	<u>113,302</u>
Debt Service				
Principal	72,500	77,500	77,500	-
Interest & Fiscal Charges	53,905	52,105	52,105	-
Total Debt Service	<u>126,405</u>	<u>129,605</u>	<u>129,605</u>	<u>-</u>
Total Expenses	<u>829,048</u>	<u>891,266</u>	<u>777,964</u>	<u>113,302</u>

(Continued)

City of Rittman, Ohio

**Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget (Non-GAAP Budgetary Basis) and Actual
Water Fund (continued)
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of Revenues Over (Under) Expenses	(94,148)	(140,920)	(21,454)	119,466
Other Financing Sources				
Settlement of lawsuit	-	(150,000)	(150,000)	-
Total Other Financing Sources	-	(150,000)	(150,000)	-
Net Change in Fund Equity	(94,148)	(290,920)	(171,454)	119,466
Fund Equity - Beginning of Year	614,018	614,018	614,018	-
Prior Year Encumbrances Appropriated	14,039	14,039	14,039	-
Fund Equity - End of Year	<u>\$ 533,909</u>	<u>\$ 337,137</u>	<u>\$ 456,603</u>	<u>\$ 119,466</u>

City of Rittman, Ohio

**Schedule of Revenues, Expenses and Changes in Fund Equity-
Budget (Non-GAAP Budgetary Basis) and Actual
Sewer Fund
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Charges for Services	\$1,207,000	\$1,247,000	\$1,301,533	\$ 54,533
Investment Income	17,000	17,000	9,022	(7,978)
Other	500	500	181	(319)
Total Revenues	<u>1,224,500</u>	<u>1,264,500</u>	<u>1,310,736</u>	<u>46,236</u>
Expenses:				
Current:				
Basic Utility Services				
Office of Superintendent				
Personal Services	213,646	213,646	205,785	7,861
Other Than Personal Services	301,115	301,115	265,986	35,129
Total Office of Superintendent	<u>514,761</u>	<u>514,761</u>	<u>471,771</u>	<u>42,990</u>
Division of Sewer Maintenance				
Personal Services	61,200	61,200	57,387	3,813
Other Than Personal Services	120,500	102,328	81,220	21,108
Capital Outlay	95,983	86,360	82,066	4,294
Total Division of Sewer Maintenance	<u>277,683</u>	<u>249,888</u>	<u>220,673</u>	<u>29,215</u>
Division of Wastewater Treatment				
Personal Services	91,225	91,225	86,372	4,853
Other Than Personal Services	69,285	69,285	60,748	8,537
Capital Outlay	3,392	27,795	27,792	3
Total Division of Wastewater Treatment	<u>163,902</u>	<u>188,305</u>	<u>174,912</u>	<u>13,393</u>
Total Basic Utility Services	<u>956,346</u>	<u>952,954</u>	<u>867,356</u>	<u>85,598</u>
Debt Service				
Principal	255,050	255,050	255,047	3
Interest & Fiscal Charges	93,625	93,625	93,622	3
Total Debt Service	<u>348,675</u>	<u>348,675</u>	<u>348,669</u>	<u>6</u>
Total Expenses	<u>1,305,021</u>	<u>1,301,629</u>	<u>1,216,025</u>	<u>85,604</u>

(Continued)

City of Rittman, Ohio

**Schedule of Revenues, Expenses and Changes in Fund Equity-
Budget (Non-GAAP Budgetary Basis) and Actual
Sewer Fund (continued)
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of Revenues Over (Under) Expenses	(80,521)	(37,129)	94,711	131,840
Other Financing Sources (Uses)				
Transfers In	468,675	468,675	468,675	-
Transfers Out	(468,675)	(468,675)	(468,675)	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Equity	(80,521)	(37,129)	94,711	131,840
Fund Equity - Beginning of Year	836,831	836,831	836,831	-
Prior Year Encumbrances Appropriated	30,171	30,171	30,171	-
Fund Equity - End of Year	<u>\$ 786,481</u>	<u>\$ 829,873</u>	<u>\$ 961,713</u>	<u>\$ 131,840</u>

STATISTICAL SECTION



City of Rittman, Ohio

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S-3 - S-7
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	S-8 - S-12
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S-13 - S-18
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S-19 - S-20
Operating Information These schedules contain service 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.	S-21 - S-26

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 2002; schedules presenting government-wide information include information beginning in that year.



City of Rittman, Ohio

Net Assets by Component (\$000 omitted) Accrual Basis of Accounting

Last Nine Fiscal Years (1)

Table 1

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities									
Invested in Capital Assets,									
Net of Related Debt	\$4,861	\$5,059	\$5,216	\$5,079	\$5,123	\$5,149	\$5,005	\$4,701	\$4,765
Restricted:	1,265	1,140	968	948	1,090	1,134	1,241	1,056	997
Unrestricted	1,192	1,195	1,045	994	1,288	1,143	1,066	1,043	1,137
<i>Total Governmental Activities Net Assets</i>	<u>\$7,318</u>	<u>\$7,394</u>	<u>\$7,229</u>	<u>\$7,021</u>	<u>\$7,501</u>	<u>\$7,426</u>	<u>\$7,312</u>	<u>\$6,800</u>	<u>\$6,899</u>
Business Type - Activities									
Invested in Capital Assets,									
Net of Related Debt	\$8,910	\$8,841	\$8,575	\$8,557	\$8,199	\$8,118	\$8,280	\$8,003	\$7,595
Unrestricted	1,754	1,808	1,664	1,618	1,728	1,537	1,044	1,080	1,427
<i>Total Business-Type Activities Net Assets</i>	<u>\$10,664</u>	<u>\$10,649</u>	<u>\$10,239</u>	<u>\$10,175</u>	<u>\$9,927</u>	<u>\$9,655</u>	<u>\$9,324</u>	<u>\$9,083</u>	<u>\$9,022</u>
Primary Government									
Invested in Capital Assets,									
Net of Related Debt	\$13,771	\$13,900	\$13,791	\$13,636	\$13,322	\$13,267	\$13,285	\$12,704	\$12,360
Restricted	1,265	1,140	968	948	1,090	1,134	1,241	1,056	997
Unrestricted	2,946	3,003	2,709	2,612	3,016	2,680	2,110	2,123	2,564
<i>Total Primary Government Net Assets</i>	<u>\$ 17,982</u>	<u>\$18,043</u>	<u>\$17,468</u>	<u>\$17,196</u>	<u>\$17,428</u>	<u>\$17,081</u>	<u>\$16,636</u>	<u>\$15,883</u>	<u>\$15,921</u>

The periods noted above do not reflect amounts restated.

(1) Information prior to 2002 is not available

City of Rittman, Ohio

Changes in Net Assets (\$000 omitted) Accrual Basis of Accounting

Last Nine Fiscal Years (1)

Table 2

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Program Revenues									
Governmental Activities:									
Charges for Services:									
Safety Services	\$220	\$240	\$272	\$230	\$183	\$184	\$225	\$148	\$133
Public Health and Welfare	33	14	35	22	21	33	39	39	35
Leisure Time Activities	228	263	262	199	232	231	264	221	191
Basic utility services	439	456	382	375	374	246	235	230	224
Transportation	8	2	5	0	41	34	0	42	93
General Government	287	290	258	248	286	288	257	235	231
Operating Grants and Contributions:	504	662	572	635	416	622	411	420	327
Capital Grants and Contributions:	104	206	74	1	16	125	534	140	209
<i>Total Governmental Activities Program Revenues</i>	<u>1,823</u>	<u>2,133</u>	<u>1,860</u>	<u>1,710</u>	<u>1,569</u>	<u>1,763</u>	<u>1,965</u>	<u>1,475</u>	<u>1,443</u>
Business-Type Activities:									
Charges for Services:									
Water	362	401	441	390	384	644	425	479	435
Sewer	1,279	1,294	1,220	1,200	1,166	1,019	1,052	913	965
Capital Grants and Contributions	18	110	0	0	0	0	190	50	0
<i>Total Business-Type Activities Program Revenues</i>	<u>1,659</u>	<u>1,805</u>	<u>1,661</u>	<u>1,590</u>	<u>1,550</u>	<u>1,663</u>	<u>1,667</u>	<u>1,442</u>	<u>1,400</u>
<i>Total Primary Government Program Revenues</i>	<u>3,482</u>	<u>3,938</u>	<u>3,521</u>	<u>3,300</u>	<u>3,119</u>	<u>3,426</u>	<u>3,632</u>	<u>2,917</u>	<u>2,843</u>
Expenses									
Governmental Activities:									
Safety Services	1,666	1,639	1,812	1,750	1,634	1,569	1,638	1,489	1,463
Public Health and Welfare	116	134	97	97	93	91	95	100	88
Leisure Time Activities	511	608	650	982	548	556	541	538	511
Basic Utility Services	459	385	384	364	351	231	223	215	208
Transportation	783	878	823	812	675	914	605	785	758
General Government	664	747	665	653	622	650	588	624	614
Interest and Fiscal Charges	52	50	69	73	66	74	109	108	125
<i>Total Governmental Activities Expenses</i>	<u>4,251</u>	<u>4,441</u>	<u>4,500</u>	<u>4,731</u>	<u>3,989</u>	<u>4,085</u>	<u>3,799</u>	<u>3,859</u>	<u>3,767</u>
Business-Type Activities									
Water	967	797	905	726	785	721	758	655	606
Sewer	1,046	1,023	995	952	974	994	1,018	1,095	1,131
<i>Total Business-Type Activities Expenses</i>	<u>2,013</u>	<u>1,820</u>	<u>1,900</u>	<u>1,678</u>	<u>1,759</u>	<u>1,715</u>	<u>1,776</u>	<u>1,750</u>	<u>1,737</u>
<i>Total Primary Government Program Expenses</i>	<u>6,264</u>	<u>6,261</u>	<u>6,400</u>	<u>6,409</u>	<u>5,748</u>	<u>5,800</u>	<u>5,575</u>	<u>5,609</u>	<u>5,504</u>
Net (Expense)/Revenue									
Governmental Activities	(2,428)	(2,308)	(2,640)	(3,021)	(2,420)	(2,322)	(1,834)	(2,384)	(2,324)
Business-Type Activities	(354)	(15)	(239)	(88)	(209)	(52)	(109)	(308)	(337)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(2,782)</u>	<u>(2,323)</u>	<u>(2,879)</u>	<u>(3,109)</u>	<u>(2,629)</u>	<u>(2,374)</u>	<u>(1,943)</u>	<u>(2,692)</u>	<u>(2,661)</u>

(Continued)

City of Rittman, Ohio

Changes in Net Assets (\$000 omitted) (continued) Accrual Basis of Accounting

Last Nine Fiscal Years (1)

Table 2

	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Revenues and Other Changes in Net Assets									
Governmental Activities									
Taxes:									
Property and Other Local Taxes Levied For:									
General Purposes	345	380	324	359	304	317	364	249	344
Safety Services	238	267	319	333	329	315	371	244	338
Income Taxes Levied For:									
General Purposes	723	783	601	671	745	732	645	777	723
Capital Improvements	361	392	299	335	373	366	323	388	361
Grants and Entitlements not Restricted to									
Specific Programs	609	567	479	555	506	467	448	457	540
Investment Earnings	46	57	121	193	147	151	91	54	136
Capital Contributions	0	0	0	0	0	0	0	0	342
Other	31	26	704	95	91	88	105	117	219
<i>Total Governmental Activities</i>	<u>2,353</u>	<u>2,472</u>	<u>2,847</u>	<u>2,541</u>	<u>2,495</u>	<u>2,436</u>	<u>2,347</u>	<u>2,286</u>	<u>3,003</u>
Business-Type Activities									
Income Taxes Levied For:									
Water Utility Services	361	392	302	335	373	366	350	369	420
Other	9	24	0	1	108	17	0	0	0
Capital Contributions	0	0	0	0	0	0	0	0	98
<i>Total Business-Type Activities</i>	<u>370</u>	<u>416</u>	<u>302</u>	<u>336</u>	<u>481</u>	<u>383</u>	<u>350</u>	<u>369</u>	<u>518</u>
<i>Total Primary Government</i>	<u>2,723</u>	<u>2,888</u>	<u>3,149</u>	<u>2,877</u>	<u>2,976</u>	<u>2,819</u>	<u>2,697</u>	<u>2,655</u>	<u>3,521</u>
Change in Net Assets									
Governmental Activities	(75)	164	207	(480)	75	114	513	(99)	679
Business-Type Activities	16	401	63	248	272	331	241	61	181
<i>Total Primary Government Change in Net Assets</i>	<u>(\$59)</u>	<u>\$565</u>	<u>\$270</u>	<u>(\$232)</u>	<u>\$347</u>	<u>\$445</u>	<u>\$754</u>	<u>(\$38)</u>	<u>\$860</u>

The periods noted above do not reflect amounts restated.

(1) Information prior to 2002 is not available

City of Rittman, Ohio

Fund Balances, Governmental Funds (\$000 omitted)
Modified Accrual Basis of Accounting

Last Nine Fiscal Years (1)

Table 3

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund									
Reserved	\$27	\$44	\$9	\$14	\$13	\$25	\$18	\$0	\$14
Unreserved, Designated	110	152	230	273	335	385	438	474	515
Unreserved	<u>775</u>	<u>765</u>	<u>655</u>	<u>686</u>	<u>684</u>	<u>533</u>	<u>408</u>	<u>304</u>	<u>469</u>
Total General Fund	<u>\$912</u>	<u>\$961</u>	<u>\$894</u>	<u>\$973</u>	<u>\$1,032</u>	<u>\$943</u>	<u>\$864</u>	<u>\$778</u>	<u>\$998</u>
All Other Governmental Funds									
Reserved	\$72	\$74	\$0	\$43	\$9	\$3	\$88	\$1	\$30
Unreserved:, Undesignated (Deficit), Reported in:									
Special Revenue funds	722	667	514	663	508	560	557	532	627
Debt Service funds	23	49	88	91	88	78	53	152	135
Capital Projects funds	<u>221</u>	<u>56</u>	<u>90</u>	<u>(333)</u>	<u>176</u>	<u>246</u>	<u>203</u>	<u>115</u>	<u>74</u>
Total All Other Governmental Funds	<u>\$1,038</u>	<u>\$846</u>	<u>\$692</u>	<u>\$464</u>	<u>\$781</u>	<u>\$887</u>	<u>\$901</u>	<u>\$800</u>	<u>\$866</u>
Total Governmental Funds	<u><u>\$1,950</u></u>	<u><u>\$1,807</u></u>	<u><u>\$1,586</u></u>	<u><u>\$1,437</u></u>	<u><u>\$1,813</u></u>	<u><u>\$1,830</u></u>	<u><u>\$1,765</u></u>	<u><u>\$1,578</u></u>	<u><u>\$1,864</u></u>

(1) Information prior to 2002 is not available

City of Rittman, Ohio

Changes in Fund Balances, Governmental Funds (\$000 omitted) Modified Accrual Basis of Accounting

Last Ten Fiscal Years

Table 4

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues										
Taxes	\$1,686	\$1,679	\$1,669	\$1,724	\$1,682	\$1,749	\$1,743	\$1,563	\$1,775	\$1,643
Charges for Services	1,159	1,171	1,094	1,027	1,076	942	975	873	877	539
Fees, Licenses and Permits	29	31	90	96	94	96	33	85	78	133
Intergovernmental	1,075	1,255	1,091	1,159	943	1,171	981	811	983	992
Special Assessments	83	23	18	17	20	16	17	15	22	20
Investment Income	46	57	123	196	149	151	92	55	141	267
Contributions and Donations	30	200	5	20	5	6	3	6	0	0
Other	16	46	655	66	33	26	14	67	208	41
<i>Total Revenues</i>	<u>4,124</u>	<u>4,462</u>	<u>4,745</u>	<u>4,305</u>	<u>4,002</u>	<u>4,157</u>	<u>3,858</u>	<u>3,475</u>	<u>4,084</u>	<u>3,635</u>
Expenditures										
Current:										
Safety Services	1,465	1,464	1,619	1,560	1,469	1,421	1,464	1,307	1,315	1,258
Public Health and Welfare	112	132	95	96	92	100	90	97	83	81
Leisure Time Activities	460	484	531	868	428	432	394	398	374	223
Basic Utility Services	460	385	384	364	351	231	223	215	208	201
Transportation	588	791	724	705	592	821	529	713	709	497
General Government	641	728	657	648	642	633	583	615	608	569
Capital Outlay	113	212	312	167	193	78	167	444	304	3,040
Debt Service:										
Principal Retirement	94	84	212	206	202	335	150	140	136	128
Interest and Fiscal Charges	49	47	65	68	61	67	115	110	126	117
Bond Issuance Costs	0	0	0	0	0	0	52	0	0	0
<i>Total Expenditures</i>	<u>3,982</u>	<u>4,327</u>	<u>4,599</u>	<u>4,682</u>	<u>4,030</u>	<u>4,118</u>	<u>3,767</u>	<u>4,039</u>	<u>3,863</u>	<u>6,114</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>142</u>	<u>135</u>	<u>146</u>	<u>(377)</u>	<u>(28)</u>	<u>39</u>	<u>91</u>	<u>(564)</u>	<u>221</u>	<u>(2,479)</u>
Other Financing Sources (Uses)										
Bonds Issued	0	77	0	0	12	26	0	18	0	0
Proceeds of Notes	0	0	0	0	0	0	0	0	53	0
Proceeds of Loans	0	0	0	0	0	0	0	0	48	0
Inception of Capital Lease	0	0	56	0	0	0	0	261	0	0
Issuance of Refunding Bonds	0	0	0	0	0	0	1,850	0	0	0
Sale of Capital Assets	0	0	0	0	0	0	30	0	0	0
Payment to refunded bond escrow agent	0	0	0	0	0	0	(1,784)	0	0	0
Transfers In	165	202	305	313	308	250	0	235	239	251
Transfers Out	(165)	(202)	(305)	(313)	(308)	(250)	0	(235)	(239)	(251)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>77</u>	<u>56</u>	<u>0</u>	<u>12</u>	<u>26</u>	<u>96</u>	<u>279</u>	<u>101</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$142</u>	<u>\$212</u>	<u>\$202</u>	<u>(\$377)</u>	<u>(\$16)</u>	<u>\$65</u>	<u>\$187</u>	<u>(\$285)</u>	<u>\$322</u>	<u>(\$2,479)</u>
Debt Service as a Percentage of Noncapital Expenditures	3.7%	3.2%	6.5%	6.1%	6.9%	10.0%	8.8%	7.0%	7.4%	8.0%

City of Rittman, Ohio

Assessed Valuations and Estimated True Values

Last Ten Years

Table 5

Tax Year/ Collection Year	Real Property			Tangible Personal Property		Tangible Personal Property		Total		Weighted Average Tax Rate
	Assessed Value		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Actual Value	Assessed Value	Actual Value			
2010	\$ 82,547,380	\$ 12,138,700	\$ 270,531,657	\$ 1,788,410	\$ 2,032,284	\$ 104,498	\$ 1,671,968	\$ 96,578,988	\$ 274,235,909	35.22%
2009	83,553,170	13,670,050	277,780,629	1,544,980	2,305,940	238,177	3,810,832	99,006,377	283,897,401	34.87
2008	79,896,630	12,806,990	264,867,486	1,617,040	2,413,493	6,552,905	52,423,240	100,873,565	319,704,219	26.84
2007	79,113,160	12,140,590	260,725,000	1,999,340	2,984,090	11,528,225	61,483,867	104,781,315	325,192,957	26.17
2006	75,426,750	11,373,170	247,999,771	1,735,490	2,590,284	16,911,260	67,645,040	105,446,670	318,235,095	30.63
2005	68,994,860	12,206,920	232,005,086	3,002,120	3,411,500	17,135,184	68,540,736	101,339,084	303,957,322	32.63
2004	67,081,670	10,931,910	222,895,943	2,466,630	2,802,989	15,243,491	60,973,964	95,723,701	286,672,895	32.78
2003	65,302,140	12,138,110	221,257,857	2,348,170	2,668,375	17,570,580	70,282,320	97,359,000	294,208,552	32.52
2002	58,518,950	10,105,950	196,071,143	2,087,540	2,372,205	17,821,512	71,286,048	88,533,952	269,729,395	32.27
2001	56,744,600	9,970,230	190,613,800	3,009,410	3,419,784	18,441,215	73,764,860	88,165,455	267,798,444	32.12

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

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

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

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

City of Rittman, Ohio

Property Tax Rates- Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)

Last Ten Years

Table 6

Collection Year	<u>City of Rittman Direct Rates</u>					<u>Overlapping Rates</u>					Total Direct & Overlapping Rates
	General Fund	Fire	Ambulance & E.M.S.	Police Pension Fund	Total City	Wayne County	Milton Township	Rittman Exempted Village School District	Special District		
2010	3.50	1.00	2.30	0.30	7.10	9.65	0.50	63.20	7.10	87.55	
2009	3.50	1.00	2.30	0.30	7.10	9.65	0.50	63.35	7.10	87.70	
2008	3.50	1.00	2.30	0.30	7.10	9.65	0.50	63.05	6.35	86.65	
2007	3.50	1.00	2.30	0.30	7.10	9.65	0.50	59.60	6.35	83.20	
2006	3.50	1.00	2.30	0.30	7.10	9.65	0.50	60.30	6.10	83.65	
2005	3.50	1.40	2.30	0.30	7.50	9.65	0.50	60.30	6.10	84.05	
2004	3.50	1.40	2.30	0.30	7.50	9.65	0.50	54.80	6.10	78.55	
2003	3.50	1.40	2.30	0.30	7.50	8.75	0.50	54.80	6.10	77.65	
2002	3.50	1.40	2.30	0.30	7.50	8.75	0.50	54.80	6.10	77.65	
2001	3.50	1.40	2.30	0.30	7.50	8.75	0.50	54.80	6.10	77.65	

Source: Wayne County, Ohio; County Auditor

City of Rittman, Ohio

Property Tax Levies and Collections

Last Ten Years

Table 7

Collection Year	Total Current Tax Levy	Current Tax Collections (1)	Percent of Current Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2010	\$ 631,097	\$ 612,955	97.13%	\$ 18,674	\$ 631,629	100.08%	\$ 17,304	2.74%
2009	614,600	607,491	98.84	18,636	626,127	101.88	20,103	3.27
2008	659,419	654,378	99.24	29,887	684,265	103.77	12,723	1.93
2007	618,998	615,750	99.48	25,667	641,417	103.62	5,313	0.86
2006	607,628	572,976	94.30	14,168	587,144	96.63	19,990	3.29
2005	593,000	561,000	94.60	24,707	585,707	98.77	6,057	1.02
2004	495,777	464,229	93.64	23,154	487,383	98.31	8,073	1.63
2003	494,827	461,991	93.36	16,890	478,881	96.78	16,395	3.31
2002	490,000	459,000	93.67	11,048	470,048	95.93	13,408	2.74
2001	413,000	406,000	98.31	12,591	418,591	101.35	16,224	3.93

Source: Wayne County Auditor

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

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

City of Rittman, Ohio

Principal Taxpayers – Real Estate

2010 and 2003

Table 8

Taxpayer	2010			2003 (1)		
	Real Property Assessed Valuation	Rank	Percentage of Real Assessed Valuation	Real Property Assessed Valuation	Rank	Percentage of Real Assessed Valuation
Morton International, Inc	\$1,127,990	1	1.19 %	\$984,460	2	1.27 %
Oscar & Christine Gross	827,890	2	0.87	489,140	4	0.63
Rittman Nursing Property, LLC	670,860	3	0.71	-	-	-
Priority II, LLC	488,610	4	0.52	-	-	-
Rittman Market Square, LLC	466,190	5	0.49	-	-	-
Caraustar Paperboard Corporation	439,850	6	0.46	1,224,700	1	1.58
Thompson Services, Inc.	369,660	7	0.39	406,030	6	0.52
Rittman Acres Limited Partnership	353,860	8	0.37	-	-	-
Villas Limited	351,180	9	0.37	317,590	7	0.41
Mull Iron	323,480	10	0.34	-	-	-
Laria Management Ltd.	-	-	-	279,890	8	0.36
Northern Health Facilities	-	-	-	638,770	3	0.82
Kenneth Maibach & David Rufen	-	-	-	256,250	9	0.33
Unilock Ohio, Inc.	-	-	-	255,800	10	0.33
Rittman Associates, Ltd.	-	-	-	452,300	5	0.58
Total	\$5,419,570		5.72 %	\$5,304,930		6.17 %
Total Assessed Valuation	\$94,686,080			\$77,440,250		

Source: Wayne County Auditor

(1) Information prior to 2003 is not available

City of Rittman, Ohio

**Municipal Income Tax Collections By Source
Cash Basis of Accounting**

Last Ten Years

Table 9

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2010	1.50%	\$1,468,579	\$853,353	58.11%	\$282,912	19.26%	\$332,314	22.63%
2009	1.50	1,379,284	861,707	62.47	153,419	11.12	364,158	26.40
2008	1.50	1,372,190	879,694	64.11	111,710	8.14	380,786	27.75
2007	1.50	1,343,468	892,875	66.46	87,519	6.51	363,074	27.03
2006	1.50	1,506,935	1,016,445	67.22	99,167	6.56	396,405	26.22
2005	1.50	1,475,958	978,148	66.27	92,210	6.25	405,599	27.48
2004	1.50	1,372,388	908,415	66.19	67,131	4.89	396,841	28.92
2003	1.50	1,465,986	982,375	67.01	78,102	5.33	405,508	27.66
2002	1.50	1,391,738	985,279	70.79	60,924	4.38	345,535	24.83
2001	1.50	1,373,050	963,893	70.20	65,976	4.81	343,181	24.99

Source: City of Rittman; Department of Budget and Finance; Income Tax Division

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

City of Rittman, Ohio

Ratio of Outstanding Debt by Type (\$000 omitted)

Last Ten Years

Table 10

Year	Governmental Activities (1)				Business-Type Activities (1)					Total Debt	Percentage of Personal Income (3)	Per Capita (3)
	General Obligation Bonds	Special Assessment Bonds (2)	OPWC Loans	Capital Leases	Revenue Bonds	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	OWDA Loans			
2010	\$1,038	\$0	\$0	\$32	\$1,016	\$1,195	\$0	\$187	\$633	\$4,101	4.05%	\$650
2009	1,122	43	0	41	1,039	1,260	0	200	865	4,570	4.51%	724
2008	1,120	43	0	50	1,060	1,320	0	212	1,086	4,891	4.83%	775
2007	1,816	60	0	0	1,081	1,380	0	225	1,297	5,859	5.78%	928
2006	1,495	76	5	0	1,101	1,440	0	238	1,497	5,852	5.77%	927
2005	1,670	81	15	0	1,120	1,495	8	142	1,687	6,218	6.14%	985
2004	1,850	69	24	132	1,138	1,550	15	0	1,869	6,647	6.56%	1,053
2003	1,776	81	34	261	1,155	0	22	0	2,041	5,370	5.30%	850
2002	1,895	75	44	0	1,171	0	0	0	2,206	5,391	5.32%	854
2001	2,006	42	0	0	1,186	0	0	0	2,384	5,618	5.54%	890

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

(2) Includes internal bonds

(3) See S20 for population and personal income data.

Source: City Records

City of Rittman, Ohio

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Years

Table 11

<u>Year</u>	<u>General Obligation Bonds (1)</u>	<u>Resources Available for Repayment</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2010	\$2,233,000	\$22,775	\$2,210,225	0.81 %	\$350.05
2009	2,382,000	49,064	2,332,936	0.82	369.49
2008	2,440,000	88,393	2,351,607	0.74	372.44
2007	3,196,000	90,669	3,105,331	0.95	491.82
2006	2,935,000	105,388	2,829,612	0.89	448.15
2005	3,165,000	77,774	3,087,226	1.02	488.95
2004	3,400,000	52,767	3,347,233	1.17	530.13
2003	1,776,000	152,337	1,623,663	0.55	257.15
2002	1,895,000	135,363	1,759,637	0.65	278.69
2001	2,006,000	83,901	1,922,099	0.72	304.42

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

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

City of Rittman, Ohio

Computation of Direct and Overlapping Debt (\$000 omitted)

December 31, 2010

Table 12

	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City</u>
Governmental Unit			
Rittman Exempted Village School District	\$ 7,415	87.41	\$ 6,481
Wayne County, Ohio	<u>8,537</u>	4.31	<u>368</u>
<i>Subtotal, Overlapping Debt</i>			<u>6,849</u>
City of Rittman governmental activities direct debt			<u>\$ 1,070</u>
Total Direct and Overlapping Debt			<u><u>\$7,919</u></u>

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

Source: City Records, Wayne County Auditor, and Rittman Exempted Village School District

City of Rittman, Ohio

Legal Debt Margin

Last Ten Fiscal Years

	2010	2009	2008	2007
Total Assessed Property Value	<u>\$96,578,988</u>	<u>\$99,006,377</u>	<u>\$100,873,565</u>	<u>\$104,781,315</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>\$10,140,794</u>	<u>\$10,395,670</u>	<u>\$10,591,724</u>	<u>\$11,002,038</u>
Debt Outstanding:				
General Obligation Bonds	2,233,000	2,382,000	2,440,000	3,196,000
Revenue Bonds	1,015,600	1,038,500	1,060,300	1,081,100
Special Assessment Bonds	0	42,758	43,208	60,007
OPWC Loans	187,500	200,000	212,500	225,000
OWDA Loans	633,148	865,295	1,086,256	1,296,569
Total Gross Indebtedness	4,069,248	4,528,553	4,842,264	5,858,676
Less:				
Sewer Revenue Bonds	(1,015,600)	(1,038,500)	(1,060,300)	(1,081,100)
Special Assessment Bonds	-	(42,758)	(43,208)	(60,007)
OPWC Loans	(187,500)	(200,000)	(212,500)	(225,000)
OWDA Loans	(633,148)	(865,295)	(1,086,256)	(1,296,569)
General Obligation Bond Retirement Fund Balance	(22,775)	(49,064)	(88,393)	(90,669)
Total Net Debt Applicable to Debt Limit	<u>2,210,225</u>	<u>2,332,936</u>	<u>2,351,607</u>	<u>3,105,331</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$7,930,569</u>	<u>\$8,062,734</u>	<u>\$8,240,117</u>	<u>\$7,896,707</u>
Legal Debt Margin as a Percentage of the Debt Limit	78.20%	77.56%	77.80%	71.77%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$5,311,844</u>	<u>\$5,445,351</u>	<u>\$5,548,046</u>	<u>\$5,762,972</u>
Total Gross Indebtedness	4,069,248	4,528,553	4,842,264	5,858,676
Less:				
Sewer Revenue Bonds	(1,015,600)	(1,038,500)	(1,060,300)	(1,081,100)
Special Assessment Bonds	0	(42,758)	(43,208)	(60,007)
Mortgage Revenue Bonds	(187,500)	(200,000)	(212,500)	(225,000)
OWDA Loans	(633,148)	(865,295)	(1,086,256)	(1,296,569)
General Obligation Bond Retirement Fund Balance	(22,775)	(49,064)	(88,393)	(90,669)
Net Debt Within 5 ½ % Limitations	<u>2,210,225</u>	<u>2,332,936</u>	<u>2,351,607</u>	<u>3,105,331</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$3,101,619</u>	<u>\$3,112,415</u>	<u>\$3,196,439</u>	<u>\$2,657,641</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	58.39%	57.16%	57.61%	46.12%

Source: City Financial Records

Table 13

2006	2005	2004	2003	2002	2001
<u>\$105,446,670</u>	<u>\$101,339,084</u>	<u>\$95,723,701</u>	<u>\$97,359,000</u>	<u>\$88,533,952</u>	<u>\$88,165,455</u>
<u>\$11,071,900</u>	<u>\$10,640,604</u>	<u>\$10,050,989</u>	<u>\$10,222,695</u>	<u>\$9,296,065</u>	<u>\$9,257,373</u>
2,935,000	3,165,000	3,400,000	1,776,000	1,895,000	2,006,000
1,100,900	1,119,700	1,137,600	1,154,600	1,170,800	1,186,200
75,982	89,025	84,084	103,754	74,665	41,798
242,350	156,197	24,250	33,950	43,650	0
1,496,748	1,687,282	1,868,635	2,041,249	2,205,546	2,384,186
5,850,980	6,217,204	6,514,569	5,109,553	5,389,661	5,618,184
(1,100,900)	(1,119,700)	(1,137,600)	(1,154,600)	(1,170,800)	(1,186,200)
(75,982)	(89,025)	(84,084)	(103,754)	(74,665)	(41,798)
(242,350)	(156,197)	(24,250)	(33,950)	(43,650)	0
(1,496,748)	(1,687,282)	(1,868,635)	(2,041,249)	(2,205,546)	(2,384,186)
<u>(105,388)</u>	<u>(77,774)</u>	<u>(52,767)</u>	<u>(152,337)</u>	<u>(135,363)</u>	<u>(83,901)</u>
2,829,612	3,087,226	3,347,233	1,623,663	1,759,637	1,922,099
<u>\$8,242,288</u>	<u>\$7,553,378</u>	<u>\$6,703,756</u>	<u>\$8,599,032</u>	<u>\$7,536,428</u>	<u>\$7,335,274</u>
74.44%	70.99%	66.70%	84.12%	81.07%	79.24%
<u>\$5,799,567</u>	<u>\$5,573,650</u>	<u>\$5,264,804</u>	<u>\$5,354,745</u>	<u>\$4,869,367</u>	<u>\$4,849,100</u>
5,850,980	6,217,204	6,514,569	5,109,553	5,389,661	5,618,184
(1,100,900)	(1,119,700)	(1,137,600)	(1,154,600)	(1,170,800)	(1,186,200)
(75,982)	(89,025)	(84,084)	(103,754)	(74,665)	(41,798)
(242,350)	(156,197)	(24,250)	(33,950)	(43,650)	0
(1,496,748)	(1,687,282)	(1,868,635)	(2,041,249)	(2,205,546)	(2,384,186)
<u>(105,388)</u>	<u>(77,774)</u>	<u>(52,767)</u>	<u>(152,337)</u>	<u>(135,363)</u>	<u>(83,901)</u>
2,829,612	3,087,226	3,347,233	1,623,663	1,759,637	1,922,099
<u>\$2,969,955</u>	<u>\$2,486,424</u>	<u>\$1,917,571</u>	<u>\$3,731,082</u>	<u>\$3,109,730</u>	<u>\$2,927,001</u>
51.21%	44.61%	36.42%	69.68%	63.86%	60.36%

City of Rittman, Ohio

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

Last Ten Fiscal Years

Table 14

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<u>General Bonded Debt</u>										
Debt Service	\$94	\$84	\$207	\$206	\$202	\$203	\$22	\$140	\$135	\$245
General Governmental Expenditures	3,982	4,327	4,599	4,682	4,031	4,118	3,767	4,039	3,863	6,114
Ratio of Debt Service to General Governmental Expenditures	2.36	1.94	4.50	4.40	5.01	4.93	0.58	3.47	3.49	4.01
<u>Revenue Bond Coverage</u>										
Sewer										
Direct Revenue	1,279	1,294	1,221	1,200	1,257	1,021	1,052	913	965	921
Operating expense (1)	735	699	660	608	622	630	644	693	673	681
Net available	544	595	561	592	635	391	408	220	292	240
Principal	23	22	21	20	19	18	17	16	15	14
Interest	53	54	55	56	57	58	59	60	61	62
Total Debt Service	76	76	76	76	76	76	76	76	76	76
Coverage	7.16	7.83	7.38	7.79	8.36	5.14	5.37	2.89	3.84	3.16

Source: City Financial Records

(1) Excludes depreciation

City of Rittman, Ohio

Principal Employers

2010 and 2003

Table 15

Employer	Industry	2010		2003 (1)		2003 (1)	
		Number of W-2's processed	Rank	Percentage of Total City W-2's processed	Number of W-2's processed	Rank	Percentage of Total City W-2's processed
Morton International, Inc.	Salt Mines	261	1	8.63%	293	1	9.73%
Rittman Local School District	Public Education	228	2	7.53	238	3	7.90
City of Rittman	Municipal Government	147	3	4.86	197	5	6.54
Embassy Autumnwood Management	Health Care	86	4	2.84	-		0.00
Laria Chevrolet Buick	Automobile Dealership	72	5	2.38	62	7	2.06
Bauman Orchard	Orchard	68	6	2.25	-		0.00
Rittman IGA	Grocery Store	56	7	1.85	-		0.00
Unilock Ohio, Inc.	Excavation	51	8	1.69	53	8	1.76
Premier Pontiac	Automobile Dealership	49	9	1.62	-		0.00
Imperial Plastics, Inc	Plastics	44	10	1.45	105	6	3.49
Mull Iron	Metal Fabricating	-		0.00	-		0.00
Caraustar Mill Group, Inc.	Paper recycling	-		0.00	240	2	7.97
Northern Health Facilities	Health Care	-		0.00	198	4	6.58
Promotional Fixtures	Marketing	-		0.00	41	9	1.36
Swiss Woodcraft, Inc.	Cabinet manufacturer	-		0.00	36	10	1.20
Total		<u>1,062</u>		<u>35.09%</u>	<u>1,463</u>		<u>48.59%</u>
Total W-2's Processed		<u>3,026</u>			<u>3,011</u>	(2)	

Source: City of Rittman

(1) Information before 2003 is not available

(2) Labor statistics only available for 2002

City of Rittman, Ohio

Demographic and Economic Statistics

Last Ten Years

Table 16

Year	Population (1)	Total Personal Income (1) (000 omitted)	Personal Income Per Capita (1)	Median Family Income (1)	School Enrollment (2)	Unemployment Rate (3)			City Square Miles (4)
						Wayne County	Medina County	State of Ohio	
2010	6,314	\$101,333	\$16,049	\$41,643	1,108	9.4 %	8.2 %	10.1 %	6.1
2009	6,314	101,333	16,049	41,643	1,155	9.9	8.3	10.2	6.1
2008	6,314	101,333	16,049	41,643	1,097	5.6	5.8	6.5	6.1
2007	6,314	101,333	16,049	41,643	1,063	5.0	5.8	5.8	6.1
2006	6,314	101,333	16,049	41,643	1,121	4.6	4.7	5.5	6.1
2005	6,314	101,333	16,049	41,643	1,153	4.9	4.7	5.9	6.1
2004	6,314	101,333	16,049	41,643	1,162	5.3	4.9	5.9	6.1
2003	6,314	101,333	16,049	41,643	1,216	5.1	5.0	6.1	6.1
2002	6,314	101,333	16,049	41,643	1,239	4.9	4.5	5.7	6.1
2001	6,314	101,333	16,049	41,643	1,209	3.9	3.7	4.2	6.1

Sources:

(1) U. S. Census 2000

U. S. Census 2010 not available at the time of the report.

(2) School District Records

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

Unemployment rate is not available for the City of Rittman.

City of Rittman, Ohio

Full Time Employees by Function/Program

Last Nine Years (1)

Table 17

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government									
City Council	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Mayor	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
City Manager	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Law	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Tax	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	1.00	1.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Security of Persons and Property									
Police	12.00	11.50	11.00	11.00	11.00	11.00	11.50	12.00	12.50
Police - School Guards	1.50	1.50	5.00	5.00	5.00	6.50	6.50	5.50	5.00
Police - Dispatchers	4.50	5.50	5.00	5.00	5.00	6.00	5.00	5.00	4.50
Police - Animal Wardens	0.50	0.50	1.00	1.00	1.00	1.00	1.00	0.00	0.00
Fire	14.50	14.50	14.50	14.50	14.50	16.50	16.00	16.00	14.00
Public Health Services									
Emergency Medical Services	15.00	15.00	15.50	15.50	15.50	15.50	15.50	14.00	13.00
Cemetery	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Leisure Time Activities									
Recreation	12.50	12.50	12.00	12.00	12.00	12.00	13.00	11.50	12.00
Parks	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Transportation									
Service	2.00	2.00	2.50	2.50	2.50	2.50	2.50	3.50	3.50
Street M&R	5.50	5.50	7.00	7.00	7.00	5.00	6.00	6.00	6.00
Basic Utility Services									
Water	4.75	4.75	5.00	5.00	5.00	4.00	5.00	5.00	5.00
Waste Water	5.75	5.75	4.00	4.00	4.00	4.00	4.00	5.00	5.00
Totals:	90.50	91.00	95.50	95.50	95.50	97.00	99.00	96.50	93.50

Source: City Payroll Department Attendance Cards at Year End

Method: Using 1.00 for each full-time employee and 0.50 for each part-time

and seasonal employee at year end. Some employees are split between multiple functions/programs

(1) Information prior to 2002 is not available

City of Rittman, Ohio

Operating Indicators by Function/Program

Last Nine Years (1)

Table 18

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002
<i>General Government</i>									
Council and Clerk									
Number of Ordinances Passed	29	31	37	28	30	36	47	35	31
Number of Resolutions Passed	11	21	19	10	14	18	19	4	10
Number of Planning Commission docket items	1	0	2	1	5	6	11	4	4
Zoning Board of Appeals docket items	1	4	4	7	9	9	11	11	9
Finance Department									
Number of checks/vouchers issued	1,961	2,165	2,424	2,497	2,483	2,436	3,877	2,618	2,606
Amount of checks written	\$5,973,160	\$6,252,415	\$6,698,892	\$66,500,835	\$5,927,649	\$6,947,390	\$7,260,449	\$6,173,985	\$610,750
Number of payroll checks issued	3,305	3,386	3,415	3,351	3,346	3,410	3,397	3,467	3,492
Interest earning for fiscal year (cash basis)	\$40,458	\$81,002	127,981	202,302	157,201	133,639	89,796	77,257	138,156
Number of receipts issued	2,328	2,039	1,990	1,980	1,972	1,997	1,842	1,902	n/a
General fund receipts (cash basis)	\$2,766,788	\$2,905,901	\$2,908,884	\$2,832,218	\$2,828,136	\$2,678,059	\$2,596,735	\$2,522,852	\$2,487,356
General fund expenditures (cash basis)	\$2,719,082	\$2,894,932	\$2,909,987	\$2,798,914	\$2,706,074	\$2,432,279	\$2,376,547	\$2,426,831	\$2,350,826
General fund cash balances (in thousands)	\$624,452	\$552,889	\$554,138	\$549,732	\$520,281	\$382,840	\$273,493	\$178,457	\$215,277
Income Tax Department									
Number of individual returns	3,452	3,441	3,523	3,485	4,460	3,971	4,077	4,805	4,365
Number of business returns	360	357	426	465	473	380	407	399	397
Number of business withholding accounts	446	384	243	308	2,880	2,797	2,664	2,625	2,568
Amount of penalties and interest collected	\$31,997	\$25,596	\$22,498	\$24,710	\$44,694	\$21,829	\$17,185	\$28,923	\$16,951
Civil Services									
Number of police entry tests administered	n/a	n/a	n/a	13	n/a	n/a	n/a	36	n/a
Number of dispatcher entry tests administered	n/a	n/a	n/a	n/a	n/a	12	n/a	n/a	n/a
Number of hires of Police Officers from certified lists	n/a	n/a	n/a	2	n/a	n/a	n/a	1	n/a
Number of hires of Dispatchers from certified lists	n/a	n/a	n/a	n/a	n/a	1	n/a	n/a	n/a

City of Rittman, Ohio

Operating Indicators by Function/Program (continued)

Last Nine Years (1)

Table 18

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002
<i>Building Department Indicators</i>									
Number of zoning permits issued	64	46	46	68	140	145	165	195	198
Number of new housing permits issued	4	4	6	10	14	20	38	29	51
Estimated Value of Construction	\$698,107	\$15,491,375	\$910,574	\$7,667,346	\$2,712,612	\$12,030,811	\$2,468,000	\$5,003,102	\$7,457,223
Amount of Revenue generated from permits	\$1,834	\$13,324	\$2,190	\$4,418	\$5,246	\$11,850	\$10,982	\$8,416	\$6,162
<i>Security of Persons and Property</i>									
<i>Police</i>									
Total Calls for Services	12,954	7,996	9,932	7,829	7,773	n/a	4,787	3,830	5,493
Number of traffic citations issued	663	213	414	443	419	n/a	391	428	421
Number of parking citations issued	387	280	294	267	493	n/a	435	702	161
Number of criminal arrests	463	520	543	475	454	n/a	426	346	435
Number of accident reports completed	107	121	122	132	130	n/a	121	120	144
Injury accidents	8	8	8	15	15	n/a	13	13	18
Stolen vehicles	1	6	9	14	15	n/a	16	8	15
Incident reports	595	482	599	721	611	n/a	506	484	595
DUI arrests	15	14	25	47	26	n/a	31	28	48
Burglary	66	55	52	49	32	n/a	19	19	40
Thefts	345	180	221	107	93	n/a	97	73	96
Robberies	5	6	6	4	1	n/a	1	1	n/a
Homicides	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gasoline costs of fleet	\$21,721	\$16,852	\$30,536	\$26,487	\$22,000	\$18,460	\$14,358	\$13,164	\$11,428
Total calls handled through communication center	14,584	11,173	13,582	18,998	16,845	n/a	13,269	12,487	11,199

City of Rittman, Ohio

Operating Indicators by Function/Program (continued)

Last Nine Years (1)

Table 18

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002
Fire/EMS									
EMS total runs	852	878	817	872	787	735	784	684	670
EMS transports	530	618	557	636	579	450	568	516	n/a
Ambulance billing collections (net)	\$173,138	\$186,981	\$168,748	\$171,068	\$111,701	\$114,413	\$109,333	\$74,955	\$71,905
Fire calls	159	196	194	192	n/a	n/a	n/a	n/a	n/a
Fires with loss	3	4	8	4	n/a	n/a	n/a	n/a	n/a
Fires with losses exceeding \$10K	1	1	n/a	1	n/a	n/a	n/a	n/a	n/a
Fire Losses	\$45,000	\$84,500	\$13,000	\$18,000	n/a	n/a	n/a	n/a	n/a
Fire safety inspections	31	58	28	20	n/a	n/a	n/a	n/a	n/a
Number of times mutual aid received for fire and EMS	36	22	35	46	n/a	n/a	n/a	n/a	n/a
Public Health and Welfare									
Cemetery Burials	39	44	32	30	34	45	38	45	43
Cemetery cremations	14	13	8	13	4	9	6	3	5
Cemetery sale of lots	29	38	34	15	26	41	44	40	34
Cemetery receipts	\$30,479	\$37,183	\$35,314	\$21,811	\$25,847	\$38,065	\$35,438	\$38,258	\$30,946
Leisure Time Activities									
Recreation									
Recreation Center membership receipts	\$161,523	\$150,607	\$171,172	\$128,679	\$156,885	\$159,191	\$168,244	\$156,825	\$135,461
Recreation Center rental receipts	\$16,167	\$16,776	\$15,160	\$8,376	\$15,598	\$18,024	\$17,139	\$17,814	\$13,063
Recreation Center program receipts	\$49,758	\$52,578	\$60,110	\$47,353	\$50,426	\$46,357	\$41,288	\$40,974	\$34,034
Recreation Center miscellaneous receipts	\$37,381	\$17,428	\$27,153	\$25,643	\$20,476	\$20,409	\$13,972	\$15,378	\$53,973
Total Recreation Department receipts	\$264,829	\$237,389	\$273,595	\$210,050	\$243,384	\$243,981	\$240,643	\$230,990	\$236,531

City of Rittman, Ohio

Operating Indicators by Function/Program (continued)

Last Nine Years (1)

Table 18

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002
Transportation									
Crackseal Coating Program - Annual Cost	\$29,347	\$0	\$11,456	\$14,850	\$17,000	\$16,632	\$15,348	\$17,653	\$18,844
Paint Striping - Annual Cost	\$11,874	\$9,918	\$12,545	n/a	\$10,000	\$9,288	\$6,888	\$8,706	\$5,965
Leaf collection - disposal costs	\$1,000	\$1,000	\$4,701	\$1,540	\$3,489	\$3,565	\$2,445	\$2,288	\$2,712
Cost of salt purchased	\$28,112	\$16,206	\$23,206	\$26,889	\$22,732	\$39,020	\$32,436	\$34,723	\$14,278
Water Department									
Water rates per 1st 300 Cu ft of water used	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7
Annual total of utility accounts billed	29,964	30,048	33,780	29,715	29,791	29,695	29,333	28,967	28,503
Annual total Water Collections Billed	\$364,715	\$355,291	\$349,999	\$358,757	\$375,263	\$363,723	\$366,846	\$361,024	\$363,477
Avg. water billed monthly (Gallons)	12,454	12,712	12,181	12,905	15,186	13,006	15,329	19,209	19,383
Total water collections annually (Including P&I)	\$404,617	\$396,095	\$361,428	\$359,042	\$364,517	\$371,453	\$366,800	\$374,095	\$368,149
Waste Water Department									
Waste water rates per 1st 300 Cu ft of water used	\$31	\$31	\$26	\$24	\$23	\$22	\$22	\$20	\$20
Annual total sewer collections billed	\$1,208,474	\$1,165,163	\$1,048,802	\$1,028,074	\$1,229,844	\$969,035	\$918,648	\$852,413	\$853,283
Total sewer collections annually	\$1,263,609	\$2,053,066	\$1,149,011	\$1,154,935	\$1,110,995	\$983,697	\$917,436	\$881,995	\$865,304

Source: City of Rittman

(1) Information prior to 2002 is not available

n/a Information not available, eight years of information will be shown when available

City of Rittman, Ohio

Capital Assets Statistics by Function/Program

Last Nine Years (1)

Table 19

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government									
Number of Buildings	1	1	1	1	1	1	1	1	1
Administrative Vehicles	1	1	1	1	1	1	1	1	1
Safety - Police/Fire									
Stations	1	1	1	1	1	1	1	1	1
Vehicles - Police	9	9	9	9	9	9	8	7	6
Vehicles - Fire	8	8	7	6	6	6	6	6	6
Emergency Medical Services									
Stations	1	1	1	1	1	1	1	1	1
Vehicles	4	4	4	5	5	3	3	3	3
Recreation									
Number of Buildings	1	1	1	1	1	1	1	1	1
Number of Shelters/Pavilions	3	3	3	3	3	3	3	3	3
Number of Parks	12	12	11	11	11	11	11	11	11
Number of Pools	1	1	1	1	1	1	1	1	1
Number of Baseball Diamonds	8	8	8	8	8	8	8	8	8
Number of Skateboarding Areas	0	0	0	1	1	1	1	1	1
Number of Tot Lots	9	9	9	9	9	9	9	9	9
Vehicles	2	1	1	1	1	1	1	1	1
Transportation									
Number of Buildings	2	2	2	2	2	2	2	2	2
Salt Building	1	1	1	1	1	1	1	1	1
Streets (Center Lane Miles)	41	41	41	41	41	41	41	41	41
Storm Sewers (Miles)	19	19	19	19	19	19	19	19	19
Service Vehicles	11	12	12	15	15	14	13	13	13
Public Health and Welfare									
Number of Buildings	1	1	1	1	1	1	1	1	1
Service Vehicles	1	1	1	1	1	1	1	1	1
Water									
Treatment Plant	1	1	1	1	1	1	1	1	1
Pole Building	1	1	1	1	1	1	1	1	1
Water Lines (Miles)	44	44	44	44	44	44	44	43	43
Vehicles	6	6	6	7	7	7	7	7	6
Waste Water									
Treatment Plant	1	1	1	1	1	1	1	1	1
Sanitary Sewers (Miles)	39	39	39	39	39	39	39	38	38
Vehicles	7	7	7	7	6	6	6	6	6

Source: City of Rittman's capital asset records

(1) Information prior to 2002 not available



Dave Yost • Auditor of State

CITY OF RITMAN

WAYNE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 15, 2011**